



African Export-Import Bank
Banque Africaine D'Import-Export

Transforming Africa's Trade

Monthly Developments in the African Macroeconomic Environment

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Outline of presentation

01

Global Macroeconomic Environment: Recent Developments & Outlook

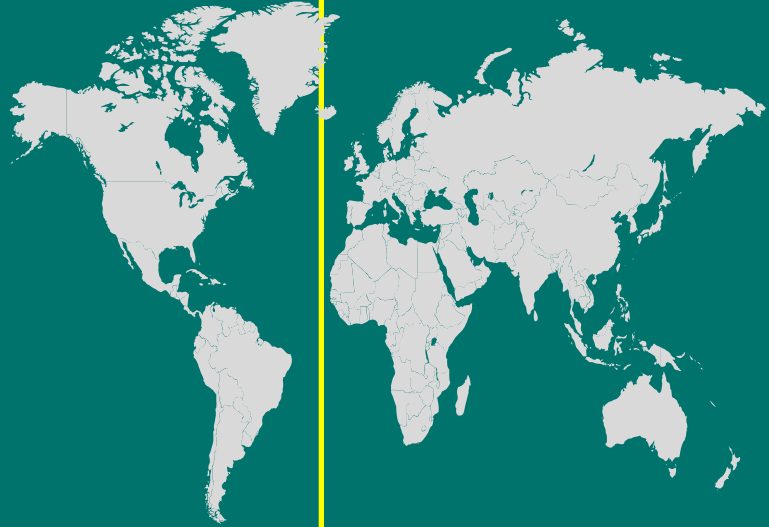
02

Recent Developments in the African Macroeconomic Environment

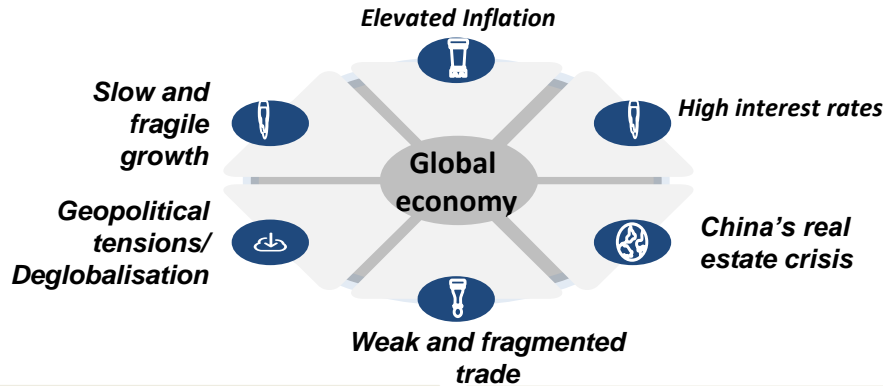
03

Conclusion

Global Macroeconomic Environment: Recent Developments & Outlook



Recent developments in the global macroeconomic space 1/2



Heghtened Geopolitical tensions

- Spates of geopolitical tensions such as the protracted Russia/Ukraine war, the more recent Israel/Palestine war, China/Taiwan conflict, and the US/China trade war taking a technological dimension dampened global growth by creating supply side disruptions and fueling market uncertainties.
- Tensions also among several African countries

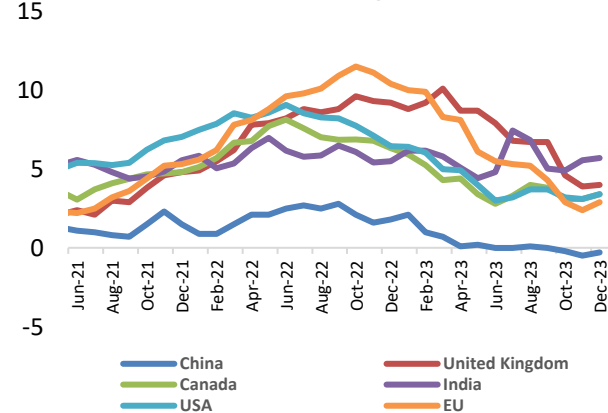
De-dollarization of Iraq's Oil Sales

- Iraq is currently proposing abandoning the sales of its crude oil exclusively in dollars in response to the effect of US sanctions and to diversify its basket. As a major player in the global oil market, this move carries both economic and political implications.

