

2024 ECONOMIC REVIEW: SUB-SAHARAN AFRICA (SSA)

■ 2024 SUB-SAHARAN AFRICA SNAPSHOT

	GDP		INFLATION (%)		INTEREST RATES (%)		GROSS DEBT POSITION (% OF GDP)		UNEMPLOYMENT RATE (%)	
	Q1 2024	Q3 2024	JAN 2024	NOV 2024	Q1 2024	Q4 2024	2023	2024F	Q1 2024	Q4 2024
ANGOLA	4.60	4.10	21.99	29.17	19.00	19.50	73.68	59.28	32.40	32.30
CAMEROON	3.20	N/A	5.20	4.40	5.00	5.00	43.15	40.34	3.70	3.70
COTE D'IVOIRE	6.30	6.50	3.10	2.60	5.50	5.50	58.07	59.28	2.60	2.60
GHANA	4.80	6.90	23.50	22.10	29.00	27.00	82.94	82.51	3.60	3.60
KENYA	5.00	4.60	6.90	2.80	12.50	12.00	73.11	69.87	5.70	5.70
NIGERIA	2.98	3.46	29.90	33.88	18.75	27.50	46.41	51.27	5.30	4.30
SENEGAL	2.30	3.90	2.10	-0.20	5.50	5.50	81.20	84.34	23.20	21.60
SOUTH AFRICA	0.05	0.30	5.30	2.80	8.25	7.75	73.36	74.98	32.90	32.10
RWANDA	9.70	9.80	3.10	0.50	7.50	6.50	64.47	71.36	12.90	15.30
UGANDA	6.70	6.60	2.80	2.90	10.00	9.75	51.03	51.38	2.90	2.90

GDP Growth: Sub-Saharan Africa witnessed a mixed growth with Rwanda, Ghana, Uganda and Cote d'Ivoire showing robust growth, while South Africa experienced a slight contraction. Most other countries showed moderate growth.

Inflation: Inflation remained elevated across most SSA countries, with Nigeria, Ghana, and Angola having the highest inflationary pressure. Cote d'Ivoire, Rwanda, and Uganda stood out with lower inflation rates.

Interest Rates: Central banks tightened monetary policy rates as inflationary pressure became stubborn across the board. Nigeria, Ghana, and Angola recorded the highest interest rates in 2024.

Gross Debt Position: Debt levels continue to rise in most SSA countries, with Senegal, Ghana, South Africa, and Rwanda having the highest debt levels.

Unemployment Rate: Unemployment rates were relatively stable across most SSA countries, with a few exceptions like Rwanda seeing a notable increase.

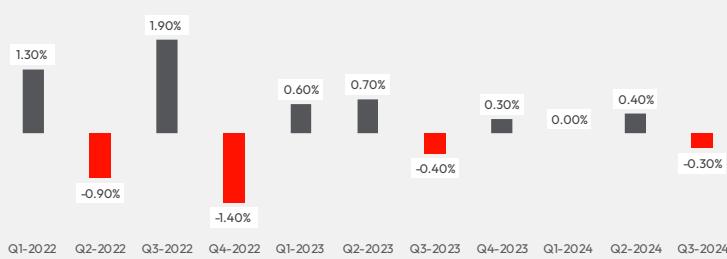
Overall: SSA faces persistent inflation, rising interest rates, and ongoing geopolitical uncertainty. Some countries showed signs of resilience and others struggled with economic headwinds.



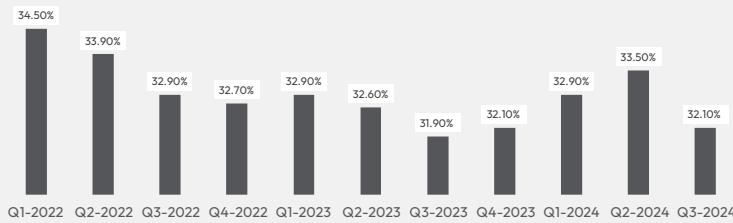
SOUTH AFRICA

■ SOUTH AFRICA: UNEVEN GROWTH SINCE AFTER COVID

South Africa's post-pandemic output has been uneven, but showed prospect of rebounding to 1.10% in 2024



