



# Monthly Developments in the African Macroeconomic Environment

**Afreximbank Research**  
July 2025

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

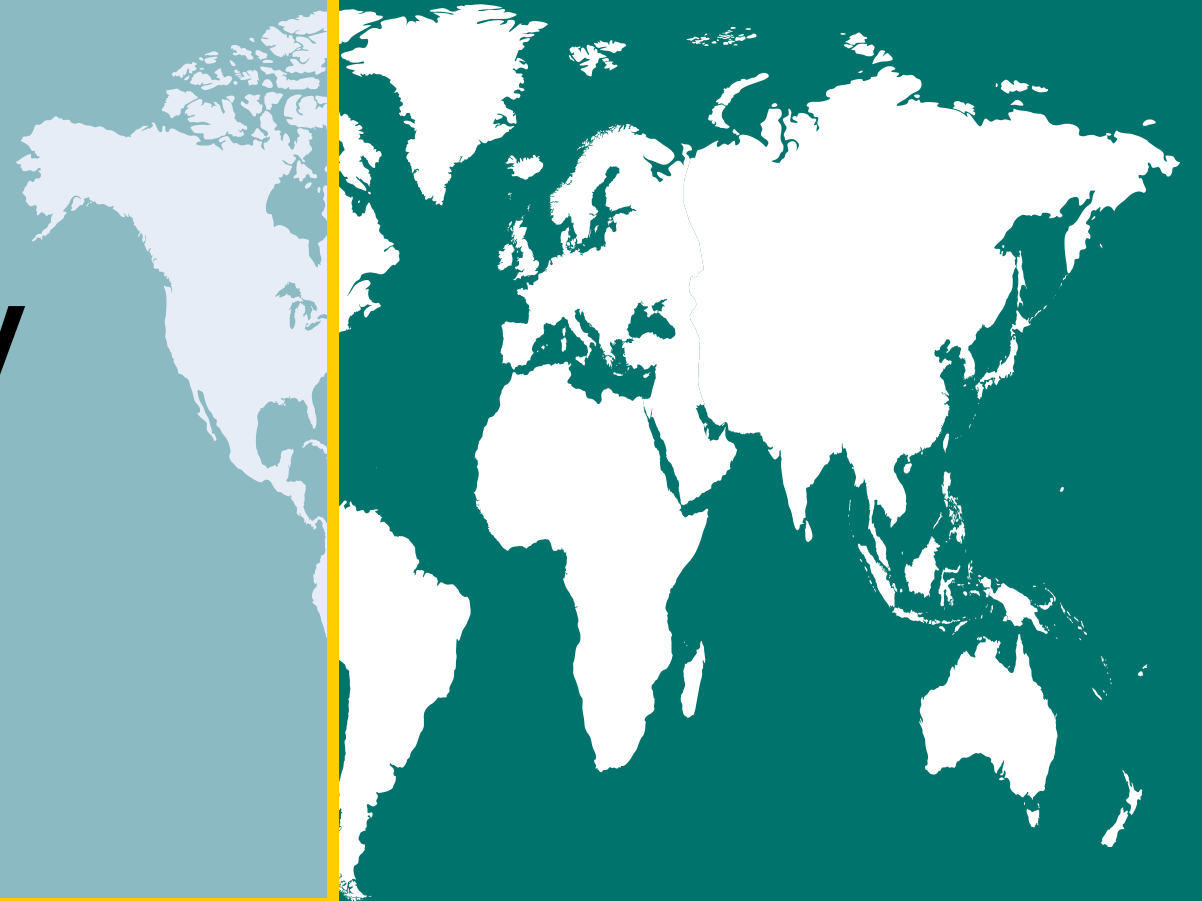
Transforming Africa's Trade

# Report Content

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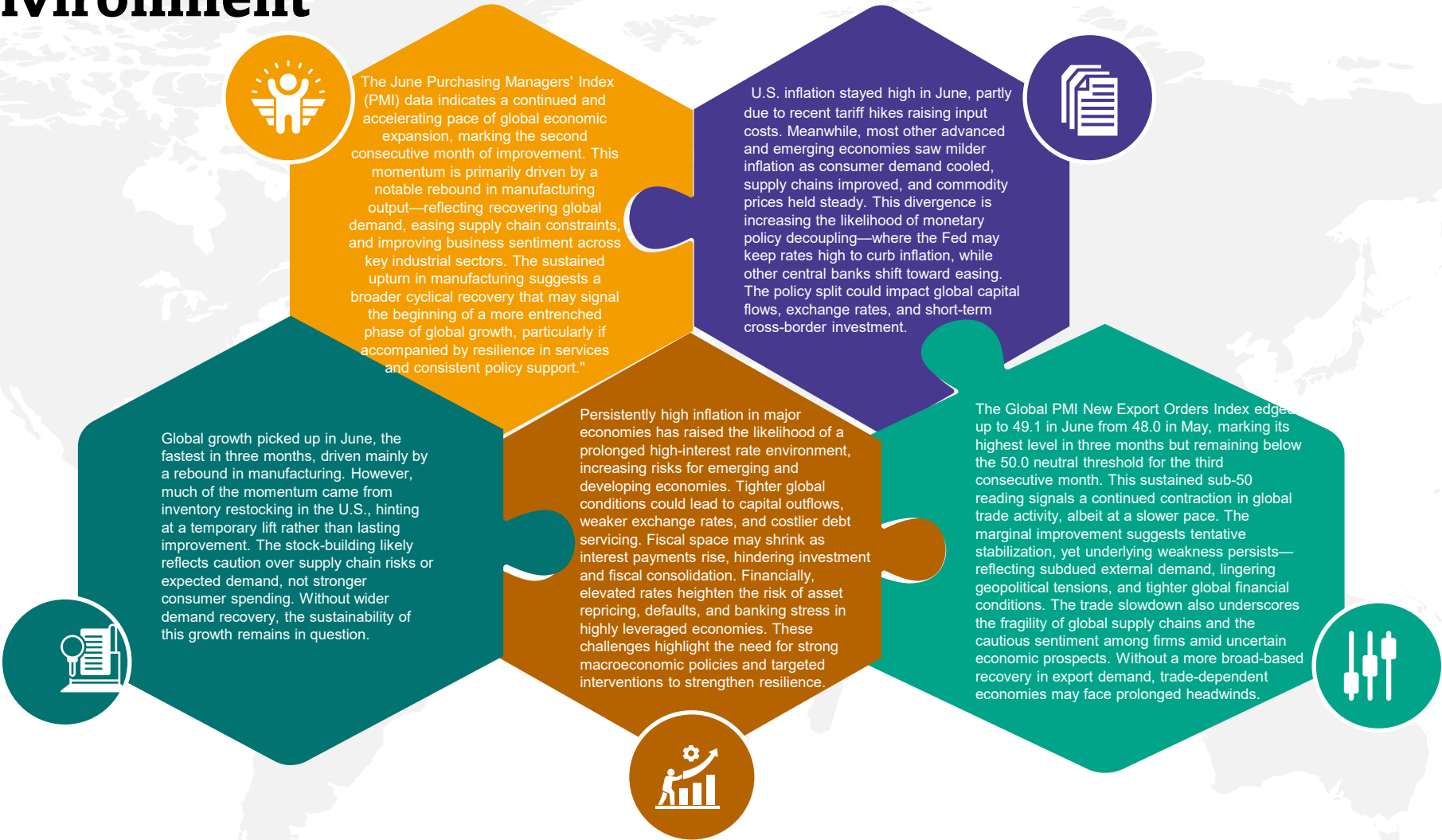
01

# Executive Summary





## Global Environment





# African Environment

## Trade tensions



- Rising global trade tensions are weighing on Africa's medium-term growth outlook by weakening external demand, disrupting supply chains, and raising trade costs. This could reduce export revenues—especially for commodity-dependent countries—and worsen current account pressures, leading to potential balance-of-payments strains in highly import-dependent economies with low reserves. Uncertainty may also deter investment and slow progress on regional value chains and intra-African trade under AfCFTA. Tackling these risks calls for trade diversification, stronger export competitiveness, and robust macroeconomic buffers.



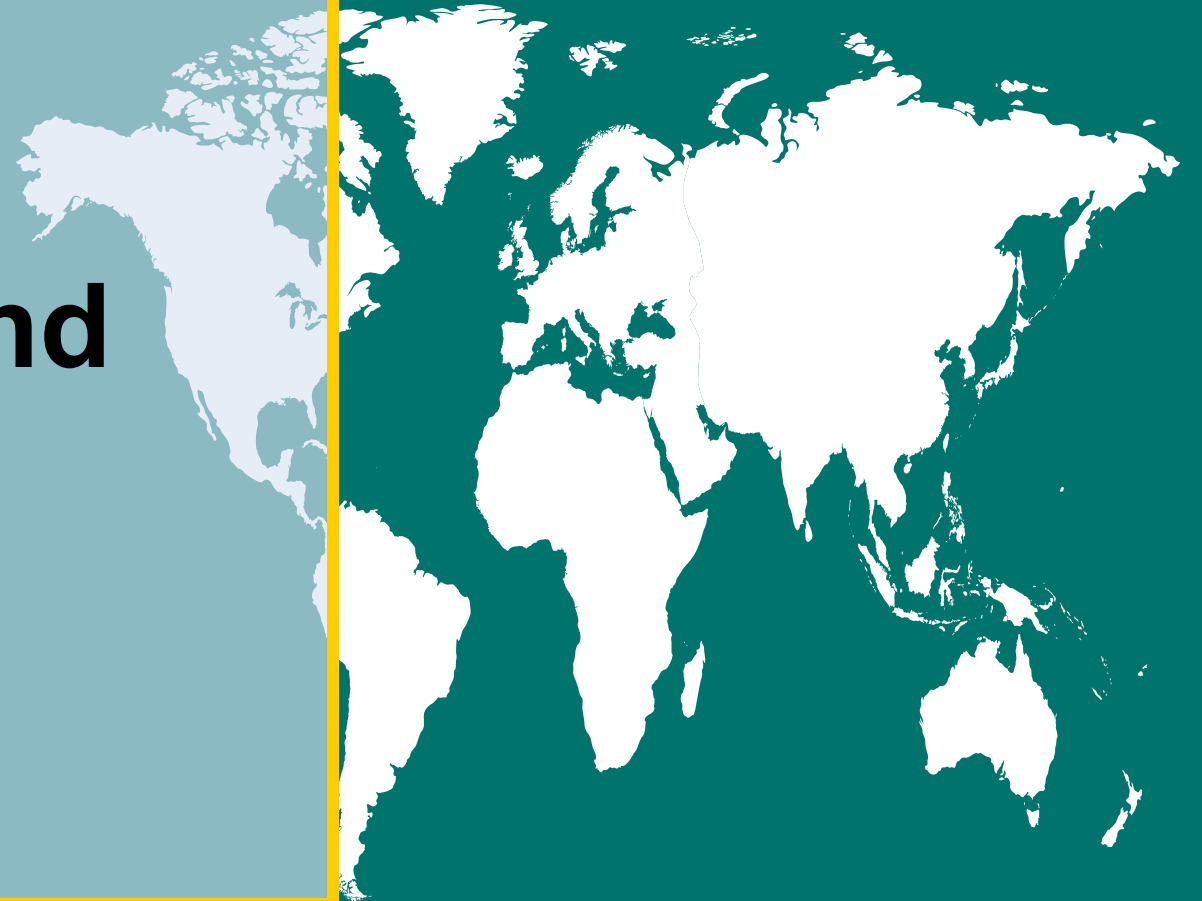
## Commodity prices



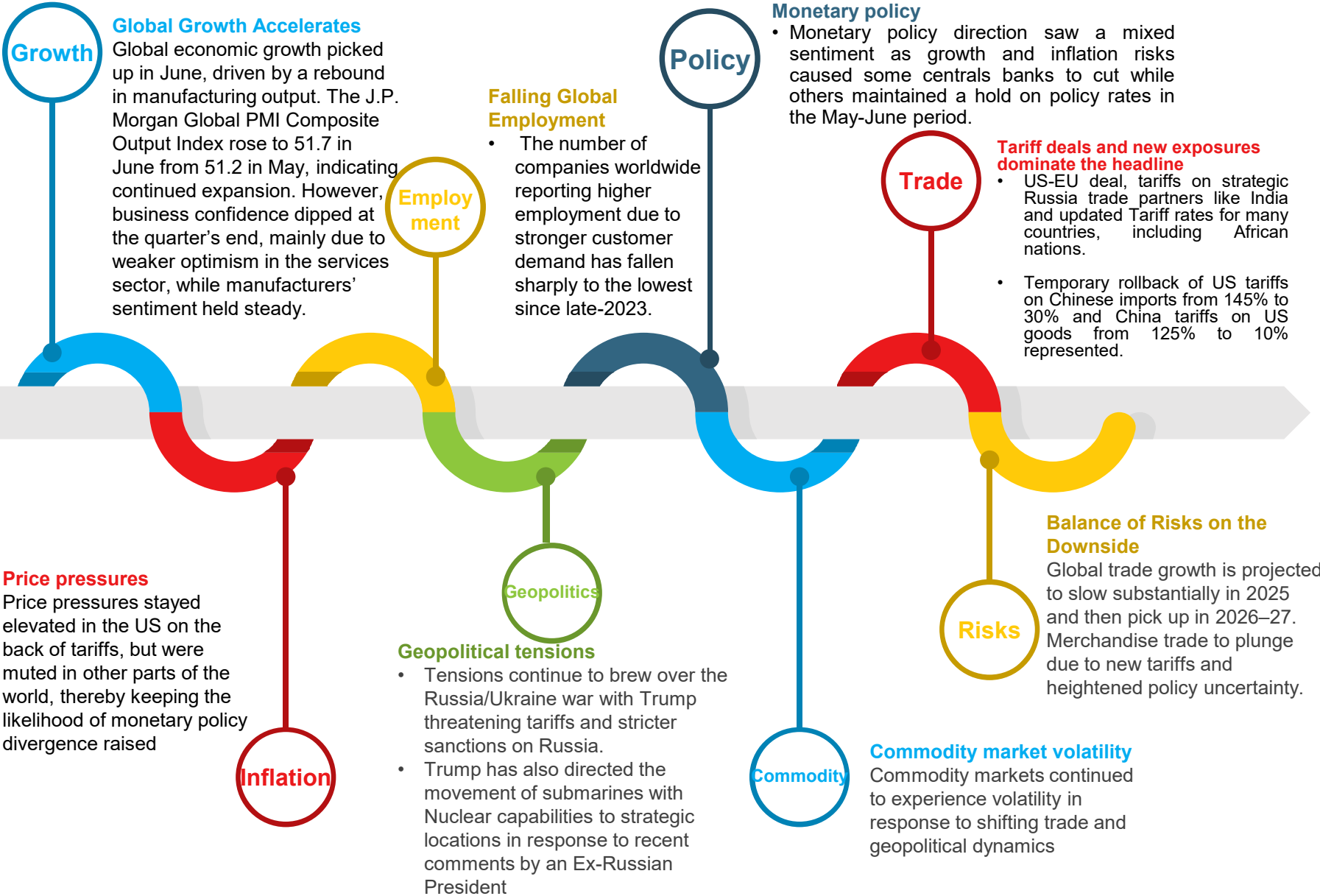
- Falling global commodity prices could impair fiscal consolidation efforts and complicate the continent's debt sustainability

02

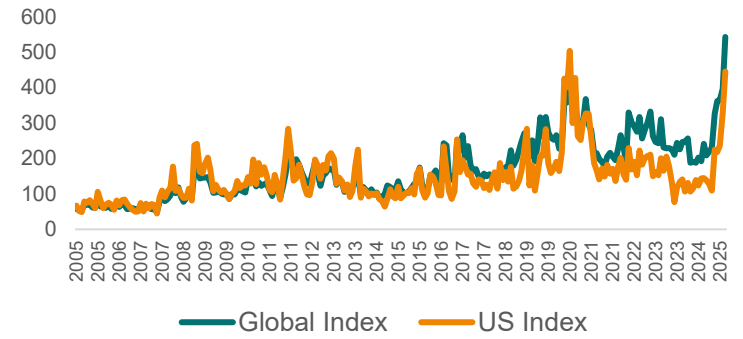
# Emerging Trends and Shifts in the Global Macroeconomic Landscape



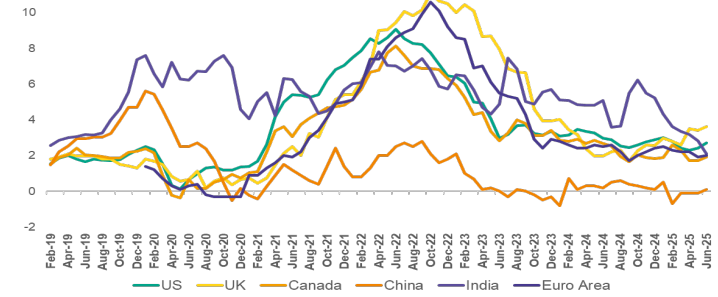
# Recent themes in the Global Macroeconomic Environment



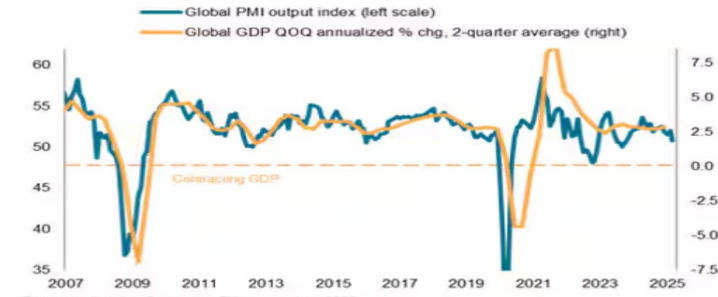
## Economic uncertainty stays elevated



## Inflation in major economies



## J.P. Morgan Global PMI slowing in 2025



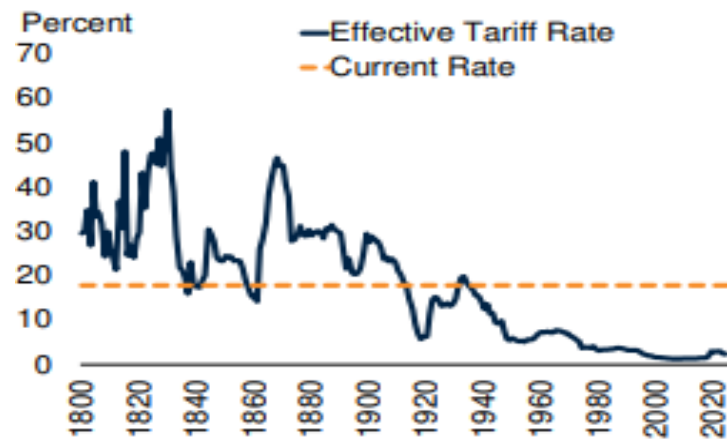
Data compiled May 6 including PMI data to April 2025.  
PMI (Purchasing Managers' Index) value of 50 = no change on prior month.  
Source: S&P Global PMI with J.P. Morgan, S&P Global Market Intelligence.  
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Sources: Central Banks, S&P Global, World Trade Uncertainty

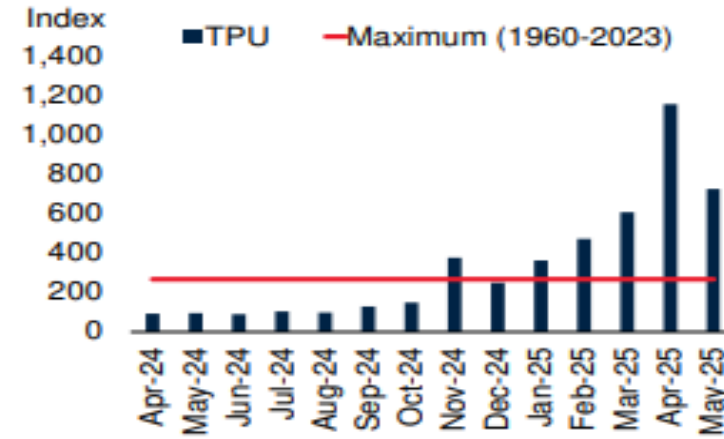
# Global Trade Uncertainty



**A. Effective U.S. tariff rate**



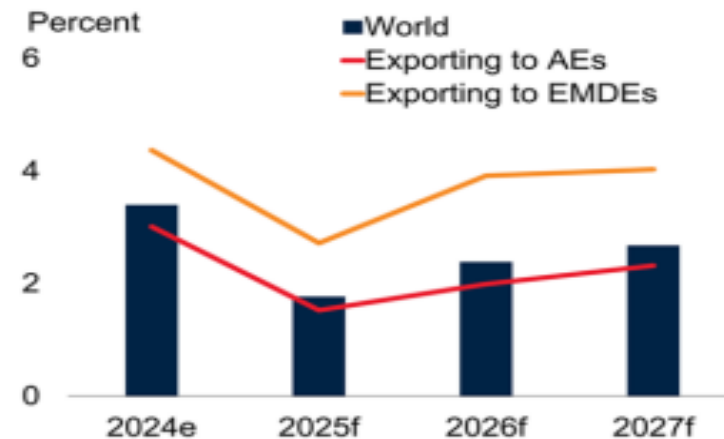
**B. Global trade policy uncertainty**



**C. Growth in goods trade and industrial production**



**D. Global trade growth**



## US Effective tariff rises sharply

The effective U.S. tariff rate has risen sharply in 2025 to its highest level in almost a century.



## Trade policy uncertainty reached new highs

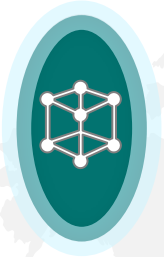
Trade policy has also reached record-high levels. Global goods trade growth partly reflects inventory build-ups ahead of new tariff announcements.



## Setback for global trade

Global trade growth is projected to slow substantially in 2025 and then pick up in 2026–27.

# Commodity: Continued Volatility with downward pressures in May



## Commodity prices

Commodity prices have fallen due to increased trade tensions and policy uncertainty.



## Agricultural commodities

Agricultural commodity prices are forecast to decrease slightly in 2026-27.



## Energy

Energy prices are forecast to decrease by 15 per cent this year due to increases in oil production from OPEC+



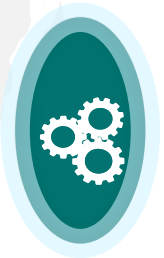
## Metals

The metals index is projected to drop by 5 per cent in 2025 and drift lower in 2026 before stabilizing



## Gold

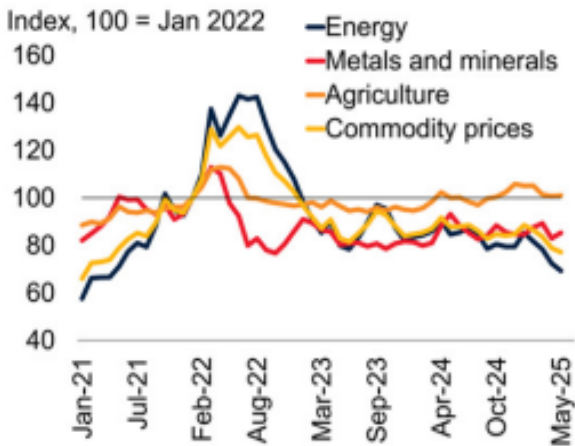
Average gold prices are expected to reach a record high this year before plateauing in 2026-27



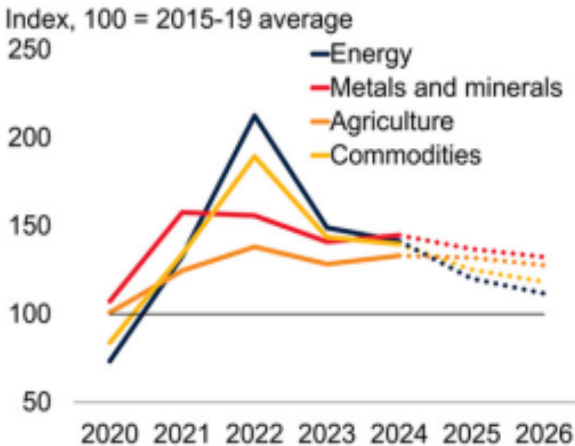
## Forecast

Annual average prices are expected to decline significantly in 2025 and further in 2026.

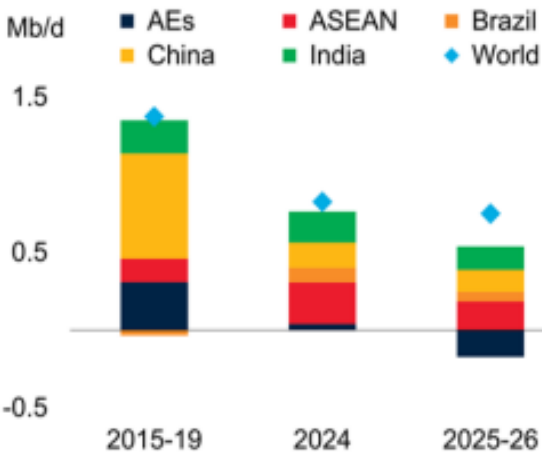
## A. Commodity prices



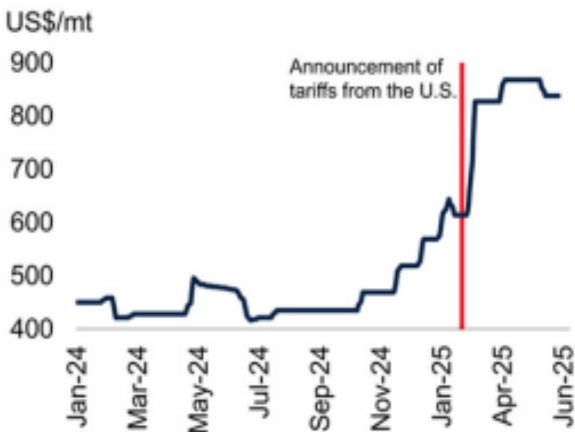
## B. Commodity price forecasts



## C. Change in global oil demand



## D. U.S. Midwest premium for aluminum





# Highlights from select major economies



## United States



Tepid Outlook

### Growth outlook

- U.S. growth is expected to decelerate sharply in 2025, to 1.4%
- Consumer sentiment has fallen sharply amid declines in equity markets and risk appetite. In addition, U.S. consumer inflation expectations have risen markedly
- Investment goods is anticipated to be disproportionately impacted by tariffs

### Inflation rate

- Inflation remains above target at 2.4%.

## China



Slowing growth

### Growth outlook

- Growth is forecast to slow from 5 per cent in 2024 to 4.5 per cent this year
- Export growth is expected to slow as the impact of U.S. tariff increases materializes
- A soft labor market and a subdued property sector are expected to weigh on consumption
- Imports were sluggish, held back by continued tepid domestic demand
- Falling food and energy prices led to decreasing consumer prices earlier in 2025
- Producer prices fell due to declining global commodity prices

## Eurozone



Trade tensions and global uncertainty taint growth

### Growth outlook

- In a significant development, Germany has surpassed Japan for the first time in 34 years to become the world's largest creditor nation, fueled by a substantial trade surplus and currency fluctuations.
- Growth in the euro area is projected to slow in 2025, to 0.7 per cent, and remain a touch below its trend of about 1 per cent, averaging 0.9 per cent over 2026-27
- Inflation is expected to hover near the ECB's medium-term target, although price pressures could arise from increased trade barriers and additional government spending
- The European Central Bank has reduced interest rates by 25 basis points. While inflation has moderated and the euro area has shown resilience, the ECB emphasized that maintaining this resilience is crucial in the face of escalating trade tensions.

## Japan



Subdued Consumption Weighing on the Economy

### Growth outlook

- Growth is expected to increase by 0.7 per cent from an estimated 0.2 per cent in 2024, underpinned by a rebound in consumption and the reopening of automobile plants from 2024 shutdowns
- From 2026-27, growth is forecast to average 0.8 per cent
- Persistent inflation is expected to warrant continued gradual policy interest rate increases
- The policy rate is projected to increase gradually to 1¼ per cent by the end of 2026, as core inflation stabilizes around 2% and a negative output gap gradually closes
- Japan's underlying primary deficit is projected to narrow by 0.9% of potential GDP in the two years to 2026.

## United Kingdom



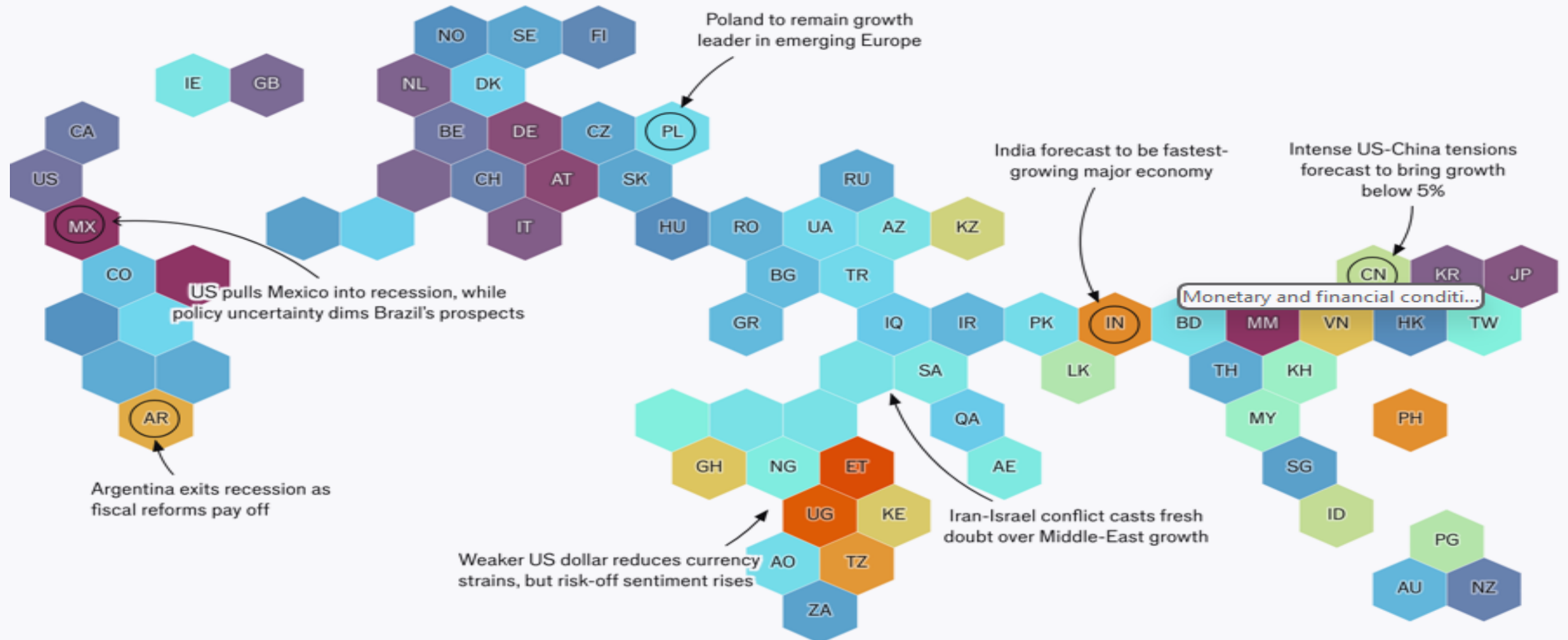
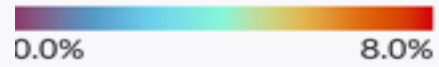
Growth on the Upside but to Slowdown in 2026

### Growth outlook

- Growth is projected at 1.3% in 2025 and 1.0% in 2026, as trade tensions and elevated uncertainty persist
- Inflationary pressures to linger due to higher import prices and robust wage growth in 2025
- The labour market continues to cool, as falling vacancies are bringing the vacancy-to-unemployment ratio back to pre-pandemic levels.
- Bank Rate is projected to be lowered gradually from its current value of 4.25% and reach a terminal value of 3.5% in the second quarter of 2026
- Fiscal tightening will continue, with consolidation of about 1.2% of potential GDP between 2024 and 2026

# Emerging markets to experience asynchronous growth

Forecast change in real GDP by geography, 2025; %



# Monetary and financial conditions- Rates hold dominates amid growth/inflation risks



Global Central Bank Policy Rates							
Country	Rate	Central Bank Rate (Today)	CPI YoY	Real Central Bank Rate	YoY CPI Trend vs. Prior Reading	Last Move in CB rate	Last Move Month
US	Fed Funds	4.50%	2.4%	2.1%	Higher	Hold	Jun-25
Canada	Overnight	2.75%	1.7%	1.0%	Lower	Hold	Jun-25
Mexico	Overnight Rate	8.00%	4.4%	3.4%	Higher	Cut	Jun-25
Eurozone	Deposit Rate	2.15%	1.9%	0.2%	Lower	Cut	Jun-25
UK	Bank Rate	4.25%	3.4%	0.8%	Lower	Hold	Jun-25
Norway	Deposit Rate	4.25%	3.0%	1.2%	Higher	Cut	Jun-25
Denmark	Deposit Rate	1.60%	1.6%	0.0%	Higher	Cut	Jun-25
Poland	Repo Rate	5.25%	4.1%	1.1%	Higher	Hold	Jun-25
Switzerland	Target Rate	0.00%	-0.1%	0.1%	Lower	Cut	Jun-25
Czech Republic	Repo Rate	3.50%	2.4%	1.1%	Higher	Hold	Jun-25
Sweden	Repo Rate	2.00%	0.2%	1.8%	Lower	Cut	Jun-25
Turkey	Repo Rate	46.00%	35.4%	7.8%	Lower	Hold	Jun-25
China	Loan Prime Rate	3.00%	-0.1%	3.1%	Unchanged	Hold	Jun-25
India	Repo Rate	5.50%	2.8%	2.6%	Lower	Cut	Jun-25
Japan	Policy Rate Bal	0.50%	3.5%	-2.9%	Lower	Hold	Jun-25
Saudi Arabia	Repo Rate	5.00%	2.2%	2.7%	Lower	Hold	Jun-25
Russia	Key Policy Rate	20.00%	9.9%	9.2%	Lower	Cut	Jun-25
Indonesia	Repo Rate	5.50%	1.6%	3.8%	Lower	Hold	Jun-25
Taiwan	Discount Rate	2.00%	1.6%	0.4%	Lower	Hold	Jun-25
Thailand	Policy Rate	1.75%	-0.6%	2.3%	Lower	Hold	Jun-25
Malaysia	Policy Rate	3.00%	1.2%	1.8%	Lower	Hold	Jun-25
South Korea	Repo Rate	2.50%	1.9%	0.6%	Lower	Hold	Jun-25
Hong Kong	Base Rate	4.75%	1.9%	2.8%	Lower	Hold	Jun-25
Philippines	Key Policy Rate	5.25%	1.3%	3.9%	Lower	Cut	Jun-25
Argentina	Overnight Repo	29.00%	43.5%	-10.1%	Lower	Hold	May-25
Brazil	Target Rate	15.00%	5.3%	9.2%	Lower	Hike	Jun-25
Chile	Base Rate	5.00%	4.4%	0.6%	Lower	Hold	Jun-25
Peru	Policy Rate	4.50%	1.7%	2.8%	Higher	Hold	Jun-25
Colombia	Repo Rate	9.25%	5.1%	4.0%	Lower	Hold	Jun-25
Australia	Cash Rate	3.85%	2.4%	1.4%	Unchanged	Hold	Jun-25
New Zealand	Cash Rate	3.25%	2.5%	0.7%	Higher	Hold	Jun-25
South Africa	Repo Rate	7.25%	2.8%	4.3%	Higher	Cut	May-25

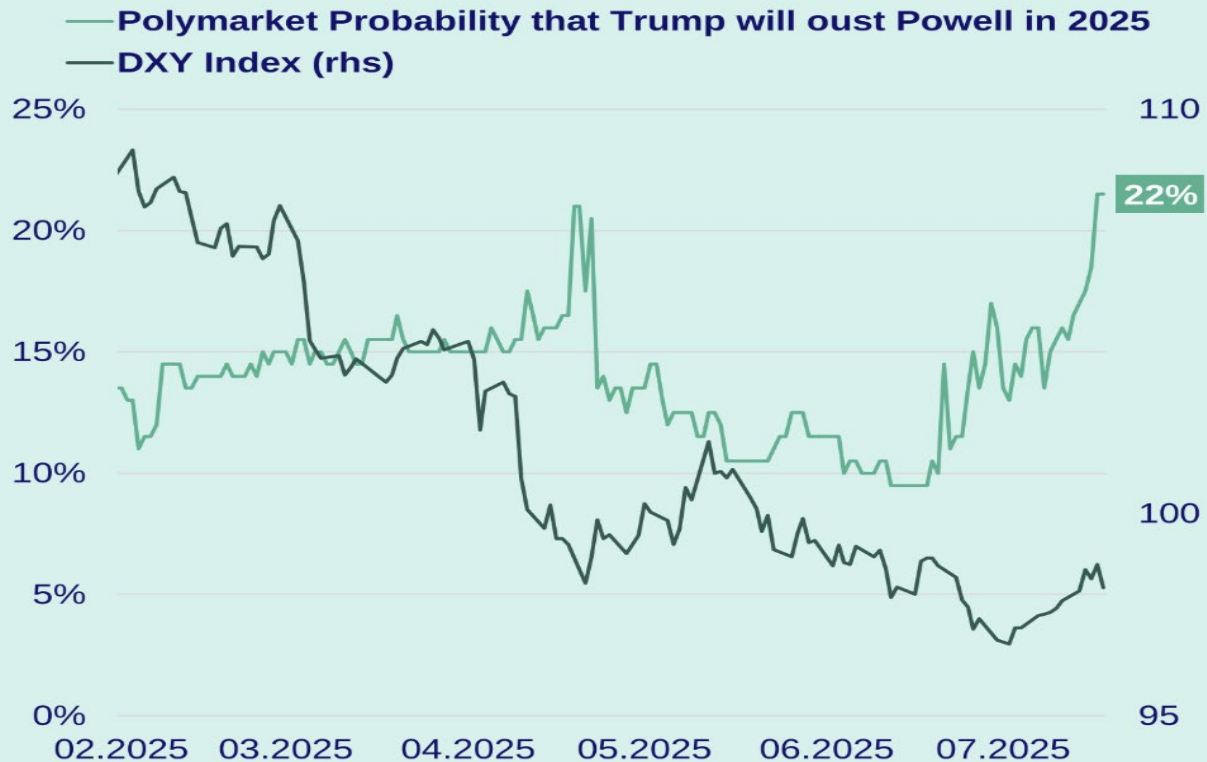
Sources: Afreximbank Research, Trading Economics

- Turkey (46%) and Argentina (29%) stand out with extreme policy settings—Turkey due to entrenched inflation, and Argentina amid crisis and deeply negative real rates.



# Trump and the Fed

## Trump's Attack on the Fed ... ...weigh on the US Dollar



### Trump vs. Fed Drama Intensifies

01

- President Trump assured markets that he is unlikely to fire Fed Chair Jerome Powell amid intensifying rumors about it. By the time you read this, Trump may have changed his mind once again
- Betting markets still estimate a 22% chance that Trump will oust Powell this year.
- The independence of the Fed is crucial. Concerns about Trump's attack on the Fed can be seen in FX markets. The U.S. dollar has fallen by over 9% year-to-date.

### Fed's Waller Calls for July Rate Cut

02

- This week, Fed Governor Waller said he believes the FOMC should start cutting rates now because the labor market is "on edge" and growth is slowing.
- A policy shift in July is highly unlikely. Investors, however, see a 60% chance of a Fed rate cut in September.

### Tariff Storm Brewing Again

03

- We saw a flurry of tariff announcements. For example, tariffs on pharmaceuticals and semiconductors could be implemented as early as August 1, while Indonesia reached a trade agreement with the US.
- Despite the renewed rise in trade policy uncertainty, markets remained relatively calm because TrumpAlwaysChickensOut. Only time will tell if that will be the case.

