

Recent developments: Growth in Sub-Saharan Africa (SSA) softened markedly last year to 3.4 percent as sharp cost-of-living increases together with weak external demand and tighter global financial conditions tempered post-pandemic recoveries in many countries. Food price pressures, already significant even before the pandemic, have intensified further because of adverse weather shocks, supply disruptions worsened by Russia's invasion of Ukraine, increased fragility and insecurity, and, in some countries, large currency depreciations. Annual food price inflation exceeded 20 percent in over a quarter of all countries last year, dampening growth in real income and consumer demand, and deepening food insecurity.

A substantial deceleration in global growth and falling non-energy commodity prices have weighed on economic activity across SSA, particularly in metal exporters. Despite a recent easing of global food and energy prices, import costs remained elevated, contributing to widening current account deficits. Pandemic-induced weakness in fiscal positions lingered, with the government debt surpassing 60 percent of GDP in almost half of SSA economies last year. Debt sustainability deteriorated further in many non-oil-producing countries, leading to rising borrowing costs, capital outflows, and credit rating downgrades.

Growth in the three largest SSA economies—Angola, Nigeria, and South Africa—pulled back sharply to 2.6 percent in 2022. South Africa—the region's second largest economy—grew by only 1.9 percent as electricity shortages worsened and policy tightening accelerated to curb inflation. Policy uncertainty, flagging external demand, and disruption due to floods and strikes weighed on growth. High oil prices and stable oil production supported a 3.1 percent rebound in Angola. Meanwhile, growth in Nigeria—SSA's largest oil producer—continued to weaken as production challenges in the oil sector intensified. Annual inflation in Nigeria exceeded 21 percent last year—its highest level in 17 years, prompting more policy tightening. Food affordability for vulnerable populations deteriorated further amid disruptions to farming and sizable population displacement because of recent devastating floods.

Outlook: Growth in SSA is expected at 3.6 percent in 2023 and 3.9 percent in 2024. Compared to the June forecast, growth was revised down for almost 60 percent of countries, including downward revisions for over 70 percent of metal exporters which are expected to be affected by the further easing of global metal prices. Even as cost of living pressures are anticipated to moderate, the negative impact of persistent poverty and food insecurity on growth, amplified by other vulnerabilities, such as unfavorable weather, high debt, policy uncertainty, and violence and conflict are anticipated to keep the pace of recoveries subdued in many countries.

This growth slowdown represents a formidable challenge for economic development in SSA. Per capita incomes in SSA are expected to increase by only 1.2 percent on average in 2023-24—a much slower rate compared to what is needed to sustain progress in poverty reduction and reverse income losses suffered because of the pandemic. This year, incomes per capita in SSA are forecast to remain more than 1 percent lower than in 2019. Even by the end of 2024, per capita incomes in almost 40 percent of countries, including SSA's three largest economies, are expected to be below their pre-pandemic levels.

Risks: The outlook is subject to many downside risks. A deeper-than-anticipated slowdown of the global economy could cause sharp declines in global commodity prices dampening growth in SSA exporters of oil and industrial metals. Global financial conditions could tighten more if global inflation pressures persist longer-than-expected leading to higher borrowing costs and a higher risk of debt distress in many SSA economies. SSA food systems, already stressed by elevated costs of farming inputs and weather-induced production losses, remain particularly vulnerable to further disruptions that could lead to surging food prices and increased food insecurity. High levels of violence and conflict could escalate further if living standards continue to deteriorate. This together with increased frequency and severity of climate change induced weather shocks could further disrupt agriculture and delay large infrastructure and mining projects in some countries.

Sub-Saharan Africa Country Forecasts

(Annual percent change unless indicated otherwise)

	2020	2021	2022e	2023f	2024f
GDP at market prices (average 2010-19 US\$)					
Angola	-5.8	0.8	3.1	2.8	2.9
Benin	3.8	7.2	5.7	6.2	6.0
Botswana	-8.7	11.4	4.1	4.0	4.0
Burkina Faso	1.9	6.9	4.3	5.0	5.3
Burundi	0.3	1.8	2.1	3.0	4.0
Central African Republic	1.0	1.0	1.5	3.0	3.8
Cabo Verde	-14.8	7.0	4.0	4.8	5.7
Cameroon	0.3	3.6	3.8	4.3	4.6
Chad	-1.6	-1.2	3.1	3.3	3.3
Comoros	-0.3	2.2	1.4	3.3	3.8
Congo, Dem. Rep.	1.7	6.2	6.1	6.4	6.6
Congo, Rep.	-6.2	-2.2	1.9	3.7	4.5
Côte d'Ivoire	2.0	7.0	5.7	6.8	6.6
Equatorial Guinea	-4.9	-1.6	3.2	-2.6	-3.4
Eritrea	-0.5	2.9	2.5	2.7	2.9
Eswatini	-1.6	7.9	1.1	2.6	2.7
Ethiopia ^a	6.1	6.3	3.5	5.3	6.1
Gabon	-1.8	1.5	2.7	3.0	2.9
Gambia, The	0.6	4.3	3.5	4.0	5.5
Ghana	0.5	5.4	3.5	2.7	3.5
Guinea	4.9	3.9	4.6	5.3	5.6
Guinea-Bissau	1.5	5.0	3.5	4.5	4.5
Kenya	-0.3	7.5	5.5	5.0	5.3
Lesotho	-8.4	1.3	2.6	2.3	2.9
Liberia	-3.0	5.0	3.7	4.7	5.7
Madagascar	-7.1	4.4	2.6	4.2	4.6
Malawi	0.8	2.8	1.5	3.0	3.4
Mali	-1.2	3.1	1.8	4.0	4.0
Mauritania	-0.9	2.4	4.0	5.1	7.9
Mauritius	-14.6	3.6	5.8	5.5	4.2
Mozambique	-1.2	2.3	3.7	5.0	8.0
Namibia	-8.0	2.7	2.8	2.0	1.9
Niger	3.6	1.4	5.0	7.1	10.1
Nigeria	-1.8	3.6	3.1	2.9	2.9
Rwanda	-3.4	10.9	6.0	6.7	7.0
São Tomé and Príncipe	3.1	1.8	1.1	2.1	2.4
Senegal	1.3	6.1	4.8	8.0	10.5
Seychelles	-7.7	7.9	11.0	5.2	4.8
Sierra Leone	-2.0	4.1	3.7	3.7	4.4
South Africa	-6.3	4.9	1.9	1.4	1.8
Sudan	-3.6	-1.9	0.3	2.0	2.5
South Sudan ^a	9.5	-5.1	-2.8	-0.8	2.1
Tanzania	2.0	4.3	4.6	5.3	6.1
Togo ^b	1.8	5.3	4.8	5.6	6.4

Uganda ^a	3.0	3.5	4.7	5.5	6.1
Zambia	-3.0	3.6	3.0	3.9	4.1
Zimbabwe	-5.3	5.8	3.4	3.6	3.6

Source: World Bank.

Note: e = estimate; f = forecast. World Bank forecasts are frequently updated based on new information and changing (global) circumstances. Consequently, projections presented here may differ from those contained in other Bank documents, even if basic assessments of countries' prospects do not significantly differ at any given moment in time.

a. Fiscal-year based numbers.

b. For Togo, growth figure in 2019 is based on pre-2020 rebasing GDP estimates.