

World Economic and Financial Surveys

# Regional Economic Outlook

## Sub-Saharan Africa

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# Abbreviations

AEGP	African Economic Growth Project
CEMAC	Central African Economic and Monetary Community
CPI	Consumer price index
CPIA	Country Policy and Institutional Assessment
EAC	East Africa Community
FDI	Foreign direct investment
HIPC	Heavily indebted poor countries
MDG	Millennium Development Goal
MDRI	Multilateral Debt Relief Initiative
OECD	Organization for Economic Cooperation and Development
OPC	Oil-producing country
PPP	Purchasing power parity
PRGF	Poverty Reduction and Growth Facility
TFP	Total factor productivity
SG	Sustained growth
SSA	Sub-Saharan Africa
WAEMU	West African Economic and Monetary Union
WEO	<i>World Economic Outlook</i>

The following conventions are used in this publication:

- In tables, a blank cell indicates “not applicable,” and ellipsis points ( . . . ) indicate “not available,” and 0 or 0.0 indicates “zero” or “negligible.” Minor discrepancies between sums of constituent figures and totals are due to rounding.
- An en-dash (–) between years or months (for example, 2005–06 or January–June) indicates the years or months covered, including the beginning and ending years or months; a slash or virgule (/) between years or months (for example, 2005/06) indicates a fiscal or financial year, as does the abbreviation FY (for example, FY2006).
- “Billion” means a thousand million; “trillion” means a thousand billion.
- “Basis points” refer to hundredths of 1 percentage point (for example, 25 basis points are equivalent to  $\frac{1}{4}$  of 1 percentage point).



# Main Messages

## Developments in 2008 and Outlook for 2009

In an increasingly adverse global environment, sub-Saharan African growth is expected to slow to about 6 percent in 2008 and 2009, down from 6½ percent in 2007. Meanwhile, inflation is projected to increase to 12 percent in 2008 and 10 percent in 2009. The growth projections are somewhat lower and the inflation projections markedly higher than in the April 2008 *Regional Economic Outlook: Sub-Saharan Africa*, especially for 2008.

The worsening macroeconomic situation reflects headwinds from strong increases in food and fuel prices, slower world growth, and global financial turmoil. So far, the main effects of the global financial turmoil appear to be indirect, in the form of slower global growth and volatile commodity prices. Recent heightened turbulence raises the risks, including of a decline in resource flows to Africa in the form of private capital, remittances, and even aid.

The food and fuel price shock has put upward pressure on inflation and current account deficits. Further, donor support has not risen to cover the larger import bills caused by the price shock, leaving the adjustment to domestic resources. Foreign exchange reserves have held up fairly well so far but cannot be expected to absorb the long-term consequences of the food and fuel price shock. These concerns remain valid in spite of the recent easing of oil prices and, to a lesser extent, food prices. Food and fuel prices are still far above their 2007 levels, adjustment to higher prices is not yet complete, and remaining inflationary pressures may still be substantial in many countries.

The challenge for policymakers is to adjust to the food and fuel price shock, preserve economic stability, and shield the poor. The increase in food and fuel prices needs to be passed through to the economy over time to encourage adjustment. With food accounting for a major share of household expenditure, the resulting loss in the purchasing power of the poor is a serious concern. To help protect the poor, policymakers have so far tended to reduce taxes and tariffs on fuel and food items and increase subsidies on them. But not only have these measures tended to benefit a broader segment of the population and therefore been of limited value to the poor, they are also costly for government budgets in the longer run. Measures to cushion the impact of higher food and fuel prices on the poor therefore need to be better targeted—and also better supported by donors. For oil exporters, a particular challenge is to use oil revenue wisely in ways the economy can absorb.

A number of governments may have “fallen behind the curve” in fighting inflation. The rise in inflation tracks not only the rise in oil and food prices, but also demand pressures in some economies. Therefore, monetary policies may need to be tightened in several countries to preserve price stability and external sustainability. Fiscal tightening should support this

effort, particularly where monetary policy choices are limited by the exchange rate regime and where the fiscal stance has contributed to inflation.

There are unprecedented risks to the global economic outlook, and the resilience of growth and macroeconomic stability in the continent is being put to a test. Countries need—more than ever—to be able to respond quickly to unexpected exogenous shocks. Those countries facing inflationary import price shocks, declines in their terms of trade, and lower remittances and private capital inflows face an especially acute challenge; a shortfall in aid would be a further difficult blow. More generally, recent volatility underscores the lesson that countries enjoying favorable circumstances should build an adequate external reserve cushion.

## Growth Takeoff

The current volatile environment comes at a time when, for the first time since the 1970s, a large number of countries in sub-Saharan Africa are enjoying high rates of growth in per capita income. Sustaining and even accelerating high growth—and extending it to low-growth countries—is critical if the region is to achieve its overriding economic objective: raising living standards and reaching the Millennium Development Goals (MDGs). Chapter 2 scrutinizes the current growth takeoff and draws five main conclusions:

- *Sub-Saharan Africa has enjoyed a remarkable growth takeoff since the mid-1990s. Average growth rates approach those of developing countries elsewhere, and growth in the region is in some ways more persistent than in any previous postwar period. There is little evidence of an inescapable poverty trap. The fast growers are a diverse group, including resource-rich and landlocked countries and resource-poor countries that have not had large gains in their terms of trade.*
- *Sustained growers in sub-Saharan Africa have gotten the critical basics right and avoided major policy failures. Most of those that are getting ahead have achieved macroeconomic stability, including stable and low inflation and debt sustainability, pursued sound economic policies, and reinforced their institutions.*
- *Recent African success stories also demonstrate that governments need to play a proactive role but that there is no simple recipe for achieving high growth. Countries need to choose policies that allow them to benefit from what is happening externally, preserve macroeconomic stability, promote effective public and private investment, and ensure that all share in the benefits of growth, which must include improvements in health, education, and the other areas targeted by the MDGs as well as income. Moving toward growth trajectories that emphasize value added and nontraditional exports—paths that characterize most sustained fast growers in other regions—is not easy, but it can be done.*

- *Higher aid has been part of the story for fast growers that have not benefited from large resource rents, providing room for higher social spending and public investment and promoting or at least being consistent with fast growth.* However, as the Commission on Growth and Development's recent *Growth Report* notes, fears that large increases in aid may also undermine exports are "difficult to prove, but difficult to dismiss" (p. 77). It is therefore important that the sectoral allocation of aid reflect country priorities, especially productivity-enhancing investments.
- *High growth cannot be taken for granted.* Previously, boom-bust cycles, exogenous shocks and conflicts, and the inability to channel resource wealth into sustainable growth and productive investments all worked to derail what were considered promising growth trajectories. The current period presents new challenges, as Chapter 1 makes clear, but stronger policies and fundamentals should allow countries to sustain growth. For example, higher reserves should help sub-Saharan Africa oil importers absorb higher fuel prices, at least temporarily.

# I. Overview

## Recent Developments in the World Economy

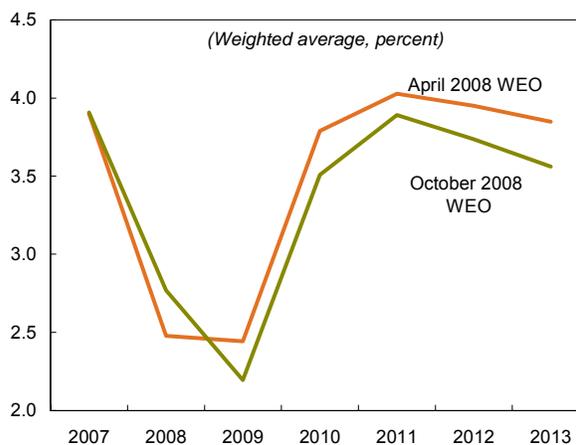
In recent years countries in sub-Saharan Africa have enjoyed some of their highest growth rates in decades, thanks both to favorable external conditions and improved domestic policies. In late 2007 and early 2008, however, the global environment deteriorated, as noted in the Spring 2008 *Regional Economic Outlook: Sub-Saharan Africa* (REO). Since then it has become even more challenging. Food and fuel prices have risen further, global financial markets have become more turbulent, and the global slowdown is expected to deepen. In particular

- Global growth is projected to fall to 4 percent in 2008 and 3 percent in 2009. As a result, the market for sub-Saharan African exports is projected to grow by only 3 percent in 2008 and 2 percent in 2009, down from 4 percent in 2007 (Figure 1.1).
- Despite recent price declines, food and fuel prices are projected to remain substantially above their 2007 levels (Table 1.1, Figure 1.2).<sup>1</sup> As a result, and although some sub-Saharan African countries have benefited from rising prices on their exports of non-oil commodities, such as aluminum, cotton, and gold, for the first time in several years most African oil-importing countries are expected to see a significant and lasting decline in their terms of trade relative to 2007.<sup>2</sup> Commodity price projections are

currently beset with unusually large uncertainty, however, and substantial surprises cannot be excluded.

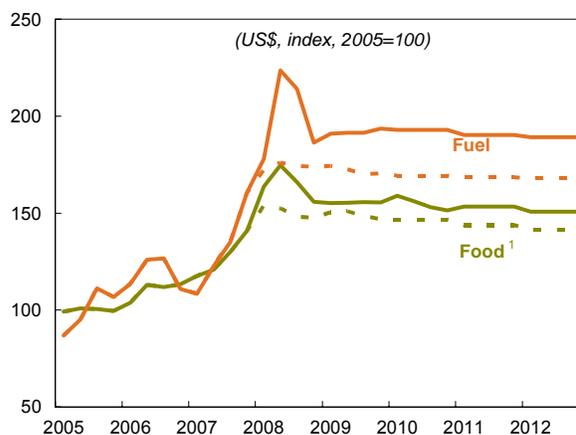
The impact of continued global financial market turbulence on sub-Saharan Africa appears to be

**Figure 1.1. GDP Growth in Recipients of Sub-Saharan African Exports**  
Demand for sub-Saharan African exports has fallen.



Source: IMF, *World Economic Outlook* (WEO).

**Figure 1.2. World Commodity Prices**  
Food and fuel prices eased recently but remain far above 2007 levels.



Source: IMF, *World Economic Outlook*.

Note: Solid lines show current projection, dotted lines April 2008 projection.

<sup>1</sup>Includes cereals, vegetable oils, meat, seafood, sugar, bananas, and oranges.

This chapter was prepared by John Wakeman-Linn and Hans Weisfeld, with research assistance from Gustavo Ramirez and editorial assistance from Emma Morgan.

<sup>1</sup> As of mid-September, oil prices stood at about US\$100 a barrel, some 40 percent below their mid-July peaks. Similarly, food prices eased 8 percent from their June peak.

<sup>2</sup> As in previous *Regional Economic Outlooks*, we divide sub-Saharan African countries into oil exporters and oil importers. Oil-importing countries are further categorized as middle-

(continued)

income, low-income, and fragile countries. For a complete classification, see the Statistical Appendix.

**Table 1.1. Sub-Saharan Africa: Selected Indicators, 2004–09<sup>1</sup>**

	2004	2005	2006	2007	Projections 2008	Projections 2009
<i>Percent change</i>						
Real GDP	7.0	6.2	6.3	6.7	5.9	6.2
<i>Of which:</i> Oil exporters <sup>2</sup>	11.2	7.8	7.5	8.9	8.1	8.8
Oil importers	5.1	5.6	5.8	5.7	4.8	4.9
Real non-oil GDP	7.1	6.4	7.8	7.7	6.9	6.2
Consumer prices (average)	7.3	8.8	7.3	7.1	11.7	9.5
<i>Of which:</i> Oil exporters	14.9	14.7	8.2	5.7	9.9	9.0
Oil importers	4.2	6.2	6.9	7.8	12.6	9.7
Per capita GDP	4.9	4.2	4.3	4.6	3.6	4.1
<i>Percent of GDP</i>						
Exports of goods and services	34.4	36.8	38.0	38.2	41.5	39.5
Imports of goods and services	33.0	33.9	34.7	36.4	37.5	37.3
Gross domestic saving	21.3	22.8	24.6	24.1	26.2	25.5
Gross domestic investment	20.3	20.2	21.6	22.2	22.2	23.2
Fiscal balance (including grants)	-0.2	1.7	5.0	1.6	2.2	1.5
<i>Of which:</i> Oil exporters	4.5	8.2	11.7	5.0	7.1	5.5
Oil importers	-2.1	-1.2	1.5	-0.2	-1.1	-1.3
Current account (including grants)	-1.5	-0.4	0.5	-2.4	-0.3	-2.1
<i>Of which:</i> Oil exporters	2.7	7.7	10.9	3.8	9.7	5.7
Oil importers	-3.1	-4.0	-5.0	-5.8	-7.1	-7.6
Terms of trade (percent change)	3.5	9.4	9.8	6.0	15.1	-2.8
<i>Of which:</i> Oil exporters	15.6	32.4	16.6	8.0	38.1	-6.1
Oil importers	-1.2	-0.9	6.3	4.9	-0.6	-0.4
Reserves (months of imports)	4.3	4.7	5.6	5.8	6.1	6.7
<i>Memorandum items:</i>						
Oil price (US\$ a barrel)	37.8	53.4	64.3	71.1	107.3	100.5
GDP growth in SSA trade partners (in percent)	4.2	3.6	4.1	3.9	2.8	2.2

Sources: IMF, African Department database; and IMF, World Economic Outlook (WEO) database.

Note: Data as of October 3, 2008. Arithmetic average of data for individual countries, weighted by GDP.

<sup>1</sup> Excludes Zimbabwe. See Statistical Appendix tables for the list of sub-Saharan African countries.

<sup>2</sup> Consists of Angola, Cameroon, Chad, Republic of Congo, Equatorial Guinea, Gabon, and Nigeria.

contained so far. While the turbulence has reduced global growth and demand for sub-Saharan Africa's exports somewhat, interest in investing in the continent appears to continue, in part because rates of return there are high relative to those in mature markets and because sub-Saharan Africa offers unique diversification opportunities. In particular, foreign direct investment (FDI) has continued to grow, increasingly benefiting non-oil producers. FDI is attracted in part by high non-oil commodity prices and opportunities to invest in services like telecommunications (Figure 1.3). A substantial and growing part of FDI inflows comes from China, and increasingly also the Gulf countries.

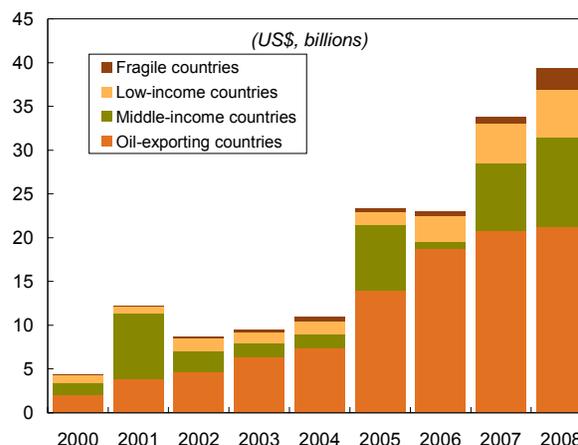
However, during the course of 2008, portfolio inflows have come under some pressure as global liquidity has tightened; as exchange rates and capital markets have become more volatile, increasing the perceived risk of investing in local-currency-denominated assets; and as investors have become more concerned about an increase in political and macroeconomic risks and the liquidity of their assets. For example, issuances by African countries of foreign-currency-denominated bonds ceased in the first half of 2008, after doubling yearly from 1.5 billion dollars in 2005 to 6.5 billion dollars in 2007. Further, reflecting both domestic factors and the changing attitudes of global investors, South Africa saw portfolio flows reverse starting in late 2007 while its stock market became more volatile and the rand depreciated.<sup>3</sup> Nigeria also saw interest in its sovereign and corporate debt titles decline temporarily in early 2008. In Kenya, election-related violence early in the year had a transitory negative impact on capital flows, but inflows returned in April in the context of the privatization of a telecommunications provider.

The intensification of global financial market turbulence in September has further increased

<sup>3</sup> South Africa has also seen an increase in interest rates relative to rates in mature markets. This primarily reflects gradual monetary policy tightening in South Africa, not a change in global financial market conditions.

**Figure 1.3. Sub-Saharan Africa: Foreign Direct Investment**

**FDI inflows have continued to grow.**



Source: IMF, *World Economic Outlook*.

investor preference for highly liquid and high-quality assets and may affect portfolio flows going forward. While most African countries rely mainly on official flows to finance balance of payments needs, countries that have started in recent years to tap the global financial markets to finance sizable current account deficits are particularly vulnerable to a potential reversal in capital flows. Governments in these countries should implement particularly prudent macroeconomic policies to boost investor confidence as much as possible. Another channel through which the global financial market turbulence could affect Africa is a potential weakening of domestic banks. In particular, foreign ownership of African banks could constitute a vulnerability if parent retail banks started to withdraw funds from their African subsidiaries. So far, however, African banks appear to have been affected only little in this regard. No withdrawal by parent banks, located mainly in France, the United Kingdom, and South Africa, has been observed. Also, African banking systems are not likely to experience the same kind of turbulence as U.S. banks because in Africa banks that extend loans generally hold them, the interbank market is small, and the market for securitized and derivative instruments is small or nonexistent.

Looking ahead, if the financial turbulence were to constrain global growth below levels currently

expected, this would affect Africa through still-lower demand for its exports and likely lower commodity prices. In such a scenario, foreign direct investment, portfolio aid, and remittances inflows could fall as well.

## Domestic Developments

### GDP growth

Although GDP growth has tapered off somewhat in sub-Saharan African countries, at slightly less than 6 percent, the growth rate for 2008 is still expected to be relatively strong, thus continuing the healthy growth trend of previous years. This does not mean that sub-Saharan Africa has not been affected by developments elsewhere, it means that other factors are also at play:

- In oil exporters, growth is expected to fall temporarily by half a percentage point, to 8 percent in 2008, reflecting mainly lower-than-expected oil output in the Niger Delta due to recurring violence there; slightly lower-than-expected production in Equatorial Guinea's maturing main oil field; and weaker non-oil growth in Chad due to insecurity.<sup>4</sup>
- In oil importers, growth is also projected to decelerate, by half a percentage point, to 5 percent. The deceleration is to be expected given the changes in the global environment.<sup>5</sup> Among influential factors

<sup>4</sup> Unless otherwise stated, data for sub-Saharan Africa as a whole or groups of sub-Saharan Africa countries are weighted by GDP at purchasing power parity or in U.S. dollars, as appropriate (see the Statistical Appendix for details).

<sup>5</sup> It appears that a 1 percentage point decline in growth in (and export demand from) trading partners reduces GDP growth in sub-Saharan Africa by about 0.5 percentage point, in addition to any effects from commodity price changes (see the April 2008 *Regional Economic Outlook: Sub-Saharan Africa*, Chapter 1). It also appears that a terms-of-trade-induced income reduction of 1 percentage point tends to reduce growth in sub-Saharan Africa by about 0.05 percentage point, in addition to any effects from changes in global growth (see Ndulu and O'Connell, 2007). Therefore, the projected slowdown in trading partners of 1.1 percentage points and the projected income effect of 1.3

(continued)

not directly related to the price shock is the continued growth of FDI. For example, the Democratic Republic of Congo and Madagascar are profiting from FDI in mining, Kenya from FDI in telecommunications, and Senegal from FDI in infrastructure and tourism. Improved security in parts of eastern Africa has also benefited growth (e.g., by boosting Uganda's exports to its neighbors). By contrast, in South Africa, growth is slowing on account of energy bottlenecks, the global slowdown, and tighter monetary policy. South Africa's energy shortages have also limited power delivery to and growth in neighboring countries, such as Mozambique and Swaziland. Finally, Kenya saw a serious contraction in the first quarter of the year due to violence in the wake of disputed elections; it will not be able to repeat in 2008 its growth performance of 2007.

### Inflation

In the first six months of 2008, average consumer price inflation in sub-Saharan Africa rose from 9 to 15 percent, mainly because food price inflation accelerated from 10 to 20 percent and fuel price inflation from 12 to 19 percent (Table 1.2 and Figure 1.4).<sup>6</sup> In some countries, demand pressures have also contributed to inflation. This is the case, for example, in South Africa, where the output gap has remained positive over several quarters despite recently declining growth, and in Ghana and Ethiopia, where public investment in infrastructure has been growing at a sustained pace. The increase in inflation cuts across countries with different exchange rate regimes and different economic structures and levels of development. However, in the CFA franc zone inflation has picked up by less than in most other countries. This is likely due to

percent of GDP from the terms of trade deterioration in oil importers (discussed below) would tend to reduce growth in these countries in 2008 on average by 0.6 percent.

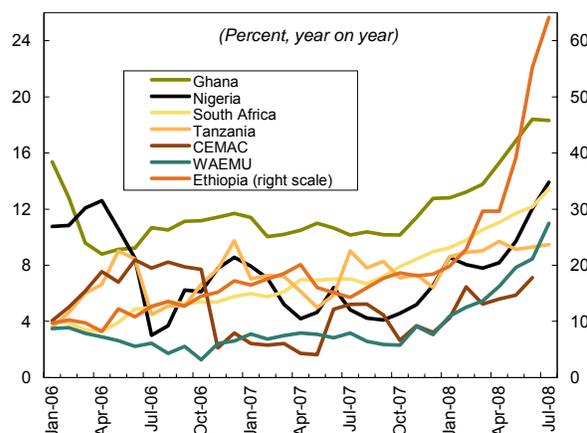
<sup>6</sup> These are simple averages.

both the anchoring of inflation expectations in the zone's fixed exchange rate with respect to the euro and the inflation-dampening effect of the euro appreciation in the first half of 2008. In many countries inflation now exceeds central banks' targets by substantial margins.

Meanwhile, indications of possible second-round effects have emerged, suggesting that inflation may be starting to increase beyond what is justified from the increase in the relative price of food and fuel alone.<sup>7</sup> In particular, average core inflation in sub-Saharan Africa increased from 5 percent at the end of 2007 to 8 percent in June 2008.<sup>8</sup> Wage inflation also appears to have accelerated: in 8 out of the 14 countries for which wage data are available, annual growth rates for nominal wages are now 10 percent

**Figure 1.4. Sub-Saharan Africa: Inflation in Selected Countries**

**Inflation has risen substantially in 2008.**



Source: IMF, *International Financial Statistics*.

**Table 1.2. Sub-Saharan Africa: Inflation and Monetary Policy Response, 2007–08**

(Percent, year on year)

	Dec-07	Latest 2008 Observation	Month	Inflation Objective (percent)	Policy Response <sup>1</sup> (percentage points)
Ethiopia	18.4	61.6	August	<10	+0.40
Ghana	12.7	18.1	August	6–8	+3.50
Nigeria	6.6	12.4	August	<10	+0.75
South Africa	9.0	13.6	August	3–6	+1.00
Tanzania	6.4	9.8	August	≤5	...
CEMAC	3.2	5.9	May	≤3	+0.25
WAEMU	3.0	7.9	May	≤3	+0.50
Sub-Saharan Africa	8.7	15.0	various	...	...

Source: IMF, *International Financial Statistics*; and IMF, African Department database.

<sup>1</sup> Change in policy interest rate during December 2007–August 2008.

or higher.<sup>9</sup> In spite of this, monetary policy has generally been tightened only a little so far. For example, interest rates have not been raised much,

allowing real interest rates to decline in many countries (Figure 1.5).<sup>10</sup> Against this background, inflation in 2008 is projected to climb by 5 percentage points to 12 percent, a noticeably stronger increase than in advanced countries.

<sup>7</sup> The term “second-round effect” refers to a longer-term increase in inflation as a result of a one-off price shock. For additional explanations, see Box 1.4.

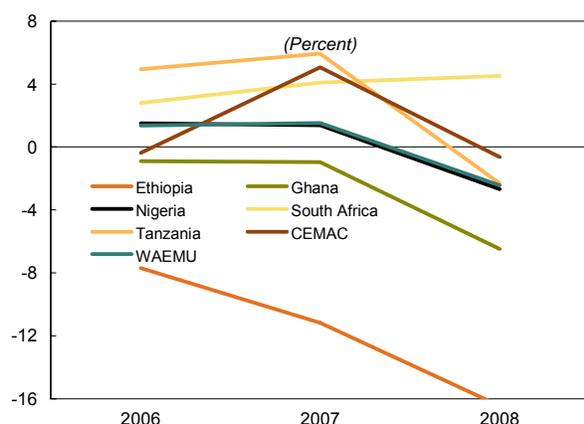
<sup>8</sup> Here, core inflation is defined as headline inflation excluding food and fuel items. It is not necessarily the case that core inflation thus defined reflects second-round effects only; it may also reflect indirect first-round effects. The longer core inflation remains high, however, the more likely it is that second-round effects are present and that they predominate.

<sup>9</sup> In most cases, wage data reflect public sector wages only.

<sup>10</sup> Measuring real interest rates is challenging, and Figure 1.5 provides an indication of broad trends only. Real interest rates through 2007 were measured as the difference between central bank policy rates and observed headline inflation. For 2008, they were measured as the difference between policy rates and projected headline inflation. For South Africa, real interest rates were calculated as the difference between the policy interest rate and a measure of expected inflation extracted from the yields of nominal and inflation-indexed government bonds.

**Figure 1.5. Sub-Saharan Africa: Real Interest Rates in Selected Countries**

Real interest rates have fallen in many countries.



Source: IMF, *International Financial Statistics*.

## Fiscal positions

In oil exporters, fiscal surpluses excluding grants are projected to rise to 7 percent of GDP in 2008, reflecting a substantial oil revenue windfall. The average non-oil primary deficit as a share of non-oil GDP, a measure of the spending of oil revenue, is

projected to grow somewhat in 2008 (Table 1.3), indicating that a limited part of the windfall is being spent. In line with this, it appears that fiscal policy is contributing to inflationary pressures in several oil exporters, including Angola, Chad, Equatorial Guinea, and Nigeria.<sup>11</sup>

Oil importers' fiscal balances are deteriorating because of lower GDP growth and the cost of policy measures to cushion the impact of the food and fuel price shock, estimated at an average of 0.5 percent of GDP in 2008.<sup>12</sup> Fiscal deficits excluding grants are expected to worsen by 1 percent of GDP to 3 percent of GDP in 2008, and fiscal deficits including grants are projected to deteriorate by almost as much, from close to zero to 1 percent of GDP. Perhaps surprisingly, grant inflows to oil-importing countries have responded little to the food and fuel price shock. Among the few countries to report substantially higher aid are Rwanda and Burundi, thanks in part to the World Bank.<sup>13</sup> More generally, official development assistance flows from countries of the Organization for Economic

**Table 1.3. Sub-Saharan Africa: Non-Oil Primary Fiscal Deficits in Oil Exporters<sup>1</sup>**  
(Percent of non-oil GDP)

	2005	2006	2007	2008 (proj.)	2009 (proj.)
Angola	62	50	57	51	41
Cameroon	1	1	3	6	6
Chad	5	15	22	25	18
Congo, Rep. of	30	51	56	43	40
Equatorial Guinea	61	55	50	47	74
Gabon	18	18	13	13	9
Nigeria	27	29	28	32	32
<b>Average (weighted)</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>35</b>	<b>34</b>

Source: IMF, African Department database.

<sup>1</sup> Non-oil revenue excluding grants minus noninterest spending.

<sup>11</sup> The fact that inflation in oil exporters as a group nevertheless remains below that in oil importers appears to be due mainly to CEMAC's fixed exchange rate regime.

<sup>12</sup> Based on data for 22 countries.

<sup>13</sup> So far, the World Bank has approved additional grants of US\$95 million in response to the food crisis, benefiting nine countries (Burkina Faso, Burundi, the Central African Republic, Eritrea, Ghana, Liberia, Madagascar, Rwanda, and Sierra Leone). The Bank plans to approve a total of US\$615 million by end-2008, benefiting 23 countries. Also, several countries have received increased assistance from the IMF in the form of new Poverty Reduction and Growth Facility (PRGF) programs or augmentation of existing PRGF programs. As of end-July 2008, new PRGF arrangements (with a higher level of access than initially planned) have been approved for Burundi, Mali, and Niger. Increases in the size of existing loan programs have been granted for Benin, Burkina Faso, the Central African Republic, Guinea, Madagascar, and Malawi. Several other requests for augmentations are under discussion.

Cooperation and Development (OECD) to sub-Saharan Africa (excluding debt relief to Nigeria and Liberia) have remained broadly flat since 2003, suggesting that the doubling of aid to sub-Saharan Africa pledged at the G-8 summit in Gleneagles in 2005 is still to materialize.

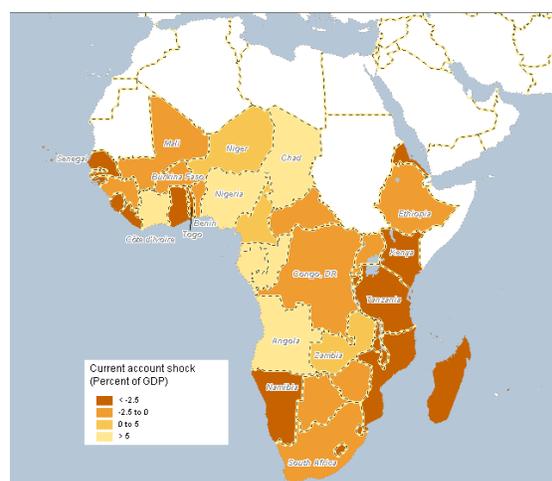
### Terms of trade and external positions

As a result mainly of the fuel price shock, the terms of trade of oil exporters are projected to improve by 38 percent in 2008 and those of oil importers (excluding South Africa) to deteriorate by 4 percent.

A country's terms of trade, however, are not always a good indicator of the likely impact of international price changes on its external position (and its citizens' purchasing power) and the consequent need for adjustment. This is because, although an increase in export and import prices by equal percentages leaves a country's terms of trade unchanged, it will lead to a deterioration of the trade balance in a country that is running a deficit to start with. In 2007, oil-importing countries had substantial trade deficits, meaning that any deterioration in their terms of trade understates the impact price changes have had on their external positions. Analysis using a constant trade volumes methodology reveals that in 2008 the terms of trade changes should have a positive current account impact on oil exporters of 24 percent of GDP, and a negative impact on oil importer current accounts of 4 percent of GDP (Map 1.1).<sup>14</sup> Among the low-income countries experiencing a negative current account impact, 17 have been especially hard-hit: Benin, Burkina Faso, Burundi, the Central African Republic, Comoros, Eritrea, Ethiopia, The Gambia, Guinea, Guinea-

**Map 1.1. Sub-Saharan Africa: Current Account Impact of 2008 Commodity Price Changes**

**Many oil importers see a negative impact.**



Bissau, Liberia, Madagascar, Malawi, Mali, Sierra Leone, Togo, and Zimbabwe.<sup>15</sup>

With real exchange rate developments (see below) taken into account, the current accounts including grants of oil exporters are thus projected to improve substantially, to 10 percent of GDP in 2008. In contrast, the current accounts including grants of oil importers are projected to deteriorate to 7 percent of GDP, reflecting not only the commodity price shock, but also limited tightening of monetary policy and fiscal deterioration. So far, the negative impact on oil importers has led only to a limited loss of reserves and has not increased debt to official creditors. However, and in spite of projected FDI inflows, there is no guarantee that current reserve cushions in all oil importers will be sufficient to withstand a lasting deterioration in the current account balance.

<sup>14</sup> These data are unweighted averages. The food price increase is expected to have a small positive current account impact in Mauritius, Namibia, and Swaziland, and a negative impact in all other countries, and the oil price impact is generally substantially larger than the food price impact.

<sup>15</sup> Countries have been identified as especially hard-hit when the current account impact has exceeded either 50 percent of initial international reserves or 2.5 percent of GDP. The second threshold has been applied only to countries in the CFA franc zone, for which a reserves-based indicator is less meaningful, and to countries with particularly weak initial institutions. Senegal and Ghana, which would otherwise have qualified, have been excluded because of other influences on the balance of payments.

### Exchange rate developments

An increase in food and fuel prices will tend to lead to an appreciation of the equilibrium real exchange rate in countries that see a positive current account impact, and a depreciation where the current account impact is negative. In fact, consumer price index (CPI)–based real exchange rates of oil exporters have appreciated somewhat in recent months (Figure 1.6).<sup>16</sup> In Nigeria, this is the result of a stable nominal effective exchange rate and substantial inflation. In the oil-producing member countries of the Central African Economic and Monetary Union (CEMAC), real appreciation has resulted mainly from nominal effective appreciation as the euro strengthened, although in Equatorial Guinea and Chad, inflation has also made a substantial contribution (Figure 1.7). In Angola, by contrast, nominal depreciation and substantial inflation have kept the real exchange rate stable.

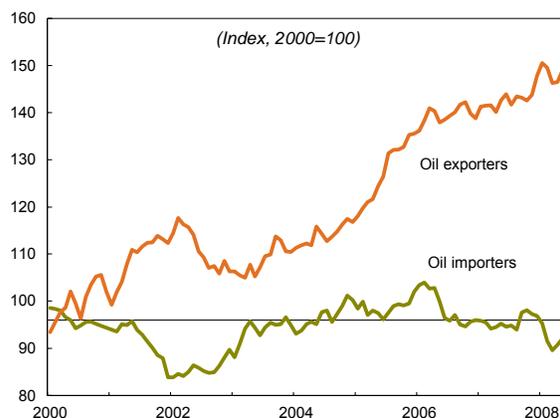
Similarly, CPI-based real exchange rates of oil importers have depreciated somewhat. However, the experience of oil importers has varied widely. For example, South Africa has seen a real depreciation that tracks the nominal depreciation of the rand. The rand depreciation has also allowed depreciation in other southern African countries, such as Botswana and Swaziland, given the importance of the rand for their currencies. In contrast, the member countries of the West African Economic and Monetary Union (WAEMU) have seen a real appreciation of the CFA franc.

<sup>16</sup> Real exchange rate data based on the relative prices of traded and nontraded goods (probably the more relevant measure in the current circumstances) are not available for sub-Saharan African countries: the real exchange rates must be based on differences between domestic and foreign CPI-based inflation rates. Under some conditions, however, CPI-based real exchange rates can move in the opposite direction from real exchange rates based on the relative prices of traded and nontraded goods.

### Poverty concerns

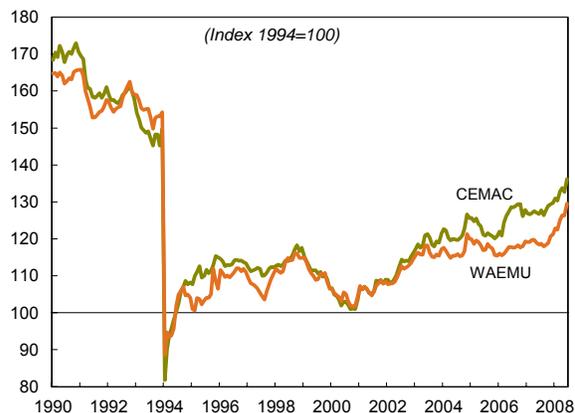
Food and fuel price increases could lead to a substantial increase in poverty rates in a number of countries, especially where the current account impact is substantially negative. For example, in 2008, through July world market prices for rice rose by 111 percent, those for wheat 89 percent, and those for maize 48 percent, and world market prices for fuel products rose by 64–82 percent, before easing recently. The impact on poverty of the food price increases could be particularly large in sub-Saharan Africa given that average households there

**Figure 1.6. Sub-Saharan Africa: Real Effective Exchange Rates in Oil Exporters and Oil Importers**  
Oil exporters have seen real appreciation, oil importers real depreciation.



Source: IMF, Information Notice System.

**Figure 1.7. Sub-Saharan Africa: Real Effective Exchange Rates in the CFA Franc Zone**  
Both CEMAC and WAEMU have seen substantial real appreciation in recent months.



Source: IMF, Information Notice System.

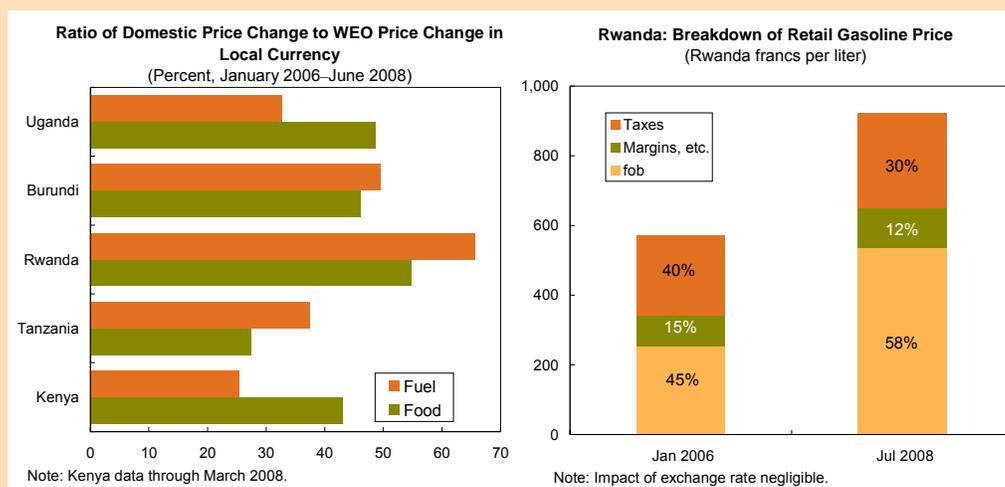
spend about half of their income on food. The fuel price increases are likely to have a smaller direct impact on poverty than the food price increases because households in sub-Saharan Africa typically spend less than one-tenth (7 percent) of their income on fuel products. Nevertheless, the ultimate effect of the fuel price increases on poverty rates is likely to be substantially greater than the direct effect, because fuel is an intermediate input into most other goods.

A recent study (Ivanic and Martin, 2008) finds that if domestic prices of important internationally traded food commodities were to rise by the same percentage as their world market prices, the poverty head count in a number of low-income countries around the world and in Africa could rise by as much as 4–5 percentage points. Fortunately, the impact of world market prices on domestic prices is

typically less than proportional. Box 1.1 discusses this impact, using as an example developments in the East Africa Community. It finds that domestic food and fuel prices there have on average risen by less than half of the increase in world market prices. Another study (Wodon, 2008) finds that if domestic prices of internationally traded food commodities were to rise by half as much as their world market prices, poverty rates in West and Central Africa could rise by 3–4 percentage points. Both studies also find that the urban poor are generally hit hardest by high food and fuel prices as the rural poor are more likely to be at least partially self-sufficient in food supplies. However, even food-surplus farmers may suffer an income loss as a result of higher food and fuel prices if production and marketing costs rise faster than prices for their agricultural output.

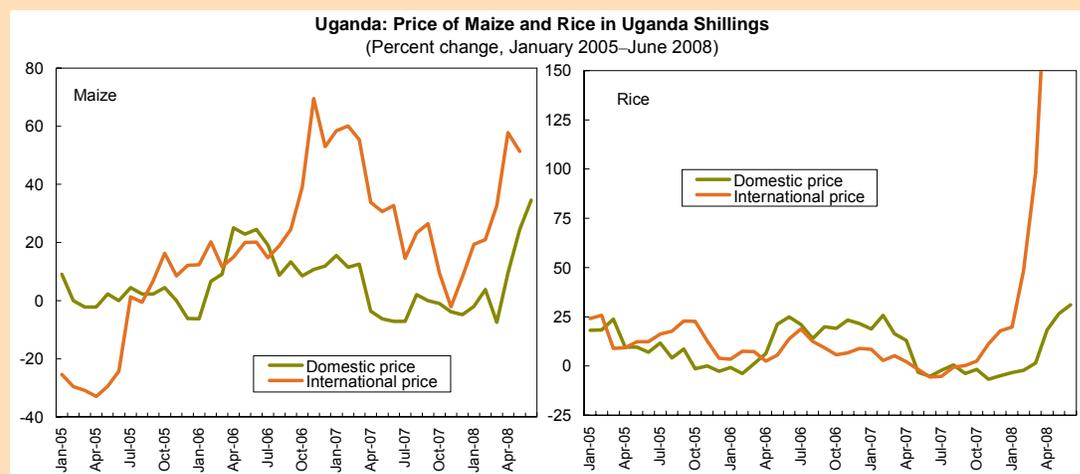
**Box 1.1. Global Commodity Prices and Price Developments in EAC Countries**

The countries in the East Africa Community (EAC) offer a useful example of the impact of international food and fuel prices on domestic prices. In the EAC, average headline CPI inflation increased from 8 percent in 2007 to 20 percent in June 2008. Rising global commodity prices have been perceived as the main culprit, yet domestic commodity prices have risen substantially less than global ones.



A number of factors can reduce the effect of global commodity prices on domestic prices, including stable domestic labor costs, profits, taxes, and exchange rate appreciation. The main factor limiting the impact of world market price increases has been taxation, implemented as cuts in the rates of explicit or implicit taxes (Uganda, Tanzania, Kenya, Rwanda). In some countries, importers' profit margins also came down. The main factor limiting the impact of global food price increases on domestic food prices has been domestic production of several food commodities in combination with a partial insulation from the world market that arises from poor infrastructure and trade barriers, such as the recent export bans in Tanzania. As a result, the

## Box 1.1 (concluded)



price of commodities that are mainly imported, such as rice, has historically been closely correlated with the world market price, while the prices of crops that are mainly domestically produced, such as maize, have been more closely related to domestic supply conditions (although the correlation with world prices has increased over the last few months). In Uganda and Kenya, exchange rate movements also mitigated the impact of world market price increases on domestic prices.

Econometric estimates of the impact of global commodity prices on headline CPI inflation in the EAC in 1997–2007 suggest that an increase in world food prices of 10 percent contributed on average 0.7 percentage point to headline inflation, while a 10 percent increase in oil prices contributed 0.4 percentage point. Based on these estimates, the contribution of world food and oil prices to CPI inflation in the EAC was 1.5 percentage points in 2007 and should increase to 4.6 percentage points in 2008.

Estimated Contribution of World Food and Oil Prices to Inflation in EAC Countries (Percentage points)						
	Burundi	Kenya	Rwanda	Tanzania	Uganda	EAC average <sup>1</sup>
Estimated pass-through from world food and oil prices to inflation <sup>2</sup>						
World food price	0.8	1.1	1.0	0.4	0.3	0.7
World oil price	0.8	0.4	0.3	0.2	0.6	0.4
Estimated contribution to average inflation, 2007 <sup>3</sup>						
Headline inflation <sup>4</sup>	8.3	9.8	9.1	7.0	6.8	8.3
World food price	1.1	1.7	1.6	0.6	0.4	1.1
World oil price	0.9	0.4	0.3	0.2	0.6	0.4
Total contribution	2.0	2.1	1.9	0.8	1.0	1.5
Estimated contribution to projected average inflation, 2008 <sup>5</sup>						
Projected inflation <sup>4</sup>	19.1	25.8	12.0	9.0	7.3	16.3
World food price	2.4	3.5	3.3	1.2	0.8	2.2
World oil price	5.4	2.4	1.8	1.2	3.8	2.3
Total contribution	7.7	5.9	5.1	2.4	4.6	4.6

Sources: IMF, *World Economic Outlook* submissions; and IMF, staff estimates.

<sup>1</sup>Calculated as weighted average, using the 2005 nominal GDP in U.S. dollars as weight.

<sup>2</sup>Contribution of 10 percent increase in each variable to headline inflation.

<sup>3</sup>Multiples of the pass-through coefficients and actual increase in world food and oil prices.

<sup>4</sup>Actual and projected annual average inflation submitted for the WEO.

<sup>5</sup>Estimated using the increase in world food and oil prices projected by the WEO for 2008.

Note: This box was prepared by Michael Gorbanyov, Zuzana Murgasova, Manrique Saenz, and Yuri Sobolev.

Any change in poverty rates as a result of the food and fuel price increase would come on top of a possible upward revision of the number of poor that has been suggested by Chen and Ravallion (2008). These authors argue that the traditional poverty line of US\$1 per day may underestimate the cost of a minimum consumption basket.

## Policy Challenges and Responses to Date

The challenge for policymakers is to adjust to the food and fuel price shock, preserve macroeconomic stability, and shield the poor. To do so, policymakers in each country need to implement a balanced policy mix appropriate to that country's circumstances. For countries hit by a sustained terms of trade decline not compensated for by higher aid—the situation most oil importers are in—adjustment must involve shifting demand away from imported goods to domestically produced ones and reducing domestic absorption relative to domestic output.<sup>17</sup> This will generally require some combination of letting the real exchange rate depreciate and tightening macroeconomic policies. How much real depreciation and tightening is necessary will depend, among other things, on the elasticity of the current account balance with respect to the exchange rate, as well as on external sustainability and therefore the larger balance of payments situation—the availability of financing for larger current account deficits through FDI,

<sup>17</sup> Absorption is the sum of private and public consumption and investment. When there is a need to reduce absorption, the burden will generally fall on both the private and the public sector. The more reduction is achieved in the public sector, the less will have to come from the private sector.

As described above, the food and fuel price shock and the associated change in countries' terms of trade are projected to have a large permanent component, and the policy discussion presented in this report focuses mainly on adjustment to this permanent change. A temporary shock would demand much less adjustment because it would pose smaller risks for longer-term price stability and fiscal and external sustainability. A temporary shock could therefore be accommodated to a much larger degree by letting fiscal and external balances deteriorate.

portfolio, aid, and other inflows. It will also be important to fully pass through price changes over time to encourage consumers and producers to adjust, avoid permanent increases in untargeted and inefficient subsidies, preserve debt sustainability, and ensure that scarce resources can be channeled to progrowth and pro-Millennium Development Goal expenditures. At the same time, the poor need to be protected through well-targeted measures. The final element of the policy challenge is to preserve medium-term price stability, as higher inflation would tax the poor and discourage investment.<sup>18</sup>

Determining and applying the best policy mix is not always easy, because policymakers face tight constraints, uncertainty, trade-offs, and conflicting goals. For example:

- *Constraints:* In many countries, fiscal space for cushioning the impact on the poor is limited, targeted transfer mechanisms are not available, and putting new ones in place takes time and administrative capacity. The challenge, then, is to find alternatives that are fiscally affordable and reasonably well targeted. A positive example would be school lunch programs; a less positive one would be raising civil service wages, which would likely be a costly and poorly targeted policy.
- *Uncertainty:* This pertains, among other things, to forecasting commodity prices and their impact on domestic prices and economic activity, evaluating the effectiveness and distributional impact of mitigating policies, and assessing the political impact of implementing a policy tightening.
- *Trade-offs:* Policymakers can respond with somewhat different policy mixes, but these choices imply trade-offs. For example, implementing restrictive monetary policy to

<sup>18</sup> See Box 2.1 of the Spring 2008 *Regional Economic Outlook: Sub-Saharan Africa* for a discussion of the choice of medium-term inflation objectives in low-income countries.

avoid sustained inflation would likely tend to reduce private economic activity and dampen private investment more than a fiscal policy tightening geared toward public sector wage restraint. The impact on poverty and income distribution more generally would be different, and so would be the political feasibility of each. The choices could also affect the long-run growth outlook. For example, spending cuts might help stabilize the economy but could also hurt human and physical capital accumulation in the longer run, particularly if the cuts reduce public investment.

- *Conflicting goals:* Often fiscal policy is confronted with two at least apparently inconsistent goals. For example, cushioning the impact of a price shock on the poor will tend to lead to a deterioration of the fiscal position, whereas macroeconomic adjustment would tend to call for a tightening of policies. In addition, measures that minimize changes in the domestic prices of food products will help consumers but also reduce incentives for the medium-term supply responses that governments will want to encourage.

In the following, specific recommendations are offered concerning fiscal, monetary and exchange rate, and structural policies, and actual policies observed are assessed in light of these recommendations.

### Fiscal policy

Fiscal policy can be used to cushion the impact of shocks on certain parts of the population and to help contain inflation and reduce absorption where needed to preserve economic stability. The first goal can be pursued by reducing the speed and degree to which higher world market prices feed through to domestic prices, and by making targeted transfers. If targeted transfer mechanisms are not immediately available, governments may wish to consider less-targeted short-term measures, such as reducing taxation or increasing subsidies on goods primarily

consumed by the poor. Over time, however, they should strengthen transfer mechanisms, which can include not only cash transfers but also such transfers as school feeding programs or food-for-work programs, and make increasing use of them.<sup>19</sup> In determining the desirable degree and duration of cushioning, policymakers will need to consider the extent to which cushioning is compatible with the goal of keeping the economy stable. For example, some countries may have scope to accommodate the cost of mitigating measures without compromising fiscal sustainability; others will need to create fiscal space to offset this cost.<sup>20</sup> Countries that find it difficult to create fiscal space will need to limit the size and duration of fiscal responses or seek outside assistance.

So far in 2008 sub-Saharan African governments have taken a variety of measures to cushion the impact of higher food and fuel prices on the population. Most common and costly to the fiscal accounts have been reductions in fuel and food taxes and tariffs and expansions of food and fuel subsidies. Less common have been price controls, export bans, and targeted transfers. Box 1.2 reviews some measures taken in Liberia, a poor oil importer, and Cameroon, a substantially less poor oil exporter. It illustrates that oil exporters have tended to pass a smaller part of the food and fuel price increase through to the population than oil importers—partly because with higher revenue from oil, they have been better able to absorb the resulting fiscal costs. Box 1.3 discusses the targeting of measures, using Senegal as an example. Overall in sub-Saharan Africa, given that the most common measures—reductions in fuel and food taxes and tariffs and expansions of food and fuel subsidies—are not very well targeted, the effectiveness and efficiency of the measures taken have likely been limited. In the

<sup>19</sup> For a fuller discussion of targeting, see “Food and Fuel Prices—Recent Developments, Macroeconomic Impact, and Policy Responses,” a paper prepared by the IMF’s Fiscal Affairs, Policy Development and Review, and Research Departments, at [www.imf.org/external/np/pp/eng/2008/063008.pdf](http://www.imf.org/external/np/pp/eng/2008/063008.pdf).