# Trump and the Fed

## Fed: To Cut or Not To Cut Uncertainty prevails

Bloomberg Economics Fed Sentiment Score

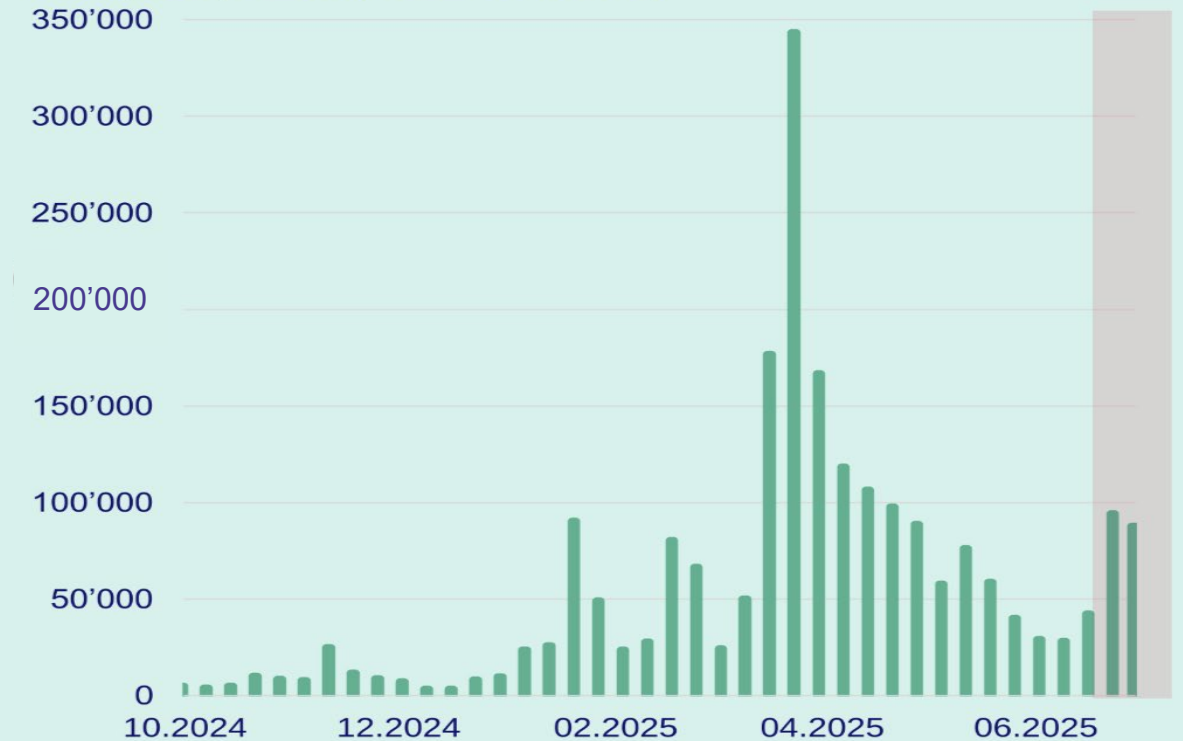


Sources: Baloise, Bloomberg Economics as of 18.07.2025



## Tariffs: A Flurry of Tariff Announcements Markets however believe in TACO\*

Weekly Story Count (Trade War, Tariffs)



\*Trump Always Chickens Out

Sources: Baloise, Bloomberg Finance as of 17.07.2025



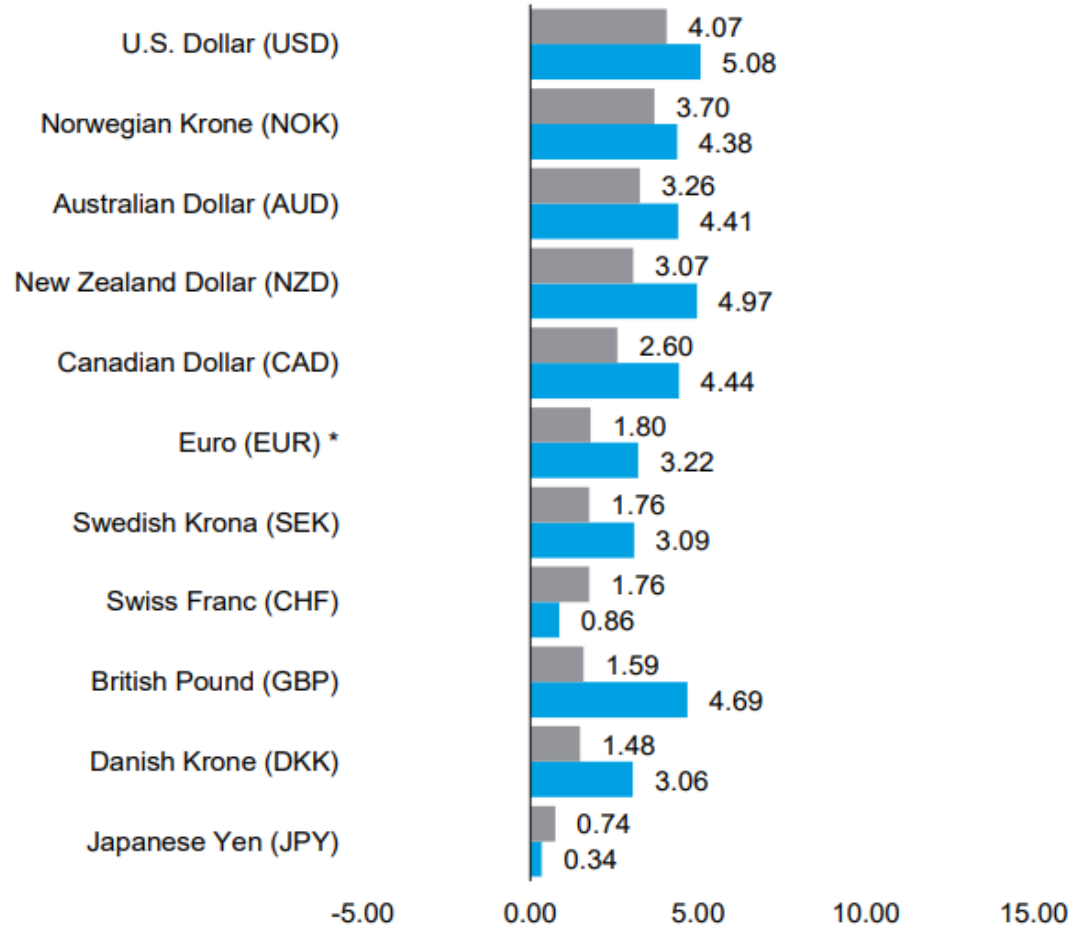
# Emerging Market Currency Performance and Yields

Currency	Spot Returns vs. USD (%)					Spot Returns vs. EUR (%)					Local Interest Rates (%)
	1-Mo.	YTD	1Y	3Y	5Y	1-Mo.	YTD	1Y	3Y	5Y	1Y
<b>Europe</b>											
Czech Koruna (CZK)	4.41	15.46	10.98	3.96	2.41	0.98	1.85	1.32	0.02	1.51	3.14
Hungarian Forint (HUF)	4.51	16.67	8.22	3.68	-1.51	1.08	2.92	-1.19	-0.24	-2.37	6.00
Polish Zloty (PLN)	3.62	14.30	11.24	7.55	1.82	0.21	0.83	1.57	3.48	0.93	4.31
Romanian Leu (RON)	3.08	11.05	7.33	3.03	-0.08	-0.31	-2.04	-2.00	-0.88	-0.96	6.74
Russian Ruble (RUB)	0.54	40.35	10.29	-11.20	-1.84	-2.76	23.80	0.70	-14.57	-2.71	--
Turkish New Lira (TRY)	-1.39	-11.14	-17.62	-25.14	-29.65	-4.63	-21.61	-24.78	-27.97	-30.27	36.54
<b>Middle East and Africa</b>											
Ghanaian Cedi (GHS)	-0.97	42.03	47.83	-8.15	-10.98	-4.22	25.29	34.97	-11.63	-11.77	17.90
Israeli Shekel (ILS)	4.50	8.20	11.87	1.32	0.55	1.07	-4.55	2.14	-2.52	-0.34	4.04
Kenyan Shilling (KES)	-0.04	0.08	0.00	-3.02	-3.79	-3.33	-11.72	-8.70	-6.69	-4.63	9.71
Moroccan Dirham (MAD)	2.58	12.37	10.54	3.81	1.49	-0.80	-0.87	0.92	-0.12	0.60	2.17
Nigerian Naira (NGN)	3.56	0.62	-1.27	-35.33	-24.10	0.15	-11.24	-9.85	-37.78	-24.76	19.70
South African Rand (ZAR)	1.61	6.18	2.75	-2.68	-0.45	-1.73	-6.33	-6.19	-6.36	-1.33	7.70
Ugandan Shilling (UGX)	1.17	2.92	3.20	1.43	0.73	-2.16	-9.21	-5.78	-2.42	-0.16	15.25
Zambian Kwacha (ZMK)	11.42	16.68	0.33	-11.04	-5.36	7.76	2.93	-8.39	-14.41	-6.19	14.50

# Local Sovereign Currency Yields

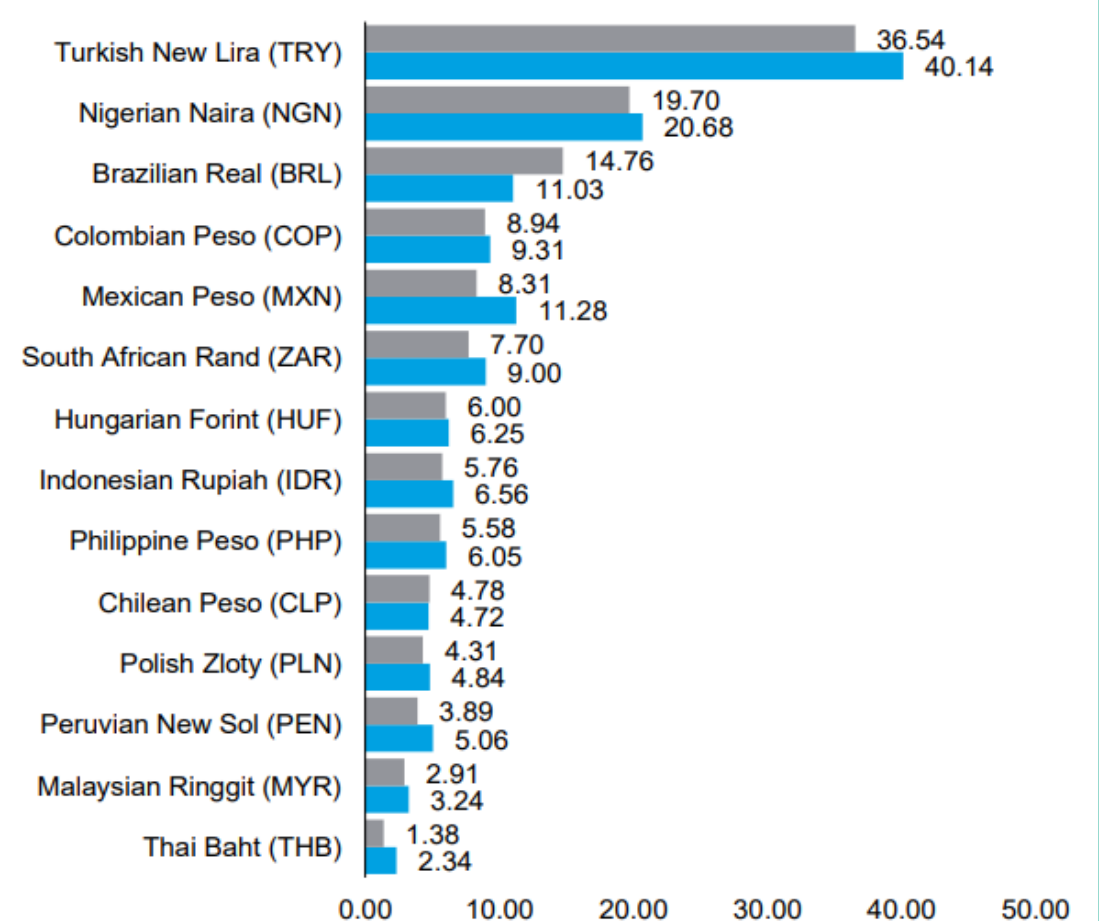
## Developed Market Local Interest Rates % (1 Year)

■ Current ■ 1 Yr Prior



## Emerging Market Local Interest Rates % (1 Year)

■ Current ■ 1 Yr Prior



01

## Growth

- The World Bank has revised its global GDP growth forecast, now expecting an increase of only 2.3% this year. This would mark the lowest annual growth rate since 2008, excluding periods of full-blown global recession.
- Similarly, the OECD has lowered its global growth projections to 2.9% for both 2025 and 2026, citing rising trade barriers, policy uncertainty, and persistent inflation. The organization also highlighted increasing fiscal and financial risks, particularly for developing economies burdened by debt

02

## Inflation

- Based on IMF estimates released in April 2025, global headline inflation is expected to decline at a pace that is slightly slower than what was expected in January, reaching 4.3 percent in 2025 and 3.6 percent in 2026, with notable upward revisions for advanced economies and slight downward revisions for emerging market and developing economies in 2025.

03

## Monetary policy

- Central banks are expected to be cautious as they continue to navigate a complex economic environment marked by trade tensions and geopolitical uncertainties.

04

## Trade

- World trade volume estimates are revised downward slightly for 2025 and 2026.
- The revision owes to the sharp increase in trade policy uncertainty, which will likely hurt investment disproportionately among trade-intensive firms.

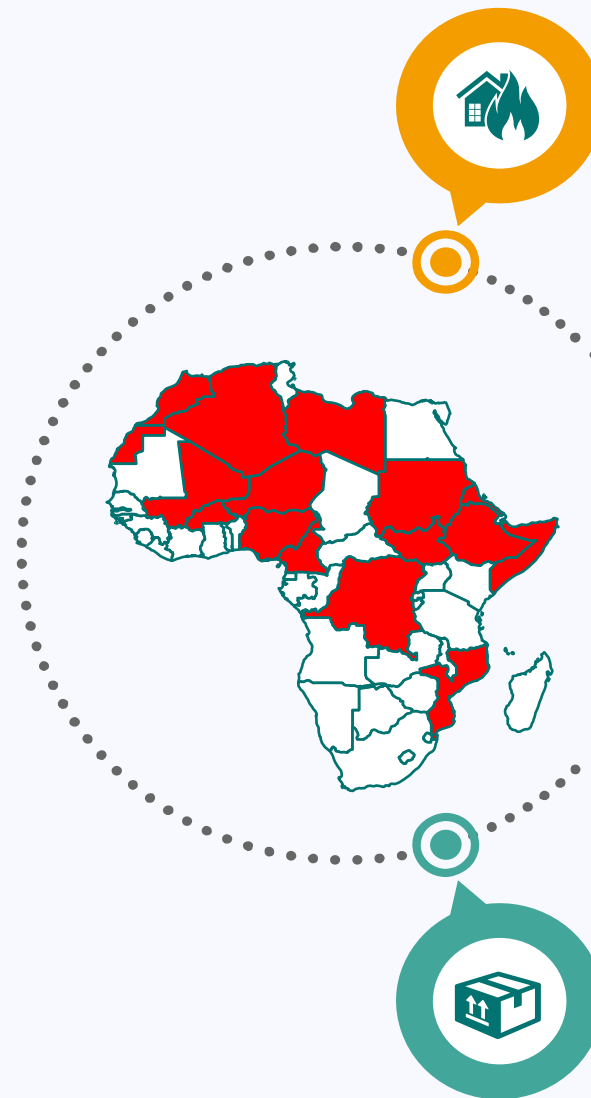
03

# **Current Trends and Transformations in Global Africa's Macroeconomic Landscape**



## Parliamentary elections in 12 countries

- Burundi
- Cameroon
- Central African Republic
- Comoros
- Egypt
- Gabon
- Cote d'Ivoire
- Malawi
- Niger
- Seychelles
- Tanzania
- Togo



## Territorial Disputes

- Algeria – Morocco
- Democratic Republic of the Congo – Rwanda

## Civil Wars and Armed Conflicts in 5 countries

Ethiopia, Libya, Somalia, Sudan, Mozambique

## Terrorism in 7 countries

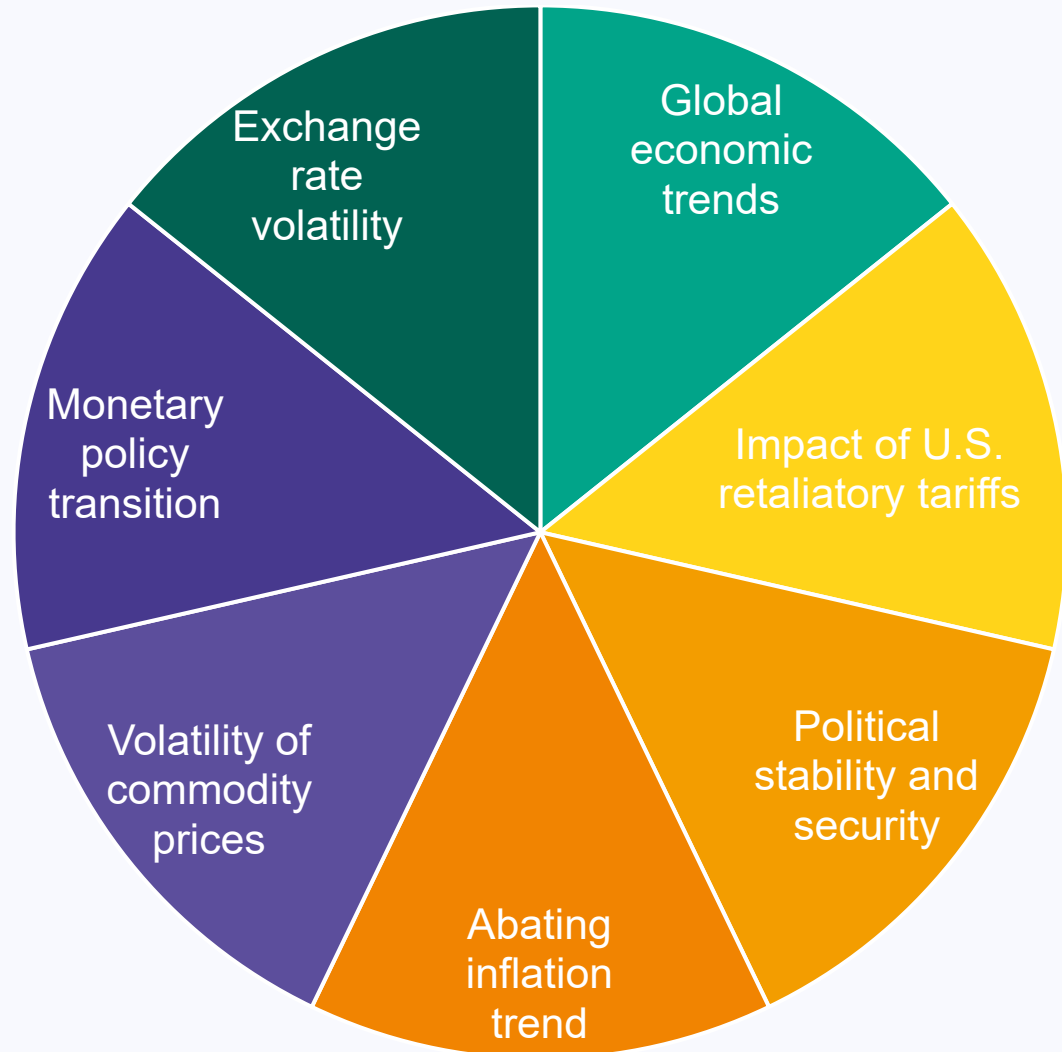
- Burkina Faso, Cameroon, Niger, Nigeria, Mali, Somali, Sudan

## Presidential elections in 2 countries

- Cameroon
- Côte d'Ivoire



Factors Influencing Africa’s Economic Performance in 2025



	2025 (f) - October 2024	2025 (f) - April 2025	Difference	2025 (f) - October 2024 (Afreximbank)	Q3-2024 (YoY)	Q4-2024 (YoY)
Libya	13.7	17.3	3.7	6.7		
Senegal	9.3	8.4	-0.9	8.5	10.0	11.6
Rwanda	6.5	7.1	0.6	7.2	8.1	8.0
Guinea	5.7	7.1	1.4	6.3		
Ethiopia	6.5	6.6	0.1	6.8		
Niger	7.3	6.6	-0.7	6.6	7.3	14.4
Benin	6.5	6.5	0.0	6.0	6.6	6.8
Côte d'Ivoire	6.4	6.3	-0.1	6.8	5.6	6.5
Zambia	6.6	6.2	-0.4	5.0	3.0	8.6
Uganda	5.9	6.1	0.2	6.8	6.7	5.3
Zimbabwe	6.0	6.0	0.0	3.8		
Tanzania	6.0	6.0	0.0	6.0	5.9	5.2
Djibouti	6.0	6.0	0.0	5.7		
The Gambia	5.8	5.9	0.2	5.7	5.0	
Liberia	5.8	5.3	-0.5	6.1		
Togo	5.3	5.3	0.0	5.5	6.3	5.1
Eswatini	4.2	5.1	0.9	3.5	2.8	2.1
Guinea-Bissau	5.0	5.1	0.1	4.8	5.2	5.3
Cabo Verde	4.7	5.0	0.3	5.0	3.4	6.7
Mali	4.4	4.9	0.5	4.2	4.7	4.4
Kenya	5.0	4.8	-0.2	5.3	4.2	5.1
Democratic Republic of the Congo	5.0	4.7	-0.3	6.0		
Sierra Leone	4.5	4.7	0.1	4.4		
Mauritania	4.2	4.4	0.2	5.5	6.0	
Burkina Faso	5.8	4.3	-1.5	4.4	4.9	5.5
Ghana	4.4	4.0	-0.3	4.4	7.2	3.6
Madagascar	4.6	3.9	-0.7	4.6		
Morocco	3.6	3.9	0.3	3.7	4.3	3.7
Namibia	4.2	3.8	-0.4	3.6	3.2	3.1
Egypt	4.1	3.8	-0.3	4.1	3.5	4.3
Cameroon	4.2	3.6	-0.6	4.6	3.0	
Seychelles	3.9	3.5	-0.4	4.0	10.2	7.2
Malawi	4.0	3.5	-0.5	3.4		
Algeria	3.0	3.5	0.5	3.1	2.3	4.2
Republic of Congo	3.7	3.3	-0.4	4.1		
São Tomé and Príncipe	3.3	3.1	-0.2	3.2		
Nigeria	3.2	3.0	-0.1	3.4	3.5	3.8
Mauritius	4.0	3.0	-1.0	4.6	5.2	4.8
Central African Republic	2.9	2.9	0.0	2.8		
Gabon	2.6	2.8	0.1	2.6		
Mozambique	4.3	2.5	-1.8	5.4	3.7	-4.9
Angola	2.8	2.4	-0.4	3.1	2.6	3.5
Burundi	3.5	1.9	-1.7	5.2		
Chad	3.8	1.7	-2.1	3.3		
Lesotho	2.3	1.5	-0.8	2.2	4.6	3.6
Tunisia	1.6	1.4	-0.2	2.1	1.8	2.4
South Africa	1.5	1.0	-0.5	1.6	0.4	0.8
Botswana	5.2	-0.4	-5.6	4.3	-4.2	-2.0
Sudan	8.3	-0.4	-8.7	0.5		
Equatorial Guinea	-4.8	-4.2	0.6	-3.0		



# Most African currencies have developed steadily, but nearly half have shown signs of depreciation.



	Today Price	last Month Price	MoM Change	YoY Change	last Year Price
Zambia	23.9	26.8	24.1	-10.8	-0.9
Cameroon	559.5	584.5	612.0	-4.3	-8.6
Sao Tome and Principe	21.0	21.6	22.9	-3.1	-8.3
Nigeria	1,535.3	1,583.4	1,504.5	-3.0	2.0
Comoros	419.0	432.0	458.6	-3.0	-8.6
Cape Verde	93.9	96.7	103.0	-2.9	-8.8
Ivory Coast	558.5	574.8	612.0	-2.8	-8.7
Seychelles	14.4	14.8	13.5	-2.4	7.0
Tanzania	2,622.1	2,683.5	2,689.0	-2.3	-2.5
Morocco	9.0	9.2	10.0	-2.3	-9.9
Madagascar	4,430.0	4,527.2	4,483.2	-2.1	-1.2
Algeria	129.4	132.2	134.5	-2.1	-3.9
Tunisia	2.9	2.9	3.1	-2.0	-8.2
Mauritius	44.9	45.7	46.8	-1.9	-4.2
Botswana	13.2	13.5	13.6	-1.7	-3.0
South Africa	17.6	17.9	18.6	-1.6	-5.4
Namibia	17.6	17.8	18.5	-1.5	-4.8
Lesotho	17.6	17.8	18.5	-1.4	-4.8
Uganda	3,595.1	3,639.0	3,699.5	-1.2	-2.8
Swaziland	17.7	17.9	18.5	-1.1	-4.2
Libya	5.4	5.5	4.9	-1.0	10.9
Ethiopia	135.4	136.5	57.3	-0.9	136.1
Egypt	49.5	49.7	48.1	-0.3	2.9
Angola	918.7	921.2	871.7	-0.3	5.4
Sierra Leone	22,443.4	22,502.9	22,517.4	-0.3	-0.3
Kenya	129.0	129.2	128.5	-0.2	0.4
Mauritania	39.7	39.7	39.7	-0.1	-0.1
Gambia	72.7	72.8	68.8	0.0	5.7
Guinea	8,665.5	8,665.5	8,610.0	0.0	0.6
Eritrea	15.0	15.0	15.0	0.0	0.0
Djibouti	178.1	178.1	178.0	0.0	0.0
Somalia	571.5	571.5	568.0	0.0	0.6
Malawi	1,734.0	1,733.7	1,733.8	0.0	0.0
Sudan	600.5	600.4	598.8	0.0	0.3
Mozambique	63.9	63.9	63.3	0.0	1.1
Burundi	2,978.8	2,976.8	2,877.3	0.1	3.5
Zimbabwe	27.0	26.9	13.9	0.1	93.9
Congo	2,911.0	2,904.5	2,842.0	0.2	2.4
Liberia	200.0	199.5	194.4	0.3	2.9
South Sudan	4,538.7	4,500.6	1,549.3	0.8	193.0
Ghana	10.4	10.2	15.3	1.0	-32.5
Rwanda	1,434.0	1,415.0	1,316.9	1.3	8.9

Sources: Afreximbank Research, Trading Economics

## Exchange rate dynamics recorded in June 2025:

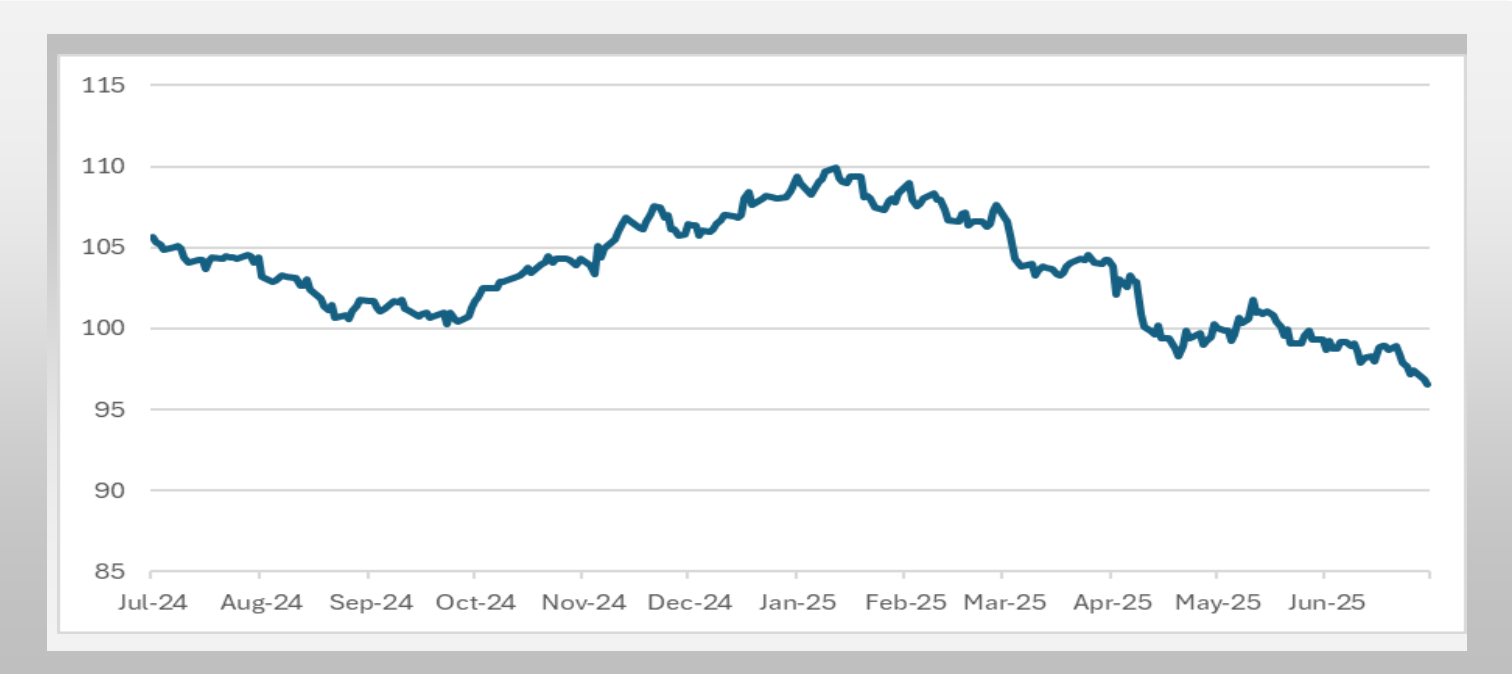
- 01

**Currency appreciation**  
 Several regional currencies experienced appreciation, notably those of Ghana, South Africa, Namibia, Eswatini, etc.
- 02

**Currency stability**  
 Countries like Kenya and Liberia have experienced periods of stability
- 03

**Currency depreciation**  
 10 countries experienced significant currency depreciations during this period.

## U.S. Dollar Index

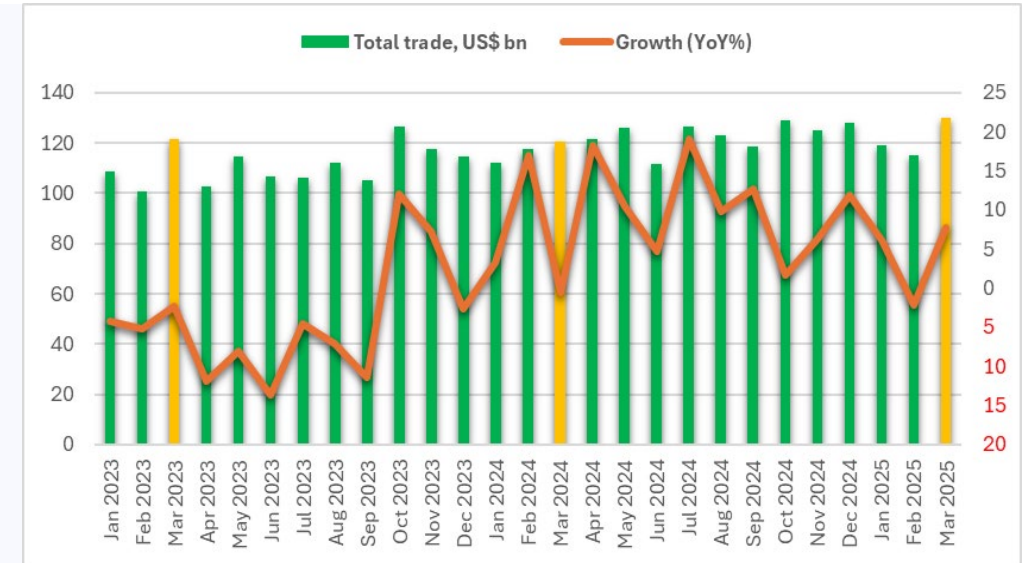


# African Trade remains resilient despite global challenges



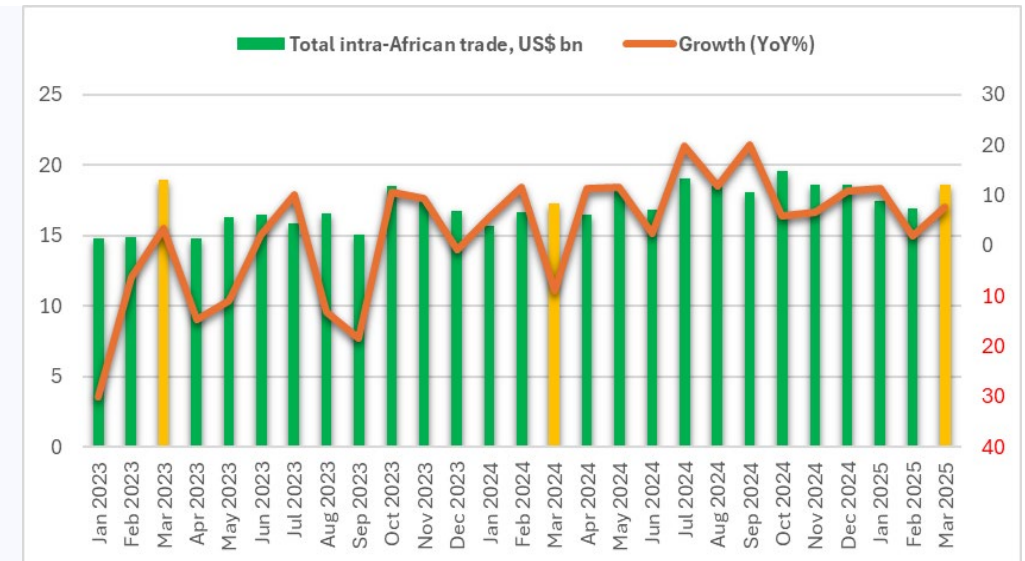
## African trade hits US\$130 billion

In March 2025, total African trade increased to US\$130 billion, up from US\$1115.3 billion in February, representing a growth of 7.72% compared to the same period last year.



## Intra- African trade grew 7.7% in March

Intra-African trade also grew to US\$18.6 billion in March 2025, having reached US\$16.9 billion in the previous month. This represents a 7.74% improvement compared to the same period in the year prior.



# Key highlights: Improved rating upgrades, allowing countries to enter the financial volatility with strong fundamentals.



May 2025

Sovereign	Moody's			S&P			Fitch		
	Previous	Current	Direction	Previous	Current	Direction	Previous	Current	Direction
<b>UPGRADES</b>									
Nigeria	Caa1 (stable)	B3 (stable)	↑				B- (pos)	B (stable)	↑
Ghana				SD	CCC+(stable)	↑			
Togo				B (positive)	B+ (stable)	↑			
Zambia	Caa3 (stable)	Caa2 (positive)	↑						
<b>Total</b>		<b>2</b>			<b>2</b>			<b>1</b>	
<b>UNCHANGE IN CREDIT RATING OUTLOOKS</b>									
Egypt							B(stable)	B(stable)	
Lesotho							B (stable)	B (stable)	
Namibia							BB- (stable)	BB- (stable)	
Angola							B- (stable)	B- (stable)	
Cabo Verde							B (stable)	B (stable)	
<b>Total</b>								<b>5</b>	
<b>NEGATIVE CHANGE IN CREDIT RATING OUTLOOKS</b>									
Cameroon							B (stable)	B (negative)	↓
Egypt				B- (positive)	B- (stable)	↓			
Rwanda	B2 (stable)	B2 (negative)	↓				B+ (stable)	B+ (negative)	↓
Botswana	A3 (stable)	A3 (negative)	↓						
<b>Total</b>		<b>2</b>			<b>1</b>			<b>2</b>	

June 2025

Sovereign	Moody's			S&P			Fitch		
	Previous	Current	Direction	Previous	Current	Direction	Previous	Current	Direction
<b>UPGRADES</b>									
Ghana							RD (stable)	B- (stable)	↑
<b>Total</b>								<b>1</b>	
<b>UNCHANGE IN CREDIT RATING OUTLOOKS</b>									
Cote d'Ivoire							BB- (stable)	BB- (stable)	
Gabon							CCC (stable)	CCC (stable)	
Tanzania							B+ (stable)	B+ (stable)	
<b>Total</b>								<b>3</b>	

# Market access: slowdown in issuance



Eurobonds Issuance, Africa

	Issuances (US\$ billion)	Rates (Percent)	Maturity (Years)	Date	Rating
	1.1	7.875	9	Jan-24	Moody's: Ba3, + outlook
Côte d'Ivoire	1.5	8.5	13	Jan-24	Moody's: Ba3, + outlook
Benin	0.75	8.375	14	Feb-24	Moody's: B1, stable outlook
Kenya	1.5	10.375	7	Feb-24	Moody's: B3, - outlook
Senegal	0.75	7.75	7	Jun-24	Moody's: B1, stable outlook Fitch: B, - outlook
Cameroon	0.55	10.75	7	Jul-24	S&P: B-, stable outlook
Senegal	0.3	7.75	7	Nov-12	Moody's: B1, stable outlook
Nigeria	2.2	7.75	7		Fitch: B-, + outlook
South Africa	3.5	7.1-7.9	45843	Nov-13	S&P: BB-, + outlook
Angola	1.5	9.5	1	Dec-24	S&P: B-, stable outlook
Egypt	2	8.6-9.45	2	Jan-25	S&P: B- + Outlook
Gabon	0.7	6.5	5	Feb-25	S&P: CCC, stable Outlook
Côte d'Ivoire	1,75	6.45			S&P: BB, stable outlook



## Improved outlook and rating upgrade

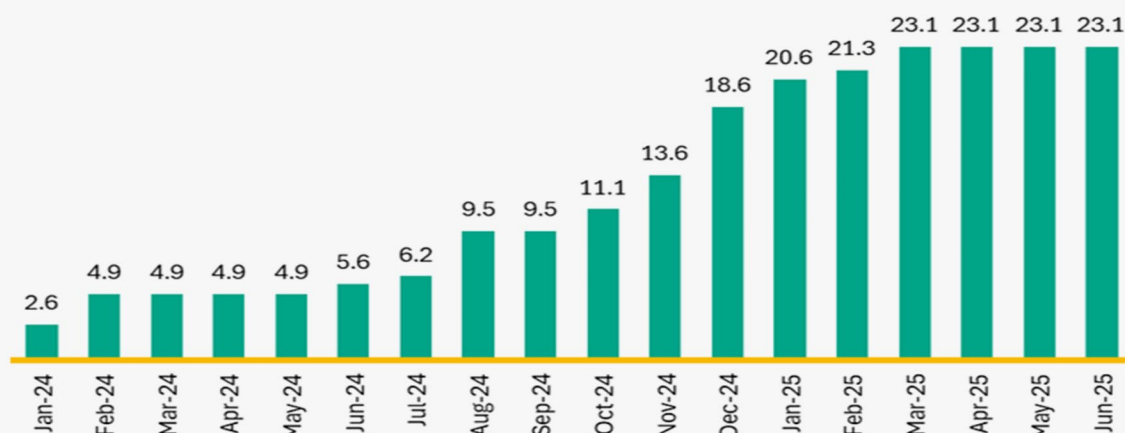
African countries experienced improved outlooks and rating upgrades, with resumed market access and lower key interest rates from major central banks.



## Market return of African countries

Several African countries, including Angola, Egypt, Nigeria, Côte d'Ivoire, Senegal, and Morocco, issued Eurobonds, taking advantage of favorable market conditions following earlier foreign debt success.

Cumulative Issuances (\$US billions)



## Dollar-bond offering by Benin, Egypt and Gabon

In 2025, Benin, Egypt, Gabon, and Cote d'Ivoire launched a dollar-bond offering, making them the first African sovereign issuers.

# Balance of Risks in Africa: Overall Stability, but Uneven Progress <sup>(1/2)</sup>



Africa's macroeconomic recovery is highly heterogeneous. While many countries are experiencing stronger growth and fiscal realignment, challenges persist in inflation control, foreign exchange stability, and debt-related risks.

<b>North Africa</b>	Growth is stable and trade remains strong, but Egypt, Libya, and Tunisia face rising inflation, currency volatility, and elevated macro risk. Morocco and Mauritania show greater resilience.	
<b>West Africa</b>	The region shows strong growth and moderating inflation. However, countries like Ghana and Nigeria face exchange rate instability, trade deficits, and heightened risk, while others like Côte d'Ivoire and Benin are relatively stable.	
<b>Central Africa</b>	Macroeconomic conditions are mixed. Cameroon and Gabon show relative stability, but Chad and the Central African Republic face severe inflation, external imbalances, and high risk.	
<b>East Africa</b>	Growth is solid in countries like Ethiopia, Kenya, and Uganda, but inflation and policy uncertainty persist. Fragile states such as Somalia and South Sudan continue to struggle with macro instability.	
<b>Southern Africa</b>	Countries like South Africa, Botswana, and Zambia are stabilizing, but Angola, Mozambique, and Lesotho face inflationary pressure, trade imbalances, and rising risk. Performance across the region is uneven.	

# Balance of Risks in Africa: Overall Stability, but Uneven Progress <sup>(2/2)</sup>



	Growth	Inflation	Policy Rate	Exch. Rate	Trade	Risk	Overall Scoring
<b>North Africa</b>							
Algeria	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Egypt	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Libya	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Mauritania	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Morocco	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Tunisia	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
<b>West Africa</b>							
Benin	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Burkina Faso	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Cabo Verde	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Cote d'Ivoire	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Gambia	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Ghana	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Guinea	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Guinea Bissau	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Liberia	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Mali	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Niger	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Nigeria	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Senegal	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Sierra Leone	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Togo	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
<b>Central Africa</b>							
Cameroon	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Central African Republic	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Chad	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Gabon	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Sao Tome and Principe	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
<b>East Africa</b>							
Burundi	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Djibouti	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Ethiopia	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Kenya	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Rwanda	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Somalia	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
South Sudan	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Tanzania	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Uganda	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
<b>Southern Africa</b>							
Angola	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Botswana	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Eswatini	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Lesotho	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Madagascar	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Malawi	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Mauritius	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Mozambique	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Namibia	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Seychelles	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
South Africa	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
Zambia	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	Stable
<b>Africa</b>							

Deteriorating ■
 Stable ■
 Improving ■



# Africa's Economic Outlook: What lies ahead?



## Growth

Africa's growth outlook has been revised downward to 3.9 percent in 2025 and 4.0 percent in 2026, reflecting the impact of persistent external shocks and rising global uncertainty driven by tariffs. Despite this modest downgrade, growth in 21 African countries is still expected to exceed 5 percent in 2025. Economic reforms, diversification, and better macro management drives the resilience to withstand global shocks and sustain growth.



## Inflation

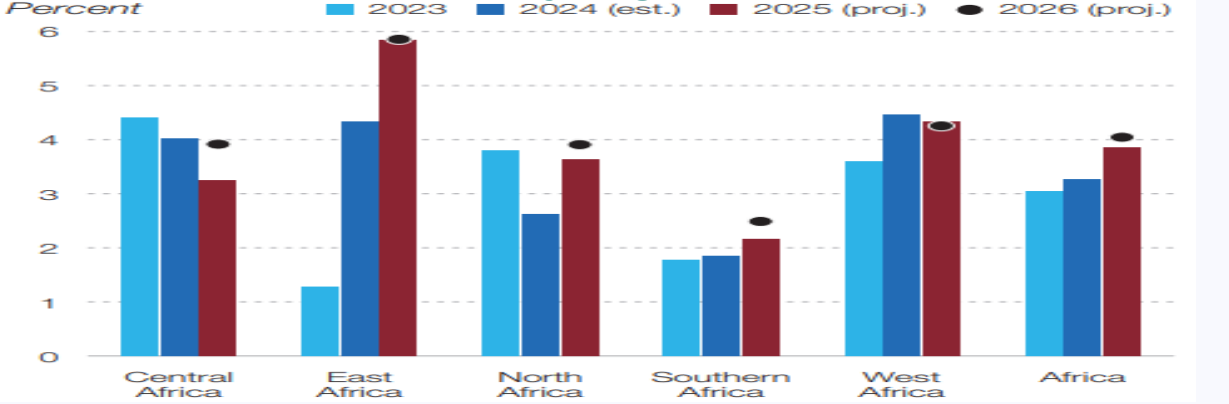
Average inflation in Africa is projected to ease to 13.8 percent in 2025 and 9.9 percent in 2026, marking the first return to single digits since the pandemic. Easing inflationary pressures largely driven by improved food supply, particularly in countries previously affected by climate-related shocks such as droughts and floods in 2024.