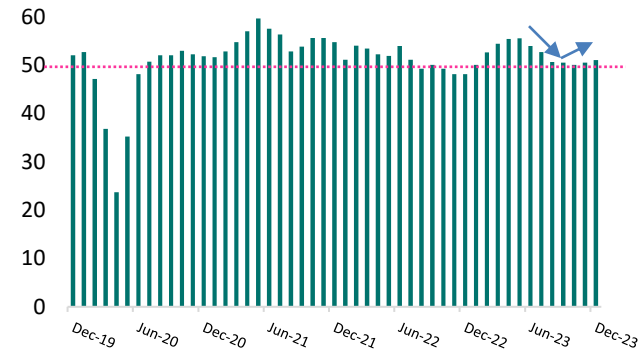
Global oil buyers are shifting to local markets in response to Red Sea Crisis

- Local oil supplies are becoming increasingly attractive to global oil buyers on the back of attacks in the **Red Sea and surging freights rates**, further polarizing an already fragmented world economy. Oil trading regions are now emerging in the Persian Gulf, Indian Ocean and East Asia on the one hand and the Atlantic Basin, North Sea and Mediterranean on the other.

Inflation is declining in major economies but pace of decline slowing



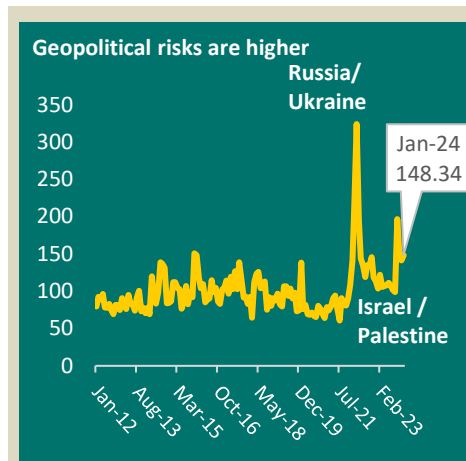
JP Morgan PMI Slowed for the most part of 2023 but recovered in Q4 2023



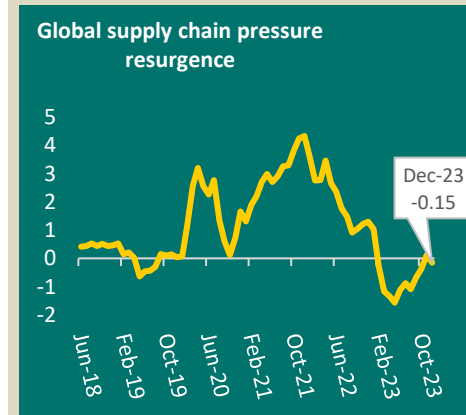
Recent developments in the global macroeconomic space 2/2



- Revised IMF outlook expects the world economy to grow by 3.1% in 2024, up from 2.9%
- The IMF's biggest upward revision was Russia & USA GDP, following Q4 better than expected results
- The U.S economy showing resilience (strong Q4 2024 results)
- The Fed and the Bank of England kept their main interest rates steady at 5.25% pa
 - Rate cuts still likely 2024 but not before Q2 2024
 - The US strong jobs report, strong GDP, falling mortgage rates and bond yields plus November elections mean the Fed will likely remain cautious in decisions
- The EU kept rates held rates at 4% but might likely cut rates earlier than USA: 3 Top 3 European economies either not growing or in contraction
- The Chinese real estate crisis continuing: Two largest sources of growth: HH consumption and Exports facing constraints

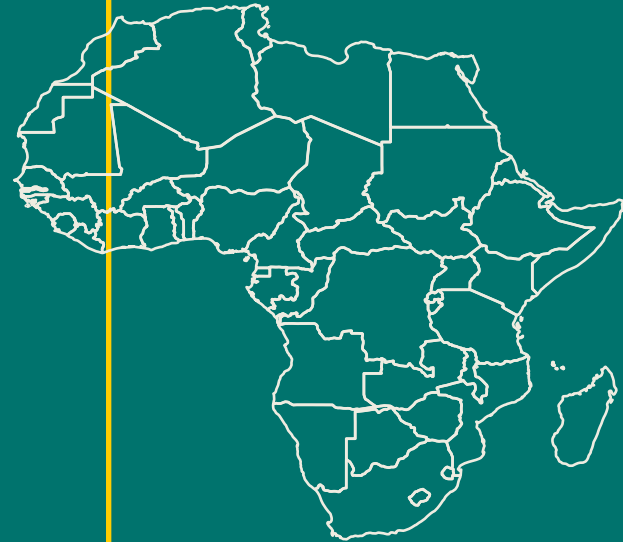


Source: Federal Reserve Board



Source: Federal Reserve Board, New York

Recent Developments in the African Macroeconomic Environment



Macroeconomic performance of African economies (1/2)