<sup>20</sup> The notion of “fiscal space” is discussed in the Fall 2007 *Regional Economic Outlook: Sub-Saharan Africa*.

future it will be important both to fully pass through global food and fuel price increases and to better target protective measures. As explained above, this will provide incentives for private sector adjustment, thereby facilitating external adjustment of the economy; limit demands on the public finances and better protect those who need it most.

Regarding the second goal of fiscal policy—helping to contain inflation and reduce domestic absorption where needed to keep the economy stable—the contribution of fiscal policy so far seems to have been limited. In fact, the widening of fiscal deficits in oil importers suggests a loosening in their fiscal

### Box 1.2. Policy Responses in Liberia and Cameroon

Several countries have adopted a multipronged approach—changes in taxation, spending on social safety nets, and promotion of agricultural production—in response to the increases in food and fuel prices.

In Liberia, an oil-importing country with an annual per capita income of US\$136, the increase in world commodity prices has been passed through to the domestic economy quickly, in part because of fiscal constraints. This has led to substantial price increases, in particular for rice, a staple that accounts for half the caloric intake of households and a larger share of the spending of poor households. Responding to the commodity price increases is particularly challenging in Liberia, where almost two-thirds of the population lives below the poverty line, the government does not have access to new borrowing, and international reserves are less than one month of imports. The government has therefore started implementing a comprehensive food security strategy designed to

- mitigate the impact of rice price increases and ensure domestic supply: the government temporarily suspended rice import duties, at a fiscal cost of 0.9 percent of GDP, and is exploring long-term rice supply agreements;
- provide vulnerable households with access to food through safety nets: the government started school feeding programs in urban areas, supplementary feeding programs for pregnant women and children, and food-for-work and cash-for-work programs, all at an annual cost of 1.2 percent of GDP, to be financed in part by donor support; and
- promote domestic agricultural production: the government is expanding smallholder production through distribution of seeds, fertilizer, and farm tools; opening up agricultural land and expanding crop diversification; and encouraging large-scale commercial rice farming—all at an annual cost of 0.2 percent of GDP, also to be financed in part by donor support.

In Cameroon, an oil exporter with a much higher annual per capita income of US\$693 and more comfortable fiscal and reserve positions, rising food and fuel prices contributed to social unrest in early 2008, and the authorities decided to pass the increase in world commodity prices through more gradually. They exempted some imported food items from customs duties, kept fuel prices constant, and raised civil service salaries, at a fiscal cost of 1.5 percent of GDP, to be financed from domestic sources.

To offset part of the fiscal impact of these measures, the authorities reduced spending on goods and services. With oil revenue rising, the overall fiscal position improved, though the non-oil fiscal position deteriorated by 0.8 percent of GDP. No new targeted social safety programs have been created as yet.

To safeguard fiscal sustainability and target fiscal spending better, the authorities plan to phase out the tax exemptions and the fuel price freeze and to raise spending on health, education, and agriculture in future budgets.

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Note: This box was prepared by Lodewyk Erasmus and Iacovos Ioannou.

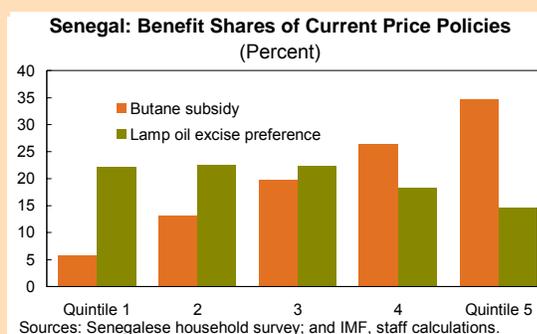
### Box 1.3. Targeting of Policies to Protect the Poor from Rising Commodity Prices: The Case of Senegal

Senegal has implemented a number of measures to protect the poor from rising energy and food prices:

- The retail price of butane in small bottles has been kept constant, implying a greater subsidy. Also, lamp oil is still exempt from excise tax, and electricity tariffs are being kept below production costs (generating substantial quasi-fiscal liabilities).
- In July 2007 taxation of rice, wheat, powdered milk, and bread was suspended, and from April through August the price of rice was subsidized. The government controls the prices of rice and wheat.

Currently, more than half of the benefits of subsidies in the country are accruing to households in the top 40 percent of the income distribution. A recent Poverty and Social Impact Analysis, prepared by IMF staff at the request of the Senegalese authorities, shows how subsidies could be better targeted. The following measures are now in various stages of implementation:

- Phasing out of the special import tax on vegetable oil, intended to protect domestic refiners from competition. Vegetable oil is consumed primarily by low-income households.
- Reducing subsidization of butane. If desired, the resulting savings could be used to increase subsidization for lamp oil, which is consumed primarily by the poor.
- Eliminating electricity subsidies, which have little benefit for the rural poor, who have no access to electricity. If desired, the resulting savings could be used for providing electricity subsidies to small consumers to protect the urban poor.
- Targeting of vulnerable groups directly, for example, through school feeding programs and cash grants. Cash grants could be made conditional on such factors as children's school enrollment and receipt of primary health care. The grant could be rolled out gradually in line with administrative capacity.



Note: This box was prepared by Frank Lakwijk and Stéphane Roudet.

stance, which likely contributes to inflation and current account pressures. Given the difficulty of raising revenue and cutting expenditure in the short term, some widening of fiscal deficits was probably an unavoidable consequence of trying to cushion the impact of external shocks on the population; it may even have helped stabilize growth in the wake of the food and fuel price shock. Nevertheless, a tightening of the fiscal stance may be necessary in a number of oil importers to assist with macroeconomic adjustment. In particular, it will be a useful complement to the tighter monetary policy that may

have to be adopted to prevent higher inflation from becoming entrenched (see below). And even if inflation pressures were to abate without fiscal policy being tightened, there might still be a need for such tightening to help reduce current account deficits. When tightening is accomplished by cutting spending, it will be important to cut only the least-productive spending.

For oil exporters the fiscal policy challenge is similar in some respects to that facing oil importers and different in others. Because these countries also see

inflation pressures from higher food and fuel prices, they also face the question of how to keep inflation reasonably low and preserve the purchasing power of the poor. However, unlike oil importers, oil exporters benefit from a strong positive current account and a very substantial revenue windfall. Therefore, the question before them, particularly those with large remaining oil reserves, may not necessarily be whether and how fast to reduce spending, but rather whether and how fast to increase it. The answers depend on administrative capacity to ensure that additional spending is of high quality, on the economy's capacity to absorb such additional spending, and on preexisting inflation pressures. Spending in excess of administrative capacity would do little to enhance the economy's growth potential, and spending in excess of the macroeconomic absorption constraint could easily lead to inflation and excessive real appreciation, undermining the competitiveness of the non-oil sector, particularly where inflation pressures are already present. Even oil exporters should therefore remain fiscally cautious, and should probably consider increasing spending only after inflation pressures have abated, and only after administrative capacity has been strengthened sufficiently to allow high-quality spending, including by enhancing public financial management. It would also be prudent to limit spending to a permanently sustainable level.

### Monetary and exchange rate policies

The monetary and exchange rate policy response to the food and fuel price shock should be geared toward (i) allowing the increase in food and fuel prices to lead to temporarily higher inflation to

facilitate relative price adjustment but avoid sustained higher inflation and (ii) working to preserve current account sustainability by allowing real exchange rate adjustment and reducing domestic absorption as needed. Box 1.4 presents a justification for goal (i) and ways governments could pursue it. The key finding is that central banks should resist the inflationary impact of the food and fuel price shock early and aggressively where credibility is weak, where knowledge about the structure and the current condition of the economy is limited, and where demand pressures already contribute to inflation. Most sub-Saharan African countries meet some or all of these conditions.

In pursuing goal (ii)—preserving current account sustainability by allowing real exchange rate adjustment and reducing domestic absorption as needed—policymakers face difficult trade-offs relating to the role of changes in the nominal exchange rate: A nominal depreciation would help address current account imbalances but would also fuel inflation. And keeping the nominal exchange rate stable or even allowing it to appreciate would help reduce inflation but would do little to address current account imbalances. In both cases, restrictive monetary policy will be needed to rein in inflation, ideally supported by sufficiently tight fiscal policy.

While the recent easing of food and fuel prices has reduced inflation pressures, some governments may have “fallen behind the curve” in fighting inflation and may need to tighten monetary policy going forward, especially where inflation has increased

#### Box 1.4. How Should Monetary Policy Respond to the Food and Fuel Price Shock?

The food and fuel price shock poses a difficult challenge for monetary policy in Africa. After several years of stabilizing inflation and anchoring inflation expectations, policymakers could see hard-won gains reversed.

The standard advice is to allow an increase in inflation if it reflects the first-round effects of supply shocks, but to prevent—and respond to—an increase in the general price level if it reflects second-round effects:

- First-round effects are the direct impact of oil and world food prices on the consumer price index and the indirect effect on consumer prices that results from the use of oil as an intermediate input in the production of local goods. Because first-round effects capture changes in relative prices in the economy, their impact on inflation should be short-lived.

**Box 1.4 (concluded)**

- Second-round effects are increases in prices beyond first-round effects. In general, they result from pressures to preserve real wage levels.

While relatively straightforward, the first-round/second-round paradigm raises several issues that may limit its practical viability:

- Second-round effects may be inevitable. Particularly if policy credibility is weak and economic agents form inflation expectations on the basis of observed inflation, even a first-round spike in inflation will raise inflation expectations and therefore create longer-term inflation pressures. Also, experience suggests that for a given supply shock, second-round effects tend to be larger if inflation was already high as the price shock hit.
- Disentangling first- and second-round effects may be challenging, as both effects can occur simultaneously. In addition, distinguishing between the two requires detailed knowledge of the consumer basket and the structure of the economy.

These weaknesses are particularly acute in sub-Saharan Africa. Policy credibility is limited in many countries despite the disinflation successes of recent years; inflation pressures were already present in a number of countries when the commodity price shock hit; and pervasive data problems, such as the lack of input-output tables, make it difficult to distinguish first- and second-round effects.

Thus, central banks may wish to resist even first-round effects to some extent to reduce the risk that a more drastic and prolonged tightening may be needed later (“A stitch in time saves nine”). In particular, early and decisive tightening would serve to keep inflation expectations from rising as a result of poor credibility.

If policymakers in a particular country conclude that policy should be tightened at this juncture, the need to do so must be weighed against other considerations. A strong policy response might be particularly contractionary at a time when economies are already being hit by a negative supply shock. In some countries, policy tightening may undermine the stability of the domestic financial system. An additional issue is that countries may need a real exchange rate depreciation to ensure external balance, but that might be at odds with the need for disinflation if it takes place through a nominal depreciation. Together these considerations suggest that the policy response may have to be more gradual than is optimal from the point of view of inflation objectives alone, and inflation may have to remain above target for some time.

Also, the manner in which policy is tightened must be adjusted to the policy regime in place. Inflation targeters would need to raise their policy rates. On the other hand, money targeters would have to be flexible: sticking to previously set targets may be an excessively tight policy. More generally, real money balances must fall relative to planned levels so as to contain aggregate demand and reduce inflation pressures. Finally, countries with fixed exchange rate regimes are limited in their policy options. Limited capital mobility could give them some room for monetary tightening. Any efforts to contain inflation beyond that, however, may require a fiscal adjustment.

In any case, the fact that inflation and monetary aggregates are likely to be above target means that the central bank’s communication strategy is important to help shape expectations and contribute to inflation stabilization. Such communication should explain why targets have been missed, what the policy strategy is for bringing inflation down, and what the central bank will do if inflation does not fall as intended.

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Note: This box was prepared by Rafael Portillo, Ali Alich, and Marshall Mills.

strongly. This is because substantial residual inflationary pressures from the food and fuel price shock and demand pressures may still be present in a number of countries. For example, domestic fuel prices might still increase if and when fuel subsidies are being reduced. Fiscal tightening should support the monetary tightening, particularly where fiscal pressures have contributed to inflation pressures and where monetary policy choices are limited by the exchange rate regime.

### Structural policies

Although governments should intensify efforts to reduce obstacles to doing business in general, the food price shock has brought increased attention to the need to strengthen agriculture in particular. Box 1.5 suggests that a strategy for strengthening agriculture should comprise action in four areas: strengthening land and water management, enhancing infrastructure and market access, reducing risk in often-thin markets, and helping farmers adopt appropriate agricultural technology.

### Outlook for 2009 and Risks

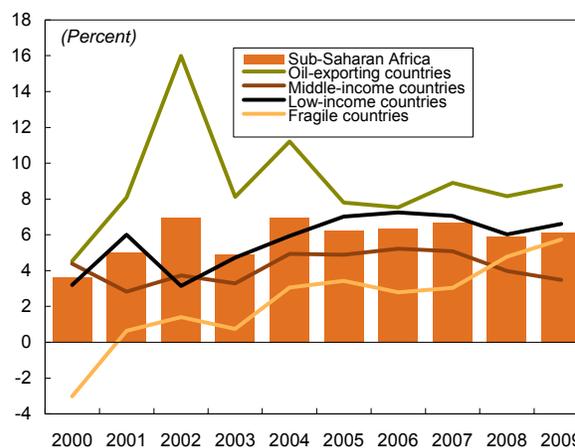
Projections for 2009 look relatively favorable with respect to growth and inflation, but risks have increased significantly as the global outlook has become much more uncertain.

- Growth:* In oil exporters, growth in 2009 is projected to accelerate by 1 percentage point, assuming that the idiosyncratic factors reducing growth in 2008 will disappear. In importers, growth is projected to remain unchanged. Overall, growth in sub-Saharan Africa is thus expected to accelerate moderately to just above 6 percent in 2009—close to the average of recent years but with a somewhat larger difference between oil exporters and importers (Figure 1.8).
- Inflation:* Inflation is projected to fall to 10 percent in 2009 (Figure 1.9), reflecting the anticipated decline in commodity prices relative to 2008 and the related easing of

inflationary pressures. The projection is also based on the assumption that monetary policy will be tightened where needed.

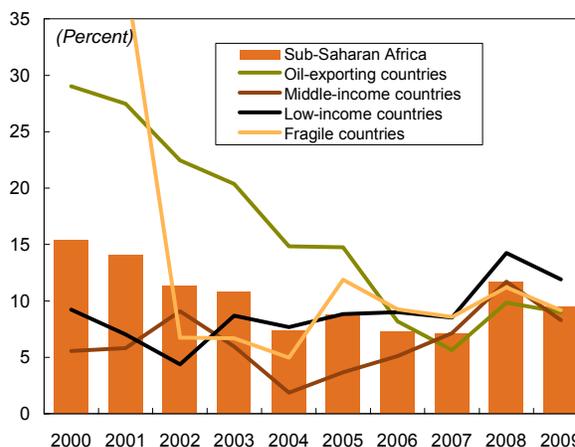
- Fiscal positions:* In oil exporters, fiscal surpluses excluding grants are projected to fall to 5 percent of GDP in 2009, reflecting lower oil prices and consequently lower oil revenue. In oil importers, fiscal deficits excluding grants are expected to remain unchanged at 3 percent of GDP. Grants are projected to change little.

**Figure 1.8. Sub-Saharan Africa: GDP Growth**  
The expansion continues, particularly in oil exporters.



Sources: IMF, *World Economic Outlook*; and IMF, African Department database.

**Figure 1.9. Sub-Saharan Africa: Inflation**  
Inflation, on the rise in 2008, should ease in 2009.



Sources: IMF, *World Economic Outlook*; and IMF, African Department database.

### Box 1.5. Expanding Agricultural Production in Sub-Saharan Africa

Thanks to reduced conflict, greater economic stability, and lower taxation, annual agricultural production in sub-Saharan Africa grew from 2.3 percent in 1980–89 to 3.8 percent in 2000–05. Rural poverty rates have started to decline, but higher and sustained agricultural growth is necessary to meet the Millennium Development Goal of halving poverty by 2015. Accelerating and sustaining future growth will need to rely more on agricultural productivity gains as the scope for expanding cultivation declines. With increased commitment and resources, these productivity gains are achievable.

Changes to the global environment offer both challenges and opportunities for agricultural growth in Africa. Higher global fertilizer and energy prices raise farm input costs. Higher food prices may raise farm revenues. Productivity gains can improve profits. Accelerating productivity growth in this new global environment will require investment in four complementary areas emphasized in the recent African Union Comprehensive Africa Agricultural Development Program: (i) land and water management, (ii) market access, (iii) risk management, and (iv) agricultural technology.

*Land and water management.* Only 18 percent of arable land with irrigation potential in sub-Saharan Africa is irrigated. Current fertilizer application rates are a tenth of South Asia's—not high enough to reverse the decline in soil nutrients drained for decades. Policy improvements and investments are needed to expand irrigated areas and improve the management of rain-fed systems; to improve land and water property rights, particularly for women; and to replace soil nutrients.

*Market access.* Staple crops dominate current production and will continue to do so for the near future. Nontraditional exports, while still a small share of production, have potential for rapid growth. Reducing postharvest losses and improving efficiency can contribute significantly to growth. Investments in physical infrastructure, with particular attention to roads and communications, and institutional investments for improved regulation, market information, and performance of producer organizations can help strengthen these markets. OECD countries and large emerging market economies like China, India, and Brazil also need to open their markets to Africa.

*Risk management.* Unpredictable public policies, high transaction costs, and the vagaries of weather increase price volatility, particularly in thin markets. Better market information and marketing extension programs can mitigate these risks. Additional tools, such as hedging instruments and options, are being piloted for organized smallholders in a few countries.

*Agricultural technology.* Better use of current and adopted seed varieties can double yields. Accelerating adoption of new seed varieties requires improved incentives, investments in agricultural research and extension systems, access to financial services, and “market-smart” subsidies to stimulate input markets. The vast variety among rain-fed systems in sub-Saharan Africa requires adaptation of technologies and services to local conditions—an approach different from that applied during the green revolution in South Asia. Finally, international and regional research efforts through both the Consultative Group on International Agricultural Research and the Forum for Agricultural Research in Africa need to be scaled up.

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Note: This box was prepared by Robert Townsend (World Bank).

- *Terms of trade and external positions:* The terms of trade of oil exporters are projected to deteriorate by 6 percent relative to 2008, reflecting mainly lower projected oil prices than in 2008. The terms of trade of oil importers excluding South Africa are projected to decline slightly as well, by 1 percent, in spite of lower projected oil

prices. This reflects a projected decline in the prices of important nonfuel commodities such as metals, beverages (coffee and cocoa beans), and agricultural raw materials. In line with this, oil exporter current account surpluses including grants are expected to fall to 6 percent of GDP, and oil importer current account deficits including grants are projected to deteriorate further to 8 percent of GDP (Figure 1.10).

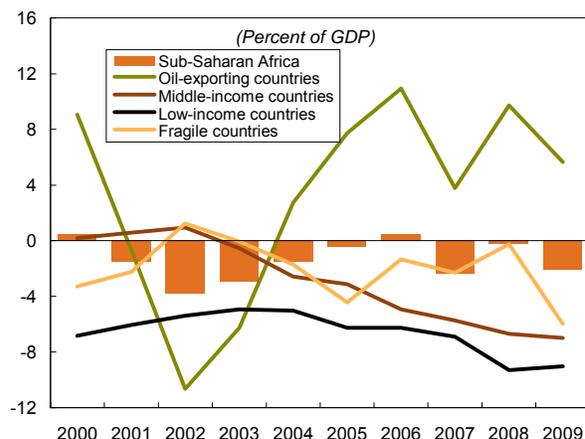
Risks to the outlook for 2009 from the global environment have increased and are tilted to the downside. As already pointed out, one important risk is that the global financial market turbulence could slow global growth by more or for longer than expected, which would likely reduce demand for Africa's exports and depress its terms of trade. In a more-pronounced global downturn, foreign direct investment, portfolio aid, and remittances inflows could slow as well. Another important risk is that fuel and food prices could rise again, approaching the levels seen in mid-2008. While such an increase would benefit oil exporters' fiscal and external balances, oil importers would suffer, and inflation across the continent might be harder to reduce than expected.

To illustrate the uncertainties and the risks to the growth forecast for sub-Saharan Africa relating to the global environment, Figure 1.11 provides confidence intervals based on the WEO assessment of global risks. The intervals incorporate both the historical dependence of African growth on world growth and the historical African growth volatility. The distribution of the confidence intervals around the central forecast suggests there is about a one-in-five chance that growth in sub-Saharan Africa in 2009 will fall to less than 5 percent. To sustain growth and keep inflation in check, countries need to be prepared to respond to sudden changes in global economic conditions, particularly in commodity prices. They may also need to consider building over time an additional cushion in external reserves to better withstand exogenous shocks.

In addition to risks stemming from unforeseen developments in the global environment, there are

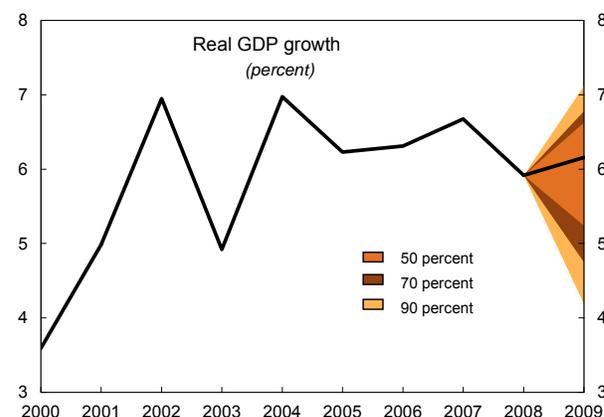
**Figure 1.10. Sub-Saharan Africa: External Current Account Balances**

The current accounts of oil importers are deteriorating.



Sources: IMF, *World Economic Outlook*; and IMF, African Department database.

**Figure 1.11. Sub-Saharan Africa: Growth Prospects<sup>1</sup>**  
One-in-five chance of growth below 5 percent.



Sources: IMF, *World Economic Outlook*; and IMF, African Department database.

<sup>1</sup>Including Zimbabwe.

domestic risks. The main domestic risk is that policies could fail to preserve the growth and reform momentum of recent years, either by not providing enough cushioning for the poor or by failing to preserve sufficient macroeconomic stability. This risk appears particularly acute in several hard-hit low-income oil importers, but other countries do not seem immune. Chapter 2 places the current situation in the broader context of Africa's growth takeoff since the mid-1990s. It provides a longer-term perspective on the policies needed to preserve growth and reduce poverty.

## II. The Great Sub-Saharan Africa Growth Takeoff: Lessons and Prospects

### Overview

For the first time since the 1970s, a large number of countries in sub-Saharan Africa are enjoying high rates of per capita income growth. And growth episodes are showing some signs of unusual persistence. Sustaining and even accelerating high growth, and extending it to low-growth countries, is critical if the region is to achieve its overriding economic objectives: raising living standards and reaching the Millennium Development Goals (MDGs).

This chapter starts by characterizing the current growth takeoff: In what type of countries has growth accelerated? Is it all about natural resource extraction? To understand what is driving the acceleration—and thus what may be needed to keep it going and broaden it—the chapter then looks more closely at the high-growth countries. The discussion is organized around five themes: (i) initial income, endowments, and geography; (ii) conflict and extreme governance failures; (iii) the external environment, including terms of trade changes, FDI, and aid; (iv) macroeconomic policies; and (v) structural reforms. The extent to which growth in sub-Saharan Africa has benefited the poor is also discussed. Finally, an overview is provided of strategies and policies that can help sustain high growth.

The chapter does not attempt to present new statistical analyses of growth or even a comprehensive review of the vast literature. Rather, it draws on recent comprehensive studies, applying them to explain the current growth takeoff. It finds that

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Note: This chapter was prepared by Andrew Berg, Paulo Drummond, and Chad Steinberg, with research assistance from Gustavo Ramirez, and editorial assistance from Emma Morgan.

- *Sub-Saharan Africa has enjoyed a remarkable growth takeoff since the mid-1990s. Average growth rates approach those of developing countries elsewhere, and current growth in the region is in some ways more persistent than in any previous postwar period. There is little evidence of an inescapable poverty trap. The fast growers are a diverse group, including resource-rich and landlocked countries and resource-poor countries that have not had large gains in their terms of trade.*
- *Sustained growers in sub-Saharan Africa have gotten the critical basics right and avoided major policy failures. Most of those that are getting ahead have achieved macroeconomic stability, including stable and low inflation and debt sustainability; pursued sound economic policies; and reinforced their institutions.*
- *Recent African success stories also demonstrate that governments need to play a proactive role but that there is no simple recipe for achieving high growth. Countries need to choose policies that allow them to benefit from what is happening externally, preserve macroeconomic stability, promote effective public and private investment, and ensure that all share in the benefits of growth, which must include improvements in health, education, and the other areas addressed by the MDGs as well as income. Moving toward growth trajectories that emphasize value added and nontraditional exports—paths that characterize most sustained fast growers in other regions—is not easy, but it can be done.*
- *Higher aid has been part of the story for fast growers that have not benefited from large resource rents, providing room for higher social spending and public investment and promoting or at least being*

*consistent with fast growth.* However, as the Commission on Growth and Development's recent *Growth Report* notes, fears that large increases in aid may also undermine exports are "difficult to prove, but difficult to dismiss" (p. 77). It is therefore important that the sectoral allocation of aid reflect country priorities, especially productivity-enhancing investments.

- *High growth cannot be taken for granted.* Previously, boom-bust cycles, exogenous shocks and conflicts, and the inability to channel resource wealth into sustainable growth and productive investments all worked to derail what were considered promising growth trajectories. The current period presents new challenges, as Chapter I makes clear, but stronger policies and fundamentals should allow countries to sustain growth. For example, higher levels of reserves should help sub-Saharan Africa oil importers absorb higher fuel prices, at least temporarily.
- *Growth in Sub-Saharan Africa has benefited the poor and reduced poverty.* On average the poor are seeing proportional rises in their incomes. Countries are making progress—though still not enough—toward achieving the other MDGs. Resource-rich countries need to make a special effort, however, to convert income gains into progress toward the MDGs.

### The Post-1995 Growth Takeoff

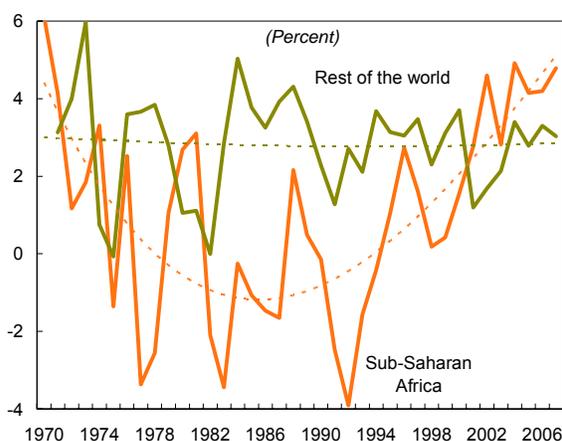
Economic growth in sub-Saharan Africa has increased markedly since the mid-1990s. For the region as a whole, real GDP grew at an average rate of 5 percent between 1995 and 2007, and real per capita GDP growth averaged about 2 percent over that same period. This is a remarkable turnaround from the 1980s and the first half of the 1990s.

The pickup in sub-Saharan African growth seems to be more than a side effect of higher world growth.

Like that in the emerging markets discussed in the April 2008 *World Economic Outlook*, sub-Saharan African growth is not decoupled from world growth, because year-to-year movements are related to world growth (see Chapter 1), but it has *diverged* from world growth, in that the longer-term trend is now higher for Africa (Figure 2.1). In terms of per capita GDP growth, sub-Saharan Africa fell behind all other regions from 1985 through 1995 but is in about the middle in the recent higher-growth period (Figure 2.2).

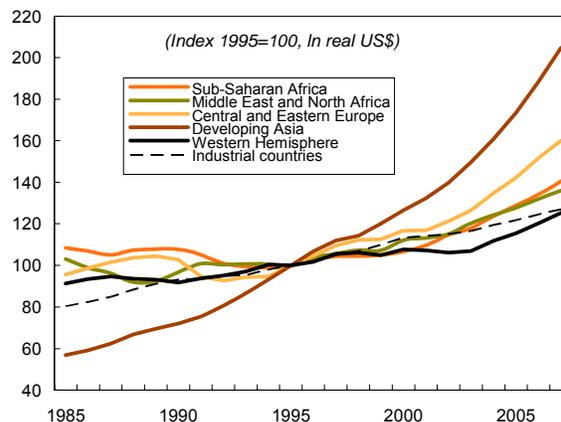
Perhaps most promising is the persistence of the recent accelerations. In every period, there have been some fast-growing countries in sub-Saharan Africa. However, in previous periods, the sub-

**Figure 2.1. Sub-Saharan Africa: Diverging, but Not Necessarily Decoupled, from World Growth**



Source: IMF, *World Economic Outlook*.

**Figure 2.2. International Comparisons: GDP per Capita**



Source: IMF, *World Economic Outlook*.

Saharan African countries that had enjoyed high growth for any particular five-year stretch tended to see very low growth in the subsequent five-year period. The fairly large set of fast growers as of 2000, however, saw solid growth in 2000–05. More strikingly—and in contrast to the experience in the late 1970s, when there was also a large group with high per capita growth—the following period (from 2005 on) has also seen sustained, indeed higher, growth. In Figure 2.3, each bubble represents countries that enjoyed per capita growth above 2¼ percent during the five-year period ending in the year shown in the bubble’s label, with the size of the bubble representing the number of such countries. The vertical axis shows the growth rate in the five years preceding the label year, and the horizontal axis the growth rate for the same countries in the following five years. Fast growers since 1995 stand out as having very high average growth, and maintaining high growth in the subsequent period.

Another way to see whether something different—and more sustained—is happening is to observe the unprecedented number of countries enjoying significant and persistent increases in the rate of per capita income growth (“up-breaks”) in the 1990s (Figure 2.4). “Significant” in this context means that the up-breaks are economically sizable (at least 2

percent of GDP) and also statistically important (larger than could be explained by the typical random variation in growth rates within countries). “Sustained” means the growth lasted at least five years. Meanwhile, down-breaks have become rare, so an unprecedented number of countries are enjoying unusually rapid growth.

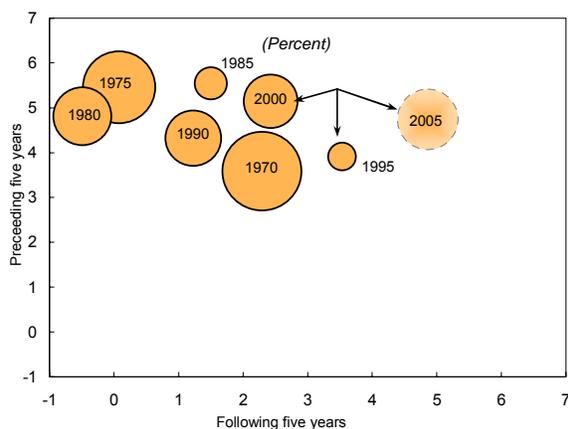
The increase in growth has been experienced by all subgroups of countries, despite the diversity of experiences (Figure 2.5). Growth levels have been highest and acceleration beyond the earlier period strongest in oil producers and resource-intensive countries, but growth and acceleration are also evident in non-oil and non-resource-intensive countries.

Sub-Saharan Africa’s recent growth success raises a number of questions:

- What is driving the stronger performance in recent years?
- Is the per capita income growth also reducing poverty?
- What can policymakers do to sustain and accelerate growth?

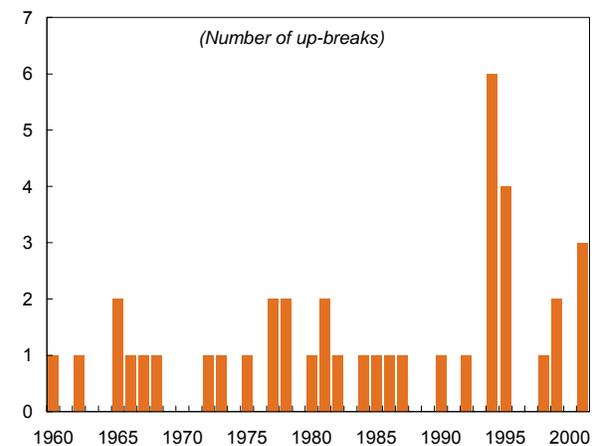
The rest of this chapter addresses these questions by drawing on recent successes in Africa and on findings in the extensive literature on growth.

**Figure 2.3. Sub-Saharan Africa: GDP per Capita Growth, Five-Year Averages**

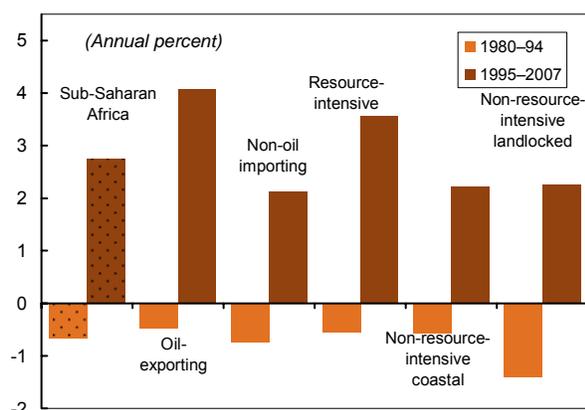


Note: Figure depicts countries with average annual per capita growth exceeding 2¼ percent in five-year periods from 1965 through 2004 (vertical axis), along with their average annual per capita growth in the subsequent five-year period (or four-year period, through the forecast growth for 2008, in the case of the 2005 bubble) (horizontal axis). Bubble size corresponds to the number of countries in each group. Equatorial Guinea is excluded from the bubbles from 1995 through 2005, as it had oil-related growth of 39.3 percent a year over 1995–99.

**Figure 2.4. Frequency of Growth Up-Breaks in Sub-Saharan Africa**



Source: Berg, Ostry, and Zettelmeyer (2008).

**Figure 2.5. Sub-Saharan Africa: Real GDP per Capita Growth**Source: IMF, *World Economic Outlook*.

## Learning from African Success Stories

The first step in learning from success is to identify the fast growers (Box 2.1, Table 2.1). Here, the cutoffs for growth in per capita income are essentially arbitrary: 2¼ percent and above for fast growers, and ½ percent or lower for a comparison group of slow growers. At 2¼ percent, income per person doubles in about 32 years. Fast and slow growers each account for about one-third of the 44 sub-Saharan African countries.

The next step is to review the experience of the fast growers, looking at how their economic characteristics evolved during and in some cases before their acceleration and at how they compare to the slow growers.<sup>1</sup> This section structures the discussion around some key economic features of countries around the world (see Box 2.2):

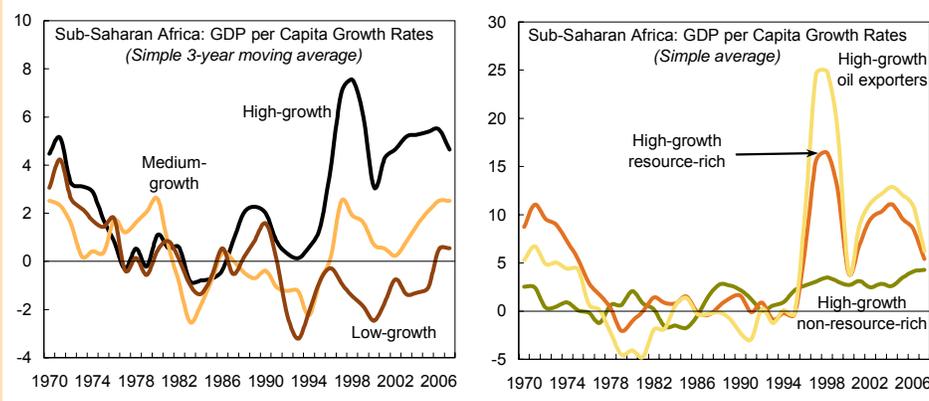
**Table 2.1. Sub-Saharan Africa: Income Growth and Demographic Characteristics, 1995–2007**

	Resource-Intensive <sup>1</sup>	Land-locked	Years of Acceleration <sup>2</sup>	Real per Capita GDP Growth	Real GDP Growth	PPP Real GDP per Capita (Constant 2000 dollars)		GDP (Current US\$, million) 2007	Population Growth	Population (Millions)
						1995	2007			
<b>High-Growth</b>				<b>5.2</b>	<b>8.2</b>	<b>1,890</b>	<b>3,785</b>	<b>37,382</b>	<b>2.6</b>	<b>26.3</b>
Angola	Y		1993	6.9	10.7	2,259	5,026	61,356	3.0	16.3
Botswana	Y		1986, 1996	5.9	6.4	6,951	13,847	12,313	0.6	1.6
Burkina Faso		Y	1983, 1998	3.3	6.1	728	1,081	6,977	2.7	13.7
Cape Verde			1994, 2000	5.1	7.2	1,531	2,780	1,428	2.0	0.5
Chad	Y	Y	1981, 2001	3.9	6.9	883	1,401	7,095	3.1	9.5
Equatorial Guinea	Y		1995, 2001	26.6	36.1	792	13,412	10,485	5.4	1.2
Ethiopia		Y	1982, 1987	3.1	6.3	429	620	19,431	2.9	77.2
Ghana			1983	2.4	4.9	904	1,195	14,863	2.6	22.0
Mali		Y	...	2.5	4.9	646	874	6,745	2.4	13.1
Mauritius			1984	3.1	4.2	6,431	9,301	6,959	1.0	1.3
Mozambique			1985, 1990, 1995	6.7	8.4	338	731	7,559	2.1	20.3
Nigeria	Y		2000	4.0	6.4	1,100	1,766	166,778	2.8	143.9
Rwanda		Y	1994	2.5	10.0	609	816	3,320	5.4	9.4
São Tomé & Príncipe	Y		...	2.4	4.2	1,026	1,364	144	1.9	0.2
South Africa			1995	2.3	3.6	6,199	8,167	282,630	1.3	47.9
Tanzania			1994, 1999	3.4	5.6	724	1,079	16,184	2.3	39.0
Uganda		Y	1981, 1986	3.6	7.3	580	882	11,227	3.3	30.9
<b>Medium-Growth<sup>3</sup></b>				<b>1.6</b>	<b>3.8</b>	<b>2,146</b>	<b>2,645</b>	<b>8,153</b>	<b>2.3</b>	<b>10.7</b>
<i>p</i> -values <sup>4</sup>				0.0	0.0	0.40	0.23	...	...	...
<b>Low-Growth<sup>3</sup></b>				<b>-1.2</b>	<b>1.5</b>	<b>1,801</b>	<b>1,509</b>	<b>5,364</b>	<b>2.6</b>	<b>10.1</b>
<i>p</i> -values <sup>4</sup>				0.0	0.0	0.47	0.05	...	...	...
<b>Sub-Saharan Africa Average</b>				<b>2.1</b>	<b>4.8</b>	<b>1,941</b>	<b>2,724</b>	<b>18,559</b>	<b>2.5</b>	<b>16.6</b>

Sources: IMF, *World Economic Outlook*; and IMF, African Department database.<sup>1</sup> Ndulu, O'Connell, and others (2007).<sup>2</sup> Start date of accelerations since the 1980s.<sup>3</sup> Low-growth countries are listed in Box 2.1. Medium-growth countries are Benin, Cameroon, Gambia, Kenya, Lesotho, Madagascar, Malawi, Namibia, Niger, Senegal, Seychelles, Swaziland, and Zambia.<sup>4</sup> The average growth for the group is statistically different from that for the high-growth group (based on a *p*-value from a *t*-test for the null hypothesis of no difference in means for the two groups). A low *p*-value means the null is rejected.<sup>1</sup> The approach of this section was inspired partly by Gelb (2007).

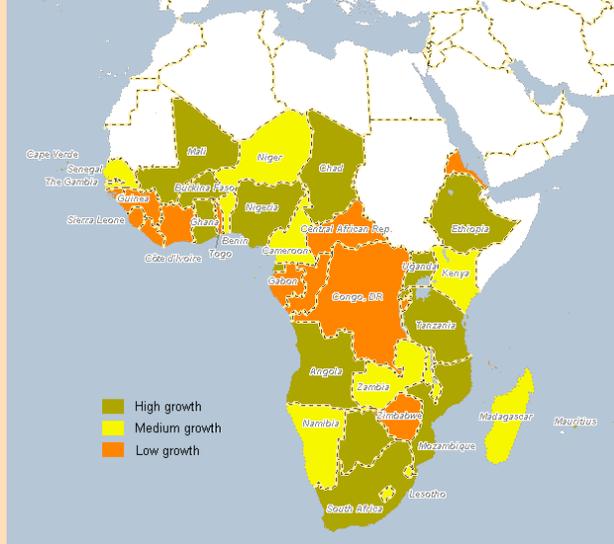
**Box 2.1. Identifying High- and Low-Growth Countries**

This section looks at the characteristics of recent African success stories and the experiences of the countries involved. This approach is not meant to establish causality or test theories, but to provide a better understanding of basic facts and patterns behind Africa’s recent takeoff. For this purpose, countries classified as high growth had average annual real per capita GDP growth above 2¼ percent for 1995–2007.<sup>1</sup> The group consists of 17 countries: 4 oil exporters, 4 middle-income countries, and 9 low-income countries. Subgroups of particular interest are oil exporters, resource-rich countries, and other (Table 2.1 indicates which sub-Saharan African countries are high growth under the definition provided above).



Countries classified as low growth had average annual real per capita GDP growth of ½ percent or less in 1995–2007. The group consists of 14 countries: 2 oil exporters (Gabon and Republic of Congo) and 12 fragile countries (Burundi, the Central African Republic, Democratic Republic of Congo, the Comoros, Côte d’Ivoire, Eritrea, Guinea, Guinea-Bissau, Liberia, Sierra Leone, Togo, and Zimbabwe). Countries not otherwise classified are medium-growth countries.

**Per Capita GDP Growth Performance in Sub-Saharan Africa, 1995–2007**



Note: This box was prepared by Paulo Drummond.

<sup>1</sup>While it may seem somewhat arbitrary to pick a particular breakpoint for such a diverse continent, 1995 is the first year that for the region as a whole, after a hiatus of several years, per capita growth was positive. Also, up-breaks became far more frequent at around that time.

- (i) *Initial endowments and geography.*
- (ii) *Conflicts or extreme state failure.*
- (iii) *The economic environment*, including terms of trade changes and growth in trading partners, FDI, and aid.
- (iv) *The effects of macroeconomic policy* in such areas as inflation, fiscal policy and debt, exchange rate and trade, and foreign reserves.
- (v) *Structural features subject to policy influence*, such as the quality of legal and economic institutions, governance, regulatory frameworks, education, social policy, physical infrastructure, and financial linkages.

Some caveats are in order. The aim of this analysis (following in the steps of the reports discussed in Box 2.2) is to explain patterns of recent successes and how they fit in with the broader literature, a primary goal being to learn from them how growth can be sustained. Clearly, the determinants of growth are also a function of the level of development. Relying on the broader literature, the following analysis does not attempt to identify cause and effect statistically. Nor is it a goal to use these cases to establish which growth theories are correct. In general, our hypothesis is that the most-interesting factors are those that are affected by policy. The analysis proceeds in terms of groups of factors influencing growth, but obviously policies and other factors interact in complicated ways, as is clear from some of the case studies presented in the chapter's boxes.

### Box 2.2. Lessons from Recent Growth Studies

This chapter benefited greatly from five major recent studies that, together, review comprehensively the current state of knowledge about growth and its implications for Africa.

The ***Growth Report*** is the product of the **Commission on Growth and Development (2008)**, which consists of 19 leaders, mostly from developing countries, and 2 academics, Robert Solow and Michael Spence (chair). The report brings together the commissioners' views on what a successful growth strategy entails. The commission analyzes 13 economies that since 1950 have grown an average of at least 7 percent a year for 25 years or longer. Its emphasis was thus on sustained growth. Although most of the economies studied are in Asia, Botswana is included.

The African Economic Growth Project (**Ndulu, O'Connell, and others, 2007**), referred to here as the **AEGP**, is a collaborative effort of the African Economic Research Consortium, Harvard University, and Oxford University to assess growth in postindependence sub-Saharan Africa. The final product, in two volumes, integrates African case studies with cross-country econometric evidence.

**Ndulu, Chakraborti, and others (2007)** is a World Bank "flagship report" that reviews the past half century of economic growth in Africa and distills that experience into a set of policy recommendations.

**Arbache, Go, and Page (2008)** reviews the recent acceleration of growth in Africa.

Finally, **Pattillo, Gupta, and Carey (2006)** reviews economic growth in sub-Saharan Africa through 2003, with a focus on the first part of the current growth acceleration.

These five studies help answer two broad questions relevant for sub-Saharan Africa:

**Why has Africa grown so much more slowly than other regions?** The AEGP reviews the cross-country evidence. Africa's colonial history and geography have left it with two features that have impaired growth: (i) an especially large proportion of population in landlocked resource-poor countries, and (ii) a large number of resource-rich countries, possibly subject to the "natural resource curse." However, performance is also

**Box 2.2 (concluded)**

strongly related to two sets of variables that are more subject to change, at least in the medium term: demography and policy. First, sub-Saharan Africa is the one continent still experiencing an explosion in population growth. While mortality rates—notwithstanding the impact of HIV/AIDS—have declined across the globe as a result of improvements in public health, fertility rates have remained broadly unchanged in sub-Saharan Africa (while declining elsewhere). This has resulted in an increasingly young African population with a high age-dependency ratio. Second, Africa's poor growth performance is strongly correlated with policy variables like inflation and government consumption. The AEGP finds that policy variables explain roughly half of the difference in performance.

**What are the lessons for accelerating and sustaining growth?** Increased sensitivity to the weaknesses of cross-country growth regressions—chiefly the difficulty in assigning causality from one variable to another—has led researchers in different directions in attempting to answer this question, including a greater focus on case studies. The studies discussed have thus supplemented cross-country statistical analysis with extensive country-specific analysis.

The first key lesson from these studies is that countries need to *avoid substantial policy errors*. At the same time, no single reform is likely to be sufficient to generate rapid growth in all countries. The lessons can be grouped into five categories. Countries need to

- *Engage the global economy at some level.* The global economy provides knowledge (“it is easier to learn something than it is to invent it”; Commission on Growth and Development, 2008, p. 22) and a large market for the goods that developing economies produce.
- *Avoid macroeconomic instability.* Complementary fiscal and monetary policy are needed to support macroeconomic stability, because persistently high and variable inflation impairs the ability of private sector actors to make appropriate investment decisions.
- *Adopt some form of market economy.* Countries can vary in the level of regulation, but they must recognize that market prices send important signals for resource allocation.
- *Conduct a responsible fiscal policy that does not borrow too much against the future.* Capable governments need to be farsighted in recognizing the “fundamental bargain between the present and future” (Commission on Growth and Development, 2008, p. 26). Likewise, governments need to avoid the temptation to redistribute wealth according to the ethnic or regional preferences of the ruling elite.
- *Avoid civil war.*

Surprisingly few sub-Saharan African economies have succeeded in avoiding all of these pitfalls since independence.

A second key lesson from these studies is that, besides avoiding major failures, *governments must have a critical proactive agenda*. Though the reports vary to some extent, there are common themes. As summarized in the *Growth Report*, for example, coherent growth strategies include a variety of policies that encourage the efficient allocation of capital and labor, such as providing adequate infrastructure and property rights, or securing an economic environment that leads to greater innovation. Policies that promote inclusion are also important, especially to ensure that reforms are sustainable. Putting such strategies in place requires a credible and committed government. All the reports provide a broad agenda and emphasize that the details must be country- and context-specific.

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Note: This box was prepared by Chad Steinberg.

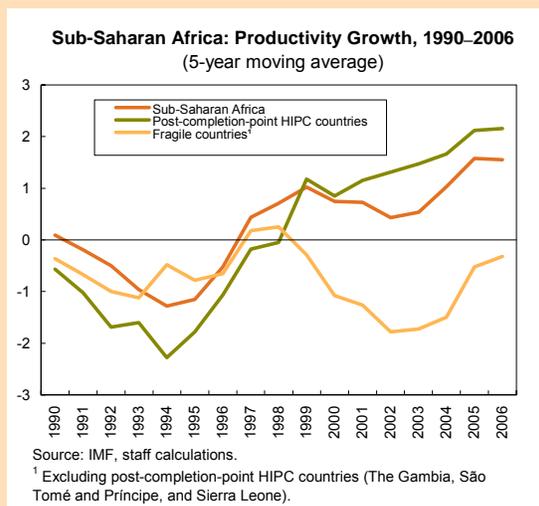
Much of the growth in current fast growers has been fueled by a significant increase in total factor productivity (TFP) (Box 2.3). This contrasts with the general experience in Africa up to 1995, which was characterized by low productivity growth in response to investment (Ndulu, Chakraborti, and others, 2007). Similarly, microeconomic evidence suggests historically low rates of return on investment in Africa (Ndulu, O'Connell, and others, 2007). Investment, both public and private, is clearly

critical. Moreover, the sharp distinction between the contributions of TFP and factor accumulation is artificial, both because any measurement error in investment shows up as TFP and because productivity growth and investment are mutually related. Nevertheless, the importance of increases in TFP underscores the role of strong policies and reforms in growth accelerations in many sub-Saharan African countries.