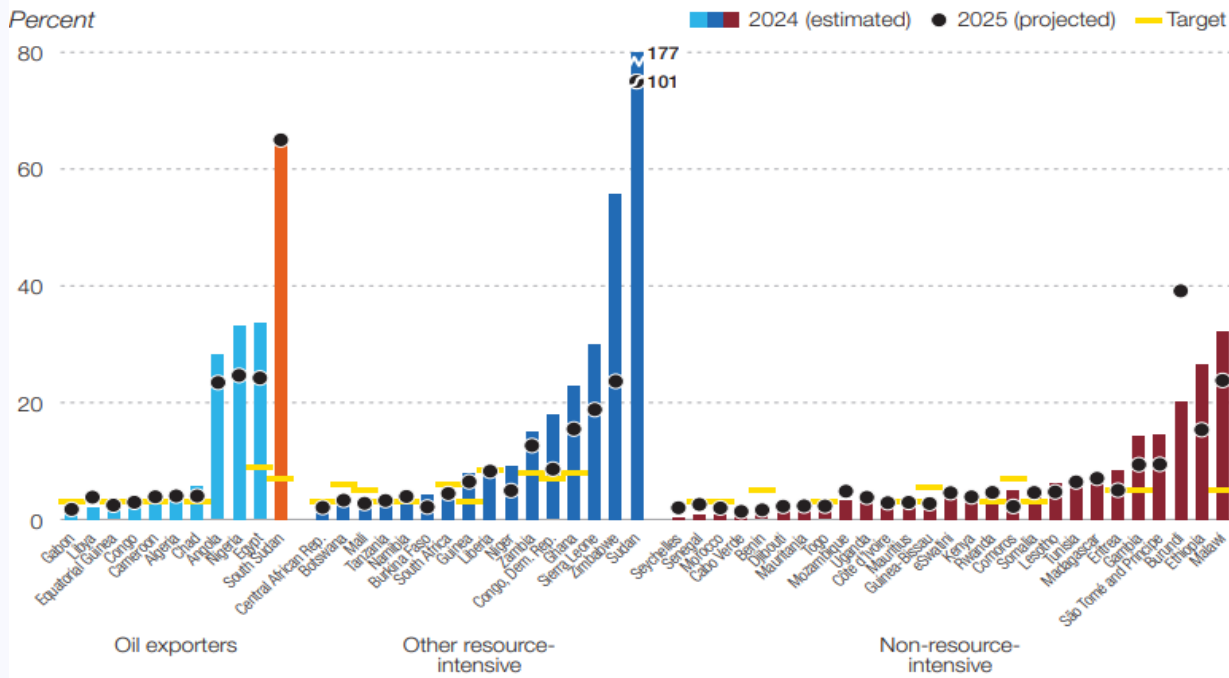
## Trade

Africa's average current account deficit is projected to widen from 1.8 percent of GDP in 2024 to 2.6 percent in 2025–26. This deterioration will be driven by a broader trade deficit, reflecting expected declines in export demand due to a weakening global economy.

## GDP Growth in Africa, by region, 2023–26



## Consumer prices inflation, 2024–25



# North Africa





# Key themes in Northern African countries



## Morocco- Investments in desalination and waterways to mitigate drought

The government is investing heavily in water infrastructure—desalination plants, water transfer projects, dams and an energy line—to alleviate severe drought. These investments seek to support agriculture, stabilize food prices, and secure long-term water resilience

## Morocco - Central bank holds key rate at 2.25%

The central bank maintained its benchmark interest rate at 2.25%, citing very low inflation (0.4% in May) and gradually rising credit to businesses. Inflation is expected to average 1.0% in 2025 before rising to 1.8% in 2026. GDP growth is projected at approximately 3.8–4.6% in 2025 depending on source, supported by resilient domestic demand and public investment.



## Egypt- Private sector PMI shows contraction easing

In May, Egypt's non-oil PMI edged up to 49.5, signaling near-stability. Though still technically contracting, output and orders improved versus April. Businesses cut costs and employment further; input price inflation remained elevated due to currency volatility, but the pace of decline slowed

## Algeria- Automotive and tire industries attract foreign investment

Chinese automotive manufacturer Omoda & Jaecoo, a subsidiary of Chery, and Algerian manufacturer Iris have launched the construction of a vehicle assembly unit in Setif, northeastern Algeria. The factory will cost around US\$130 mn and is set to assemble 50,000 vehicles per year. When operational, the assembly unit is expected to employ 2,400 workers.

## Algeria– China's Doublestar Tire to build a tire factory in northwestern Algeria

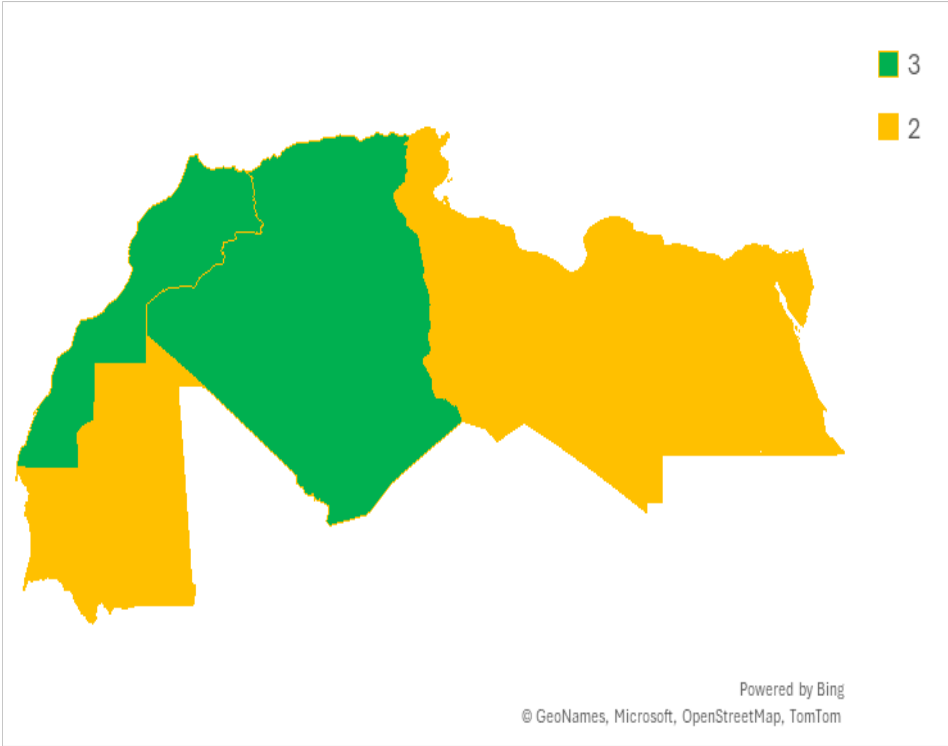
Chinese company Doublestar Tire and Algerian company El Hadj Larbi Industrie have signed an agreement to build a tire manufacturing unit in Oran, northwestern Algeria. The project will mobilize a budget of DZD 50.0 bn (EUR 330 mn) and is set to generate 2,000 direct jobs. The factory is set to produce seven million tires per year, including one million for heavy vehicles. The manufacturing unit will begin production by the end of 2026.

All countries are characterized by stable or enhancing macroeconomic fundamentals.



## North Africa

	Growth	Inflation	Policy Rate	Exch. Rate	Trade	Risk	Overall Scoring
Algeria	Improving	Deteriorating	Stable	Improving	Deteriorating	Improving	3
Egypt	Improving	Deteriorating	Improving	Improving	Deteriorating	Improving	2
Libya	Improving	Deteriorating	Stable	Improving	Improving	Deteriorating	2
Mauritania	Deteriorating	Stable	Stable	Improving	Improving	Improving	2
Morocco	Improving	Improving	Stable	Improving	Improving	Improving	3
Tunisia	Deteriorating	Stable	Stable	Improving	Improving	Improving	2

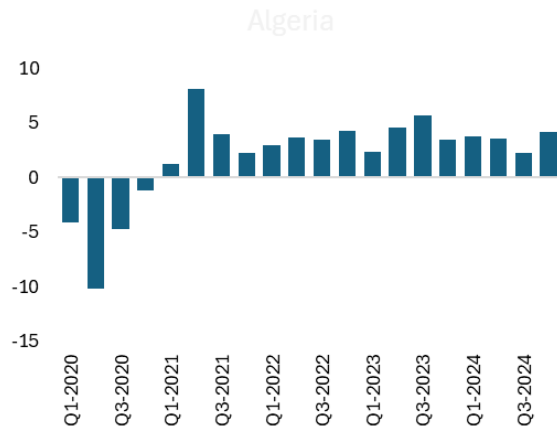


# Algeria

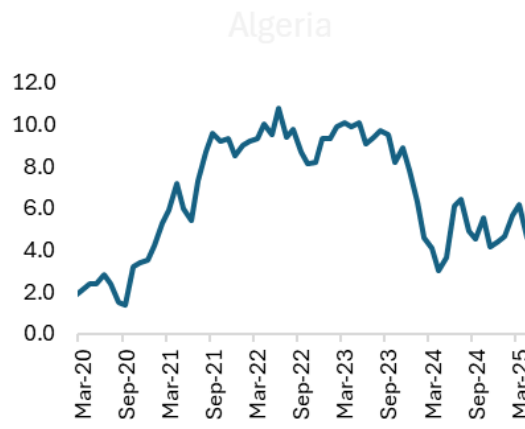
## Key Macroeconomic Indicators

Growth rose to 4.2% in Q4-2024 from 2.3%, whereas inflation eased to 4.57% in April from 6.17% in March. Policy rate held at 3.0% as the exchange rate appreciated by 0.90%, trading at 131.5 per USD. Total trade amounted to \$23.4 million in March. Risk score was moderate at 52.17.

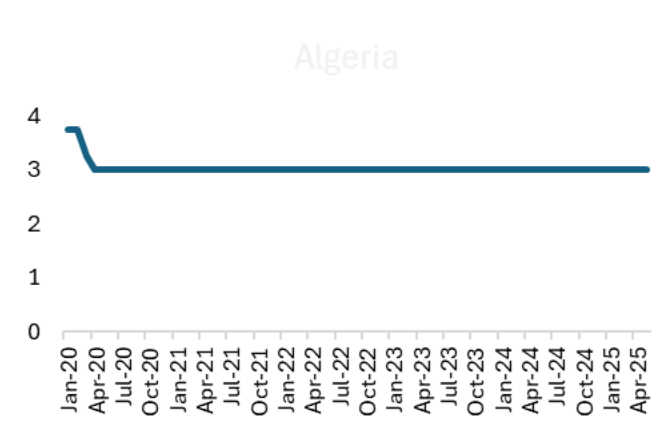
Growth rate



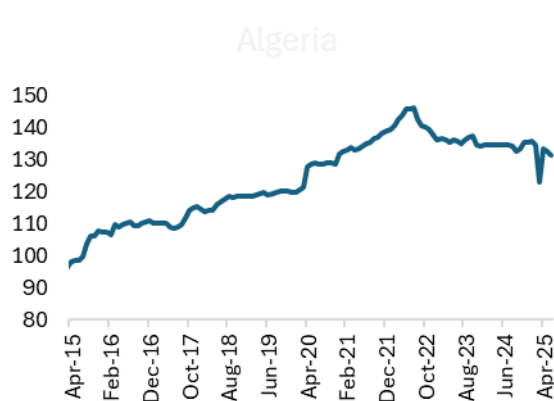
Inflation rate



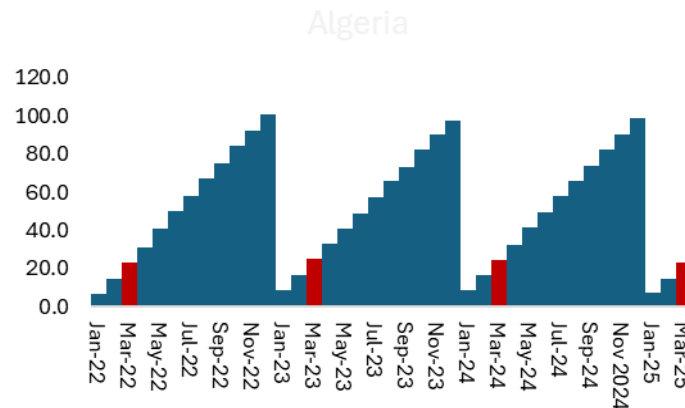
Policy rate



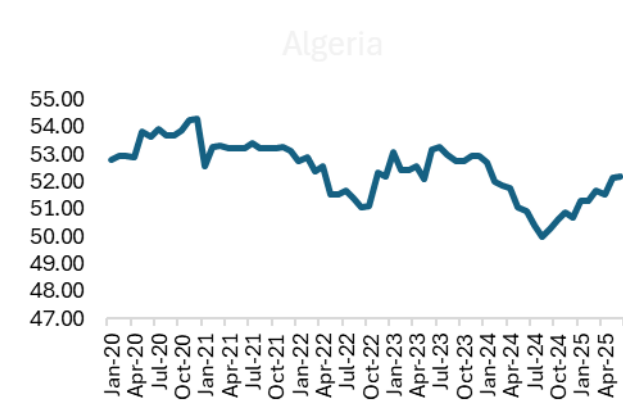
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

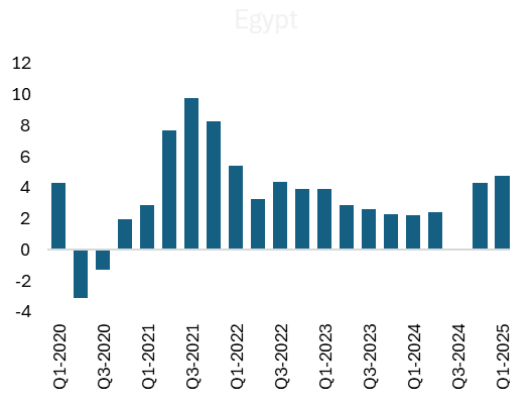


# Egypt

## Key Macroeconomic Indicators

Growth grew by 4.8% in Q1-2025, while inflation rose to 16.8% in May from 13.9% in April. Policy rate was set to 24% as at 25th May, and the exchange rate appreciated by 1.4%, reaching 49.53 per USD. Total trade rose to \$37.3 million in March. Risk score stood at 49.04.

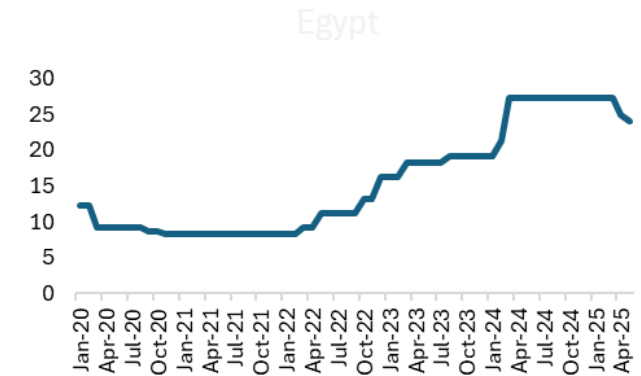
Growth rate



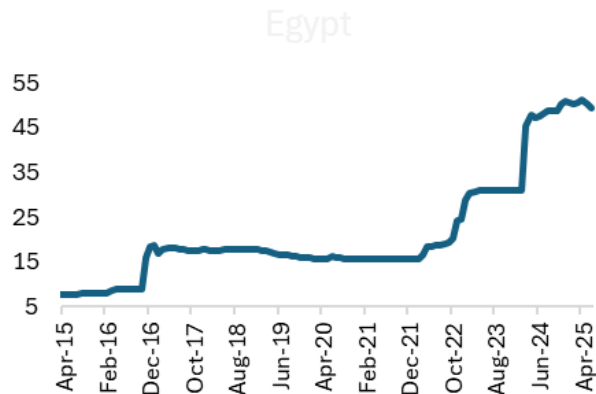
Inflation rate



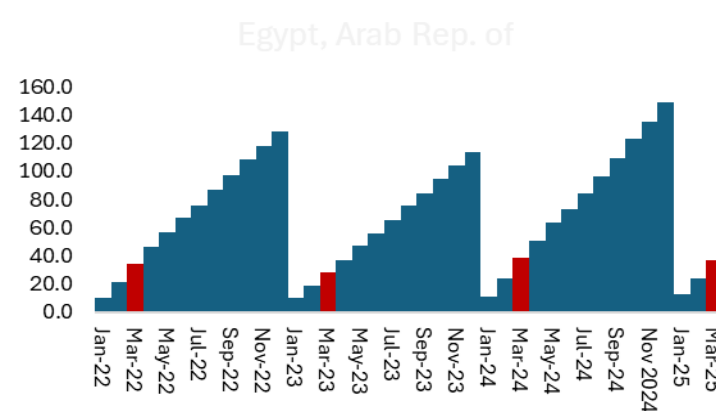
Policy rate



Exchange rate



Total foreign trade, \$US bn



Country Risk Index

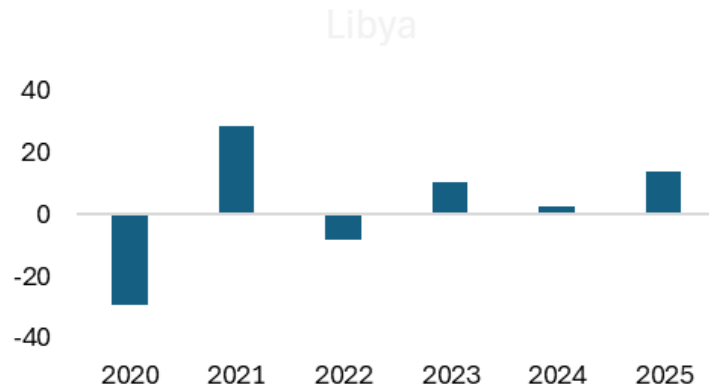


# Libya

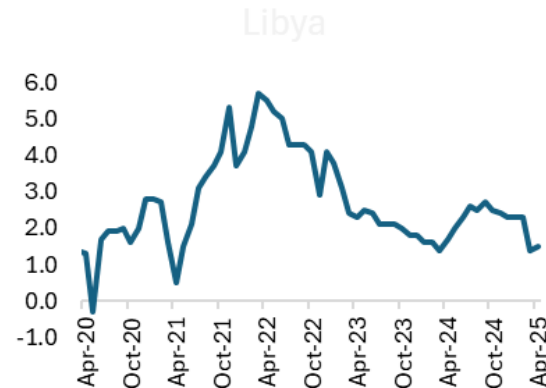
## Key Macroeconomic Indicators

Inflation remained low at 1.5% in April 2025, and the exchange rate appreciated by 0.69% at 5.44 per USD. Total trade reached \$12.94 million in March. Risk score stood at 67.2 as of Jun 2025.

Growth rate



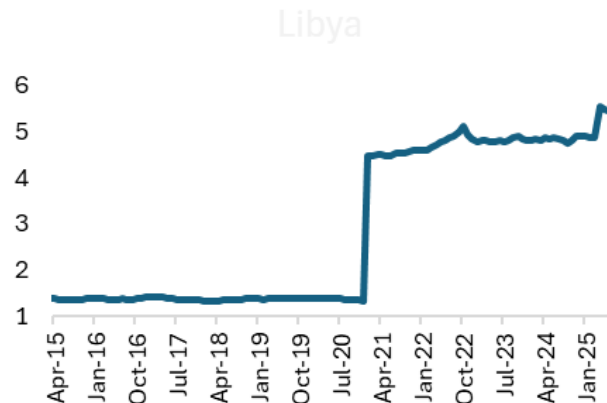
Inflation rate



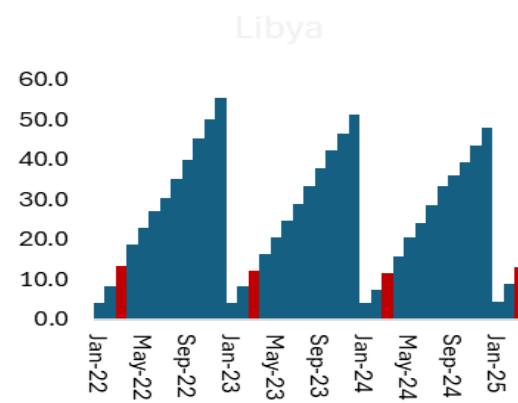
Policy rate



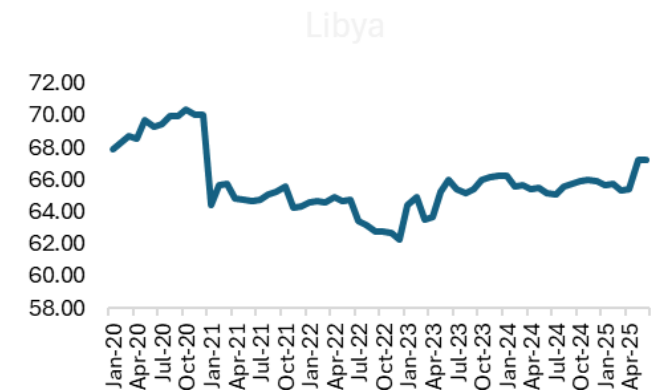
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

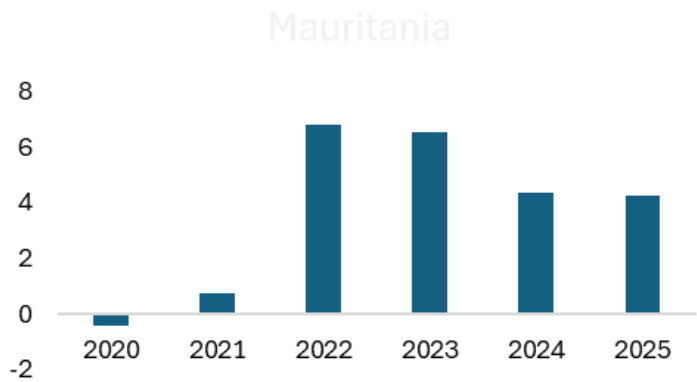


# Mauritania

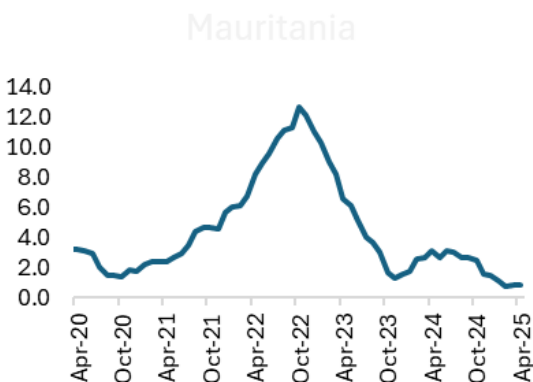
## Key Macroeconomic Indicators

Policy rate was steady at 6.75%, while the exchange rate appreciated by 0.62%, reaching 39.53 per USD. Risk score stood still at 62.86.

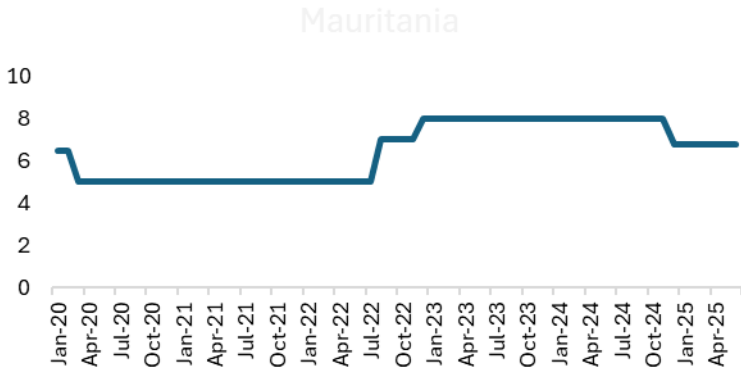
Growth rate



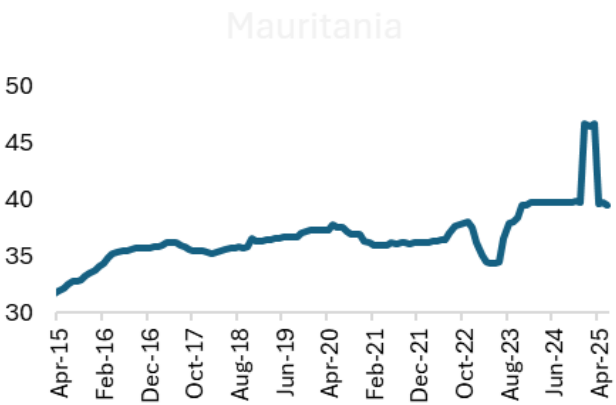
Inflation rate



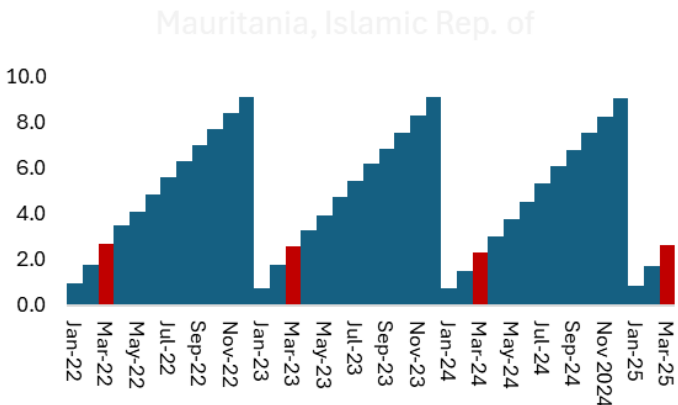
Policy rate



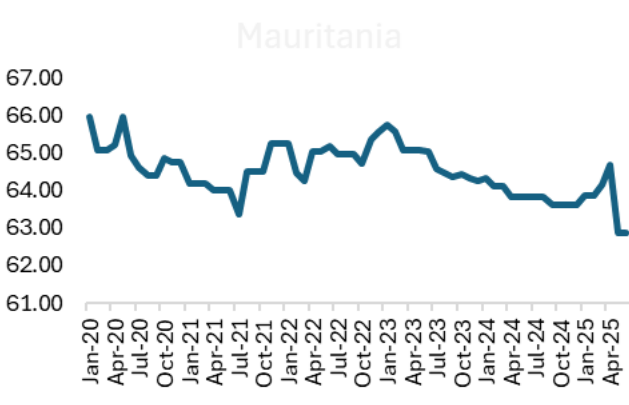
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

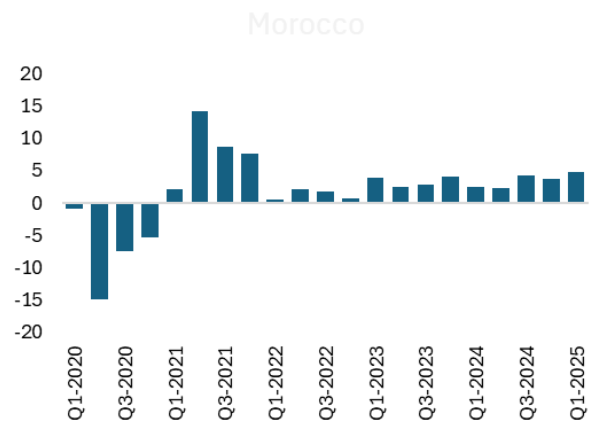


# Morocco

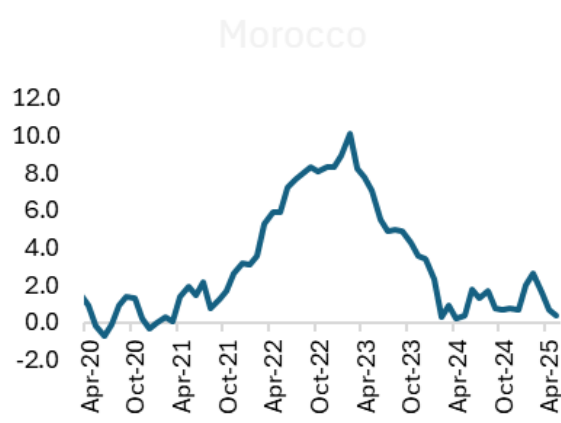
## Key Macroeconomic Indicators

Growth registered at 3.7% in Q4-2024 and increased to 4.8% as at Q1-2025, while inflation eased to 0.4% in May from 0.7% in April. The policy rate held at 3.0% as the exchange rate appreciated by 1.08%, trading at 9.15 per USD. Total trade totaled \$32.71 million in March 2025. Risk score stood at 43.94 as at Jun 2025.

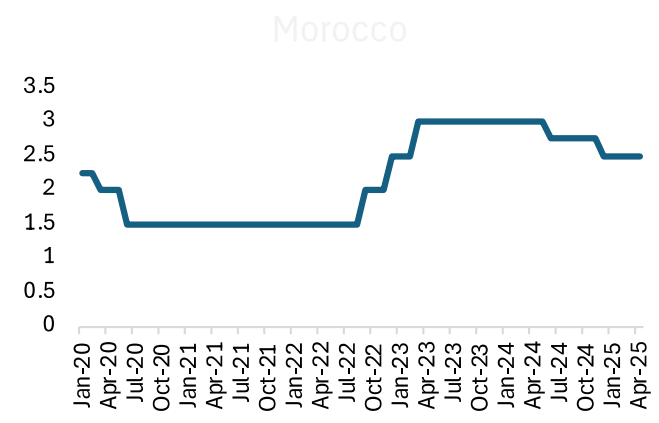
Growth rate



Inflation rate



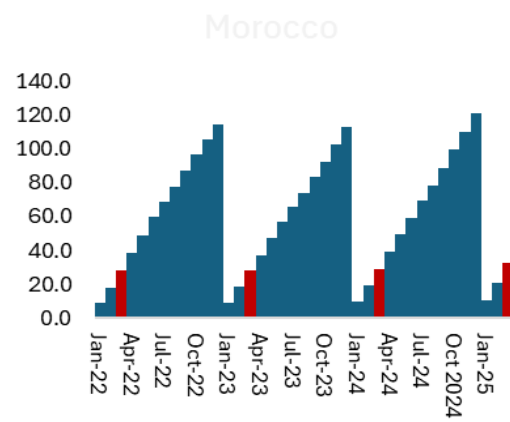
Policy rate



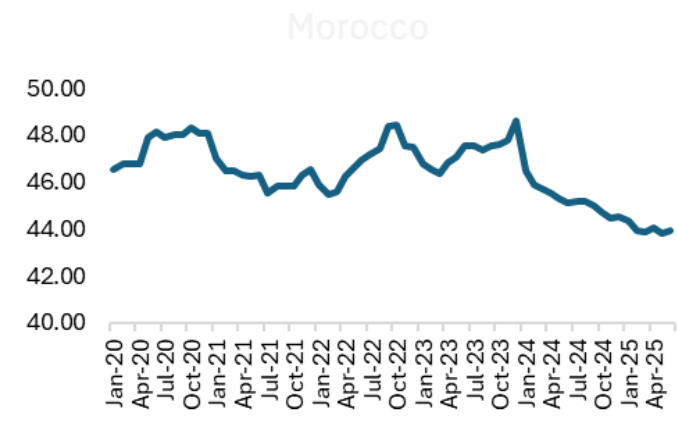
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

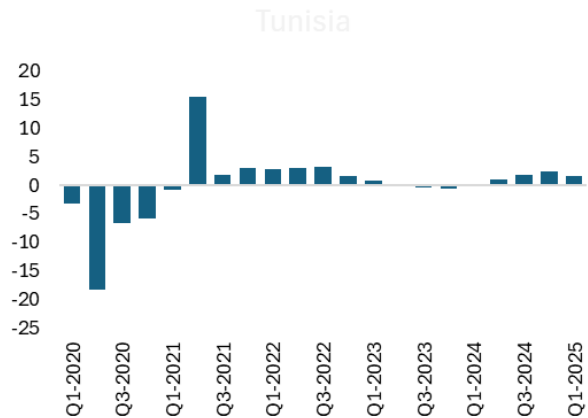


# Tunisia

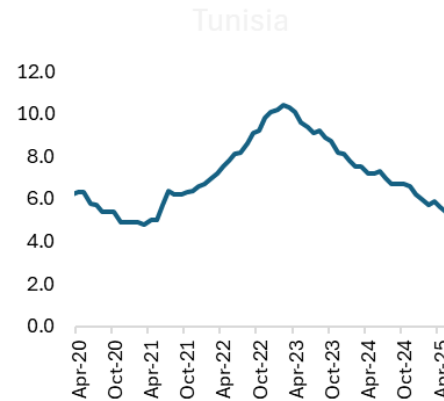
## Key Macroeconomic Indicators

Inflation remained steady at 5.40% in May to June 2025, from the previous 5.60% in April. Policy rate held at 7.50%, and the exchange rate appreciated by 1.42%, reaching 2.96 per USD. Total trade amounted to \$11.85 million in March. Risk score was 52.4.

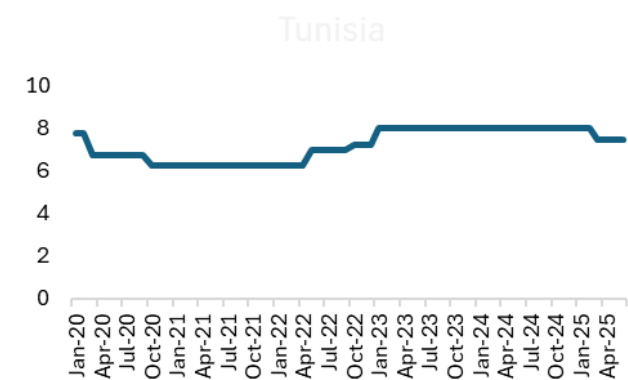
Growth rate



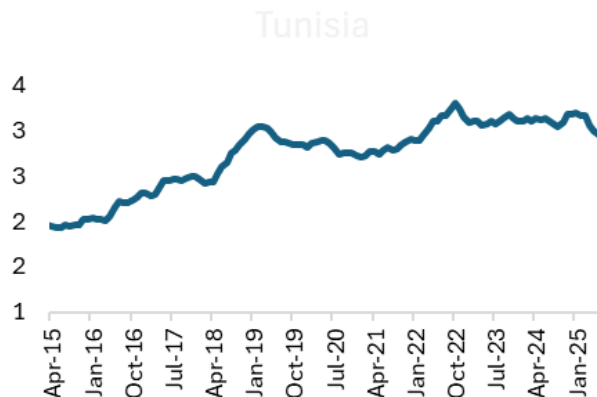
Inflation rate



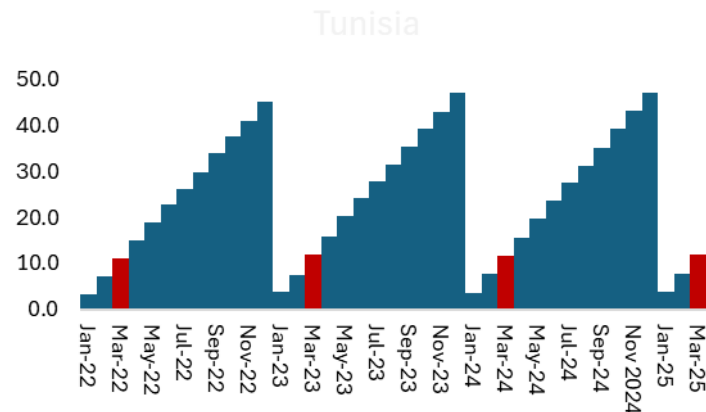
Policy rate



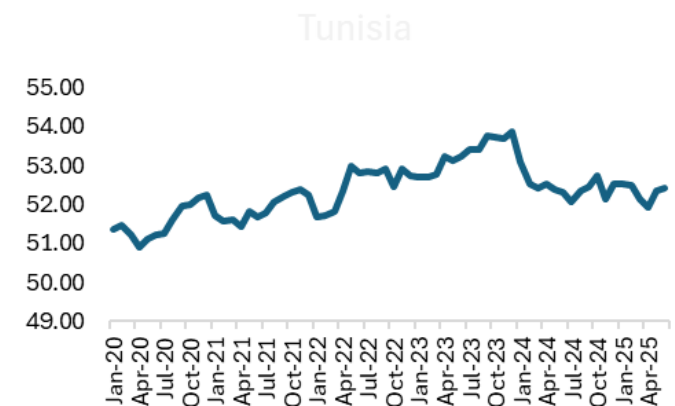
Exchange rate



Total foreign trade, \$US bn



Country Risk Index





# West Africa



# Key themes in Western African countries



## Nigeria- Inflation eases to 22.22% in June

Headline inflation slowed to 22.22% in June from 22.97% in May, the third monthly drop. Food prices remain elevated, but monetary tightening has started to bite.

## Nigeria- GDP rebasing drives Q1 GDP growth to 3.13%

Nigeria's rebasing in July showed stronger-than-reported growth, with Q1 2025 GDP expanding 3.13%. The economy is now valued at \$243 billion, up 30% from earlier estimates.

## Senegal- Government raises \$644m locally to ease debt pressure

Senegal raised CFA 364 billion (~\$644 million) through domestic bonds in July. Analysts estimate debt levels close to 120% of GDP, triggering investor caution.



## Ghana- Inflation drops to 13.7%, lowest in three years

Ghana's CPI fell to 13.7% in June, continuing a steady disinflation path. Food price drops and cedi strength were key drivers.

## Ghana- Central bank delivers historic 300bps rate cut

On July 30, the Bank of Ghana slashed its policy rate from 28% to 25%, citing anchored expectations and a stable macro backdrop.

## Ghana- Q1 GDP grows by 5.3%, supporting lower fiscal deficit target

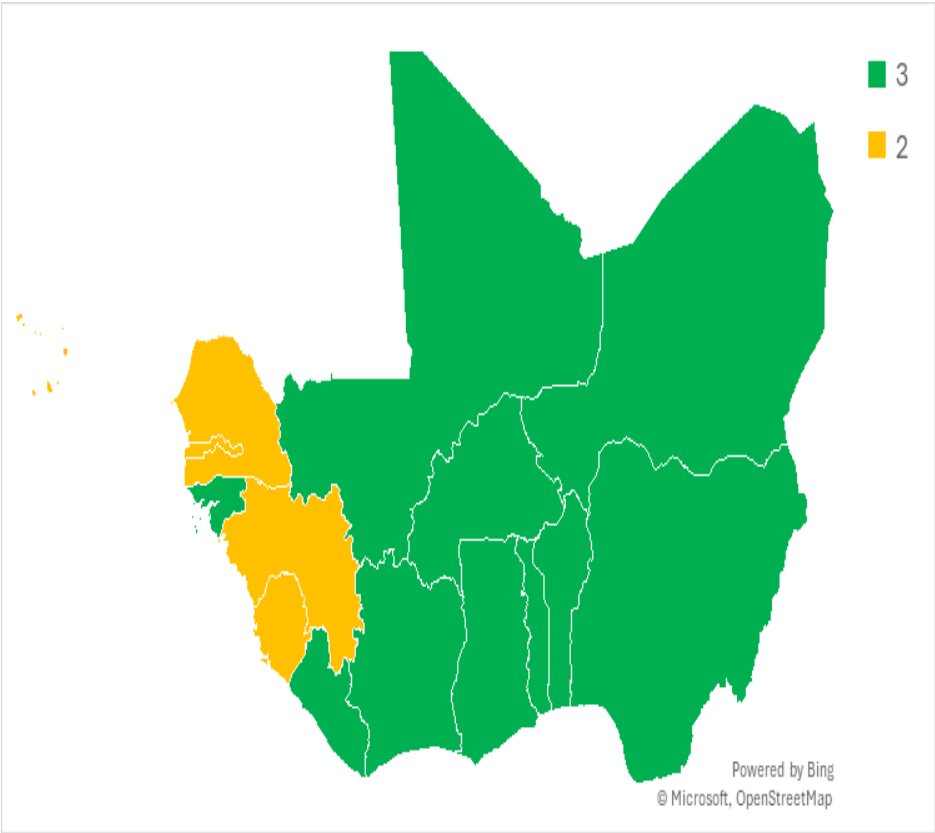
Q1 2025 GDP rose 5.3% y-o-y, prompting the government to revise the 2025 deficit to 3.8% of GDP after a strong fiscal showing in H1.

10 out of 15 countries are characterized by stable or enhancing macroeconomic fundamentals.



West Africa

	Growth	Inflation	Policy Rate	Exch. Rate	Trade	Risk	Overall Scoring
Benin	Improving	Improving	Improving	Improving	Improving	Improving	3
Burkina Faso	Improving	Improving	Improving	Deteriorating	Deteriorating	Improving	3
Cabo Verde	Improving	Stable	Stable	Improving	Deteriorating	Stable	2
Cote d'Ivoire	Improving	Improving	Improving	Improving	Improving	Improving	3
Gambia	Improving	Stable	Deteriorating	Deteriorating	Deteriorating	Improving	2
Ghana	Improving	Stable	Improving	Improving	Improving	Deteriorating	3
Guinea	Improving	Stable	Deteriorating	Deteriorating	Improving	Deteriorating	2
Guinea Bissau	Improving	Improving	Improving	Improving	Improving	Stable	3
Liberia	Improving	Stable	Improving	Improving	Improving	Improving	3
Mali	Deteriorating	Improving	Improving	Improving	Improving	Improving	3
Niger	Improving	Improving	Improving	Improving	Deteriorating	Improving	3
Nigeria	Improving	Stable	Stable	Improving	Deteriorating	Improving	3
Senegal	Improving	Deteriorating	Improving	Improving	Improving	Deteriorating	2
Sierra Leone	Improving	Improving	Improving	Deteriorating	Deteriorating	Deteriorating	2
Togo	Deteriorating	Improving	Improving	Improving	Improving	Stable	3

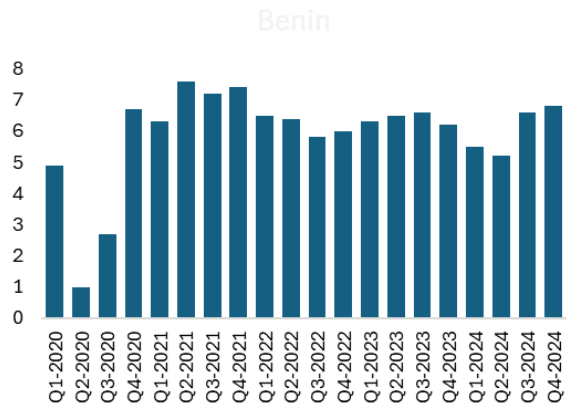


# Benin

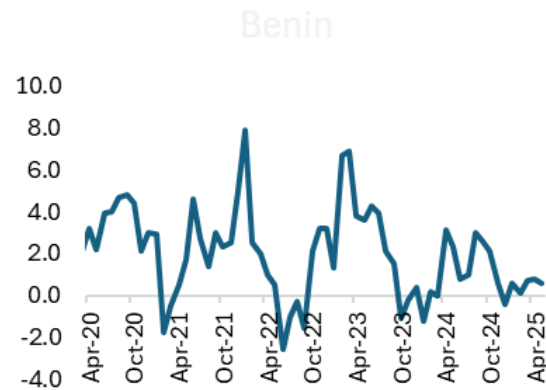
## Key Macroeconomic Indicators

Growth rose to 6.8% in Q4-2024 from 6.6%, while inflation remained low at 0.6% in May 2025. Policy rate decreased to 5.25% in June 2025 from 5.5% in the previous month, and the exchange rate appreciated by 1.4% to 573.5 per USD. Total trade reached \$1.478 million in March, growing by 32.77%. Risk score stood at 56.29.