Country	GDP (%)		Inflation (%)		Foreign reserves (US\$, mn)		Interest rate (%)		External Debt (US\$, mn)	
	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest
Algeria	3.2	3.8	8.2	8.9	65,442.0	64,673.0	3.0	3.0	3,161.0	3,207.0
Angola	0.2	1.9	18.2	20.0	14,511.0	14,733.0	18.0	18.0	52,066.0	50,260.0
Benin	5.5	5.8	-0.2	0.4	1,329.7	1,755.6	5.3	5.5	8,008.1	9,362.1
Botswana	-3.5	0.9	3.9	3.5	5,035.0	4,676.0	2.4	2.4	1,426.0	1,512.1
Burkina Faso	4.0	4.6	0.5	1.0	275.6	316.6	5.3	5.5	5,195.1	5,594.3
Burundi	3.1	1.8	26.6	20.4	56.4	76.3	12.0	12.0	632.3	629.9
Cabo Verde	3.4	2.7	1.3	1.3	687.5	675.7	1.3	1.3	1,999.5	2,133.1
Cameroon	3.6	3.9	6.8	6.2	5,134.1	5,402.7	5.0	5.0	16,409.4	16,982.6
Central African Rep.	1.0	0.5	1.0	1.6	420.5	459.2	5.0	5.0	1,070.5	1,044.2
Chad	-1.2	2.4	-1.7	1.9	1,008.5	794.6	5.0	5.0	3,955.8	3,963.4
Comoros	2.2	2.6	1.8	1.1	282.7	287.2	2.9	3.1	279.1	280.7
Congo	6.2	8.5	40.4	42.5	4,733.0	4,611.0	25.0	25.0	4,249.0	4,249.0
Congo Rep.	1.5	3.2	4.7	5.0	564.5	822.8	5.0	5.0	7,176.4	7,564.1
Côte d'Ivoire	6.5	6.6	3.7	3.9	8,892.9	8,537.2	5.3	5.5	32,222.0	34,309.5
Djibouti	4.8	3.7	2.2	2.6	580.1	624.2	-	-	3,263.5	3,526.3
Egypt	2.9	2.7	34.6	33.7	35,173.0	35,220.0	19.3	19.3	165,361.0	164,728.0
Equatorial Guinea	-0.9	3.1	-1.3	5.0	1,456.7	1,540.4	5.0	5.0	1,838.5	1,868.2
Eritrea	2.5	2.3	4.5	7.5	285.2	240.4	-	-	726.8	732.5
Eswatini	3.6	3.1	4.8	5.5	506.0	469.5	3.8	3.7	831.3	864.6
Ethiopia	6.4	7.5	28.3	28.7	1,174.7	726.7	7.0	7.0	28,601.4	30,107.0
Gabon	1.5	3.0	2.7	2.7	1,411.3	1,305.0	5.0	5.0	7,844.1	7,835.7
Gambia	4.3	5.2	18.4	17.3	568.2	595.6	17.0	17.0	1,165.8	1,239.1
Ghana	0.7	0.5	26.4	23.2	5,205.0	5,094.0	30.0	30.0	28,412.0	29,185.0
Guinea	3.9	4.7	7.9	9.3	1,816.0	1,725.0	11.0	11.0	5,701.7	5,760.1
Guinea-Bissau	4.5	4.5	4.7	3.8	381.6	-	5.3	5.5	-	-
Kenya	1.1	1.4	6.8	6.6	13,852.0	13,965.0	10.5	12.5	38,221.7	38,589.3
Lesotho	1.3	0.6	6.5	6.8	783.7	837.4	7.8	7.8	819.6	1,006.2
Liberia	5.0	4.8	11.0	11.7	599.7	630.6	20.0	20.0	1,136.0	1,173.0
Libya	28.3	-12.1	2.0	1.8	79,887.1	80,686.0	3.0	3.0	4,897.2	4,978.2