### Box 2.3. Productivity in Sub-Saharan Africa: Changes since the Mid-1990s

Growth-accounting analysis using data for 1985–2006 shows that

- Until the mid-1990s, growth in all country groups in the region was driven primarily by factor accumulation.
- For about the past 10 years, while factor accumulation has continued to be important to growth, even more important have been improvements in productivity (especially in high-growth countries and countries that have passed their completion point under the Heavily Indebted Poor Countries initiative).
- Both real GDP and TFP growth decelerated continuously over the period in fragile countries.



Sources of Growth in Sub-Saharan Africa: 1985–2006				
	1985–89	1990–94	1995–99	2000–06
<b>Sub-Saharan Africa</b>				
Real GDP growth	3.5	1.7	4.4	4.2
Factor accumulation	3.2	3.0	3.3	3.0
TFP growth	0.3	-1.3	1.1	1.2
<b>High-growth countries</b>				
Real GDP growth	5.1	2.7	7.3	5.1
Factor accumulation	4.0	3.9	4.8	3.3
TFP growth	1.1	-1.2	2.5	1.8
<b>Low-growth countries</b>				
Real GDP growth	3.7	2.8	2.3	1.1
Factor accumulation	2.5	2.9	2.7	2.2
TFP growth	1.2	-0.1	-0.4	-1.1
<b>Post-completion-point HIPC countries</b>				
Real GDP growth	2.6	0.6	4.3	5.2
Factor accumulation	3.2	2.9	3.1	3.4
TFP growth	-0.6	-2.3	1.2	1.8
<b>Fragile countries<sup>1</sup></b>				
Real GDP growth	2.3	1.7	1.7	0.8
Factor accumulation	2.4	2.2	2.0	1.6
TFP growth	-0.1	-0.5	-0.3	-0.8

Source: IMF, *World Economic Outlook*; and IMF, staff calculations.  
<sup>1</sup> Excluding post-completion-point HIPC countries (The Gambia, São Tomé and Príncipe, and Sierra Leone).

Note: This box was prepared by Dhaneshwar Ghura, Bernardin Akitoby, and Priscilla Muthoora.

### Initial income, endowments, and geography

The current fast growers started from different income levels. They were not systematically poorer, as would be consistent with a catch-up phenomenon. But neither were they richer, as might be expected if escape from poverty traps were the main issue facing poor countries in the region.<sup>2</sup>

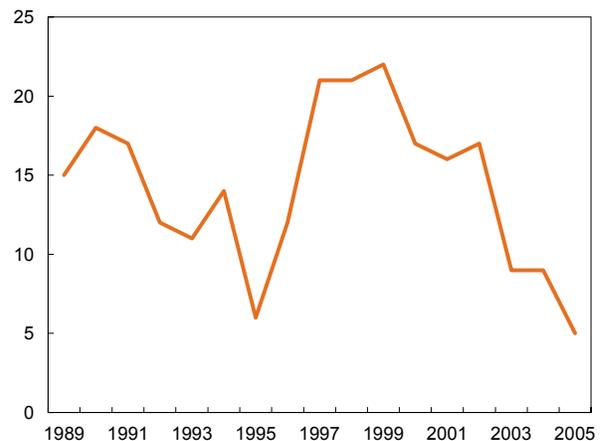
While geography and resource endowments have historically been important in determining growth patterns in Africa, in the past decade they have not been decisive in determining which countries were fast growers.<sup>3</sup> Of the 17 high-growth countries in sub-Saharan Africa (see Table 2.1), 6 are resource-rich, 6 are resource-scarce and coastal, and 5 are resource-scarce and landlocked (Burkina Faso, Ethiopia, Mali, Rwanda, and Uganda). And low growers are equally split among the resource-rich, resource-poor-coastal and resource-poor-landlocked groups. Thus, recent experience among fast growers in Africa would seem to suggest that growth opportunities based on geography and endowments alone cannot explain the accelerations and are not necessary conditions for fast growth. The fast-growing landlocked resource-poor countries in Africa managed to offset their location and resource disadvantages. However, this may be partly explained by improvements in neighboring countries: high-growth resource-rich and resource-poor coastal economies are increasingly pulling their landlocked neighbors along.<sup>4</sup>

### Conflicts and extreme state failure

Over the past decade armed conflicts and state failure in the region have dwindled (Figure 2.6). And indeed, growth began in four of the current successes (Angola, Mali, Mozambique, and Rwanda)

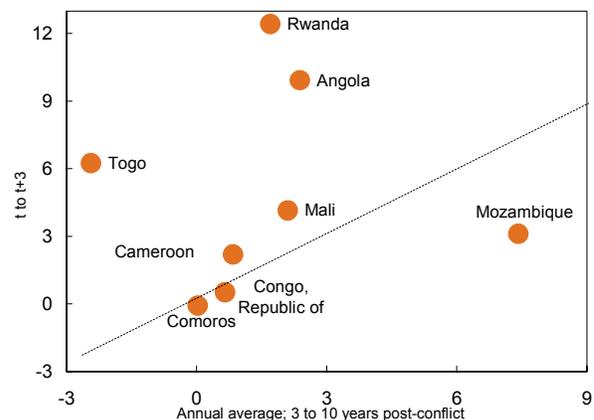
only when conflict ended (Figure 2.7).<sup>5</sup> (See Box 2.4 on Mozambique’s growth after stabilization.) These four countries tended to see especially high growth in the first few years after the conflict ended, but as the growth was sustained, it became comparable to that in the nonconflict fast growers. However, four other countries where conflicts ended in the past 15 years were not able to sustain high growth (Figure 2.7), as several of these countries remained fragile states in the post-conflict period.

**Figure 2.6. Number of Conflicts in Sub-Saharan Africa, 1989–2005**



Source: Uppsala University, Uppsala Conflict Data Program.

**Figure 2.7. Sub-Saharan Africa: GDP per Capita Growth Post-Conflict**



Source: IMF, *World Economic Outlook*.  
Note: *t* is the year the conflict ended.

<sup>2</sup> On the role of poverty traps, see Sachs and others (2004), Kraay and Radaatz (2007), and World Bank and IMF (2005).

<sup>3</sup> This contrasts with the results of Ndulu, O’Connell, and others (2007), among others, in explaining overall growth in sub-Saharan Africa since independence.

<sup>4</sup> Collier (2007) among others emphasizes that growth in landlocked resource-poor countries depends especially strongly on the performance of the neighbors.

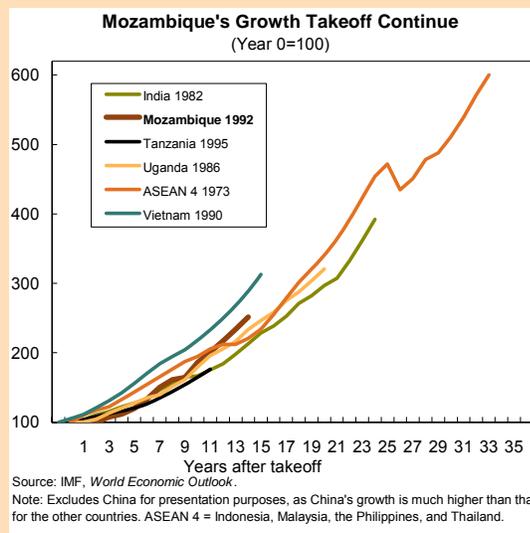
<sup>5</sup> See Collier (1999).

**Box 2.4. Mozambique: Sustaining Growth after Stabilization**

Since a peace agreement was signed in 1992, per capita GDP in Mozambique has grown almost without interruption, averaging 7.3 percent annually for the last 15 years. This prosperity has brought growth in virtually all sectors including agriculture, and a significant decline in the poverty headcount index (from 69 percent in 1997 to 54 percent in 2003).

Post-conflict growth has been founded on robust contributions from all principal growth drivers, as has been common where growth has been sustained in Southeast Asia (table; see also Jones, 2008). Solid human capital improvements have accompanied significant capital deepening (mostly from private investments) and TFP growth, which has been driven largely by better capacity utilization. Notably, the share associated with technological innovation and other changes is far superior to the African average.

Political stability, structural reforms, and prudent macroeconomic policies have helped sustain growth. From a highly regulated initial policy environment, steadfast implementation of first-generation reforms to liberalize trade, privatize public enterprises, and remove price and exchange rate controls have boosted foreign direct investment, particularly from South Africa, in sectors other than agriculture. Prudent economic policies and improvements in public financial management secured donor support for investment in education early on. Private investments and aid inflows have continued through second-generation reforms to consolidate macroeconomic stability, reduce the cost of doing business, and enhance governance. The result has been a structural shift toward more productive nonagricultural sectors, a decline in the agricultural labor force, widespread productivity gains and sustained growth.



		Comparative Growth Accounting Evidence				
		Output Growth Rates (Percent)				
		Growth Contributors				
		Capital				
		Growth	TFP	Physical	Human	Labor
1990–2000	Africa	2.3	-0.5	-0.1	0.4	2.5
1990–2000	East Asia	5.7	0.5	2.3	0.5	2.4
1990–2000	Latin America	3.3	0.4	0.2	0.3	2.4
1990–2000	South Asia	5.3	1.2	1.2	0.4	2.5
1992–1998	Mozambique	5.2	1.7	1.8	0.4	1.3
1999–2004	Mozambique	7.4	1.1	3.8	0.9	1.5

Sources: Bosworth and Collins (2003) for regions; and Jones (2008) for Mozambique.

Note: This box was prepared by Victor Lledó. See Clément and Peiris (2008) for a comprehensive discussion of Mozambique's growth experience, strategy, and lessons.

The low-growth group largely consists of conflict and post-conflict countries. Ndulu, O'Connell, and others (2007) identifies "state failure" as a policy syndrome that strongly lowers growth in sub-Saharan Africa countries when it is observed.

It can also have regional implications for neighboring countries. Recent experience suggests that this syndrome is largely responsible for the worst growth performances in sub-Saharan Africa.

### The external economic environment

Pessimists about the sustainability of the current growth boom in sub-Saharan Africa may point out that the terms of trade have been exceptionally strong in recent years. The last period of high growth in sub-Saharan Africa, in the 1960s and early 1970s, also coincided with a terms of trade boom; unfortunately the boom ended in the 1980s and early 1990s with a terms of trade bust.<sup>6</sup> From the perspective of sustaining growth, the most-daunting results are that positive terms of trade shocks may have positive short-term effects on output but adverse ones in the longer term (Collier and Goderis, 2007). Similarly, positive terms of trade shocks are more strongly correlated with shorter-lived expansions than with sustained growth. This suggests that terms-of-trade-induced booms may be less likely to last (Hausmann, Pritchett, and Rodrik, 2004).

Fast growers have had a variety of experiences with their terms of trade: some countries, especially resource-rich countries, have benefited from trading gains; others have grown rapidly despite stable or declining terms of trade (Figure 2.8). At the same time, the terms of trade experiences of low-growth countries have also varied, with some growing slowly despite very large gains, while in others low growth has been associated with terms of trade losses. In sum, while terms of trade have been part of the growth acceleration in many countries, in others additional factors have had more of an effect on growth.

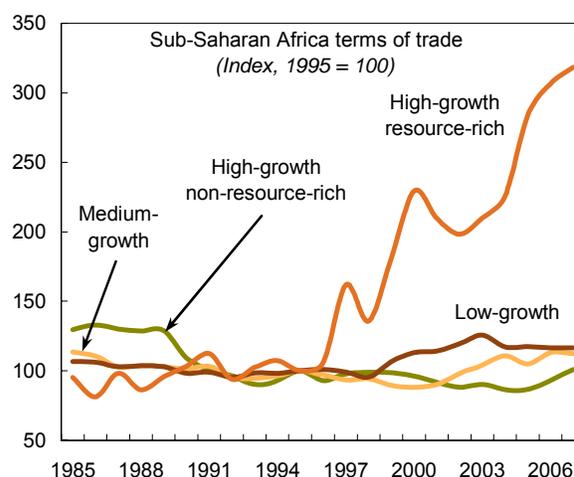
FDI may help sustain high growth but is not a prerequisite for the initiation of it. This can be seen from the fact that FDI inflows have risen substantially in resource-rich fast growers, but in general this has followed rather than coming before or with the takeoff (Figure 2.9). Still, the bulk of the cross-country evidence suggests that FDI

<sup>6</sup> In general, the empirical importance of terms of trade shocks for Africa is disputed. Deaton (1999) finds them critical, whereas Ndulu, O’Connell, and others (2007) argue that their importance is “notoriously” hard to demonstrate.

(implemented with technological know-how) can be an important element in sustaining growth over longer periods.

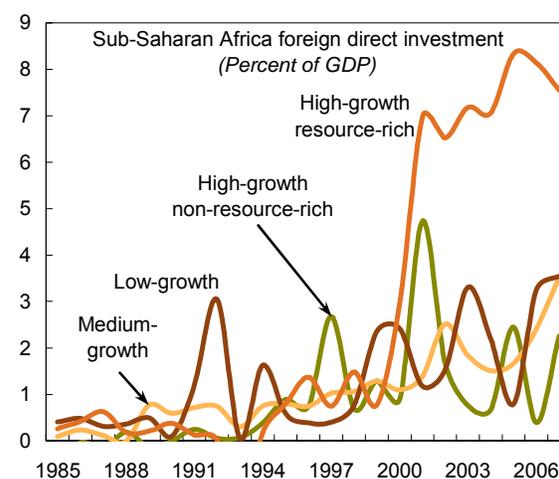
Aid to the region has grown sharply during the past decade. After collapsing when the cold war ended, aid to Africa has picked up since 2000, a period that roughly corresponds to the strongest period of growth in sub-Saharan Africa (Figure 2.10). The upturn in aid to sub-Saharan Africa is strongest for the high- and medium-growth groups, and decreases for the rest.

**Figure 2.8. Terms of Trade Shocks**



Source: IMF, *World Economic Outlook*.

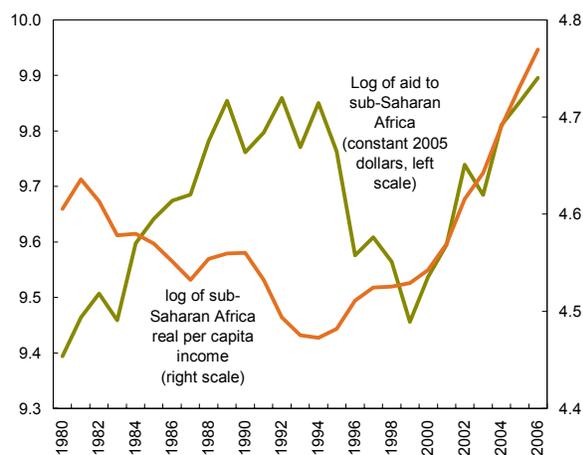
**Figure 2.9. Foreign Direct Investment**



Source: IMF, *World Economic Outlook*.

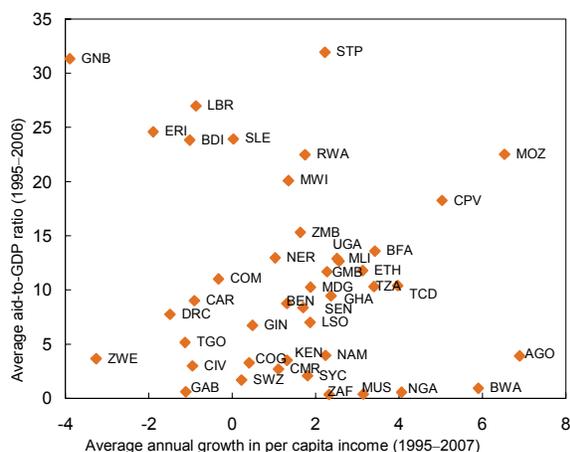
Increases in aid have been broadly associated with the current acceleration, but again there has been a diversity of experiences (Figure 2.11). The high-growth group includes recipients of both high and low amounts of aid. Within the high-aid group are a number of strong regional performers, including Mozambique, Cape Verde, and Burkina Faso; the low-aid recipients have tended to be resource-rich countries like Nigeria, Botswana, and Angola that have not faced a resource constraint. There is no clear evidence from the recent accelerations that aid prevents sustained growth. On the contrary, it can be a helpful mechanism for relieving resource constraints.

Figure 2.10. Aid to Sub-Saharan Africa



Sources: Roodman (2006); and IMF, staff calculations.

Figure 2.11. Aid and Growth in Sub-Saharan Africa



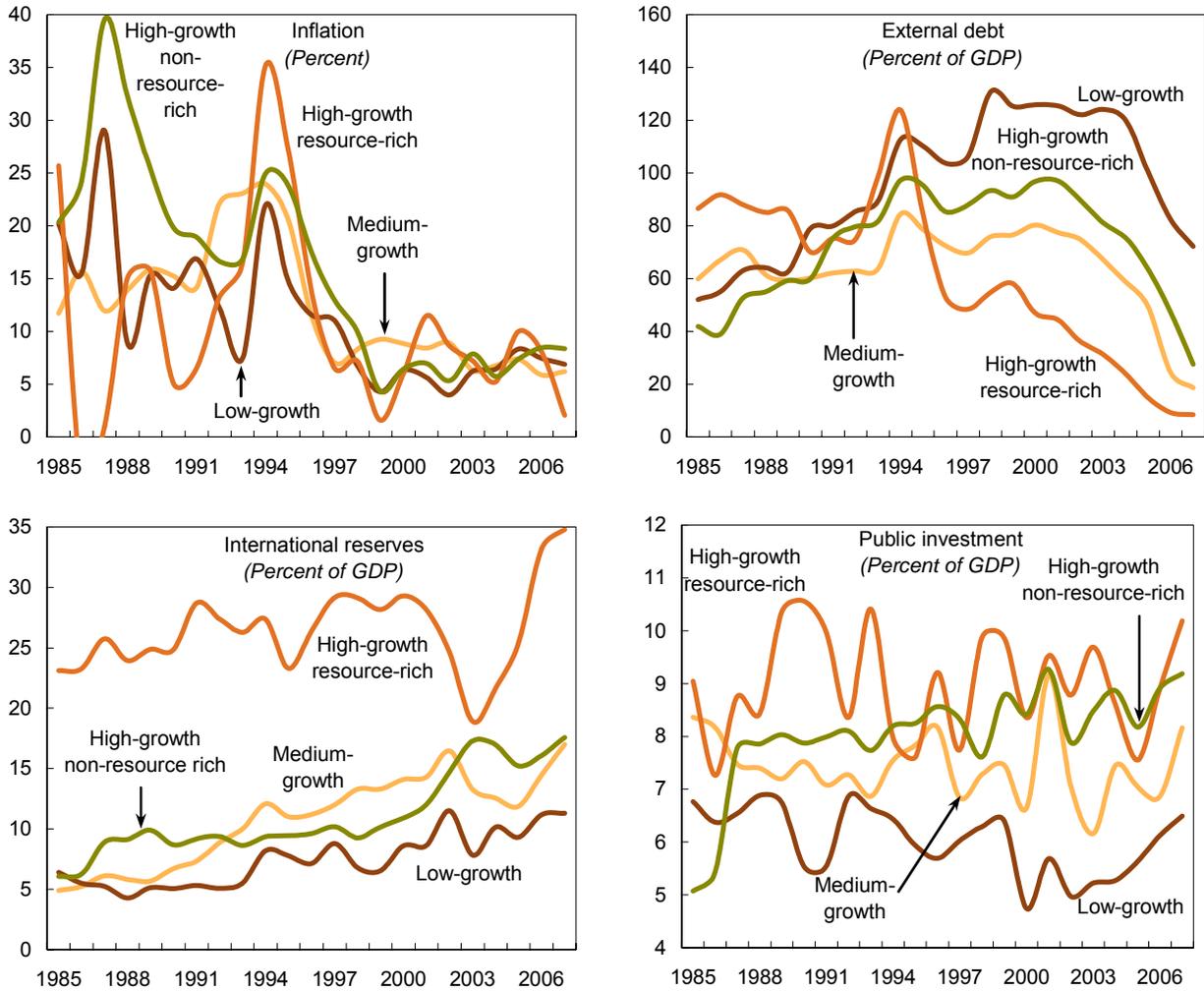
Sources: Roodman (2006); and IMF, staff calculations.  
Note: Country names are abbreviated according to the ISO Alpha-3 standard codes.

### Macroeconomic policies

Improved macroeconomic policies are characteristic of the current sustained growers (Figure 2.12):

- Inflation has decreased significantly from very high levels in recent years, in both the fast growers and other groups, partly as a result of improved macroeconomic policies. The decline in inflation roughly coincides with the start of the high-growth period. That high-growth countries have kept inflation fairly low is consistent with the broader literature, which finds that countries with lower inflation are generally more likely to sustain high-growth episodes (Berg, Ostry, and Zettelmeyer, 2008). On the other hand, the failure of low inflation to trigger growth in countries in the other groups is consistent with the established notion that low inflation alone is not a sufficient condition for higher growth.*
- A firm fiscal policy reveals itself in several dimensions in the fast growers. Debt has decreased in all groups since about 2001, reflecting both Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI) debt relief and restrained deficits (after grants). Strong public investment within an overall envelope of fiscal responsibility has helped fast growers develop much-needed infrastructure. Box 2.5 uses the case of Tanzania to illustrate growth supported by economic stabilization.*
- Vulnerabilities have been reduced, notably through substantial accumulation of foreign reserves and lower debt levels. This illustrates a more general point: although sub-Saharan African countries remain susceptible to terms of trade shocks, better fundamentals have improved their ability to weather the storm (the current shock notwithstanding).*

Figure 2.12. Macroeconomic Indicators



Source: IMF, African Department database.

Note: Inflation figures exclude Angola, the Democratic Republic of Congo, and Zimbabwe, which experienced hyperinflation in the period.

Fast growers in Africa tend to have more flexible exchange rate regimes: 5 of the 17 fast-growing countries have a hard peg. This may be because exchange rate flexibility helps them avoid overvaluation and adjust to shocks. The literature on this issue is mixed, finding little clear relationship between the exchange rate regime and growth in developing countries generally (Rogoff and others, 2004) and in Africa specifically (Masson and Pattillo, 2005).

Related to—but distinct from—the exchange rate regime itself is the degree of overvaluation of the real exchange rate. High-growth non-resource-rich countries have observed a weakening real exchange

rate throughout the high-growth period (see Figure 2.13), such that they have been undervalued relative to countries in the other groups—and valued in a way roughly comparable to the average developing country—since 2000 or so.<sup>7</sup> Resource-rich countries, not surprisingly, have seen a real appreciation in recent years, reflecting strong terms of trade and natural resource discoveries.

<sup>7</sup> This is broadly consistent with the evidence in Rodrik (2007) to the effect that exchange rate undervaluation—measured as in Figure 2.13—is related to faster growth.

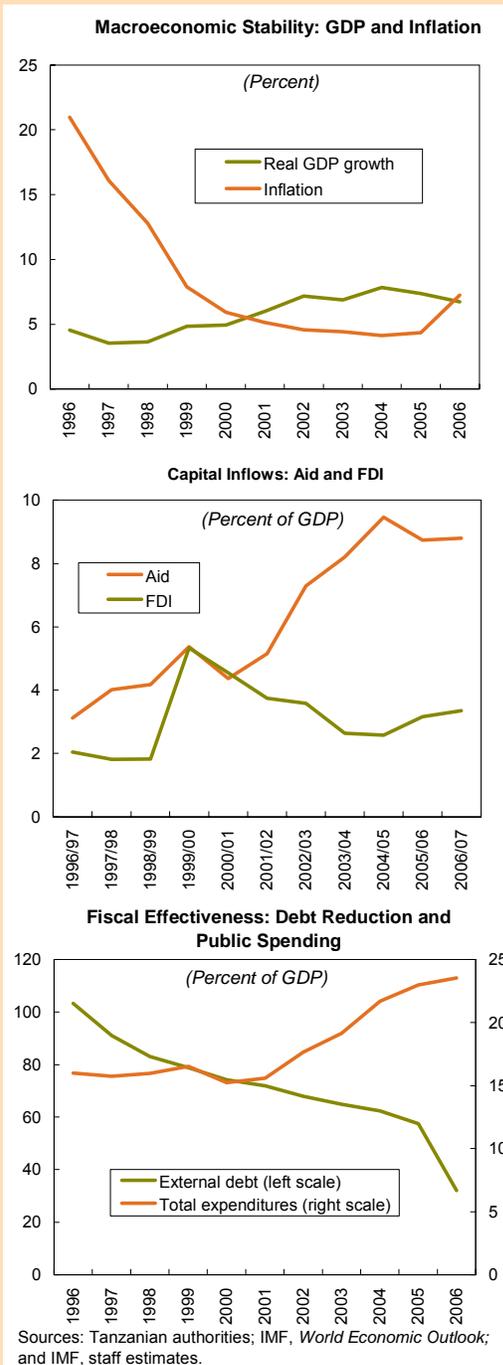
**Box 2.5. Tanzania’s Growth Experience**

Tanzania’s economic growth has accelerated significantly in recent years. Real GDP growth picked up in the mid-1990s, as stabilization was cemented and structural reforms started to show effects. It continued to accelerate into the new century, averaging about 7 percent a year for 2001–07—more than double the average of the 1980s and 1990s. As a result, per capita income has almost doubled since 1995 and poverty has declined. Key reforms included opening up the economy to trade and investment, promoting the development of an efficient private financial sector, and placing public finances on a sound financial footing. When reforms reached a critical mass, they stimulated a virtuous circle of higher private investment, economic growth, and development partner support. But although higher aid flows and FDI have both contributed to a significant increase in capital accumulation, the recent growth acceleration is largely due to sustained improvements in TFP resulting from the success of the reforms.

The IMF supported these reforms through concessional lending, debt relief, technical assistance, and policy advice, but country ownership made them durable. Tanzania’s is a truly homegrown development strategy produced by a participatory process, involving civil society, and documented in the country’s second-generation Poverty Reduction Strategy Paper, the MKUKUTA, which adopts an outcome-based approach focusing on growth and reduction of poverty, enhanced quality of life and social well-being, and good governance and accountability.

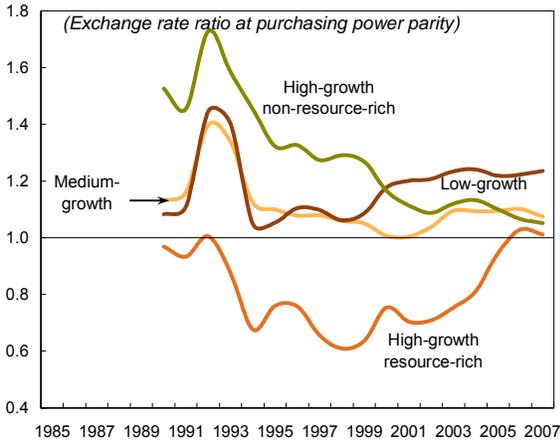
Tanzania: Contributions to Real GDP Growth (percent)					
	1986–90	1991–95	1996–2000	2001–06	2007
Real GDP growth	5.3	1.8	4.3	7.0	7.3
Labor force	2.2	2.5	1.7	1.7	1.8
Capital	0.9	1.3	0.3	1.6	2.3
Total factor productivity	2.2	-2.0	2.3	3.7	3.2

Source: IMF staff calculations.



Note: This box was prepared by Yuri Sobolev and is based on the forthcoming IMF study *Tanzania—The Story of an African Transition*.

**Figure 2.13. Measuring Overvaluation: Exchange Rate Overvaluation**



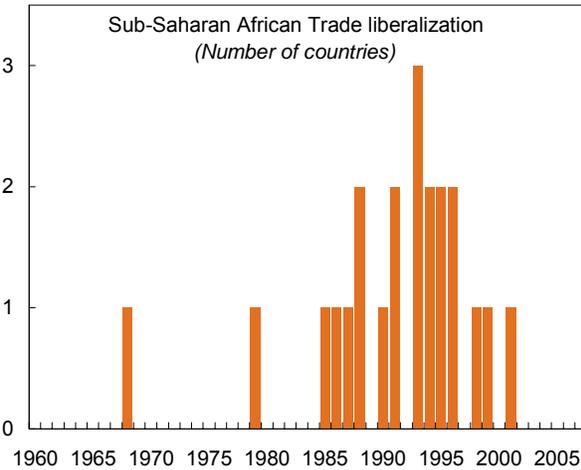
Sources: IMF, *World Economic Outlook*; and IMF, staff calculations.  
 Note: Ratio between the nominal exchange rate and the purchasing power parity exchange rate

With respect to trade policy, the most salient feature is the general and widespread liberalization of trade regimes that took place in the 1990s, coinciding with

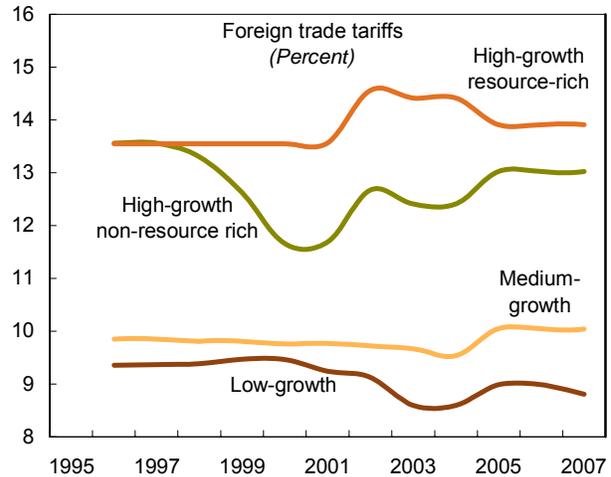
the overall growth takeoff (see Figure 2.14).<sup>8</sup> This liberalization did not accelerate growth in the slow growers, underscoring the fact that no single reform is likely to be sufficient to generate rapid growth in all countries if other conditions, such as adequate infrastructure, are not in place. The takeoff was also associated with some reduction in foreign trade tariffs in non-resource-rich countries.

Fast growers have generally had rapid growth of exports and imports, but experiences diverge for resource-intensive and non-resource-intensive countries (Figure 2.15). The region’s non-resource-intensive countries have, in general, seen only limited increases in diversification and growth of manufactured exports. Only in a handful of fast growers (Botswana, Cape Verde, Mauritius, Namibia, and South Africa) is the share of manufacturing exports in total exports in the double digits (note that the data are unusually spotty here).

**Figure 2.14. Openness and Trade Policy**

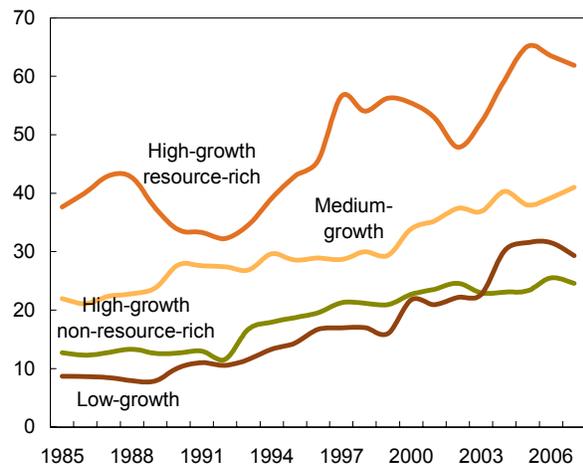


Sources: Wacziarg and Welch (2008); and UNCTAD.  
 Note: Six of the region’s high growers liberalized trade during the 1990s.



<sup>8</sup> The tariff level is still relatively high in sub-Saharan Africa on average. On recent trade performance in Africa, see Carey, Gupta, and Jacoby (2007). Data on trade liberalization are based on the updated data set of trade policy indicators and liberalization dates in Wacziarg and Welch (2008).

**Figure 2.15. Exports of Goods and Services as a Percentage of GDP**



Source: IMF, *World Economic Outlook*; and IMF, staff calculations.

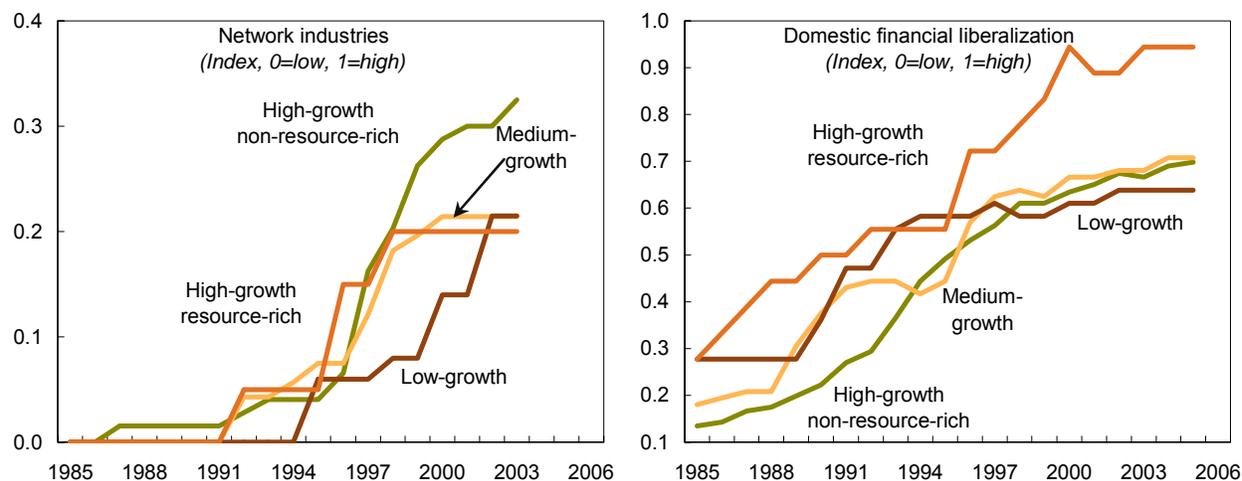
This relatively slow pace of growth of manufactured exports and, more generally, diversification of exports away from primary commodities contrasts with the experience of most sustained fast growers in other regions, as emphasized in Johnson, Ostry, and Subramanian (2007). The microeconomic evidence is that, at least as much as in other regions, exporting firms in sub-Saharan Africa enjoy greater productivity growth (Mengistae and Pattillo, 2004). Thus, it is a source of

concern that African countries have not in general followed the path of other fast-growing developing countries in both raising productivity in agriculture and restructuring the economy toward services and more-diversified exports (Ndulu, Chakraborti, and others, 2007). Box 2.6 illustrates some of these points using the case of Uganda, one of Africa's sustained fast growers.

**Structural and institutional reforms**

The fast growers, like most African countries, emerged from the period of structural adjustment in the 1980s and early 1990s with a near-absence of what Ndulu, O'Connell, and others (2007) refer to as the regulatory syndrome of pervasive and deep state controls that often characterized sub-Saharan African economies in earlier periods. The progress achieved in the structural adjustment period is illustrated by liberalization of telecommunication and electricity industries and domestic financial liberalization (Figure 2.16). That this progress did not lead to a growth acceleration in all countries again demonstrates that there is no simple recipe for success. However, the evidence is broadly consistent with the notion that such basic reforms are close to being a necessary condition.

**Figure 2.16. Sub-Saharan Africa: Network Industries and Domestic Financial Liberalization**



Source: IMF (2008).

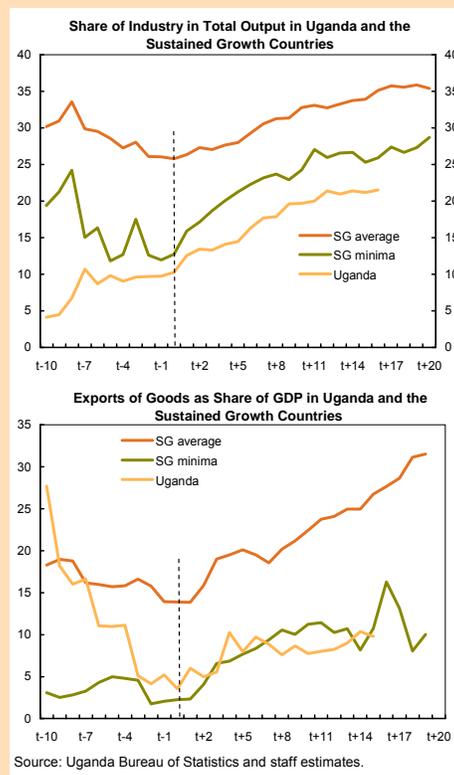
### Box 2.6. Growth and Structural Transformation in Uganda

It is useful to think about three overlapping development challenges for African countries: *getting growth started*, *sustaining growth*, and *effecting economic transformation*. Uganda has done well on the first two counts: the economy is now in its 20th year of uninterrupted expansion. But there is concern among policymakers that despite macroeconomic stability and reasonably well-functioning markets, the country's economy has not significantly transitioned from subsistence agriculture to higher-productivity activities. One way to ascertain whether this is the case is to compare the evolution of correlates of economic transformation (industrialization, financial deepening, etc.) in Uganda with their evolution in the small group of sustained-growth (SG) countries that have registered high rates of economic growth and engendered significant transformation over the last few decades. A forthcoming IMF study does just that.

The study finds that there has been significant economic transformation in this group of countries over the last 20 years, but from a lower base and at a slower pace in Uganda. Thus, for example, though industrialization in Uganda (top figure) has increased markedly, it is only some 15 years into the country's growth episode that this aggregate approaches the level observed in the SG countries at the start of their growth episodes.<sup>1</sup>

Another finding is the generally weak performance of Uganda's tradables sector relative to those of the SG countries. Direct measures of competitiveness do not point to significant problems (at least currently). But outcome variables—the ultimate test—show the trade and current account deficits to be much wider now than at the start of Uganda's growth episode. In part, this reflects the poor performance of the exports sector over the years (bottom figure), although that has improved recently.

Uganda's achievements over the last 20 or so years, considering weak fundamentals and significant shocks, are quite remarkable. If industrialization there has not been as substantial as in the SG countries, there is no single cause for this. There are hardware-type constraints on economic transformation, including limited human capital and weak infrastructure, but there are also software-type problems in terms of the quality of institutions, governance, regulation, and so on, which could all be better. Given limited capacity to address all these shortcomings, future government interventions should be carefully focused. The forthcoming working paper on which this box is based (see Note) identifies three such first-order interventions: improving infrastructure services, developing a focused growth strategy, and enhancing export competitiveness.



Note: Prepared by Abebe Aemro Selassie, drawing on a forthcoming IMF Working Paper "Beyond Macroeconomic Stability: The Quest for Industrialization in Uganda."

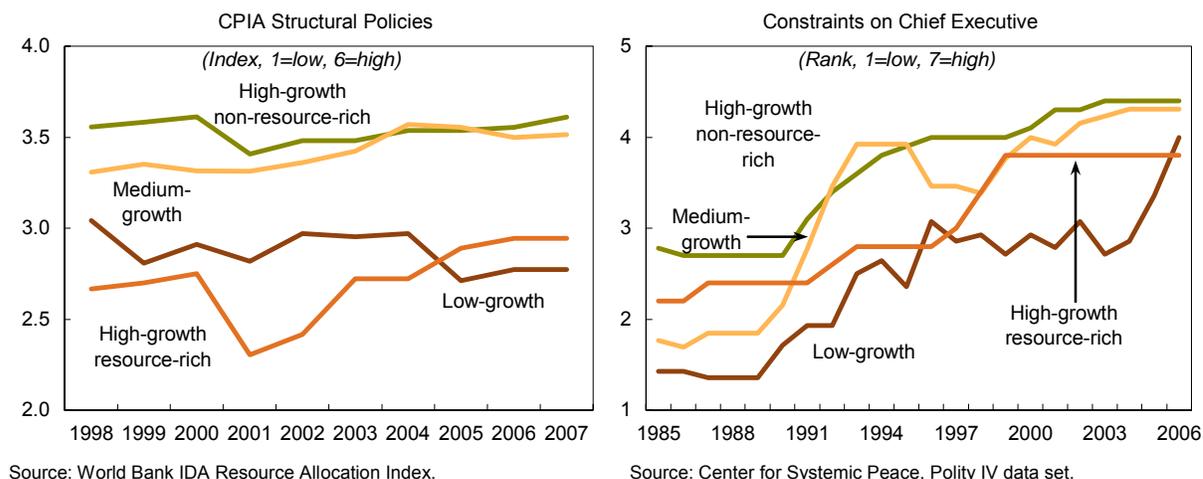
<sup>1</sup>The sustained growth countries are those identified in Johnson, Ostry, and Subramanian (2007): Chile, China, the Dominican Republic, Egypt, Indonesia, Republic of Korea, Malaysia, Singapore, Taiwan Province of China, Thailand, Tunisia, and Vietnam.

The fast growers—at least the non-resource-rich—by some measures have had relatively good structural policies in place at least since the late 1990s. This factor is difficult to quantify. However, the World Bank’s Country Policy and Institutional Assessment (CPIA) attempts to measure the quality of policies and institutions along four dimensions: (i) economic management, (ii) structural policies, (iii) policies for social inclusion and equity, and (iv) public sector management and institutions. On all these measures, the fast growers have done better. The notable exception is resource-rich countries: even fast-growing resource-rich countries measure relatively poorly on all four dimensions. A similar picture emerges from a measure, from the Polity IV database, of the constraint on the executive, which assesses the de facto operational independence of a country’s chief executive (Figure 2.17 illustrates for CPIA structural policies and constraints on the executive).<sup>9</sup>

However, on many broader measures of perceptions of institutional quality, sub-Saharan

African fast growers did not look particularly good when their takeoffs began. This is consistent with Johnson, Ostry, and Subramanian (2007), which emphasizes that sustained fast growers in Asia and elsewhere started with institutions comparable to those of many African countries today. In some cases there has been improvement during the high-growth period, particularly in terms of democratic accountability (Figure 2.18). However, by other measures of institutional quality related to economic performance such as quality of the bureaucracy or property rights (the latter not shown in the figure), there has been no clear general pattern of improvement. The wealth of evidence from the literature suggests that strong institutions and governance lead to higher incomes and growth, although causality runs in both directions. It suggests also that fast growth may provide opportunities to improve institutions and governance, and that doing so may help sustain high growth. However, such improvements are clearly not automatic with faster growth.

**Figure 2.17. CPIA Structural Policies and Constraints on Chief Executive**

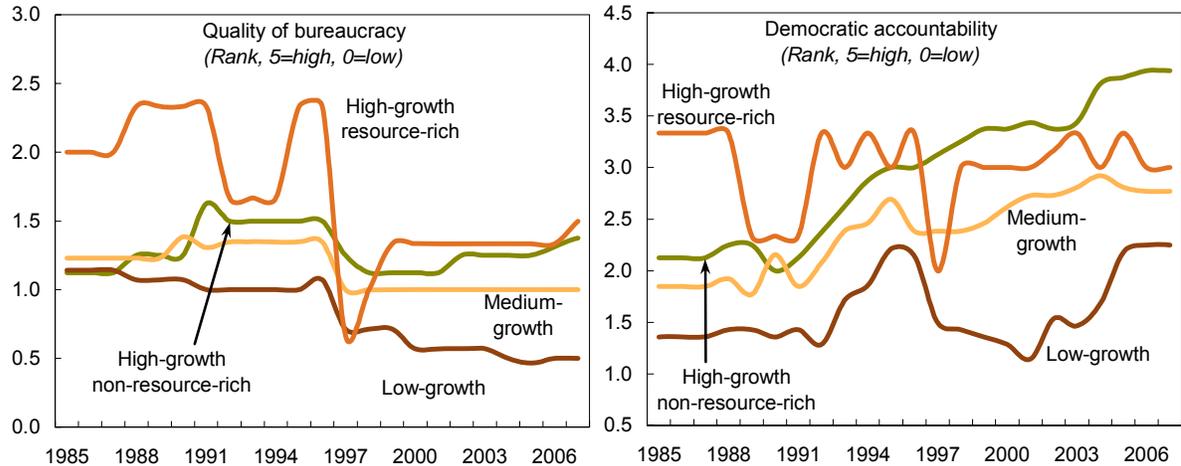


Source: World Bank IDA Resource Allocation Index.

Source: Center for Systemic Peace, Polity IV data set.

<sup>9</sup> This measure is widely used in cross-country and panel growth regressions, such as those in Acemoglu, Johnson, and Robinson (2001).

**Figure 2.18. Institutions/Governance**



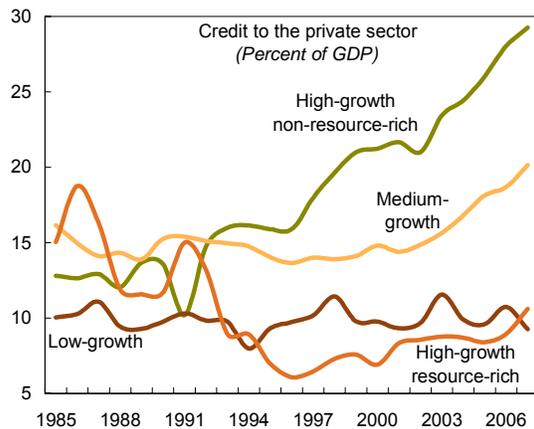
Source: *International Country Risk Guide*.

The high-growth countries in sub-Saharan Africa have mobilized savings and allocated capital better than countries in the other groups (Figure 2.19). Financial market access and financial sector reforms have had significant impact on per capita income growth in several of these countries (IMF, 2008).

With financial sector development and the other reforms discussed above, fast-growing economies have generally better total and private investment rates than medium- or low-

growth countries (Figure 2.20). The ratio of private investment to GDP for sub-Saharan Africa on average has been rising in recent years; for fast growers, it is approaching that of other developing countries. Generally, however, sub-Saharan African countries have relatively low savings—partly because financial services are still weak—so a critical question is whether the resource constraint is holding back investment. In several high-growth countries (Burkina Faso, Mozambique, Tanzania, Uganda), foreign savings are relatively high, suggesting a relaxation of that constraint, allowing investment rates to pick up.

**Figure 2.19. Financial Linkages**



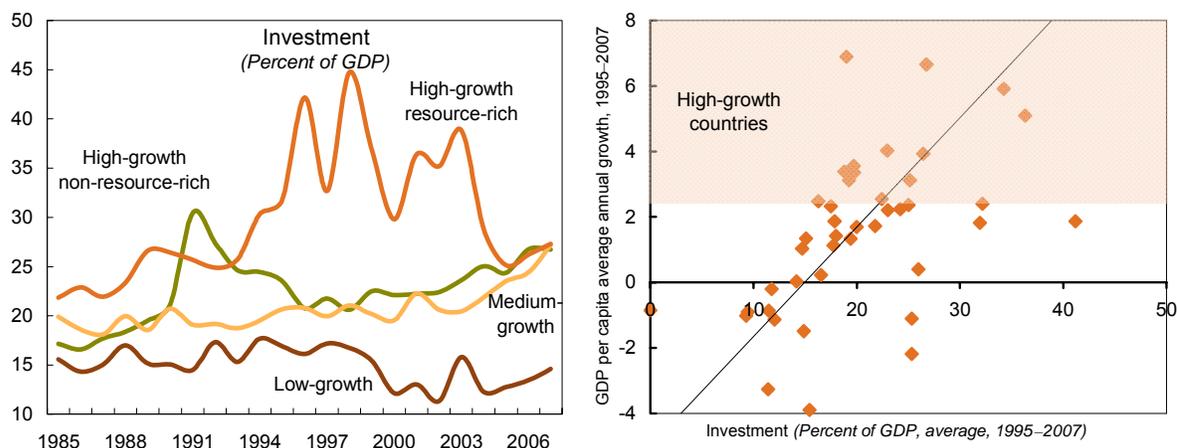
Source: IMF, *International Financial Statistics*; and IMF, staff calculations.

**Putting it together**

The growth takeoff in sub-Saharan Africa since 1995 has been associated with several factors, and no simple story emerges. However, the evidence suggests four broad conclusions:

- Several conditions sometimes considered critical to achieving sustained growth, such as direct access to the sea or high levels of economic institutions, have not been required in recent years for a country in sub-Saharan Africa to begin a period of sustained growth.

**Figure 2.20. Total Investment and Growth**  
**Sub-Saharan Africa: Average per Capita Growth Rates in Investment**



Source: IMF, *World Economic Outlook*; and IMF, staff calculations.

- There are, however, a number of conditions that are apparently necessary for sustained takeoff: absence of conflict; a stable macroeconomy, as reflected in low inflation and sustainable debt; and a functioning market economy. Reflecting these basic conditions, fast growth in the region has generally followed a period of structural adjustment that reduced state controls and liberalized trade and domestic financial markets.
- A clear set of sufficient conditions for rapid growth does not emerge. The fast growers have on the whole done better in the areas of building reserves, sustaining high levels of public investment, and avoiding overvaluation of the real exchange rate, and on some measures of broad policy reform, notably the World Bank's CPIA (the latter two hold true mainly for non-resource-rich fast growers). However, these patterns are not stark. In general, growth seems to have responded to the specific circumstances in each country in terms of the external environment it faced and the policy choices it made.
- In many countries, fast growth has been associated with a more favorable

external economic environment, including improvements in terms of trade, rising aid inflows, and rapid growth of exports. But several countries have grown fast despite stable or declining terms of trade or low levels of aid. The cases highlighted here, and in the literature, suggest the need for a flexible and country-specific strategy and a proactive state working to spur growth and ensure that its benefits are spread widely.