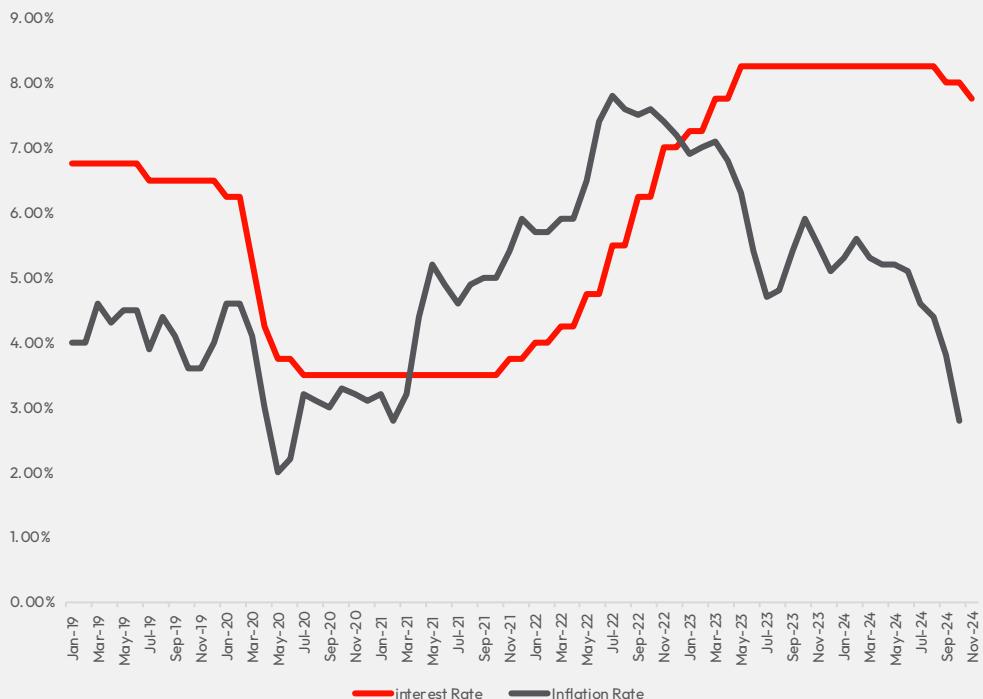
Unemployment Rate



- South Africa's post-pandemic recovery has been uneven. While Q2-2024 saw a 0.40% GDP expansion due to increased consumer spending and reduced load shedding, Q1 and Q3-2024 experienced contractions of 0.10% and 0.30%, respectively.
- The economy remains vulnerable to domestic challenges and global uncertainties, with sectors like manufacturing, mining, construction, agriculture, transport, trade, and government services experiencing fluctuations.
- Despite the -0.30% contraction in Q3-2024, the IMF projected a 1.10% growth rate for the economy in 2024 compared to 0.70% recorded in 2023. This is due to the continued efforts to address load shedding and stabilize electricity supply which may boost productivity in key sectors.
- Meanwhile, unemployment rate in the 1st and 2nd quarters of 2024 showed upward trend of 32.90% and 33.50% respectively from the 32.10% in Q4-2023. However, Q3-2024's saw unemployment rate reversed to 32.10% majorly driven by increased business confidence and hopes for economic reforms under the new coalition government.
- The IMF projected unemployment to settle at 33.70% in 2024, 60bps lower than 33.10% in 2023.

■ SOUTH AFRICA: INFLATIONARY PRESSURE EASED AS RAND STABILIZED

South Africa's inflationary pressure continued to cool and is projected to decline further averaging 4.70% at the end of 2024



- South Africa's inflation rate continued to ease, declining from a high of 5.6% in February 2024 to 2.8% in October 2024, with an average of 4.73% over the first ten months.
- South Africa's inflation is on track expected to drop lower than the African Development Bank (AfDB)'s projected 4.80% for 2024.
- The moderation in inflationary pressure was largely due to a relatively stable rand against major currencies, bolstered by favorable trade balances and inflows from key sectors, which helped lower import costs, particularly for

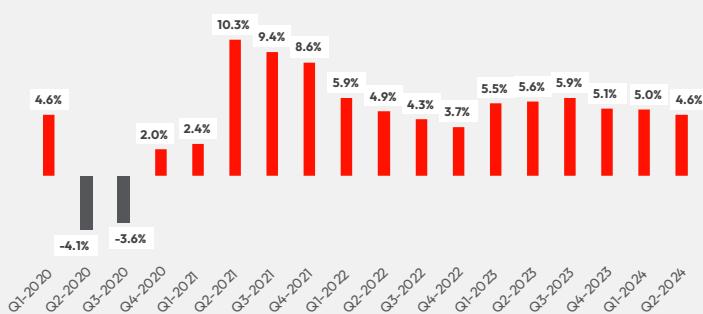
essential goods and commodities. This stability mitigated imported inflation, a significant factor in an import-reliant economy.