Macroeconomic performance of African economies (2/2)

Country	GDP (%)		Inflation (%)		Foreign reserves (US\$, mn)		Interest rate (%)		External Debt (US\$, mn)	
	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest
Madagascar	5.7	4.2	8.5	8.2	2,159.9	2,381.5	9.5	9.5	5,810.0	6,109.4
Malawi	4.6	1.2	33.1	34.5	444.4	658.6	24.0	24.0	2,480.1	3,450.8
Mali	4.1	5.2	0.0	-0.5	1,052.9	1,125.2	5.3	5.5	6,559.1	7,339.0
Mauritania	2.4	7.1	1.3	1.6	1,605.0	1,689.0	8.0	8.0	4,397.0	4,320.0
Mauritius	0.9	2.7	4.0	3.9	6,707.0	7,254.0	4.5	4.5	1,864.6	1,767.7
Morocco	2.3	2.8	3.6	3.4	35,222.8	35,726.2	3.0	3.0	66,010.9	64,354.8
Mozambique	4.7	5.9	5.4	5.3	3,025.0	3,084.0	17.3	17.3	64,021.2	63,750.4
Namibia	-0.5	1.9	5.7	5.3	2,701.8	2,928.7	7.8	7.8	2,007.1	2,006.9
Niger	4.0	3.3	7.3	6.8	1,494.7	827.0	5.3	5.5	5,403.3	5,688.4
Nigeria	2.5	2.5	28.2	28.9	33,070.0	32,870.0	18.8	18.8	43,159.0	41,595.0
Rwanda	1.4	4.7	9.4	6.4	1,726.0	1,610.3	7.5	7.5	6,053.0	6,256.0
São Tomé and Príncipe	1.9	0.9	13.0	16.6	64.5	56.7	10.0	10.0	307.8	318.4
Senegal	-0.5	0.7	0.9	0.8	3,935.0	4,430.0	5.3	5.5	32,414.4	33,310.7
Seychelles	1.0	-12.0	-2.7	-2.7	683.0	681.0	2.0	2.0	612.5	625.2
Sierra Leone	3.5	3.4	54.2	52.2	624.6	600.0	21.3	22.3	2,389.7	2,378.3
Somalia	3.3	2.4	7.1	6.6	-	-	-	-	4,698.4	4,729.8
South Africa	0.5	-0.2	5.5	5.1	61,721.0	62,518.0	8.3	8.3	155,565.0	156,096.0
South Sudan	-2.3	-2.9	0.8	5.8	-	-	16.0	16.3	-	-
Sudan	-1.9	0.7	83.6	63.3	486.4	243.2	27.3	28.3	36,039.9	35,687.1
Tanzania	5.2	5.3	3.2	3.0	5,177.2	4,938.5	5.0	5.5	29,018.0	29,447.0
Togo	5.0	5.6	3.9	3.5	2,114.3	1,992.2	5.3	5.5	3,113.5	3,132.8
Tunisia	-1.1	0.1	8.2	8.1	8,919.7	8,409.6	8.0	8.0	41,099.7	41,221.3
Uganda	5.2	1.4	2.6	2.6	3,908.0	3,809.0	9.5	9.5	19,872.6	21,408.2
Zambia	5.7	5.1	13.1	13.2	2,867.0	2,889.0	11.0	11.0	8,274.0	7,925.0
Zimbabwe	8.5	6.5	21.6	26.5	588.8	215.3	150.0	130.0	14,324.0	13,325.0
ROW										
Russia	4.9	5.5	7.5	7.4	592,352.0	598,592	15.0	16.0	322,000	327,000
USA	4.9	3.3	3.1	3.4	35,214.0	36,303	5.5	5.5	25,099,063	25,649,607
China	6.3	4.9	-0.5	-0.3	3,171,807.0	3,237,977	3.5	3.5	2,746,600	2,452,800
UK	0.0	-0.1	3.9	4.0	187,083.0	190,490	5.3	5.3	9,155,583	8,959,208
EU	0.0	0.0	3.1	3.4	910,548	971,602	4.5	4.5	-	-

Recent Developments in the African Macroeconomic Environment

01

Mozambique cuts power supply to South Africa

Mozambique is set to terminate its 50 years hydropower supply agreement with South Africa. Mozambique seeks to free up about 1,150 Megawatts being supplied to South Africa from its Cahora Bassa plant for local use.