### **Growth, Income Inequality, and Poverty in Sub-Saharan Africa**

In 2004 sub-Saharan Africa had the worst incidence of extreme poverty in the world, as growth in China and India has dramatically reduced poverty elsewhere. Sub-Saharan Africa had been ahead of East and South Asia, in regard to poverty, in 1980; it has now fallen behind. However, it appears that sub-Saharan Africa's within-country income inequality has declined over the past two decades (IMF, 2003), in contrast to that in most other regions of the world. This would suggest that poor growth, not a worsening of the income distribution, is behind sub-Saharan Africa's difficulties in reducing poverty.

The recent growth in Sub-Saharan Africa, however, has helped reduce poverty in the region. The best way to examine the impact of growth on poverty would be to look at what happens to real incomes and poverty during the intervals between comprehensive household surveys. Unfortunately, such surveys are too rare for it to be possible to look at fast growers as a group or to compare them to other groups. Instead, Figure 2.21 plots the average annual growth of income received by the poorest 20 percent of the population (on the vertical axis) against the average annual growth in *average* per capita incomes (on the horizontal axis), for all available pairs of household surveys in a given country that span 1995.<sup>10</sup> In a country with a more even income distribution, the poor will receive more of the total income, including the increment resulting from the recent growth. But as the figure shows, incomes of the poor tend to rise equiproportionately with average incomes.

The economic upturn in sub-Saharan Africa has thus reduced the fraction of the population that lives below a fixed poverty line. Figure 2.22 suggests that per capita growth of 1 percent of GDP in the region is associated with a 0.5 percentage point fall in the US\$1 a day poverty rate.<sup>11</sup>

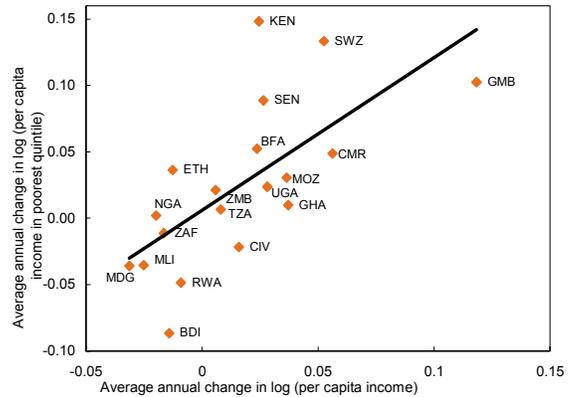
Over longer periods, the role of growth in poverty reduction tends to become clearer.

<sup>10</sup> The sample is limited to sub-Saharan African countries with both an observation before 1995 and one after. Furthermore, the sample is limited to two observations per country, with the survey year closest to 1990 chosen for the starting point, and the latest survey for the end point. The pattern is similar for broader samples, as documented in Dollar and Kraay (2002). It is also similar if the sample is restricted to the 16 high-growth cases, though there are very few observations.

<sup>11</sup> Compared with estimated elasticities for other regions reported by the World Bank and IMF (2007), the rate is somewhat low. Even when the poor benefit equiproportionately from growth in average incomes, the effect of a given average growth rate on poverty reduction will depend on how far the poor are from the mean and on the evenness of the income distribution. For example, a more uneven distribution may imply a smaller response of poverty to growth (on this see Ravallion, 1997).

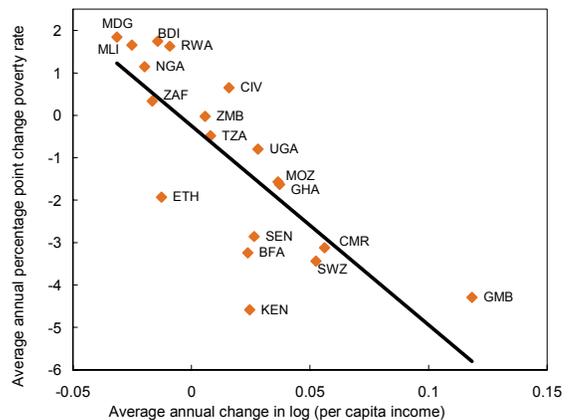
Poverty reduction is like a marathon, rather than a sprint: it takes sustained effort over many years to achieve large and lasting gains. And it is only over these longer periods that the cumulative effect of average per capita income growth makes itself most clearly felt. Figure 2.23 shows that for periods of less than five years, much of the variation in the income of the poor is correlated with changes in the distribution of income, not changes in average income. Distributional changes can have large effects on poverty (as has been evident during the current food price shock). But over longer periods, the distributional changes tend to average out, and the effect of average growth on the income of the poor more clearly dominates.

**Figure 2.21. Growth Rates**



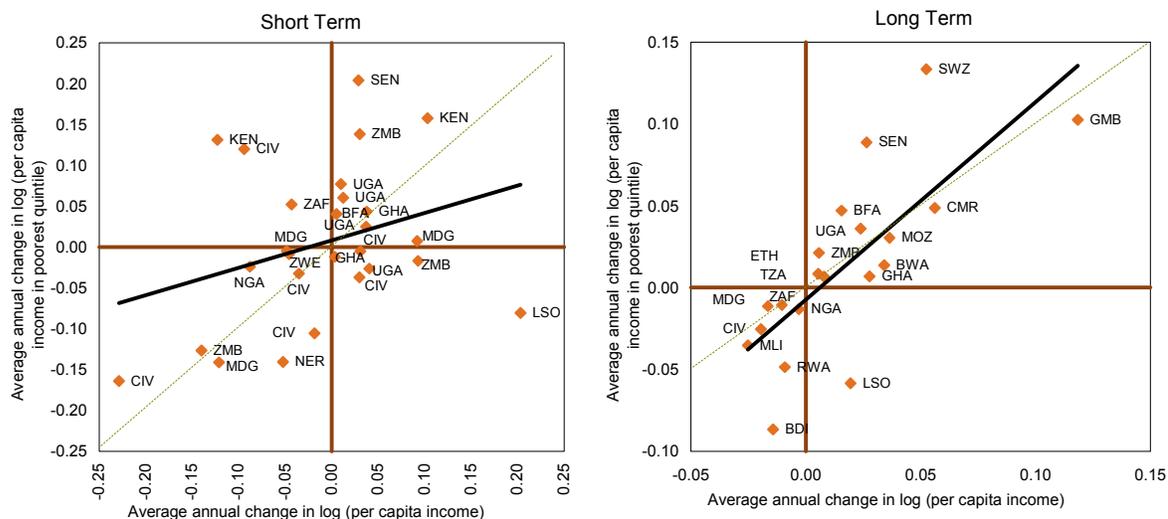
Source: Chen and Ravallion (2007); and IMF, staff calculations. Note: Country names are abbreviated according to the ISO Alpha-3 standard codes.

**Figure 2.22. Poverty Reduction**



Sources: Chen and Ravallion (2007); and IMF, staff calculations. Note: Country names are abbreviated according to the ISO Alpha-3 standard codes.

Figure 2.23. Growth and Inequality



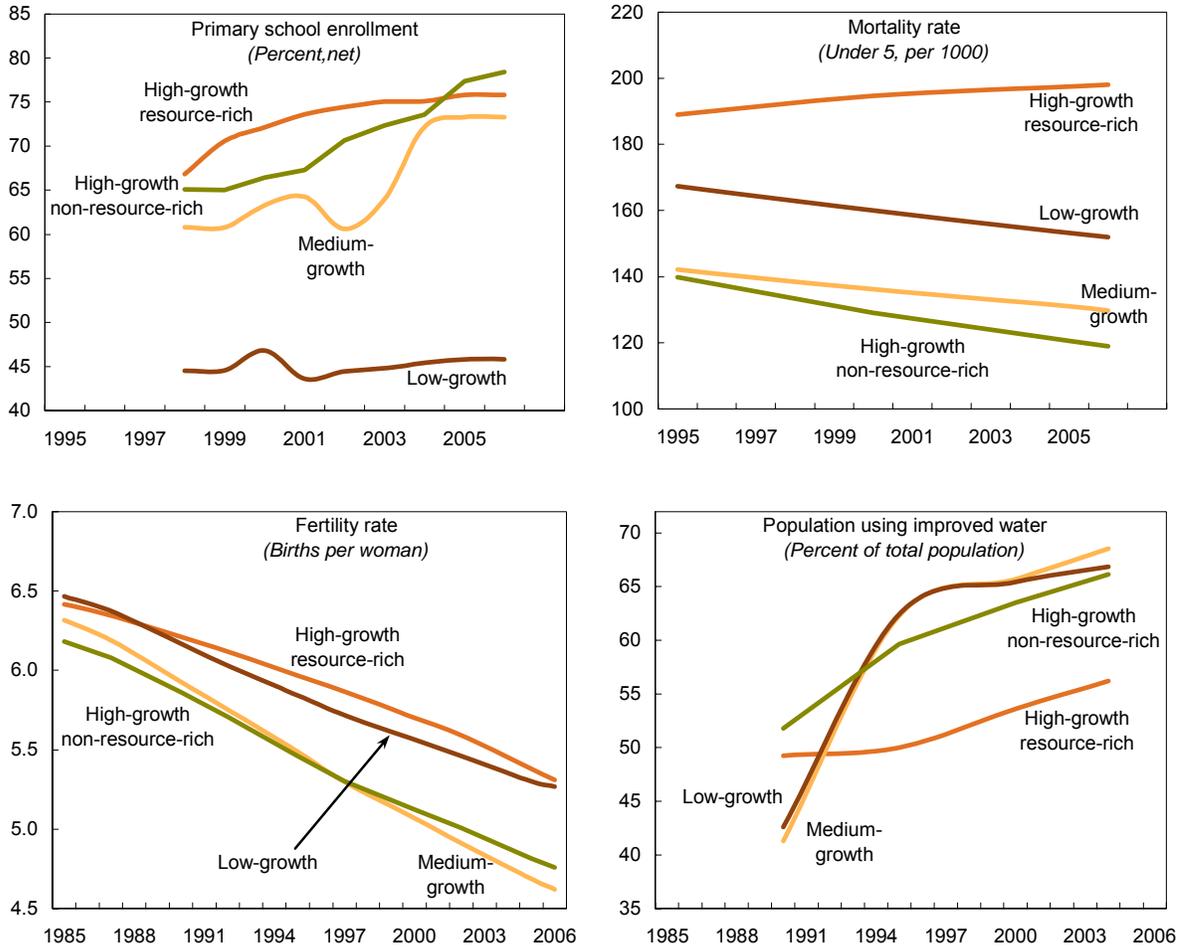
Sources: Chen and Ravallion (2007); and IMF, staff calculations.  
 Note: Country names are abbreviated according to the ISO Alpha-3 standard codes.

Fast-growing countries in the region, particularly those that are non-resource-rich, have seen major improvements in many of the other MDG target areas besides poverty (see Figure 2.24), though results are in many cases disappointing—particularly for resource-rich countries—and on current trajectories most countries, even the fast growers, will fail to achieve most MDGs by the 2015 target date (Commission on Growth and Development, 2008). Improvements in areas other than poverty addressed by the MDGs are important to promote the pace and sustainability of the current growth takeoff, for two reasons. First, these improvements increase human capital and thus in turn growth potential. Second, by improving social cohesion, and perhaps lowering the degree of inequality, they may help sustain the policies necessary politically to reform.<sup>12</sup>

In sum, two conclusions emerge from the evidence on whether growth has helped the poor in sub-Saharan Africa. First, the poor are on average significantly better off as a result of the recent period of growth, and usually enjoy at least the same rate of growth in their incomes as higher income groups. Second, this growth is beginning to yield benefits, as the fraction of the population living below the poverty level declines and social conditions improve, especially in fast growers. Of course, that growth is usually propoor does not mean it always is. It is important that policies, such as those related to spending on health and education, work to broaden the benefits of growth. For many resource-rich countries, this challenge is clearly greater.

<sup>12</sup> In general, the empirical evidence on the impact of inequality on growth is mixed.

Figure 2.24. Social Indicators



Source: World Bank, World Development Indicators.

### Strategies and Policies to Sustain High Growth

Many sub-Saharan African countries have overcome decades of poor performance, poverty traps, unforgiving geography, and weak institutional endowments to achieve high and sustained real per capita income growth over the past 10–15 years. Sub-Saharan Africa’s growth takeoff since 1995 has meant that, for the first time since the 1970s, income levels in the region have begun to converge with those in developed countries and have kept up with those in most other developing regions. Critically, this growth has both helped the poor and helped countries make progress towards even the other MDGs not related to poverty.

Although generally much higher than before, growth rates in most of the region’s countries are still too low, especially to achieve the poverty reduction MDG (World Bank and IMF, 2008). Moreover, per capita growth of 2¼ percent, the threshold used here to define fast growers, would leave today’s poorest countries still well below middle-income status 30 years from now. However, it would represent a huge improvement over the past, and if sustained, it would result in tremendous reductions in poverty within a generation.

Can this level of growth be sustained? Africa’s postindependence history is a cautionary tale. High levels of growth in the 1960s and 1970s did not last in most countries. There are some grounds for optimism today, however: the current takeoff already looks more persistent, as

well as higher, than other post-independence growth episodes for which data are available.

The nature of the takeoff offers further grounds for hope. First, it is not dependent solely on natural resource booms or terms of trade increases: many of the fast growers have benefited from neither. Second, in most countries it is anchored in fundamental policy improvements made in the 1990s that have been continued. Sustaining these reforms will be critical to sustaining the growth takeoff itself.

The most fundamental of these policy reforms has simply been avoidance of the major policy failures that have been so critical in causing past growth booms to be aborted. The most important is the avoidance of “state failure.” Many of the takeoff countries are post-conflict, and almost all of the slow-grower group are either in conflict or have only recently emerged—too recently to have achieved fast-grower status yet.

A second major achievement of most of the fast growers has been the establishment and maintenance of macroeconomic stability. Inflation has come down and has stayed low. Fiscal policy, abetted in many cases by higher aid and debt relief and in others by large resource revenues, has served to reduce debt levels while enabling levels of social and public investment spending to be increased. These policies and the associated substantial reserve accumulation have reduced vulnerability to shocks.

The fast growers generally emerged from the early 1990s without pervasive state controls, but beyond that the diversity of their starting points shows, encouragingly, that the minimum levels of institutions required to achieve rapid growth are quite low. Some of the longer-term trends are cause for optimism. The demographic transition to lower fertility rates and lower dependency ratios seems to have begun, albeit gradually, suggesting that this important if slow-moving factor may be starting to contribute to higher growth. Moreover, the spread of

democracy might suggest that more accountable and hence responsive governments are becoming more common—though as Ndulu, Chakraborti, and others (2007) explain, the growth implications of this are not entirely straightforward.

Despite this good news, sustaining and broadening the current takeoff presents a series of policy challenges. This section examined factors that have helped produce sustained growth. It would be useful if this resulted in a recipe for all sub-Saharan African countries. However, the analysis here supports the conclusion of many other recent analyses that the necessary factors vary case by case. The evidence reviewed here and in the comprehensive studies summarized in Box 2.2, however, does point to a general conclusion: countries need to engage the global economy, maintain macroeconomic stability, and use prices to allocate resources.

A major challenge with reform and growth strategies is not defining the ultimate objectives, but achieving them:

- *Reform strategies must be country and context specific.* What works well in one country may not be as effective transplanted to another unless it is adapted to local circumstances (North, 1990; Hausmann, Rodrik, and Velasco, 2005). Economies have achieved high income levels using a wide range of reform approaches, different degrees of state involvement in the economy, and diverse institutional structures.
- *The sequencing is important* (IMF, 2008). It appears, for instance, that liberalizing trade before the capital account may achieve better growth outcomes than the reverse, or even than pursuing both simultaneously.
- *Growth constraints and challenges change.* Reform strategies thus have to adapt over time (see Box 2.7 on Mauritius's growth for an example).

### Box 2.7. The Mauritian Growth Miracles

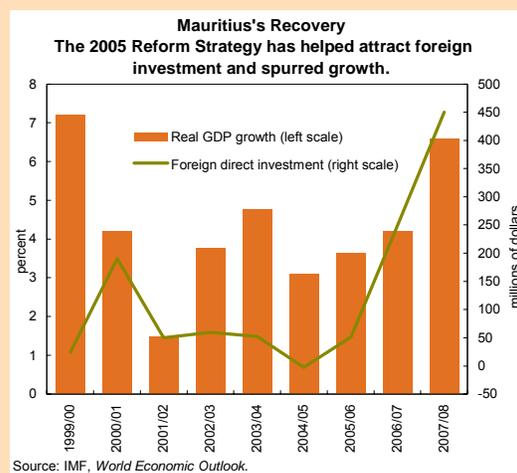
*The First Miracle.* When Mauritius became independent, observers wondered about the prospects for a multiethnic society that was far from world markets, possessed few natural resources, and had an economy based on a single crop (sugar), a small domestic market, and a rapidly growing population. Mauritius showed how it could be done during the “first growth miracle” of the mid-1970s to mid-1990s, when per capita income rose from US\$200 at independence to US\$3,700 in 1997. The rise was founded on trade preferences for the traditional sugar sector and a new textile sector, and development of high-end tourism. Functioning democratic institutions promoted the social cohesion that is crucial in a multiethnic state. While other countries delayed reforms when subjected to shocks like terms of trade declines, Mauritius successfully overcame these shocks through institutions that promoted national consensus, regardless of the political philosophy of the government in power.

*The Reform Challenge and the Second Miracle.* Starting in about 2000, Mauritius began to suffer as trade preferences were phased out. The end of the Multifiber Agreement for textiles in December 2004, reductions in the European Union’s sugar protocol prices by 36 percent over 2006–10, and more recently the surge in petroleum and food prices have produced a cumulative terms of trade shock of nearly 25 percent. Economic growth declined from 5 percent in the 1990s to 3 percent in the early 2000s.

In response to this triple shock, the country’s government in 2005 launched wide-ranging reforms that are bearing fruit. Designed through consultation, they attest to the ability of the Mauritian institutions to carry out tough reforms. Trade was liberalized (the eventual goal is a “duty-free island”), some price controls were lifted, and business regulations were simplified, earning Mauritius in 2008 the title of the best place to do business in Africa. Meanwhile, far-reaching tax reforms, notably featuring a 15 percent flat tax, and fiscal consolidation in the form of a new public debt law were initiated, with a goal of reducing public debt from 81 percent of GDP in 2002/03 to about 50 percent in the medium term. Appointing the Monetary Policy Committee in 2007 was a major step toward improved monetary policy. In response, growth has recovered to above 6 percent, and FDI is flowing into Mauritius at an unprecedented rate.

The Mauritian sugar and textiles industries have had to adapt to new realities. The sugar industry is consolidating and restructuring, with land converted to tourism and other agricultural uses. Producers are also expanding into such activities as generating power from sugar cane residue (bagasse), producing ethanol, and moving up the supply chain into refined sugar. After years of restructuring and decline, the textile sector began to prosper again in 2007/08 by concentrating on just-in-time supply of high-quality textiles, enabling Mauritian companies to differentiate themselves from low-cost producers.

New industries are also appearing. Mauritius has seen rapid growth in the offshore financial sector, founded on global business license firms: entities registered in Mauritius that funnel investments into other countries, primarily India. A real estate development initiative, known as “Integrated Resort Schemes,” makes foreigners buying high-end real estate eligible for residency: it has drawn large amounts of FDI. Mauritius has also sought to position itself as a platform for investment from China and India into Eastern Africa, attracting additional large FDI flows.



**Box 2.7. (concluded)**

Looking ahead, the challenge for the authorities will be to sustain noninflationary growth. The economy is facing rising labor and infrastructural bottlenecks. The government is broadening structural reforms to spur economic efficiency and create fiscal space in public infrastructure and education. The authorities' ambitions are to see Mauritius transition to a regional banking and services hub. For these ambitions to be realized, the bold reform process started in 2005 will need to be pursued and deepened, with special attention to managing demand pressures and removing the constraints on higher growth.

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Note: This box was prepared by Paul Mathieu and Patrick Imam.

A key policy challenge is improving the weak institutional environment in Africa. The broader experience on the role of institutions in growth, and the case studies examined here, show that the results in terms of institutional reforms and improvements are less clear-cut or widespread than may be desirable. In particular, there is sometimes a disconnect between specific policy reforms and the broad—often perception-based—indicators that are correlated with growth. Moreover, the agenda is too broad to be readily summarized. However, as described, for example, in Ndulu, Chakraborti, and others (2007), one basic element is a state that can deliver services more efficiently and accountably and with less corruption.

With debt relief, better policy frameworks, and a more-interested foreign capital market, many countries are now able to borrow internationally, at market rates, to finance public investment. When other sources of fiscal space (higher revenues, aid, more efficient allocation of spending) have also been used, and when sound public financial management, public investment programming, and debt management are in place, this ability to borrow internationally can be a boon. But clearly the risks are large: if the projects financed by the borrowing do not turn out to be as productive as hoped or the growth climate turns adverse for other reasons, a subsequent downturn could be deepened and prolonged by a debt crisis.

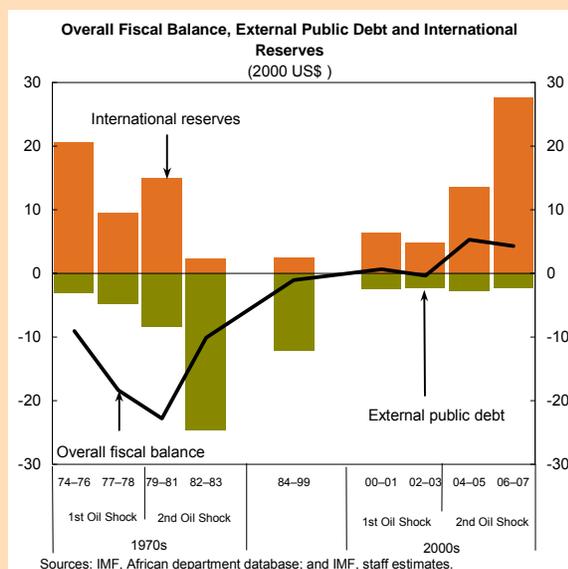
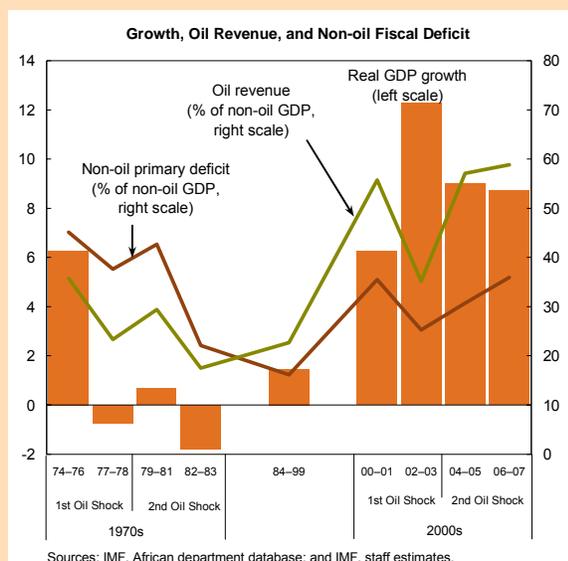
Resource-rich countries face a related challenge: to make the most of the boom. Unless they translate higher levels of resources into forceful policies and solid institutions—including improvement in public financial management and revenue transparency—underlying fiscal positions, and good investments in human and physical capital, the growth will end when the resource boom ends. It is reassuring that oil exporters today are saving more of their windfall gains (Box 2.8). However, some of the evidence discussed in this chapter, notably that from the CPIA on structural policies and on converting income gains into progress on the MDGs, suggests that much work remains to be done.

Another challenge relates to the role of structural transformation and manufactured exports. As emphasized in Box 2.2, fast-growing countries worldwide have been able to exploit globalization successfully, including by rapidly expanding exports. In the current success stories, these have played a fairly limited role, even in non-resource-intensive countries. However, the Commission on Growth and Development (2008) identifies export-led growth, in many cases of manufactured goods, as critical to growth success. Similarly, Johnson, Ostry, and Subramanian (2007) identify a dozen countries where income and institutional quality were similar to those in sub-Saharan Africa today that sustained high rates of growth (e.g., Indonesia and Thailand in the 1960s, or

**Box 2.8. Sub-Saharan African Oil Producers during Past and Present Oil Booms**

Sub-Saharan African oil-producing countries (SSA OPCs)<sup>1</sup>— although rather diverse in size, economic organization, and political history—show similar patterns of economic developments. The 1970s oil booms were characterized by boom-bust cycles: initially high growth, boosted by expansionary fiscal policies, was followed by contractions when oil revenue declined and public spending was sharply cut back. Accumulated macroeconomic imbalances (high external debt and low reserves) and Dutch disease effects resulted in a prolonged stagnation during the subsequent low-oil-price years.

In the present oil boom since 2000, growth has been strong and macroeconomic developments more favorable, driven by three factors. First, in the late 1990s steps were taken to tackle major macroeconomic imbalances: the CFA franc zone and Nigeria devalued, and external debt started to decline. Second, the increase in oil prices and revenues has been more gradual, supporting the implementation of less volatile fiscal policies. Third, and most importantly, macroeconomic policies reduced the impact of high oil revenues. While fiscal policies remained procyclical, the overall fiscal balance moved into surplus in all SSA OPCs. Fiscal institutions like Nigeria’s oil-price-based fiscal rule and government deposits at central banks moderated the domestic demand impact of high oil revenues. In addition, resources were used to consolidate the fiscal and external positions. In all SSA OPCs external debt (also assisted by debt relief) was sharply reduced and international reserves increased significantly. These policy developments improved the macroeconomic indicators and—accompanied by structural reform programs—set the stage for increased confidence in the SSA OPC economies and the current high non-oil growth.



<sup>1</sup> The SSA OPCs covered in this box are Angola (since 2000, owing to data weaknesses in years prior to that), Cameroon (since 1979), the Republic of Congo, Equatorial Guinea (since 2000), Gabon, and Nigeria. The annual SSA OPC average is weighted by dollarized GDP. Although the figures included in this box are dominated by Nigeria, the pattern of developments in all SSA OPCs is broadly similar.

Note: This box was prepared by Christiane Roehler, building on earlier work by Valeria Fichera.

Vietnam and China in the 1980s). Their analysis highlights that rapid growth in manufactured exports was characteristic of almost all of these rapid growers (Chile being the only exception). They argue that manufactured-export-led growth lends itself particularly to institutional improvements during a boom, because improvements are necessary to sustain such growth. They contrast this type of growth with that associated with strong terms of trade gains, which they suggest are empirically less clearly associated with institutional improvements. The recent experience of fast-growing African countries is broadly consistent with this cautionary story.

Partly in light of these observations, a number of countries in Africa have increasingly turned their attention to an agenda of promoting private sector and export-led growth. Again, the agenda is extensive. Ndulu, Chakraborti, and others (2007) and Arbache, Go and Page (2008), among others, emphasize that the agenda of the state needs to move beyond avoiding major policy errors such as wars and macroeconomic instability—though the evidence discussed above suggests that this is indeed vital—to providing critical public goods.<sup>13</sup> These include improving infrastructure (roads, ports, electricity), which has been relatively neglected in the past 20 years or so, lowering the regulatory costs of doing business and providing stable property rights, and promoting an efficient and extensive financial sector. Better intraregional linkages are necessary, especially with respect to transportation and energy. Some of the recent success of landlocked resource-poor states may be due to the success of neighboring resource-rich coastal countries. This positive synergy needs to be built upon.

The Commission on Growth and Development's *Growth Report* (2008) notes

<sup>13</sup> Ndulu, Charkaborti, and others (2007) report that macroeconomic instability remains a concern of 43 percent of firms responding to a survey in Tanzania, 45 percent in Uganda, and 51 percent in Kenya, but only 30 percent in China.

possible emerging tensions between this export-oriented agenda and the current role of aid. Large increases in aid have helped bridge the resource gap, but as the *Report* notes, fears that aid may also undermine exports are “difficult to prove, but difficult to dismiss” (p. 77). Aid has been critical to providing better health and education and other social services. One of the purposes of aid is to free up domestic resources to produce for home consumption or investment rather than to close a foreign exchange gap, and some real appreciation may be an appropriate part of the process. But it may also damage nontraditional exports—at least in the short term, until the longer-term benefits of a healthier and better-educated population emerge. Bourguignon and Sundberg (2006) analyze this potential trade-off and underscore that aid-financed spending that is likely to be productive in the near term—for example, spending on infrastructure investment—can allow aid to support the traded-goods sector. In this context, it is important that the sectoral allocation of aid reflect country priorities and not just those of donors. Between 1993 and 2004, the share of aid to social sectors in the region rose from 27 percent to 43 percent, while the share going to productive sectors and program aid altogether fell from 36 to 23 percent (Ndulu, Chakraborti, and others 2007).

A final major challenge is the shifting global environment. As Chapter 1 discusses, growth in partner countries is declining, world financial markets are less hospitable, imported food and fuel inflation is challenging macroeconomic stability, and commodity prices are fluctuating wildly. Despite short-term correlations between African and world growth, there has been a medium-term divergence, but the continent is not expected to be sheltered from lower world growth.

Recent terms of trade shocks associated with rising food and fuel prices present difficult short-term policy challenges that, if mishandled, could derail the broader reform effort. As emphasized in Chapter 1, efforts to protect the

most vulnerable are critical, but the policy reaction should not undermine debt sustainability, macroeconomic stability, or the broader structural reform effort. In the longer term, countries would benefit from eliminating restrictions on agricultural production, investing in infrastructure, enhancing agricultural support services, and avoiding measures such as export bans and price controls that undermine production incentives (see Box 1.5). Fortunately, the better macroeconomic policies of the recent past have enabled African economies to better withstand the current shock. On the other hand, the importance to national economies of growth in neighboring countries suggests that, just as favorable outcomes in some key major coastal and resource-rich countries like South Africa and Nigeria in recent years may be helping their neighbors, turnarounds in major countries could have important negative spillovers as well.

The need to adjust to these shocks underscores the importance of assuring that the benefits to reform remain broad-based. Recent work on the determinants of sustainable growth suggests that more equal income distribution helps to sustain growth (Berg, Ostry, and Zettlemeyer, 2008), perhaps because more equitable and cohesive societies build better institutions (Easterly, Ritzen, and Woolcock, 2006) or because they are better at managing external shocks (Rodrik, 1999). The relatively poor performance of many resource-rich countries in translating income gains into MDG achievement is thus doubly alarming.

# Statistical Appendix

Unless otherwise noted, data and projections presented in this report are IMF staff estimates at October 3, 2008, consistent with the projections underlying the October 2008 *World Economic Outlook*.

The data and projections cover the 44 countries of the IMF's African Department. Data definitions follow established international statistical methodologies to the extent possible. However, in some cases data limitations limit comparability across countries.

## Country Groupings

As in previous *Regional Economic Outlooks*, countries are aggregated into four nonoverlapping groups: oil exporters, and non-oil-exporting middle-income, low-income, and fragile countries (see the appendix tables).

- The 7 oil exporters are countries where net oil exports make up 30 percent or more of total exports. Except for Angola and Nigeria, they belong to the Central African Economic and Monetary Community. Oil exporters are classified as such even if they would otherwise qualify for another group.
- The 8 middle-income countries are not oil exporters and had per capita gross national income of more than US\$905 in 2006, as calculated by the World Bank.
- The 15 low-income countries are not oil exporters and had per capita gross national income equal to or lower than US\$905 in 2006 and a score higher than 3.2 in the Country Policy and Institutional Assessment of the World Bank, following the classification in the 2007 *Global Monitoring Report*.
- The 14 countries that are not oil exporters and had per capita gross national income equal to or lower than US\$905 in 2006 and a score of 3.2 or less on the Country Policy

and Institutional Assessment are categorized as fragile.

In addition, countries are classified as resource-rich if their primary commodity rents exceed 10 percent of GDP. Non-resource-rich countries are also classified by whether they are coastal or landlocked (Table SA MN 1).

Finally, countries are grouped into regional cooperation bodies: CFA franc zone, comprising the West African Economic and Monetary Union (WAEMU) and the Central African Economic and Monetary Community (CEMAC); East Africa Community (EAC-5); Southern African Development Community (SADC); Common Market for Eastern and Southern Africa (COMESA); and Southern Africa Customs Union (SACU) (Table SA MN 2).

Unless otherwise noted, group aggregates exclude data for Eritrea, Liberia, and Zimbabwe because of data limitations. EAC-5 aggregates include data for Rwanda and Burundi, which joined only in 2007. COMESA aggregates exclude data for Sudan.

## Methods of Aggregation

In Tables SA1–2, SA21, and SA22, country group composites are calculated as the arithmetic average of data for individual countries, weighted by GDP valued at purchasing power parity as a share of total group GDP. The source of purchasing power parity weights is the WEO database.

In Tables SA3–4, SA6–12, SA14–20, and SA23–25, country group composites are calculated as the arithmetic average of data for individual countries, weighted by GDP in U.S. dollars at market exchange rates as a share of total group GDP.

In Table SA5, country group composites are calculated as the geometric average of data for individual countries, weighted by GDP valued at purchasing power parity as a share of total group

GDP. The source of purchasing power parity weights is the WEO database.

In Table SA13, country group composites are calculated as the geometric average of data for

individual countries, weighted by GDP in U.S. dollars at market exchange rates as a share of total group GDP.

**Table SA MN 1. Sub-Saharan Africa: Country Groupings**

Resource-Rich		Non-Resource-Rich	
Oil	Non-oil	Coastal	Landlocked
Angola	Botswana	Benin *	Burkina Faso *
Cameroon *	Côte d'Ivoire	Cape Verde	Burundi
Chad	Guinea	Comoros	Central African Republic
Congo, Rep. of	Namibia	Gambia, The *	Congo, Dem. Rep. of
Equatorial Guinea	São Tomé and Príncipe *	Ghana *	Ethiopia *
Gabon	Sierra Leone *	Guinea-Bissau	Lesotho
Nigeria	Zambia *	Kenya	Malawi *
		Madagascar *	Mali *
		Mauritius	Niger *
		Mozambique *	Rwanda *
		Senegal *	Swaziland
		Seychelles	Uganda *
		South Africa	Zimbabwe
		Tanzania *	
		Togo	

\*Country has reached the completion point under the enhanced HIPC Initiative and has qualified for MDRI relief.

**Table SA MN 2. Member Countries of the Regional Groupings in Africa**

The West African Economic and Monetary Union (WAEMU)	Economic and Monetary Community of Central African States (CEMAC)	Common Market for Eastern and Southern Africa (COMESA)	East Africa Community (EAC-5)	Southern African Development Community (SADC)	Southern Africa Customs Union (SACU)
Benin	Cameroon	Angola	Burundi	Angola	Botswana
Burkina Faso	Central African Republic	Burundi	Kenya	Botswana	Lesotho
Côte d'Ivoire	Chad	Comoros	Rwanda	Congo, Dem. Rep. of	Namibia
Guinea-Bissau	Congo, Rep. of	Congo, Dem. Rep. of	Tanzania	Lesotho	South Africa
Mali	Equatorial Guinea	Djibouti	Uganda	Malawi	Swaziland
Niger	Gabon	Egypt		Mauritius	
Senegal		Eritrea		Mozambique	
Togo		Ethiopia		Namibia	
		Kenya		Seychelles	
		Madagascar		South Africa	
		Malawi		Swaziland	
		Mauritius		Tanzania	
		Rwanda		Zambia	
		Seychelles		Zimbabwe	
		Sudan			
		Swaziland			
		Uganda			
		Zambia			
		Zimbabwe			

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**Table SA1. Real GDP Growth**  
(Percent)

	1997-2002	2003	2004	2005	2006	2007	2008	2009
<b>Oil-exporting countries</b>	<b>6.3</b>	<b>8.1</b>	<b>11.2</b>	<b>7.8</b>	<b>7.5</b>	<b>8.9</b>	<b>8.1</b>	<b>8.8</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>5.7</b>	<b>4.9</b>	<b>12.1</b>	<b>11.2</b>	<b>9.3</b>	<b>12.7</b>	<b>10.4</b>	<b>9.6</b>
Angola	4.9	3.3	11.2	20.6	18.6	21.1	16.0	12.8
Cameroon	4.5	4.0	3.7	2.3	3.2	3.5	3.8	4.6
Chad	5.2	14.7	33.6	7.9	0.2	0.2	0.4	5.0
Congo, Rep. of	2.7	0.8	3.5	7.8	6.2	-1.6	9.1	12.1
Equatorial Guinea	50.1	14.0	38.0	9.7	1.3	21.4	7.4	4.6
Gabon	0.0	2.4	1.1	3.0	1.2	5.6	3.9	7.0
Nigeria	6.8	10.3	10.6	5.4	6.2	5.9	6.2	8.1
<b>Middle-income countries</b>	<b>3.0</b>	<b>3.3</b>	<b>4.9</b>	<b>4.9</b>	<b>5.2</b>	<b>5.1</b>	<b>4.0</b>	<b>3.5</b>
<b>Middle-income countries, excluding South Africa</b>	<b>5.4</b>	<b>4.5</b>	<b>5.4</b>	<b>3.9</b>	<b>3.9</b>	<b>4.8</b>	<b>5.1</b>	<b>4.8</b>
Botswana	7.7	6.4	6.6	4.7	3.4	5.7	5.3	4.6
Cape Verde	7.8	4.7	4.3	6.5	10.8	6.9	6.0	6.5
Lesotho	1.8	2.7	4.2	2.9	7.2	4.9	5.2	5.4
Mauritius	5.0	3.8	4.8	3.1	3.6	4.2	6.6	6.2
Namibia	3.9	3.5	6.6	4.7	3.9	3.6	3.9	4.2
Seychelles	3.3	-5.9	-2.9	1.2	5.3	5.5	2.5	3.0
South Africa	2.7	3.1	4.9	5.0	5.4	5.1	3.8	3.3
Swaziland	2.3	3.9	2.5	2.2	2.9	3.5	2.6	2.5
<b>Low-income countries</b>	<b>4.1</b>	<b>4.7</b>	<b>5.9</b>	<b>7.0</b>	<b>7.3</b>	<b>7.0</b>	<b>6.0</b>	<b>6.6</b>
Benin	5.1	3.9	3.1	2.9	3.8	4.6	5.1	5.7
Burkina Faso	5.7	7.3	4.6	7.1	5.5	3.6	4.5	5.6
Ethiopia	3.4	-3.5	9.8	12.6	11.6	11.4	8.4	6.5
Ghana	4.3	5.2	5.6	5.9	6.4	6.3	6.5	5.8
Kenya	1.9	2.8	4.6	5.9	6.4	7.0	3.3	6.4
Madagascar	1.7	15.3	3.3	4.7	6.6	6.4	7.1	7.5
Malawi	1.6	4.2	5.0	2.3	8.2	7.9	7.1	7.8
Mali	5.0	7.2	2.4	6.1	5.3	3.1	4.8	5.2
Mozambique	9.0	6.5	7.9	8.4	8.7	7.0	6.5	6.7
Niger	4.1	7.7	-0.8	7.4	5.2	3.2	4.4	4.5
Rwanda	9.7	0.3	5.3	7.1	5.5	6.0	6.0	5.6
Senegal	4.0	6.7	5.9	5.6	2.3	4.8	4.3	5.8
Tanzania	4.8	6.9	7.8	7.4	6.7	7.1	7.5	8.0
Uganda	6.1	6.6	6.8	6.3	10.8	7.9	9.8	8.1
Zambia	2.6	5.1	5.4	5.3	6.2	6.3	5.8	6.4
<b>Fragile countries</b>	<b>0.8</b>	<b>1.2</b>	<b>3.3</b>	<b>3.7</b>	<b>3.0</b>	<b>3.3</b>	<b>5.1</b>	<b>6.0</b>
<b>Fragile countries, including Zimbabwe</b>	<b>0.7</b>	<b>0.8</b>	<b>3.1</b>	<b>3.4</b>	<b>2.8</b>	<b>3.0</b>	...	...
Burundi	1.6	-1.2	4.8	0.9	5.1	3.6	4.5	5.0
Central African Republic	2.8	-7.6	1.0	2.4	4.0	4.2	3.5	4.5
Comoros	2.7	2.5	-0.2	4.2	1.2	0.5	0.5	1.7
Congo, Dem. Rep. of	-2.8	5.8	6.6	7.9	5.6	6.3	10.0	10.3
Côte d'Ivoire	1.0	-1.7	1.6	1.9	0.7	1.6	2.9	4.7
Eritrea	1.6	-2.7	1.5	2.6	-1.0	1.3	1.2	2.0
Gambia, The	4.3	6.9	7.0	5.1	6.5	6.3	5.5	6.0
Guinea	4.2	1.2	2.3	3.0	2.4	1.8	4.5	4.7
Guinea-Bissau	-2.1	-0.6	2.2	3.2	1.8	2.5	3.2	3.1
Liberia	...	-31.3	2.6	5.3	7.8	9.5	8.6	14.3
São Tomé and Príncipe	3.5	5.4	6.6	5.7	6.7	6.0	5.8	6.0
Sierra Leone	3.8	9.5	7.4	7.3	7.4	6.8	5.5	5.9
Togo	0.0	5.2	2.4	1.3	4.1	2.1	2.5	3.5
Zimbabwe	-2.7	-10.4	-3.6	-4.0	-5.4	-6.1	...	...
<b>Sub-Saharan Africa</b>	<b>4.1</b>	<b>5.0</b>	<b>7.0</b>	<b>6.2</b>	<b>6.3</b>	<b>6.7</b>	<b>5.9</b>	<b>6.2</b>
Sub-Saharan Africa, including Zimbabwe	4.0	4.9	7.0	6.2	6.3	6.7	...	...
Sub-Saharan Africa, excluding Nigeria and South Africa	4.1	4.3	7.2	7.4	7.0	8.0	7.2	7.3
<b>Oil-importing countries</b>	<b>3.2</b>	<b>3.6</b>	<b>5.1</b>	<b>5.6</b>	<b>5.8</b>	<b>5.7</b>	<b>4.8</b>	<b>4.9</b>
Oil-importing countries, excluding South Africa	3.6	4.1	5.4	6.1	6.1	6.2	5.8	6.3
CFA franc zone	4.5	4.6	7.6	4.7	2.8	4.2	4.3	5.6
WAEMU	3.2	3.9	2.9	4.4	3.2	3.2	4.0	5.1
CEMAC	6.0	5.4	12.3	5.0	2.5	5.3	4.5	6.1
EAC-5	3.9	4.5	6.1	6.4	7.3	7.1	6.1	7.2
SADC	3.1	4.0	5.8	6.7	6.9	7.4	6.2	5.6
SACU	2.9	3.3	5.0	4.9	5.2	5.1	3.9	3.4
COMESA	3.3	3.4	7.1	10.0	10.3	11.2	9.2	8.6
<b>Resource-intensive countries</b>	<b>5.7</b>	<b>7.0</b>	<b>9.8</b>	<b>7.0</b>	<b>6.7</b>	<b>8.0</b>	<b>7.5</b>	<b>8.1</b>
Oil	6.3	8.1	11.2	7.8	7.5	8.9	8.1	8.8
Non-oil resource-intensive countries	3.4	2.5	4.2	3.7	3.1	3.9	4.4	4.9
<b>Non-resource-intensive countries</b>	<b>3.1</b>	<b>3.7</b>	<b>5.3</b>	<b>5.8</b>	<b>6.1</b>	<b>5.9</b>	<b>4.9</b>	<b>4.9</b>
Coastal non-resource-intensive countries	3.0	4.0	5.0	5.2	5.6	5.5	4.2	4.4
Landlocked non-resource-intensive countries	3.5	2.9	6.1	7.9	8.3	7.4	7.4	6.7
MDRI	4.5	5.0	5.9	6.6	6.9	6.6	6.2	6.4
Fixed exchange rate regime	4.6	4.6	7.2	4.6	3.0	4.3	4.3	5.4
Floating exchange rate regime	3.9	5.0	6.9	6.7	7.1	7.2	6.3	6.4

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

## REGIONAL ECONOMIC OUTLOOK: SUB-SAHARAN AFRICA

**Table SA2. Real Non-Oil GDP Growth**  
 (Percent)

	1997-2002	2003	2004	2005	2006	2007	2008	2009
<b>Oil-exporting countries</b>	<b>8.3</b>	<b>6.5</b>	<b>11.0</b>	<b>8.4</b>	<b>12.3</b>	<b>12.1</b>	<b>10.9</b>	<b>8.6</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>6.9</b>	<b>7.2</b>	<b>7.9</b>	<b>10.3</b>	<b>16.1</b>	<b>15.3</b>	<b>13.1</b>	<b>9.8</b>
Angola	8.4	10.3	9.0	14.1	27.5	20.4	19.4	11.2
Cameroon	4.9	4.9	4.9	3.2	2.9	4.1	4.6	5.0
Chad	4.6	6.0	2.1	11.0	4.7	3.1	3.0	4.8
Congo, Rep. of	2.8	5.4	5.0	5.4	5.9	6.6	6.9	7.3
Equatorial Guinea	28.3	13.9	28.4	22.8	29.8	47.2	17.6	26.0
Gabon	2.4	0.9	2.3	4.3	4.9	6.2	4.2	4.9
Nigeria	9.5	6.1	13.3	7.0	9.6	9.6	8.9	7.6
<b>Middle-income countries</b>	<b>3.0</b>	<b>3.3</b>	<b>4.9</b>	<b>4.9</b>	<b>5.2</b>	<b>5.1</b>	<b>4.0</b>	<b>3.8</b>
<b>Middle-income countries, excluding South Africa</b>	<b>5.4</b>	<b>4.5</b>	<b>5.4</b>	<b>4.0</b>	<b>4.0</b>	<b>4.9</b>	<b>5.2</b>	<b>4.8</b>
Botswana	7.7	6.4	6.6	4.7	3.4	5.7	5.3	4.6
Cape Verde	7.8	4.7	4.2	7.3	10.8	6.9	6.0	6.5
Lesotho	1.8	2.7	4.2	2.9	7.2	4.9	5.2	5.4
Mauritius	5.0	3.8	4.8	3.1	3.6	4.2	6.6	6.2
Namibia	3.9	3.5	6.6	4.8	4.1	4.4	4.7	4.5
Seychelles	3.3	-5.9	-2.9	1.2	5.3	5.5	2.5	3.0
South Africa	2.7	3.1	4.9	5.0	5.4	5.1	3.8	3.7
Swaziland	2.3	3.9	2.5	2.2	2.9	3.5	2.6	2.5
<b>Low-income countries</b>	<b>4.1</b>	<b>4.4</b>	<b>6.5</b>	<b>7.0</b>	<b>7.2</b>	<b>7.0</b>	<b>6.3</b>	<b>6.6</b>
Benin	5.1	3.9	3.1	2.9	3.8	4.6	5.1	5.7
Burkina Faso	5.7	7.3	4.6	7.1	5.5	3.6	4.5	5.6
Ethiopia	3.4	-3.5	13.1	12.6	11.6	11.4	8.4	6.5
Ghana	4.3	5.2	5.6	5.9	6.4	6.3	6.5	5.8
Kenya	1.9	2.8	4.6	5.9	6.4	7.0	3.3	6.4
Madagascar	1.7	9.8	5.3	4.6	5.0	6.2	6.8	7.1
Malawi	1.6	4.2	5.0	2.3	8.2	7.9	7.1	7.8
Mali	5.0	7.2	2.4	6.1	5.3	3.1	4.8	5.2
Mozambique	9.0	6.5	7.9	8.4	8.7	7.0	6.5	6.7
Niger	4.1	7.7	-0.8	7.4	5.2	3.2	4.4	4.5
Rwanda	9.7	0.3	5.3	7.1	5.5	6.0	6.0	5.6
Senegal	4.0	6.7	5.9	5.6	2.3	4.8	4.3	5.8
Tanzania	4.8	6.9	7.8	7.4	6.7	7.1	7.5	8.0
Uganda	6.1	6.6	6.8	6.3	10.8	7.9	9.8	8.1
Zambia	2.6	5.1	5.4	5.2	6.2	6.0	6.2	6.3
<b>Fragile countries</b>	<b>0.8</b>	<b>1.0</b>	<b>3.3</b>	<b>3.4</b>	<b>2.8</b>	<b>3.5</b>	<b>5.1</b>	<b>5.9</b>
<b>Fragile countries, including Zimbabwe</b>	<b>0.6</b>	<b>0.5</b>	<b>3.0</b>	<b>3.2</b>	<b>2.5</b>	<b>3.2</b>	...	...
Burundi	1.6	-1.2	4.8	0.9	5.1	3.6	4.5	5.0
Central African Republic	2.8	-7.6	1.0	2.4	4.0	4.2	3.5	4.5
Comoros	2.7	2.5	-0.2	4.2	1.2	0.5	0.5	1.7
Congo, Dem. Rep. of	-2.8	5.8	6.6	7.9	5.6	6.3	10.0	10.3
Côte d'Ivoire	0.9	-2.2	1.6	1.3	0.0	2.1	2.8	4.4
Eritrea	1.6	-2.7	1.5	2.6	-1.0	1.3	1.2	2.0
Gambia, The	4.3	6.9	7.0	5.1	6.5	6.3	5.5	6.0
Guinea	4.2	1.2	2.3	3.0	2.4	1.8	4.5	4.7
Guinea-Bissau	-2.1	-0.6	2.2	3.2	1.8	2.5	3.2	3.1
Liberia	...	-31.3	2.6	5.3	7.8	9.5	8.6	14.3
São Tomé and Príncipe	3.5	5.4	6.6	5.7	6.7	6.0	5.8	6.0
Sierra Leone	3.8	9.5	7.4	7.3	7.4	6.8	6.5	6.5
Togo	0.1	5.2	2.4	1.3	4.1	2.1	2.5	3.5
Zimbabwe	-2.7	-10.4	-3.6	-4.0	-5.4	-6.1	...	...
<b>Sub-Saharan Africa</b>	<b>4.6</b>	<b>4.4</b>	<b>7.1</b>	<b>6.4</b>	<b>7.8</b>	<b>7.7</b>	<b>6.9</b>	<b>6.2</b>
Sub-Saharan Africa, including Zimbabwe	4.6	4.4	7.1	6.4	7.8	7.7	...	...
Sub-Saharan Africa, excluding Nigeria and South Africa	4.4	4.7	6.4	7.1	8.8	8.8	8.1	7.3
<b>Oil-importing countries</b>	<b>3.2</b>	<b>3.5</b>	<b>5.3</b>	<b>5.5</b>	<b>5.7</b>	<b>5.7</b>	<b>5.0</b>	<b>5.1</b>
Oil-importing countries, excluding South Africa	3.6	3.8	5.8	6.0	6.0	6.2	6.0	6.3
CFA franc zone	4.4	4.3	5.0	5.9	5.2	7.0	5.2	6.6
WAEMU	3.2	3.7	2.9	4.2	3.0	3.3	4.0	5.0
CEMAC	5.8	5.0	7.2	7.7	7.5	10.7	6.4	8.3
EAC-5	3.9	4.5	6.1	6.4	7.3	7.1	6.1	7.2
SADC	3.4	4.5	5.6	6.0	7.9	7.3	6.9	5.6
SACU	2.9	3.3	5.0	4.9	5.2	5.1	3.9	3.8
COMESA	3.9	4.5	7.3	8.5	12.4	11.0	10.6	8.1
<b>Resource-intensive countries</b>	<b>7.3</b>	<b>5.7</b>	<b>9.7</b>	<b>7.4</b>	<b>10.6</b>	<b>10.7</b>	<b>9.8</b>	<b>7.9</b>
Oil	8.3	6.5	11.0	8.4	12.3	12.1	10.9	8.6
Non-oil resource-intensive countries	3.4	2.4	4.2	3.5	2.9	4.1	4.6	4.9
<b>Non-resource-intensive countries</b>	<b>3.1</b>	<b>3.6</b>	<b>5.5</b>	<b>5.8</b>	<b>6.1</b>	<b>5.9</b>	<b>5.0</b>	<b>5.1</b>
Coastal non-resource-intensive countries	3.0	3.8	5.1	5.2	5.5	5.5	4.4	4.7
Landlocked non-resource-intensive countries	3.5	2.9	7.1	7.9	8.3	7.4	7.4	6.7
MDRI	4.6	4.8	6.6	6.7	6.8	6.7	6.6	6.4
Fixed exchange rate regime	4.6	4.4	5.1	5.6	5.0	6.6	5.1	6.2
Floating exchange rate regime	4.7	4.4	7.6	6.6	8.5	8.0	7.3	6.2