- At the same time, the IMF has projected that inflation in South Africa will average 4.70% in 2024 compared to 5.90% in 2023.
- Subsequently, The South African Reserve Bank (SARB) slashed its key interest rate by 25bps to 7.75% in Nov-2024, bringing borrowing costs to their lowest level since Apr-2023. This marks the SARB's second policy easing since the pandemic in 2020, as price pressures cooled.

KENYA

■ KENYA: POLITICAL UNREST AND INSECURITY DAMPENED ECONOMIC GROWTH

Political unrest, insecurity, dampened investors confidence slowed output especially in tourism and manufacturing sectors



Average annual inflation continued to trend downwards within CBK's target of 2.50% - 7.50%

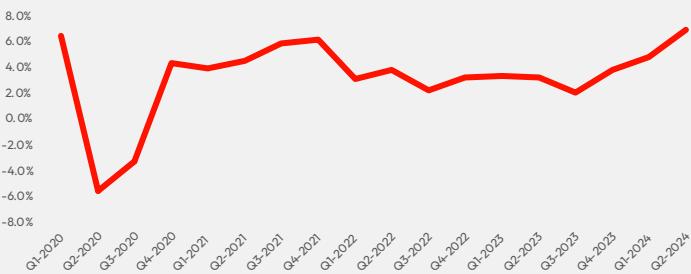


- Kenya's GDP marginally declined by 10bps to 5.00% in Q1-2024, down from 5.10% in Q4-2023, and further dropped to 4.60% in Q2-2024.
- Kenya faced political unrest and insecurity, mainly in urban areas, reducing investor confidence and slowing economic activities, especially in tourism and manufacturing. Also, geopolitical tensions, negatively impacted Kenya's export sectors and foreign investment. Hence, IMF projected that Kenya's GDP will stabilize at 5.00% in 2024.
- Meanwhile, the country's annual average inflation has declined from 7.50% in January 2024 to 5.14% in October 2024. This places the country within the Central Bank of Kenya's target range of 2.50% to 7.50%, indicating effective management of price stability. IMF projected 2024 inflation at 5.10%.
- The decline in inflation was driven by increased agricultural output, stabilizing food prices, prudent monetary policies by the Central Bank of Kenya (CBK), a stronger Kenyan shilling that lowered import costs, and government efforts to improve supply chains and market efficiency.
- With easing inflation reaching the lower end of the CBK's target range (2.50% to 7.50%) and a stronger Kenyan shilling, the CBK reduced its interest rate twice in 2024 to support private sector lending. In August, the rate was lowered by 25bps to 12.75%, followed by a 75bps cut to 12.00%, facilitating easier borrowing to stimulate economic growth.
- The IMF forecasted Kenya's annual average inflation at 5.10, 260bps lower than 7.70% in 2023.

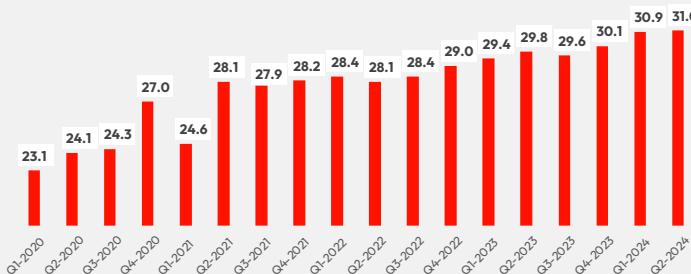
GHANA

■ GHANA: GROWTH INCHED UPWARDS AS COMMODITY PRICES IMPROVED

Ghana's GDP shows upward trend in 2024 buoyed by a successful debt restructuring and a rise in gold and cocoa export prices



Ghana's public debt (\$'mn) on a northward trajectory with estimated 82.52% debt to GDP ratio



- Ghana's GDP surged to 6.90% in Q2-2024, its highest quarterly growth in five years, compared to 4.70% and 3.80% in Q1-2024 and Q4-2023, respectively.