03

Protests rock Senegal

Announcement of postponement of Senegal's Presidential Election date sparked protests amidst claims of institutional coups, threatening the stability of the region's fragile democracy.

05

FX Illiquidity and currency depreciation in Nigeria

Nigeria has received loans from Afreximbank and World Bank which together with improvements in crude oil production and sales will help stabilize the Naira

02

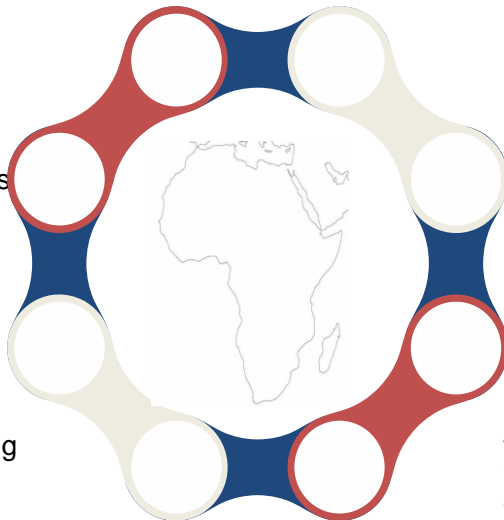
Low water levels threaten power supply in Zambia

ZESCO predicts a significant decline in electricity generation at the Kariba North Bank Power Station driven by lower water levels which is expected to cause power generation to drop from 386 Mega Watts in 2023 to 214 Mega Watts in 2024

04

Cocoa beans shortage in Ghana

Apart from its debt sustainability problems, Ghana is also affected by cocoa beans shortage. Cocoa processing which accounts for 15% of its GDP and 20% of global supply.



West Africa – Burkina Faso, Mali & Niger 1/2



Exchange rate (Local currency per USD)

Country	31-Dec-23	03-Feb-24	% change
Burkina Faso	589.19	599.29	1.71%
Mali	589.19	599.29	1.71%
Niger	589.19	599.29	1.71%

Joint withdrawal from Ecowas

Burkina Faso, Mali and Niger announced in a joint statement to quit ECOWAS.

1.

With immediate effect, amid months of political tensions

2.

The decision will undermine flagship economic integration achievements

3.

Decision to weigh on output growth, trade flows and potentially increase border tensions

	GDP		Inflation		Interest rate		Foreign reserves (US\$, mn)		External Debt (US\$, mn)	
Burkina Faso	4.6(4)	↑	1(0.5)	↑	5.5(5.3)	↑	316.6(275.6)	↑	5,594.30(5,195.10)	↑
Mali	5.2(4.1)	↑	-0.5(0)	↓	5.5(5.3)	↑	1,125.20(1,052.90)	↑	7,339.00(6,559.10)	↑
Niger	3.3(4)	↓	6.8(7.3)	↓	5.5(5.3)	↑	827(1,494.70)	↓	5,688.40(5,403.30)	↑

Note: terms in parenthesis are previous values

West Africa – Ghana

Exchange rate (Cedi per USD)

Country	31-Dec-23	03-Feb-24	% change
Ghana	11.88	12.29	3.50%

Received approval for \$300m from World Bank

To help sustain its economic recovery following its negotiations to restructure \$4.5bn in loans with its official creditors.

This should help the country to shore up its reserves and strengthen its currency which currently trades around 12.3GHc: \$1.

It also means its prospects of stronger growth in 2024 has been enhanced as well as its ability to reduce inflation.

Affecting its cocoa processing which accounts for 15% of its GDP and 20% of global supply.

Negative impact on Ghana exports earnings, GDP and cocoa prices which may fuel global inflation.