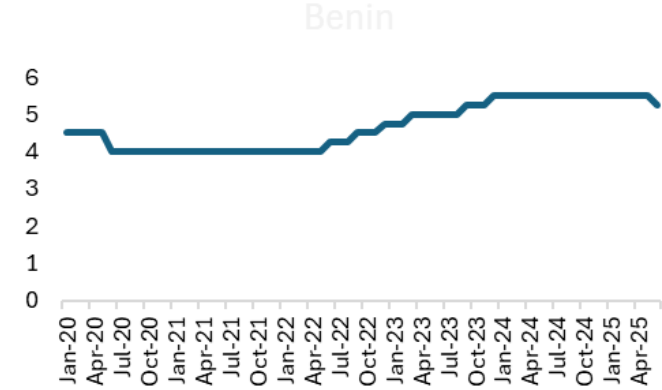
Growth rate



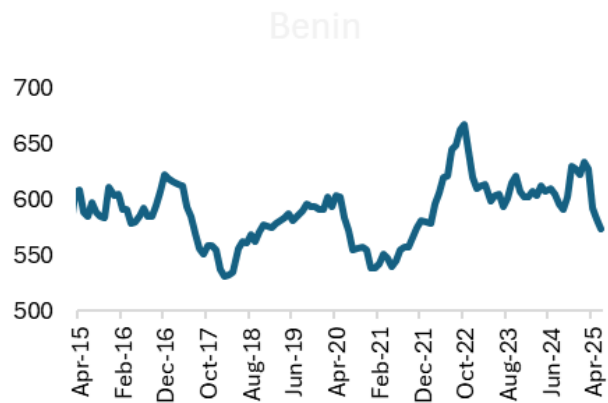
Inflation rate



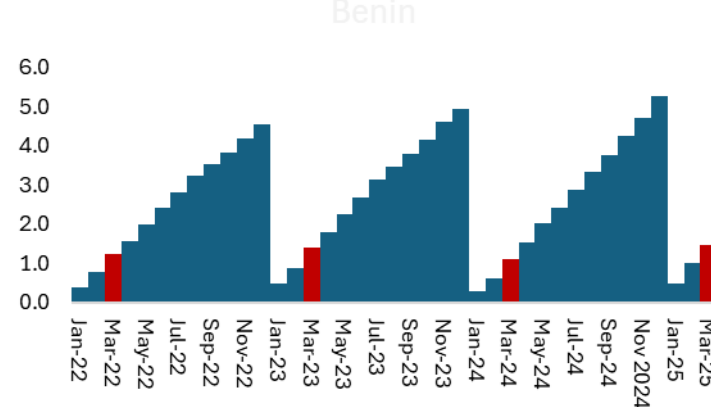
Policy rate



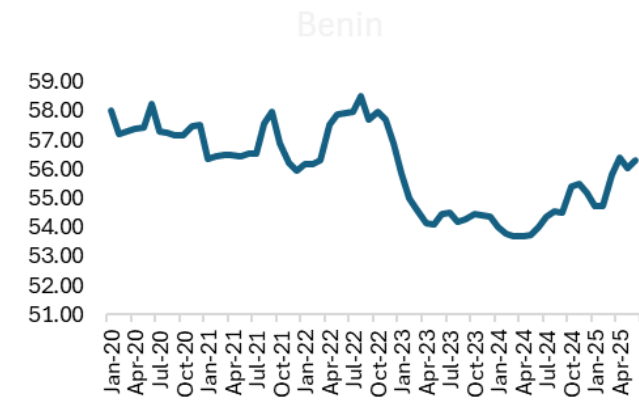
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

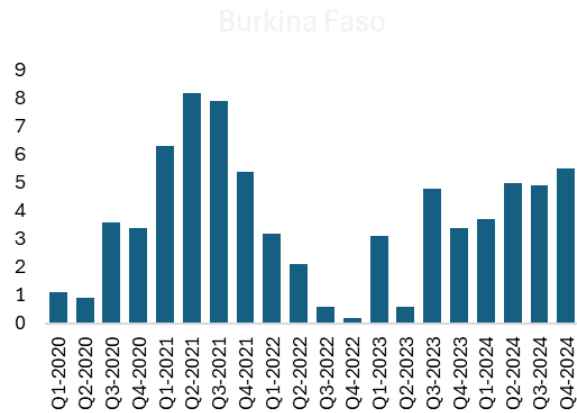


# Burkina Faso

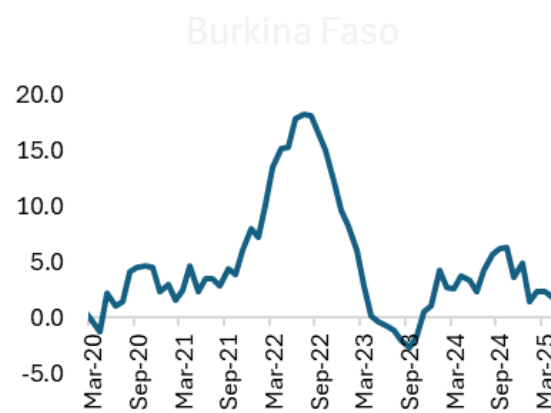
## Key Macroeconomic Indicators

Growth improved to 5.5% in Q4-2024 from 4.9%, while inflation eased to 1.8% in April. Policy rate decreased to 5.25%, in June 2025 from the 5.5% in the previous month, with the exchange rate appreciating by 1.4% to 573.5 per USD. Total trade declined to \$2.662 million in March 2025. Risk score stood at 66.59.

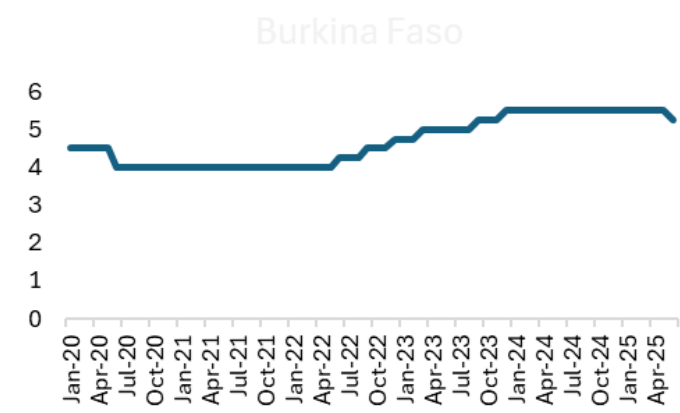
Growth rate



Inflation rate



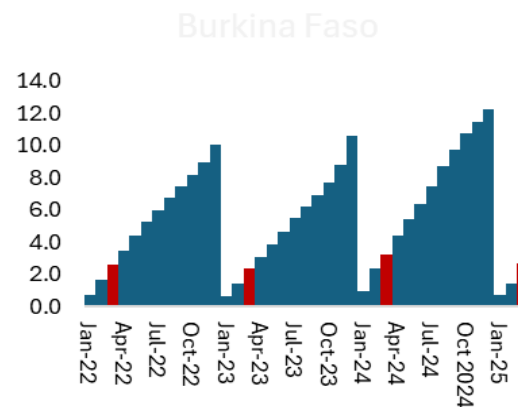
Policy rate



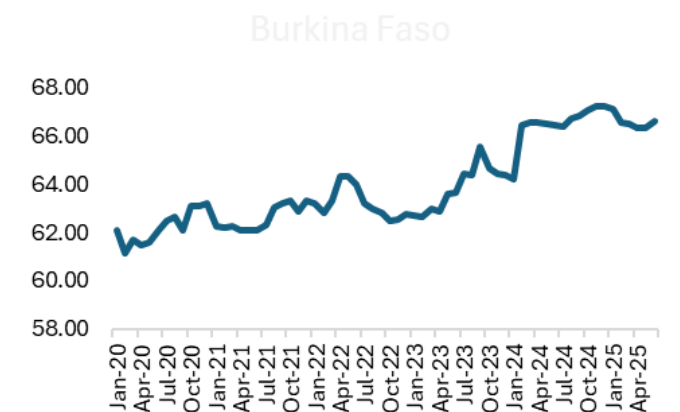
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

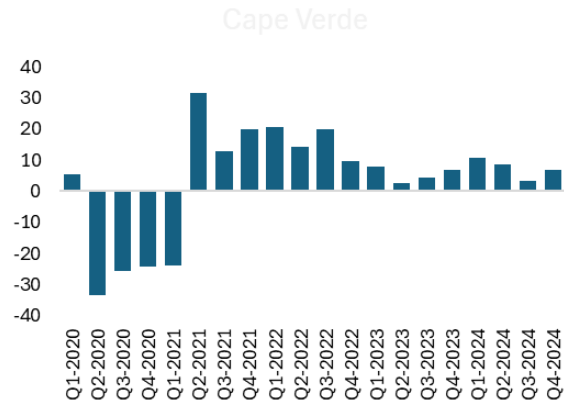


# Cape Verde

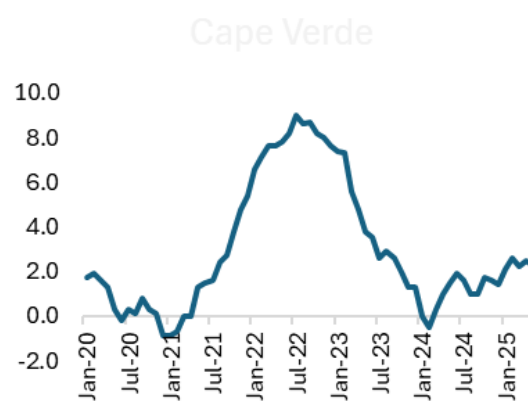
## Key Macroeconomic Indicators

Real GDP growth of 5.3% in 2025 and 4.9% in 2026 is predicted after the Q4-2024 figure of 6.7%. Inflation fell from 2.50% in April 2025 to 2.30% in May. The policy rate remains unchanged at 2.5%. The exchange rate saw an appreciation of 1.31% to 96.87 per USD. Country risk remains at 54.69 as of June 2025.

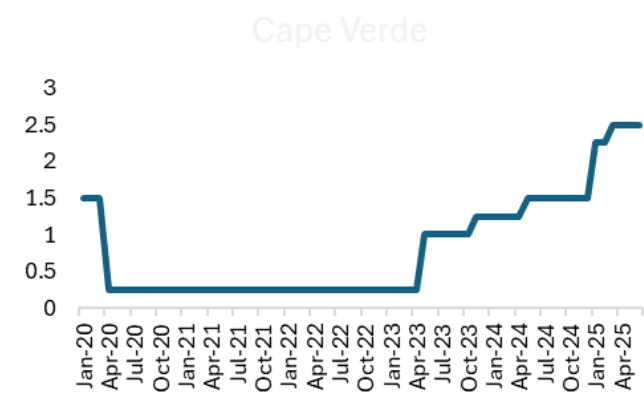
Growth rate



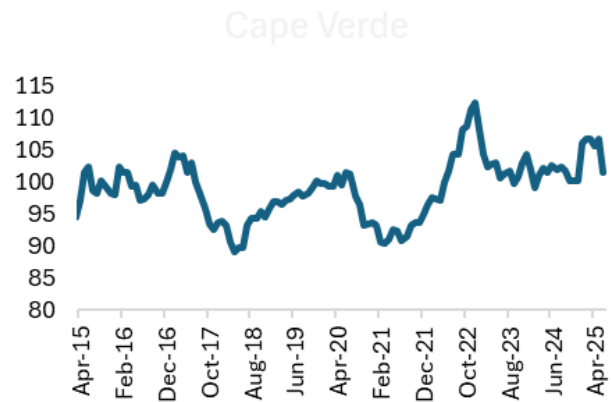
Inflation rate



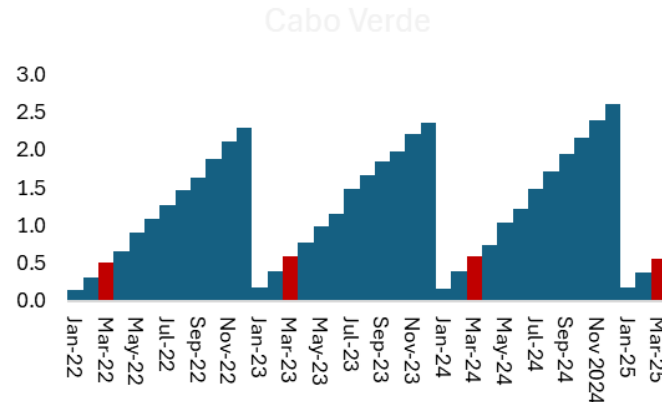
Policy rate



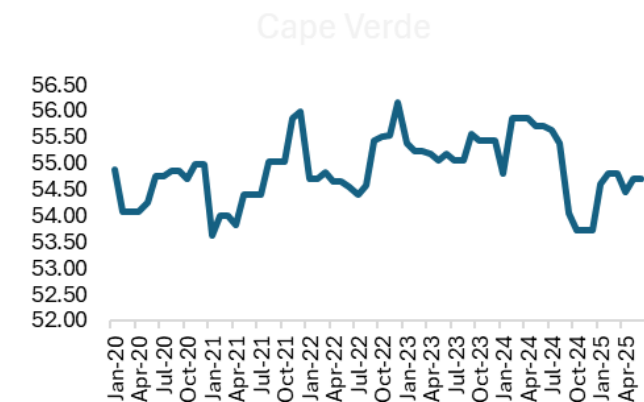
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

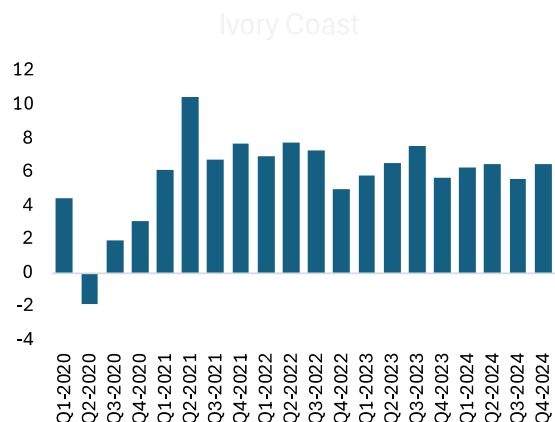


# Côte d'Ivoire

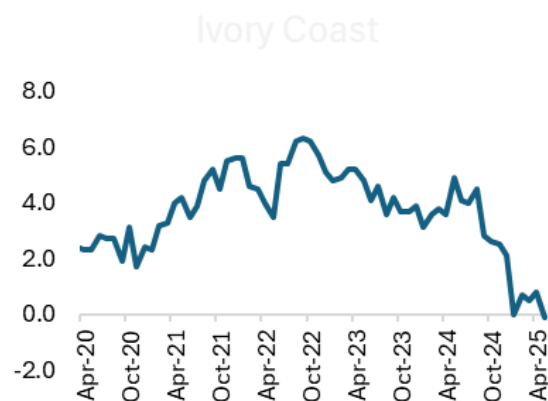
## Key Macroeconomic Indicators

Real GDP growth is projected to average 6.3% over 2025–26 after the previous Q4-2024 figure of 6.5%. Inflation lowered to -0.1% in May 2025 from the previous 0.8% figure in April. The policy rate slightly decreased to 5.25% as of June 2025. Currency appreciated by 1.2% to 431 per USD. Total trade reached \$11.412 million in March, reflecting a solid increase of 27.0%. Risk is at 51.06.

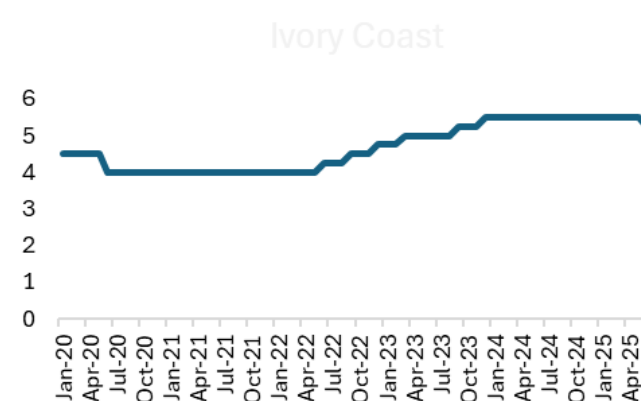
Growth rate



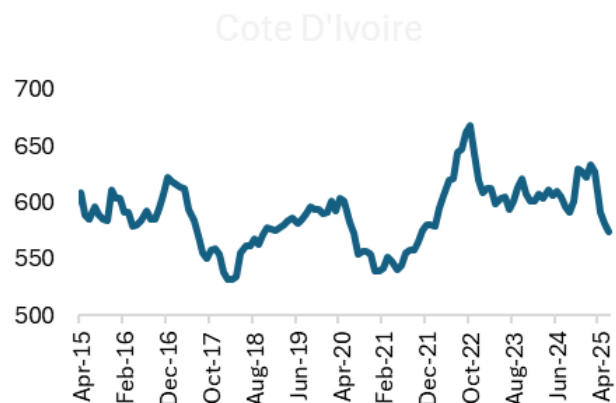
Inflation rate



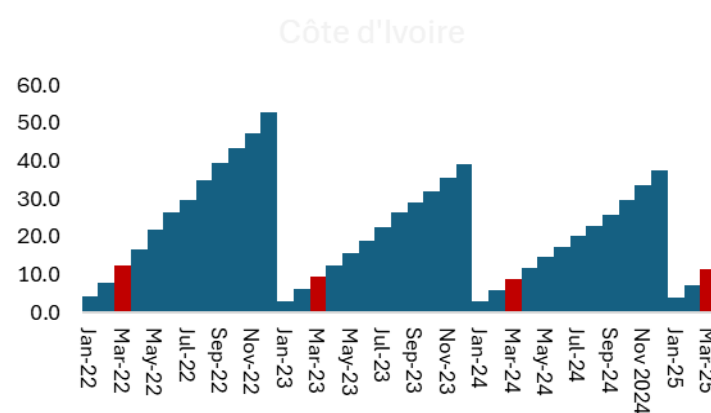
Policy rate



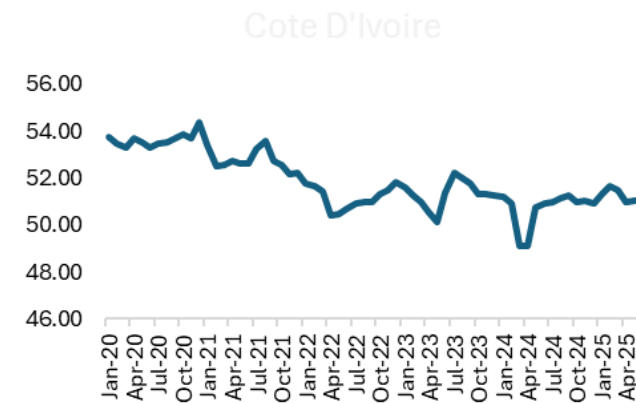
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



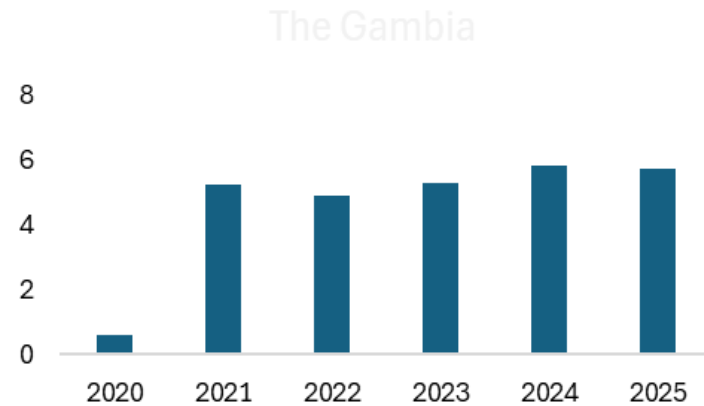


# The Gambia

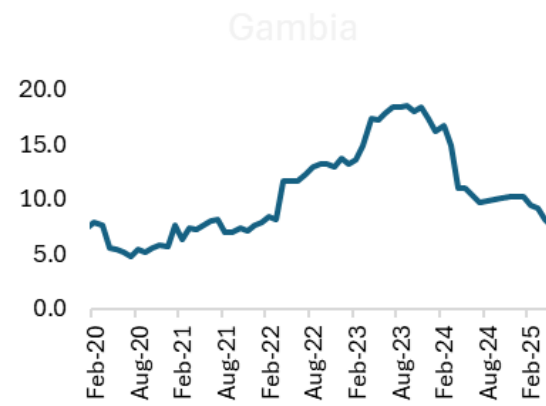
## Key Macroeconomic Indicators

Inflation eased to 7.45% in May 2025 from 8.12% in April. Policy rate was held at 17.0%, and the exchange rate depreciated slightly by 0.04% to 72.75 per USD. Total trade fell to \$0.53 million from the previous year. Risk score stood at 64.23.

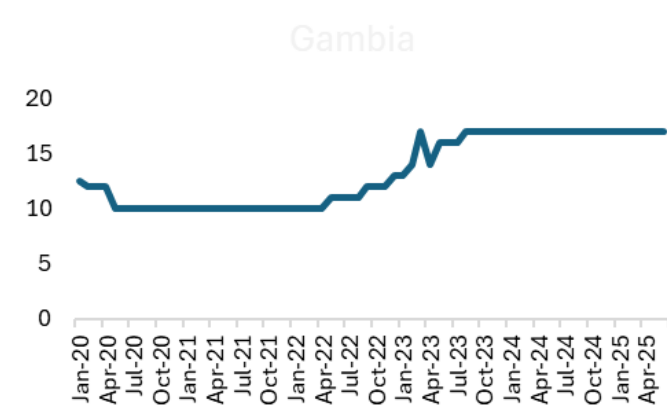
Growth rate



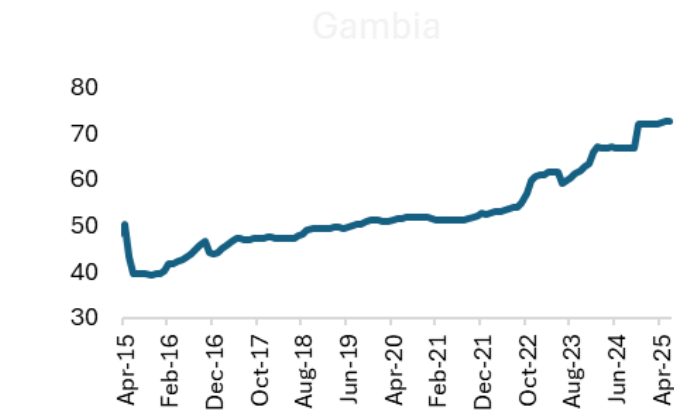
Inflation rate



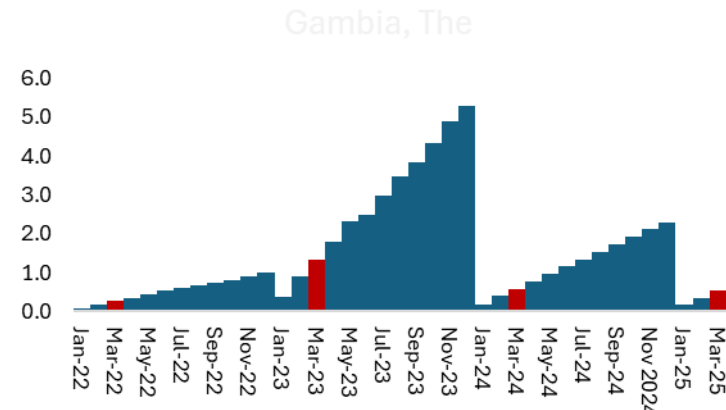
Policy rate



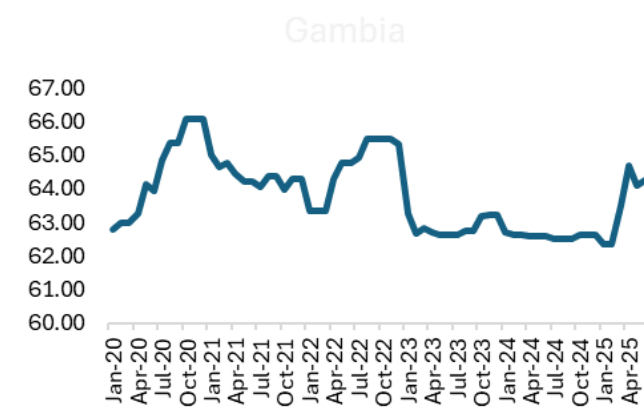
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

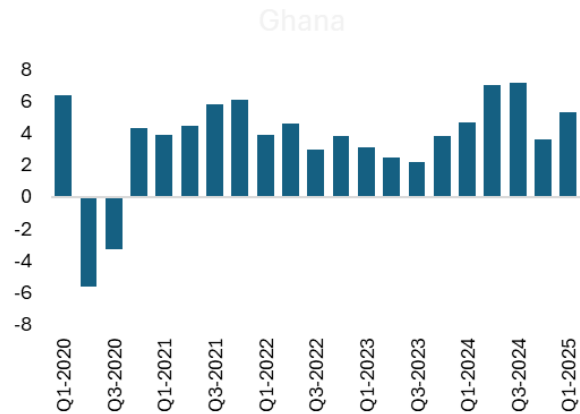


# Ghana

## Key Macroeconomic Indicators

Growth increased to 5.3% in Q1-2025 from 3.6% in Q4-2024, while inflation declined to 13.7% in June. The policy rate was held at 28.0%, and the exchange rate appreciated by 16.1% to 10.21 per USD. Total trade climbed to \$11.72 million in March. The risk score stood at 48.7.

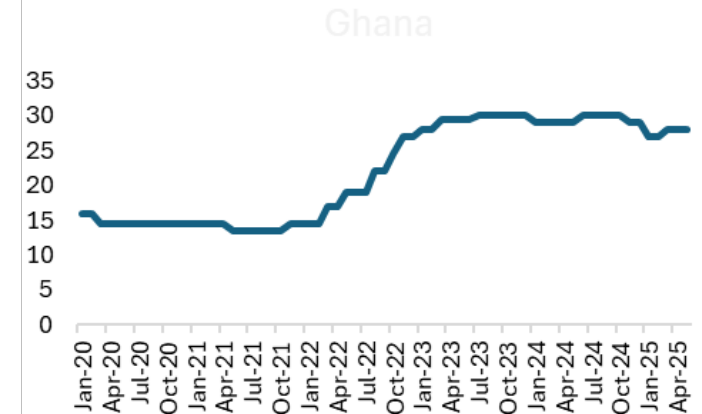
Growth rate



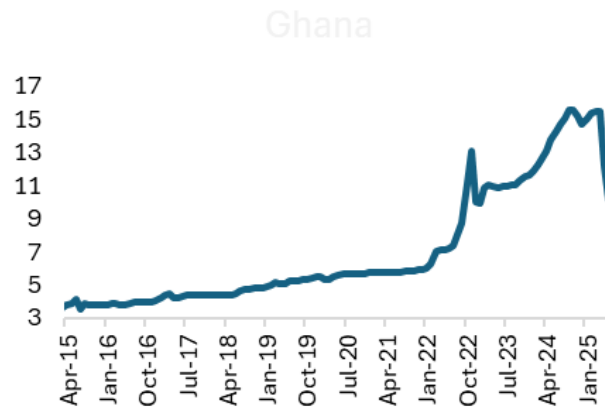
Inflation rate



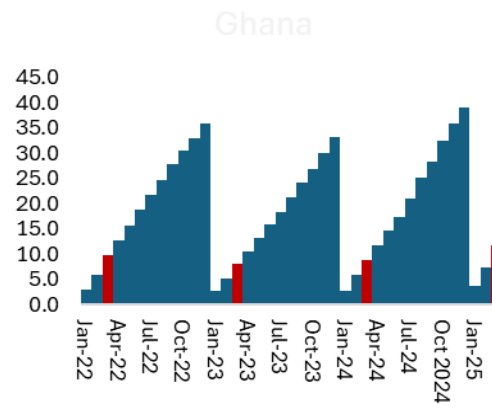
Policy rate



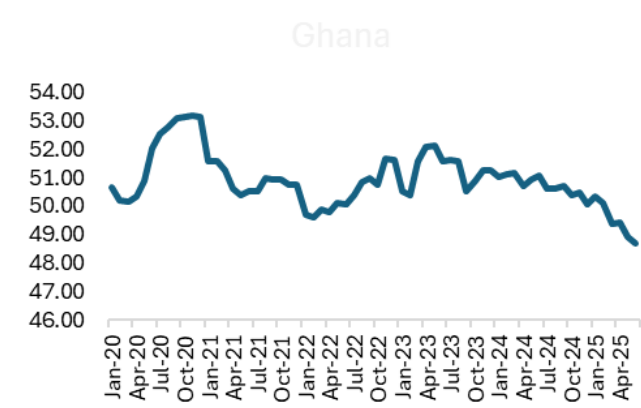
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

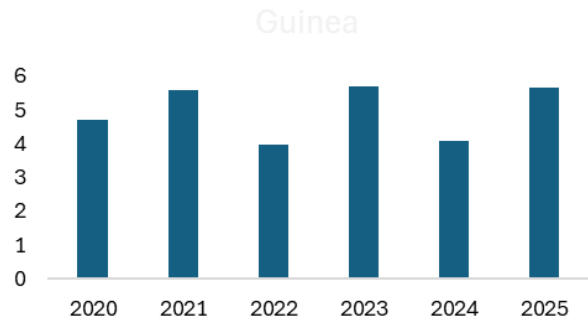


# Guinea

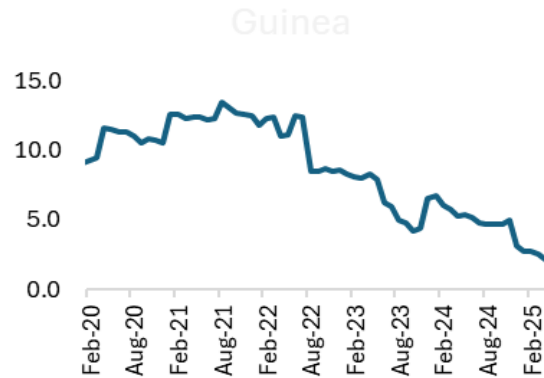
## Key Macroeconomic Indicators

Inflation eased to 2.2% in April from 2.5% in March. Policy rate remained at 28% in May 2025, and the exchange rate depreciated slightly by 0.07% to 8,667.5 per USD. Total trade rose to \$3.314 million in March. Risk score was 58.99.

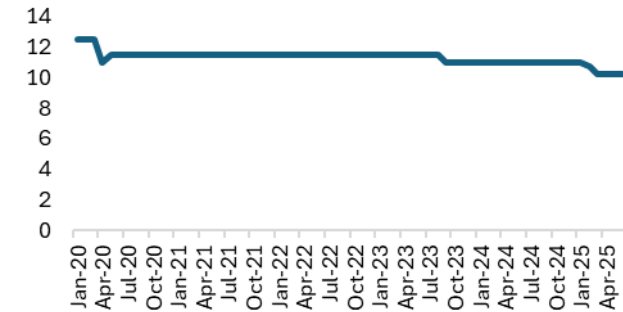
Growth rate



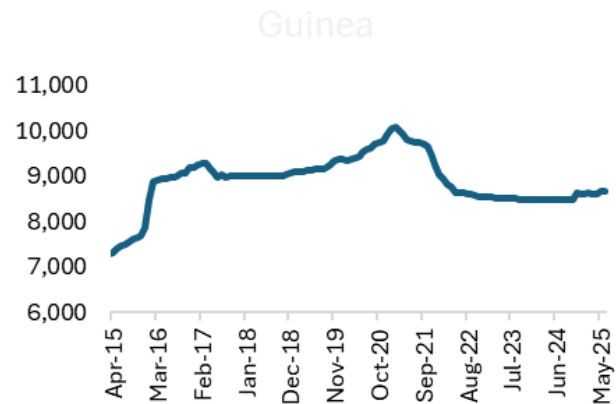
Inflation rate



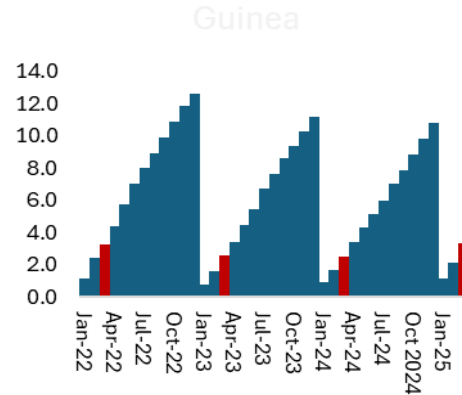
Policy rate



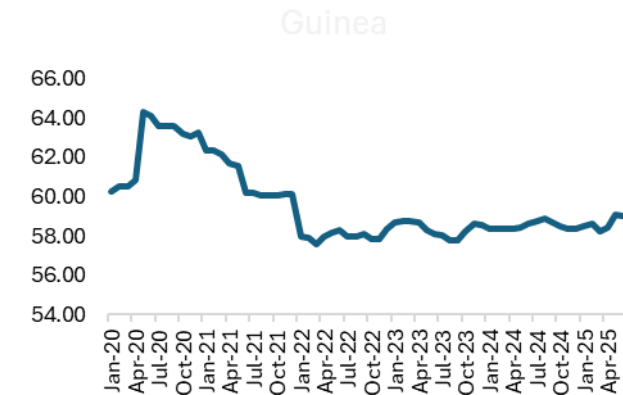
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

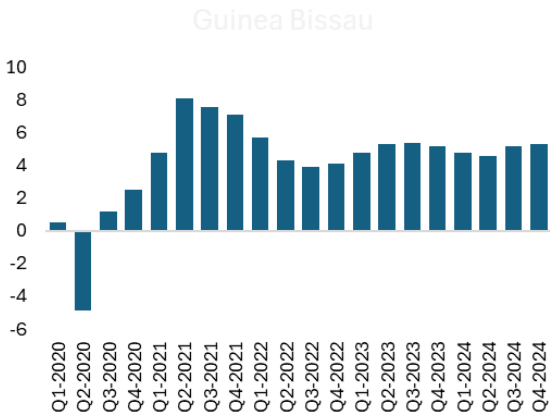


# Guinea-Bissau

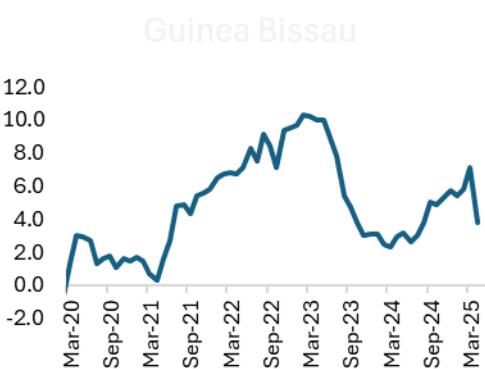
## Key Macroeconomic Indicators

Growth increased to 5.3% in Q4-2024. Inflation drastically decreased from 7.1% in March 2025 to 3.8% in April, with a slight decrease in the policy rate from the May 2025 figure of 5.5% to the June 5.25% figure. The exchange rate appreciated 1.4% to 584.9 per USD. Trade reached \$0.18 million in March 2025 and risk was 67.42.

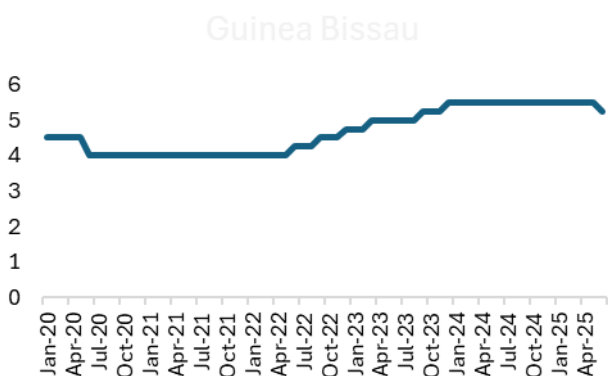
Growth rate



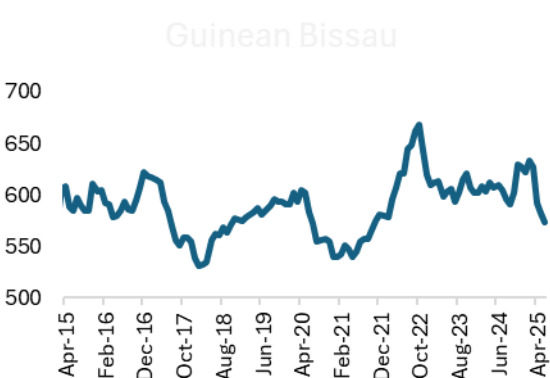
Inflation rate



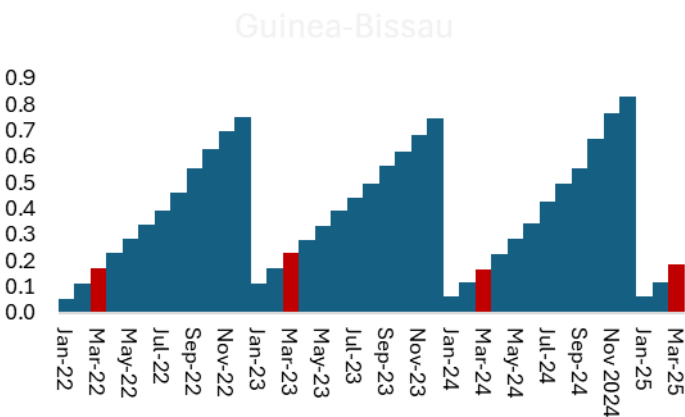
Policy rate



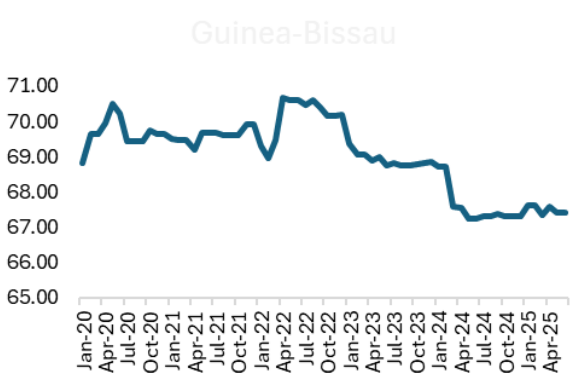
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



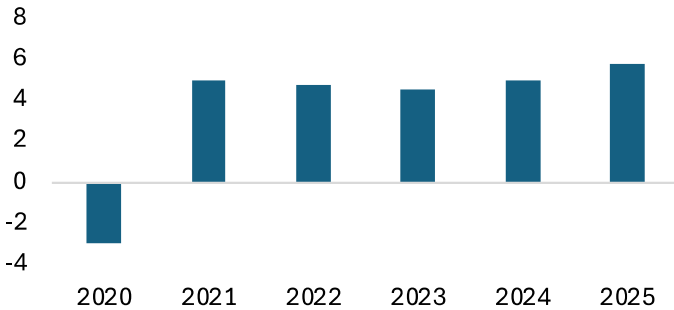
# Liberia

## Key Macroeconomic Indicators

Inflation eased to 11.6% in April from 12.4% in March. The policy rate was held at 17.0%, and the exchange rate appreciated by 0.24% to 199.5 per USD. Total trade rose to \$0.62 million in March. The risk score stood at 64.43.

Growth rate

Liberia



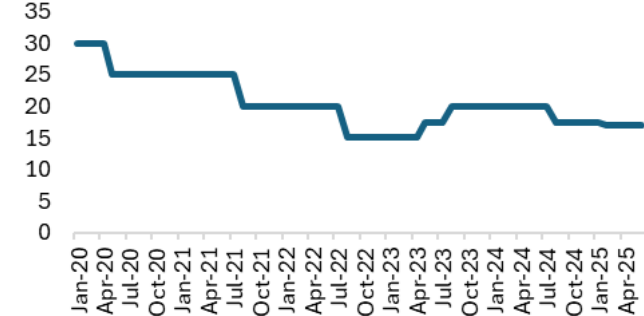
Inflation rate

Liberia



Policy rate

Liberia



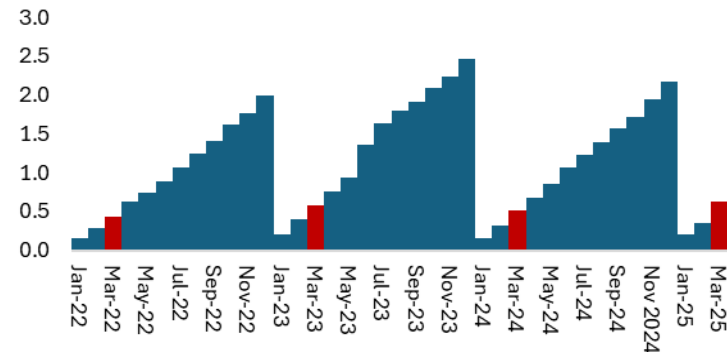
Exchange rate

Liberia



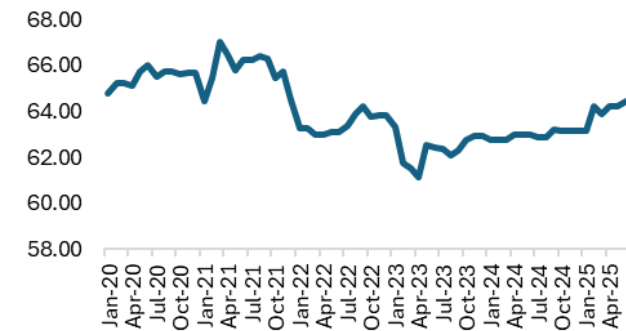
Total foreign trade, \$US bn

Liberia



Country Risk Index

Liberia

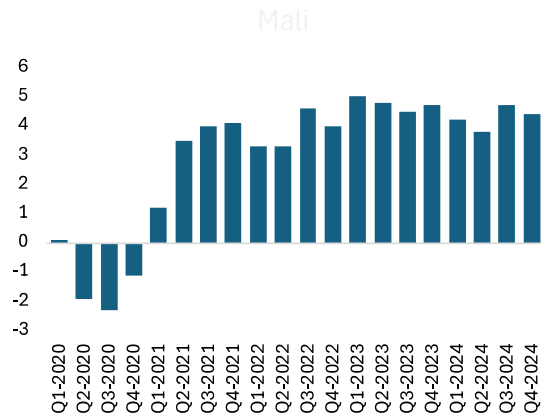


# Mali

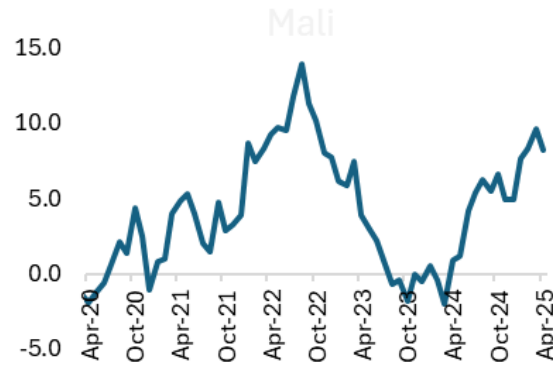
## Key Macroeconomic Indicators

Growth decelerated to 4.4% in Q4-2024 from 4.7%, while inflation eased to 8.2% in April. Policy rate fell to 5.25% June 2025 from 5.5% the previous month, and the exchange rate appreciated by 1.4% to 573.5 per USD. Total trade reached \$3.35 million in March. Risk score stood at 69.29.