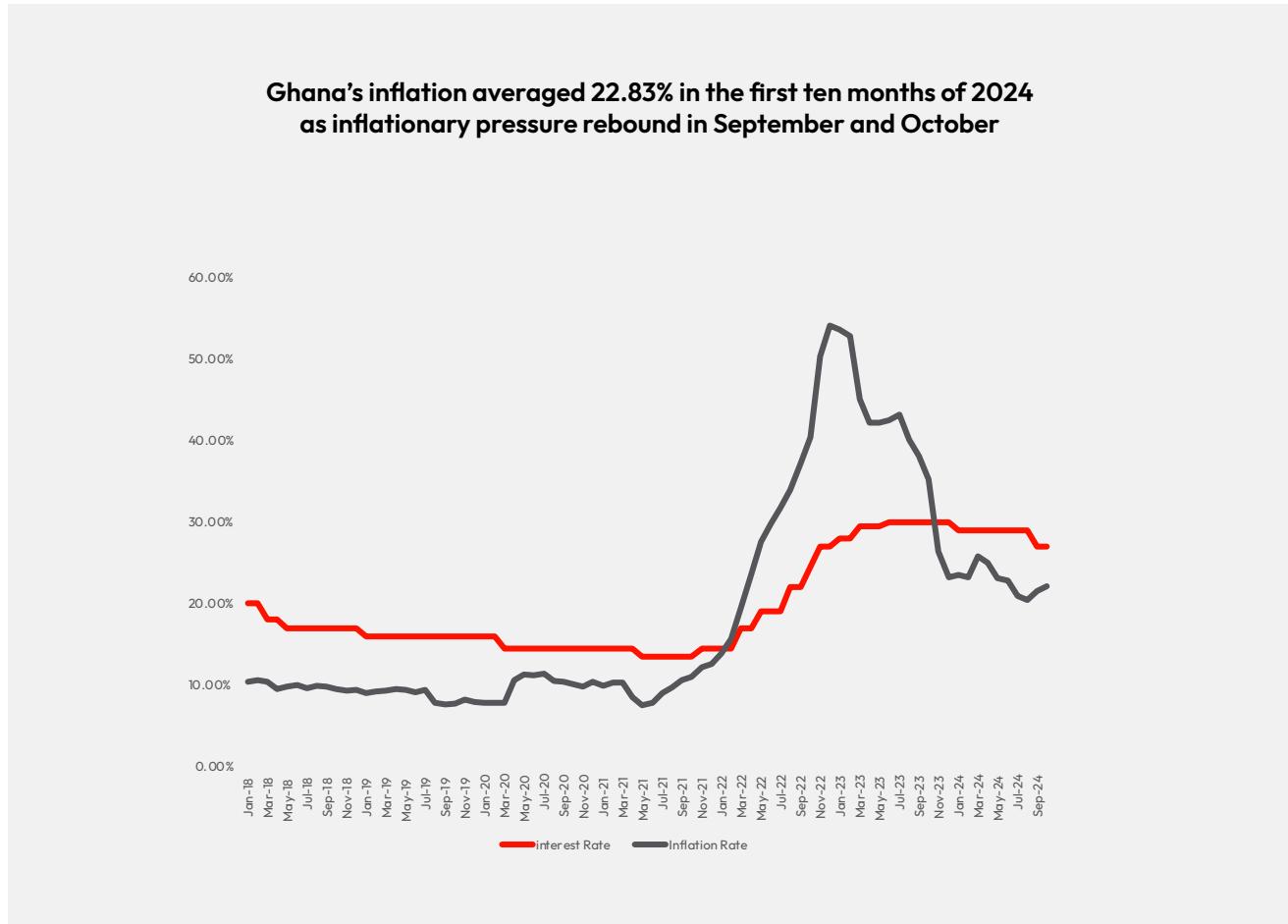
- Economic output was driven by successful debt restructuring, which reduced the debt burden and created fiscal space for investment. Adherence to the IMF program stabilized the economy and boosted investor confidence. Rising gold and cocoa prices increased export earnings, while growth across services, industry, and agriculture further fueled GDP expansion.

- Nevertheless, currency volatility has been a major challenge, with the Ghanaian cedi depreciating due to high import dependence and external debt. The central bank has intervened in forex markets and built reserves through export-focused policies and IMF support to stabilize the cedi.

- The IMF projects Ghana's GDP growth to increase by 20bps to 3.10% in 2024, compared to 2.90% in 2023.