Experiencing shortage of Cocoa beans



	GDP		Inflation		Interest rate		Foreign reserves (US\$, mn)		External Debt (US\$, mn)	
Ghana	0.5(0.7)	↓	23.2(26.4)	↓	30(30)	↑	5,094.00(5,205.00)	↓	29,185.00(28,412.00)	↑

Note: terms in parenthesis are previous values

West Africa – Nigeria



FX reforms & price discovery

Monetary authorities have announced steps to publicly disclose the buying and selling rates of the naira against the dollar on the internet. The measure aims to enhance market competitiveness and price discovery and help to close the gap between the official and parallel market.



Clearance of FX forwards

The CBN is also using these proceeds to settle outstanding forwards.

This might help improve confidence and encourage foreign capital inflows. However full effects on long term FX stability is still unclear for now due to very strong FX demand.

Afreximbank & World Bank loans

Nigeria has also received loans from Afreximbank and World Bank which together with improvements in Crude oil production and sales will help stabilize the Naira which has been volatile over the last few years, depreciating by over 50% since June 2023.

Remittance of oil receipt to CBN

In addition, Nigeria has also brought NNPC crude receipts under CBN. This positive news for FX receipts and revenue.

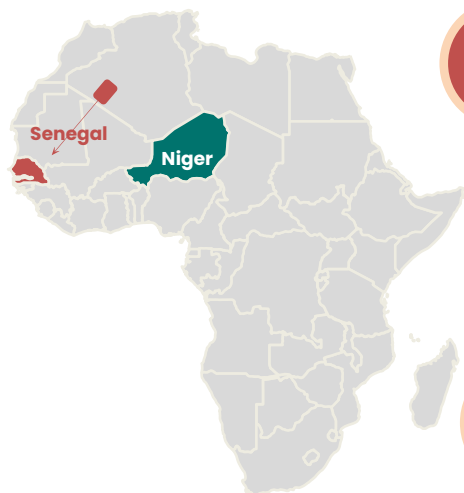
Exchange rate (Naira per USD)

Country	31-Dec-23	03-Feb-24	% change
Nigeria	899.89	1368.25	52.05%

	GDP	Trend	Inflation	Trend	Foreign reserves (US\$, mn)	Trend	Interest rate	Trend	External Debt (US\$, mn)	Trend
Nigeria	2.5 (2.5)	📈	28.9 (28.2)	📈	32,870.00 (33,070.00)	📉	18.8 (18.8)	📈	41,595.00 (43,159.00)	📉

Note: terms in parenthesis are previous values

West Africa – Senegal & Niger



S

Senegal

Elections and political uncertainty

Election poses some risks to the economy due to **political uncertainty** reflecting the risk of tensions and protests over the result of what is looking like a tight election. **The postponement of the election is already causing massive violence & protests.**

Promising economic prospects

However, post-election economic prospects are potentially bright, on **the** back of several support factors, especially the start of oil & gas production and continued implementation of large-scale infrastructure projects.

N

Niger – Uranium ores

Suspension of mining licenses

Suspension of mining licenses in Niger and its impact on uranium ores exports and the impact on this on global supply.

7th largest producer

Niger is 7th largest producer of uranium ores contributing 7.5% of global supply. Uranium prices shot up following the announcement.

Existing stock

Existing Stock means impact won't be immediate.

Exchange rate (Local currency per USD)

Country	31-Dec-23	03-Feb-24	% change
Senegal	589.19	599.29	1.71%
Niger	589.19	599.29	1.71%

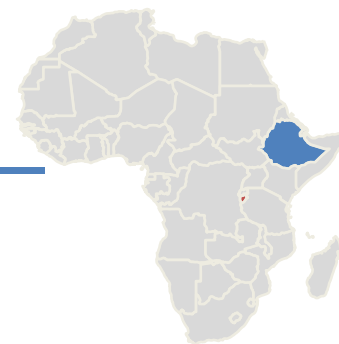
>70% of exports

Above 70% of Niger's total exports.

	GDP	Trend	Inflation	Trend	Foreign reserves (US\$, mn)	Trend	Interest rate	Trend	External Debt (US\$, mn)	Trend
Senegal	0.7 (-0.5)	📈	0.8 (0.9)	📉	4,430.00 (3,935.00)	📈	5.5 (5.3)	📈	33,310.70 (32,414.40)	📈
Niger	3.3 (4)	📉	6.8 (7.3)	📉	827(1,494.70)	📉	5.5 (5.3)	📈	5,688.40 (5,403.30)	📈

East Africa – Ethiopia & Burundi

Ethiopia



Defaulted on coupon payments

Ethiopia failed to make a **US\$33million coupon payment on its US\$1 billion Eurobonds** although China, the country's single largest creditor, has allowed Ethiopia to suspend debt repayments on bonds maturing in 2023-2024.