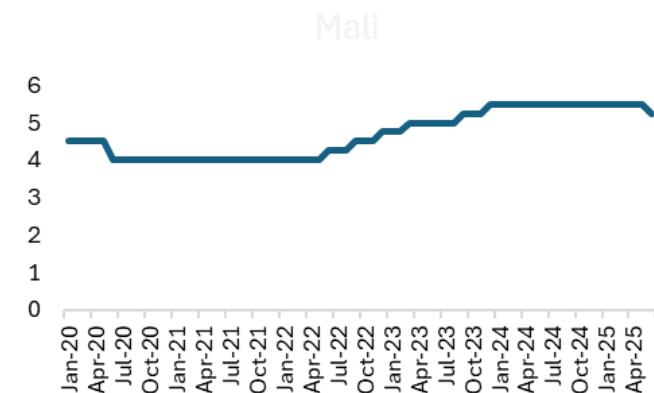
Growth rate



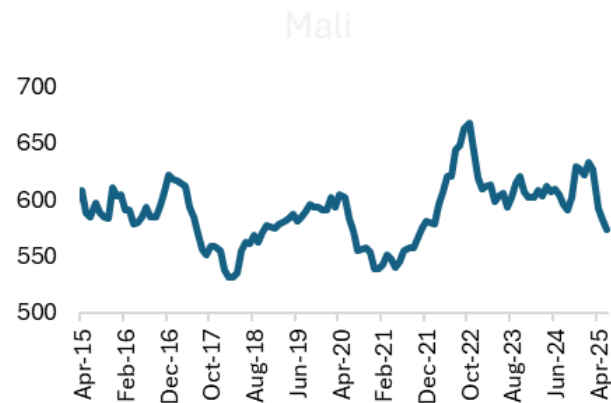
Inflation rate



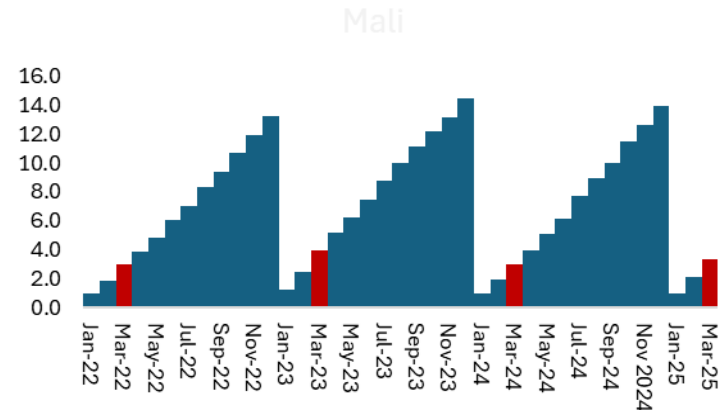
Policy rate



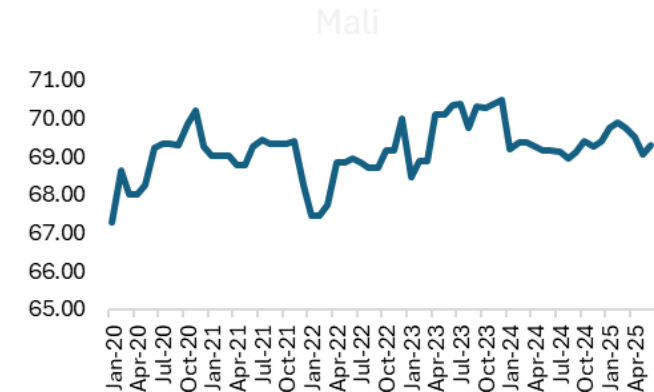
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

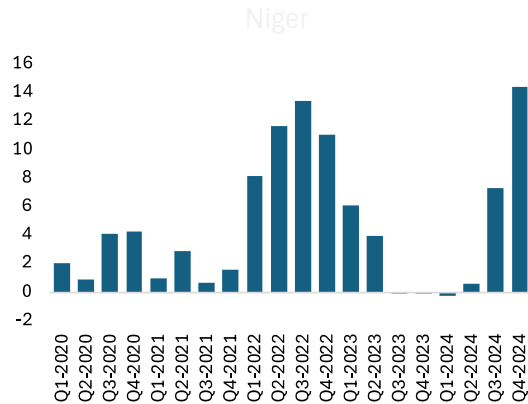


# Niger

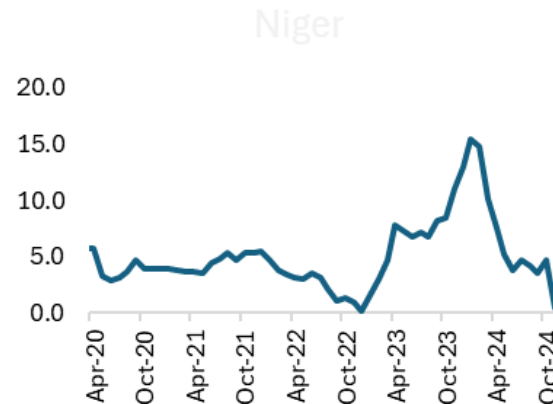
## Key Macroeconomic Indicators

Growth increased to 14.4% in Q4-2024 from 7.3%, while inflation dropped sharply to 0.46% in April. The policy rate fell to 5.25% in June 2025 from 5.5% the previous month, with the exchange rate appreciated by 1.4% to 573.5 per USD. Total trade reached \$0.74 million in March. The risk score stood at 66.26.

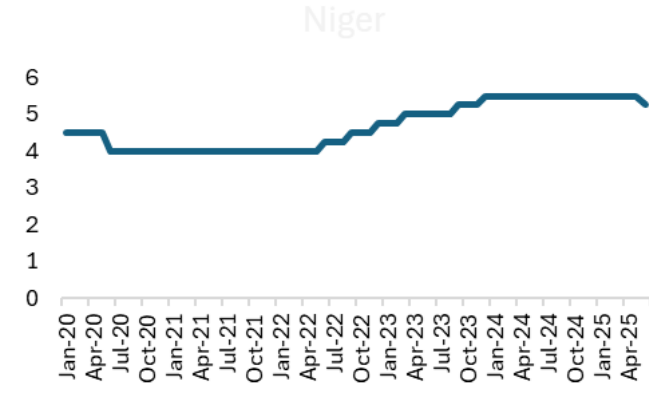
Growth rate



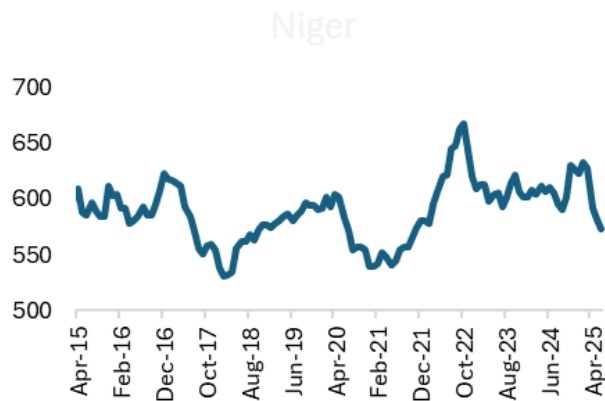
Inflation rate



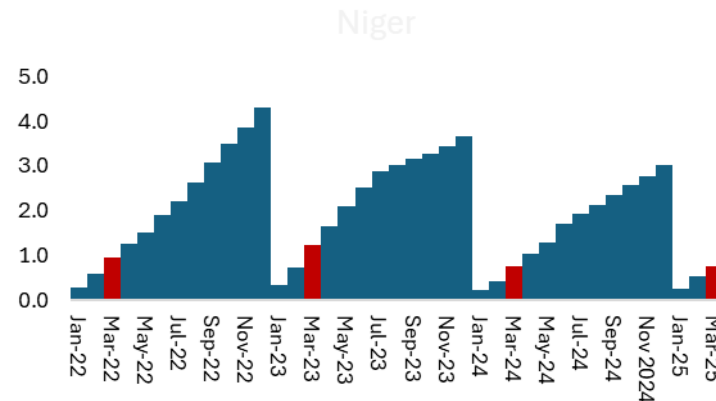
Policy rate



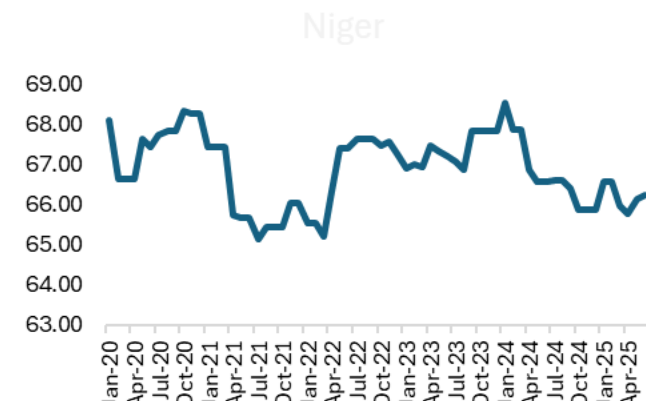
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



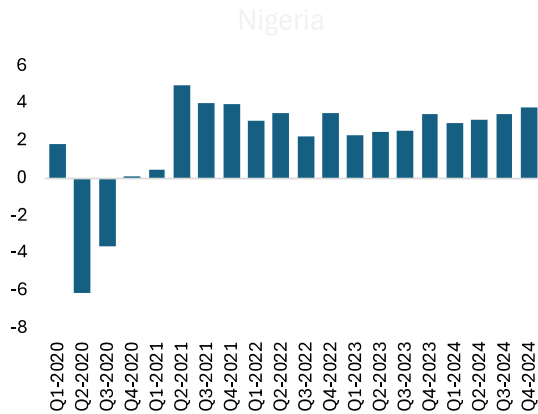


# Nigeria

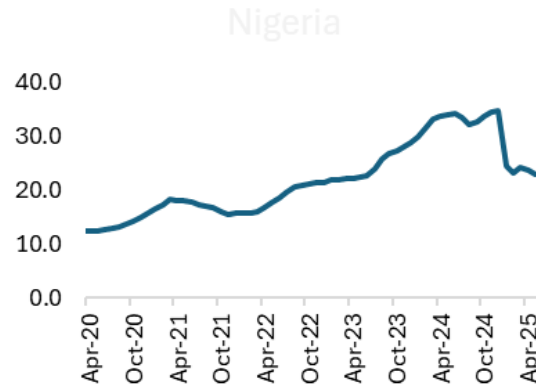
## Key Macroeconomic Indicators

Growth rose to 3.84% in Q4-2024 from 3.46%, while inflation declined to 22.97% in May 2025. Policy rate remained at 27.5%, and the exchange rate appreciated by 3.27% to 1,546 per USD. Total trade dropped to \$47.07 million in March. Risk score stood at 62.06.

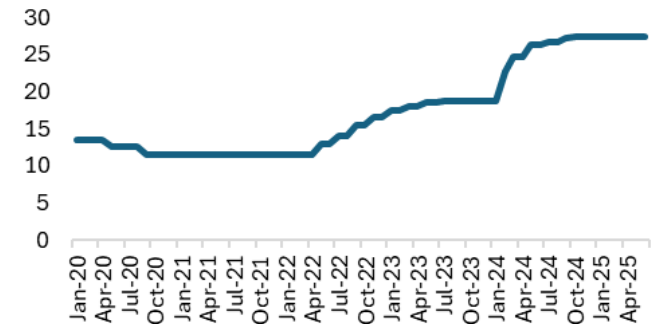
Growth rate



Inflation rate



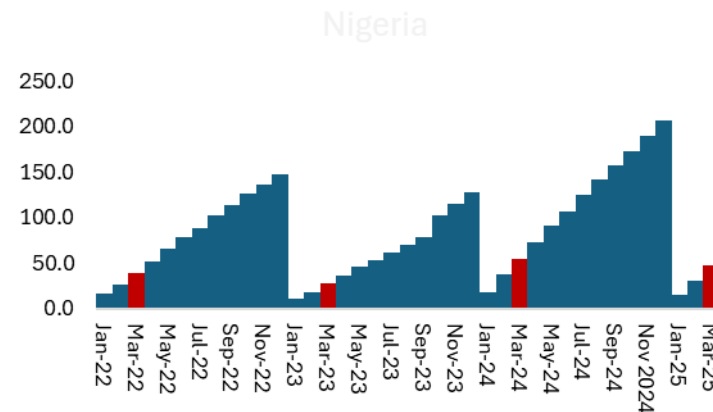
Policy rate



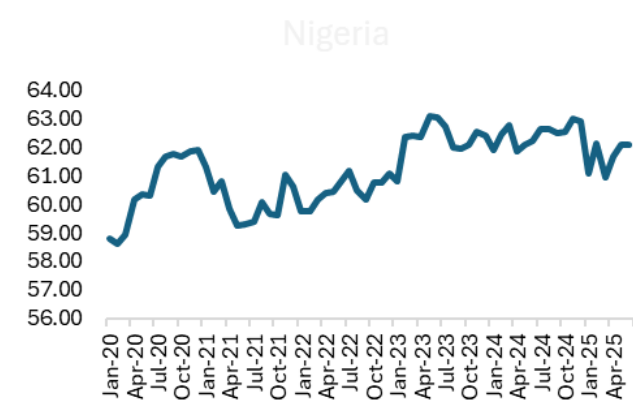
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

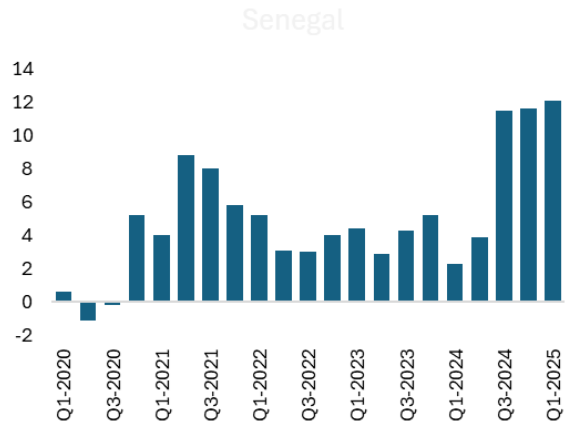


# Senegal

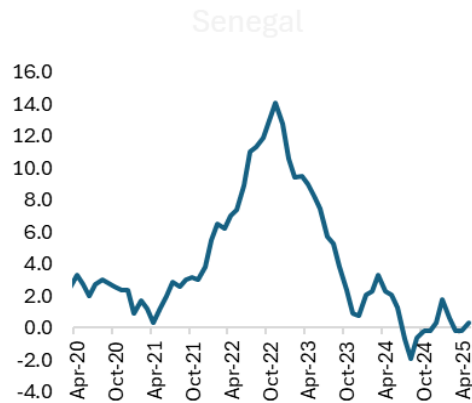
## Key Macroeconomic Indicators

Growth improved by 12.1% in Q1-2025 from 11.6% in Q4-2024, and inflation increased to 0.30% in May 2025. The policy rate decreased to 5.25% in June 2025 from the 5.5% in the previous month, and the exchange rate appreciated by 1.4% to 573.5 per USD. Total trade increased to \$5.178 million in March. Risk score was 55.31.

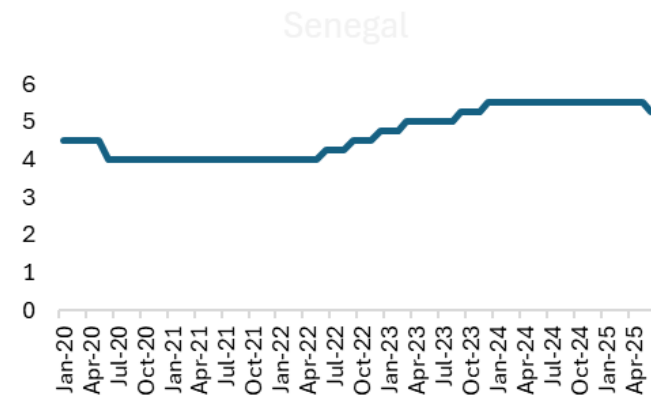
Growth rate



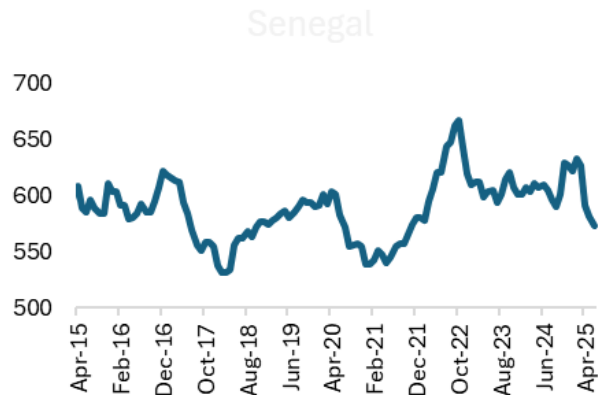
Inflation rate



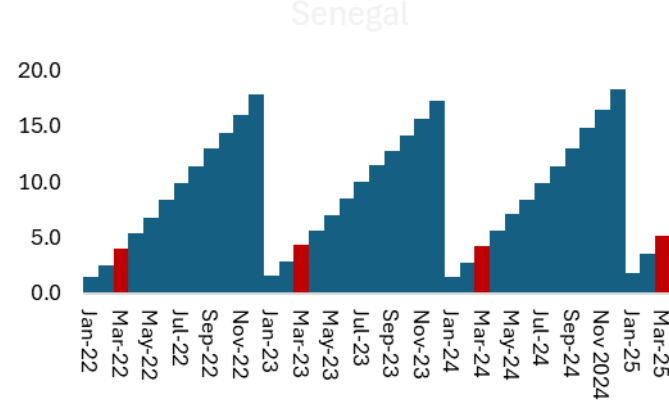
Policy rate



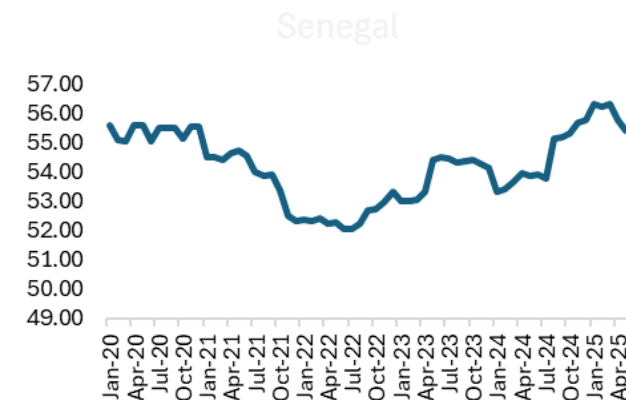
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

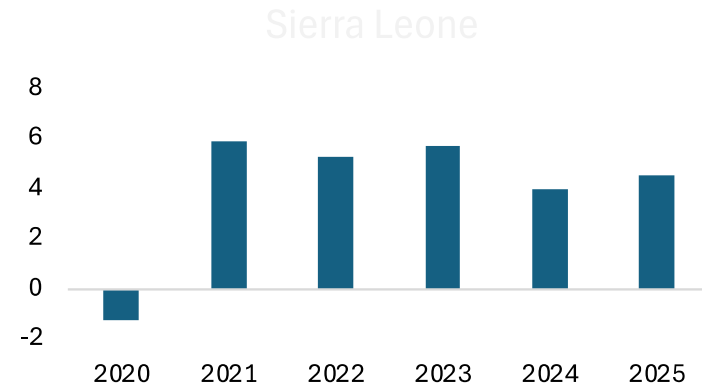


# Sierra Leone

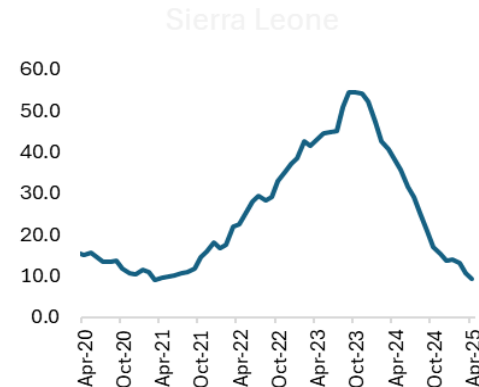
## Key Macroeconomic Indicators

Inflation decreased to 7.55% in May 2025 from 9.38% in April. The policy rate decreased slightly to 23.75%, and the exchange rate appreciated by 1.27% to 22,454 per USD. Total trade declined to \$0.626 million in March. Risk score was 64.69.

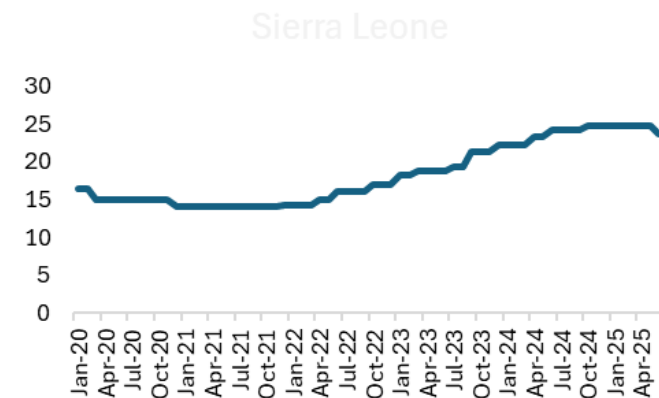
Growth rate



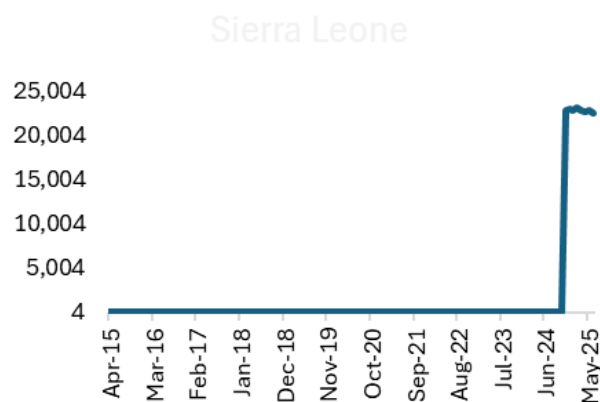
Inflation rate



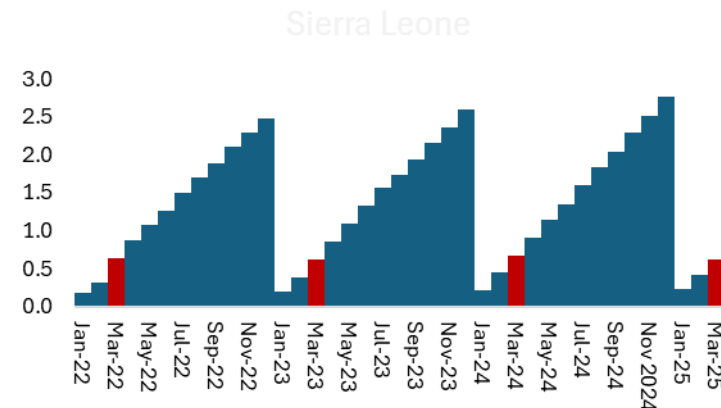
Policy rate



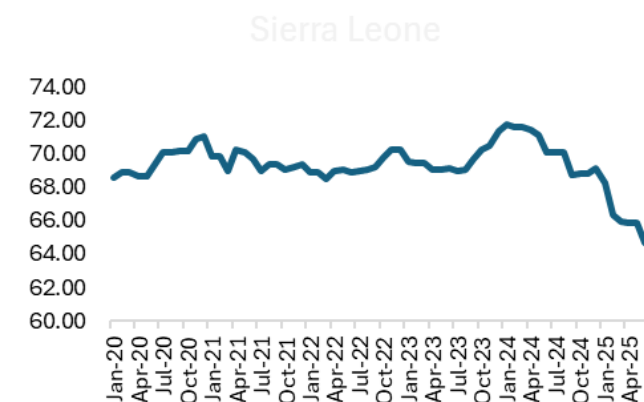
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

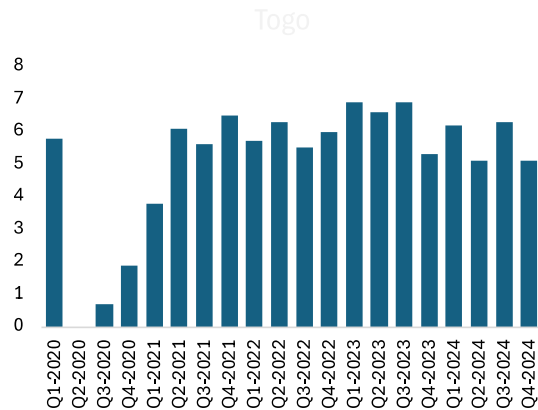


# Togo

## Key Macroeconomic Indicators

Growth decreased to 5.1% in Q4-2024 from 6.3%, and inflation decreased to 0% in May 2025. Policy rate fell to 5.25% in June 2025 from 5.5% the previous month, with the exchange rate appreciating by 1.4% to 573.5 per USD. Total trade increased to \$1.543 million in March. Risk score stood at 60.03.

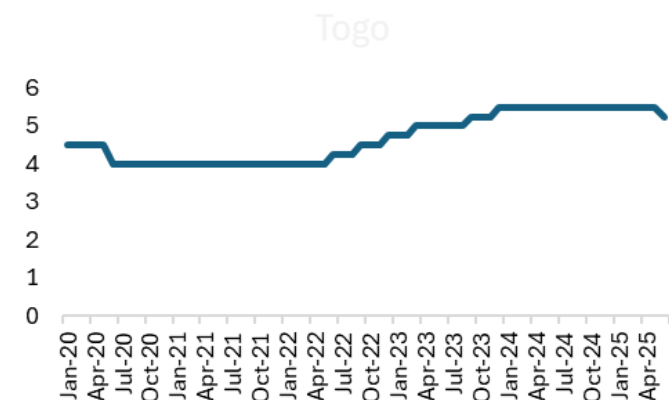
Growth rate



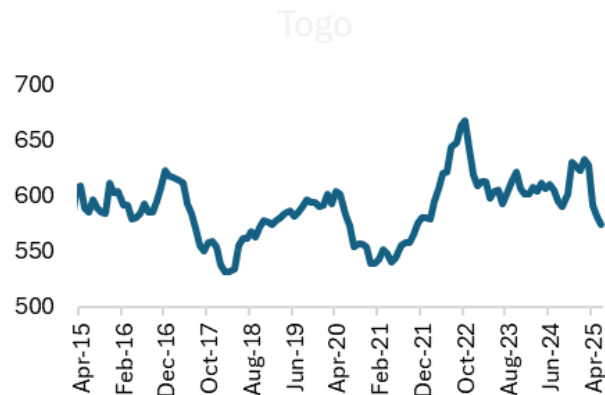
Inflation rate



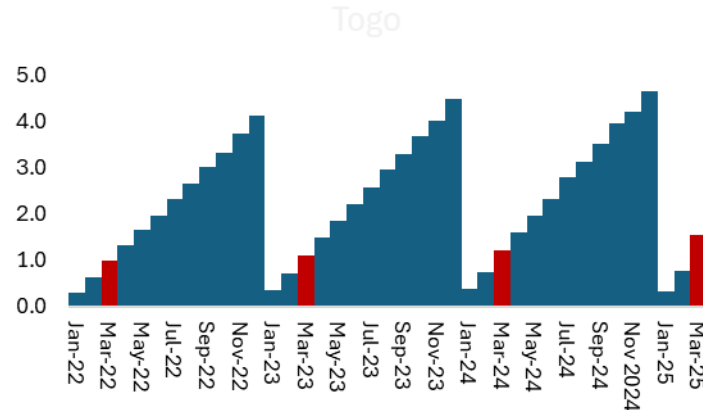
Policy rate



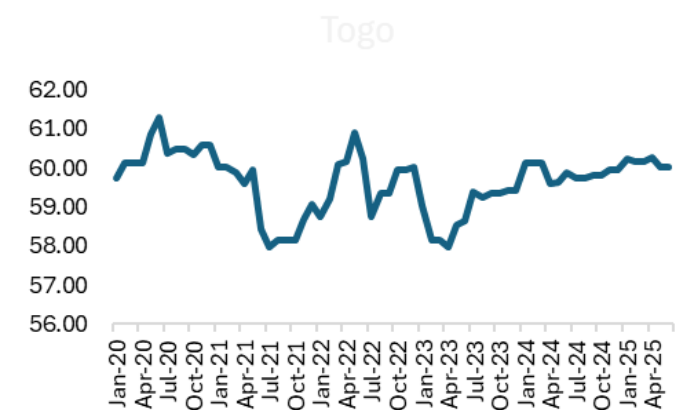
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



# Central Africa



# Key themes in Central African countries



## Chad – IMF backs \$625m loan to support 8% growth

In July the IMF approved a **\$625 million, four-year program**, pledging immediate support and promoting fiscal stability. Chad's development plan targets **8% annual growth** and debt capped at **32% of GDP** through 2030. The program aims to boost social services and infrastructure investment.

## Cameroon – Inflation eases to 3.2% in June

Cameroon's inflation eased to 3.2% y-o-y in June, marking its fifth consecutive monthly decline and staying near the CEMAC zone's 3% threshold. However, rates remain inconsistent across regions—from 2.2% in Bertoua to 5.9% in Maroua—reflecting local supply and transport variances.

## Equatorial Guinea: ICJ Ruling Secures Sovereignty Over Oil-Rich Islands

The International Court of Justice (ICJ) ruled in favor of Equatorial Guinea in its territorial dispute with Gabon over three oil-rich, largely uninhabited islands in the Gulf of Guinea. The court determined that a 1900 treaty between Spain and France is the authoritative agreement governing the islands' ownership. This decision secures control of the disputed territories for Equatorial Guinea, potentially boosting its oil exploration and revenue prospects.



## Republic of Congo: IMF Projects Continued Economic Resilience Amidst Regional Challenges

The Republic of Congo's economy demonstrated resilience with a growth rate of 6.5% in 2024 and is projected to maintain growth above 5% in 2025. However, escalating armed conflict in the eastern part of the country has placed significant strain on the budget, alongside severe humanitarian and social impacts. The IMF emphasizes the importance of continued structural reforms and prudent fiscal management to sustain economic stability.

## Chad reaches staff-level agreement with the IMF for a prospective four-year Extended Credit Facility program worth \$630 million to support economic reforms

Chad has secured a four-year Extended Credit Facility (ECF) arrangement with the International Monetary Fund (IMF) worth approximately \$630 million. The program aims to support Chad's National Development Plan, "Chad Connection 2030," amid challenges such as declining oil revenues, regional instability, and reduced development aid.

## IMF Reaches Staff-Level Agreement with São Tomé and Príncipe on the First Review under the Extended Credit Facility Arrangement

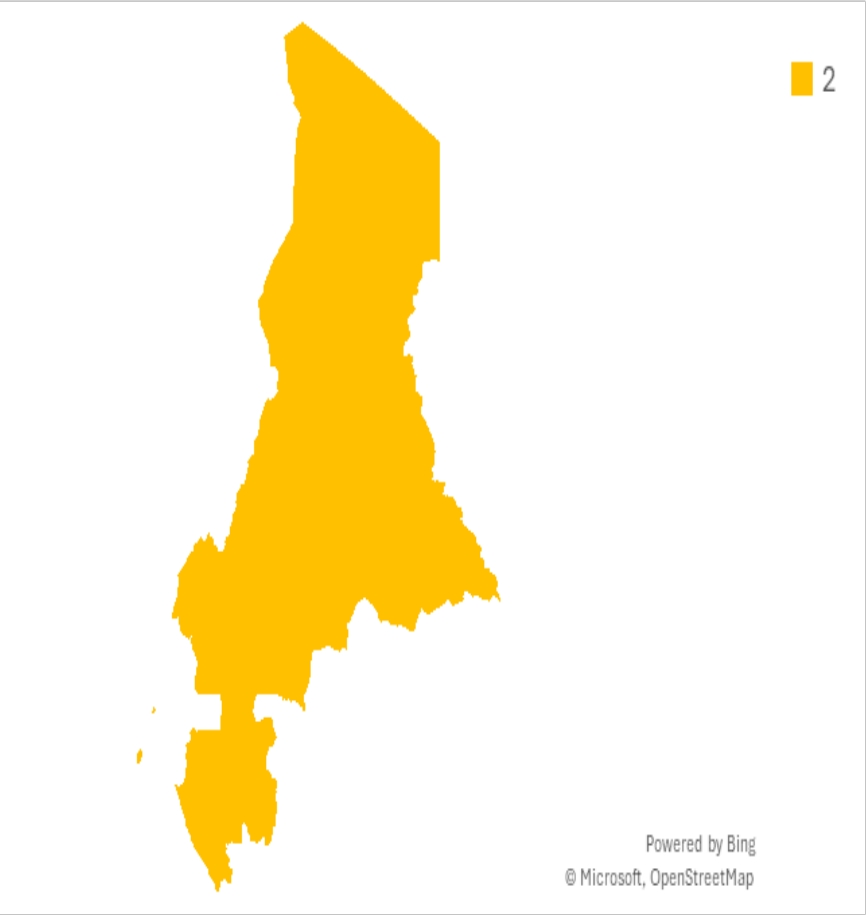
IMF staff and the São Toméan authorities have reached a staff-level agreement on the first review of the economic policies underpinned by the 40-month ECF-supported program. Most quantitative targets for the first review have been met and significant progress was made on a range of macro-structural issues.



All countries are characterized by stable macroeconomic fundamentals.

## Central Africa

	Growth	Inflation	Policy Rate	Exch. Rate	Trade	Risk	Overall Scoring
Cameroon	Deteriorating	Deteriorating	Stable	Deteriorating	Improving	Deteriorating	Stable
Central African Republic	Improving	Improving	Stable	Deteriorating	Deteriorating	Stable	Stable
Chad	Improving	Improving	Stable	Deteriorating	Deteriorating	Improving	Stable
Gabon	Deteriorating	Improving	Stable	Deteriorating	Deteriorating	Improving	Stable
Sao Tome and Principe	Improving	Deteriorating	Stable	Improving	Deteriorating	Deteriorating	Stable



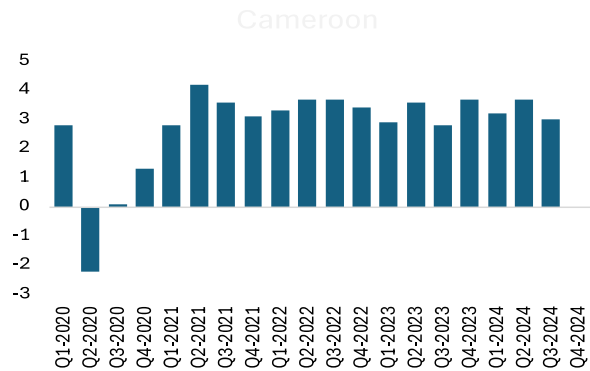


# Cameroon

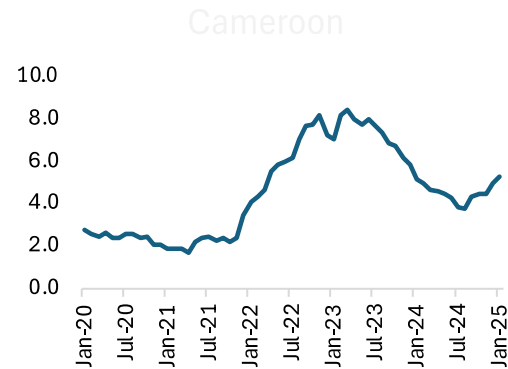
## Key Macroeconomic Indicators

Growth reported at 3% in Q3-2024 with a projected growth of 3.7% in 2025 and 4.1% in 2026. Inflation remained elevated at 7.8% in April. Policy rate held at 4.5%, while the exchange rate depreciated by 0.56% as of June 2025 to 584.9 per USD. Total trade stood at \$3.942 million in March. The risk score was 61.16.

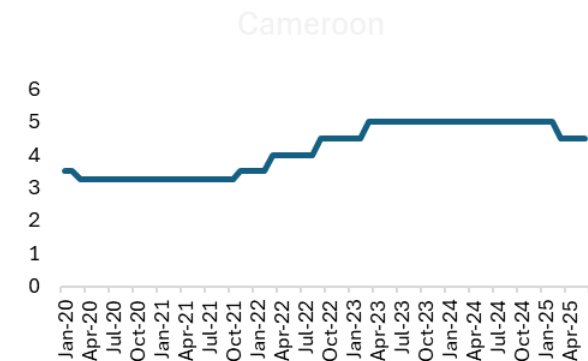
Growth rate



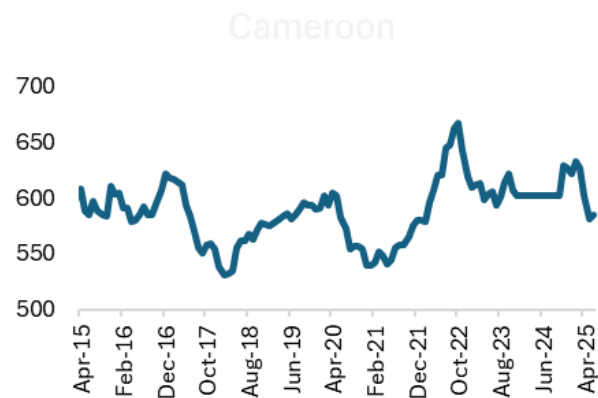
Inflation rate



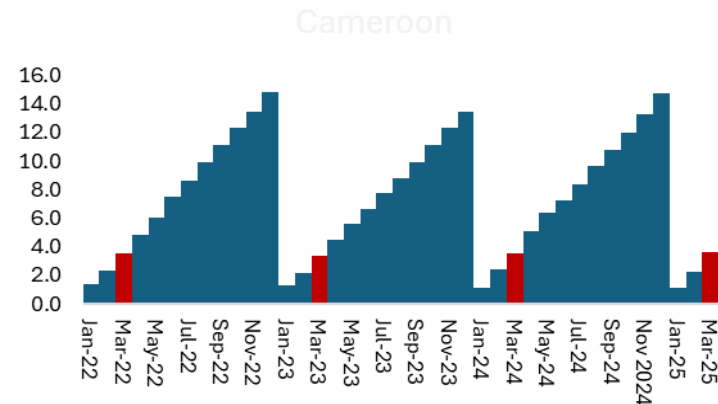
Policy rate



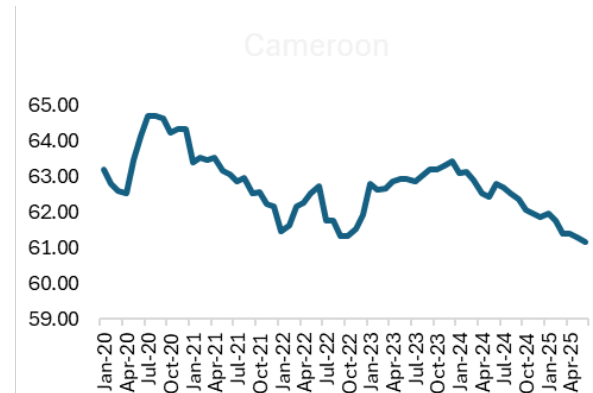
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

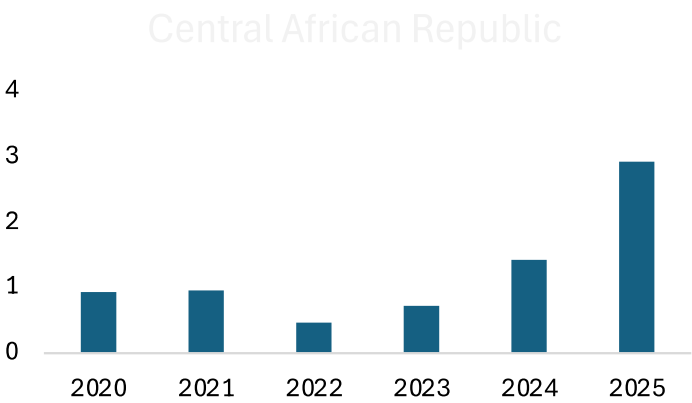


# Central African Republic

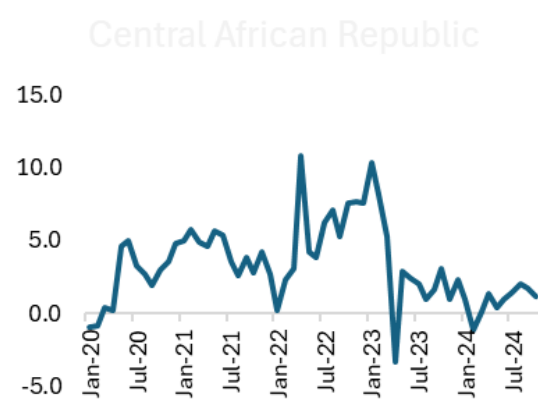
## Key Macroeconomic Indicators

Inflation rose to 9.1% in April from 7.3% in March. The policy rate remained at 5%, and the exchange rate depreciated by 0.56% as of June 2025 to 584.9 per USD. Total trade stood at \$0.55 million as of March 2025. The risk score stood at 74.38.

