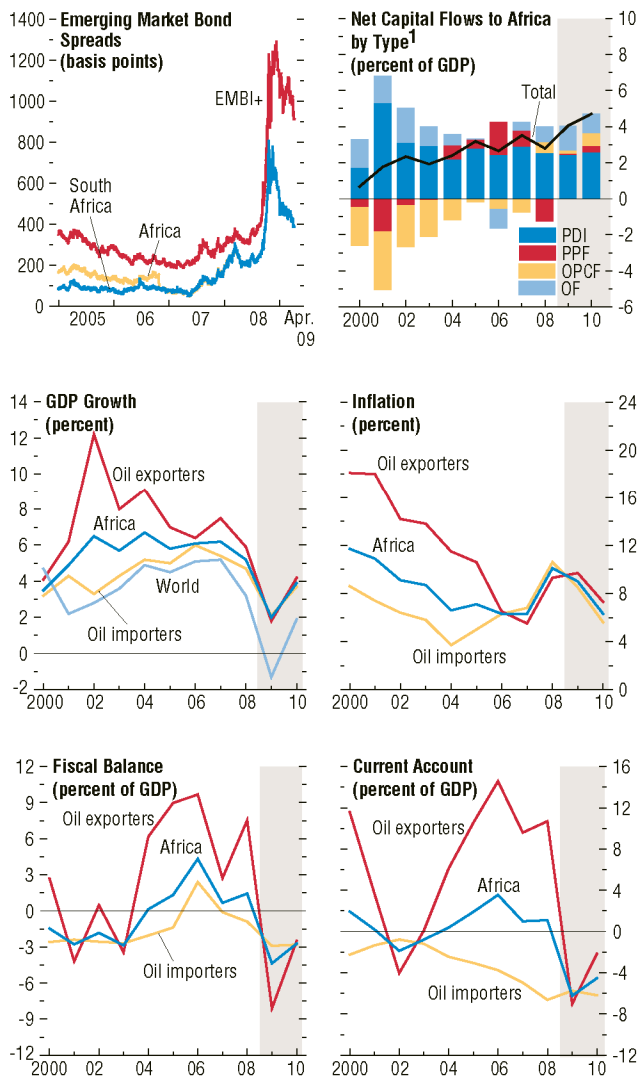


Figure 2.9. Africa: Hard-Won Gains at Risk

The global financial crisis has not spared Africa, as external demand and commodity prices have plummeted and global credit conditions have tightened, thereby raising the cost of external borrowing and reducing capital inflows to the continent. As a result, growth and inflation are expected to slow considerably. Fiscal and external balances are set to deteriorate sharply, mainly for commodity exporters.



Sources: Bloomberg Financial Markets; and IMF staff calculations.
¹PDI: private direct investment; PPF: private portfolio flows; OPCF: other private capital flows; OF: official flows.