Strong growth in the near to medium term

Nonetheless, growth will remain strong in the near to-medium term **supported by investment and government consumption especially on large infrastructure projects**, with the financial and ICT sectors attracting FDI, and **negotiations with IMF for \$3.5 bn package enhancing confidence**, though risks remain related to vulnerability of the political and security situation.

Exchange rate (Local currency per USD)

Country	31-Dec-23	03-Feb-24	% change
Burundi	2,878.96	2,884.14	0.18%
Ethiopia	56.56	56.75	0.34%

Burundi



Diplomatic tensions with Rwanda

Outlook is being challenged by **diplomatic tensions with Rwanda** which could **negatively affect trade** flows between the two countries and negatively affect African trade and GDP growth in 2024



Volatile political environment

The **volatile political environment** is also a concern for the outlook. However, we do not expect this to result in any significant effects on its economy in the near-term to-medium-term.

	GDP	Trend	Inflation	Trend	Foreign reserves (US\$, mn)	Trend	Interest rate	Trend	External Debt (US\$, mn)	Trend
Burundi	1.8 (3.1)	↓	20.4 (26.6)	↓	76.3 (56.4)	↑	12 (12)	↑	629.9 (632.3)	↓
Ethiopia	7.5 (6.4)	↑	28.7 (28.3)	↑	726.7 (1,174.70)	↓	7 (7)	↑	30,107.00 (28,601.40)	↑

Central Africa– Cameroon



IMF Resilience and Sustainability Facility.

Cameroon received approval of \$183.4 million under IMF Resilience and Sustainability Facility.



Climate change and greater fiscal space

It will help to mitigate the impact of climate change with risks of droughts and flooding and replace expensive financing and create fiscal space.



Development partners and climate finance

It will also help to attract other development partners and stakeholders and additional climate finance.



Hydrocarbons and mining to support growth

This, in addition to rising export capacity in the hydrocarbons and mining sub-sectors, will help to sustain the growth momentum. Downside risks include fragile security situation especially in the northern part of the country.

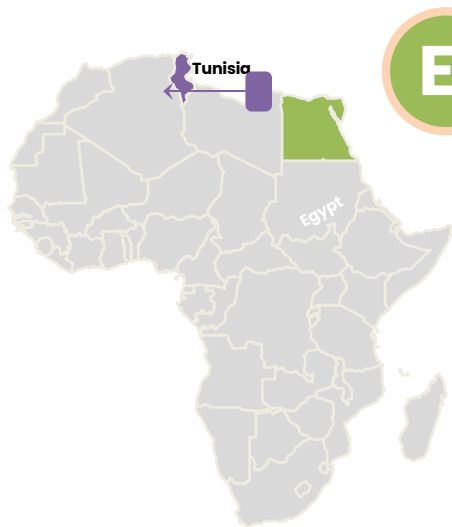


Exchange rate (CFA francs per USD)

Country	31-Dec-23	03-Feb-24	% change
Cameroon	594.54	608.03	2.27%

	GDP	Trend	Inflation	Trend	Foreign reserves (US\$, mn)	Trend	Interest rate	Trend	External Debt (US\$, mn)	Trend
Cameroon	3.9 (3.6)	📈	6.2 (6.8)	📉	5,402.70 (5,134.10)	📈	5 (5)	📈	16,982.60 (16,409.40)	📈

North Africa- Egypt & Tunisia



E

Egypt

Houthi rebels attacks on Red Sea

Heightened fears of attacks have forced shipping companies to travel an extra 4,000 miles to circumvent the hot zones around the Suez-Canal

Strategic role of Suez Canal for Egypt

Suez-Canal is Egypt's key source of revenue and foreign exchange earnings,

Pressure on revenue and reserves

The ensuing pressure on revenue and reserves **further undermined the Egyptian Pound** which had already been under significant pressure, driven in part by strong activity in the parallel market.

Red Sea Crisis to Weigh on growth

A protracted escalation of the crisis on the Red Sea pushing vessels to divert away from the red sea route could have significant dampening effects on Egypt's growth prospects in 2024.