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

**Table SA3. Real Per Capita GDP Growth**  
(Percent)

	1997-2002	2003	2004	2005	2006	2007	2008	2009
<b>Oil-exporting countries</b>	<b>3.3</b>	<b>5.0</b>	<b>8.2</b>	<b>4.9</b>	<b>4.6</b>	<b>6.0</b>	<b>5.2</b>	<b>5.8</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>2.5</b>	<b>1.5</b>	<b>9.0</b>	<b>8.1</b>	<b>6.3</b>	<b>9.6</b>	<b>7.5</b>	<b>6.6</b>
Angola	1.9	0.4	8.0	17.2	15.2	17.7	12.7	9.5
Cameroon	1.5	1.2	0.9	-0.5	0.4	0.7	1.0	1.7
Chad	2.6	4.8	30.4	5.3	-2.3	-2.3	-2.1	2.5
Congo, Rep. of	-0.1	-2.0	0.6	4.7	3.2	-4.4	6.0	9.0
Equatorial Guinea	40.0	10.7	34.1	6.7	-1.6	18.0	4.4	1.6
Gabon	-2.4	-0.1	-1.4	0.5	-1.3	3.0	2.4	5.4
Nigeria	3.9	7.4	7.6	2.6	3.4	3.1	3.4	5.2
<b>Middle-income countries</b>	<b>1.5</b>	<b>2.3</b>	<b>4.0</b>	<b>4.0</b>	<b>4.2</b>	<b>4.2</b>	<b>2.4</b>	<b>2.6</b>
<b>Middle-income countries, excluding South Africa</b>	<b>4.0</b>	<b>3.8</b>	<b>4.8</b>	<b>3.5</b>	<b>3.6</b>	<b>4.7</b>	<b>5.0</b>	<b>4.7</b>
Botswana	6.5	6.2	6.7	5.1	4.1	6.6	6.3	5.7
Cape Verde	5.4	2.8	2.4	4.6	8.8	5.0	4.0	4.5
Lesotho	0.1	0.9	1.9	1.0	5.2	3.0	3.3	3.5
Mauritius	3.9	2.8	3.8	2.0	2.9	3.6	5.7	5.4
Namibia	1.5	2.1	5.4	3.5	3.1	2.8	3.0	3.3
Seychelles	2.8	-7.7	-3.7	1.1	3.4	5.4	2.9	2.5
South Africa	1.2	2.1	3.8	4.0	4.3	4.1	2.0	2.3
Swaziland	1.5	3.5	2.1	1.8	2.5	3.1	2.3	2.1
<b>Low-income countries</b>	<b>1.3</b>	<b>2.2</b>	<b>3.3</b>	<b>4.4</b>	<b>4.7</b>	<b>4.5</b>	<b>3.5</b>	<b>4.1</b>
Benin	1.7	2.0	0.1	0.0	0.8	1.4	1.8	2.4
Burkina Faso	2.9	3.9	1.5	4.6	3.1	1.2	2.1	3.2
Ethiopia	0.4	-6.1	6.8	9.6	8.5	8.4	5.7	3.8
Ghana	1.7	2.6	3.0	3.2	3.7	3.6	3.8	3.2
Kenya	-0.3	0.7	2.6	3.9	4.5	5.1	1.5	4.6
Madagascar	-1.2	12.1	0.5	1.9	3.7	3.6	-0.6	4.7
Malawi	-1.1	1.9	2.8	0.3	6.1	5.8	4.9	5.7
Mali	2.5	4.8	0.1	3.7	2.9	0.8	2.5	2.9
Mozambique	6.8	4.5	5.8	6.3	6.6	4.9	4.4	4.6
Niger	0.8	4.4	-3.8	4.2	2.0	0.1	1.3	1.4
Rwanda	3.9	-1.4	3.8	5.2	3.6	3.8	3.8	3.4
Senegal	1.4	4.2	3.4	3.2	-0.1	2.3	1.9	3.3
Tanzania	2.3	4.8	5.5	5.1	4.8	5.0	5.4	5.9
Uganda	2.8	3.0	3.2	2.7	6.9	4.1	6.0	4.3
Zambia	0.3	2.7	2.9	2.8	3.7	3.8	3.3	3.9
<b>Fragile countries</b>	<b>-1.6</b>	<b>-1.1</b>	<b>1.0</b>	<b>1.2</b>	<b>0.7</b>	<b>1.0</b>	<b>2.7</b>	<b>3.6</b>
<b>Fragile countries, including Zimbabwe</b>	<b>-1.6</b>	<b>-1.5</b>	<b>0.8</b>	<b>1.1</b>	<b>0.6</b>	<b>0.8</b>	...	...
Burundi	-0.7	-4.0	2.8	-1.1	3.1	1.5	2.5	2.9
Central African Republic	0.8	-9.4	-1.0	0.4	2.0	2.2	1.5	2.5
Comoros	0.7	0.4	-2.3	2.1	-0.8	-1.6	-1.6	-0.4
Congo, Dem. Rep. of	-5.0	2.8	3.5	4.7	2.5	3.2	6.8	7.1
Côte d'Ivoire	-1.3	-3.2	0.1	0.1	-0.8	0.1	1.4	3.1
Eritrea	-1.9	-6.9	-2.8	-1.4	-7.1	-2.0	-1.9	-1.0
Gambia, The	0.9	4.2	4.3	2.5	3.8	3.6	2.8	3.3
Guinea	1.0	-2.0	-0.9	-0.2	-0.8	-1.4	1.3	1.4
Guinea-Bissau	-6.4	-3.4	-0.7	0.3	-1.1	-0.4	0.3	0.2
Liberia	...	-32.2	0.8	2.4	3.7	4.5	3.3	9.0
São Tomé and Príncipe	1.6	3.0	4.1	3.3	4.3	7.6	4.1	4.3
Sierra Leone	1.1	6.7	4.6	4.5	4.7	4.1	2.9	3.2
Togo	-3.2	2.4	-0.3	-1.3	1.5	-0.4	0.0	0.9
Zimbabwe	-2.4	-11.3	-3.3	-4.0	-5.4	-6.1	...	...
<b>Sub-Saharan Africa</b>	<b>1.8</b>	<b>2.8</b>	<b>4.9</b>	<b>4.2</b>	<b>4.3</b>	<b>4.6</b>	<b>3.6</b>	<b>4.1</b>
Sub-Saharan Africa, including Zimbabwe	1.8	2.8	4.9	4.2	4.2	4.6	...	...
Sub-Saharan Africa, excluding Nigeria and South Africa	1.4	1.7	4.7	4.9	4.6	5.5	4.7	4.8
<b>Oil-importing countries</b>	<b>1.2</b>	<b>1.9</b>	<b>3.5</b>	<b>3.9</b>	<b>4.1</b>	<b>4.0</b>	<b>2.9</b>	<b>3.3</b>
Oil-importing countries, excluding South Africa	1.1	1.8	3.1	3.8	3.9	4.0	3.6	4.1
CFA franc zone	1.6	1.6	4.9	2.1	0.4	1.7	1.8	3.1
WAEMU	0.5	1.5	0.6	2.0	0.9	0.9	1.7	2.8
CEMAC	2.8	1.8	9.3	2.3	-0.2	2.5	1.9	3.5
EAC-5	1.2	2.2	3.6	4.0	5.0	4.8	3.7	4.8
SADC	1.4	2.6	4.3	5.3	5.4	5.9	4.2	4.1
SACU	1.5	2.3	4.0	4.0	4.2	4.2	2.3	2.5
COMESA	0.6	0.9	4.6	7.3	7.6	8.5	6.6	6.0
<b>Resource-intensive countries</b>	<b>2.9</b>	<b>4.2</b>	<b>7.1</b>	<b>4.4</b>	<b>4.1</b>	<b>5.4</b>	<b>4.9</b>	<b>5.5</b>
Oil	3.3	5.0	8.2	4.9	4.6	6.0	5.2	5.8
Non-oil resource-intensive countries	1.3	1.0	2.8	2.2	1.8	2.6	3.2	3.8
<b>Non-resource-intensive countries</b>	<b>1.1</b>	<b>2.1</b>	<b>3.6</b>	<b>4.1</b>	<b>4.4</b>	<b>4.2</b>	<b>2.8</b>	<b>3.2</b>
Coastal non-resource-intensive countries	1.3	2.5	3.6	3.9	4.1	4.1	2.3	3.0
Landlocked non-resource-intensive countries	0.7	0.1	3.3	5.1	5.5	4.6	4.6	4.0
MDRI	1.7	2.4	3.2	3.9	4.2	3.9	3.6	3.7
Fixed exchange rate regime	2.0	2.1	4.9	2.5	1.0	2.3	2.3	3.4
Floating exchange rate regime	1.7	3.0	4.9	4.6	5.0	5.2	3.9	4.3

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

## REGIONAL ECONOMIC OUTLOOK: SUB-SAHARAN AFRICA

<b>Table SA4. Real Per Capita GDP</b>									
<i>(U.S. dollars, at 2000 prices, using 2000 exchange rates)</i>									
	1997-2002	2003	2004	2005	2006	2007	2008	2009	
<b>Oil-exporting countries</b>	<b>493</b>	<b>589</b>	<b>632</b>	<b>657</b>	<b>684</b>	<b>718</b>	<b>750</b>	<b>792</b>	
<b>Oil-exporting countries, excluding Nigeria</b>	<b>747</b>	<b>791</b>	<b>845</b>	<b>902</b>	<b>949</b>	<b>1028</b>	<b>1095</b>	<b>1161</b>	
Angola	700	766	828	970	1117	1315	1481	1623	
Cameroon	649	673	679	675	678	683	690	701	
Chad	197	224	293	308	301	294	288	295	
Congo, Rep. of	1109	1114	1120	1173	1211	1158	1228	1338	
Equatorial Guinea	1465	2572	3449	3679	3620	4272	4461	4534	
Gabon	4475	4097	4040	4061	4009	4128	4226	4455	
Nigeria	405	517	556	571	590	608	629	661	
<b>Middle-income countries</b>	<b>2830</b>	<b>3037</b>	<b>3155</b>	<b>3278</b>	<b>3414</b>	<b>3554</b>	<b>3637</b>	<b>3728</b>	
<b>Middle-income countries, excluding South Africa</b>	<b>2067</b>	<b>2300</b>	<b>2396</b>	<b>2468</b>	<b>2545</b>	<b>2646</b>	<b>2758</b>	<b>2869</b>	
Botswana	3780	4564	4870	5117	5327	5677	6036	6382	
Cape Verde	1187	1365	1398	1462	1590	1668	1734	1813	
Lesotho	411	411	419	423	445	459	474	491	
Mauritius	3584	3978	4131	4214	4335	4489	4744	5000	
Namibia	1805	1944	2049	2122	2187	2248	2316	2393	
Seychelles	7669	7118	6854	6931	7164	7553	7774	7969	
South Africa	2971	3174	3296	3429	3576	3723	3799	3886	
Swaziland	1505	1611	1645	1674	1716	1769	1809	1847	
<b>Low-income countries</b>	<b>249</b>	<b>264</b>	<b>272</b>	<b>284</b>	<b>297</b>	<b>310</b>	<b>321</b>	<b>334</b>	
Benin	374	394	394	394	397	403	410	420	
Burkina Faso	231	252	256	267	276	279	285	294	
Ethiopia	125	120	128	141	153	166	175	182	
Ghana	269	287	296	306	317	328	341	352	
Kenya	413	413	424	440	460	484	491	514	
Madagascar	232	235	236	240	249	258	256	269	
Malawi	151	144	148	148	157	166	174	184	
Mali	252	281	281	292	300	303	310	319	
Mozambique	240	291	307	327	348	365	381	399	
Niger	161	172	166	173	176	176	179	181	
Rwanda	224	237	246	259	268	278	289	299	
Senegal	446	474	490	506	505	517	527	544	
Tanzania	304	344	363	382	400	420	443	469	
Uganda	252	281	290	297	318	331	351	366	
Zambia	315	333	343	353	366	380	393	408	
<b>Fragile countries</b>	<b>233</b>	<b>217</b>	<b>218</b>	<b>220</b>	<b>221</b>	<b>222</b>	<b>228</b>	<b>235</b>	
<b>Fragile countries, including Zimbabwe</b>	<b>285</b>	<b>253</b>	<b>251</b>	<b>250</b>	<b>248</b>	<b>245</b>	...	...	
Burundi	111	104	107	105	109	110	113	116	
Central African Republic	253	225	222	223	228	233	236	242	
Comoros	374	380	371	379	376	370	364	363	
Congo, Dem. Rep. of	92	85	88	92	94	97	104	111	
Côte d'Ivoire	639	574	575	575	571	571	579	598	
Eritrea	222	190	185	182	169	166	163	161	
Gambia, The	310	321	335	343	356	369	380	392	
Guinea	389	388	385	384	381	375	380	386	
Guinea-Bissau	169	134	133	134	132	132	132	132	
Liberia	...	118	119	122	126	132	136	148	
São Tomé and Príncipe	560	622	648	669	698	751	782	816	
Sierra Leone	151	202	212	221	232	241	248	256	
Togo	245	227	227	224	227	226	226	228	
Zimbabwe	720	577	558	536	507	476	...	...	
<b>Sub-Saharan Africa</b>	<b>542</b>	<b>580</b>	<b>603</b>	<b>622</b>	<b>644</b>	<b>667</b>	<b>687</b>	<b>710</b>	
Sub-Saharan Africa, including Zimbabwe	546	580	602	621	641	664	...	...	
Sub-Saharan Africa, excluding Nigeria and South Africa	328	342	354	369	383	401	417	435	
<b>Oil-importing countries</b>	<b>560</b>	<b>577</b>	<b>592</b>	<b>609</b>	<b>629</b>	<b>648</b>	<b>663</b>	<b>678</b>	
Oil-importing countries, excluding South Africa	284	293	301	311	321	332	343	356	
CFA franc zone	465	473	488	497	498	507	517	532	
WAEMU	360	356	357	363	365	368	373	383	
CEMAC	708	737	783	798	799	820	838	866	
EAC-5	305	325	337	350	368	385	400	419	
SADC	908	953	984	1021	1063	1108	1142	1174	
SACU	2819	3023	3142	3267	3403	3543	3623	3710	
COMESA	259	265	275	291	310	332	351	370	
<b>Resource-intensive countries</b>	<b>521</b>	<b>599</b>	<b>636</b>	<b>658</b>	<b>680</b>	<b>709</b>	<b>738</b>	<b>775</b>	
Oil	493	589	632	657	684	718	750	792	
Non-oil resource-intensive countries	626	636	650	659	665	676	691	710	
<b>Non-resource-intensive countries</b>	<b>553</b>	<b>570</b>	<b>586</b>	<b>604</b>	<b>625</b>	<b>645</b>	<b>660</b>	<b>675</b>	
Coastal non-resource-intensive countries	975	1019	1049	1082	1121	1159	1183	1210	
Landlocked non-resource-intensive countries	163	167	172	180	189	197	206	214	
MDRI	252	270	278	288	300	312	323	335	
Fixed exchange rate regime	549	565	583	595	599	611	623	641	
Floating exchange rate regime	540	583	607	629	654	680	702	726	

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

**Table SA5. Consumer Prices**  
(Index, 2000=100)

	1997-2002	2003	2004	2005	2006	2007	2008	2009
<b>Oil-exporting countries</b>	<b>24.8</b>	<b>20.4</b>	<b>14.9</b>	<b>14.7</b>	<b>8.2</b>	<b>5.7</b>	<b>9.9</b>	<b>9.0</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>50.0</b>	<b>30.2</b>	<b>14.6</b>	<b>10.6</b>	<b>8.0</b>	<b>5.9</b>	<b>8.5</b>	<b>6.5</b>
Angola	193.9	98.3	43.6	23.0	13.3	12.2	12.1	9.3
Cameroon	3.5	0.6	0.3	2.0	5.1	0.9	4.1	2.1
Chad	3.8	-1.8	-5.4	7.9	7.9	-8.8	5.0	3.0
Congo, Rep. of	3.7	1.5	3.8	2.5	4.7	2.6	4.0	4.0
Equatorial Guinea	5.4	7.3	4.2	5.7	4.5	2.8	6.4	5.5
Gabon	0.9	2.1	0.4	1.2	-1.4	5.0	5.1	5.7
Nigeria	10.6	14.0	15.0	17.8	8.3	5.5	11.0	11.1
<b>Middle-income countries</b>	<b>6.9</b>	<b>5.9</b>	<b>1.8</b>	<b>3.7</b>	<b>5.1</b>	<b>7.1</b>	<b>11.7</b>	<b>8.3</b>
<b>Middle-income countries, excluding South Africa</b>	<b>7.4</b>	<b>7.0</b>	<b>5.3</b>	<b>5.7</b>	<b>8.5</b>	<b>7.5</b>	<b>11.1</b>	<b>10.3</b>
Botswana	7.7	9.2	7.0	8.6	11.6	7.1	12.6	11.9
Cape Verde	3.4	1.2	-1.9	0.4	4.8	4.4	5.7	4.9
Lesotho	8.4	7.3	5.0	3.4	6.1	8.0	11.2	9.5
Mauritius	6.1	3.9	4.7	4.9	8.9	9.1	8.8	8.6
Namibia	8.9	7.2	4.1	2.3	5.1	6.7	8.7	8.0
Seychelles	3.7	3.3	3.9	0.8	-1.4	5.7	27.3	28.7
South Africa	6.8	5.8	1.4	3.4	4.7	7.1	11.8	8.0
Swaziland	8.0	7.4	3.4	4.8	5.3	8.2	12.7	8.9
<b>Low-income countries</b>	<b>7.3</b>	<b>8.7</b>	<b>7.7</b>	<b>8.8</b>	<b>9.0</b>	<b>8.5</b>	<b>14.3</b>	<b>11.9</b>
Benin	3.4	1.5	0.9	5.4	3.8	1.3	8.8	6.5
Burkina Faso	2.2	2.0	-0.4	6.4	2.4	-0.2	9.5	5.0
Ethiopia	-0.7	15.1	8.6	6.8	12.3	15.8	25.3	40.8
Ghana	21.6	26.7	12.6	15.1	10.2	10.7	16.8	13.3
Kenya	7.0	9.8	11.6	10.3	14.5	9.8	25.0	6.5
Madagascar	8.8	-1.1	14.0	18.4	10.8	10.3	9.4	8.8
Malawi	26.3	9.6	11.4	15.5	13.9	7.9	8.2	7.9
Mali	2.0	-1.3	-3.1	6.4	1.9	2.5	2.5	2.5
Mozambique	8.4	13.5	12.6	6.4	13.2	8.2	10.1	8.4
Niger	2.5	-1.8	0.4	7.8	0.1	0.1	8.3	3.5
Rwanda	4.2	7.4	12.0	9.0	8.9	9.1	12.0	8.0
Senegal	1.6	0.0	0.5	1.7	2.1	5.9	5.4	2.8
Tanzania	8.9	4.4	4.1	4.4	7.3	7.0	9.2	6.5
Uganda	3.7	5.7	5.0	8.0	6.6	6.8	7.3	7.8
Zambia	24.3	21.4	18.0	18.3	9.0	10.7	11.8	8.6
<b>Fragile countries</b>	<b>28.8</b>	<b>6.7</b>	<b>5.0</b>	<b>11.9</b>	<b>9.3</b>	<b>8.6</b>	<b>11.2</b>	<b>9.2</b>
<b>Fragile countries, including Zimbabwe</b>	<b>29.9</b>	<b>13.0</b>	<b>10.3</b>	<b>15.8</b>	<b>16.8</b>	<b>22.5</b>	...	...
Burundi	13.2	10.7	8.0	13.4	2.8	8.3	24.3	15.4
Central African Republic	1.3	4.4	-2.2	2.9	6.7	0.9	8.5	6.7
Comoros	3.1	3.7	4.5	3.0	3.4	4.5	5.9	5.6
Congo, Dem. Rep. of	240.9	12.8	4.0	21.4	13.2	16.7	17.5	15.1
Côte d'Ivoire	3.2	3.3	1.5	3.9	2.5	1.9	5.6	5.7
Eritrea	12.2	22.7	25.1	12.5	15.1	9.3	11.0	10.5
Gambia, The	3.6	17.0	14.3	5.0	2.1	5.4	6.0	5.5
Guinea	4.4	11.0	17.5	31.4	34.7	22.9	17.9	9.3
Guinea-Bissau	11.7	-3.5	0.8	3.4	2.0	4.6	9.6	6.2
Liberia	...	14.2	10.3	3.6	6.9	7.2	11.4	19.9
São Tomé and Príncipe	25.4	9.8	13.3	17.2	23.1	18.5	25.9	19.8
Sierra Leone	13.8	7.5	14.2	12.1	9.5	11.7	15.3	13.9
Togo	2.5	-0.9	0.4	6.8	2.2	1.0	5.2	5.2
Zimbabwe	61.7	365.0	350.0	237.8	1016.7	10452.6	...	...
<b>Sub-Saharan Africa</b>	<b>13.3</b>	<b>10.8</b>	<b>7.3</b>	<b>8.8</b>	<b>7.3</b>	<b>7.1</b>	<b>11.7</b>	<b>9.5</b>
Sub-Saharan Africa, including Zimbabwe	13.4	11.2	7.7	9.0	7.7	7.9	...	...
Sub-Saharan Africa, excluding Nigeria and South Africa	19.2	13.3	8.9	9.4	8.7	7.7	11.9	9.8
<b>Oil-importing countries</b>	<b>8.9</b>	<b>7.0</b>	<b>4.2</b>	<b>6.2</b>	<b>6.9</b>	<b>7.8</b>	<b>12.6</b>	<b>9.7</b>
Oil-importing countries, excluding South Africa	11.0	8.1	6.9	8.9	9.0	8.4	13.4	11.3
CFA franc zone	2.7	1.4	0.3	4.0	3.2	1.4	5.6	4.1
WEMU	2.7	1.1	0.3	4.8	2.2	2.1	6.4	4.5
CEMAC	2.7	1.6	0.3	3.3	4.2	0.6	4.9	3.7
EAC-5	6.9	7.3	7.9	8.0	10.0	8.2	15.5	7.0
SADC	19.9	12.4	6.3	6.8	6.8	8.2	11.6	8.5
SACU	6.9	6.0	1.8	3.6	5.0	7.1	11.8	8.2
COMESA	37.7	23.9	15.7	13.2	11.5	11.3	15.6	13.5
<b>Resource-intensive countries</b>	<b>20.9</b>	<b>17.9</b>	<b>13.4</b>	<b>13.8</b>	<b>8.4</b>	<b>6.0</b>	<b>9.9</b>	<b>9.0</b>
Oil	24.8	20.4	14.9	14.7	8.2	5.7	9.9	9.0
Non-oil resource-intensive countries	7.9	8.7	7.7	10.2	9.5	7.7	10.4	8.7
<b>Non-resource-intensive countries</b>	<b>9.1</b>	<b>6.8</b>	<b>3.8</b>	<b>5.8</b>	<b>6.6</b>	<b>7.8</b>	<b>12.9</b>	<b>9.9</b>
Coastal non-resource-intensive countries	7.3	6.5	3.5	5.0	6.2	7.4	12.4	7.9
Landlocked non-resource-intensive countries	17.1	7.9	4.9	9.0	8.2	9.3	14.6	17.7
MDRI	6.8	7.4	6.1	7.8	7.7	7.4	11.4	11.7
Fixed exchange rate regime	3.6	2.5	1.2	4.4	4.1	2.4	6.7	5.3
Floating exchange rate regime	15.8	13.0	9.0	9.9	8.1	8.2	12.9	10.5

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

## REGIONAL ECONOMIC OUTLOOK: SUB-SAHARAN AFRICA

<b>Table SA6. Total Investment</b>									
<i>(Percent of GDP)</i>									
	1997-2002	2003	2004	2005	2006	2007	2008	2009	
<b>Oil-exporting countries</b>	<b>24.2</b>	<b>24.4</b>	<b>21.8</b>	<b>20.7</b>	<b>21.3</b>	<b>21.9</b>	<b>20.4</b>	<b>21.7</b>	
<b>Oil-exporting countries, excluding Nigeria</b>	<b>23.3</b>	<b>22.9</b>	<b>19.3</b>	<b>17.5</b>	<b>17.4</b>	<b>19.1</b>	<b>15.5</b>	<b>16.5</b>	
Angola	21.4	12.7	9.1	8.1	11.3	13.9	11.0	11.4	
Cameroon	18.3	17.5	18.9	19.1	16.8	18.2	17.5	19.2	
Chad	27.8	55.7	25.8	21.4	21.4	19.3	14.5	13.1	
Congo, Rep. of	24.8	26.1	22.5	21.6	22.9	26.2	18.0	15.7	
Equatorial Guinea	70.3	59.7	43.7	39.9	32.5	35.3	24.6	34.1	
Gabon	27.4	23.8	24.4	21.3	24.5	26.1	26.1	25.9	
Nigeria	24.7	25.4	23.5	22.8	23.8	24.0	24.3	25.8	
<b>Middle-income countries</b>	<b>17.6</b>	<b>18.0</b>	<b>20.0</b>	<b>19.9</b>	<b>22.2</b>	<b>22.7</b>	<b>23.4</b>	<b>24.5</b>	
<b>Middle-income countries, excluding South Africa</b>	<b>30.3</b>	<b>32.4</b>	<b>31.4</b>	<b>30.3</b>	<b>29.7</b>	<b>31.9</b>	<b>35.3</b>	<b>36.6</b>	
Botswana	38.7	43.4	43.2	38.8	37.9	40.5	44.5	46.8	
Cape Verde	34.8	31.2	39.7	41.0	43.0	42.5	43.5	43.2	
Lesotho	46.2	33.2	31.4	28.0	24.3	27.9	30.5	30.8	
Mauritius	25.6	24.9	22.8	23.4	22.5	26.4	28.7	30.9	
Namibia	22.0	29.8	25.7	26.1	25.6	24.9	29.3	30.6	
Seychelles	31.4	10.4	12.7	30.2	42.5	62.1	58.3	59.3	
South Africa	15.9	16.1	18.6	18.7	21.3	21.6	22.0	23.0	
Swaziland	18.0	18.8	19.2	18.6	16.7	16.2	17.4	17.7	
<b>Low-income countries</b>	<b>17.5</b>	<b>19.5</b>	<b>21.4</b>	<b>22.6</b>	<b>23.3</b>	<b>24.4</b>	<b>25.5</b>	<b>25.2</b>	
Benin	19.2	19.6	19.0	19.6	18.1	21.4	23.1	23.9	
Burkina Faso	20.5	17.2	15.6	20.5	17.2	18.9	20.2	19.9	
Ethiopia	17.1	21.6	25.5	23.0	24.2	25.0	22.7	20.6	
Ghana	23.3	22.9	28.4	29.0	30.4	33.7	32.7	32.4	
Kenya	13.4	13.1	14.4	16.4	19.0	18.6	21.6	21.7	
Madagascar	15.1	15.4	22.7	21.5	24.1	26.4	36.0	33.1	
Malawi	14.4	20.6	25.3	20.4	20.7	24.1	31.1	27.8	
Mali	21.3	21.1	21.3	23.3	23.7	23.7	24.5	25.0	
Mozambique	23.3	22.3	18.6	18.7	17.7	18.0	22.5	22.5	
Niger	12.6	16.3	14.6	23.1	21.6	21.7	22.0	30.7	
Rwanda	17.1	18.6	20.4	21.6	20.3	21.2	24.4	23.0	
Senegal	18.8	25.9	26.0	29.5	29.7	31.3	30.0	31.4	
Tanzania	15.3	19.2	22.6	25.1	27.6	28.0	27.4	27.2	
Uganda	18.8	21.0	22.2	22.4	21.2	22.3	24.1	25.8	
Zambia	18.2	25.6	24.3	23.5	23.5	25.0	23.6	23.0	
<b>Fragile countries</b>	<b>13.2</b>	<b>12.0</b>	<b>12.6</b>	<b>12.4</b>	<b>11.9</b>	<b>13.2</b>	<b>15.1</b>	<b>19.3</b>	
<b>Fragile countries, including Zimbabwe</b>	<b>12.9</b>	<b>8.1</b>	<b>11.5</b>	<b>11.3</b>	<b>12.1</b>	<b>14.2</b>	<b>...</b>	<b>...</b>	
Burundi	6.3	10.6	13.3	10.8	16.3	17.5	19.9	21.0	
Central African Republic	9.5	6.1	6.8	9.8	10.1	9.9	12.5	12.5	
Comoros	10.4	10.3	9.4	9.3	9.2	10.4	12.6	16.0	
Congo, Dem. Rep. of	14.6	12.2	12.8	13.8	13.2	18.2	20.5	28.5	
Côte d'Ivoire	12.1	10.1	10.8	9.7	9.3	8.6	10.3	13.8	
Eritrea	31.3	26.5	20.3	20.3	13.7	11.5	10.9	10.7	
Gambia, The	20.0	20.0	17.4	13.3	13.2	12.3	17.5	18.6	
Guinea	18.1	20.2	22.5	23.3	20.2	24.5	26.2	27.2	
Guinea-Bissau	15.0	12.6	13.2	14.6	12.2	14.2	15.2	13.6	
Liberia	...	...	...	...	...	...	...	...	
São Tomé and Príncipe <sup>1</sup>	28.1	41.6	41.6	35.0	51.8	31.4	31.5	39.5	
Sierra Leone	6.1	14.3	10.8	17.4	15.5	13.5	15.2	16.1	
Togo	12.0	10.9	11.1	11.8	13.0	10.9	13.6	15.4	
Zimbabwe	11.5	-13.0	5.1	4.3	13.7	23.6	...	...	
<b>Sub-Saharan Africa</b>	<b>18.7</b>	<b>19.6</b>	<b>20.3</b>	<b>20.2</b>	<b>21.6</b>	<b>22.2</b>	<b>22.2</b>	<b>23.2</b>	
Sub-Saharan Africa, including Zimbabwe	18.6	19.2	20.2	20.1	21.5	22.3	...	...	
Sub-Saharan Africa, excluding Nigeria and South Africa	19.4	20.7	20.8	20.6	20.6	21.9	21.2	22.1	
<b>Oil-importing countries</b>	<b>17.2</b>	<b>17.9</b>	<b>19.8</b>	<b>20.1</b>	<b>21.7</b>	<b>22.4</b>	<b>23.3</b>	<b>24.3</b>	
Oil-importing countries, excluding South Africa	18.5	20.1	21.3	21.9	22.1	23.4	24.8	25.6	
CFA franc zone	19.2	21.2	20.1	21.0	20.1	21.4	20.0	22.0	
WAEMU	15.8	16.5	16.5	18.4	17.8	18.4	19.4	21.8	
CEMAC	23.8	27.0	24.1	23.5	22.3	24.1	20.4	22.2	
EAC-5	15.1	16.8	18.8	20.5	21.9	22.1	23.9	24.2	
SADC	17.5	17.8	19.3	19.0	20.8	21.5	21.4	22.2	
SACU	17.2	17.8	19.9	19.7	22.1	22.4	23.1	24.1	
COMESA	17.4	17.6	17.8	17.1	18.1	19.5	19.0	19.4	
<b>Resource-intensive countries</b>	<b>23.0</b>	<b>24.2</b>	<b>22.2</b>	<b>21.0</b>	<b>21.3</b>	<b>22.0</b>	<b>20.9</b>	<b>22.2</b>	
Oil	24.2	24.4	21.8	20.7	21.3	21.9	20.4	21.7	
Non-oil resource-intensive countries	20.0	23.4	23.4	22.3	21.7	22.3	23.8	25.6	
<b>Non-resource-intensive countries</b>	<b>16.7</b>	<b>17.2</b>	<b>19.3</b>	<b>19.8</b>	<b>21.7</b>	<b>22.4</b>	<b>23.3</b>	<b>24.1</b>	
Coastal non-resource-intensive countries	16.6	16.9	19.2	19.6	22.0	22.6	23.5	24.2	
Landlocked non-resource-intensive countries	17.7	18.7	20.0	20.7	20.2	21.8	22.7	23.8	
MDRI	18.2	20.2	22.0	23.0	23.0	24.4	24.9	25.0	
Fixed exchange rate regime	21.7	23.8	22.9	23.1	22.3	23.5	22.6	24.5	
Floating exchange rate regime	18.0	18.6	19.7	19.6	21.4	22.0	22.0	22.9	

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

**Table SA7. Domestic Saving**  
(Percent of GDP)

	1997-2002	2003	2004	2005	2006	2007	2008	2009
<b>Oil-exporting countries</b>	<b>28.2</b>	<b>28.5</b>	<b>35.4</b>	<b>39.5</b>	<b>41.4</b>	<b>38.7</b>	<b>41.6</b>	<b>38.5</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>28.8</b>	<b>29.8</b>	<b>33.8</b>	<b>41.2</b>	<b>45.4</b>	<b>44.4</b>	<b>49.1</b>	<b>47.5</b>
Angola	24.3	19.2	25.1	37.9	47.2	46.2	52.4	49.8
Cameroon	19.1	17.8	18.5	18.1	18.9	19.0	18.4	16.7
Chad	-3.0	19.1	16.9	28.6	26.2	26.3	29.5	21.9
Congo, Rep. of	45.0	52.7	56.1	51.6	47.5	28.8	46.3	56.0
Equatorial Guinea	63.4	80.1	78.9	83.7	86.1	86.9	74.5	69.7
Gabon	48.6	48.0	54.6	58.3	57.4	55.0	58.3	58.9
Nigeria	27.8	27.7	36.5	38.3	38.7	34.5	35.5	31.5
<b>Middle-income countries</b>	<b>19.3</b>	<b>19.7</b>	<b>19.4</b>	<b>18.9</b>	<b>19.3</b>	<b>19.7</b>	<b>19.6</b>	<b>20.3</b>
<b>Middle-income countries, excluding South Africa</b>	<b>24.9</b>	<b>29.7</b>	<b>29.0</b>	<b>27.8</b>	<b>29.8</b>	<b>29.9</b>	<b>29.6</b>	<b>29.6</b>
Botswana	48.0	48.9	50.0	52.1	55.1	55.3	54.2	53.8
Cape Verde	-6.0	-7.2	-5.7	2.9	4.8	1.1	3.0	2.2
Lesotho	-24.0	-20.0	-15.4	-21.6	-22.8	-24.1	-28.8	-28.1
Mauritius	24.4	25.8	23.3	19.0	15.6	15.4	18.2	18.9
Namibia	13.8	22.6	21.6	22.5	28.4	27.8	29.1	29.6
Seychelles	18.8	15.1	8.0	7.8	25.3	28.0	23.9	28.5
South Africa	18.6	18.4	18.2	17.9	18.0	18.5	18.3	19.1
Swaziland	4.8	20.8	17.6	3.6	3.8	5.9	-2.5	1.8
<b>Low-income countries</b>	<b>7.1</b>	<b>8.6</b>	<b>9.5</b>	<b>9.5</b>	<b>10.5</b>	<b>10.1</b>	<b>9.8</b>	<b>10.3</b>
Benin	7.1	6.7	6.7	10.2	6.8	9.2	8.0	10.6
Burkina Faso	6.1	4.2	1.8	4.8	3.3	4.5	2.8	3.9
Ethiopia	6.6	3.6	5.0	3.0	3.7	5.6	4.3	3.6
Ghana	6.4	10.9	7.3	3.3	5.7	7.2	4.7	4.4
Kenya	6.0	6.2	6.6	7.4	8.3	6.5	8.3	9.9
Madagascar	8.3	6.9	8.3	7.8	13.4	10.3	10.6	11.0
Malawi	2.2	5.4	8.3	-4.1	-3.3	2.6	6.3	4.8
Mali	13.4	14.0	13.0	14.8	19.0	15.3	15.0	16.4
Mozambique	6.0	5.0	8.9	7.6	10.3	10.1	12.2	13.5
Niger	4.1	6.3	3.6	8.7	8.4	10.5	8.9	8.8
Rwanda	-0.8	0.4	4.4	5.1	2.7	2.8	1.5	1.7
Senegal	11.1	13.8	13.4	14.1	12.2	11.1	9.9	11.9
Tanzania	7.6	14.9	16.2	16.2	13.9	14.9	13.8	14.1
Uganda	7.7	7.2	11.1	11.7	8.1	8.9	6.6	7.1
Zambia	8.3	13.2	20.0	22.3	32.1	28.1	28.8	29.7
<b>Fragile countries</b>	<b>14.4</b>	<b>10.4</b>	<b>9.2</b>	<b>5.9</b>	<b>7.8</b>	<b>11.2</b>	<b>13.2</b>	<b>14.3</b>
<b>Fragile countries, including Zimbabwe</b>	<b>13.3</b>	<b>5.6</b>	<b>7.5</b>	<b>4.3</b>	<b>7.9</b>	<b>12.4</b>	...	...
Burundi	-4.4	-8.7	-11.0	-18.3	-22.2	-22.6	-17.9	-12.9
Central African Republic	4.8	1.6	0.6	1.0	2.2	2.5	3.8	4.6
Comoros	-7.2	-3.4	-8.5	-12.2	-15.2	-16.5	-17.9	-11.8
Congo, Dem. Rep. of	15.5	10.0	8.8	2.4	8.1	14.6	20.1	17.8
Côte d'Ivoire	19.9	12.9	11.7	8.9	11.3	14.3	16.0	18.4
Eritrea	-22.5	-34.6	-33.8	-28.4	-17.8	-17.7	-16.0	-15.4
Gambia, The	13.5	10.7	-3.6	-9.5	-4.0	-4.1	-1.0	-0.2
Guinea	14.6	20.2	20.2	20.8	17.5	21.6	18.9	21.7
Guinea-Bissau	-7.8	-1.6	-3.5	-2.3	-21.6	-5.8	-11.8	-8.6
Liberia	...	...	...	...	...	...	...	...
São Tomé and Príncipe <sup>1</sup>	24.1	4.9	3.9	-4.0	-17.6	-26.3	-23.6	-16.6
Sierra Leone	-4.1	-3.3	-0.4	4.2	7.9	6.1	5.1	9.0
Togo	-1.0	-3.1	-3.9	-5.0	-6.6	-9.7	-12.8	-10.6
Zimbabwe	9.0	-21.1	-3.7	-6.6	9.1	23.1	...	...
<b>Sub-Saharan Africa</b>	<b>18.1</b>	<b>19.0</b>	<b>21.3</b>	<b>22.8</b>	<b>24.6</b>	<b>24.1</b>	<b>26.2</b>	<b>25.5</b>
Sub-Saharan Africa, including Zimbabwe	18.0	18.5	21.1	22.5	24.5	24.1	...	...
Sub-Saharan Africa, excluding Nigeria and South Africa	14.6	16.2	18.0	20.4	23.3	23.6	26.8	26.5
<b>Oil-importing countries</b>	<b>15.0</b>	<b>15.5</b>	<b>15.8</b>	<b>15.1</b>	<b>15.7</b>	<b>16.0</b>	<b>15.7</b>	<b>16.2</b>
Oil-importing countries, excluding South Africa	11.1	12.1	12.4	11.5	12.7	12.9	12.8	13.3
CFA franc zone	20.1	20.7	22.5	26.0	26.8	26.5	28.9	29.8
WAEMU	12.9	10.3	9.2	9.5	9.9	10.7	10.4	12.2
CEMAC	29.4	33.6	37.2	42.2	42.7	41.4	44.2	43.8
EAC-5	6.3	8.7	10.2	10.5	8.9	8.6	8.8	9.6
SADC	18.0	18.4	19.0	19.7	22.1	22.9	25.5	25.6
SACU	19.3	19.7	19.4	19.0	19.4	19.9	19.7	20.4
COMESA	11.1	11.5	14.1	17.0	22.8	23.5	28.5	27.2
<b>Resource-intensive countries</b>	<b>26.6</b>	<b>27.1</b>	<b>32.8</b>	<b>36.5</b>	<b>39.1</b>	<b>36.9</b>	<b>39.7</b>	<b>37.3</b>
Oil	<b>28.2</b>	<b>28.5</b>	<b>35.4</b>	<b>39.5</b>	<b>41.4</b>	<b>38.7</b>	<b>41.6</b>	<b>38.5</b>
Non-oil resource-intensive countries	22.2	22.9	23.7	23.9	28.0	28.0	28.2	29.5
<b>Non-resource-intensive countries</b>	<b>14.2</b>	<b>14.7</b>	<b>14.9</b>	<b>14.2</b>	<b>14.3</b>	<b>14.6</b>	<b>14.1</b>	<b>14.7</b>
Coastal non-resource-intensive countries	15.6	16.1	16.3	15.8	15.9	16.0	15.7	16.5
Landlocked non-resource-intensive countries	6.8	6.3	6.7	4.8	5.3	7.2	7.0	6.8
MDRI	8.9	10.3	11.3	11.0	12.0	11.9	11.1	11.2
Fixed exchange rate regime	21.0	22.6	24.0	26.7	27.9	27.7	29.4	30.2
Floating exchange rate regime	17.3	17.9	20.5	21.7	23.8	23.3	25.4	24.4205

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

## REGIONAL ECONOMIC OUTLOOK: SUB-SAHARAN AFRICA

Table SA8. Overall Fiscal Balance, Including Grants (Central government; percent of GDP)								
	1997-2002	2003	2004	2005	2006	2007	2008	2009
<b>Oil-exporting countries</b>	-3.1	-0.7	4.5	8.2	11.7	5.0	7.1	5.5
<b>Oil-exporting countries, excluding Nigeria</b>	-4.3	-0.2	1.8	8.2	17.9	10.0	11.3	12.2
Angola	-13.0	-6.4	-0.5	7.3	14.8	11.2	11.0	11.9
Cameroun	-0.8	1.2	-0.5	3.6	33.1	4.5	2.2	0.9
Chad	-5.1	-6.3	-3.0	-0.4	2.4	3.5	2.1	11.3
Congo, Rep. of	-7.1	0.4	3.6	15.6	17.1	11.1	27.6	37.2
Equatorial Guinea	4.0	11.8	12.3	20.6	23.5	17.8	17.8	6.4
Gabon	1.2	7.4	7.6	8.6	9.2	8.5	10.9	12.4
Nigeria	-2.3	-1.1	6.3	8.1	7.6	1.4	3.7	0.3
<b>Middle-income countries</b>	-2.3	-2.2	-1.7	-0.4	0.8	1.1	0.4	-0.4
<b>Middle-income countries, excluding South Africa</b>	-2.6	-3.5	-2.1	1.1	4.6	3.3	1.3	0.3
Botswana	1.4	-1.0	0.9	6.7	10.6	7.1	4.1	3.1
Cape Verde	-10.6	-4.3	-3.8	-6.3	-4.9	-0.7	-3.9	-4.7
Lesotho	-3.5	-0.4	5.6	4.8	13.4	11.6	11.0	13.4
Mauritius	-5.1	-6.2	-5.3	-5.0	-5.4	-4.2	-3.6	-3.7
Namibia	-3.3	-6.5	-4.3	-1.2	2.5	2.8	0.5	-1.3
Seychelles	-12.3	0.6	-1.0	2.1	-7.7	-6.7	-1.2	-7.2
South Africa	-2.2	-2.0	-1.6	-0.6	0.4	0.9	0.3	-0.5
Swaziland	-1.3	-2.9	-4.9	-1.6	10.8	6.6	1.8	2.2
<b>Low-income countries</b>	-3.2	-3.1	-2.6	-2.6	3.7	-3.3	-3.8	-4.3
Benin	-0.2	-1.9	-1.0	-2.5	-0.5	1.6	-1.3	-1.3
Burkina Faso <sup>1</sup>	-3.5	-2.9	-4.3	-5.1	16.7	-5.7	-5.4	-4.9
Ethiopia	-5.9	-7.0	-3.0	-4.4	-3.9	-3.1	-4.3	-3.2
Ghana	-7.5	-3.8	-4.6	-1.7	-7.0	-8.4	-10.2	-10.0
Kenya	-1.3	-1.7	-0.1	-1.8	-2.5	-3.5	-4.9	-4.4
Madagascar	-4.0	-4.0	-4.8	-4.5	35.9	-2.6	-4.2	-4.5
Malawi	-6.2	-4.7	-4.8	-1.1	-1.3	-3.1	-3.8	-2.6
Mali <sup>1</sup>	-3.4	-1.3	-2.6	-3.2	32.0	-3.7	-3.6	-3.3
Mozambique	-3.5	-3.7	-4.4	-2.8	-4.1	-3.0	-5.6	-3.8
Niger <sup>1</sup>	-3.7	-2.8	-3.6	-2.0	41.1	-0.9	1.9	-4.2
Rwanda	-2.0	-2.1	-0.2	0.6	-0.4	-1.5	-0.8	-4.4
Senegal	-0.6	-1.9	-2.7	-3.5	-6.4	-4.1	-5.5	-4.2
Tanzania	-0.9	-1.2	-2.7	-2.8	-4.7	-3.7	0.1	-4.9
Uganda	-3.3	-4.1	-1.6	-0.5	0.1	-1.0	-1.9	-3.7
Zambia <sup>1</sup>	-4.5	-6.0	-2.9	-2.7	19.8	-0.2	-1.0	-1.8
<b>Fragile countries</b>	-2.9	-3.4	-3.0	-2.5	-1.2	1.0	-0.2	4.8
<b>Fragile countries, including Zimbabwe</b>	-3.9	-2.9	-3.6	-3.2	-1.3	0.7	...	...
Burundi	-4.2	-6.2	-4.9	-5.1	-1.4	1.0	-0.2	71.1
Central African Republic	-1.0	-3.3	-2.2	-4.5	9.0	1.6	-0.6	-0.5
Comoros	-3.1	-3.4	-1.7	0.1	-2.6	-2.0	2.0	-2.6
Congo, Dem. Rep. of	-4.6	-4.7	-4.9	-3.5	-1.1	-0.6	1.4	3.8
Côte d'Ivoire	-1.4	-2.2	-1.7	-1.7	-1.8	-0.4	-0.6	-1.6
Eritrea	-30.6	-13.5	-16.6	-21.2	-12.0	-10.0	-8.3	-8.1
Gambia, The	-5.3	-4.7	-5.7	-8.6	-7.1	0.1	-3.0	-4.0
Guinea	-3.1	-6.5	-5.4	-1.6	-3.2	0.3	-1.0	39.0
Guinea-Bissau	-11.1	-12.9	-15.0	-11.9	-9.7	-10.3	1.1	-12.6
Liberia	...	-1.2	1.0	0.0	0.0	5.3	4.8	-6.2
São Tomé and Príncipe	-16.2	-10.5	-15.8	37.1	-13.9	120.2	41.5	-4.8
Sierra Leone	-8.9	-6.7	-3.5	-2.7	9.3	25.2	-2.5	-3.8
Togo	-2.5	2.4	1.0	-3.5	-3.8	-1.9	-2.2	-2.0
Zimbabwe <sup>1</sup>	-7.7	-0.2	-7.6	-8.0	-2.0	-1.8	...	...
<b>Sub-Saharan Africa</b>	-2.6	-2.1	-0.2	1.7	5.0	1.6	2.2	1.5
Sub-Saharan Africa, including Zimbabwe	-2.7	-2.1	-0.3	1.6	5.0	1.6	...	...
Sub-Saharan Africa, excluding Nigeria and South Africa	-3.2	-2.5	-1.4	1.0	7.8	2.4	2.8	3.4
<b>Oil-importing countries</b>	-2.6	-2.5	-2.1	-1.2	1.5	-0.2	-1.1	-1.3
Oil-importing countries, excluding South Africa	-3.0	-3.2	-2.6	-2.0	3.0	-1.6	-2.5	-2.1
CFA franc zone	-1.4	0.0	0.1	2.8	13.8	3.4	5.1	5.4
WAEMU	-1.9	-2.0	-2.3	-2.9	6.8	-2.1	-2.4	-3.0
CEMAC	-1.0	2.5	2.9	8.3	20.3	8.6	11.4	12.1
EAC-5	-1.7	-2.1	-1.3	-1.8	-2.5	-2.9	-2.6	-3.1
SADC	-2.8	-2.6	-1.9	0.0	3.2	2.1	2.2	1.7
SACU	-2.1	-2.0	-1.6	-0.3	1.0	1.3	0.5	-0.3
COMESA	-4.8	-4.7	-2.3	0.2	6.8	2.7	2.9	3.6
<b>Resource-intensive countries</b>	-2.6	-1.4	3.1	6.6	10.8	4.7	6.1	5.0
Oil	-3.1	-0.7	4.5	8.2	11.7	5.0	7.1	5.5
Non-oil resource-intensive countries	-1.9	-3.5	-2.0	0.3	6.4	2.8	0.4	1.9
<b>Non-resource-intensive countries</b>	-2.7	-2.4	-2.1	-1.4	0.9	-0.6	-1.3	-1.7
Coastal non-resource-intensive countries	-2.4	-2.1	-1.9	-1.1	-0.2	-0.4	-1.1	-1.8
Landlocked non-resource-intensive countries	-4.1	-4.0	-3.0	-2.7	6.9	-1.7	-2.0	-1.0
MDRI	-3.2	-2.7	-2.7	-1.9	8.9	-1.9	-2.8	-3.6
Fixed exchange rate regime	-1.5	-0.5	-0.1	2.8	12.5	3.8	4.7	4.8
Floating exchange rate regime	-2.9	-2.5	-0.3	1.4	3.4	1.2	1.7	0.8

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

<sup>1</sup> For 2005-07, ratios represent the sum of deflated monthly flows divided by annual real GDP. Conventionally calculated annual flows in relation to nominal GDP become distorted in a hyperinflation environment.