- Ghana's fiscal health shows a continued rise in debt, with debt estimated at 82.52% of GDP. As of Q2-2024, the country's debt reached a peak of \$31.0 billion, up from \$29.8 billion in the same period last year.

■ GHANA: INFLATIONARY PRESSURE EASED IN A GREATER PART OF 2024



- Ghana's inflation trended downward in 2024, averaging 22.83% in the first ten months. However, inflationary pressures rebounded in September (21.50%) and October (22.10%) after marginal declines in the preceding months.
- Initial improvements in food production and monetary tightening slowed inflation. However, the rebound in inflationary pressure was driven by seasonal price increases in food and energy, currency volatility raising import costs, supply chain disruptions, and increased government spending on debt management and economic support, which contributed to higher inflation.
- Despite recent inflationary pressures, the IMF projects Ghana's inflation at 19.50% in 2024, down from 39.20% in 2023.
- In response to inflationary trend, Ghana's Central Bank slashed its interest rate by 200bps from 29.00% to 27.00%, marking the first rate cut since Jan-2024. This was the most significant reduction since March 2018. The decision comes as inflation slows and expectations build for the disinflation trend to continue.



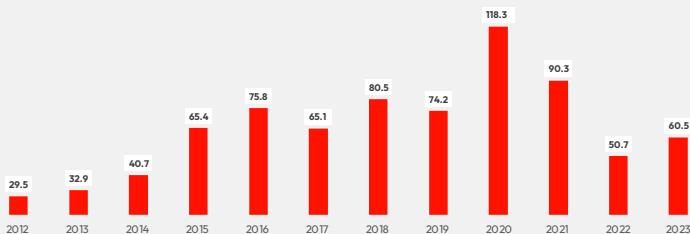
ANGOLA

■ ANGOLA: GROWTH MODERATED AS GLOBAL PRICES FLUCTUATE

Angola's GDP growth rate moderated from 4.10% to 2.40% in Q2-2024 due to vulnerability to global price fluctuations