T

Tunisia

Exchange rate (Local currency per USD)

Country	31-Dec-23	03-Feb-24	% change
Egypt	30.83	30.96	0.42%
Tunisia	3.07	3.12	1.63%

Fiscal deficits & high debt

Tunisia is facing challenges of rising fiscal deficit and high debt.

Central bank to fund budget

Tunisia has passed a bill allowing the central bank to directly fund the National budget

Risks of grater debts

Poses risks of greater debt accumulation and State interference in the conduct of monetary policy.

	GDP	Trend	Inflation	Trend	Foreign reserves (US\$, mn)	Trend	Interest rate	Trend	External Debt (US\$, mn)	Trend
Egypt	2.7 (2.9)	↓	33.7 (34.6)	↓	35,220.00 (35,173.00)	↑	19.3 (19.3)	↑	164,728.00 (165,361.00)	↓
Tunisia	0.1 (-1.1)	↑	8.1 (8.2)	↓	8,409.60 (8,919.70)	↓	8 (8)	↑	41,221.30 (41,099.70)	↑

Southern Africa–Angola & South Africa



A

Angola

Exit of Angola from OPEC

This move is expected to **boost growth** in Angola and **increase its investments inflow** from China and USA.

This will help **boost much-needed revenues** that have been constrained and **support debt servicing efforts**.

Domino-effect on Nigeria

Success of Angola withdrawal may **create a domino-effect with a country like Nigeria also pulling out**, as the country struggles to **grow its revenues**.

S

South Africa

Coal exports hampered

South Africa produces about 3% of global coal supply, but its **Coal exports is now hampered by disruptions in its rail system**.

Power sector challenges

Energy accounts for 15% of its GDP and coal is its main component, but power sector challenges remain.

Low GDP and export earnings

Power challenges and disruptions in railway to deliver lower GDP and export earnings in 2024

Spillover effect on economies

Headwinds from South Africa may transmit into the economies of **Lesotho and Eswatini**, weighing on their macroeconomic performance.

Exchange rate (Local currency per USD)

Country	31-Dec-23	03-Feb-24	% change
Angola	828.8	828.8	-
South Africa	18.29	18.63	1.86%

	GDP	Trend	Inflation	Trend	Foreign reserves (US\$, mn)	Trend	Interest rate	Trend	External Debt (US\$, mn)	Trend
Angola	1.9 (0.2)	⬆️	20 (18.2)	⬆️	14,733.00 (14,511.00)	⬆️	18 (18)	⬆️	50,260.00 (52,066.00)	⬆️
South Africa	-0.2 (0.5)	⬆️	5.1 (5.5)	⬆️	62,518.00 (61,721.00)	⬆️	8.3 (8.3)	⬆️	156,096.00 (155,565.00)	⬆️

Exchange Rate Depreciating Across Highlighted African Countries

Country	31-Dec-23	03-Feb-24	% change
Angola	828.8	828.8	0.00%
Burkina Faso	589.19	599.29	1.71%
Burundi	2,878.96	2,884.14	0.18%
Cameroon	594.54	608.03	2.27%
Egypt	30.83	30.96	0.42%
Ethiopia	56.56	56.75	0.34%
Ghana	11.88	12.296	3.50%
Mali	589.19	599.29	1.71%
Mozambique	63.69	63.25	-0.69%
Niger	589.19	599.29	1.71%
Nigeria	899.89	1368.25	52.05%
Senegal	589.19	599.29	1.71%
South Africa	18.29	18.63	1.86%
Tunisia	3.07	3.12	1.63%
Zambia	25.44	27.21	6.96%

Source: Various Central Banks, Trading Economics

Conclusions



A Rocky Road to Growth in Africa.. But resilience remains

Key Drivers of Growth in 2024

- **Services:** ICT especially Financial Technology, financial services, Arts, Entertainment & Recreation
- **Solid Minerals**
- **Agriculture** (depending on climate change/weather)
- **Infrastructural investments**
- **Improving Intra African Trade**

Major Risks in 2024

- **Worsening Geopolitical tensions/Protectionism**
- **Election/political risks (Ghana, Rwanda, Senegal & South Africa)**
- **Currency volatility**
- **Debt service payments**

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