**Table SA9. Overall Fiscal Balance, Excluding Grants**  
(Central government; percent of GDP)

	1997-2002	2003	2004	2005	2006	2007	2008	2009
<b>Oil-exporting countries</b>	<b>-3.5</b>	<b>-1.1</b>	<b>4.3</b>	<b>8.0</b>	<b>9.5</b>	<b>4.9</b>	<b>7.0</b>	<b>5.4</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>-5.2</b>	<b>-1.2</b>	<b>1.3</b>	<b>7.7</b>	<b>12.5</b>	<b>9.7</b>	<b>11.0</b>	<b>11.9</b>
Angola	-15.0	-7.2	-1.0	7.1	14.8	11.2	10.9	11.9
Cameroon	-1.0	0.7	-0.8	3.0	4.7	3.3	1.2	0.0
Chad	-10.5	-14.0	-6.0	-3.7	0.5	2.0	0.7	9.9
Congo, Rep. of	-7.4	-0.1	3.3	15.4	16.9	10.7	27.3	36.9
Equatorial Guinea	3.7	11.8	12.3	20.6	23.5	17.8	17.8	6.4
Gabon	1.2	7.4	7.5	8.6	9.2	8.5	10.8	12.3
Nigeria	-2.3	-1.1	6.3	8.1	7.6	1.4	3.7	0.3
<b>Middle-income countries</b>	<b>-2.4</b>	<b>-2.2</b>	<b>-1.8</b>	<b>-0.5</b>	<b>0.7</b>	<b>1.1</b>	<b>0.8</b>	<b>0.4</b>
<b>Middle-income countries, excluding South Africa</b>	<b>-3.3</b>	<b>-4.1</b>	<b>-2.9</b>	<b>0.4</b>	<b>3.9</b>	<b>2.6</b>	<b>0.3</b>	<b>-0.6</b>
Botswana	1.0	-1.2	0.3	6.4	10.1	6.4	3.4	2.4
Cape Verde	-19.3	-9.8	-12.8	-12.7	-10.4	-5.5	-8.3	-9.3
Lesotho	-6.5	-3.1	3.0	2.7	12.3	10.3	6.6	8.6
Mauritius	-5.2	-6.4	-5.7	-5.3	-5.6	-4.4	-4.6	-4.6
Namibia	-3.4	-6.6	-4.5	-1.3	2.4	2.4	0.3	-1.5
Seychelles	-12.8	0.6	-1.2	0.8	-9.4	-7.1	-1.3	-7.3
South Africa	-2.2	-2.0	-1.6	-0.6	0.4	0.9	0.8	0.6
Swaziland	-2.2	-3.9	-5.6	-2.7	9.9	6.3	1.4	1.8
<b>Low-income countries</b>	<b>-6.9</b>	<b>-7.7</b>	<b>-7.3</b>	<b>-7.4</b>	<b>-7.9</b>	<b>-8.0</b>	<b>-8.8</b>	<b>-8.8</b>
Benin	-2.8	-3.7	-3.7	-4.6	-2.7	-1.4	-4.1	-4.2
Burkina Faso	-10.2	-8.2	-8.8	-9.7	-11.3	-12.2	-11.5	-10.9
Ethiopia	-9.0	-13.6	-7.6	-8.7	-7.4	-8.1	-8.4	-6.9
Ghana	-10.2	-8.5	-10.9	-6.9	-12.5	-14.5	-15.1	-14.0
Kenya	-2.2	-3.6	-1.3	-3.0	-3.6	-4.6	-6.2	-5.7
Madagascar	-7.7	-8.8	-12.7	-10.1	-9.8	-6.7	-9.3	-8.6
Malawi	-11.5	-4.7	-4.8	-9.9	-14.8	-16.0	-15.7	-17.4
Mali	-7.9	-5.7	-6.6	-7.3	-7.7	-9.2	-7.9	-7.4
Mozambique	-13.1	-13.0	-11.7	-8.8	-12.0	-12.3	-18.0	-16.2
Niger	-8.7	-7.7	-9.4	-9.6	-6.9	-6.9	-5.7	-10.9
Rwanda	-9.4	-9.8	-11.3	-12.1	-11.3	-13.8	-14.9	-16.4
Senegal	-2.7	-3.8	-4.8	-5.1	-7.9	-6.6	-7.9	-6.1
Tanzania	-4.1	-6.4	-7.7	-9.2	-9.7	-8.3	-6.3	-10.0
Uganda	-9.1	-10.3	-10.1	-8.0	-5.3	-5.6	-7.2	-8.1
Zambia	-11.1	-13.0	-8.4	-8.3	-6.2	-4.8	-6.0	-6.8
<b>Fragile countries</b>	<b>-4.3</b>	<b>-5.2</b>	<b>-5.0</b>	<b>-5.3</b>	<b>-5.6</b>	<b>-2.8</b>	<b>-3.6</b>	<b>-3.5</b>
<b>Fragile countries, including Zimbabwe</b>	<b>-5.1</b>	<b>-4.4</b>	<b>-5.4</b>	<b>-5.4</b>	<b>-5.8</b>	<b>-2.6</b>	<b>...</b>	<b>...</b>
Burundi	-6.9	-13.8	-19.7	-16.8	-19.3	-19.9	-23.2	-22.2
Central African Republic	-6.7	-4.8	-5.6	-8.7	-4.4	-2.5	-5.2	-4.9
Comoros	-9.0	-5.7	-4.5	-4.2	-7.6	-9.7	-9.3	-8.5
Congo, Dem. Rep. of	-4.7	-6.7	-6.8	-8.7	-9.1	-3.9	-3.0	-0.8
Côte d'Ivoire	-2.0	-2.8	-2.6	-2.8	-2.4	-1.0	-2.2	-2.7
Eritrea	-41.7	-32.4	-31.7	-30.6	-16.1	-12.5	-10.3	-9.8
Gambia, The	-7.5	-7.2	-10.2	-10.3	-8.3	-1.1	-5.1	-7.1
Guinea	-5.7	-9.4	-6.5	-2.3	-4.8	-0.5	-2.9	-2.0
Guinea-Bissau	-21.4	-23.3	-32.2	-24.6	-21.6	-26.3	-20.4	-20.0
Liberia	...	-1.2	0.2	-0.3	0.0	5.2	4.6	-6.2
São Tomé and Príncipe	-36.8	-30.1	-35.0	20.0	-29.9	0.2	1.8	-12.7
Sierra Leone	-13.9	-14.4	-12.4	-12.8	-11.0	-6.8	-8.9	-9.0
Togo	-3.4	1.9	0.2	-4.6	-5.2	-3.6	-5.0	-6.0
Zimbabwe <sup>1</sup>	-8.4	-0.4	-7.6	-8.0	-2.0	-1.8	...	...
<b>Sub-Saharan Africa</b>	<b>-3.7</b>	<b>-3.3</b>	<b>-1.3</b>	<b>0.5</b>	<b>1.8</b>	<b>0.5</b>	<b>1.2</b>	<b>0.4</b>
Sub-Saharan Africa, including Zimbabwe	-3.8	-3.3	-1.4	0.5	1.8	0.4	...	...
Sub-Saharan Africa, excluding Nigeria and South Africa	-5.6	-5.3	-4.1	-1.7	0.2	-0.4	0.2	0.4
<b>Oil-importing countries</b>	<b>-4.0</b>	<b>-4.1</b>	<b>-3.5</b>	<b>-2.8</b>	<b>-2.3</b>	<b>-2.0</b>	<b>-2.8</b>	<b>-3.1</b>
Oil-importing countries, excluding South Africa	-5.8	-6.6	-6.1	-5.7	-5.7	-5.5	-6.7	-6.8
CFA franc zone	-3.2	-1.7	-1.4	1.1	2.4	1.6	3.3	3.8
WAEMU	-4.3	-4.3	-4.8	-5.5	-5.7	-5.1	-5.8	-6.0
CEMAC	-1.8	1.5	2.3	7.6	10.0	7.9	10.7	11.5
EAC-5	-4.7	-6.2	-5.9	-6.7	-6.4	-6.6	-7.2	-8.3
SADC	-3.6	-3.4	-2.6	-0.9	1.1	1.4	1.4	1.4
SACU	-2.2	-2.1	-1.6	-0.3	1.0	1.3	1.0	0.6
COMESA	-7.2	-7.6	-5.1	-2.8	0.8	0.4	0.5	0.9
<b>Resource-intensive countries</b>	<b>-3.4</b>	<b>-2.1</b>	<b>2.6</b>	<b>6.1</b>	<b>7.9</b>	<b>4.1</b>	<b>5.7</b>	<b>4.3</b>
Oil	-3.5	-1.1	4.3	8.0	9.5	4.9	7.0	5.4
Non-oil resource-intensive countries	-3.5	-5.2	-3.6	-1.5	-0.3	0.2	-1.8	-2.7
<b>Non-resource-intensive countries</b>	<b>-4.0</b>	<b>-3.9</b>	<b>-3.5</b>	<b>-2.9</b>	<b>-2.5</b>	<b>-2.3</b>	<b>-3.0</b>	<b>-3.1</b>
Coastal non-resource-intensive countries	-3.2	-3.1	-2.8	-2.0	-1.7	-1.4	-2.0	-2.2
Landlocked non-resource-intensive countries	-8.1	-8.6	-7.7	-8.3	-7.1	-7.2	-7.6	-7.3
MDRI	-7.0	-7.1	-7.2	-6.6	-6.9	-7.1	-7.9	-8.2
Fixed exchange rate regime	-3.1	-2.1	-1.6	1.3	3.1	2.1	3.0	3.3
Floating exchange rate regime	-3.9	-3.6	-1.3	0.4	1.5	0.1	0.7	-0.2

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

<sup>1</sup> For 2005-07, ratios represent the sum of deflated monthly flows divided by annual real GDP. Conventionally calculated annual flows in relation to nominal GDP become distorted in a hyperinflation environment.

## REGIONAL ECONOMIC OUTLOOK: SUB-SAHARAN AFRICA

Table SA10. Government Revenue, Excluding Grants (Percent of GDP)								
	1997-2002	2003	2004	2005	2006	2007	2008	2009
<b>Oil-exporting countries</b>	<b>23.3</b>	<b>21.3</b>	<b>23.9</b>	<b>27.3</b>	<b>27.9</b>	<b>25.5</b>	<b>25.7</b>	<b>24.4</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>26.6</b>	<b>26.3</b>	<b>26.8</b>	<b>31.3</b>	<b>37.2</b>	<b>37.0</b>	<b>34.6</b>	<b>35.1</b>
Angola	42.4	37.2	37.5	40.4	46.4	45.1	39.4	38.7
Cameroon	14.6	16.1	15.2	17.6	19.3	18.8	19.6	18.9
Chad	7.8	7.8	8.5	9.4	16.9	22.9	20.0	25.9
Congo, Rep. of	26.9	29.7	30.0	38.6	44.3	42.7	46.3	51.9
Equatorial Guinea	22.6	27.5	29.8	34.7	40.8	38.3	33.3	32.1
Gabon	32.5	30.1	30.1	31.3	31.7	29.5	29.3	29.3
Nigeria	20.9	18.1	21.9	24.7	21.7	17.2	18.4	15.9
<b>Middle-income countries</b>	<b>24.4</b>	<b>24.2</b>	<b>24.9</b>	<b>26.3</b>	<b>27.4</b>	<b>27.9</b>	<b>27.8</b>	<b>27.6</b>
<b>Middle-income countries, excluding South Africa</b>	<b>31.3</b>	<b>31.2</b>	<b>31.7</b>	<b>33.0</b>	<b>35.3</b>	<b>34.1</b>	<b>33.0</b>	<b>31.6</b>
Botswana	39.2	38.2	37.3	39.0	39.9	36.8	35.0	33.8
Cape Verde	20.9	21.5	23.0	23.5	23.6	25.2	23.7	24.0
Lesotho	43.1	42.2	46.7	48.7	58.4	60.7	64.5	63.3
Mauritius	19.4	20.0	19.9	19.8	19.9	19.2	20.6	19.9
Namibia	32.1	29.2	29.9	31.7	33.9	35.5	34.5	33.5
Seychelles	42.1	47.2	50.0	50.2	52.5	49.7	40.8	36.1
South Africa	23.5	23.2	24.1	25.6	26.5	27.2	27.2	27.1
Swaziland	26.1	27.4	32.1	33.2	43.5	40.6	39.6	39.2
<b>Low-income countries</b>	<b>14.6</b>	<b>15.5</b>	<b>16.4</b>	<b>16.4</b>	<b>16.5</b>	<b>17.2</b>	<b>17.5</b>	<b>17.3</b>
Benin	15.2	17.0	16.4	16.5	16.8	20.6	19.3	19.8
Burkina Faso	12.1	12.0	13.0	12.8	13.0	13.6	13.5	14.1
Ethiopia	15.1	16.2	16.1	14.6	14.8	12.8	12.8	12.7
Ghana	17.6	20.2	22.4	23.8	21.9	22.5	23.0	23.6
Kenya	20.2	19.7	21.4	21.2	21.1	22.5	22.4	21.5
Madagascar	10.2	9.8	11.7	10.6	10.7	11.1	12.3	12.7
Malawi	17.0	23.9	27.1	21.4	16.8	20.1	19.0	18.7
Mali	13.9	16.4	17.4	17.9	17.7	17.7	17.2	17.6
Mozambique	11.1	13.3	13.1	14.1	15.0	16.0	15.8	16.9
Niger	9.7	10.2	11.4	10.8	13.2	15.5	18.4	13.1
Rwanda	11.1	12.8	12.8	13.6	12.9	11.6	13.8	11.3
Senegal	16.5	18.1	18.3	19.2	19.9	20.9	20.2	20.7
Tanzania	10.0	10.1	10.4	11.1	11.8	13.1	14.9	15.3
Uganda	11.2	11.5	11.9	12.2	12.5	12.7	13.3	13.9
Zambia	18.8	18.0	18.2	17.4	16.9	19.3	20.3	20.1
<b>Fragile countries</b>	<b>13.5</b>	<b>13.8</b>	<b>14.6</b>	<b>15.2</b>	<b>16.1</b>	<b>16.8</b>	<b>17.2</b>	<b>18.6</b>
<b>Fragile countries, including Zimbabwe</b>	<b>15.7</b>	<b>15.5</b>	<b>17.3</b>	<b>18.8</b>	<b>20.2</b>	<b>24.8</b>	...	...
Burundi	17.7	21.1	20.1	20.0	18.9	18.7	18.3	18.0
Central African Republic	9.2	8.1	8.3	8.2	9.5	10.2	10.4	11.5
Comoros	12.9	15.8	15.6	15.7	13.6	12.7	12.4	12.6
Congo, Dem. Rep. of	5.8	7.7	9.5	11.3	12.8	14.1	16.7	19.5
Côte d'Ivoire	17.7	16.8	17.5	17.0	18.4	19.6	18.6	20.0
Eritrea	28.9	32.6	23.4	25.9	23.0	22.8	23.5	23.8
Gambia, The	17.6	15.7	20.9	19.7	21.2	21.6	21.1	21.1
Guinea	11.3	11.0	11.5	14.5	14.8	14.3	15.6	16.5
Guinea-Bissau	15.0	15.2	17.2	17.6	19.6	15.6	20.4	17.6
Liberia	...	13.4	11.2	14.9	14.6	18.6	23.8	24.2
São Tomé and Príncipe	16.7	15.6	16.9	64.0	21.1	40.2	34.6	18.3
Sierra Leone	9.4	12.4	12.3	11.9	11.8	10.8	11.8	12.3
Togo	13.6	17.0	16.8	15.7	16.9	17.0	16.6	17.0
Zimbabwe <sup>1</sup>	24.0	24.9	33.7	23.6	14.3	6.0	...	...
<b>Sub-Saharan Africa</b>	<b>21.1</b>	<b>20.8</b>	<b>22.4</b>	<b>24.1</b>	<b>24.9</b>	<b>24.4</b>	<b>24.4</b>	<b>23.7</b>
Sub-Saharan Africa, including Zimbabwe	21.2	20.9	22.5	24.3	25.1	24.8	...	...
Sub-Saharan Africa, excluding Nigeria and South Africa	18.8	19.7	20.8	22.5	25.1	25.5	25.3	25.4
<b>Oil-importing countries</b>	<b>20.3</b>	<b>20.7</b>	<b>21.8</b>	<b>22.7</b>	<b>23.3</b>	<b>23.7</b>	<b>23.4</b>	<b>23.3</b>
Oil-importing countries, excluding South Africa	16.8	17.6	18.6	18.8	19.3	19.6	19.5	19.4
CFA franc zone	17.4	18.0	18.5	20.6	23.1	23.5	23.9	25.2
WAEMU	15.6	16.0	16.6	16.5	17.4	18.6	18.1	18.4
CEMAC	19.8	20.6	20.7	24.6	28.6	28.1	28.6	30.5
EAC-5	14.7	14.7	15.6	15.8	16.3	17.3	17.8	17.5
SADC	23.1	23.2	24.3	26.0	27.9	28.6	28.4	28.2
SACU	24.5	24.2	25.0	26.4	27.5	28.1	28.0	27.8
COMESA	20.3	21.1	22.9	24.4	27.5	28.0	27.3	26.5
<b>Resource-intensive countries</b>	<b>23.3</b>	<b>21.7</b>	<b>23.8</b>	<b>26.7</b>	<b>27.3</b>	<b>25.4</b>	<b>25.4</b>	<b>24.3</b>
Oil	23.3	21.3	23.9	27.3	27.9	25.5	25.7	24.4
Non-oil resource-intensive countries	22.9	22.9	23.4	24.2	24.5	24.8	23.8	23.9
<b>Non-resource-intensive countries</b>	<b>20.0</b>	<b>20.4</b>	<b>21.6</b>	<b>22.5</b>	<b>23.2</b>	<b>23.6</b>	<b>23.4</b>	<b>23.2</b>
Coastal non-resource-intensive countries	21.2	21.4	22.5	23.7	24.4	25.0	24.9	24.8
Landlocked non-resource-intensive countries	13.4	14.7	16.0	15.7	16.4	16.1	16.4	16.3
MDRI	13.6	14.8	15.4	15.7	16.0	16.5	16.9	16.8
Fixed exchange rate regime	21.0	21.4	21.9	23.7	26.2	26.1	25.8	26.7
Floating exchange rate regime	21.2	20.7	22.5	24.2	24.6	24.0	24.0	23.1

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

<sup>1</sup> For 2005-07, ratios represent the sum of deflated monthly flows divided by annual real GDP. Conventionally calculated annual flows in relation to nominal GDP become distorted in a hyperinflation environment.

	1997-2002	2003	2004	2005	2006	2007	2008	2009
<b>Table SA11. Government Expenditure</b> (Central government; percent of GDP)								
<b>Oil-exporting countries</b>	<b>26.8</b>	<b>22.4</b>	<b>19.5</b>	<b>19.4</b>	<b>18.3</b>	<b>20.6</b>	<b>18.7</b>	<b>19.0</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>31.8</b>	<b>27.5</b>	<b>25.5</b>	<b>23.6</b>	<b>24.8</b>	<b>27.3</b>	<b>23.6</b>	<b>23.2</b>
Angola	57.4	44.3	38.5	33.3	31.6	33.9	28.5	26.8
Cameroon	15.6	15.4	16.0	14.6	14.5	15.6	18.4	19.0
Chad	18.3	21.9	14.4	13.1	16.5	20.9	19.4	16.0
Congo, Rep. of	34.3	29.8	26.7	23.2	27.4	32.0	19.0	15.0
Equatorial Guinea	18.9	15.7	17.5	14.1	17.3	20.5	15.5	25.7
Gabon	31.3	22.8	22.6	22.8	22.5	21.0	18.5	17.0
Nigeria	23.2	19.2	15.6	16.6	14.1	15.8	14.8	15.7
<b>Middle-income countries</b>	<b>26.7</b>	<b>26.4</b>	<b>26.7</b>	<b>26.8</b>	<b>26.6</b>	<b>26.8</b>	<b>27.2</b>	<b>27.6</b>
<b>Middle-income countries, excluding South Africa</b>	<b>34.6</b>	<b>35.2</b>	<b>34.7</b>	<b>32.6</b>	<b>31.4</b>	<b>31.5</b>	<b>32.7</b>	<b>32.3</b>
Botswana	38.2	39.4	37.0	32.6	29.8	30.5	31.6	31.4
Cape Verde	40.1	31.3	35.8	36.2	34.0	30.7	32.0	33.3
Lesotho	49.5	45.3	43.7	45.9	46.2	50.4	57.9	54.7
Mauritius	24.6	26.4	25.6	25.1	25.5	23.6	25.2	24.5
Namibia	35.5	35.9	34.4	33.0	31.5	33.1	34.3	35.0
Seychelles	54.9	46.6	51.2	49.4	61.9	56.8	42.1	43.4
South Africa	25.7	25.2	25.7	26.2	26.1	26.2	26.5	27.0
Swaziland	28.3	31.3	37.7	35.9	33.5	34.3	38.2	37.4
<b>Low-income countries</b>	<b>21.6</b>	<b>23.1</b>	<b>23.7</b>	<b>23.7</b>	<b>24.4</b>	<b>25.2</b>	<b>26.3</b>	<b>26.1</b>
Benin	18.0	20.6	20.1	21.1	19.5	22.0	23.4	24.1
Burkina Faso	22.3	20.2	21.7	22.4	24.3	25.8	25.0	25.0
Ethiopia	24.1	29.7	23.7	23.3	22.3	20.8	21.3	19.6
Ghana	27.8	28.8	33.3	30.7	34.4	37.0	38.1	37.6
Kenya	22.3	23.4	22.7	24.2	24.8	27.0	28.7	27.2
Madagascar	17.9	18.7	24.4	20.7	20.5	17.8	21.6	21.2
Malawi	28.5	28.6	31.9	31.3	31.6	36.1	34.7	36.1
Mali	21.8	22.1	24.0	25.2	25.4	26.8	25.0	25.0
Mozambique	24.1	26.3	24.8	22.9	27.0	28.2	33.8	33.1
Niger	18.5	17.9	20.8	20.4	20.1	22.3	24.0	24.0
Rwanda	20.6	22.6	24.1	25.7	24.2	25.4	28.7	27.8
Senegal	19.2	21.9	23.1	24.3	27.8	27.5	28.1	26.8
Tanzania	14.1	16.4	18.1	20.3	21.6	21.4	21.2	25.3
Uganda	20.3	21.8	22.0	20.2	17.8	18.3	20.5	22.0
Zambia	29.9	30.9	26.6	25.7	23.1	24.1	26.3	26.9
<b>Fragile countries</b>	<b>17.8</b>	<b>19.0</b>	<b>19.7</b>	<b>20.5</b>	<b>21.7</b>	<b>19.7</b>	<b>20.8</b>	<b>22.0</b>
<b>Fragile countries, including Zimbabwe</b>	<b>20.8</b>	<b>20.0</b>	<b>22.6</b>	<b>24.2</b>	<b>26.0</b>	<b>27.4</b>	...	...
Burundi	24.6	34.9	39.8	36.8	38.2	38.5	41.5	40.2
Central African Republic	15.9	12.9	13.9	16.9	13.9	12.7	15.6	16.3
Comoros	21.9	21.5	20.1	19.9	21.2	22.3	21.6	21.1
Congo, Dem. Rep. of	10.5	14.4	16.3	20.0	21.9	18.1	19.8	20.3
Côte d'Ivoire	19.7	19.6	20.1	19.9	20.8	20.5	20.8	22.7
Eritrea	70.6	64.9	55.1	56.5	39.1	35.3	33.8	33.7
Gambia, The	25.1	22.9	31.1	30.0	29.6	22.7	26.2	28.2
Guinea	17.0	20.4	17.9	16.9	19.6	14.8	18.5	18.5
Guinea-Bissau	36.4	38.5	49.4	42.2	41.2	41.9	40.8	37.6
Liberia	...	14.6	11.0	15.1	14.6	13.5	19.2	30.4
São Tomé and Príncipe	53.5	45.7	51.9	44.0	51.0	40.0	32.7	31.0
Sierra Leone	23.4	26.7	24.8	24.6	22.7	17.6	20.7	21.2
Togo	17.1	15.2	16.6	20.4	22.1	20.6	21.6	23.0
Zimbabwe <sup>1</sup>	32.4	25.3	41.3	31.6	16.3	7.8	...	...
<b>Sub-Saharan Africa</b>	<b>24.9</b>	<b>24.1</b>	<b>23.7</b>	<b>23.6</b>	<b>23.1</b>	<b>23.9</b>	<b>23.2</b>	<b>23.5</b>
Sub-Saharan Africa, including Zimbabwe	25.0	24.2	23.9	23.8	23.3	24.3	...	...
Sub-Saharan Africa, excluding Nigeria and South Africa	24.5	25.0	24.9	24.3	24.9	25.8	25.2	25.0
<b>Oil-importing countries</b>	<b>24.3</b>	<b>24.8</b>	<b>25.3</b>	<b>25.5</b>	<b>25.6</b>	<b>25.7</b>	<b>26.3</b>	<b>26.6</b>
Oil-importing countries, excluding South Africa	22.7	24.2	24.7	24.6	25.0	25.1	26.2	26.2
CFA franc zone	20.6	19.8	20.0	19.5	20.8	21.9	20.6	21.4
WAEMU	19.9	20.3	21.4	22.0	23.1	23.7	23.9	24.4
CEMAC	21.6	19.1	18.5	17.0	18.6	20.2	17.9	19.0
EAC-5	19.3	21.0	21.4	22.5	22.7	23.8	25.0	25.8
SADC	26.7	26.6	26.8	26.8	26.8	27.2	27.0	27.2
SACU	26.6	26.3	26.6	26.8	26.5	26.7	27.2	27.6
COMESA	27.5	28.7	28.0	27.2	26.6	27.6	26.7	25.6
<b>Resource-intensive countries</b>	<b>26.7</b>	<b>23.8</b>	<b>21.2</b>	<b>20.6</b>	<b>19.4</b>	<b>21.3</b>	<b>19.7</b>	<b>20.0</b>
Oil	26.8	22.4	19.5	19.4	18.3	20.6	18.7	19.0
Non-oil resource-intensive countries	26.4	28.0	27.0	25.7	24.8	24.6	25.7	26.6
<b>Non-resource-intensive countries</b>	<b>24.0</b>	<b>24.3</b>	<b>25.1</b>	<b>25.5</b>	<b>25.7</b>	<b>25.8</b>	<b>26.4</b>	<b>26.6</b>
Coastal non-resource-intensive countries	24.5	24.5	25.3	25.7	26.1	26.3	26.9	27.3
Landlocked non-resource-intensive countries	21.4	23.4	23.7	24.0	23.5	23.3	24.0	23.6
MDRI	20.6	21.9	22.6	22.4	23.0	23.5	24.9	25.0
Fixed exchange rate regime	24.1	23.4	23.5	22.4	23.1	24.0	22.8	23.4
Floating exchange rate regime	25.1	24.3	23.8	23.9	23.1	23.8	23.3	23.5

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

<sup>1</sup> For 2005-07, ratios represent the sum of deflated monthly flows divided by annual real GDP. Conventionally calculated annual flows in relation to nominal GDP become distorted in a hyperinflation environment.

## REGIONAL ECONOMIC OUTLOOK: SUB-SAHARAN AFRICA

<b>Table SA12. Broad Money</b>								
<i>(Percent of GDP)</i>								
	1997-2002	2003	2004	2005	2006	2007	2008	2009
<b>Oil-exporting countries</b>	<b>18.6</b>	<b>20.1</b>	<b>17.7</b>	<b>16.6</b>	<b>18.5</b>	<b>21.4</b>	<b>23.4</b>	<b>26.5</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>15.1</b>	<b>16.0</b>	<b>15.1</b>	<b>14.8</b>	<b>16.7</b>	<b>19.1</b>	<b>16.6</b>	<b>17.2</b>
Angola	19.4	17.3	16.4	16.2	19.0	21.8	18.4	19.4
Cameroon	14.1	17.7	18.1	17.9	18.3	20.5	20.6	20.2
Chad	12.0	11.5	8.1	8.0	9.1	11.9	11.9	11.9
Congo, Rep. of	14.3	14.0	13.4	14.0	16.4	19.5	14.0	11.9
Equatorial Guinea	6.4	9.0	7.5	6.4	6.3	7.5	7.2	9.8
Gabon	14.0	15.5	16.1	17.1	18.9	18.9	16.6	16.7
Nigeria	21.0	22.7	19.4	17.8	19.6	23.1	28.9	33.7
<b>Middle-income countries</b>	<b>57.2</b>	<b>62.3</b>	<b>63.9</b>	<b>69.3</b>	<b>76.5</b>	<b>82.5</b>	<b>86.2</b>	<b>89.8</b>
<b>Middle-income countries, excluding South Africa</b>	<b>45.2</b>	<b>49.3</b>	<b>50.9</b>	<b>51.1</b>	<b>68.2</b>	<b>73.3</b>	<b>74.2</b>	<b>76.8</b>
Botswana	25.6	28.4	28.7	27.3	38.2	42.4	44.4	44.4
Cape Verde	65.8	72.0	77.1	81.4	81.0	81.4	81.7	82.1
Lesotho	31.3	29.2	27.8	28.6	34.7	34.3	34.3	34.3
Mauritius	77.6	92.4	98.4	103.4	161.0	177.2	169.2	169.2
Namibia	38.6	40.3	43.4	43.7	48.1	51.0	52.5	54.6
Seychelles	90.6	110.8	125.0	123.1	117.8	97.2	80.5	76.1
South Africa	58.8	64.1	65.5	71.5	77.5	83.5	87.7	91.4
Swaziland	21.4	21.6	22.2	21.6	24.0	25.9	25.5	16.5
<b>Low-income countries</b>	<b>24.7</b>	<b>28.5</b>	<b>28.3</b>	<b>27.7</b>	<b>29.3</b>	<b>30.9</b>	<b>31.1</b>	<b>30.6</b>
Benin	28.0	29.4	26.5	29.8	32.4	31.7	30.6	30.0
Burkina Faso	21.9	26.8	23.5	21.0	21.9	25.2	25.2	25.2
Ethiopia	35.5	44.3	39.0	38.0	36.1	33.3	29.5	23.4
Ghana	25.9	32.0	33.4	31.3	36.3	40.7	42.9	43.8
Kenya	38.3	39.5	40.1	39.3	40.3	42.9	44.1	45.0
Madagascar	19.6	20.4	20.6	17.4	18.3	19.5	21.4	22.2
Malawi	15.1	14.9	16.0	15.4	14.2	16.7	16.6	16.2
Mali	22.1	30.5	29.4	29.7	28.8	30.3	27.8	29.2
Mozambique	22.4	29.1	26.6	28.6	29.7	32.4	33.8	34.6
Niger	8.9	12.6	15.2	14.2	15.4	18.0	18.1	19.2
Rwanda	17.6	17.5	16.5	16.5	15.4	20.5	19.4	20.1
Senegal	23.4	32.1	34.1	33.9	36.1	36.9	40.2	40.6
Tanzania	16.2	18.2	18.6	20.5	24.0	24.8	26.1	27.3
Uganda	14.6	19.1	18.5	17.5	18.0	18.3	20.9	21.0
Zambia	20.5	21.8	22.4	18.0	21.6	23.4	23.4	23.5
<b>Fragile countries</b>	<b>18.0</b>	<b>18.6</b>	<b>20.4</b>	<b>20.7</b>	<b>22.0</b>	<b>24.5</b>	<b>24.7</b>	<b>24.8</b>
<b>Fragile countries, including Zimbabwe</b>	<b>21.8</b>	<b>24.7</b>	<b>23.6</b>	<b>28.9</b>	<b>33.6</b>	<b>99.1</b>	...	...
Burundi	19.8	27.0	27.7	29.9	31.7	31.2	28.6	27.3
Central African Republic	16.5	14.6	16.4	18.0	15.9	14.4	12.5	12.5
Comoros	20.5	22.4	20.7	20.0	20.2	19.3	19.2	19.6
Congo, Dem. Rep. of	6.0	6.2	8.7	8.4	10.4	11.9	12.6	13.8
Côte d'Ivoire	23.7	22.1	23.7	24.1	25.3	29.9	29.9	30.8
Eritrea	127.0	146.2	129.0	129.3	123.9	123.8	118.7	113.9
Gambia, The	34.0	45.8	45.1	46.6	54.4	51.7	51.8	51.9
Guinea	10.7	15.8	18.2	19.0	22.1	19.6	20.3	20.1
Guinea-Bissau	38.7	22.0	30.5	33.0	34.3	40.6	44.4	44.1
Liberia	...	8.2	15.2	18.8	21.3	23.5	26.1	25.9
São Tomé and Príncipe	19.0	30.1	28.0	36.0	39.2	41.9	39.0	36.9
Sierra Leone	16.5	20.5	19.6	21.5	21.3	22.7	23.2	23.1
Togo	24.7	27.6	31.1	28.9	33.9	38.9	40.0	35.7
Zimbabwe <sup>1</sup>	36.6	24.3	34.9	32.8	38.1	23.9	...	...
<b>Sub-Saharan Africa</b>	<b>37.9</b>	<b>41.0</b>	<b>41.5</b>	<b>42.4</b>	<b>44.5</b>	<b>47.4</b>	<b>46.5</b>	<b>48.3</b>
Sub-Saharan Africa, including Zimbabwe	37.9	41.2	41.6	42.7	45.1	51.7	...	...
Sub-Saharan Africa, excluding Nigeria and South Africa	24.0	26.6	26.4	25.6	28.3	30.1	28.2	28.4
<b>Oil-importing countries</b>	<b>43.4</b>	<b>48.4</b>	<b>50.7</b>	<b>53.9</b>	<b>58.4</b>	<b>61.9</b>	<b>62.4</b>	<b>63.8</b>
Oil-importing countries, excluding South Africa	26.2	29.8	30.5	30.2	33.9	35.7	35.6	35.5
CFA franc zone	18.8	21.1	20.7	20.1	21.1	23.1	21.9	22.0
WAEMU	22.8	25.8	26.4	26.3	27.8	30.5	30.8	31.2
CEMAC	13.6	15.3	14.5	14.0	14.8	16.2	14.6	14.6
EAC-5	25.2	27.5	27.6	27.6	29.7	31.5	32.5	33.2
SADC	49.0	53.2	55.0	58.1	62.3	65.9	64.2	66.3
SACU	56.4	61.3	62.8	68.3	74.5	80.3	84.2	87.6
COMESA	29.5	31.7	31.5	29.4	32.0	33.2	30.0	30.0
<b>Resource-intensive countries</b>	<b>20.1</b>	<b>21.3</b>	<b>19.7</b>	<b>18.4</b>	<b>20.5</b>	<b>23.4</b>	<b>24.8</b>	<b>27.4</b>
Oil	18.6	20.1	17.7	16.6	18.5	21.4	23.4	26.5
Non-oil resource-intensive countries	23.7	25.2	26.8	26.2	30.2	33.1	33.2	33.7
<b>Non-resource-intensive countries</b>	<b>45.9</b>	<b>51.4</b>	<b>53.7</b>	<b>57.2</b>	<b>61.9</b>	<b>65.4</b>	<b>66.2</b>	<b>67.5</b>
Coastal non-resource-intensive countries	50.9	56.3	58.6	63.0	68.8	73.3	75.4	78.2
Landlocked non-resource-intensive countries	20.0	24.0	23.3	22.8	23.1	23.8	23.0	21.4
MDRI	20.6	24.9	24.7	24.4	25.8	27.3	27.5	26.9
Fixed exchange rate regime	21.9	24.2	24.1	23.4	25.4	27.3	25.9	25.8
Floating exchange rate regime	41.8	45.3	45.8	46.8	48.7	51.8	51.3	53.3

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

<sup>1</sup> Broad money-to-GDP ratio is calculated using nominal GDP at end-period prices.

**Table SA13. Broad Money Growth  
(Percent)**

	1997-2002	2003	2004	2005	2006	2007	2008	2009
<b>Oil-exporting countries</b>	<b>36.7</b>	<b>22.9</b>	<b>17.9</b>	<b>23.5</b>	<b>38.5</b>	<b>32.6</b>	<b>38.1</b>	<b>24.5</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>51.3</b>	<b>21.1</b>	<b>23.9</b>	<b>35.5</b>	<b>36.5</b>	<b>35.0</b>	<b>21.1</b>	<b>17.2</b>
Angola	252.1	67.5	49.8	59.7	59.6	49.4	25.1	18.9
Cameroon	16.2	-0.9	7.3	4.2	9.3	18.6	9.2	2.9
Chad	7.5	-3.1	3.3	32.0	20.0	33.4	16.2	10.3
Congo, Rep. of	10.9	-2.4	15.9	36.3	47.9	7.4	11.4	11.9
Equatorial Guinea	36.4	56.7	33.5	34.7	14.1	41.3	38.3	44.3
Gabon	7.7	-0.3	11.8	27.6	21.0	11.0	8.8	9.5
Nigeria	28.0	24.1	14.0	16.0	39.9	30.9	53.7	30.6
<b>Middle-income countries</b>	<b>13.9</b>	<b>13.2</b>	<b>13.3</b>	<b>19.4</b>	<b>25.1</b>	<b>23.6</b>	<b>21.0</b>	<b>16.7</b>
<b>Middle-income countries, excluding South Africa</b>	<b>14.8</b>	<b>15.9</b>	<b>14.4</b>	<b>10.5</b>	<b>48.7</b>	<b>23.0</b>	<b>16.1</b>	<b>11.9</b>
Botswana	21.8	17.6	13.9	10.6	67.4	31.2	22.2	17.6
Cape Verde	10.9	8.6	10.5	15.5	17.7	10.6	14.0	11.8
Lesotho	8.7	6.0	3.3	9.1	35.4	10.4	12.9	12.7
Mauritius	12.2	24.3	18.3	13.6	68.5	23.8	9.5	14.3
Namibia	13.0	9.6	16.2	9.7	29.8	18.8	16.7	17.0
Seychelles	15.4	6.0	14.0	1.7	3.0	-8.0	8.0	25.4
South Africa	13.8	12.9	13.1	20.5	22.5	23.6	21.6	17.3
Swaziland	10.9	14.1	10.4	5.9	25.1	21.4	10.6	-28.2
<b>Low-income countries</b>	<b>15.1</b>	<b>22.0</b>	<b>12.8</b>	<b>12.6</b>	<b>21.9</b>	<b>21.8</b>	<b>20.1</b>	<b>17.1</b>
Benin	13.3	6.6	-6.7	21.8	16.3	5.2	8.4	8.4
Burkina Faso	5.2	54.0	-7.2	-3.8	10.2	22.9	9.8	8.6
Ethiopia	8.9	14.7	10.9	19.6	17.4	19.7	21.2	18.3
Ghana	37.7	38.1	25.9	14.3	38.8	36.3	30.5	21.9
Kenya	6.1	11.5	13.4	9.1	17.1	19.1	20.0	19.8
Madagascar	15.6	6.4	19.4	4.6	24.9	24.2	22.7	21.2
Malawi	31.1	29.3	29.8	14.3	17.4	36.1	15.1	13.9
Mali	12.4	25.5	-2.4	9.5	7.1	11.8	4.3	14.1
Mozambique	28.2	18.7	5.9	27.1	23.4	25.3	18.2	16.3
Niger	6.5	42.2	20.3	6.6	16.2	24.1	14.5	14.5
Rwanda	14.2	15.2	12.1	17.2	10.7	54.4	11.7	17.9
Senegal	10.3	31.5	12.9	7.4	12.7	12.7	21.8	9.4
Tanzania	14.3	22.7	18.0	25.5	31.6	20.7	22.7	21.0
Uganda	18.9	23.3	9.0	8.7	16.4	17.4	31.1	17.4
Zambia	32.0	23.4	30.2	0.4	45.1	26.3	17.7	15.6
<b>Fragile countries</b>	<b>33.2</b>	<b>-1.0</b>	<b>23.0</b>	<b>15.3</b>	<b>22.7</b>	<b>25.1</b>	<b>16.8</b>	<b>15.1</b>
<b>Fragile countries, including Zimbabwe</b>	<b>38.2</b>	<b>27.2</b>	<b>40.3</b>	<b>43.6</b>	<b>65.3</b>	<b>132.3</b>	<b>...</b>	<b>...</b>
Burundi	15.8	23.3	16.7	27.1	16.4	10.1	18.4	15.7
Central African Republic	-2.7	-8.0	14.2	16.5	-4.2	-3.7	-6.3	8.0
Comoros	11.4	-1.1	-6.3	3.1	4.3	1.1	6.9	10.4
Congo, Dem. Rep. of	225.5	57.3	59.9	26.4	48.5	49.6	38.7	31.4
Côte d'Ivoire	10.2	-26.6	9.5	7.4	10.3	23.6	8.0	10.0
Eritrea	25.4	15.1	11.7	10.7	5.7	8.6	7.7	8.4
Gambia, The	22.5	43.4	18.3	13.1	26.2	6.7	12.2	12.1
Guinea	14.9	35.3	37.0	37.2	59.4	4.7	24.1	14.7
Guinea-Bissau	34.7	-65.3	44.0	20.6	5.3	25.5	20.7	8.5
Liberia	...	8.3	49.3	35.7	34.4	40.1	28.3	22.3
São Tomé and Príncipe	34.5	43.9	7.4	45.9	39.3	36.4	21.0	22.0
Sierra Leone	28.8	26.2	18.9	32.8	18.9	25.9	20.5	15.1
Togo	3.3	11.4	18.3	1.4	22.1	18.2	10.0	-6.2
Zimbabwe	67.7	413.5	222.6	520.0	1416.6	64113.0	...	...
<b>Sub-Saharan Africa</b>	<b>20.3</b>	<b>16.5</b>	<b>15.0</b>	<b>19.1</b>	<b>28.8</b>	<b>26.5</b>	<b>27.2</b>	<b>19.9</b>
Sub-Saharan Africa, including Zimbabwe	20.9	18.6	16.1	20.7	31.1	31.1	...	...
Sub-Saharan Africa, excluding Nigeria and South Africa	24.4	17.2	17.3	19.1	29.2	26.7	19.8	16.5
<b>Oil-importing countries</b>	<b>16.0</b>	<b>14.3</b>	<b>13.9</b>	<b>17.1</b>	<b>24.0</b>	<b>23.2</b>	<b>20.3</b>	<b>16.7</b>
<b>Oil-importing countries, excluding South Africa</b>	<b>18.6</b>	<b>16.0</b>	<b>15.0</b>	<b>12.7</b>	<b>25.8</b>	<b>22.6</b>	<b>19.0</b>	<b>16.1</b>
CFA franc zone	10.8	3.8	9.0	14.1	15.0	19.3	13.8	12.6
WAEMU	9.3	4.4	6.2	7.3	11.8	17.8	11.0	9.6
CEMAC	12.7	3.1	12.1	21.1	18.2	20.8	16.1	15.0
EAC-5	11.7	17.6	14.0	14.6	20.5	20.8	22.5	19.5
SADC	22.7	17.6	16.8	22.3	30.0	27.7	22.1	17.7
SACU	14.0	13.0	13.1	19.6	24.3	23.7	21.4	16.8
COMESA	38.7	26.4	25.1	23.0	36.3	32.4	22.9	18.3
<b>Resource-intensive countries</b>	<b>30.2</b>	<b>16.7</b>	<b>17.6</b>	<b>20.7</b>	<b>37.8</b>	<b>31.1</b>	<b>34.6</b>	<b>23.0</b>
Oil	36.7	22.9	17.9	23.5	38.5	32.6	38.1	24.5
Non-oil resource-intensive countries	15.6	-0.8	16.6	9.8	34.1	23.7	15.4	14.1
<b>Non-resource-intensive countries</b>	<b>16.0</b>	<b>16.4</b>	<b>13.6</b>	<b>18.0</b>	<b>22.8</b>	<b>23.1</b>	<b>21.0</b>	<b>17.1</b>
Coastal non-resource-intensive countries	14.1	14.5	13.5	18.9	23.4	22.9	21.2	17.3
Landlocked non-resource-intensive countries	27.6	28.2	14.2	12.9	19.2	24.2	19.9	16.2
MDRI	17.1	20.0	11.9	12.1	20.9	21.9	18.6	14.9
Fixed exchange rate regime	11.7	5.6	9.8	13.1	20.0	19.9	14.4	12.3
Floating exchange rate regime	22.5	19.5	16.3	20.5	30.9	28.0	30.4	21.6

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

## REGIONAL ECONOMIC OUTLOOK: SUB-SAHARAN AFRICA

Table SA14. Claims on Nonfinancial Private Sector (Percent of broad money)								
	1997-2002	2003	2004	2005	2006	2007	2008	2009
<b>Oil-exporting countries</b>	<b>58.1</b>	<b>55.4</b>	<b>57.5</b>	<b>60.8</b>	<b>57.8</b>	<b>76.4</b>	<b>77.5</b>	<b>78.5</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>51.5</b>	<b>48.6</b>	<b>44.3</b>	<b>41.6</b>	<b>43.6</b>	<b>46.5</b>	<b>48.3</b>	<b>49.7</b>
Angola	21.1	32.2	35.2	34.7	42.0	50.0	53.0	53.9
Cameroon	60.3	61.0	56.9	59.7	55.7	51.1	48.9	49.0
Chad	50.2	53.8	49.3	43.9	45.7	30.3	27.7	27.2
Congo, Rep. of	53.5	28.2	25.4	18.9	14.1	14.1	21.6	25.1
Equatorial Guinea	62.5	33.2	30.3	33.6	40.6	40.8	45.7	54.0
Gabon	80.9	75.5	61.3	53.6	53.7	56.8	56.1	57.1
Nigeria	62.7	59.7	66.1	73.8	67.1	98.1	101.4	101.0
<b>Middle-income countries</b>	<b>104.1</b>	<b>100.9</b>	<b>102.0</b>	<b>101.6</b>	<b>102.5</b>	<b>100.5</b>	<b>98.8</b>	<b>97.1</b>
<b>Middle-income countries, excluding South Africa</b>	<b>68.3</b>	<b>79.9</b>	<b>83.2</b>	<b>85.4</b>	<b>70.4</b>	<b>67.3</b>	<b>68.2</b>	<b>75.1</b>
Botswana	57.2	66.5	72.3	70.1	50.3	47.8	50.2	52.5
Cape Verde	48.9	50.9	50.3	47.5	52.4	54.8	55.1	56.4
Lesotho	57.3	23.8	25.7	31.3	26.3	30.9	30.9	30.9
Mauritius	70.5	88.3	80.2	74.9	52.3	47.5	54.8	61.6
Namibia	102.4	123.6	128.2	139.7	125.5	118.5	114.9	112.7
Seychelles	19.3	23.8	27.2	30.8	28.7	42.3	48.5	49.9
South Africa	108.7	103.7	104.4	103.5	106.3	104.4	102.5	99.9
Swaziland	59.2	75.7	89.3	102.0	98.9	99.1	100.7	164.6
<b>Low-income countries</b>	<b>50.9</b>	<b>45.7</b>	<b>48.9</b>	<b>54.7</b>	<b>56.7</b>	<b>59.0</b>	<b>59.0</b>	<b>61.9</b>
Benin	33.0	49.2	55.0	54.5	51.9	53.7	53.6	54.0
Burkina Faso	53.5	50.7	61.2	79.2	82.0	67.2	68.3	71.3
Ethiopia	49.5	34.3	34.5	45.7	50.6	55.0	61.6	56.7
Ghana	52.8	48.9	49.2	58.8	59.6	72.0	73.5	80.4
Kenya	71.0	58.9	64.6	65.4	63.6	66.5	61.2	70.4
Madagascar	47.2	41.2	47.2	55.9	52.8	49.9	52.9	54.4
Malawi	36.3	35.6	37.9	46.8	62.6	61.1	68.1	65.5
Mali	33.0	61.4	65.1	74.8	91.3	97.7	59.7	57.8
Mozambique	66.8	44.4	39.5	48.8	51.2	47.1	47.8	55.8
Niger	53.5	42.8	43.3	48.7	55.2	53.5	56.4	59.6
Rwanda	56.3	60.5	59.5	60.3	66.9	52.4	59.3	62.6
Senegal	71.4	61.3	59.3	68.7	63.5	62.2	56.7	57.6
Tanzania	24.7	29.9	37.1	37.3	38.5	43.6	51.4	55.7
Uganda	42.2	36.1	39.6	41.2	45.7	48.1	56.1	56.5
Zambia	50.0	33.7	38.4	45.2	46.2	53.8	55.5	60.6
<b>Fragile countries</b>	<b>50.6</b>	<b>47.9</b>	<b>46.4</b>	<b>45.5</b>	<b>44.1</b>	<b>44.1</b>	<b>48.6</b>	<b>50.3</b>
<b>Fragile countries, including Zimbabwe</b>	<b>56.0</b>	<b>53.5</b>	<b>48.8</b>	<b>43.6</b>	<b>42.9</b>	<b>46.1</b>	...	...
Burundi	95.7	94.5	85.0	60.9	65.4	65.6	77.0	78.7
Central African Republic	37.0	51.2	50.0	42.1	45.9	49.9	58.1	59.0
Comoros	42.4	36.1	35.0	33.5	29.4	30.5	28.2	28.1
Congo, Dem. Rep. of	14.6	16.3	20.2	24.9	26.7	30.7	42.3	43.6
Côte d'Ivoire	67.3	61.8	60.6	57.2	56.3	54.0	56.2	57.4
Eritrea	31.6	22.2	23.5	24.4	23.5	23.4	23.9	24.6
Gambia, The	38.0	43.0	30.9	32.2	32.2	34.2	34.5	34.8
Guinea	48.4	40.9	32.2	34.6	29.7	28.6	28.1	28.4
Guinea-Bissau	19.0	8.8	5.2	6.4	11.5	15.1	15.0	16.2
Liberia	...	63.6	56.7	47.1	47.9	45.9	39.3	39.3
São Tomé and Príncipe	20.1	27.6	56.9	55.4	58.7	73.7	70.6	...
Sierra Leone	15.9	20.3	24.5	21.7	21.7	24.1	23.7	25.3
Togo	63.0	62.2	54.9	60.6	49.9	54.8	57.3	70.3
Zimbabwe <sup>1</sup>	84.1	19.0	20.0	9.5	12.4	15.1	...	...
<b>Sub-Saharan Africa</b>	<b>77.1</b>	<b>73.4</b>	<b>76.0</b>	<b>76.9</b>	<b>75.2</b>	<b>80.7</b>	<b>79.6</b>	<b>79.9</b>
Sub-Saharan Africa, including Zimbabwe	77.3	73.6	75.9	76.6	74.9	80.6	...	...
Sub-Saharan Africa, excluding Nigeria and South Africa	53.0	50.9	51.6	53.0	52.3	53.7	54.4	56.9
<b>Oil-importing countries</b>	<b>82.6</b>	<b>79.9</b>	<b>83.1</b>	<b>84.1</b>	<b>84.5</b>	<b>83.1</b>	<b>81.1</b>	<b>80.9</b>
Oil-importing countries, excluding South Africa	53.4	51.6	54.1	57.9	56.5	57.5	58.3	61.5
CFA franc zone	60.2	57.0	54.2	54.5	54.2	52.3	49.7	51.3
WAEMU	58.9	57.5	58.6	63.0	64.0	62.2	57.7	59.3
CEMAC	62.1	56.4	49.2	46.2	45.0	43.0	43.2	44.9
EAC-5	50.8	45.8	50.9	51.3	53.2	55.7	57.4	63.0
SADC	89.9	87.0	89.5	88.2	87.7	86.2	83.4	82.6
SACU	105.7	101.8	103.0	102.6	104.1	102.1	100.2	98.5
COMESA	51.2	48.9	51.6	53.1	53.0	56.0	57.9	60.2
<b>Resource-intensive countries</b>	<b>59.6</b>	<b>57.5</b>	<b>59.4</b>	<b>62.1</b>	<b>58.1</b>	<b>73.4</b>	<b>74.8</b>	<b>76.1</b>
Oil	58.1	55.4	57.5	60.8	57.8	76.4	77.5	78.5
Non-oil resource-intensive countries	63.7	64.0	66.3	67.4	59.8	58.3	58.8	60.7
<b>Non-resource-intensive countries</b>	<b>85.1</b>	<b>82.0</b>	<b>85.2</b>	<b>86.1</b>	<b>87.5</b>	<b>86.2</b>	<b>84.0</b>	<b>83.5</b>
Coastal non-resource-intensive countries	93.0	89.1	91.8	92.0	93.1	91.8	89.3	88.9
Landlocked non-resource-intensive countries	43.3	41.5	44.7	51.7	56.6	56.9	59.1	60.0
MDRI	48.2	45.6	47.4	53.3	55.0	56.3	57.0	58.5
Fixed exchange rate regime	61.6	61.0	60.1	61.0	58.1	55.9	53.1	55.5
Floating exchange rate regime	81.0	76.6	79.9	80.7	79.0	86.2	85.8	85.3

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

<sup>1</sup> Credit-to-GDP ratio is calculated using GDP at end-period prices.