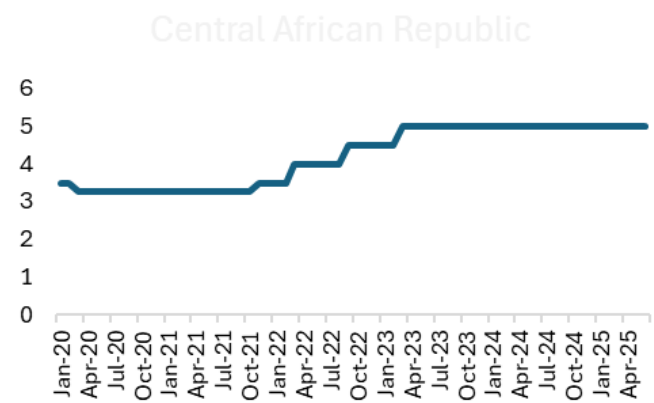
Growth rate



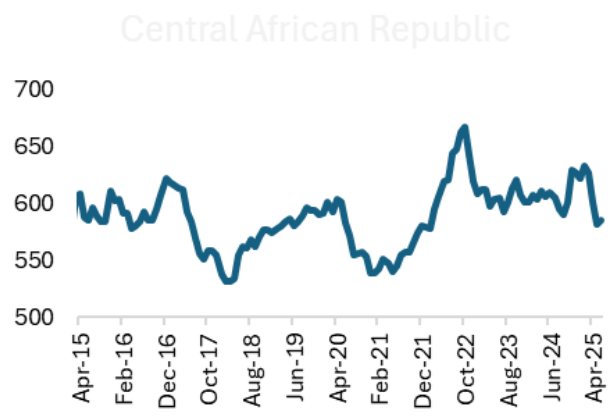
Inflation rate



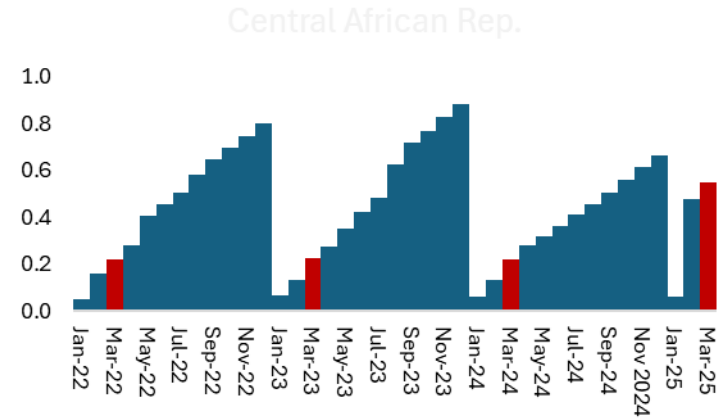
Policy rate



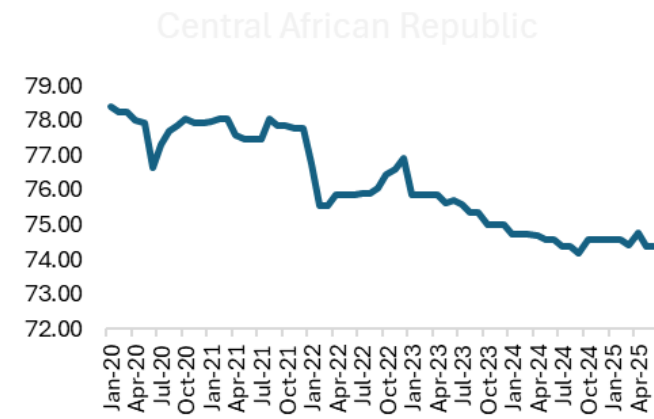
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

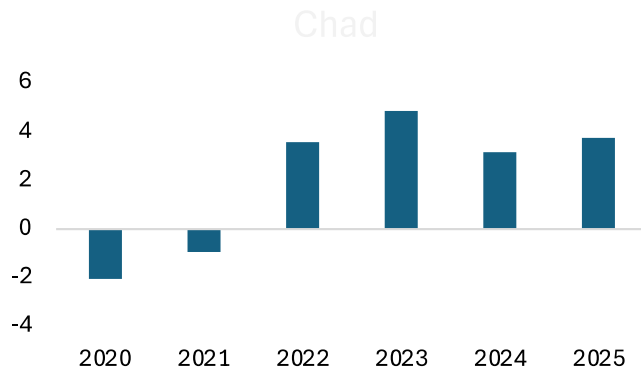


# Chad

## Key Macroeconomic Indicators

Inflation decreased to -3.10% in May from -0.80% in April. The policy rate stayed at 5%, while the exchange rate depreciated by 0.56% as of June 2025 to 584.9 per USD. Total trade was reported as \$1.35 million in March. The risk score stood at 71.43.

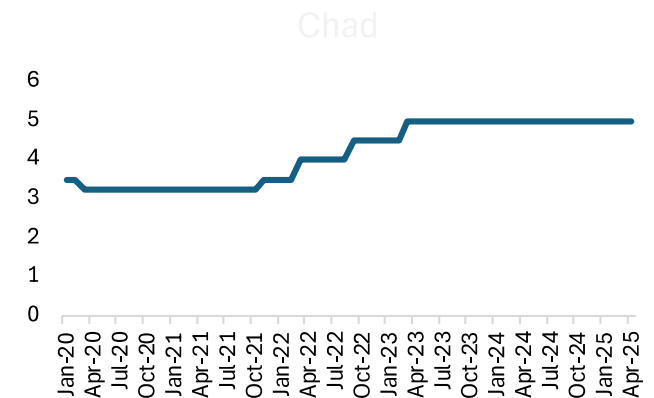
Growth rate



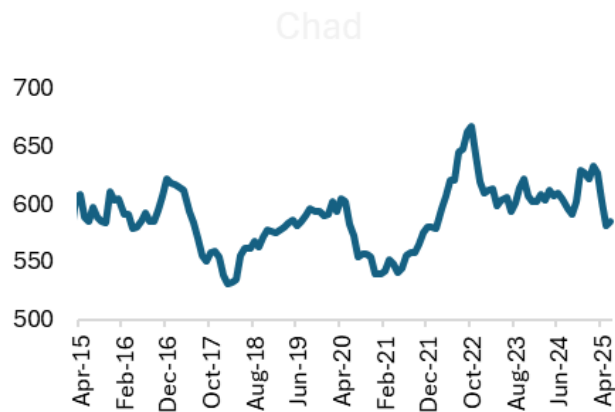
Inflation rate



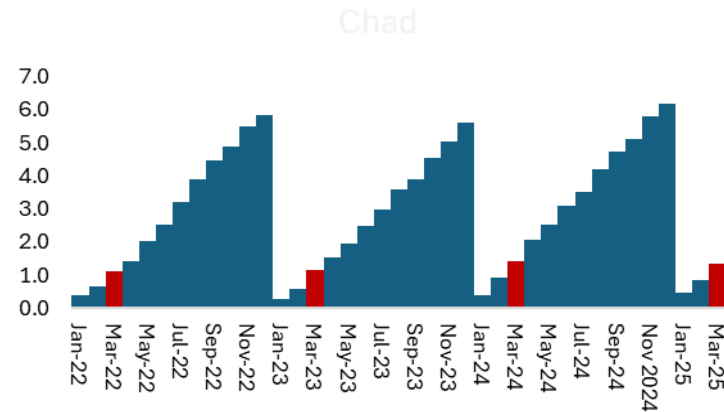
Policy rate



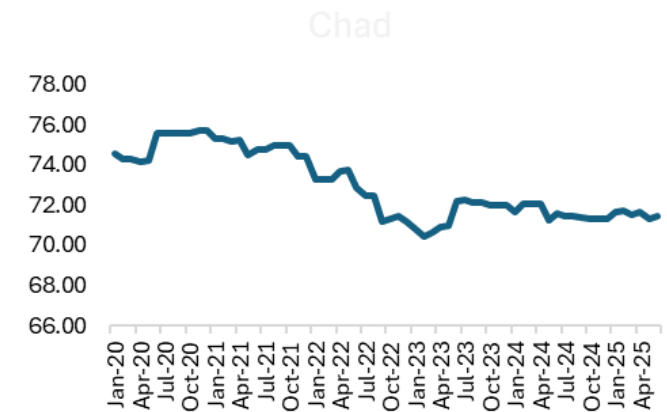
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

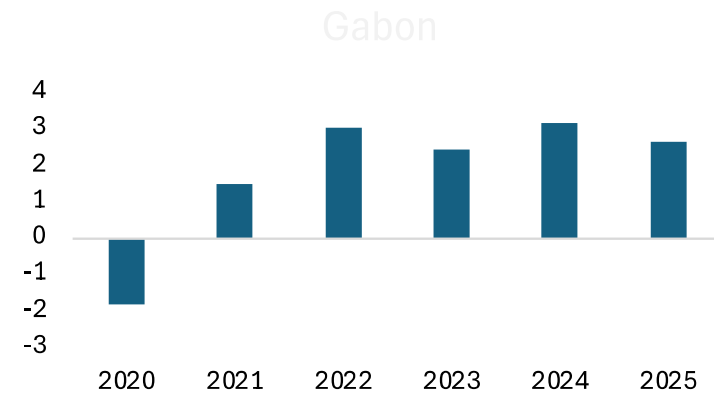


# Gabon

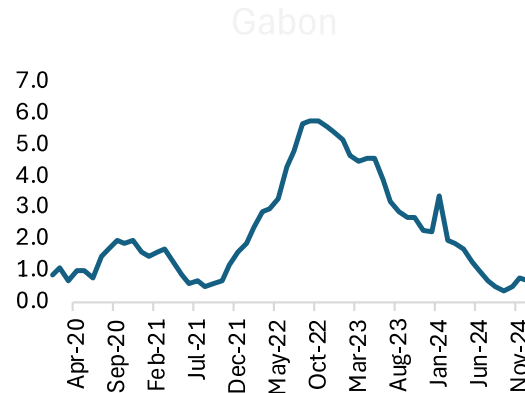
## Key Macroeconomic Indicators

Growth rates projected to be 2.3% in 2025, and 2.1% in 2026, due to the decline in oil production (–2.1% in 2025 and –4.7% in 2026) from aging oil fields. Policy rate remained at 4.5%, with the exchange rate depreciating by 0.56% as at June 2025 to 584.9 per USD. Total Trade reported at 3.36 million. The risk score was 58.55.

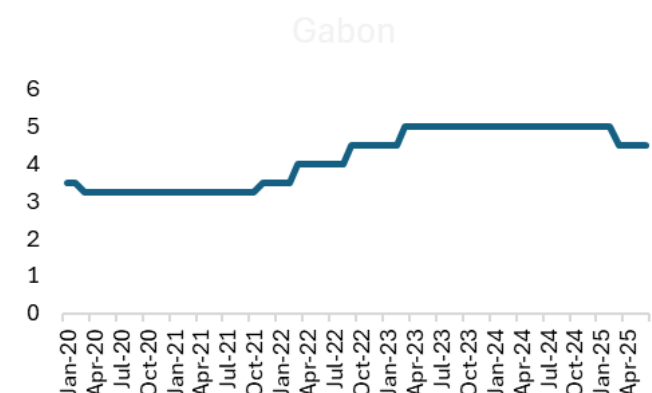
Growth rate



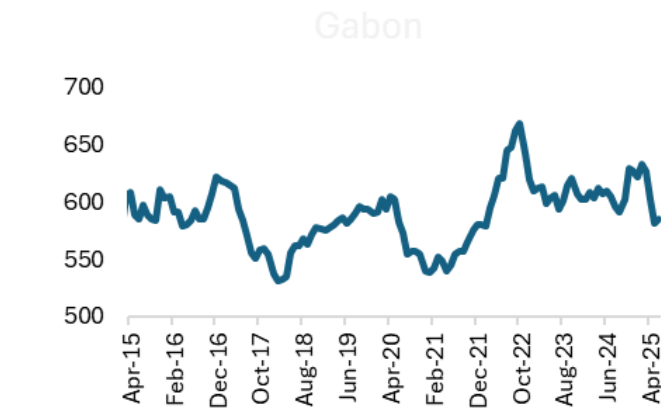
Inflation rate



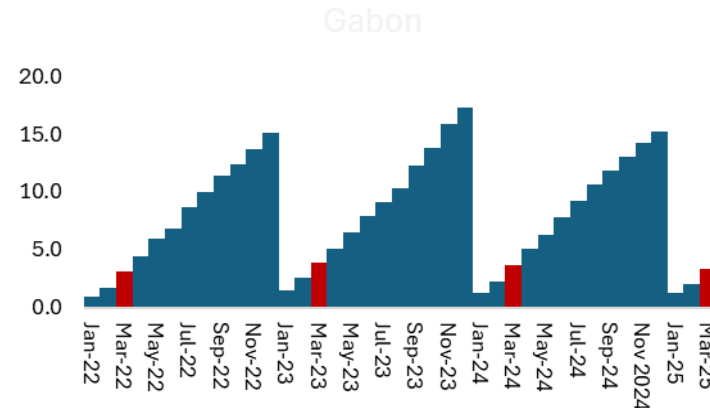
Policy rate



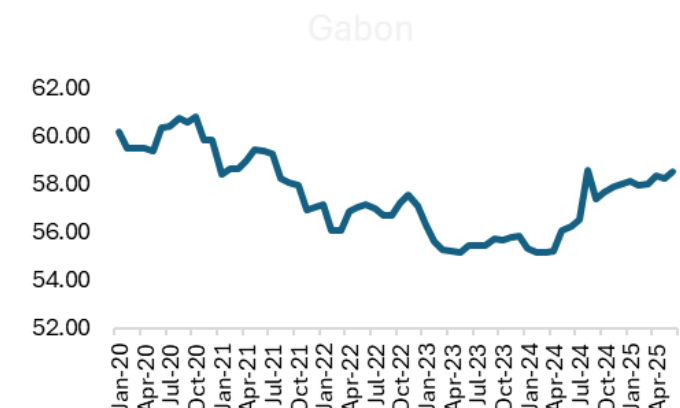
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

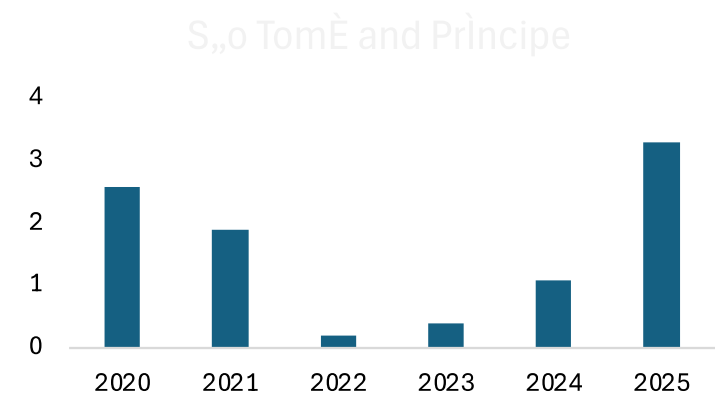


# Sao Tome and Principe

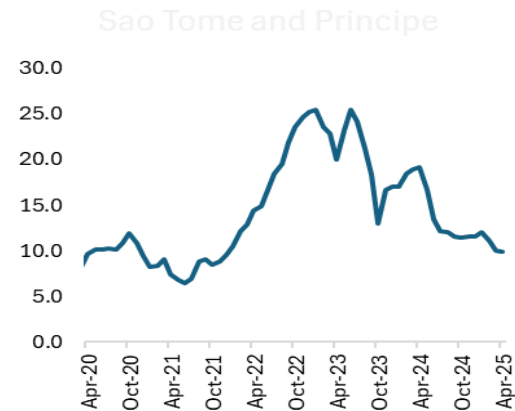
## Key Macroeconomic Indicators

Inflation slightly increased to 10.50% in May 2025 from 9.90% in April. Policy rate held at 10%, and the exchange rate appreciated by 2.16% to 21.47 per USD. Trade decrease to \$0.07 million as at March 2025 in comparison to the previous year. Risk score stood at 61.7.

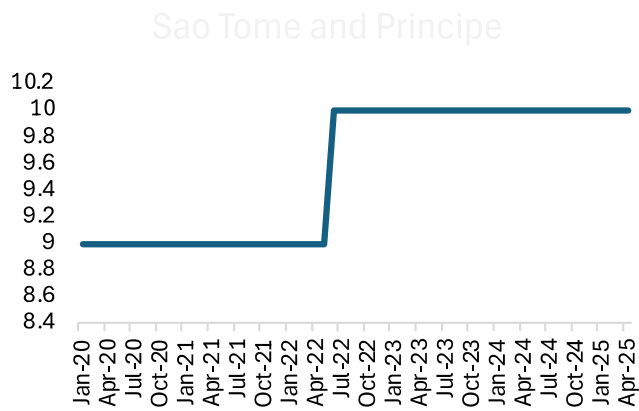
Growth rate



Inflation rate



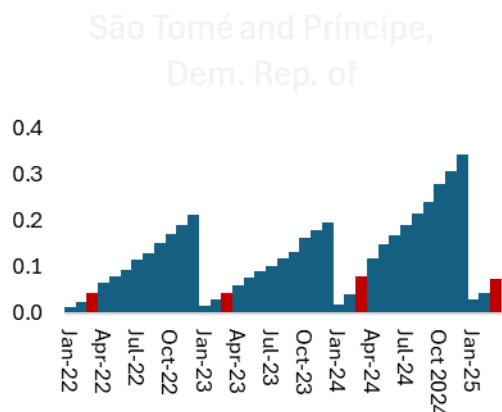
Policy rate



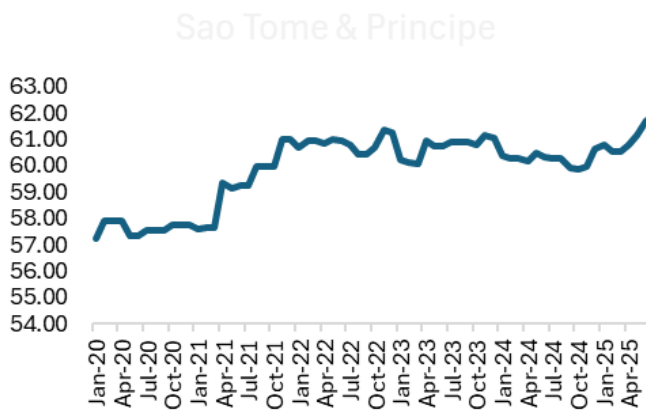
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



# East Africa



# Key themes in Eastern African countries



## Kenya — Inflation rises modestly to 4.1% in July

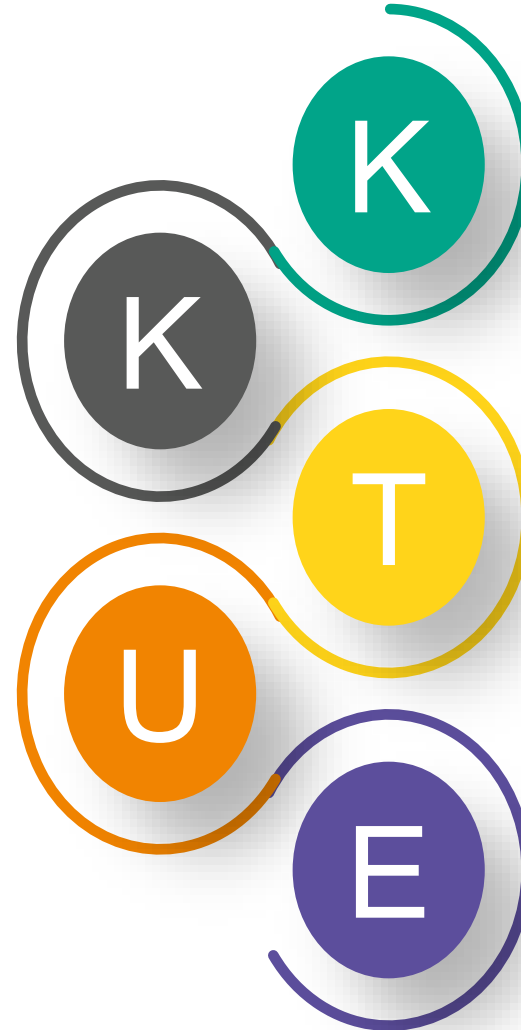
Consumer inflation climbed to 4.1% y-o-y in July, up from 3.8% in June; prices for food, transport, housing, and utilities pushed the increase. Monthly inflation slowed to 0.1%.

## Kenya— Policy rate lowered alongside downgraded growth forecasts

The central bank cut its benchmark rate by 25 bps to 9.75% in June and reduced the 2025 growth forecast to 5.2%, citing trade tariffs and external headwinds.

## Uganda — Growth projected at 7% with oil sector unlocking potential

The Ugandan government targets 7% GDP growth in FY 2025/26, anticipating long-term acceleration once commercial oil production begins. The 2024/25 fiscal year is expected to close at ~6.3%, up from 6.1%, supported by agriculture, services, and ICT.



## Tanzania — Growth forecast of 6% as budget deficit widens slightly

Tanzania forecasts GDP growth of about 6% in 2025/26, fuelled by infrastructure and energy projects. The national budget allocates 57 trillion shillings, with borrowing projected at 7.34 trillion shillings. Inflation is expected to remain moderate in the 3–5% range.

## Ethiopia — IMF warns of reform risks, FX parallel market persists

IMF signaled concern over dwindling donor support and a 15% premium in the parallel FX market, despite progress in liberalization. A \$262 million tranche was released in May/June.

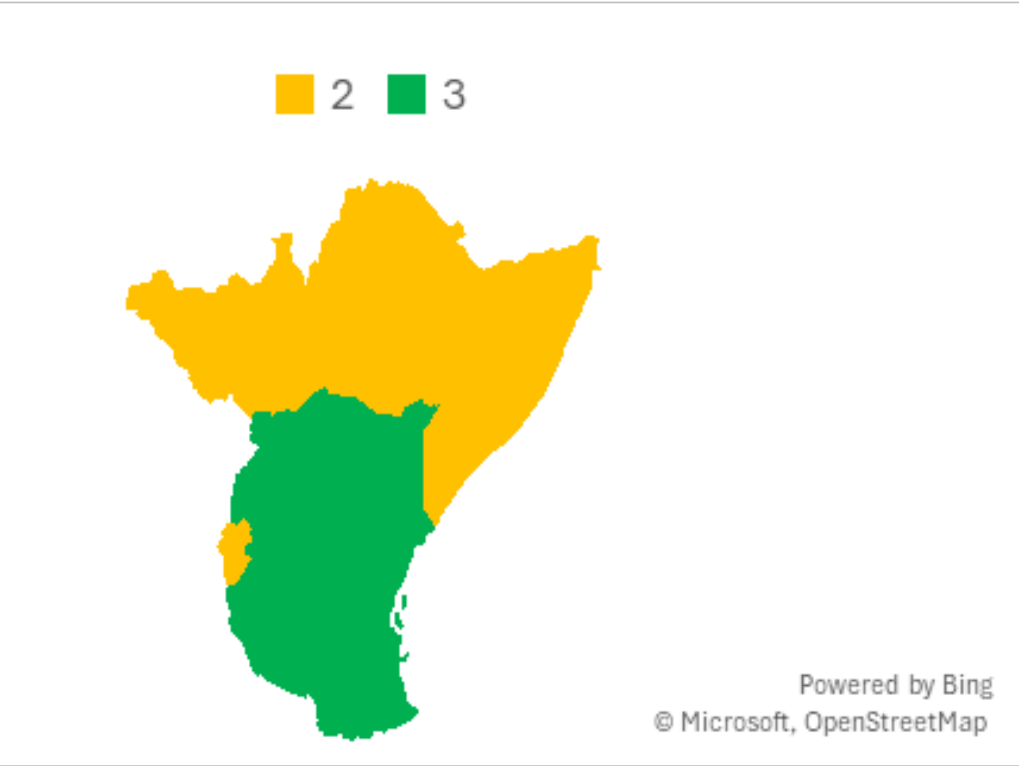




All the countries are characterized by stable or enhancing macroeconomic fundamentals.

## East Africa

	Growth	Inflation	Policy Rate	Exch. Rate	Trade	Risk	Overall Scoring
Burundi	Deteriorating	Deteriorating	Stable	Deteriorating	Improving	Improving	Stable
Djibouti	Deteriorating	Deteriorating	Stable	Deteriorating	Deteriorating	Improving	Stable
Ethiopia	Improving	Stable	Stable	Deteriorating	Improving	Deteriorating	Stable
Kenya	Improving	Stable	Improving	Improving	Improving	Deteriorating	Improving
Rwanda	Stable	Deteriorating	Stable	Deteriorating	Improving	Deteriorating	Stable
Somalia	Stable	Improving	Deteriorating	Stable	Deteriorating	Deteriorating	Stable
South Sudan	Stable	Improving	Stable	Deteriorating	Improving	Deteriorating	Stable
Tanzania	Deteriorating	Stable	Improving	Improving	Improving	Improving	Improving
Uganda	Improving	Stable	Stable	Improving	Improving	Improving	Improving



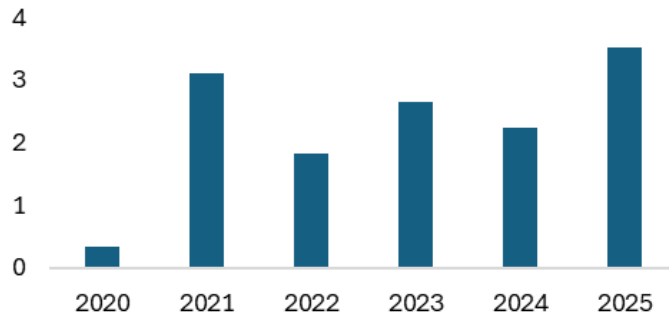
# Burundi

## Key Macroeconomic Indicators

Real GDP growth rates are projected at 3.7% in 2025 and 3.9% in 2026. Inflation increased to 45.5% in April from 41.0% in March. Policy rate remained at 12.0%, while the exchange rate slightly depreciated by 0.05% to 2,977 per USD. Total trade reported 0.26 million as at March. Risk score stood at 70.8.

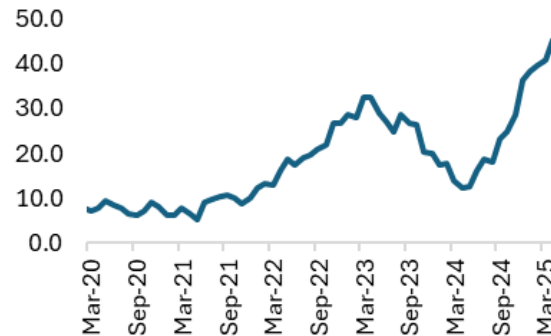
Growth rate

Burundi



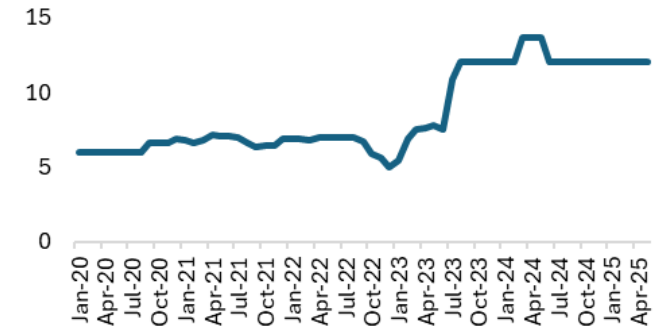
Inflation rate

Burundi



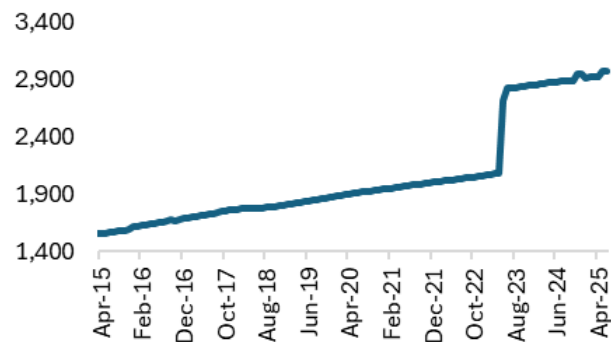
Policy rate

Burundi



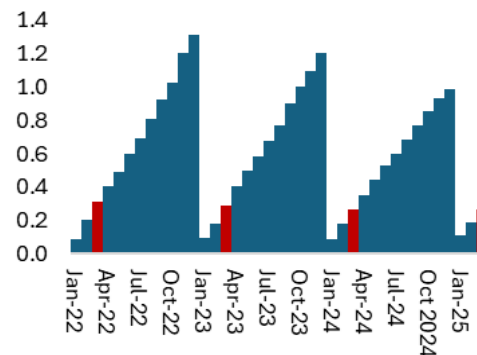
Exchange rate

Burundi



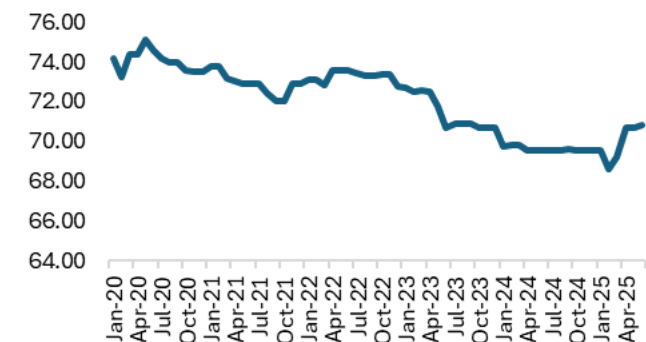
Total foreign trade, \$US bn

Burundi



Country Risk Index

Burundi



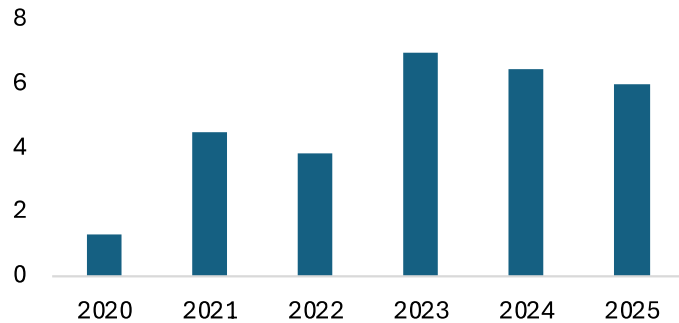
# Djibouti

## Key Macroeconomic Indicators

Growth forecast at 6.3% in 2025 and 6.6% in 2026, supported by continued transshipment operations and a recovery in construction. Inflation increased slightly to -0.60% in May 2025 from -1.60% in April. The exchange rate depreciated slightly by 0.20% at 178.08 per USD. Total Trade stood at 1.73 million. Risk score stood at 62.51.

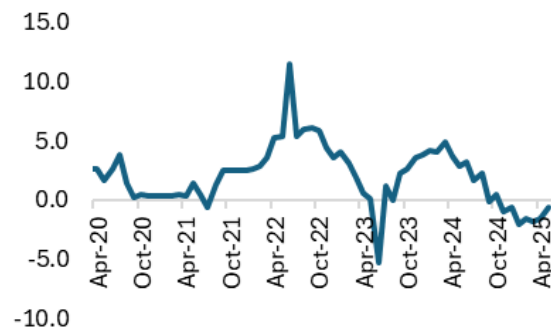
Growth rate

Djibouti



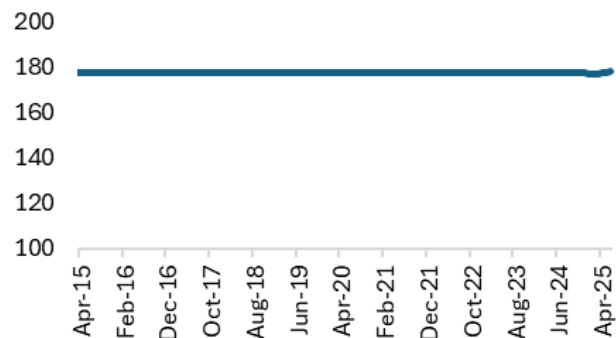
Inflation rate

Djibouti



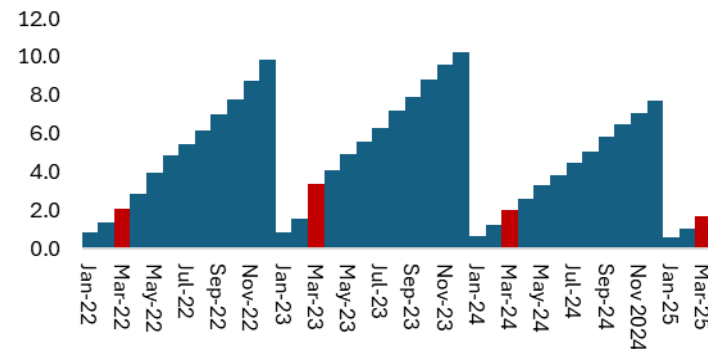
Exchange rate

Djibouti



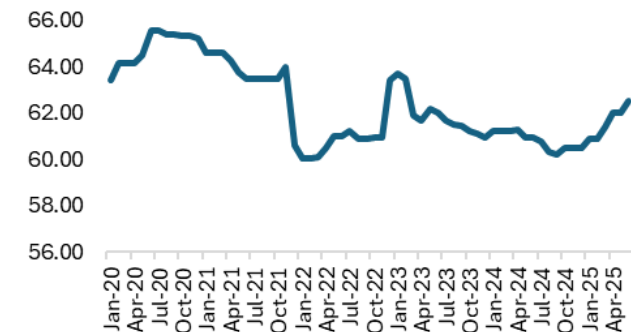
Total foreign trade, \$US bn

Djibouti



Country Risk Index

Djibouti

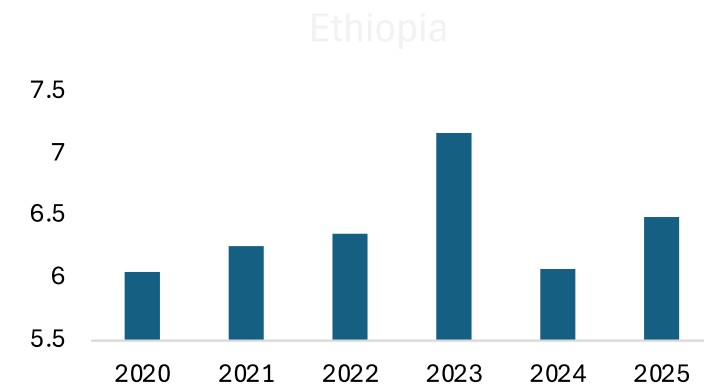


# Ethiopia

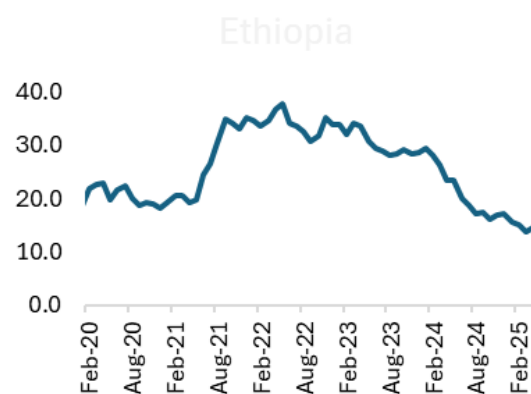
## Key Macroeconomic Indicators

Growth is expected to be robust at 7% in 2025/26. Inflation held steady at 14.40% from April 2025 to May. The policy rate remained at 15%, while the exchange rate depreciated by 1.29% to 136.63 per USD. Total trade was \$5.45 million, and the risk score stood at 66.86.

Growth rate



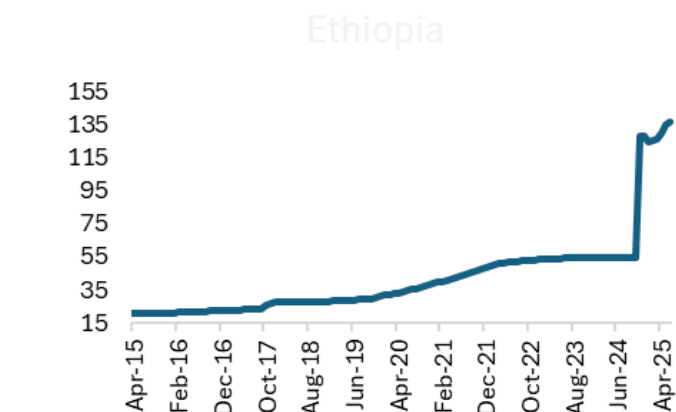
Inflation rate



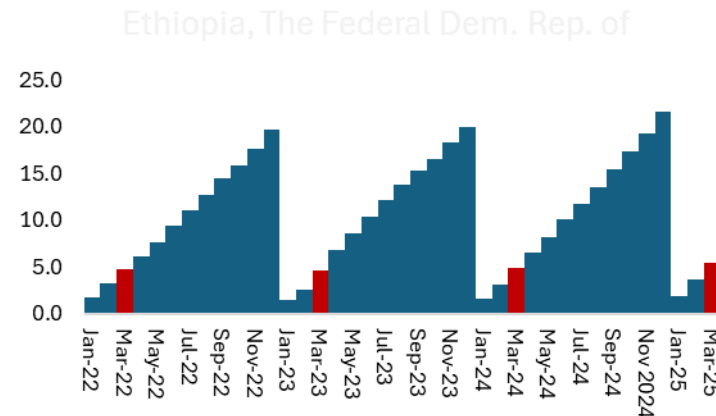
Policy rate



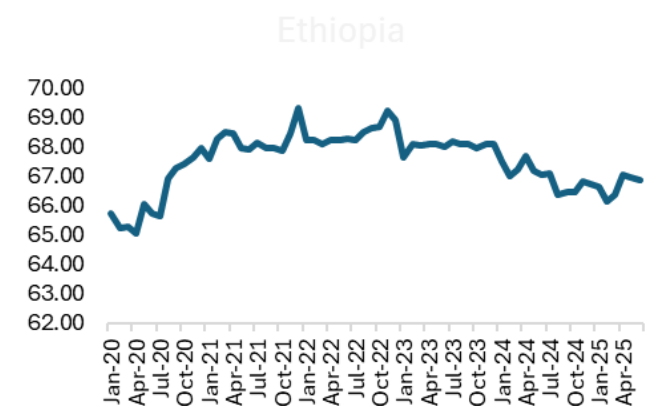
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

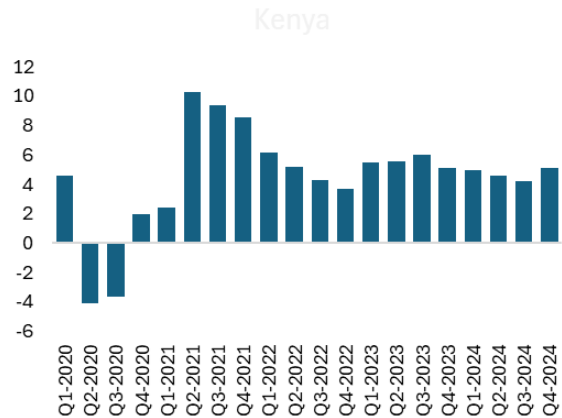


# Kenya

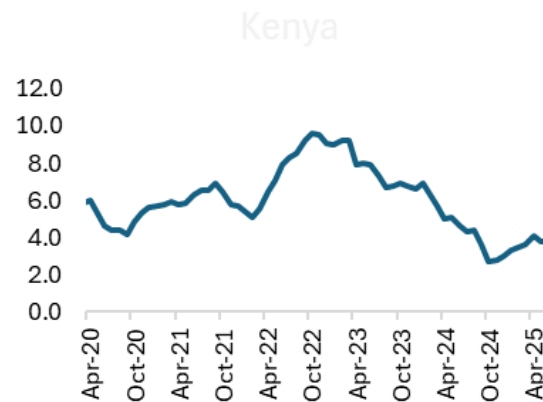
## Key Macroeconomic Indicators

Growth increased to 5.1% in Q4-2024 from 4.2%, and inflation was steady at 3.80 from May 2025 to June. The policy rate decreased slightly to 9.75%, while the exchange rate appreciated by 0.04% to 129.2 per USD. Total trade reached \$6.52 million in March. The risk score stood at 53.59.

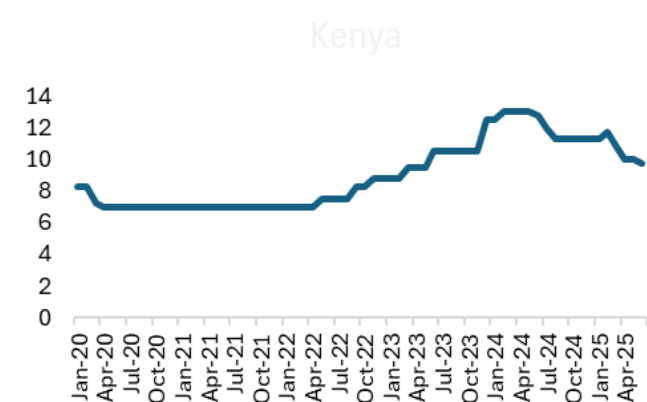
Growth rate



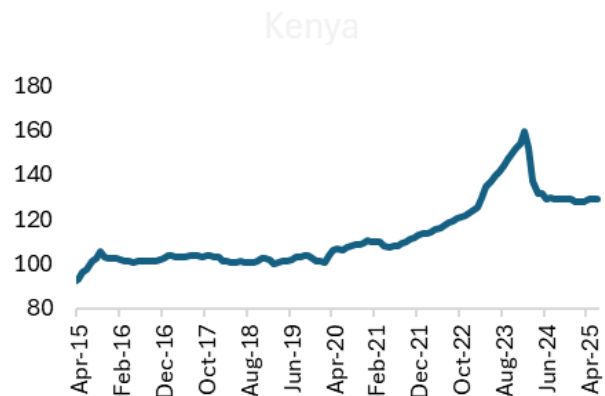
Inflation rate



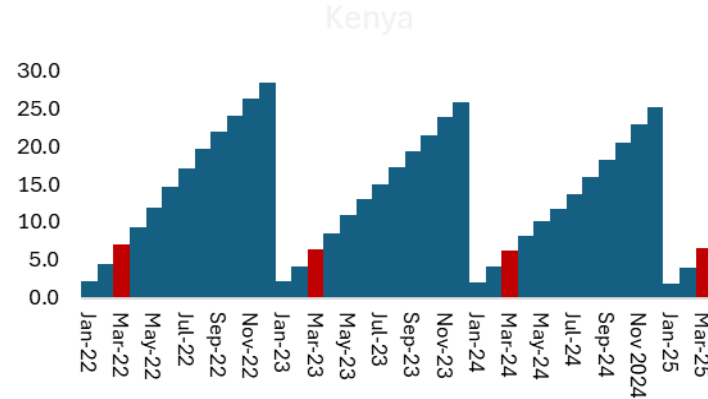
Policy rate



Exchange rate



Total foreign trade, \$US bn



Country Risk Index

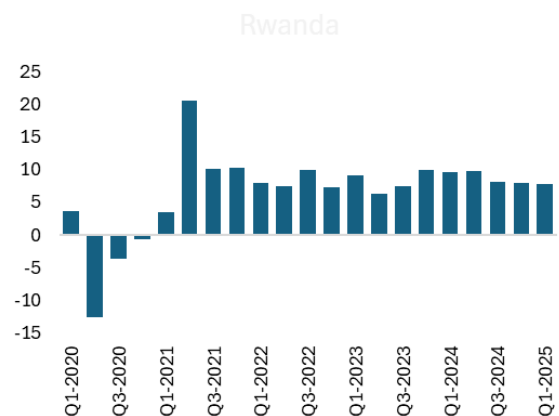


# Rwanda

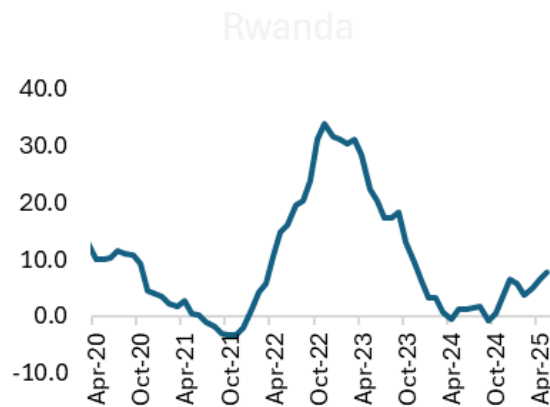
## Key Macroeconomic Indicators

Growth decreased slightly to 7.8% in Q1-2025 from 8% in Q4-2024, while inflation increased to 7.70% in May from 6.60% in April. Policy rate held steady at 6.5%, and the exchange rate depreciated by 0.29% to 1,421.6 per USD. Total trade reached \$1.85 million in March. Risk score stood at 58.68.