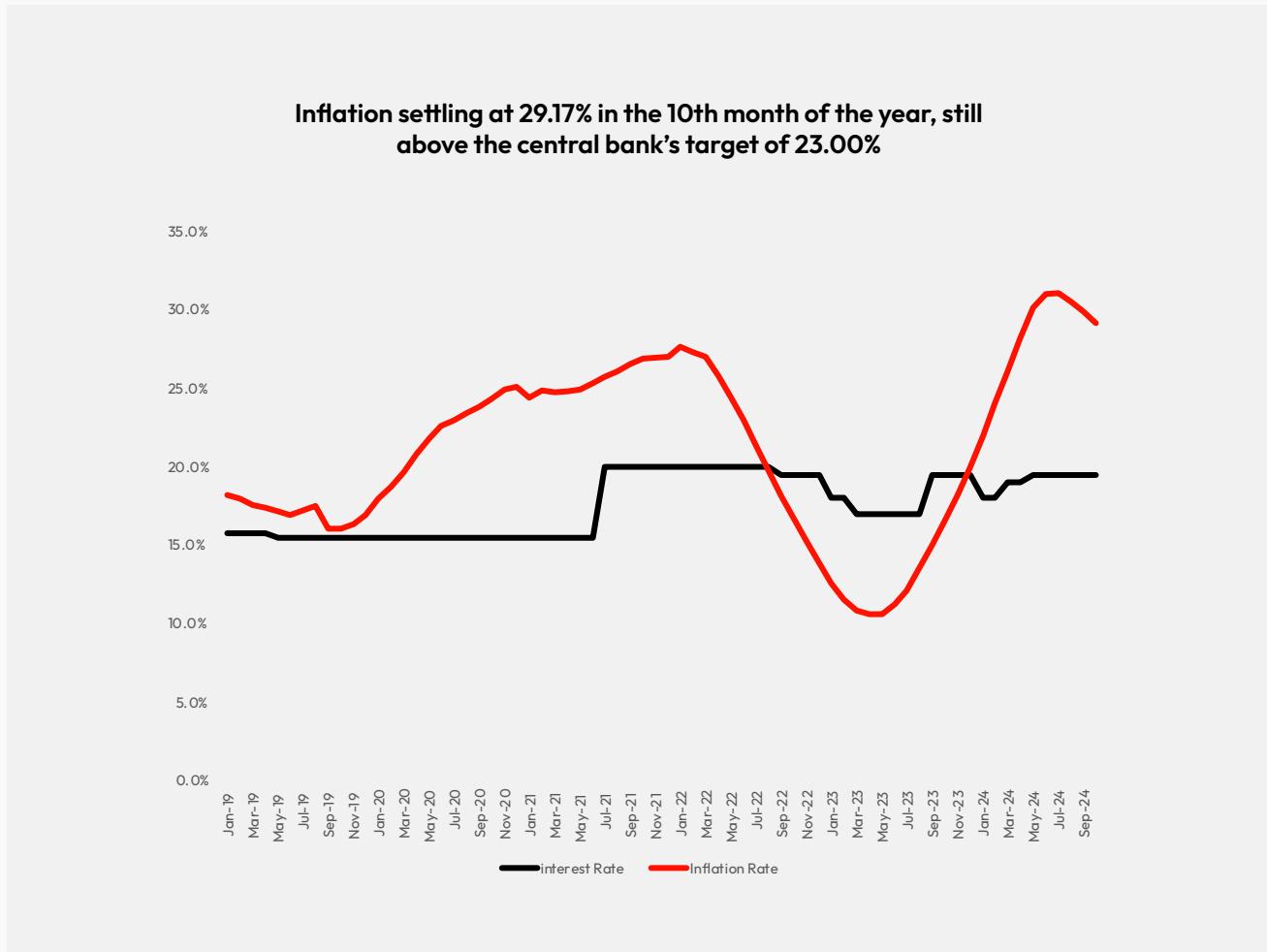


Angola's fiscal reforms have impacted debts levels though still high with a projected debt to GDP ratio of 69.00%



- Angola's economy grew by 4.60% y/y in Q1-2024, the fastest since Q1-2015, doubling Q4-2023's revised 2.00% growth. This surge was driven by a 15.00% increase in oil production in March and over 5.00% growth for the quarter. In Q2-2024, growth slowed to 4.10% y/y but marked the 14th consecutive quarter of expansion, with oil sector gains moderating from Q1 highs.
- The IMF projects Angola's growth to moderate to 2.40% in 2024, due to heavy reliance on oil, vulnerability to global price fluctuations, and limited economic diversification. Additionally, slower global growth could reduce demand for Angolan exports, impacting the country's overall economic performance.
- Angola has implemented fiscal reforms to reduce its deficit and improve efficiency. These include tax reforms, state-owned enterprise (SOE) modernization, and public sector streamlining. However, challenges persist due to oil dependency, external shocks, and a significant debt burden of around \$40.00 billion, with a projected 69.00% debt-to-GDP ratio in 2024. This debt, coupled with high-interest payments, continues to constrain fiscal policy.

■ ANGOLA: INFLATION REMAINS ELEVATED DESPITE SIGNS OF COOLING



- Angola's annual inflation rate decreased to 29.17% in October 2024, down from September's 29.93%. However, it remains above the central bank's target of 23.00%. High inflation is driven by rising food, education, and transport costs, exacerbated by the depreciating Kwanza. The currency's weakness stems from low foreign reserves and import dependency. Despite tighter monetary policy, inflation remains stubborn due to supply-side constraints.
- The IMF projects Angola's inflation to stabilize at 28.40% in 2024, up from 13.60% in 2023, driven by Kwanza depreciation, rising import costs, and supply-side bottlenecks like infrastructure and logistical challenges.
- In response to high inflation rate, the National Bank of Angola (BNA) raised its benchmark interest rate twice in 2024 to curb inflation, increasing it by 100bps to 19.00% in March and by 50bps to 19.50% in May. However, it held the rate steady at 19.50% later in October. This high rates have restricted affordable credit, particularly for SMEs, and slowed investment in non-oil sectors.