**Table SA15. Exports of Goods and Services**  
(Percent of GDP)

	1997-2002	2003	2004	2005	2006	2007	2008	2009
<b>Oil-exporting countries</b>	<b>46.0</b>	<b>47.0</b>	<b>49.4</b>	<b>53.9</b>	<b>51.6</b>	<b>49.9</b>	<b>52.6</b>	<b>49.2</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>51.9</b>	<b>52.9</b>	<b>56.9</b>	<b>64.9</b>	<b>65.2</b>	<b>63.3</b>	<b>68.1</b>	<b>66.2</b>
Angola	75.0	69.6	69.7	79.3	73.8	71.3	75.8	73.0
Cameroon	24.7	24.0	22.7	24.5	28.1	24.2	28.3	25.0
Chad	16.8	24.6	51.4	54.6	56.0	54.0	55.2	46.1
Congo, Rep. of	77.2	80.8	78.6	82.0	81.9	80.3	80.8	85.9
Equatorial Guinea	98.5	96.8	90.1	87.4	86.8	81.9	77.5	73.0
Gabon	58.3	55.2	62.2	64.7	65.0	64.7	69.2	68.8
Nigeria	42.2	43.2	44.4	46.5	42.6	40.3	40.0	35.9
<b>Middle-income countries</b>	<b>30.7</b>	<b>30.7</b>	<b>29.5</b>	<b>30.1</b>	<b>32.2</b>	<b>34.1</b>	<b>37.9</b>	<b>36.6</b>
<b>Middle-income countries, excluding South Africa</b>	<b>53.0</b>	<b>50.8</b>	<b>51.7</b>	<b>52.4</b>	<b>53.8</b>	<b>54.9</b>	<b>54.0</b>	<b>52.1</b>
Botswana	49.8	44.3	45.2	50.1	48.0	47.4	45.3	43.6
Cape Verde	26.9	31.6	32.2	36.5	41.6	43.1	46.4	47.6
Lesotho	34.4	50.0	58.7	49.3	50.8	55.0	57.1	55.4
Mauritius	61.2	58.4	55.5	57.2	60.5	60.8	60.7	55.4
Namibia	45.0	37.2	40.6	39.6	46.0	49.0	52.5	51.6
Seychelles	72.1	87.4	89.7	99.6	110.7	123.8	114.1	137.9
South Africa	27.8	28.1	26.7	27.5	29.6	31.6	36.0	34.6
Swaziland	75.4	86.8	90.1	76.0	72.9	76.9	66.9	64.6
<b>Low-income countries</b>	<b>20.1</b>	<b>21.2</b>	<b>23.7</b>	<b>23.4</b>	<b>24.8</b>	<b>24.5</b>	<b>23.8</b>	<b>23.2</b>
Benin	14.9	13.7	14.3	12.9	11.3	11.8	11.9	11.4
Burkina Faso	10.1	8.4	10.9	9.9	11.5	10.5	10.2	11.6
Ethiopia	12.6	14.2	14.9	15.1	13.9	12.8	12.2	10.7
Ghana	39.1	40.7	39.3	36.1	40.2	39.8	43.2	42.8
Kenya	22.3	23.7	26.9	28.4	25.1	25.4	26.0	24.9
Madagascar	23.9	22.0	31.7	26.1	28.5	28.6	26.7	26.5
Malawi	25.5	19.5	20.6	19.6	18.8	23.7	24.2	25.0
Mali	25.6	26.0	24.6	25.6	31.2	28.2	25.1	23.6
Mozambique	18.2	29.0	32.1	32.9	39.9	37.6	34.8	34.3
Niger	17.9	15.7	17.9	16.5	16.9	19.9	20.7	20.1
Rwanda	7.5	7.9	10.1	10.3	9.6	10.0	10.0	9.9
Senegal	28.2	26.6	27.1	27.1	25.9	23.5	27.1	27.7
Tanzania	13.0	14.7	18.0	19.7	21.7	21.2	20.2	21.8
Uganda	11.5	11.4	13.7	13.1	15.3	17.0	15.0	14.3
Zambia	29.2	29.1	38.4	35.1	38.2	42.7	34.4	35.6
<b>Fragile countries</b>	<b>31.7</b>	<b>35.8</b>	<b>37.7</b>	<b>40.6</b>	<b>42.3</b>	<b>40.5</b>	<b>45.4</b>	<b>44.3</b>
<b>Fragile countries, including Zimbabwe</b>	<b>31.3</b>	<b>33.0</b>	<b>38.4</b>	<b>40.8</b>	<b>41.6</b>	<b>38.2</b>	...	...
Burundi	7.7	8.4	9.6	11.5	10.1	8.3	10.7	7.1
Central African Republic	19.2	13.5	13.2	12.6	14.0	14.8	13.9	14.0
Comoros	15.2	17.5	15.1	14.3	14.2	14.8	14.4	14.4
Congo, Dem. Rep. of	22.0	26.1	30.2	33.4	35.6	46.0	51.9	50.3
Côte d'Ivoire	42.2	45.8	48.6	51.1	52.7	46.6	52.3	50.8
Eritrea	13.4	6.4	5.8	6.2	6.9	6.8	6.9	7.4
Gambia, The	45.3	47.3	49.4	44.4	43.7	36.0	32.4	31.8
Guinea	22.9	25.1	23.5	32.4	40.3	29.1	34.0	36.6
Guinea-Bissau	25.1	30.0	31.0	31.4	23.8	23.5	27.4	27.2
Liberia	...	36.8	31.3	28.8	35.6	38.3	44.0	84.4
São Tomé and Príncipe	17.9	17.7	14.1	13.9	13.0	7.6	9.6	9.4
Sierra Leone	15.7	23.2	23.0	24.1	24.9	20.9	18.9	20.2
Togo	32.7	43.5	41.3	40.3	42.3	42.0	43.8	45.1
Zimbabwe	29.1	17.6	42.5	42.0	36.3	17.1	...	...
<b>Sub-Saharan Africa</b>	<b>31.6</b>	<b>33.3</b>	<b>34.4</b>	<b>36.8</b>	<b>38.0</b>	<b>38.2</b>	<b>41.5</b>	<b>39.5</b>
Sub-Saharan Africa, including Zimbabwe	31.6	33.1	34.4	36.8	38.0	38.1	...	...
Sub-Saharan Africa, excluding Nigeria and South Africa	32.3	34.5	38.0	41.3	43.0	42.5	45.8	44.3
<b>Oil-importing countries</b>	<b>27.5</b>	<b>28.4</b>	<b>28.6</b>	<b>29.1</b>	<b>30.8</b>	<b>31.7</b>	<b>33.9</b>	<b>32.6</b>
Oil-importing countries, excluding South Africa	27.4	28.8	31.2	31.3	32.3	31.8	31.6	30.6
CFA franc zone	35.2	36.3	39.8	43.0	45.0	42.3	46.4	45.7
WAEMU	30.2	30.3	31.5	31.9	32.9	29.9	32.1	31.5
CEMAC	41.7	43.7	49.0	53.9	56.4	53.9	58.2	57.1
EAC-5	16.1	17.4	20.3	21.3	21.1	21.4	21.0	20.6
SADC	30.9	31.7	31.8	34.1	36.9	39.2	44.3	43.0
SACU	29.6	29.7	28.6	29.2	31.3	33.2	37.1	35.8
COMESA	32.6	34.9	39.2	43.1	43.8	45.2	48.7	46.2
<b>Resource-intensive countries</b>	<b>44.1</b>	<b>45.2</b>	<b>47.8</b>	<b>52.1</b>	<b>50.6</b>	<b>49.0</b>	<b>51.5</b>	<b>48.5</b>
Oil	46.0	47.0	49.4	53.9	51.6	49.9	52.6	49.2
Non-oil resource-intensive countries	39.3	39.6	42.3	44.6	46.0	44.2	44.5	43.8
<b>Non-resource-intensive countries</b>	<b>26.0</b>	<b>27.0</b>	<b>26.9</b>	<b>27.2</b>	<b>28.9</b>	<b>30.1</b>	<b>32.5</b>	<b>31.2</b>
Coastal non-resource-intensive countries	27.4	28.1	27.6	28.2	30.1	31.4	34.5	33.5
Landlocked non-resource-intensive countries	18.6	20.3	22.5	21.4	22.3	23.6	22.9	21.5
MDRI	20.3	21.2	23.0	22.8	25.2	24.3	24.0	23.1
Fixed exchange rate regime	38.2	38.7	41.9	44.5	46.3	44.2	47.2	46.5
Floating exchange rate regime	30.0	31.9	32.5	34.9	36.2	36.9	40.2	38.0

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

## REGIONAL ECONOMIC OUTLOOK: SUB-SAHARAN AFRICA

**Table SA16. Imports of Goods and Services**  
*(Percent of GDP)*

	1997-2002	2003	2004	2005	2006	2007	2008	2009
<b>Oil-exporting countries</b>	<b>41.1</b>	<b>43.1</b>	<b>36.0</b>	<b>35.2</b>	<b>31.6</b>	<b>33.5</b>	<b>31.4</b>	<b>32.4</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>46.3</b>	<b>46.4</b>	<b>42.9</b>	<b>41.3</b>	<b>37.4</b>	<b>38.7</b>	<b>34.6</b>	<b>35.1</b>
Angola	72.2	63.1	53.7	49.4	37.9	39.0	34.5	34.5
Cameroon	23.2	23.4	25.0	26.4	27.5	27.5	27.4	27.6
Chad	47.7	61.1	60.3	47.3	51.2	47.0	40.2	37.3
Congo, Rep. of	57.1	59.8	45.0	52.0	57.3	77.6	52.5	45.5
Equatorial Guinea	105.3	76.4	55.0	43.6	33.1	30.3	27.6	37.4
Gabon	37.3	31.0	32.0	27.7	32.1	35.8	37.1	35.8
Nigeria	37.6	41.0	31.4	31.0	27.8	29.7	28.8	30.3
<b>Middle-income countries</b>	<b>28.9</b>	<b>28.8</b>	<b>30.0</b>	<b>30.9</b>	<b>35.1</b>	<b>37.1</b>	<b>41.9</b>	<b>40.9</b>
<b>Middle-income countries, excluding South Africa</b>	<b>58.2</b>	<b>51.5</b>	<b>53.4</b>	<b>53.3</b>	<b>53.4</b>	<b>57.4</b>	<b>61.0</b>	<b>59.9</b>
Botswana	41.0	33.6	37.2	33.7	31.3	35.4	41.1	41.0
Cape Verde	61.7	67.8	70.1	64.3	67.0	71.8	72.3	73.5
Lesotho	100.7	103.2	105.4	99.0	97.8	107.0	116.4	114.3
Mauritius	62.3	57.4	55.0	61.6	67.4	71.8	71.2	67.3
Namibia	53.2	44.3	44.6	43.2	43.2	46.0	52.8	52.3
Seychelles	84.3	82.7	94.5	122.0	127.9	157.9	148.5	168.7
South Africa	25.1	25.8	27.1	28.3	32.9	34.7	39.6	38.5
Swaziland	88.6	84.7	91.7	91.0	85.7	87.2	86.8	80.5
<b>Low-income countries</b>	<b>30.5</b>	<b>31.6</b>	<b>34.7</b>	<b>36.2</b>	<b>37.2</b>	<b>38.4</b>	<b>39.8</b>	<b>38.2</b>
Benin	27.0	26.5	26.6	22.3	22.6	24.0	27.0	24.8
Burkina Faso	24.5	21.5	24.7	25.5	25.5	24.8	27.6	27.6
Ethiopia	23.6	29.2	31.5	35.5	36.6	32.2	30.6	27.8
Ghana	56.0	52.7	60.3	61.7	65.0	66.3	71.2	70.9
Kenya	28.0	28.2	32.9	35.9	35.0	35.9	39.3	36.7
Madagascar	30.7	30.5	46.1	39.8	39.3	44.6	52.1	48.6
Malawi	38.1	34.8	37.6	44.1	42.8	45.3	49.0	48.0
Mali	33.6	33.2	32.9	34.2	35.9	36.7	34.7	32.2
Mozambique	34.6	45.2	40.7	42.3	45.7	44.3	43.9	42.1
Niger	26.4	25.8	28.8	30.9	30.1	31.0	33.7	42.0
Rwanda	25.4	26.1	26.0	26.8	27.2	28.3	32.9	31.2
Senegal	36.2	38.7	39.8	42.5	43.3	43.7	47.1	47.3
Tanzania	22.1	20.8	23.2	27.0	32.6	34.1	34.7	35.9
Uganda	22.6	25.2	25.8	25.3	28.0	29.9	29.0	29.3
Zambia	40.4	41.5	42.6	36.2	29.6	39.6	36.8	33.9
<b>Fragile countries</b>	<b>30.1</b>	<b>33.5</b>	<b>37.1</b>	<b>43.1</b>	<b>42.6</b>	<b>42.6</b>	<b>47.5</b>	<b>49.6</b>
<b>Fragile countries, including Zimbabwe</b>	<b>30.1</b>	<b>31.5</b>	<b>39.0</b>	<b>44.4</b>	<b>42.4</b>	<b>40.2</b>	...	...
Burundi	18.3	27.7	33.9	40.6	48.7	48.4	47.9	43.6
Central African Republic	24.0	18.0	19.4	21.4	21.9	22.3	22.5	21.8
Comoros	34.3	31.2	33.0	35.8	38.6	41.6	45.0	42.1
Congo, Dem. Rep. of	21.2	28.4	34.3	44.9	40.7	49.5	52.2	61.0
Côte d'Ivoire	33.2	34.9	39.4	43.6	42.4	40.9	46.6	46.1
Eritrea	66.8	67.6	59.8	54.9	38.4	36.0	32.8	31.3
Gambia, The	51.8	56.5	70.4	67.1	60.9	52.3	51.0	50.5
Guinea	26.4	25.2	25.8	34.9	42.9	32.1	41.3	42.1
Guinea-Bissau	47.9	44.1	47.8	48.2	57.6	43.5	54.4	49.5
Liberia	...	47.6	70.9	75.7	90.2	77.5	125.4	140.9
São Tomé and Príncipe	50.5	54.4	51.8	52.9	82.4	65.2	64.7	65.5
Sierra Leone	28.4	40.8	34.2	37.2	32.6	28.3	28.9	27.2
Togo	45.7	57.5	56.3	57.2	61.8	62.6	70.2	71.2
Zimbabwe	29.4	20.7	51.2	52.9	40.9	17.6	...	...
<b>Sub-Saharan Africa</b>	<b>32.0</b>	<b>33.5</b>	<b>33.0</b>	<b>33.9</b>	<b>34.7</b>	<b>36.4</b>	<b>37.5</b>	<b>37.3</b>
Sub-Saharan Africa, including Zimbabwe	32.0	33.3	33.2	34.1	34.7	36.3	...	...
Sub-Saharan Africa, excluding Nigeria and South Africa	36.8	37.8	39.6	40.5	39.6	40.8	40.3	40.0
<b>Oil-importing countries</b>	<b>29.5</b>	<b>30.1</b>	<b>31.9</b>	<b>33.3</b>	<b>36.3</b>	<b>38.0</b>	<b>41.7</b>	<b>40.7</b>
Oil-importing countries, excluding South Africa	34.4	35.1	38.4	40.2	40.6	41.9	44.0	43.0
CFA franc zone	34.0	35.3	36.2	36.7	37.2	37.8	37.4	38.0
WAEMU	32.7	33.5	35.8	37.8	37.9	37.6	41.1	41.0
CEMAC	35.8	37.6	36.6	35.5	36.4	38.0	34.4	35.5
EAC-5	24.7	25.1	28.0	30.6	32.8	34.0	35.6	34.7
SADC	30.6	31.0	32.0	33.2	35.5	37.8	40.5	39.9
SACU	27.5	27.6	29.0	29.8	34.0	35.9	40.8	39.7
COMESA	38.7	40.3	42.3	43.1	39.1	40.9	39.4	38.5
<b>Resource-intensive countries</b>	<b>39.9</b>	<b>41.3</b>	<b>36.6</b>	<b>36.0</b>	<b>32.5</b>	<b>34.4</b>	<b>33.1</b>	<b>33.7</b>
Oil	41.1	43.1	36.0	35.2	31.6	33.5	31.4	32.4
Non-oil resource-intensive countries	37.1	35.9	38.7	39.3	37.2	39.2	43.1	42.1
<b>Non-resource-intensive countries</b>	<b>28.5</b>	<b>29.3</b>	<b>31.0</b>	<b>32.6</b>	<b>36.2</b>	<b>37.8</b>	<b>41.5</b>	<b>40.6</b>
Coastal non-resource-intensive countries	28.3	28.8	30.4	31.8	36.0	37.7	42.3	41.2
Landlocked non-resource-intensive countries	29.5	32.1	35.1	37.6	37.6	38.2	38.0	37.9
MDRI	29.9	31.0	33.5	34.8	36.2	37.3	38.2	37.1
Fixed exchange rate regime	38.6	38.2	39.6	39.5	39.6	40.7	40.7	41.0
Floating exchange rate regime	30.4	32.3	31.4	32.6	33.6	35.4	36.8	36.5

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

**Table SA17. Trade Balance**  
(Percent of GDP)

	1997-2002	2003	2004	2005	2006	2007	2008	2009
<b>Oil-exporting countries</b>	<b>17.5</b>	<b>15.0</b>	<b>24.2</b>	<b>29.3</b>	<b>27.8</b>	<b>25.1</b>	<b>29.3</b>	<b>24.6</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>23.2</b>	<b>22.3</b>	<b>30.5</b>	<b>40.1</b>	<b>41.0</b>	<b>39.1</b>	<b>46.9</b>	<b>44.1</b>
Angola	36.4	28.9	38.6	51.4	49.3	47.3	55.8	52.5
Cameroon	3.7	1.9	-0.4	0.3	3.0	-0.1	3.3	0.5
Chad	-15.4	-8.4	27.9	36.8	32.9	32.6	35.1	26.6
Congo, Rep. of	47.5	50.6	53.0	56.5	52.6	41.7	55.7	62.8
Equatorial Guinea	41.1	53.8	59.0	60.8	65.3	62.7	58.9	45.7
Gabon	34.7	35.2	41.9	47.4	44.4	42.6	45.7	45.9
Nigeria	13.7	10.3	20.1	21.9	19.2	15.0	15.1	9.3
<b>Middle-income countries</b>	<b>2.1</b>	<b>1.5</b>	<b>-0.4</b>	<b>-0.6</b>	<b>-2.3</b>	<b>-2.3</b>	<b>-3.3</b>	<b>-3.7</b>
<b>Middle-income countries, excluding South Africa</b>	<b>-5.2</b>	<b>-3.0</b>	<b>-3.2</b>	<b>-2.6</b>	<b>-1.6</b>	<b>-4.8</b>	<b>-10.6</b>	<b>-11.9</b>
Botswana	11.8	10.8	8.5	16.7	17.3	13.1	4.4	2.9
Cape Verde	-35.8	-38.1	-41.3	-34.7	-38.5	-46.0	-46.6	-47.8
Lesotho	-65.4	-49.8	-44.9	-46.1	-44.7	-49.9	-56.5	-57.3
Mauritius	-7.7	-5.8	-6.3	-11.3	-13.2	-17.4	-19.8	-21.7
Namibia	-5.9	-10.3	-5.0	-4.2	1.4	1.4	-1.0	-1.7
Seychelles	-29.6	-12.6	-22.2	-41.4	-37.4	-59.9	-61.2	-68.7
South Africa	3.0	2.1	-0.1	-0.4	-2.4	-2.0	-2.4	-2.6
Swaziland	-4.8	5.7	4.0	-10.2	-9.4	-8.5	-19.3	-15.3
<b>Low-income countries</b>	<b>-8.5</b>	<b>-8.9</b>	<b>-10.2</b>	<b>-12.0</b>	<b>-11.8</b>	<b>-13.3</b>	<b>-14.8</b>	<b>-14.3</b>
Benin	-10.4	-11.3	-11.0	-8.6	-10.4	-11.6	-14.3	-12.8
Burkina Faso	-10.4	-8.8	-9.2	-10.2	-8.4	-8.9	-11.9	-10.6
Ethiopia	-12.8	-17.1	-19.8	-22.6	-23.7	-20.3	-19.3	-18.2
Ghana	-15.1	-10.3	-17.1	-23.7	-23.7	-25.7	-27.0	-28.3
Kenya	-7.7	-7.7	-10.1	-11.4	-14.4	-15.8	-16.4	-15.2
Madagascar	-3.1	-3.3	-9.8	-11.5	-9.5	-13.0	-19.3	-16.3
Malawi	-4.7	-9.1	-10.7	-17.4	-17.7	-16.9	-20.0	-18.3
Mali	0.6	-1.3	-2.4	-2.7	1.3	-2.7	-4.2	-4.4
Mozambique	-15.4	-14.9	-9.3	-11.0	-7.4	-8.4	-9.7	-8.2
Niger	-2.9	-5.2	-5.1	-8.7	-6.5	-3.8	-5.5	-13.4
Rwanda	-9.9	-10.2	-9.0	-9.5	-10.4	-12.1	-14.1	-13.2
Senegal	-7.6	-11.8	-12.3	-15.1	-17.1	-19.8	-20.6	-20.3
Tanzania	-7.1	-5.6	-6.7	-8.0	-11.8	-14.7	-16.5	-16.7
Uganda	-7.0	-9.4	-9.3	-9.1	-9.3	-8.4	-9.6	-11.1
Zambia	-5.0	-6.9	-0.3	1.6	11.9	8.7	1.8	5.3
<b>Fragile countries</b>	<b>7.5</b>	<b>8.5</b>	<b>6.5</b>	<b>3.5</b>	<b>5.7</b>	<b>3.6</b>	<b>4.7</b>	<b>1.8</b>
<b>Fragile countries, including Zimbabwe</b>	<b>6.2</b>	<b>7.0</b>	<b>4.8</b>	<b>1.9</b>	<b>4.7</b>	<b>3.2</b>	...	...
Burundi	-7.3	-15.3	-15.2	-16.6	-20.3	-25.1	-24.1	-23.1
Central African Republic	2.4	0.9	-1.7	-3.2	-3.1	-2.5	-3.7	-3.2
Comoros	-15.3	-11.7	-16.4	-20.7	-22.4	-24.9	-27.9	-26.0
Congo, Dem. Rep. of	6.1	2.1	0.9	-5.6	0.1	2.0	7.5	-1.5
Côte d'Ivoire	15.7	18.5	16.6	14.6	17.5	12.6	13.3	12.3
Eritrea	-50.0	-54.0	-49.6	-44.2	-29.2	-27.2	-24.6	-22.6
Gambia, The	-12.7	-10.5	-26.4	-30.9	-27.2	-26.7	-27.3	-27.0
Guinea	3.2	6.8	3.1	4.0	4.7	2.8	-0.3	1.4
Guinea-Bissau	-9.7	-3.6	-3.2	-5.5	-19.7	-12.3	-19.0	-15.1
Liberia	...	-4.7	-28.8	-34.7	-39.7	-26.9	-54.8	-30.7
São Tomé and Príncipe	-23.1	-26.0	-28.3	-30.4	-50.2	-39.9	-41.3	-42.6
Sierra Leone	-6.1	-14.8	-8.3	-12.1	-6.6	-6.0	-7.5	-4.7
Togo	-10.2	-9.4	-13.1	-16.4	-19.1	-20.0	-26.2	-26.3
Zimbabwe	1.1	-1.0	-6.5	-8.5	-3.1	-0.2	...	...
<b>Sub-Saharan Africa</b>	<b>3.5</b>	<b>3.3</b>	<b>4.9</b>	<b>6.6</b>	<b>6.7</b>	<b>5.7</b>	<b>8.1</b>	<b>6.2</b>
Sub-Saharan Africa, including Zimbabwe	3.4	3.2	4.8	6.5	6.7	5.6	...	...
Sub-Saharan Africa, excluding Nigeria and South Africa	1.0	1.8	3.9	6.6	8.5	7.3	11.6	10.1
<b>Oil-importing countries</b>	<b>-0.6</b>	<b>-0.9</b>	<b>-2.5</b>	<b>-3.5</b>	<b>-4.5</b>	<b>-5.2</b>	<b>-6.5</b>	<b>-6.9</b>
Oil-importing countries, excluding South Africa	-4.6	-4.4	-5.7	-7.6	-7.1	-9.0	-10.8	-11.2
CFA franc zone	8.8	9.1	12.2	15.1	16.6	13.8	17.5	16.2
WAEMU	2.4	1.6	0.4	-1.4	-0.3	-3.2	-4.6	-5.2
CEMAC	17.1	18.4	25.2	31.4	32.6	29.8	35.7	33.2
EAC-5	-7.4	-7.6	-8.9	-9.9	-12.6	-14.0	-15.0	-14.8
SADC	2.7	2.2	1.6	3.2	3.7	4.3	7.5	6.8
SACU	2.7	1.9	-0.1	-0.2	-1.8	-1.6	-2.5	-2.8
COMESA	-0.8	-1.0	1.8	5.9	9.0	9.6	15.8	13.7
<b>Resource-intensive countries</b>	<b>14.7</b>	<b>13.2</b>	<b>20.5</b>	<b>25.3</b>	<b>25.2</b>	<b>22.5</b>	<b>25.9</b>	<b>22.0</b>
Oil	17.5	15.0	24.2	29.3	27.8	25.1	29.3	24.6
Non-oil resource-intensive countries	7.7	7.8	7.5	8.8	12.5	9.1	5.6	5.8
<b>Non-resource-intensive countries</b>	<b>-1.7</b>	<b>-2.0</b>	<b>-3.7</b>	<b>-4.9</b>	<b>-6.6</b>	<b>-6.9</b>	<b>-8.0</b>	<b>-8.4</b>
Coastal non-resource-intensive countries	-0.6	-0.9	-2.8	-3.7	-5.7	-6.2	-7.4	-7.5
Landlocked non-resource-intensive countries	-7.0	-8.3	-9.4	-12.6	-11.5	-10.9	-11.1	-12.7
MDRI	-6.9	-7.5	-8.7	-10.4	-9.3	-11.0	-12.1	-12.3
Fixed exchange rate regime	6.1	6.7	9.1	12.0	13.6	10.9	13.4	12.2
Floating exchange rate regime	2.8	2.4	3.9	5.4	5.2	4.5	6.9	4.8

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

## REGIONAL ECONOMIC OUTLOOK: SUB-SAHARAN AFRICA

<b>Table SA18. External Current Account, Including Grants</b>									
<i>(Percent of GDP)</i>									
	1997-2002	2003	2004	2005	2006	2007	2008	2009	
<b>Oil-exporting countries</b>	-3.7	-6.3	2.7	7.7	10.9	3.8	9.7	5.7	
<b>Oil-exporting countries, excluding Nigeria</b>	-6.5	-6.6	-0.7	8.6	13.1	6.2	14.0	12.1	
Angola	-12.7	-5.2	3.5	16.8	23.3	11.3	18.0	15.9	
Cameroon	-3.1	-1.8	-3.8	-3.4	0.6	-1.9	1.3	-1.1	
Chad	-28.2	-47.8	-16.7	3.1	-10.6	1.7	10.0	-1.8	
Congo, Rep. of	-8.0	-4.1	12.7	5.3	2.3	-19.3	10.7	21.4	
Equatorial Guinea	-33.9	-33.3	-21.6	-6.2	7.1	4.3	12.5	2.8	
Gabon	7.0	9.5	11.2	22.9	18.7	14.8	17.0	18.1	
Nigeria	-1.7	-6.1	5.0	7.1	9.5	2.1	6.2	0.6	
<b>Middle-income countries</b>	-0.3	-0.5	-2.6	-3.1	-4.9	-5.7	-6.7	-7.0	
<b>Middle-income countries, excluding South Africa</b>	1.4	3.6	2.5	4.5	7.9	7.2	3.6	2.3	
Botswana	8.5	5.6	3.6	14.8	17.6	15.9	9.3	7.6	
Cape Verde	-10.6	-11.2	-14.4	-3.4	-5.0	-9.1	-10.6	-10.9	
Lesotho	-21.8	-12.3	-5.6	-7.3	4.4	3.6	0.1	-1.4	
Mauritius	0.6	2.4	0.8	-3.5	-5.3	-8.0	-4.7	-6.6	
Namibia	3.4	6.7	8.2	5.5	16.0	18.2	14.0	12.4	
Seychelles	-15.7	0.4	-7.0	-23.6	-17.2	-37.0	-38.3	-35.1	
South Africa	-0.5	-1.1	-3.2	-4.0	-6.5	-7.3	-8.0	-8.1	
Swaziland	-2.1	6.8	3.1	-4.1	-7.4	-1.4	-5.3	-2.0	
<b>Low-income countries</b>	-6.5	-4.9	-5.0	-6.2	-6.2	-6.9	-9.3	-9.0	
Benin	-7.0	-8.3	-7.2	-5.5	-5.7	-6.7	-9.8	-8.1	
Burkina Faso	-9.8	-8.7	-10.6	-11.7	-9.6	-8.3	-12.7	-12.1	
Ethiopia	-3.7	-1.4	-4.0	-6.0	-9.1	-4.5	-5.0	-5.2	
Ghana	-7.4	1.7	-2.8	-7.0	-9.0	-10.9	-13.1	-13.2	
Kenya	-2.1	-0.2	0.1	-0.8	-2.3	-3.1	-6.1	-4.5	
Madagascar	-5.3	-4.7	-8.8	-10.6	-8.4	-13.9	-23.1	-21.2	
Malawi	-7.4	-5.8	-7.3	-10.1	-6.4	-2.1	-8.2	-5.4	
Mali	-7.5	-6.2	-8.4	-8.3	-3.7	-7.2	-6.6	-6.9	
Mozambique	-16.1	-15.5	-8.9	-11.4	-9.2	-9.5	-13.6	-13.3	
Niger	-6.7	-8.3	-7.8	-9.3	-8.6	-7.7	-10.7	-20.6	
Rwanda	-8.5	-12.4	-1.9	-1.1	-7.3	-5.0	-9.3	-12.4	
Senegal	-4.9	-6.1	-6.1	-7.8	-9.4	-10.4	-11.1	-11.4	
Tanzania	-6.5	-4.2	-3.6	-4.1	-7.7	-9.0	-9.8	-10.0	
Uganda	-6.0	-5.5	-3.0	-4.5	-3.5	-2.8	-3.4	-5.8	
Zambia	-14.7	-14.7	-11.7	-10.0	-0.7	-7.1	-9.5	-6.6	
<b>Fragile countries</b>	-2.8	0.4	-0.7	-3.4	-0.7	-2.4	-1.1	-6.0	
<b>Fragile countries, including Zimbabwe</b>	-2.6	-0.1	-1.7	-4.4	-1.3	-2.3	...	...	
Burundi	-4.7	-4.6	-8.4	-1.2	-14.5	-16.0	-21.9	-14.8	
Central African Republic	-2.5	-2.2	0.4	-6.2	-2.7	-4.4	-6.3	-5.9	
Comoros	-5.4	-3.2	-4.6	-7.2	-6.1	-6.7	-8.1	-9.5	
Congo, Dem. Rep. of	-4.0	1.0	-2.4	-10.4	-2.4	-1.8	-1.9	-12.6	
Côte d'Ivoire	-0.4	2.1	1.6	0.2	2.8	-0.7	3.8	-0.6	
Eritrea	-5.5	9.7	-0.7	0.3	-3.6	-3.7	-3.0	-2.1	
Gambia, The	-2.5	-5.1	-6.1	-15.1	-11.5	-12.5	-13.9	-12.5	
Guinea	-5.7	-0.2	-1.9	-0.6	0.5	-2.0	-6.3	-6.7	
Guinea-Bissau	-12.7	-2.8	1.8	-5.1	-13.9	-2.2	0.2	-11.6	
Liberia	...	-36.6	-24.3	-24.4	-36.9	-17.6	-67.3	-44.8	
São Tomé and Príncipe	-17.5	-13.9	-16.8	-10.3	-41.3	-30.2	-29.6	-34.5	
Sierra Leone	-3.1	-4.8	-5.8	-7.1	-3.5	-3.8	-6.3	-4.2	
Togo	-6.9	-4.2	-3.0	-5.3	-6.0	-6.4	-9.6	-8.5	
Zimbabwe	-1.7	-2.9	-8.3	-11.0	-6.1	-1.4	...	...	
<b>Sub-Saharan Africa</b>	-2.7	-2.9	-1.5	-0.4	0.5	-2.4	-0.3	-2.1	
Sub-Saharan Africa, including Zimbabwe	-2.7	-2.9	-1.5	-0.5	0.5	-2.4	...	...	
Sub-Saharan Africa, excluding Nigeria and South Africa	-4.9	-3.5	-2.3	-0.2	2.1	-0.6	1.7	0.4	
<b>Oil-importing countries</b>	-2.4	-1.7	-3.1	-4.0	-5.0	-5.8	-7.1	-7.6	
Oil-importing countries, excluding South Africa	-4.5	-2.5	-2.9	-4.0	-3.1	-4.1	-6.1	-7.0	
CFA franc zone	-4.3	-5.2	-3.5	-1.1	0.1	-2.4	2.5	0.7	
WAEMU	-4.3	-3.7	-4.1	-5.2	-3.9	-5.6	-5.4	-7.6	
CEMAC	-4.4	-7.1	-2.8	2.8	3.9	0.7	9.1	7.3	
EAC-5	-4.6	-3.1	-1.9	-2.6	-4.6	-5.0	-7.0	-6.9	
SADC	-2.0	-1.6	-2.6	-2.0	-1.7	-3.6	-2.5	-3.1	
SACU	-0.2	-0.6	-2.6	-3.1	-4.9	-5.6	-6.6	-6.9	
COMESA	-5.0	-2.5	-1.0	1.2	5.2	1.7	3.8	2.4	
<b>Resource-intensive countries</b>	-2.8	-4.5	2.3	6.7	10.2	3.8	8.6	5.0	
Oil	-3.7	-6.3	2.7	7.7	10.9	3.8	9.7	5.7	
Non-oil resource-intensive countries	-0.7	1.0	0.6	2.5	6.7	3.8	2.0	0.6	
<b>Non-resource-intensive countries</b>	-2.6	-2.1	-3.5	-4.8	-6.4	-7.0	-8.3	-8.6	
Coastal non-resource-intensive countries	-2.0	-1.7	-3.3	-4.4	-6.5	-7.5	-8.8	-8.7	
Landlocked non-resource-intensive countries	-6.0	-4.2	-4.8	-7.2	-6.0	-4.4	-5.9	-8.2	
MDRI	-6.8	-5.3	-5.7	-6.7	-6.0	-6.9	-8.4	-8.8	
Fixed exchange rate regime	-3.1	-3.3	-2.2	0.4	2.2	0.1	3.0	1.4	
Floating exchange rate regime	-2.6	-2.8	-1.3	-0.6	0.2	-2.9	-1.0	-2.9	

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

**Table SA19. External Current Account, Excluding Grants**  
(Percent of GDP)

	1997-2002	2003	2004	2005	2006	2007	2008	2009
<b>Oil-exporting countries</b>	<b>-3.9</b>	<b>-6.4</b>	<b>2.6</b>	<b>7.6</b>	<b>10.9</b>	<b>3.7</b>	<b>9.7</b>	<b>5.6</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>-7.1</b>	<b>-7.2</b>	<b>-1.0</b>	<b>8.1</b>	<b>13.0</b>	<b>6.0</b>	<b>13.9</b>	<b>12.0</b>
Angola	-13.8	-5.9	3.4	16.7	23.7	11.6	18.2	16.1
Cameroon	-3.4	-2.4	-4.0	-3.9	0.0	-2.8	0.4	-2.0
Chad	-31.1	-52.0	-20.4	-0.8	-13.1	-0.6	8.1	-3.9
Congo, Rep. of	-8.2	-4.3	12.5	4.3	2.1	-19.7	10.2	21.0
Equatorial Guinea	-35.4	-33.9	-22.0	-6.5	7.1	4.3	12.5	2.8
Gabon	6.8	10.2	11.9	23.5	18.7	14.8	16.9	18.0
Nigeria	-1.5	-5.9	5.0	7.2	9.6	2.1	6.3	0.6
<b>Middle-income countries</b>	<b>-0.3</b>	<b>-0.6</b>	<b>-2.5</b>	<b>-2.8</b>	<b>-4.9</b>	<b>-5.9</b>	<b>-6.8</b>	<b>-7.1</b>
<b>Middle-income countries, excluding South Africa</b>	<b>-4.0</b>	<b>-1.4</b>	<b>-3.9</b>	<b>-2.6</b>	<b>-0.8</b>	<b>-3.0</b>	<b>-5.8</b>	<b>-6.4</b>
Botswana	4.6	2.1	-1.8	8.4	9.7	6.7	0.9	-0.2
Cape Verde	-17.9	-17.3	-20.2	-8.0	-9.1	-13.5	-12.4	-12.7
Lesotho	-38.9	-27.8	-23.7	-27.6	-20.5	-25.8	-32.1	-32.1
Mauritius	0.5	1.9	0.4	-3.6	-5.5	-8.1	-5.5	-7.3
Namibia	-7.7	-3.1	-3.2	-4.9	2.6	3.3	0.3	-0.2
Seychelles	-17.6	-1.1	-9.0	-26.8	-20.2	-39.3	-40.6	-37.8
South Africa	0.1	-0.5	-2.4	-2.9	-5.4	-6.2	-6.9	-7.2
Swaziland	-10.2	-1.2	-6.2	-17.5	-21.6	-22.2	-26.4	-22.9
<b>Low-income countries</b>	<b>-9.7</b>	<b>-8.5</b>	<b>-8.8</b>	<b>-10.1</b>	<b>-9.5</b>	<b>-10.3</b>	<b>-12.6</b>	<b>-12.0</b>
Benin	-9.8	-11.6	-10.4	-7.5	-8.7	-9.5	-12.5	-10.8
Burkina Faso	-13.0	-12.9	-13.6	-15.0	-12.6	-12.6	-16.2	-14.9
Ethiopia	-7.6	-8.8	-9.6	-12.4	-14.8	-10.6	-10.3	-9.7
Ghana	-10.7	-3.5	-8.9	-12.4	-12.8	-15.1	-16.5	-16.9
Kenya	-2.3	-0.6	0.1	-0.8	-2.6	-3.3	-6.1	-4.5
Madagascar	-6.2	-7.2	-12.5	-11.8	-9.6	-14.3	-24.1	-21.9
Malawi	-14.7	-11.1	-14.2	-19.3	-19.7	-16.1	-20.1	-19.7
Mali	-9.3	-8.8	-10.4	-10.5	-6.5	-9.1	-8.5	-8.2
Mozambique	-21.6	-20.4	-14.6	-16.8	-15.4	-15.9	-21.3	-20.4
Niger	-9.4	-11.2	-10.3	-12.6	-10.9	-9.0	-14.1	-23.0
Rwanda	-17.6	-18.2	-15.9	-15.7	-15.9	-15.9	-20.8	-19.2
Senegal	-6.9	-7.9	-7.8	-9.2	-10.0	-11.7	-12.6	-12.5
Tanzania	-10.6	-7.3	-6.8	-8.2	-11.2	-12.0	-13.0	-12.7
Uganda	-12.5	-12.8	-12.3	-12.5	-8.1	-7.4	-8.2	-10.4
Zambia	-16.5	-15.8	-12.1	-11.8	-2.6	-9.7	-11.8	-8.7
<b>Fragile countries</b>	<b>-5.1</b>	<b>-2.2</b>	<b>-3.0</b>	<b>-5.9</b>	<b>-3.8</b>	<b>-5.2</b>	<b>-4.9</b>	<b>-8.4</b>
<b>Fragile countries, including Zimbabwe</b>	<b>-4.6</b>	<b>-2.3</b>	<b>-3.8</b>	<b>-6.7</b>	<b>-4.2</b>	<b>-4.9</b>	...	...
Burundi	-11.5	-21.1	-25.8	-29.1	-36.3	-37.7	-33.6	-33.7
Central African Republic	-6.1	-5.0	-5.8	-8.7	-8.0	-7.9	-9.2	-8.3
Comoros	-7.7	-3.2	-4.7	-7.7	-7.6	-9.5	-14.1	-10.1
Congo, Dem. Rep. of	-8.7	-6.3	-7.9	-15.8	-10.1	-7.0	-4.3	-15.3
Côte d'Ivoire	-0.8	1.9	1.7	0.4	3.0	-1.6	-0.9	-2.0
Eritrea	-15.0	-9.2	-15.7	-9.0	-7.7	-6.2	-5.0	-3.9
Gambia, The	-10.5	-13.6	-14.7	-20.2	-14.7	-13.7	-15.9	-15.6
Guinea	-6.7	-0.7	-2.2	-1.0	-0.1	-2.5	-6.8	-6.9
Guinea-Bissau	-24.0	-9.7	-9.9	-12.7	-27.3	-12.2	-18.9	-13.9
Liberia	...	-41.3	-65.6	-74.4	-71.8	-58.0	-101.9	-77.1
São Tomé and Príncipe	-36.1	-36.4	-37.8	-39.5	-66.3	-52.1	-49.5	-50.1
Sierra Leone	-10.8	-10.7	-13.1	-14.2	-8.8	-7.3	-10.1	-7.0
Togo	-9.3	-4.8	-3.7	-6.5	-7.4	-8.1	-12.4	-12.4
Zimbabwe	-2.6	-3.3	-8.8	-11.6	-7.2	-1.9	...	...
<b>Sub-Saharan Africa</b>	<b>-3.7</b>	<b>-3.9</b>	<b>-2.3</b>	<b>-1.2</b>	<b>-0.2</b>	<b>-3.3</b>	<b>-1.1</b>	<b>-2.9</b>
Sub-Saharan Africa, including Zimbabwe	-3.7	-3.9	-2.4	-1.3	-0.3	-3.3	...	...
Sub-Saharan Africa, excluding Nigeria and South Africa	-7.6	-6.3	-5.2	-3.3	-0.6	-3.5	-1.0	-1.9
<b>Oil-importing countries</b>	<b>-3.6</b>	<b>-3.0</b>	<b>-4.2</b>	<b>-5.1</b>	<b>-6.2</b>	<b>-7.2</b>	<b>-8.6</b>	<b>-8.9</b>
<b>Oil-importing countries, excluding South Africa</b>	<b>-7.8</b>	<b>-6.1</b>	<b>-6.8</b>	<b>-8.1</b>	<b>-7.2</b>	<b>-8.4</b>	<b>-10.3</b>	<b>-10.6</b>
CFA franc zone	-5.5	-6.5	-4.6	-2.2	-0.9	-3.6	0.7	-0.4
WAEMU	-6.0	-5.5	-5.6	-6.6	-5.2	-7.4	-8.7	-9.4
CEMAC	-5.0	-7.8	-3.4	2.0	3.2	0.0	8.4	6.7
EAC-5	-7.9	-6.2	-5.7	-6.8	-7.5	-7.8	-9.7	-9.4
SADC	-2.7	-2.3	-3.1	-2.3	-2.2	-4.2	-3.1	-3.7
SACU	-0.2	-0.6	-2.5	-2.7	-4.8	-5.7	-6.7	-7.0
COMESA	-8.2	-6.1	-4.6	-2.4	2.1	-1.4	1.5	0.2
<b>Resource-intensive countries</b>	<b>-3.8</b>	<b>-5.3</b>	<b>1.5</b>	<b>5.9</b>	<b>9.5</b>	<b>2.9</b>	<b>7.8</b>	<b>4.4</b>
Oil	-3.9	-6.4	2.6	7.6	10.9	3.7	9.7	5.6
Non-oil resource-intensive countries	-3.6	-1.6	-2.5	-1.0	2.5	-1.1	-3.6	-3.6
<b>Non-resource-intensive countries</b>	<b>-3.7</b>	<b>-3.2</b>	<b>-4.5</b>	<b>-5.6</b>	<b>-7.2</b>	<b>-7.9</b>	<b>-9.2</b>	<b>-9.6</b>
Coastal non-resource-intensive countries	-2.2	-2.0	-3.4	-4.1	-6.2	-7.3	-8.7	-8.6
Landlocked non-resource-intensive countries	-11.2	-10.5	-11.2	-14.2	-12.7	-11.1	-11.7	-13.5
MDRI	-10.1	-8.9	-9.5	-10.7	-9.4	-10.5	-11.9	-12.0
Fixed exchange rate regime	-5.6	-5.7	-4.7	-2.3	-0.6	-3.3	-0.4	-1.3
Floating exchange rate regime	-3.3	-3.5	-1.8	-0.9	-0.1	-3.3	-1.3	-3.2