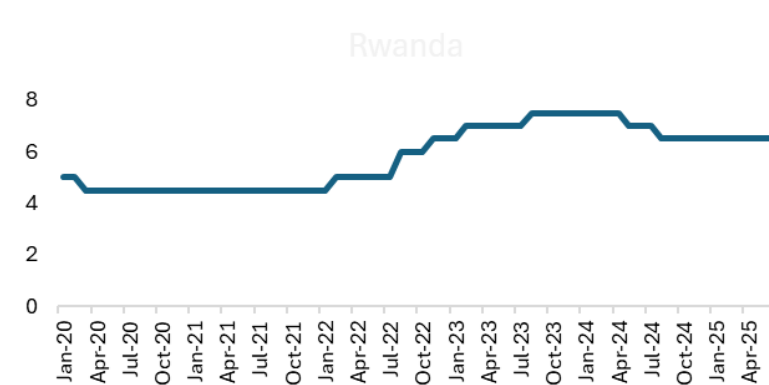
Growth rate



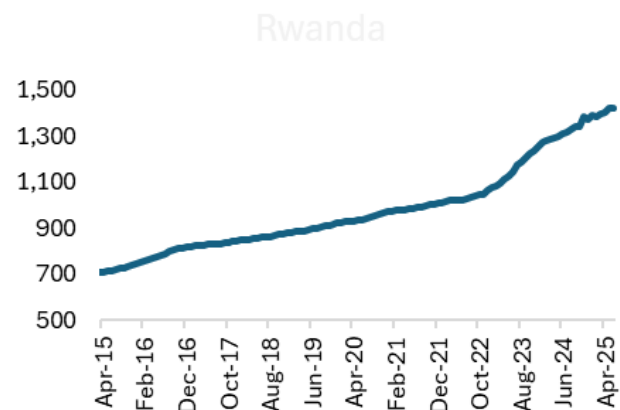
Inflation rate



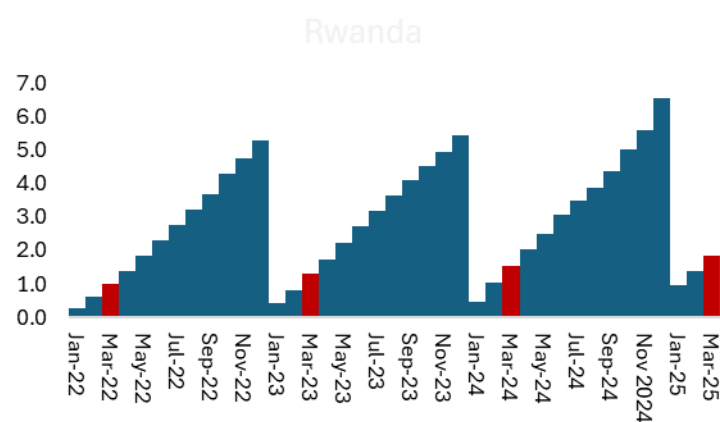
Policy rate



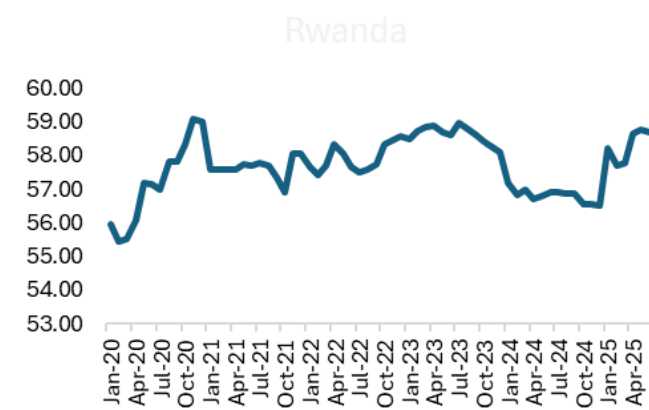
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

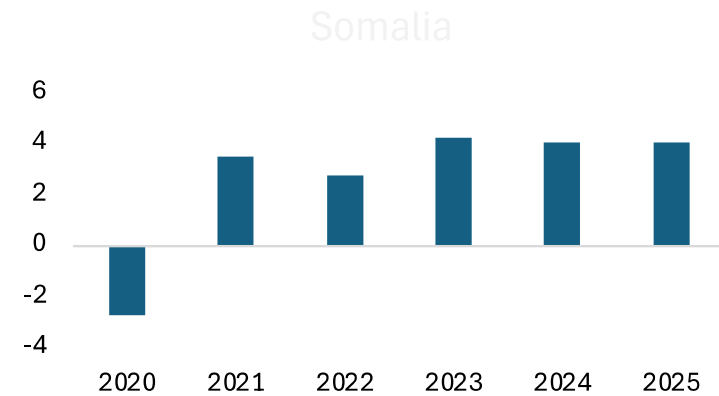


# Somalia

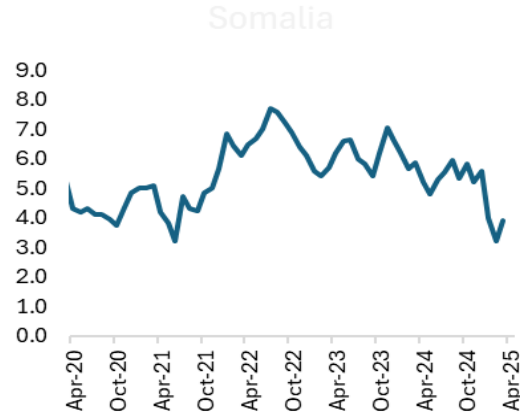
## Key Macroeconomic Indicators

The economy is expected to grow at 3.9% in 2025 and 4.0% in 2026, driven by agriculture, favorable rains, strong household consumption, and increased investments from both the private and public sectors. The exchange rate has not fluctuated against the US dollar; however, total trade is down 3.305% from the previous year.

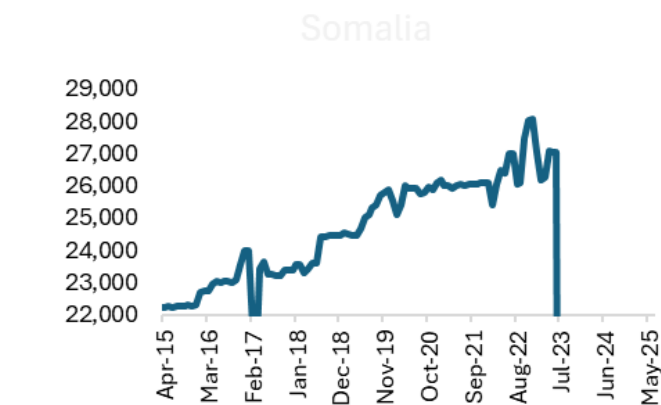
Growth rate



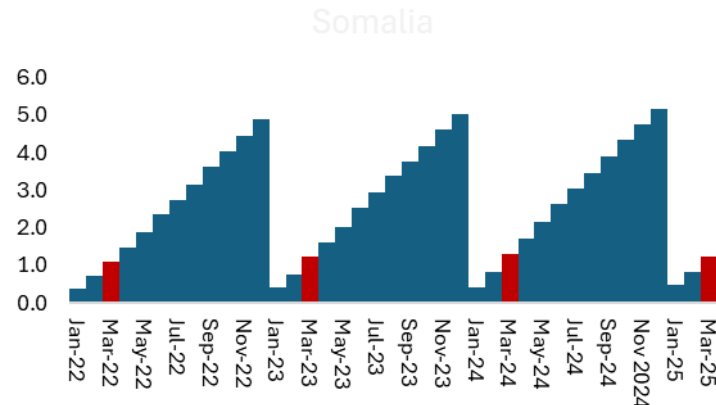
Inflation rate



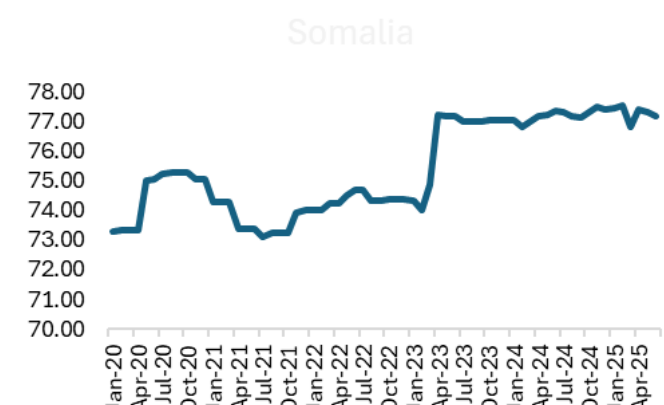
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



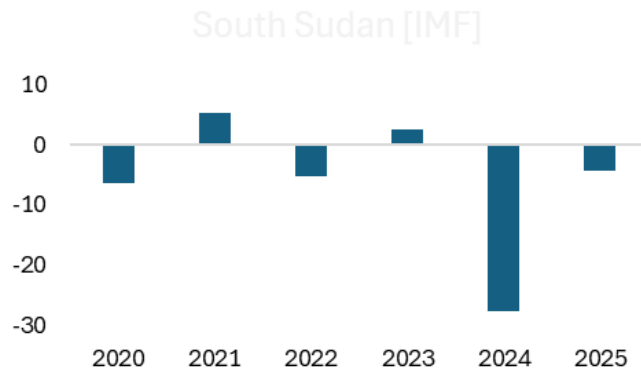


# South Sudan

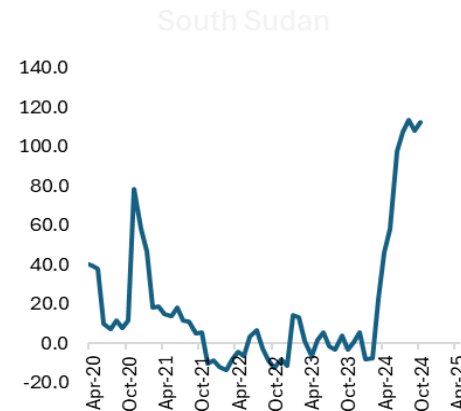
## Key Macroeconomic Indicators

A negative growth rate of -4.3% is projected for 2025 due to the disruption of the pipeline in Sudan. Policy rate stayed steady at 12% in June 2025. Exchange rate has experienced a depreciation of 0.35%, with the 4512.48 equivalent to 1 USD. Total trade rose \$0.60 million from the previous year. Risk score stood at 80.19.

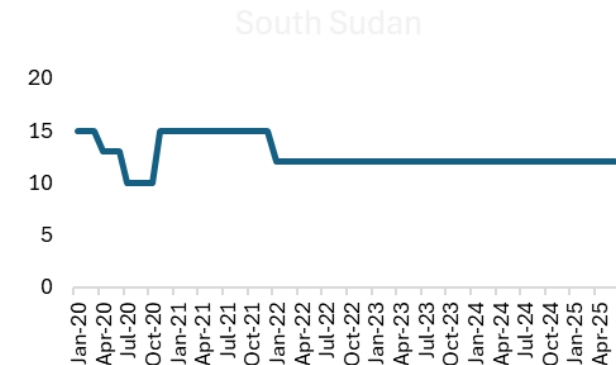
Growth rate



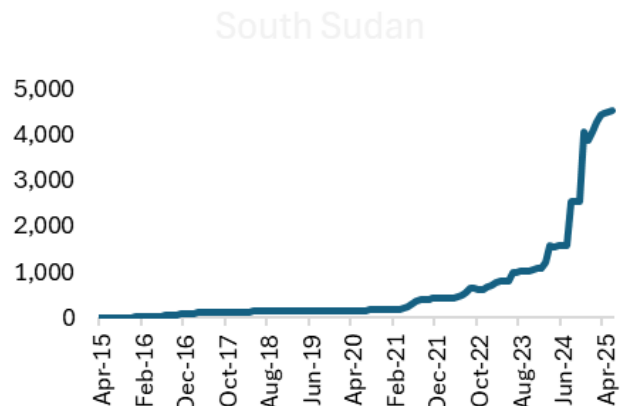
Inflation rate



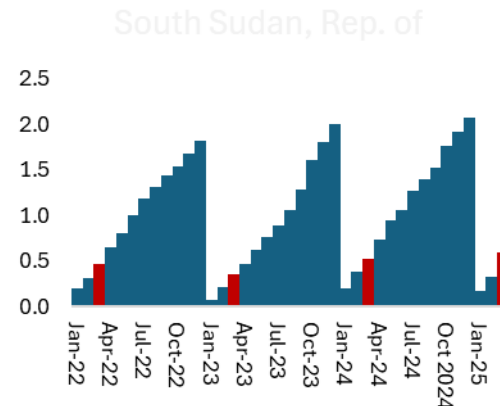
Policy rate



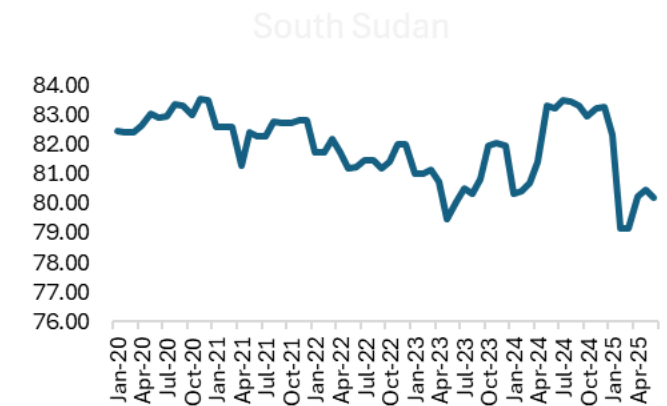
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

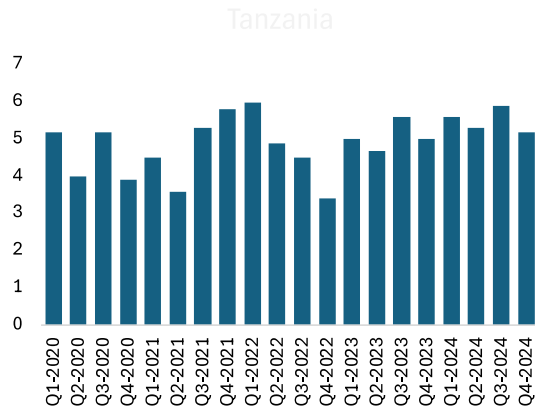


# Tanzania

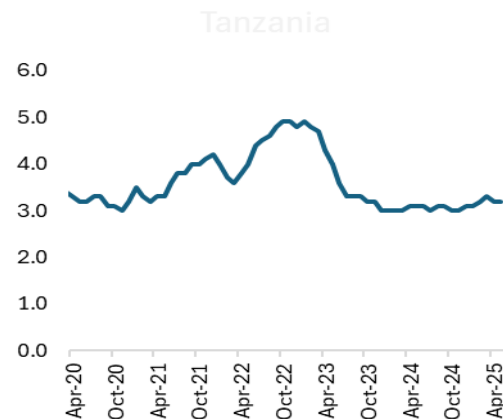
## Key Macroeconomic Indicators

Growth slowed to 5.2% in Q4-2024 from 5.9%, while inflation was steady at 3.2% in May 2025. Policy rate decreased slightly to 5.75% in June 2025 from 6.0% in May, and the exchange rate appreciated by 2.75% to 2,620 per USD. Total trade amounted to \$6.77 million in March. The risk score was 53.39.

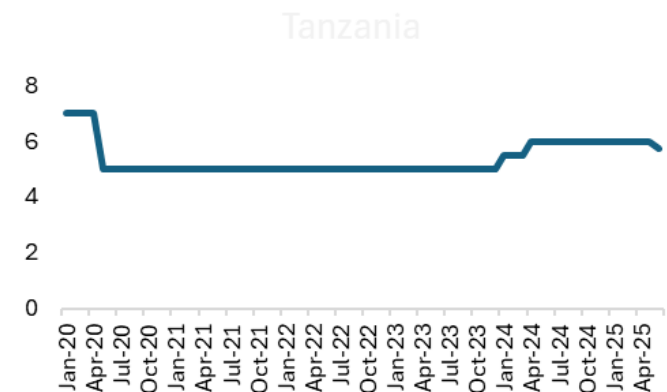
Growth rate



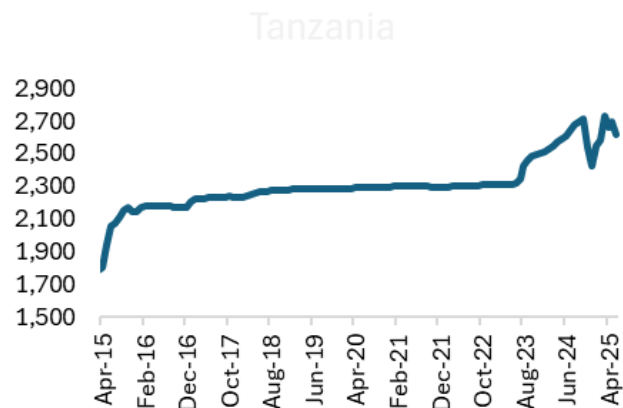
Inflation rate



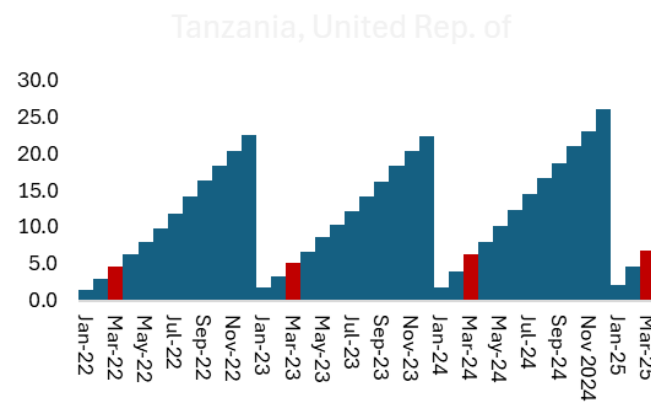
Policy rate



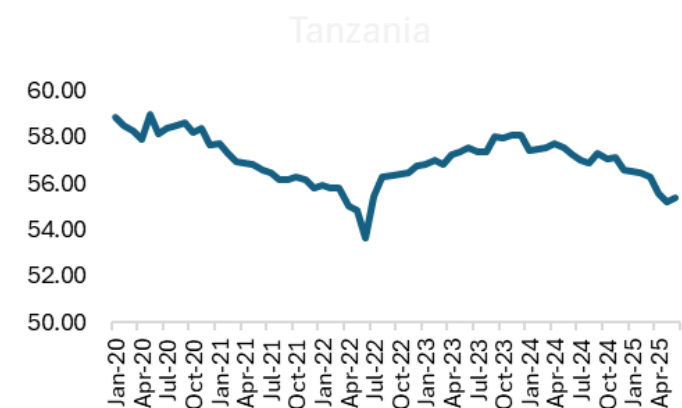
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

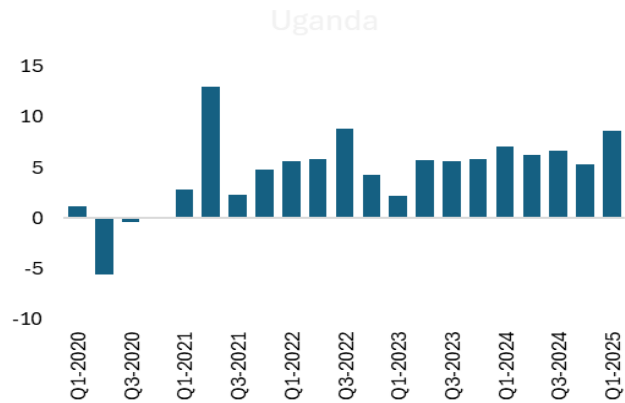


# Uganda

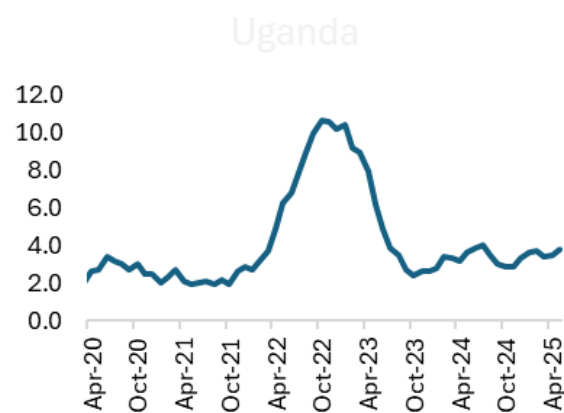
## Key Macroeconomic Indicators

Growth increased from 5.3% in Q4-2024 to 8.6% in Q1-2025, while inflation rose slightly to 3.9% in June from 3.8% in May. Policy rate was unchanged at 9.75%, and the exchange rate appreciated by 1.29% to 3,606.38 per USD. Total trade stood at \$4.95 million in March. The risk score was 59.49.

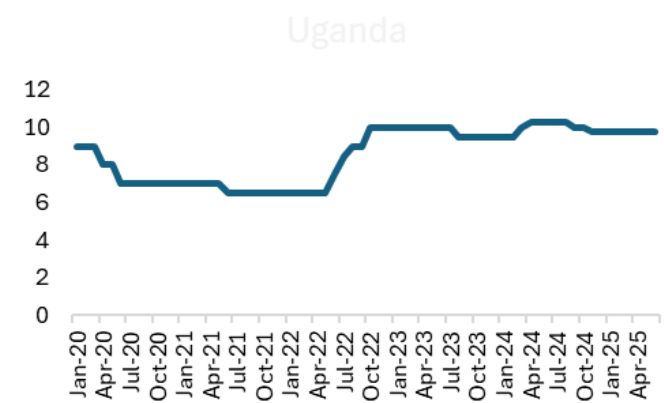
Growth rate



Inflation rate



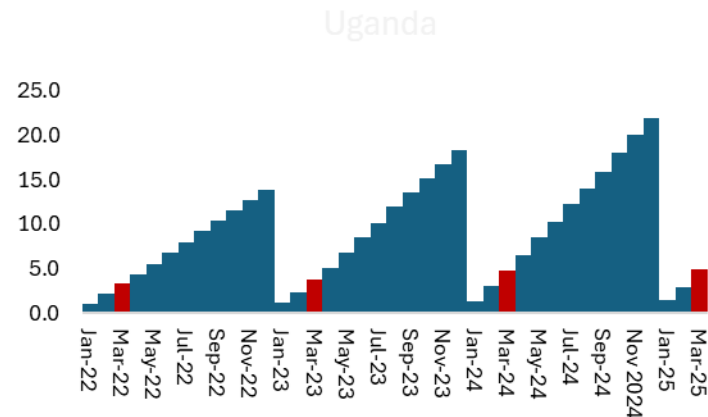
Policy rate



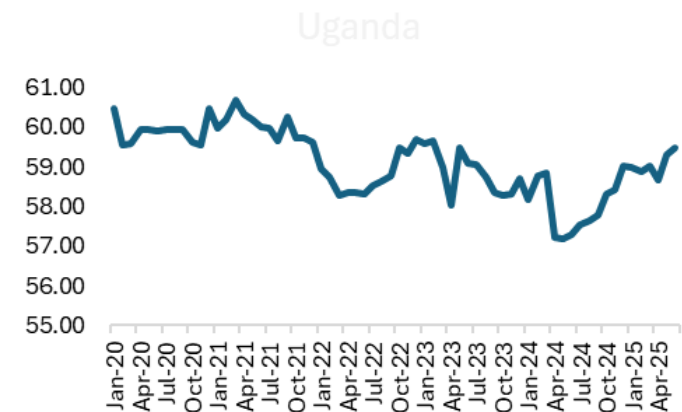
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



# Southern Africa



# Key themes in Southern African countries



## South Africa — Seeks \$500m forex funding after budget impasse ends

After resolving a stalled budget and canceling a planned VAT hike, Treasury is now seeking to raise at least \$500 million in foreign-currency funding for fiscal 2025/26. The goal is to diversify funding beyond Eurobonds using ESG-linked instruments and other tools.

## Angola — Central bank holds rate at 19.5% despite lower price pressures

Angola's central monetary authority kept its benchmark rate steady at 19.5% in July, despite signs inflation is gradually slowing.

## Zimbabwe — Economic rebounds with 6% growth forecast amid stable inflation

Zimbabwe is projected to grow 6% in 2025, rebounding from a 2% contraction in 2024, driven by strong agriculture, commodity prices, and electricity recovery.

Inflation and exchange rates remain stable, aided by the gold-backed ZiG and tight monetary policy with bank rate at 35%.

## South Africa — Inflation edges to 3.0% in June but SARB cuts rate to 7%

Headline inflation rose to 3.0% y-o-y in June, up from 2.8% in May. Also, the SARB lowered its policy rate by 25 bps to 7.00%, aiming to anchor inflation at the lower end of its 3–6% band.

However, concerns remain over sluggish GDP growth, external tariff risks, and pressure to tighten fiscal reforms.

## Zambia — Inflation slows to 14.1% in June

Zambia's annual inflation eased to 14.1% in June, from 15.3% in May driven by a stronger rally of the Kwacha.

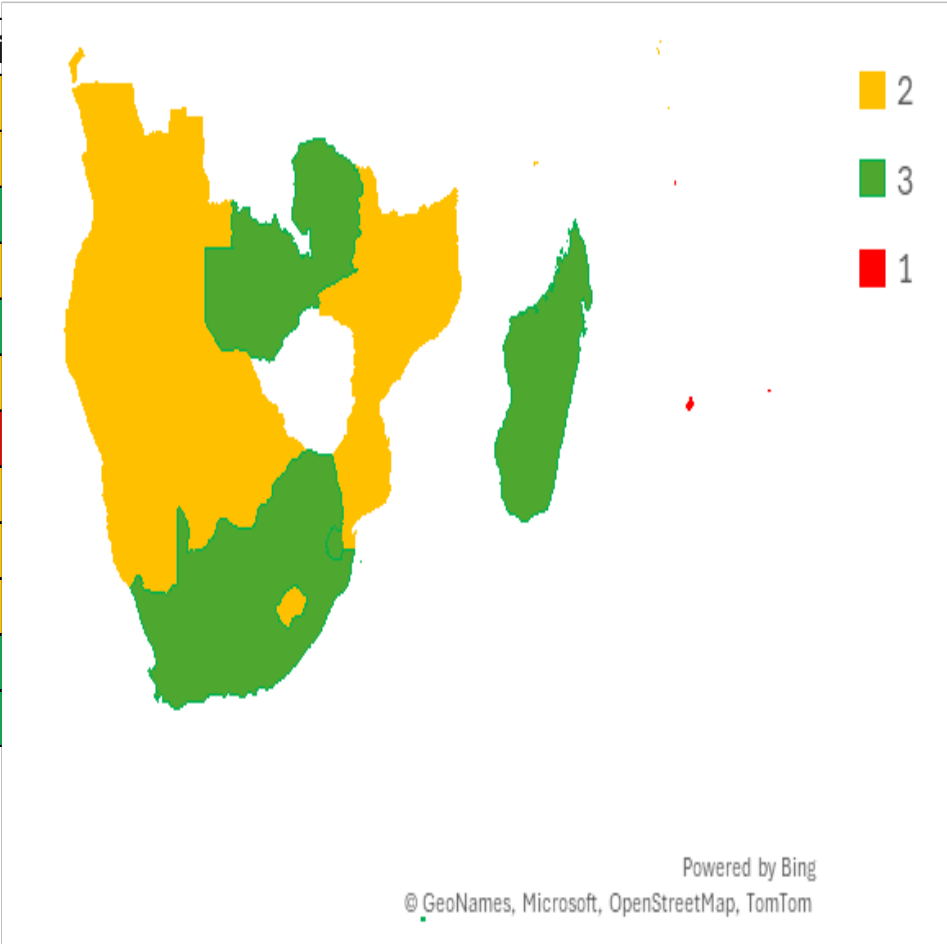
Also, the IMF approved its fifth review and disbursed \$184 million for Zambia which may further strengthen the Kwacha.

11 out of 12 countries are characterized by stable or enhancing macroeconomic fundamentals.



Southern Africa

	Growth	Inflation	Policy Rate	Exch. Rate	Trade	Risk	Overall Score
Angola	Improving	Improving	Stable	Deteriorating	Improving	Deteriorating	2
Botswana	Improving	Improving	Stable	Improving	Deteriorating	Deteriorating	2
Eswatini	Stable	Stable	Stable	Improving	Improving	Improving	3
Lesotho	Stable	Deteriorating	Improving	Improving	Deteriorating	Improving	2
Madagascar	Stable	Stable	Stable	Improving	Improving	Improving	3
Malawi	Improving	Improving	Stable	Improving	Deteriorating	Stable	2
Mauritius	Deteriorating	Deteriorating	Stable	Deteriorating	Deteriorating	Deteriorating	1
Mozambique	Deteriorating	Stable	Improving	Deteriorating	Deteriorating	Deteriorating	2
Namibia	Deteriorating	Stable	Stable	Improving	Improving	Deteriorating	2
Seychelles	Improving	Stable	Stable	Improving	Improving	Deteriorating	2
South Africa	Stable	Stable	Stable	Improving	Improving	Improving	3
Zambia	Deteriorating	Improving	Stable	Improving	Improving	Improving	3

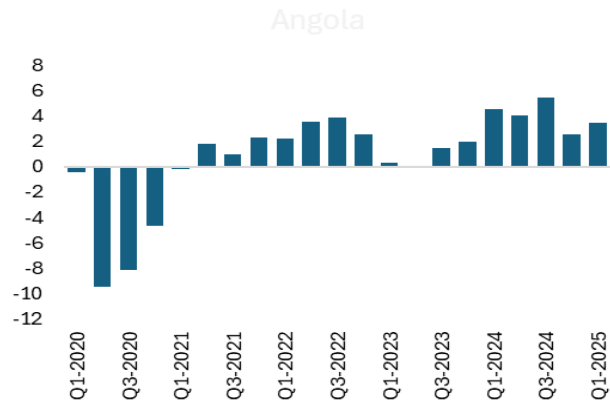


# Angola

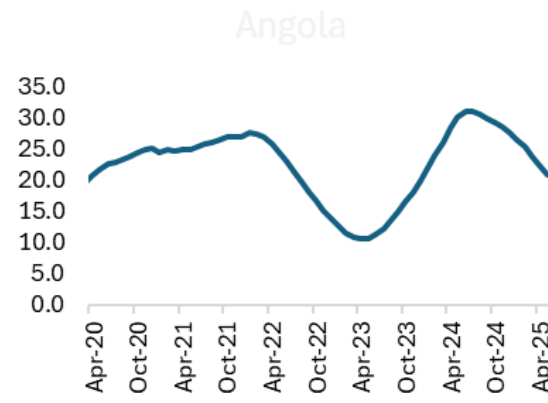
## Key Macroeconomic Indicators

Growth increased to 3.5% in Q1-2025 from 2.6% in Q4-2024, while inflation dropped to 20.74% in May from 22.32% in April. Policy rate 19.5% as at May 2025, and the exchange rate experienced slight depreciation of 0.08% to 921.29 per USD. Total trade reached \$13.35 million in March. Risk score was 61.29.

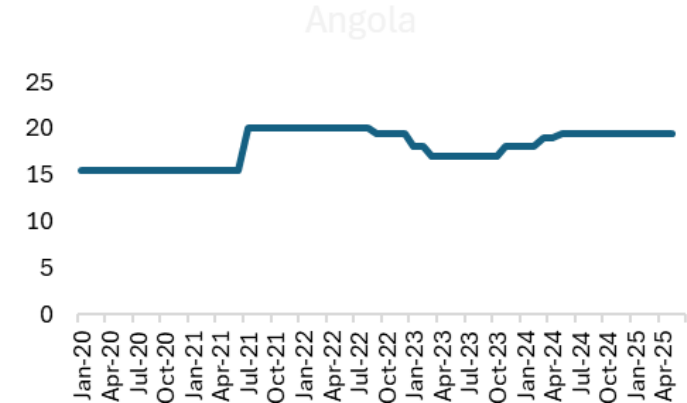
Growth rate



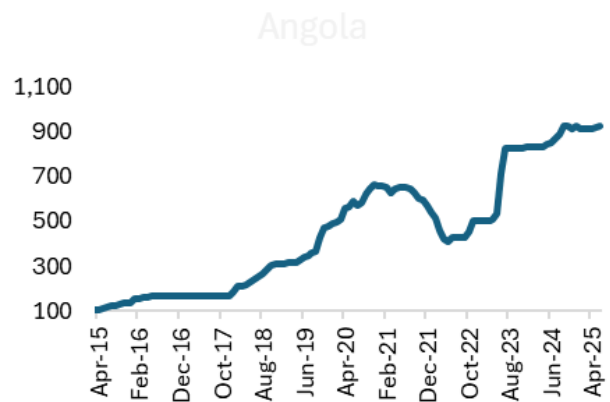
Inflation rate



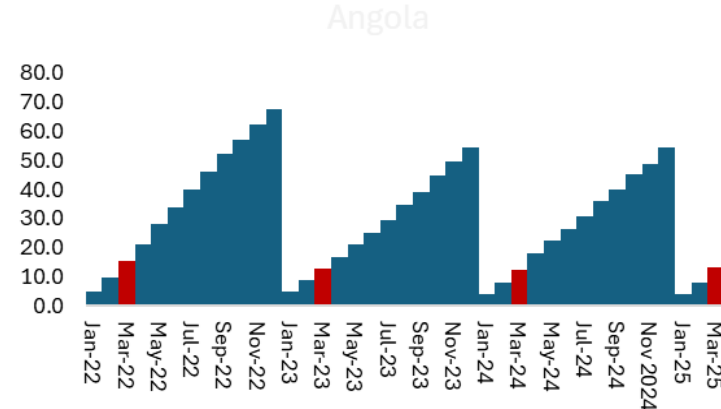
Policy rate



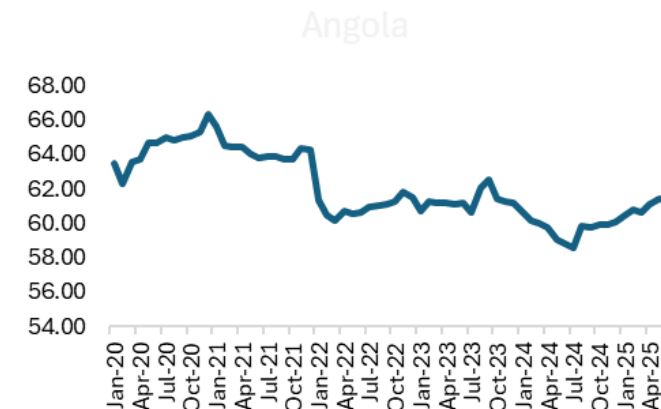
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



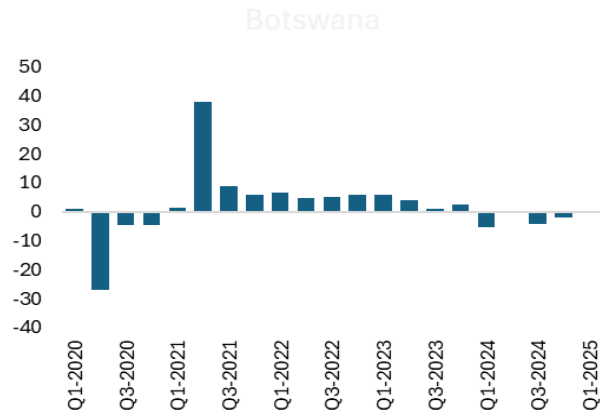


# Botswana

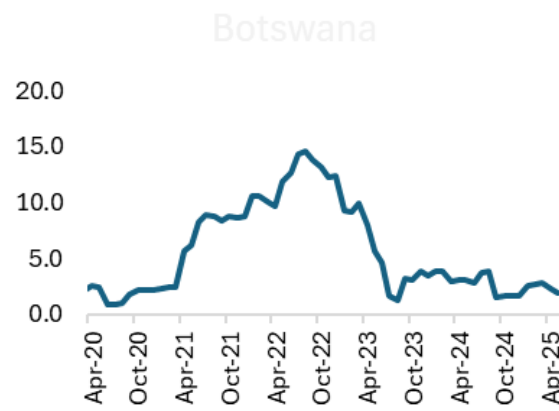
## Key Macroeconomic Indicators

Growth is on the rise with a growth rate of -0.3 in Q1-2025 from -2% in Q4-2024. Inflation declined to 1.9% in May 2025 from 2.3% in April. Policy rate was unchanged at 1.9%, while the exchange rate appreciated by 1.03% to 13.41 per USD. Total trade stood at \$12.15 million in March. Risk score was 50.08.

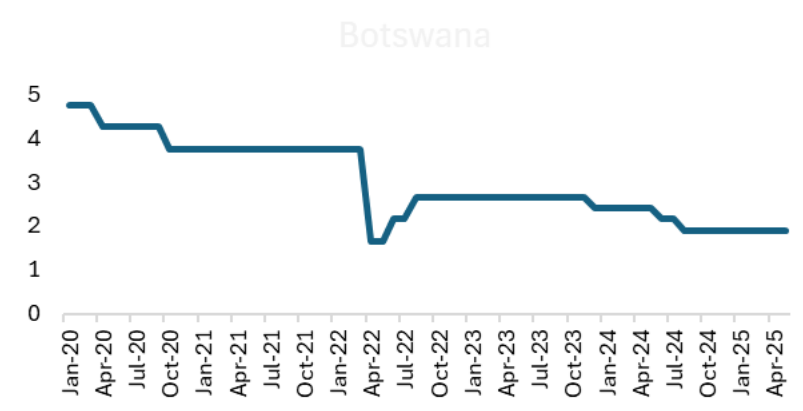
Growth rate



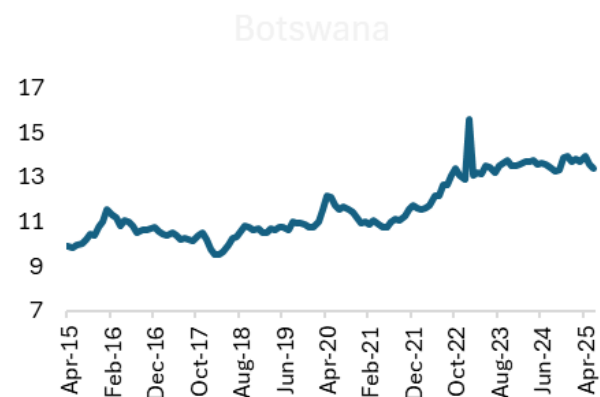
Inflation rate



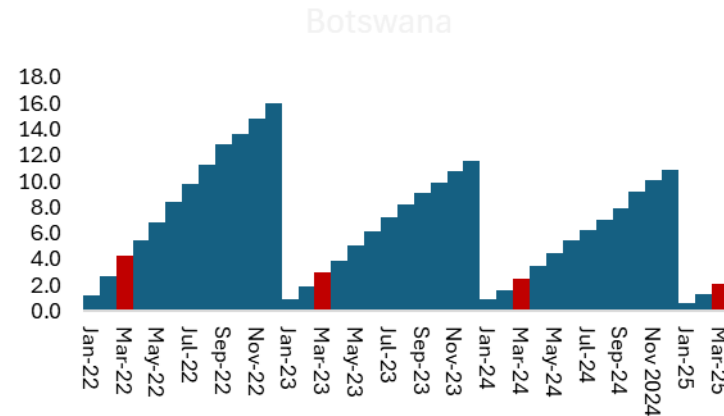
Policy rate



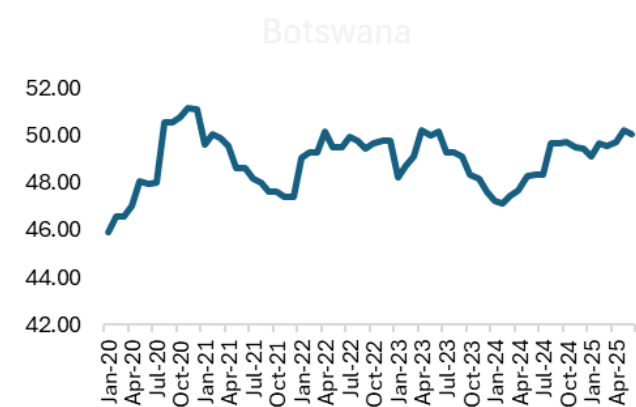
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



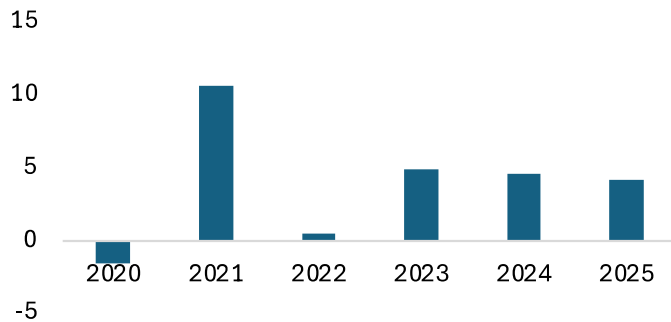
# Eswatini

## Key Macroeconomic Indicators

Real GDP growth is projected at 6.5% for 2025. Inflation saw a slight decrease of 3.3% in April. Policy rate remained unchanged at 6.75 in June 2025. The exchange rate appreciated by 2.22% to 17.70 per USD, and total trade rose to \$1.32 million and risk score stood at 59.63 as of June 2025.