SENEGAL

■ SENEGAL: OIL AND GAS PRODUCTION SPURRED GROWTH

Senegal GDP estimated at 6.00% in 2024 due to commencement of oil and gas production



Government Debt to GDP increased to 83.00% above WAEMU's 70.00% threshold



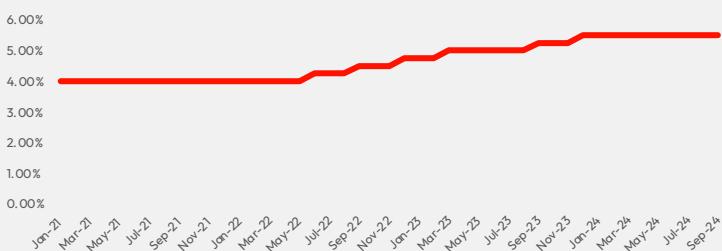
- Senegal's economy grew by 3.90% y/y in Q2-2024 following a 2.30% growth in Q1-2024. This was driven by increased capital formation, consumption, and exports.
- The IMF projects Senegal's economy to grow by 6.00% in 2024, driven by the anticipated commencement of oil and gas production from the Grand Tortue Ahmeiyim (GTA) and Sangomar fields, boosting the energy sector, attracting investment, and increasing government revenues.
- Additionally, government efforts in infrastructure upgrades, renewable energy expansion, business environment reforms, fiscal management, and private sector growth, as outlined in the Plan for an Emerging Senegal (PSE), will contribute to its growth.
- Senegal's debt-to-GDP ratio has increased to 83.00%, surpassing the West African Economic and Monetary Union (WAEMU)'s threshold of 70.00%. This rise is attributed to ambitious infrastructure projects under the Plan Sénégal Émergent (PSE). While this poses a concern, the government aims to reduce debt while stabilizing the economy.

■ SENEGAL: DISINFLATIONARY TREND EMERGED AT THE LATER PART OF 2024

Senegal's inflationary pressure has consistently declined with disinflation occurring from July to Oct-2024



Despite the deflationary environment since Jul-2024, Policymakers have retained interest rates at 5.50% in 2024



- Senegal's inflation increased to 2.10% in January 2024 from 0.80% in December 2023. While March 2024 saw a peak of 3.30%, inflation has consistently declined since April, with disinflation occurring from July to October.
- Senegal's 2024 inflation trend reflects base effects from prior high inflation, improved supply chain efficiency, and infrastructure under the Plan Sénégal Émergent (PSE). The April-June decline and July-October disinflation were likely driven by better agricultural output, stabilized food prices, and a stronger local currency reducing import costs.
- Nevertheless, the IMF foresee inflation settling at 1.50% in 2024, 440bps lower than the 5.90% in 2023.
- Despite the continuous decline of inflationary trend and the disinflation from July to Oct-2024, Senegal's interest rates have been retained at 5.50% since the beginning of the year.
- Senegal's high interest rate is maintained to attract foreign investment, manage fiscal deficits, and guard against potential inflationary pressures. This is particularly important given the country's membership in the WAEMU and the global economic environment.

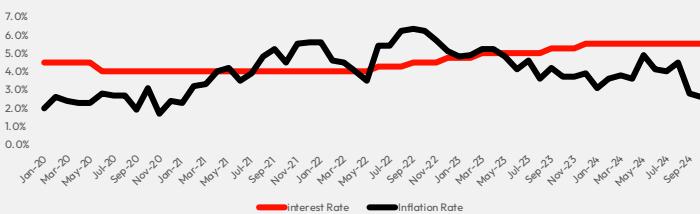
IVORY COAST

■ IVORY COAST: UPTICK IN COMMODITY PRICES BOLSTERED GROWTH IN 2024

Ivory Coast's GDP grew steadily in 2024 to settle at 6.50% y/y



Inflation has moderated to 2.60% in Oct-2024 down from 4.50% recorded earlier. However, the Central Bank maintains a tight monetary stance to curb inflation



- Ivory Coast's GDP grew steadily, rising from 5.7% in Q4-2023 to 6.3% in Q1-2024 and further to 6.5% in Q2-2024.
- The growth is driven by higher cocoa and coffee export revenues due to favorable weather and prices, infrastructure investments boosting productivity, and stronger regional trade. A favorable business climate, improved revenue collection, and prudent debt management have also attracted investments and bolstered economic stability.
- Consequently, the IMF noted that Ivory Coast's GDP growth would stabilize at 6.50% in 2024 from 6.20% in 2023, a 30bps increase.
- Inflation moderated to 2.60% in Oct-2024, down from 4.50% earlier in the year. While this is a positive trend, the country's reliance on imported goods and potential global supply chain disruptions and oil price fluctuations could still pose inflationary risks.
- Despite these, the IMF indicates that the country's inflation will stabilize at 3.80% in 2024 down 60bps from 4.40% in 2023.
- Meanwhile, interest rates have remained steady at 5.50% since Dec-2023, as policymakers maintain a tight stance to control inflation.