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

## REGIONAL ECONOMIC OUTLOOK: SUB-SAHARAN AFRICA

Table SA20. Official Grants (Percent of GDP)								
	1997-2002	2003	2004	2005	2006	2007	2008	2009
<b>Oil-exporting countries</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>0.7</b>	<b>0.6</b>	<b>0.3</b>	<b>0.5</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>
Angola	1.0	0.7	0.0	0.1	-0.3	-0.3	-0.2	-0.2
Cameroon	0.3	0.6	0.2	0.5	0.6	1.0	0.9	0.9
Chad	2.9	4.2	3.7	3.9	2.5	2.3	2.0	2.0
Congo, Rep. of	0.2	0.2	0.2	1.0	0.2	0.4	0.5	0.4
Equatorial Guinea	1.5	0.6	0.4	0.2	0.0	0.0	0.0	-0.1
Gabon	0.2	-0.7	-0.7	-0.6	0.0	0.0	0.1	0.1
Nigeria	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	0.0
<b>Middle-income countries</b>	<b>0.1</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.3</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>
<b>Middle-income countries, excluding South Africa</b>	<b>5.3</b>	<b>4.9</b>	<b>6.3</b>	<b>7.0</b>	<b>8.5</b>	<b>9.9</b>	<b>9.2</b>	<b>8.5</b>
Botswana	3.9	3.5	5.3	6.4	7.9	9.2	8.4	7.8
Cape Verde	7.2	6.0	5.8	4.6	4.1	4.4	1.8	1.9
Lesotho	17.1	15.5	18.0	20.3	24.9	29.5	32.2	30.7
Mauritius	0.1	0.5	0.4	0.2	0.2	0.1	0.9	0.7
Namibia	11.1	9.8	11.4	10.4	13.4	14.9	13.6	12.6
Seychelles	2.0	1.5	2.0	3.2	3.0	2.3	2.3	2.7
South Africa	-0.6	-0.6	-0.8	-1.2	-1.1	-1.0	-1.1	-1.0
Swaziland	8.0	8.0	9.3	13.5	14.2	20.8	21.0	20.9
<b>Low-income countries</b>	<b>3.1</b>	<b>3.5</b>	<b>3.7</b>	<b>3.8</b>	<b>3.2</b>	<b>3.4</b>	<b>3.3</b>	<b>2.9</b>
Benin	2.7	3.2	3.2	2.0	3.1	2.8	2.7	2.7
Burkina Faso	3.2	4.2	3.1	3.4	3.0	4.3	3.5	2.7
Ethiopia	3.9	7.5	5.6	6.4	5.7	6.2	5.3	4.4
Ghana	3.3	5.2	6.1	5.4	3.8	4.2	3.4	3.7
Kenya	0.3	0.4	0.0	0.0	0.3	0.2	0.0	0.0
Madagascar	0.9	2.5	3.7	1.2	1.2	0.4	1.0	0.8
Malawi	7.3	5.3	7.0	9.2	13.3	14.0	11.9	14.3
Mali	1.8	2.6	2.0	2.2	2.7	1.9	1.9	1.3
Mozambique	5.5	5.0	5.7	5.4	6.3	6.4	7.7	7.1
Niger	2.7	2.9	2.5	3.3	2.3	1.3	3.4	2.4
Rwanda	9.1	5.8	14.0	14.6	8.6	10.9	11.5	6.8
Senegal	2.0	1.8	1.7	1.4	0.6	1.3	1.5	1.0
Tanzania	4.1	3.1	3.2	4.1	3.5	3.0	3.2	2.7
Uganda	6.5	7.3	9.2	8.0	4.6	4.6	4.9	4.6
Zambia	1.8	1.0	0.4	1.8	1.9	2.6	2.3	2.1
<b>Fragile countries</b>	<b>2.3</b>	<b>2.5</b>	<b>2.2</b>	<b>2.4</b>	<b>3.0</b>	<b>2.7</b>	<b>3.8</b>	<b>2.4</b>
<b>Fragile countries, including Zimbabwe</b>	<b>2.0</b>	<b>2.2</b>	<b>2.0</b>	<b>2.1</b>	<b>2.8</b>	<b>2.5</b>	...	...
Burundi	6.8	16.5	17.4	27.9	21.8	21.7	11.6	18.8
Central African Republic	3.6	2.7	6.2	2.4	5.2	3.5	2.9	2.4
Comoros	2.3	0.0	0.1	0.4	1.6	2.8	5.9	0.5
Congo, Dem. Rep. of	4.6	7.3	5.5	5.4	7.7	5.2	2.4	2.7
Côte d'Ivoire	0.4	0.3	-0.1	-0.1	-0.2	0.8	4.7	1.4
Eritrea	9.5	18.8	15.1	9.3	4.1	2.5	2.0	1.7
Gambia, The	8.0	8.5	8.5	5.1	3.2	1.2	2.0	3.1
Guinea	1.0	0.6	0.3	0.4	0.7	0.5	0.5	0.1
Guinea-Bissau	11.3	6.9	11.8	7.6	13.4	10.0	19.1	2.3
Liberia	...	4.8	41.3	50.0	34.9	40.4	34.5	32.4
São Tomé and Príncipe	18.6	22.5	21.0	29.2	25.0	21.9	19.9	15.6
Sierra Leone	7.7	5.9	7.3	7.1	5.3	3.5	3.8	2.8
Togo	2.4	0.6	0.8	1.2	1.4	1.7	2.8	4.0
Zimbabwe	0.8	0.4	0.5	0.6	1.0	0.5	...	...
<b>Sub-Saharan Africa</b>	<b>1.0</b>	<b>1.0</b>	<b>0.8</b>	<b>0.7</b>	<b>0.7</b>	<b>0.8</b>	<b>0.9</b>	<b>0.7</b>
Sub-Saharan Africa, including Zimbabwe	1.0	1.0	0.8	0.7	0.7	0.8	...	...
Sub-Saharan Africa, excluding Nigeria and South Africa	2.7	2.8	2.9	2.9	2.7	2.8	2.6	2.2
<b>Oil-importing countries</b>	<b>1.2</b>	<b>1.3</b>	<b>1.1</b>	<b>1.0</b>	<b>1.1</b>	<b>1.3</b>	<b>1.4</b>	<b>1.2</b>
Oil-importing countries, excluding South Africa	3.3	3.5	3.8	4.0	4.0	4.2	4.1	3.5
CFA franc zone	1.2	1.3	1.1	1.1	1.0	1.2	1.8	1.1
WAEMU	1.6	1.8	1.4	1.4	1.3	1.8	3.3	1.8
CEMAC	0.7	0.7	0.6	0.8	0.7	0.7	0.6	0.6
EAC-5	3.2	3.0	3.7	4.0	2.9	2.7	2.7	2.4
SADC	0.7	0.6	0.4	0.2	0.5	0.5	0.5	0.5
SACU	0.0	0.0	-0.1	-0.4	-0.1	0.0	0.0	0.0
COMESA	3.2	3.6	3.5	3.4	3.0	2.9	2.3	2.1
<b>Resource-intensive countries</b>	<b>1.0</b>	<b>0.7</b>	<b>0.7</b>	<b>0.8</b>	<b>0.7</b>	<b>0.8</b>	<b>0.8</b>	<b>0.6</b>
Oil	0.2	0.2	0.1	0.1	0.0	0.0	0.0	0.0
Non-oil resource-intensive countries	2.8	2.5	3.0	3.4	4.0	4.8	5.6	4.1
<b>Non-resource-intensive countries</b>	<b>1.0</b>	<b>1.1</b>	<b>0.9</b>	<b>0.7</b>	<b>0.7</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>
Coastal non-resource-intensive countries	0.2	0.2	0.0	-0.3	-0.3	-0.2	-0.1	-0.1
Landlocked non-resource-intensive countries	5.1	6.2	6.4	6.9	6.6	6.6	5.6	5.2
MDRI	3.3	3.6	3.8	4.0	3.4	3.6	3.5	3.2
Fixed exchange rate regime	2.4	2.3	2.4	2.6	2.8	3.2	3.3	2.6
Floating exchange rate regime	0.6	0.6	0.4	0.3	0.3	0.3	0.3	0.3

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

**Table SA21. Real Effective Exchange Rates**  
 (Annual average; index, 2000 = 100)

	1997-2002	2003	2004	2005	2006	2007
<b>Oil-exporting countries</b>	<b>116.9</b>	<b>109.0</b>	<b>114.3</b>	<b>127.0</b>	<b>137.5</b>	<b>138.9</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>104.1</b>	<b>114.6</b>	<b>123.5</b>	<b>130.2</b>	<b>143.1</b>	<b>149.8</b>
Angola	103.3	117.5	140.0	158.5	190.6	206.9
Cameroon	106.5	110.5	110.6	109.7	113.2	114.6
Chad	110.5	119.1	114.2	119.8	126.7	116.7
Congo, Rep. of	105.3	111.2	116.1	115.4	117.4	120.4
Equatorial Guinea	107.8	134.4	143.8	147.7	150.8	161.5
Gabon	104.7	104.8	105.1	103.8	100.5	105.6
Nigeria	131.6	105.0	107.8	124.2	133.1	130.6
<b>Middle-income countries</b>	<b>98.8</b>	<b>98.8</b>	<b>108.1</b>	<b>108.6</b>	<b>104.6</b>	<b>95.8</b>
<b>Middle-income countries, excluding South Africa</b>	<b>98.1</b>	<b>106.9</b>	<b>107.5</b>	<b>105.3</b>	<b>103.0</b>	<b>99.1</b>
Botswana	99.3	115.0	110.2	107.1	104.0	97.2
Cape Verde	104.6	103.3	100.1	97.6	100.1	102.6
Lesotho	102.1	112.2	132.1	132.8	129.4	128.8
Mauritius	96.2	94.3	92.0	88.4	87.6	88.8
Namibia	97.7	104.6	111.9	112.7	109.8	105.1
Seychelles	98.7	100.9	94.2	92.1	87.5	71.3
South Africa	99.0	97.4	107.6	108.5	104.2	94.6
Swaziland	96.3	102.8	113.2	113.2	110.9	106.3
<b>Low-income countries</b>	<b>101.5</b>	<b>97.8</b>	<b>94.6</b>	<b>100.2</b>	<b>105.2</b>	<b>107.7</b>
Benin	104.0	115.1	117.9	120.6	121.9	123.0
Burkina Faso	105.8	112.1	111.5	114.8	115.1	114.5
Ethiopia	97.0	90.1	84.9	91.2	99.2	104.1
Ghana	125.7	100.9	99.5	109.7	115.3	114.7
Kenya	101.0	106.6	104.2	116.2	135.2	146.5
Madagascar	101.8	105.8	80.2	84.7	85.2	99.8
Malawi	106.4	80.4	73.3	75.2	73.3	64.3
Mali	107.3	109.9	106.6	109.8	108.3	108.8
Mozambique	89.1	128.2	134.2	137.0	137.6	137.4
Niger	105.1	108.2	108.8	113.3	110.6	110.7
Rwanda	102.1	72.7	69.6	75.2	79.0	79.2
Senegal	104.7	106.6	106.7	105.4	105.1	110.7
Tanzania	97.4	75.0	67.7	65.6	60.9	60.3
Uganda	107.2	81.8	84.6	88.7	87.8	89.9
Zambia	104.2	101.7	107.8	134.7	176.6	150.4
<b>Fragile countries</b>	<b>92.8</b>	<b>85.3</b>	<b>83.6</b>	<b>81.6</b>	<b>82.8</b>	<b>86.9</b>
<b>Fragile countries, including Zimbabwe</b>	<b>94.0</b>	<b>92.1</b>	<b>88.3</b>	<b>86.0</b>	<b>87.9</b>	<b>121.3</b>
Burundi	103.1	63.6	64.2	71.0	73.2	68.7
Central African Republic	104.8	123.3	122.3	122.3	129.3	130.1
Comoros	104.5	116.7	120.4	121.3	123.9	129.1
Congo, Dem. Rep. of	74.2	31.7	30.1	29.4	32.8	31.8
Cote d'Ivoire	104.0	115.0	116.5	116.4	115.9	117.9
Eritrea	94.7	95.0	83.6	105.9	118.3	118.5
Gambia, The	96.3	51.8	51.2	54.5	54.3	60.1
Guinea	105.5	88.3	83.2	65.5	58.9	84.5
Guinea-Bissau	102.2	107.2	108.9	106.9	108.0	111.4
Liberia	...	...	...	...	...	...
São Tomé and Príncipe	90.9	86.9	84.2	89.7	90.3	90.8
Sierra Leone	102.2	77.7	69.5	70.9	73.5	73.8
Togo	104.2	109.5	110.9	113.7	112.5	113.5
Zimbabwe	143.0	199.2	69.3	63.8	79.5	1140.8
<b>Sub-Saharan Africa</b>	<b>102.7</b>	<b>101.9</b>	<b>106.1</b>	<b>111.4</b>	<b>114.2</b>	<b>112.1</b>
Sub-Saharan Africa, including Zimbabwe	102.7	102.4	106.5	111.8	114.6	114.7
Sub-Saharan Africa, excluding Nigeria and South Africa	100.0	100.9	101.1	105.2	110.7	113.7
<b>Oil-importing countries</b>	<b>98.7</b>	<b>98.6</b>	<b>102.4</b>	<b>104.7</b>	<b>104.6</b>	<b>101.2</b>
Oil-importing countries, excluding South Africa	98.9	96.7	94.2	97.6	101.0	103.0
CFA franc zone	105.5	112.2	112.9	113.9	114.9	116.6
WAEMU	104.7	111.7	112.1	113.4	112.9	114.8
CEMAC	106.3	112.8	113.9	114.5	117.0	118.5
EAC-5	101.0	88.9	85.9	90.6	94.9	98.2
SADC	96.4	98.7	106.2	108.5	108.5	103.0
SACU	98.9	98.7	108.5	109.1	104.9	95.9
COMESA	96.3	95.0	96.4	104.6	116.4	121.3
<b>Resource-intensive countries</b>	<b>112.4</b>	<b>108.7</b>	<b>112.9</b>	<b>123.3</b>	<b>132.2</b>	<b>133.4</b>
Oil	116.9	109.0	114.3	127.0	137.5	138.9
Non-oil resource-intensive countries	102.2	107.7	107.7	108.7	111.7	111.8
<b>Non-resource-intensive countries</b>	<b>98.3</b>	<b>97.3</b>	<b>101.5</b>	<b>103.9</b>	<b>103.5</b>	<b>99.7</b>
Coastal non-resource-intensive countries	99.3	100.0	105.8	107.8	106.3	101.2
Landlocked non-resource-intensive countries	95.0	85.3	83.6	87.2	90.4	91.1
MDRI	102.3	97.7	94.6	98.5	101.3	102.5
Fixed exchange rate regime	104.2	112.0	112.9	113.5	113.7	114.1
Floating exchange rate regime	102.4	99.3	104.3	110.6	114.0	111.3

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

Note: An increase indicates appreciation.

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	1997-2002	2003	2004	2005	2006	2007
<b>Table SA22. Nominal Effective Exchange Rates</b> (Annual average; index, 2000 = 100)						
<b>Oil-exporting countries</b>	<b>131.6</b>	<b>66.7</b>	<b>62.3</b>	<b>61.6</b>	<b>63.3</b>	<b>62.0</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>138.1</b>	<b>56.6</b>	<b>54.2</b>	<b>52.8</b>	<b>54.8</b>	<b>55.3</b>
Angola	782.3	10.8	9.0	8.4	9.2	9.1
Cameroon	103.8	108.6	110.8	110.1	110.3	113.0
Chad	104.2	109.3	113.2	112.8	113.3	116.8
Congo, Rep. of	104.6	112.8	116.6	116.2	115.8	118.7
Equatorial Guinea	106.4	114.0	119.8	119.6	120.2	126.2
Gabon	103.1	106.3	108.5	108.1	108.3	110.6
Nigeria	132.6	74.2	67.9	68.0	69.2	66.3
<b>Middle-income countries</b>	<b>100.7</b>	<b>91.4</b>	<b>103.2</b>	<b>104.7</b>	<b>102.7</b>	<b>97.4</b>
<b>Middle-income countries, excluding South Africa</b>	<b>100.2</b>	<b>100.0</b>	<b>98.8</b>	<b>95.1</b>	<b>90.5</b>	<b>87.8</b>
Botswana	101.5	112.4	105.1	99.0	93.3	92.6
Cape Verde	102.7	107.9	109.3	108.8	108.8	109.9
Lesotho	105.8	92.0	105.8	106.4	100.1	94.6
Mauritius	97.8	86.7	82.9	76.8	71.4	68.3
Namibia	100.5	89.6	93.9	95.0	91.0	85.2
Seychelles	99.9	100.5	92.7	92.5	92.0	73.7
South Africa	100.9	89.8	103.1	105.3	103.6	97.8
Swaziland	100.0	98.5	109.5	110.6	112.3	112.9
<b>Low-income countries</b>	<b>104.5</b>	<b>88.1</b>	<b>82.6</b>	<b>82.5</b>	<b>82.6</b>	<b>81.6</b>
Benin	104.8	112.1	117.0	116.4	116.1	119.1
Burkina Faso	102.4	114.3	117.7	117.8	118.6	121.7
Ethiopia	100.5	90.3	84.9	84.0	83.3	76.4
Ghana	141.9	55.2	49.5	48.6	47.6	44.0
Kenya	105.0	97.5	87.8	91.4	96.0	98.1
Madagascar	105.8	92.8	63.9	57.9	54.0	58.7
Malawi	137.9	68.0	61.9	60.5	61.3	66.1
Mali	103.2	109.2	111.8	111.2	111.5	114.3
Mozambique	85.9	99.7	94.4	92.8	84.9	82.0
Niger	103.6	111.4	114.7	114.0	114.0	116.9
Rwanda	101.2	69.5	61.3	63.0	63.5	60.7
Senegal	102.7	109.1	111.5	111.2	111.4	113.5
Tanzania	102.1	73.8	65.8	63.0	57.0	54.7
Uganda	108.4	80.7	83.7	84.1	81.6	82.6
Zambia	120.1	70.8	69.0	78.6	107.7	103.0
<b>Fragile countries</b>	<b>110.8</b>	<b>68.6</b>	<b>65.2</b>	<b>58.9</b>	<b>56.4</b>	<b>55.7</b>
<b>Fragile countries, including Zimbabwe</b>	<b>111.5</b>	<b>67.2</b>	<b>61.9</b>	<b>54.9</b>	<b>51.2</b>	<b>49.7</b>
Burundi	115.6	61.4	56.9	57.5	59.6	53.7
Central African Republic	103.2	106.3	108.1	107.9	108.1	110.1
Comoros	103.5	112.3	113.3	113.4	115.3	120.2
Congo, Dem. Rep. of	438.3	3.6	3.2	2.6	2.7	2.2
Cote d'Ivoire	103.0	112.2	114.9	113.6	113.1	115.6
Eritrea	100.4	62.9	45.5	52.4	51.6	48.6
Gambia, The	94.9	42.3	37.5	39.1	39.3	42.2
Guinea	106.5	80.2	66.9	41.5	28.4	34.0
Guinea-Bissau	104.1	112.0	116.2	115.2	115.4	117.3
Liberia	...	...	...	...	...	...
São Tomé and Príncipe	103.1	72.6	63.7	59.4	49.9	43.7
Sierra Leone	120.0	78.4	62.7	58.3	56.5	52.2
Togo	102.0	115.7	120.5	120.0	119.8	123.5
Zimbabwe	142.2	18.1	1.0	0.3	0.0	0.0
<b>Sub-Saharan Africa</b>	<b>108.4</b>	<b>82.7</b>	<b>83.5</b>	<b>83.2</b>	<b>83.1</b>	<b>80.7</b>
Sub-Saharan Africa, including Zimbabwe	108.5	82.5	83.2	82.8	82.6	80.1
Sub-Saharan Africa, excluding Nigeria and South Africa	109.7	78.1	74.1	72.4	72.5	72.0
<b>Oil-importing countries</b>	<b>102.7</b>	<b>89.6</b>	<b>93.5</b>	<b>93.4</b>	<b>92.1</b>	<b>89.1</b>
Oil-importing countries, excluding South Africa	104.7	86.0	81.4	79.6	78.6	77.5
CFA franc zone	103.4	110.6	113.7	113.1	113.2	116.2
WAEMU	103.0	111.7	114.8	114.1	114.2	116.8
CEMAC	103.9	109.3	112.4	112.0	112.2	115.3
EAC-5	104.7	84.4	78.1	78.6	77.6	77.2
SADC	107.3	75.9	80.5	80.3	79.8	76.5
SACU	100.9	91.3	103.6	105.4	103.4	98.2
COMESA	122.4	57.6	52.3	51.3	53.3	52.2
<b>Resource-intensive countries</b>	<b>122.2</b>	<b>72.8</b>	<b>68.4</b>	<b>67.3</b>	<b>68.8</b>	<b>67.7</b>
Oil	131.6	66.7	62.3	61.6	63.3	62.0
Non-oil resource-intensive countries	104.5	98.4	95.2	91.3	91.5	91.8
<b>Non-resource-intensive countries</b>	<b>102.6</b>	<b>88.3</b>	<b>93.0</b>	<b>93.4</b>	<b>91.9</b>	<b>88.5</b>
Coastal non-resource-intensive countries	101.4	90.9	97.4	98.4	96.6	92.9
Landlocked non-resource-intensive countries	108.0	76.2	74.5	72.9	72.6	70.2
MDRI	104.4	88.9	84.7	83.9	83.3	82.1
Fixed exchange rate regime	102.9	109.5	112.0	111.0	110.3	112.1
Floating exchange rate regime	110.6	76.5	77.1	76.9	76.9	73.8

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

Note: An increase indicates appreciation.

**Table SA23. External Debt to Official Creditors**  
(Percent of GDP)

	1997-2002	2003	2004	2005	2006	2007	2008	2009
<b>Oil-exporting countries</b>	<b>67.4</b>	<b>49.5</b>	<b>41.7</b>	<b>21.6</b>	<b>8.0</b>	<b>6.8</b>	<b>4.5</b>	<b>4.2</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>73.3</b>	<b>55.3</b>	<b>46.1</b>	<b>29.2</b>	<b>17.0</b>	<b>13.2</b>	<b>8.0</b>	<b>7.4</b>
Angola	65.8	44.3	33.3	23.8	12.1	6.7	4.3	4.1
Cameroon	61.0	44.9	42.0	35.5	5.4	4.9	5.2	6.1
Chad	62.3	50.5	37.1	27.6	27.5	29.5	23.4	21.8
Congo, Rep. of	182.2	176.2	176.5	76.5	62.0	70.2	41.4	29.9
Equatorial Guinea	39.3	10.4	6.1	3.0	1.6	1.1	0.6	0.6
Gabon	69.0	58.3	40.3	29.4	33.9	28.2	7.5	6.4
Nigeria	63.3	45.7	38.8	16.4	2.1	2.2	1.7	1.8
<b>Middle-income countries</b>	<b>5.2</b>	<b>4.4</b>	<b>3.5</b>	<b>3.1</b>	<b>2.8</b>	<b>2.7</b>	<b>2.5</b>	<b>2.4</b>
<b>Middle-income countries, excluding South Africa</b>	<b>17.3</b>	<b>14.7</b>	<b>12.9</b>	<b>11.2</b>	<b>10.2</b>	<b>10.1</b>	<b>9.4</b>	<b>9.1</b>
Botswana	9.8	5.3	4.5	3.8	3.4	2.8	2.5	2.5
Cape Verde	53.7	60.7	58.1	49.0	48.0	44.0	36.8	35.4
Lesotho	66.5	60.6	49.3	41.9	38.3	39.4	39.4	37.8
Mauritius	23.8	17.6	14.0	12.6	10.8	10.0	9.2	8.5
Namibia	3.1	5.4	6.0	5.1	5.2	5.8	5.5	5.5
Seychelles	24.2	34.8	39.6	44.9	29.2	35.2	32.6	36.4
South Africa	3.6	3.0	2.3	2.1	2.0	1.8	1.7	1.6
Swaziland	15.8	17.5	16.4	12.5	12.0	12.8	12.9	11.9
<b>Low-income countries</b>	<b>79.2</b>	<b>67.7</b>	<b>60.8</b>	<b>47.7</b>	<b>25.8</b>	<b>19.1</b>	<b>17.8</b>	<b>18.4</b>
Benin	68.1	49.2	41.3	36.3	10.8	11.9	12.1	13.1
Burkina Faso	53.5	41.0	41.8	38.9	21.1	19.8	21.2	23.8
Ethiopia	63.3	83.4	72.4	48.2	36.7	11.3	10.6	12.6
Ghana	112.9	109.9	95.7	59.2	17.1	23.7	24.4	26.8
Kenya	37.6	31.7	29.7	25.4	20.9	18.8	16.9	16.2
Madagascar	111.9	79.5	74.8	68.1	28.5	24.4	23.0	22.8
Malawi	132.2	119.7	112.6	104.0	14.3	14.5	17.0	18.7
Mali	97.6	49.3	48.8	47.7	22.2	22.7	21.2	22.8
Mozambique	122.5	85.2	76.6	72.0	44.7	21.6	23.5	27.4
Niger	90.9	69.9	58.8	52.3	16.1	16.3	14.9	17.1
Rwanda	76.0	88.5	85.0	63.3	16.7	17.4	16.4	19.8
Senegal	66.1	54.0	46.3	40.3	18.7	19.2	18.7	20.0
Tanzania	69.9	48.8	44.9	41.2	41.7	36.6	30.3	27.5
Uganda	57.5	63.7	61.8	47.9	44.8	12.4	11.7	13.1
Zambia	195.3	154.5	114.4	56.8	4.9	5.9	5.2	5.4
<b>Fragile countries</b>	<b>122.0</b>	<b>108.5</b>	<b>100.2</b>	<b>93.8</b>	<b>69.9</b>	<b>62.1</b>	<b>49.5</b>	<b>36.5</b>
<b>Fragile countries, including Zimbabwe</b>	<b>104.4</b>	<b>97.1</b>	<b>97.0</b>	<b>88.7</b>	<b>66.9</b>	<b>57.9</b>	...	...
Burundi	145.9	224.0	207.3	182.0	164.5	153.6	162.1	29.9
Central African Republic	83.1	93.9	88.4	86.1	73.5	56.6	47.1	42.8
Comoros	99.1	90.5	81.6	67.7	72.5	60.3	49.8	44.7
Congo, Dem. Rep. of	250.2	184.7	163.8	153.1	59.5	50.1	39.5	32.9
Côte d'Ivoire	72.0	66.0	61.8	55.4	59.2	59.3	46.0	35.6
Eritrea	38.5	62.3	54.0	65.7	60.9	64.6	59.2	56.9
Gambia, The	112.3	145.5	133.8	121.8	116.0	36.2	33.4	35.4
Guinea	96.7	97.4	87.8	107.6	111.8	77.6	68.7	30.0
Guinea-Bissau	381.5	386.9	378.7	332.0	322.5	284.4	235.3	223.5
Liberia	...	1084.2	988.6	876.8	822.8	643.2	514.3	435.1
São Tomé and Príncipe	377.2	325.4	302.9	282.8	261.2	105.7	70.0	65.5
Sierra Leone	172.7	160.9	165.9	117.6	8.3	7.1	5.9	5.1
Togo	91.9	103.3	96.6	81.9	82.8	85.8	63.3	60.2
Zimbabwe	33.8	33.7	76.8	55.1	44.4	20.1	...	...
<b>Sub-Saharan Africa</b>	<b>45.3</b>	<b>37.0</b>	<b>31.1</b>	<b>22.3</b>	<b>12.5</b>	<b>10.5</b>	<b>8.8</b>	<b>8.1</b>
Sub-Saharan Africa, including Zimbabwe	45.1	36.9	31.5	22.6	12.7	10.6	...	...
Sub-Saharan Africa, excluding Nigeria and South Africa	77.9	64.6	56.8	44.1	26.8	21.4	16.8	15.4
<b>Oil-importing countries</b>	<b>39.3</b>	<b>32.5</b>	<b>27.0</b>	<b>22.6</b>	<b>14.9</b>	<b>12.6</b>	<b>11.8</b>	<b>10.9</b>
Oil-importing countries, excluding South Africa	79.3	67.4	60.7	50.4	31.4	25.6	22.4	20.4
CFA franc zone	76.0	61.6	55.3	42.5	29.9	28.8	21.2	19.1
WAEMU	75.9	61.3	56.5	50.7	37.5	37.2	30.9	28.1
CEMAC	76.7	61.9	54.0	34.5	22.8	21.0	13.1	12.0
EAC-5	55.9	49.2	46.6	39.7	33.9	24.6	21.4	19.2
SADC	27.7	20.4	16.0	13.8	7.9	6.5	5.8	5.6
SACU	4.3	3.7	2.9	2.5	2.4	2.2	2.1	2.0
COMESA	78.7	67.0	57.4	43.5	22.4	14.4	11.5	10.9
<b>Resource-intensive countries</b>	<b>68.5</b>	<b>52.4</b>	<b>44.2</b>	<b>25.5</b>	<b>11.8</b>	<b>10.5</b>	<b>7.3</b>	<b>6.0</b>
Oil	67.4	49.5	41.7	21.6	8.0	6.8	4.5	4.2
Non-oil resource-intensive countries	72.6	61.4	53.1	42.1	29.9	29.3	23.5	17.0
<b>Non-resource-intensive countries</b>	<b>35.0</b>	<b>28.7</b>	<b>23.8</b>	<b>20.3</b>	<b>13.0</b>	<b>10.5</b>	<b>10.2</b>	<b>10.1</b>
Coastal non-resource-intensive countries	23.2	18.6	14.8	12.6	8.8	8.1	8.0	7.9
Landlocked non-resource-intensive countries	97.3	86.5	78.7	66.1	36.8	23.2	20.6	19.4
MDRI	85.1	71.3	63.9	50.3	23.7	17.1	16.2	17.1
Fixed exchange rate regime	63.8	52.1	46.7	36.4	26.2	25.5	19.4	17.7
Floating exchange rate regime	40.7	33.1	27.2	19.0	9.5	7.2	6.4	6.0

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

## REGIONAL ECONOMIC OUTLOOK: SUB-SAHARAN AFRICA

**Table SA24. Terms of Trade**  
*(Index, 2000 = 100)*

	1997-2002	2003	2004	2005	2006	2007	2008	2009
<b>Oil-exporting countries</b>	<b>77.5</b>	<b>92.7</b>	<b>107.2</b>	<b>141.9</b>	<b>165.4</b>	<b>178.6</b>	<b>246.8</b>	<b>231.6</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>79.3</b>	<b>94.8</b>	<b>102.7</b>	<b>127.6</b>	<b>146.0</b>	<b>146.1</b>	<b>194.5</b>	<b>185.1</b>
Angola	70.7	80.8	97.6	126.4	152.2	153.5	219.1	206.6
Cameroon	92.0	102.1	99.9	122.1	137.1	122.3	146.9	128.1
Chad	96.6	100.8	83.1	95.3	80.5	86.7	107.0	87.3
Congo, Rep. of	79.2	107.0	119.6	125.5	143.0	147.7	180.7	200.9
Equatorial Guinea	67.8	92.3	103.0	137.2	159.4	165.5	212.4	215.3
Gabon	77.8	98.4	106.7	129.1	140.3	147.1	171.5	164.4
Nigeria	76.7	91.3	109.9	151.6	178.9	203.3	289.1	268.6
<b>Middle-income countries</b>	<b>103.5</b>	<b>102.9</b>	<b>103.7</b>	<b>105.2</b>	<b>109.4</b>	<b>113.8</b>	<b>116.4</b>	<b>116.8</b>
<b>Middle-income countries, excluding South Africa</b>	<b>100.0</b>	<b>98.6</b>	<b>99.9</b>	<b>107.0</b>	<b>108.2</b>	<b>111.3</b>	<b>107.4</b>	<b>107.1</b>
Botswana	99.7	89.5	91.8	104.8	105.0	104.8	91.8	92.2
Cape Verde	92.4	96.3	105.3	125.2	127.4	122.5	140.2	145.6
Lesotho	99.9	115.0	118.2	121.1	127.5	135.8	148.5	160.6
Mauritius	106.4	102.1	99.4	94.2	90.1	89.9	83.9	83.7
Namibia	93.3	96.6	95.7	104.3	109.1	120.6	120.5	115.6
Seychelles	123.2	150.0	133.3	107.3	109.1	100.4	111.1	109.0
South Africa	104.0	103.5	104.3	105.1	109.6	114.2	117.6	118.1
Swaziland	98.6	98.5	109.6	119.2	125.3	135.5	156.4	155.3
<b>Low-income countries</b>	<b>105.6</b>	<b>95.5</b>	<b>93.2</b>	<b>87.8</b>	<b>97.4</b>	<b>102.7</b>	<b>97.0</b>	<b>95.8</b>
Benin	142.0	86.9	91.7	80.7	85.6	81.5	70.5	74.4
Burkina Faso	127.4	118.6	102.3	75.5	84.7	83.5	80.1	80.5
Ethiopia	127.9	81.6	71.9	76.7	82.7	81.6	85.3	79.9
Ghana	117.9	127.2	107.9	100.5	105.2	116.9	122.2	118.2
Kenya	102.0	84.0	78.2	72.6	70.4	65.3	60.1	59.2
Madagascar	103.6	114.0	94.7	59.4	55.1	55.1	47.2	48.3
Malawi	128.0	247.2	382.4	332.2	323.7	330.0	296.8	287.5
Mali	111.6	96.5	96.6	86.3	102.6	107.3	110.1	110.5
Mozambique	98.2	92.0	100.6	106.1	135.1	140.9	121.9	117.8
Niger	108.6	111.0	112.7	120.6	123.9	148.3	161.3	167.6
Rwanda	107.9	84.4	97.5	107.9	112.5	128.0	120.6	111.5
Senegal	99.5	100.6	98.0	96.3	106.6	99.0	107.3	108.1
Tanzania	86.5	65.3	60.0	53.9	47.1	51.3	50.3	54.0
Uganda	110.3	75.5	72.0	50.6	71.7	107.0	79.6	73.7
Zambia	105.6	98.1	127.8	140.8	215.5	232.5	228.6	215.1
<b>Fragile countries</b>	<b>112.3</b>	<b>123.7</b>	<b>108.4</b>	<b>105.9</b>	<b>113.2</b>	<b>123.9</b>	<b>122.7</b>	<b>120.1</b>
<b>Fragile countries, including Zimbabwe</b>	<b>109.8</b>	<b>118.1</b>	<b>104.0</b>	<b>101.0</b>	<b>106.5</b>	<b>116.0</b>	...	...
Burundi	103.6	78.4	100.4	111.4	105.9	86.6	79.4	80.0
Central African Republic	96.5	85.0	70.7	74.3	72.0	70.2	66.8	71.1
Comoros	93.7	303.1	190.1	100.2	82.1	61.2	47.2	62.4
Congo, Dem. Rep. of	105.0	124.4	133.1	153.1	173.2	227.7	230.9	214.1
Cote d'Ivoire	123.9	135.5	104.5	96.0	103.6	111.4	114.3	111.6
Eritrea	102.0	83.4	61.9	73.3	71.7	77.1	56.3	73.6
Gambia, The	98.7	118.9	140.6	96.9	111.8	89.6	72.2	68.3
Guinea	108.1	98.3	87.5	81.7	90.0	82.7	71.0	71.5
Guinea-Bissau	86.9	74.4	69.6	74.6	56.8	52.8	47.7	50.5
Liberia	...	...	...	...	...	...	...	...
São Tomé and Príncipe	61.8	69.5	51.9	54.6	42.9	45.3	48.6	45.0
Sierra Leone	113.4	100.4	95.7	90.8	85.0	84.5	69.4	69.8
Togo	105.0	121.4	104.9	97.8	96.6	102.2	107.7	112.7
Zimbabwe	100.7	94.6	85.9	80.0	76.4	78.4	...	...
<b>Sub-Saharan Africa</b>	<b>95.5</b>	<b>100.2</b>	<b>103.7</b>	<b>113.4</b>	<b>124.6</b>	<b>132.1</b>	<b>152.1</b>	<b>147.8</b>
Sub-Saharan Africa, including Zimbabwe	95.6	100.1	103.5	113.1	124.1	131.5	...	...
Sub-Saharan Africa, excluding Nigeria and South Africa	97.9	100.3	99.7	104.8	115.9	120.4	132.5	129.0
<b>Oil-importing countries</b>	<b>104.8</b>	<b>102.7</b>	<b>101.5</b>	<b>100.6</b>	<b>106.9</b>	<b>112.1</b>	<b>111.4</b>	<b>111.0</b>
Oil-importing countries, excluding South Africa	106.0	101.6	97.7	94.8	103.0	109.0	104.1	102.8
CFA franc zone	97.5	110.2	104.7	113.4	124.1	125.5	139.0	137.2
WAEMU	115.8	117.9	105.6	101.5	111.8	115.3	112.5	114.5
CEMAC	83.7	100.6	101.7	122.4	133.2	132.2	160.5	154.6
EAC-5	97.2	76.5	72.5	64.3	66.5	72.7	65.6	65.2
SADC	100.3	101.5	104.3	107.7	115.4	120.5	131.3	130.0
SACU	103.4	102.8	103.7	105.3	109.8	114.3	117.1	117.5
COMESA	98.3	97.9	102.8	108.1	123.7	130.4	149.0	142.0
<b>Resource-intensive countries</b>	<b>83.2</b>	<b>97.6</b>	<b>108.3</b>	<b>137.2</b>	<b>159.6</b>	<b>171.5</b>	<b>226.7</b>	<b>213.9</b>
Oil	77.5	92.7	107.2	141.9	165.4	178.6	246.8	231.6
Non-oil resource-intensive countries	109.1	111.8	105.9	108.8	125.2	131.4	126.9	123.6
<b>Non-resource-intensive countries</b>	<b>104.3</b>	<b>101.3</b>	<b>100.6</b>	<b>99.3</b>	<b>104.4</b>	<b>109.5</b>	<b>109.3</b>	<b>109.1</b>
Coastal non-resource-intensive countries	103.1	100.5	99.6	98.1	101.5	104.6	105.6	106.2
Landlocked non-resource-intensive countries	112.3	105.6	106.3	105.9	121.5	139.2	130.9	126.7
MDRI	103.0	98.3	96.6	95.1	107.7	113.6	111.4	108.6
Fixed exchange rate regime	97.5	108.2	104.3	113.2	122.3	124.2	134.7	133.4
Floating exchange rate regime	95.1	98.2	103.3	113.3	124.9	133.6	155.9	150.9

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

**Table SA25. Reserves**
*(Months of imports of goods and services)*

	1997-2002	2003	2004	2005	2006	2007	2008	2009
<b>Oil-exporting countries</b>	<b>3.8</b>	<b>2.3</b>	<b>4.8</b>	<b>6.6</b>	<b>9.3</b>	<b>9.1</b>	<b>10.7</b>	<b>11.9</b>
<b>Oil-exporting countries, excluding Nigeria</b>	<b>1.0</b>	<b>1.2</b>	<b>1.9</b>	<b>3.0</b>	<b>5.7</b>	<b>5.5</b>	<b>7.0</b>	<b>9.6</b>
Angola	1.2	0.9	1.6	2.5	6.0	5.7	7.4	9.8
Cameroon	0.9	2.4	2.5	2.6	4.2	5.6	5.7	5.8
Chad	2.4	1.3	1.0	1.0	2.3	3.2	3.8	7.0
Congo, Rep. of	0.7	0.2	0.7	2.8	5.0	4.0	9.1	17.2
Equatorial Guinea	0.3	1.3	3.9	7.0	11.6	10.9	9.2	7.8
Gabon	0.7	1.3	2.3	3.3	4.4	3.3	3.8	7.1
Nigeria	6.3	3.1	7.5	9.8	12.5	12.5	14.4	13.9
<b>Middle-income countries</b>	<b>3.9</b>	<b>3.3</b>	<b>3.6</b>	<b>4.0</b>	<b>4.1</b>	<b>4.5</b>	<b>4.2</b>	<b>4.4</b>
<b>Middle-income countries, excluding South Africa</b>	<b>9.7</b>	<b>8.5</b>	<b>7.3</b>	<b>7.0</b>	<b>8.2</b>	<b>8.8</b>	<b>8.7</b>	<b>9.2</b>
Botswana	30.7	23.0	18.5	21.1	27.7	26.6	23.3	25.3
Cape Verde	1.2	2.0	2.6	3.2	3.8	4.0	3.6	3.8
Lesotho	6.7	5.2	4.3	4.4	5.4	6.5	7.1	8.2
Mauritius	3.7	6.3	5.9	4.2	3.6	3.6	4.5	4.4
Namibia	1.9	2.0	1.6	1.4	1.8	2.8	2.6	2.7
Seychelles	0.9	1.4	0.6	0.8	1.4	0.7	0.6	0.6
South Africa	2.2	1.9	2.7	3.3	3.3	3.7	3.4	3.5
Swaziland	3.0	2.2	1.9	1.3	2.0	3.5	3.6	3.4
<b>Low-income countries</b>	<b>3.6</b>	<b>5.4</b>	<b>5.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.1</b>	<b>3.4</b>	<b>3.2</b>
Benin	7.6	9.1	7.1	8.0	10.2	9.7	6.4	5.9
Burkina Faso	5.3	9.7	6.5	3.8	4.5	6.8	5.3	4.9
Ethiopia	3.4	4.9	5.7	3.1	1.8	1.8	1.2	1.6
Ghana	1.5	4.1	3.7	3.2	3.1	3.0	2.1	1.9
Kenya	3.0	4.2	3.4	3.2	3.7	4.2	3.3	3.5
Madagascar	2.9	2.8	2.9	2.8	3.1	2.8	2.3	2.6
Malawi	3.4	1.7	1.6	1.5	1.2	1.6	0.8	0.9
Mali	5.1	7.8	6.4	5.5	5.2	4.6	3.9	4.0
Mozambique	5.8	5.3	5.9	4.6	4.2	4.8	4.1	3.9
Niger	1.9	4.6	3.7	2.9	4.1	4.8	5.2	3.6
Rwanda	5.2	5.6	7.3	7.6	6.8	7.0	4.9	4.7
Senegal	3.0	5.0	5.2	3.9	4.0	3.7	3.5	3.3
Tanzania	5.2	10.1	9.3	6.4	5.8	5.4	5.1	4.6
Uganda	6.9	7.8	8.4	6.9	7.8	8.5	8.5	7.2
Zambia	1.8	1.7	1.7	2.6	2.7	2.4	1.6	1.3
<b>Fragile countries</b>	<b>3.4</b>	<b>3.2</b>	<b>3.4</b>	<b>2.3</b>	<b>2.8</b>	<b>2.8</b>	<b>2.1</b>	<b>2.1</b>
<b>Fragile countries, including Zimbabwe</b>	<b>2.7</b>	<b>2.7</b>	<b>2.9</b>	<b>2.1</b>	<b>2.5</b>	<b>2.6</b>	...	...
Burundi	4.9	4.9	3.5	3.7	3.5	4.5	4.3	3.3
Central African Republic	7.0	7.8	7.2	5.8	4.7	2.3	1.1	1.2
Comoros	8.1	11.2	10.4	7.4	7.2	6.6	5.1	5.1
Congo, Dem. Rep. of	4.2	3.1	2.8	1.7	1.6	1.2	1.0	0.9
Cote d'Ivoire	3.0	3.3	3.3	2.2	2.9	3.3	2.5	2.6
Eritrea	1.4	0.5	0.9	-0.9	-1.8	-2.2	-2.3	-2.1
Gambia, The	6.0	3.6	3.6	3.8	4.7	5.5	4.8	4.5
Guinea	2.7	1.9	1.5	1.6	1.5	1.5	1.3	2.1
Guinea-Bissau	6.5	3.8	6.8	6.6	5.6	8.1	6.0	7.1
Liberia	...	0.2	0.3	0.3	0.6	0.8	0.5	0.5
São Tomé and Príncipe	3.8	5.7	4.2	5.3	4.0	5.7	7.5	6.4
Sierra Leone	3.0	2.0	4.1	4.5	4.8	5.3	3.6	3.7
Togo	2.5	2.6	4.0	1.9	3.3	3.2	2.1	2.0
Zimbabwe	0.8	0.5	0.5	0.6	0.7	0.9	...	...
<b>Sub-Saharan Africa</b>	<b>3.8</b>	<b>3.4</b>	<b>4.3</b>	<b>4.7</b>	<b>5.6</b>	<b>5.8</b>	<b>6.1</b>	<b>6.7</b>
Sub-Saharan Africa, including Zimbabwe	3.7	3.3	4.2	4.6	5.6	5.8	...	...
Sub-Saharan Africa, excluding Nigeria and South Africa	4.1	4.4	4.3	3.9	4.9	5.0	5.1	5.9
<b>Oil-importing countries</b>	<b>3.8</b>	<b>3.9</b>	<b>4.0</b>	<b>3.8</b>	<b>3.9</b>	<b>4.2</b>	<b>3.8</b>	<b>3.8</b>
Oil-importing countries, excluding South Africa	5.1	5.7	5.2	4.3	4.6	4.8	4.1	4.1
CFA franc zone	2.4	3.4	3.5	3.5	4.7	4.8	5.0	6.4
WAEMU	3.6	5.1	4.7	3.4	4.1	4.3	3.5	3.3
CEMAC	1.1	1.5	2.3	3.5	5.3	5.2	6.5	9.3
EAC-5	4.5	6.5	6.1	4.9	5.1	5.4	4.8	4.5
SADC	3.6	3.2	3.5	3.7	4.2	4.5	4.5	5.0
SACU	4.0	3.1	3.5	4.0	4.1	4.6	4.3	4.5
COMESA	2.8	3.1	3.2	2.9	4.0	4.1	4.5	5.3
<b>Resource-intensive countries</b>	<b>5.1</b>	<b>3.3</b>	<b>5.2</b>	<b>6.4</b>	<b>8.9</b>	<b>8.8</b>	<b>9.9</b>	<b>11.0</b>
Oil	3.8	2.3	4.8	6.6	9.3	9.1	10.7	11.9
Non-oil resource-intensive countries	8.7	7.0	6.2	6.0	7.2	7.6	6.4	6.8
<b>Non-resource-intensive countries</b>	<b>2.9</b>	<b>3.4</b>	<b>3.6</b>	<b>3.5</b>	<b>3.5</b>	<b>3.8</b>	<b>3.4</b>	<b>3.4</b>
Coastal non-resource-intensive countries	2.6	3.0	3.4	3.5	3.5	3.8	3.4	3.4
Landlocked non-resource-intensive countries	4.5	5.3	4.8	3.5	3.5	3.8	3.5	3.2
MDRI	3.5	5.1	4.9	4.0	4.1	4.2	3.6	3.4
Fixed exchange rate regime	5.3	5.0	4.7	4.6	5.9	6.2	6.2	7.4
Floating exchange rate regime	3.3	2.9	4.1	4.7	5.5	5.7	6.1	6.5

Sources: IMF, African Department database, October 3, 2008; and World Economic Outlook (WEO) database, October 3, 2008.

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