Growth rate

Eswatini



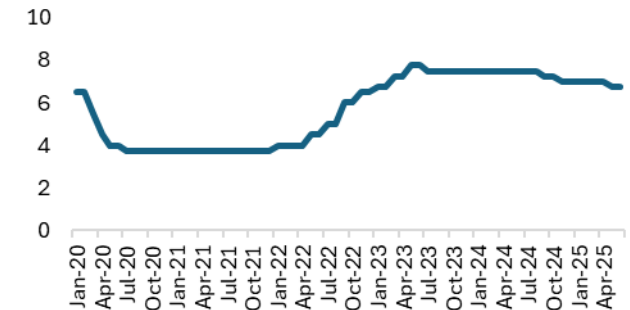
Inflation rate

Swaziland



Policy rate

Swaziland



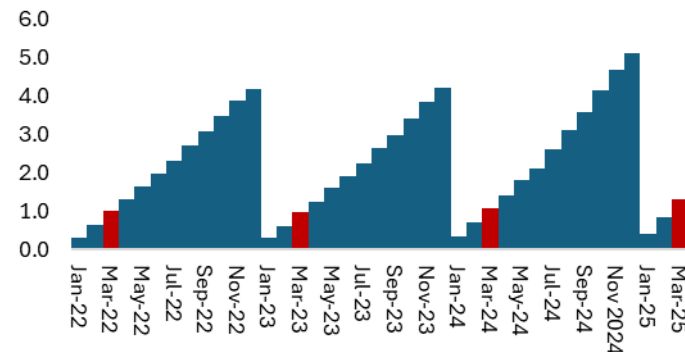
Exchange rate

Eswatini



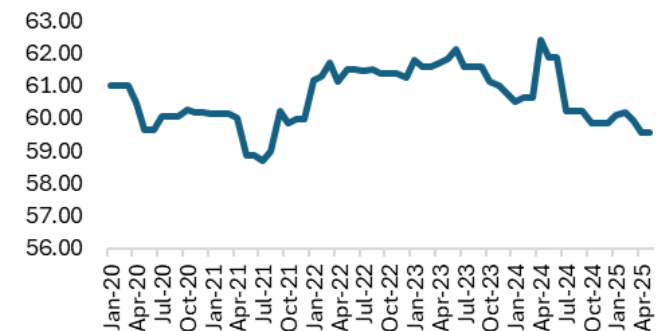
Total foreign trade, \$US bn

Eswatini, Kingdom of



Country Risk Index

Eswatini

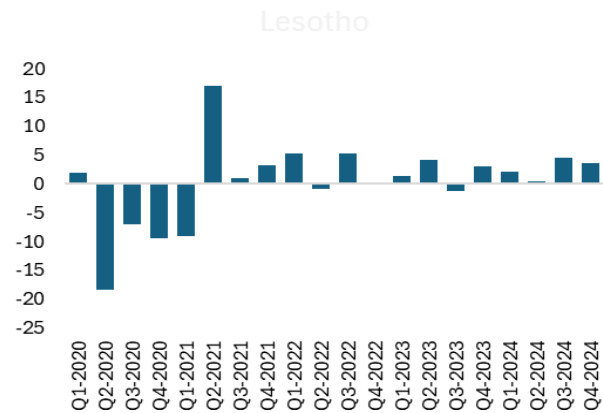


# Lesotho

## Key Macroeconomic Indicators

Growth rate decreased from 4.58% Q3-2024 to 3.56% in Q4-2024. Inflation increased to 4.4% in May 2025 from 4.0% in April. Policy rate held at 7%, and the exchange rate appreciated by 2.28% to 17.70 per USD. Total trade stood at \$0.56 million in March 2025. Risk score stood at 63.34.

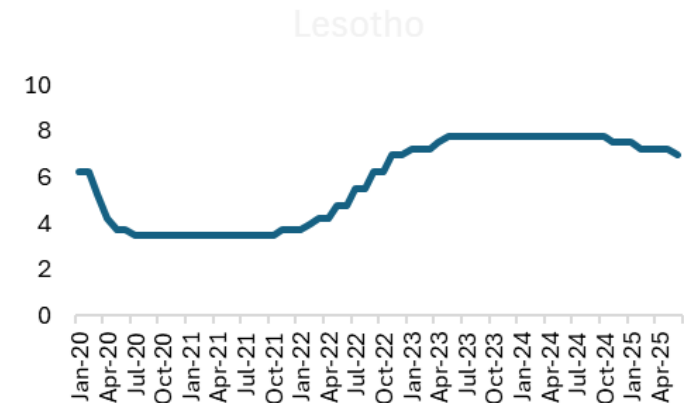
Growth rate



Inflation rate



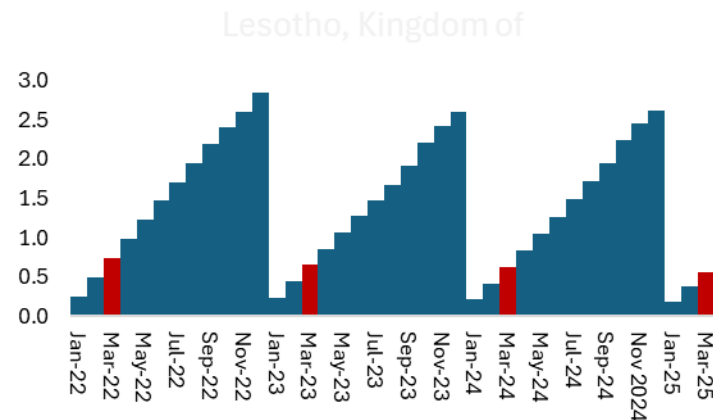
Policy rate



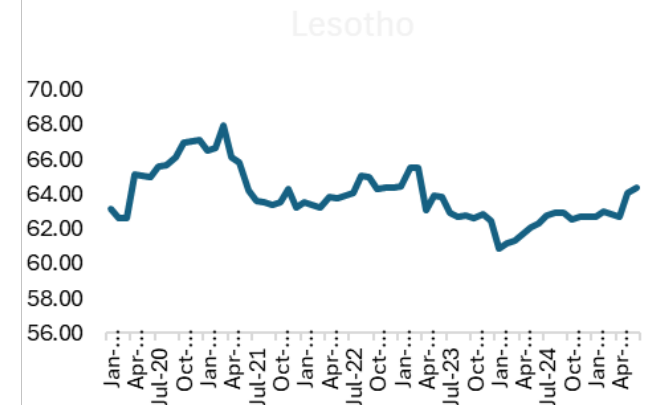
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

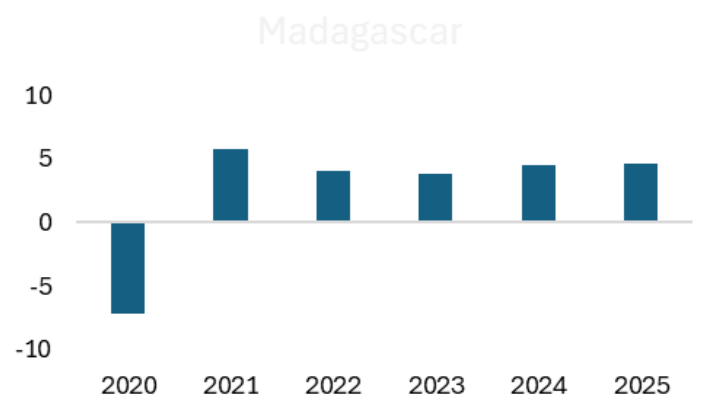


# Madagascar

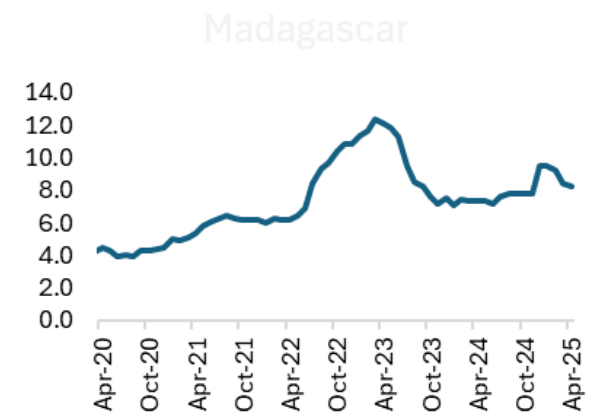
## Key Macroeconomic Indicators

Real GDP is expected to grow by 3.8% in 2025 and 4.0% in 2026. Inflation declined to 8.2% in April from 8.4% in March. Policy rate held at 12%, and the exchange rate appreciated by 0.26% to 4,485 per USD. Total trade reached \$1.67 million in March. Risk score was 65.87.

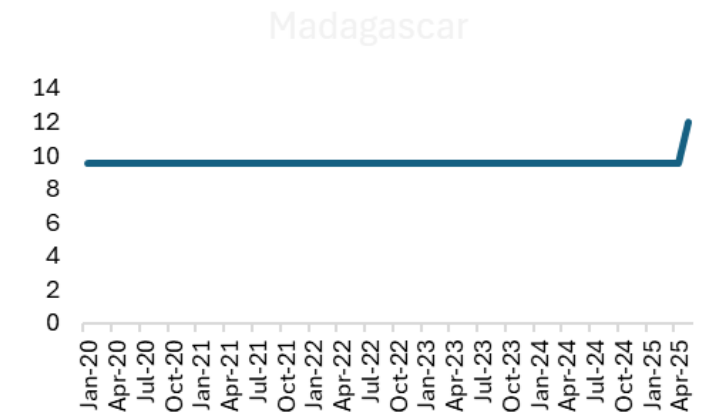
Growth rate



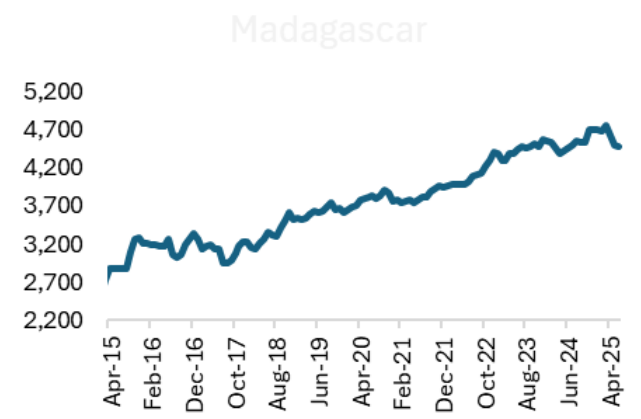
Inflation rate



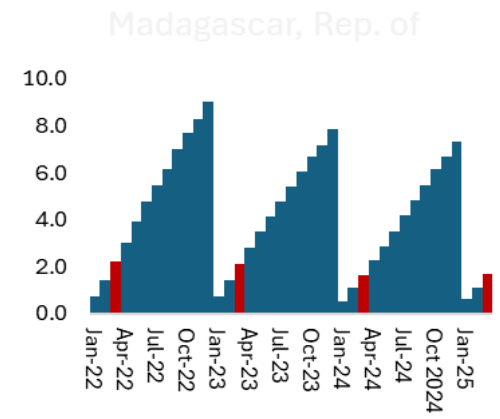
Policy rate



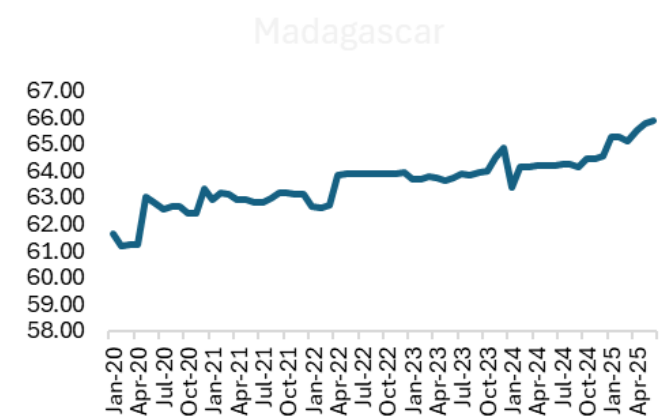
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

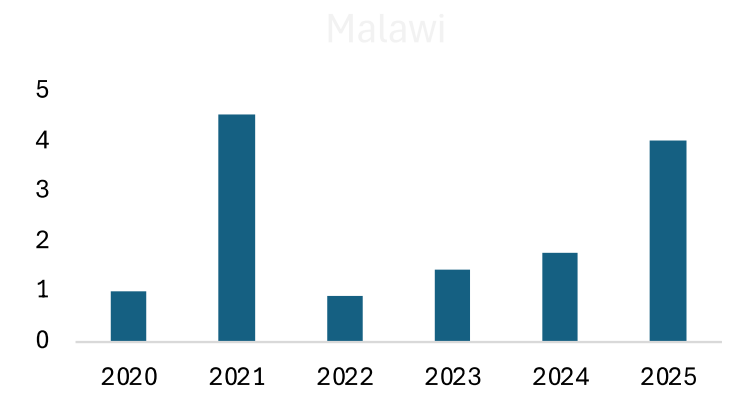


# Malawi

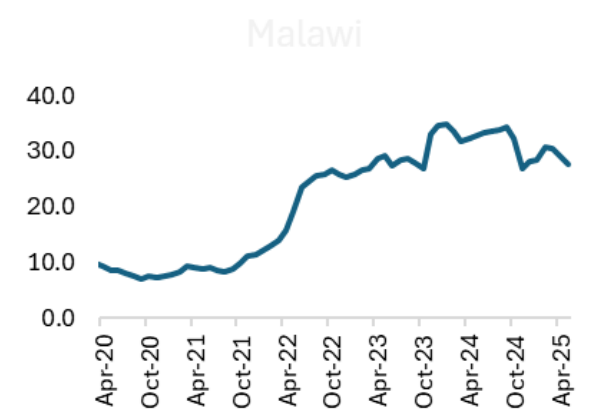
## Key Macroeconomic Indicators

Inflation eased to 27.70% in May 2025 from 29.20% in April. Policy rate remained at 26.0%, while the exchange rate appreciated by 1.31% to 1,733.67 per USD. Total trade stood at \$0.78 million in March. Risk score was 62.25

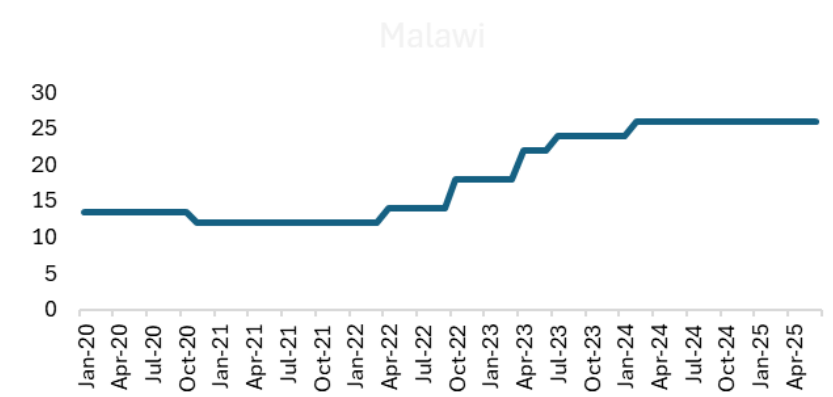
Growth rate



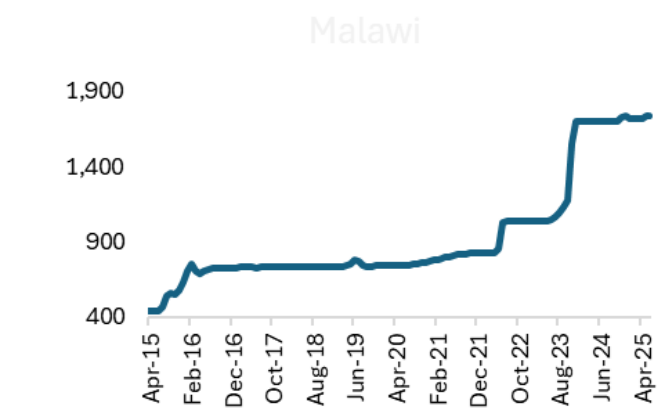
Inflation rate



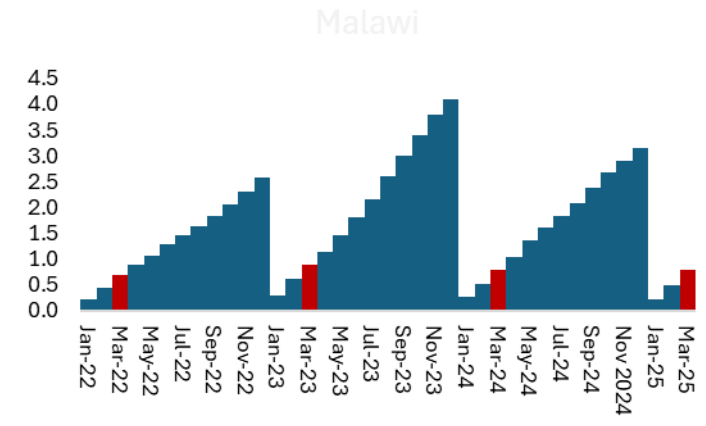
Policy rate



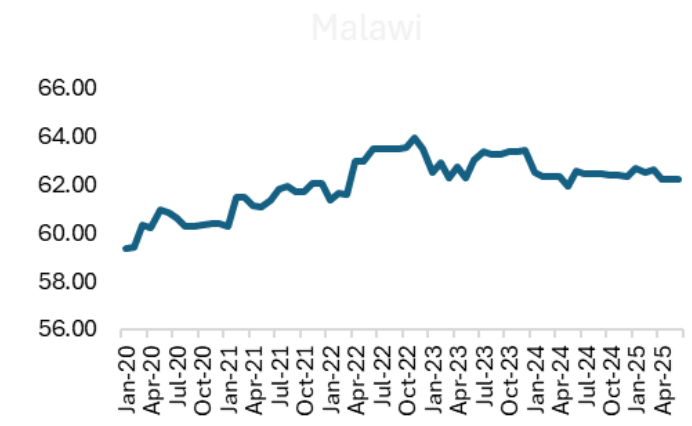
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

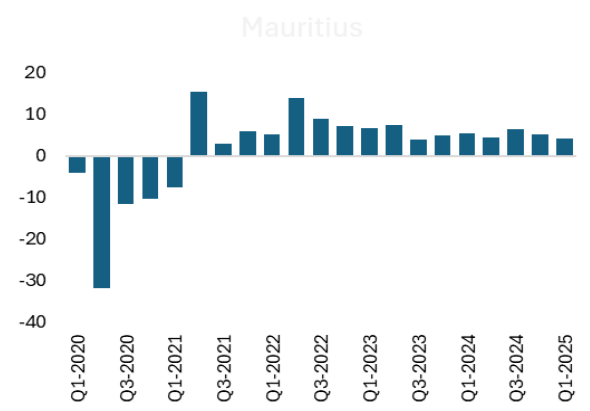


# Mauritius

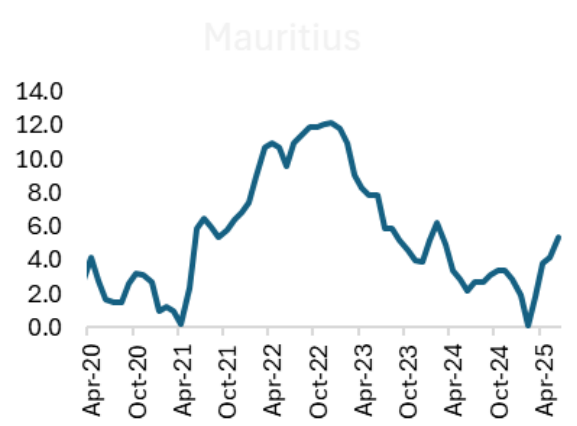
## Key Macroeconomic Indicators

Growth rate continues to decrease in Q1-2025 at 4.2% in comparison to 5.2% in Q4-2024 and 6.3% in Q3-2024. Inflation rose to 5.4% in June 2025 from 4.2% in May. Policy rate remained unchanged at 4.5%, while the exchange rate depreciated by 0.51% to 45.86 per USD. Total trade stood at \$1.42 million in March. Risk score stood at 40.63.

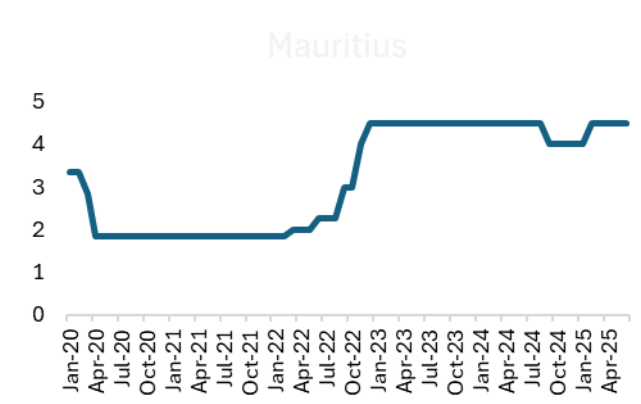
Growth rate



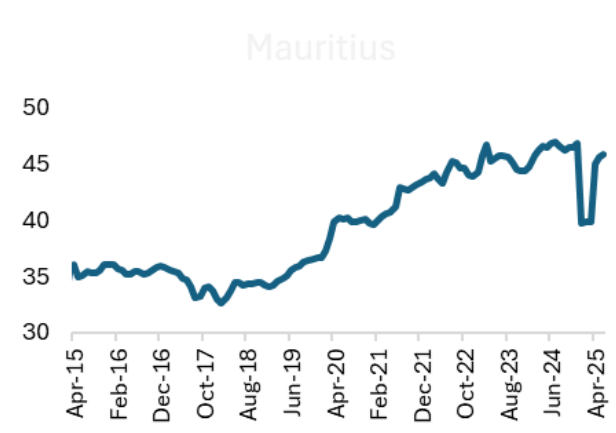
Inflation rate



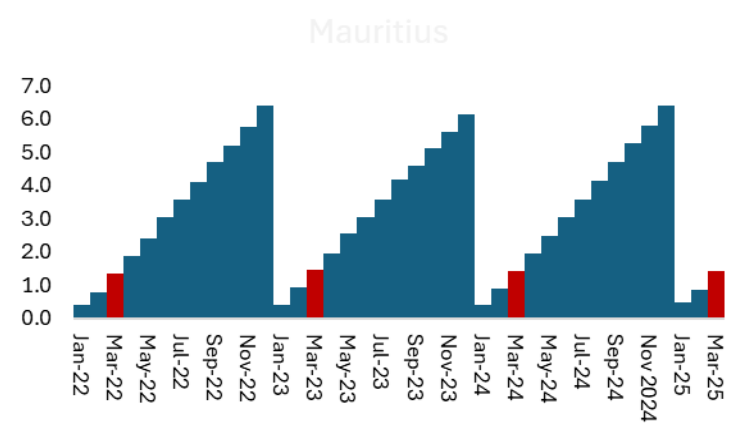
Policy rate



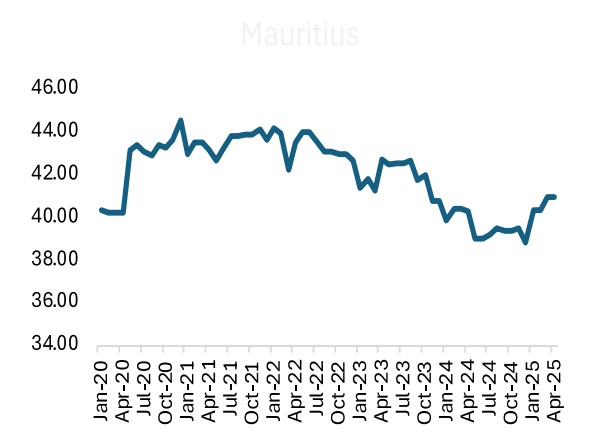
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

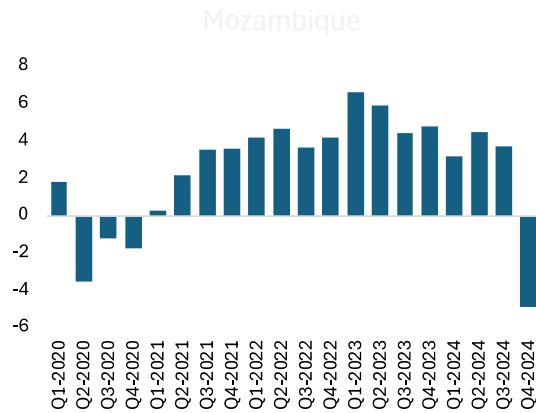


# Mozambique

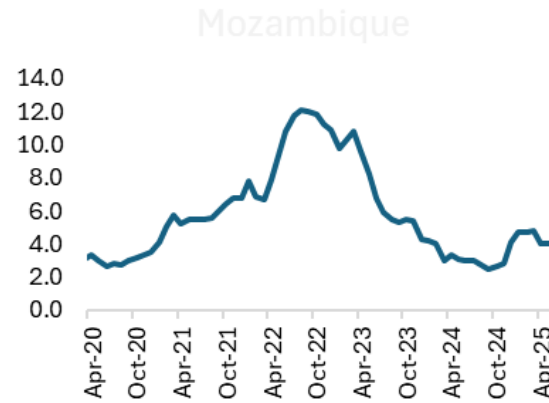
## Key Macroeconomic Indicators

Growth rate fell from 3.9% in Q3-2024 to -4.9% in Q4-2024. Inflation increased slightly to 4% in May 2025 from 3.99% in April. Policy rate held at 11%, and the exchange rate depreciated by 0.04% to 63.91 per USD. Total trade stood at \$4.74 million in March. Risk score was 65.81.

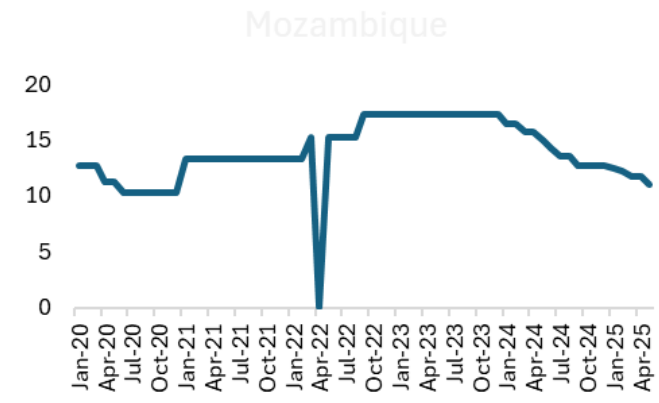
Growth rate



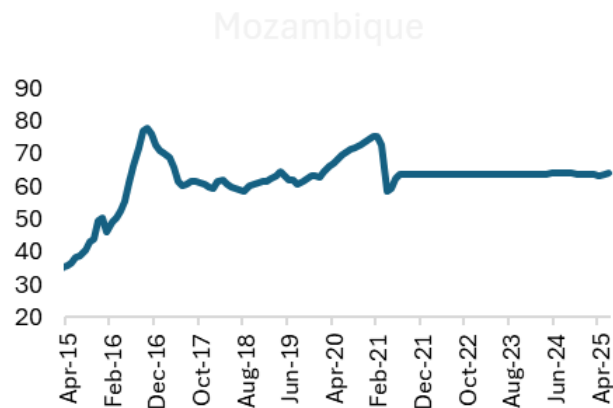
Inflation rate



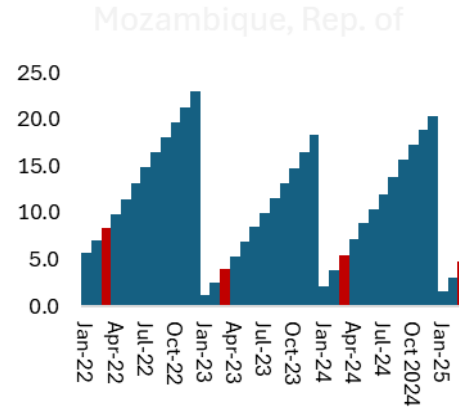
Policy rate



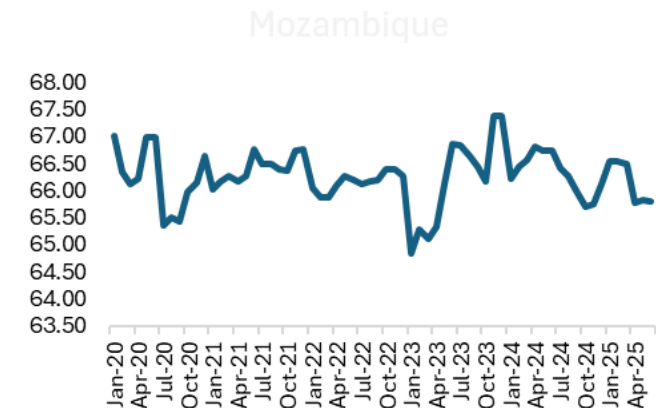
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

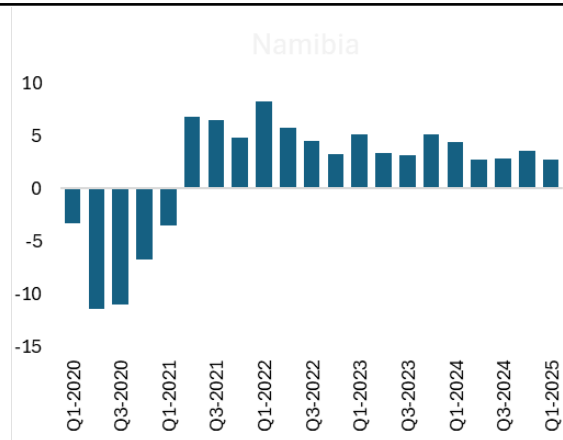


# Namibia

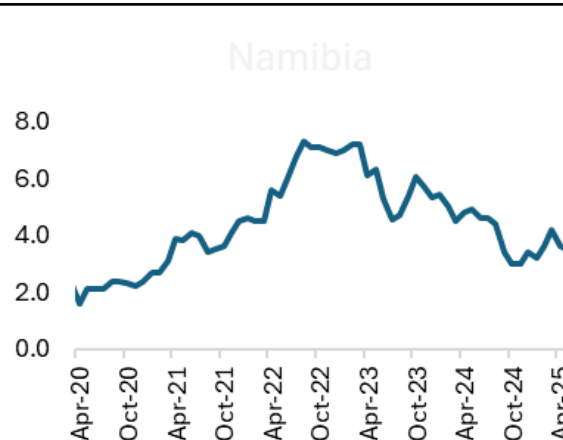
## Key Macroeconomic Indicators

Growth rate decreased to 2.7% in Q1-2025 from 3.6% in Q4-2024. Inflation experienced a slight decrease from 3.60% in April 2025 to 3.50% in May. Policy rate remained at 6.75%, while the exchange rate appreciated by 2.21% to 17.7 per USD. Total trade increased to \$3.74 million in March 2025. Risk score was 51.95.

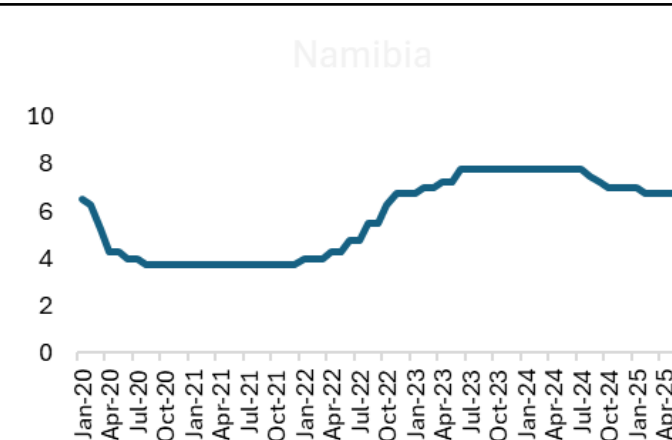
Growth rate



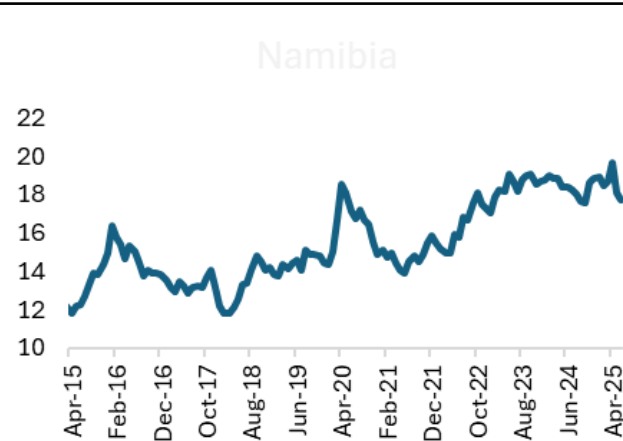
Inflation rate



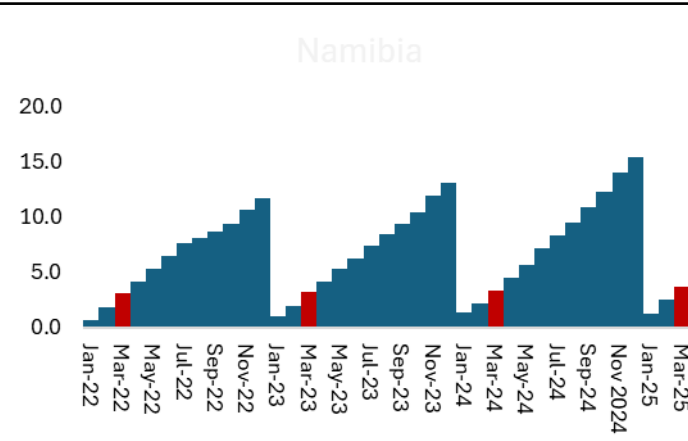
Policy rate



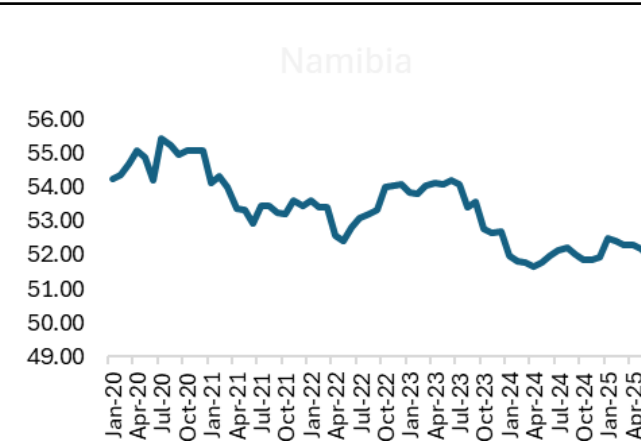
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



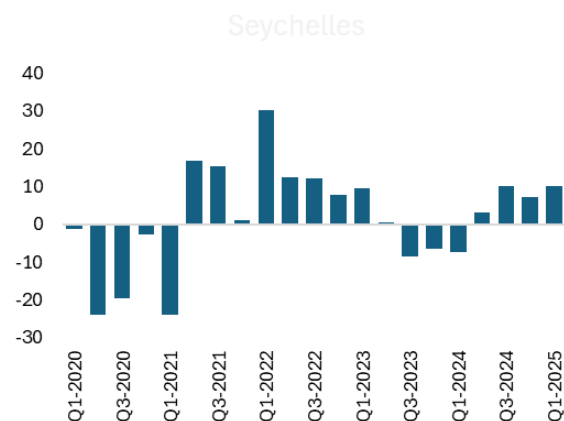


# Seychelles

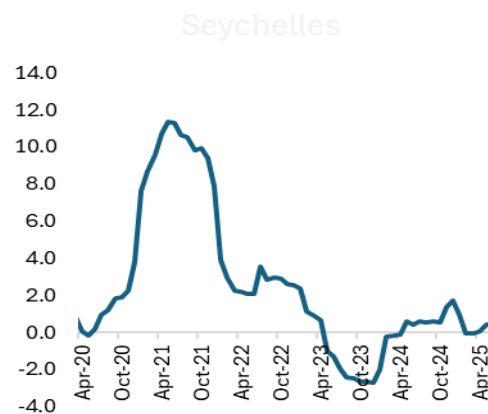
## Key Macroeconomic Indicators

Growth rates returned to levels seen in Q3-2024, with a 10.2% increase followed by 7.3% in Q4-2024 and 10.1% in Q1-2025. Inflation remained low at 0.48% in June 2025. Policy rate held at 1.75%, while the exchange rate appreciated by 0.69% to 14.32 per USD. Total trade reached \$0.766 million in March. Risk score was 45.11.

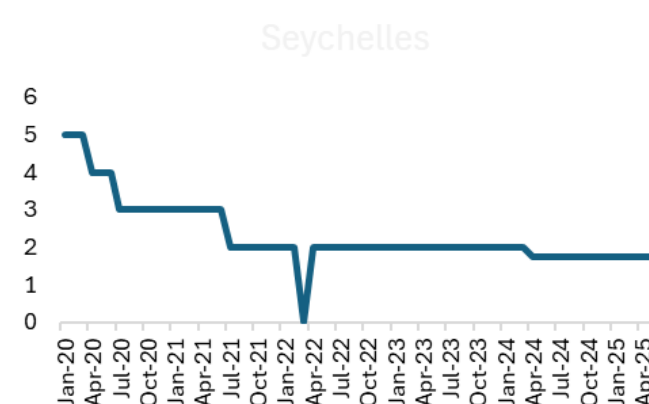
Growth rate



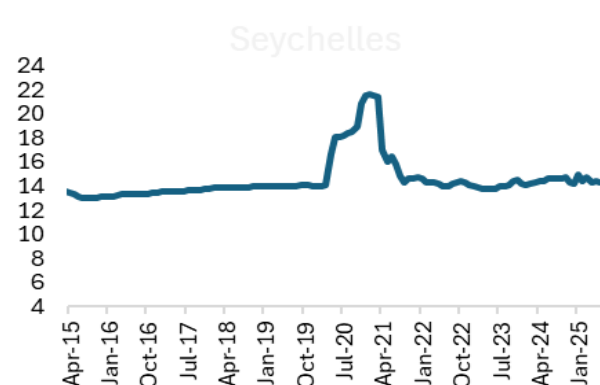
Inflation rate



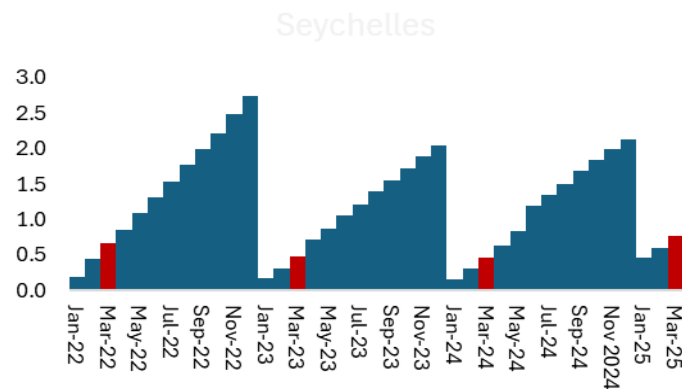
Policy rate



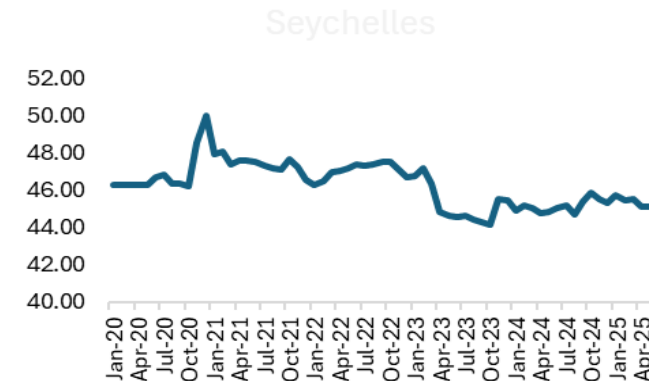
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

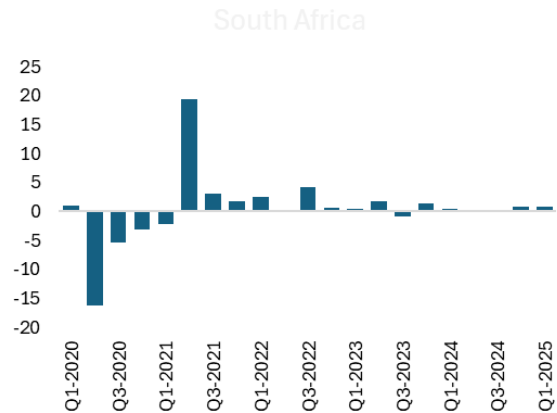


# South Africa

## Key Macroeconomic Indicators

Growth rate remained steady at 0.8% in Q1-2025. Inflation also remained unchanged at 2.80% in May 2025. Policy rate held at 7.25%, and the exchange rate appreciated by 2.23% to 17.69 per USD. Total trade amounted to \$52.21 million in March. Risk score stood at 52.25.

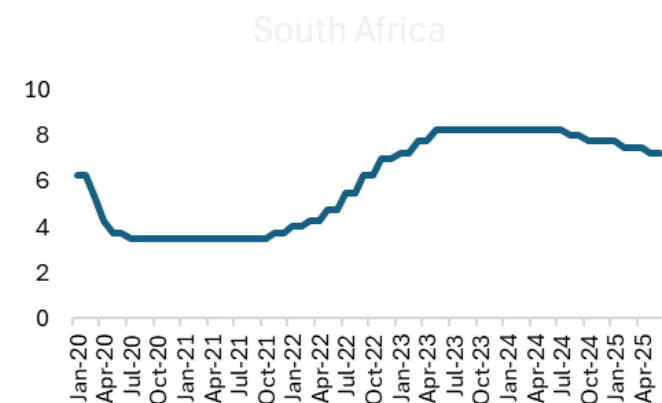
Growth rate



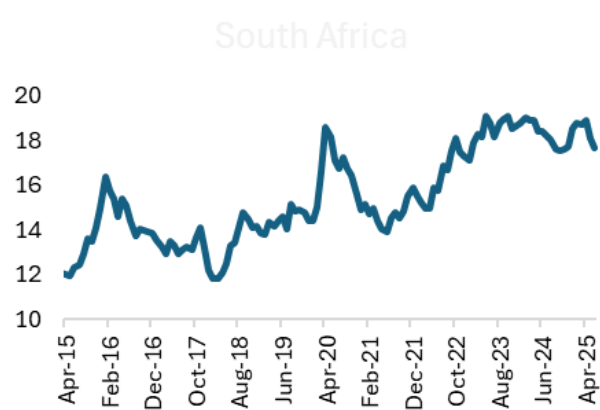
Inflation rate



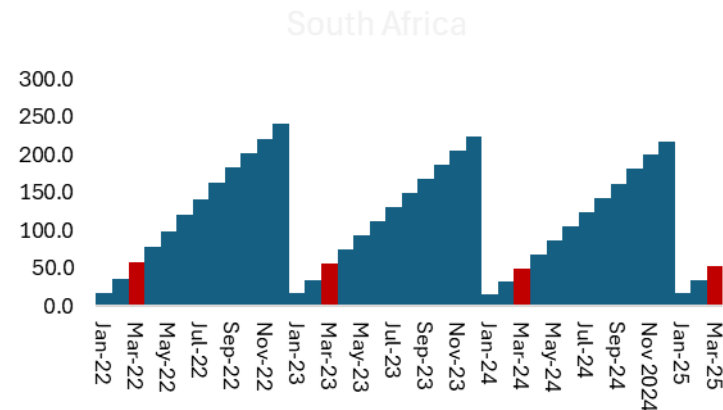
Policy rate



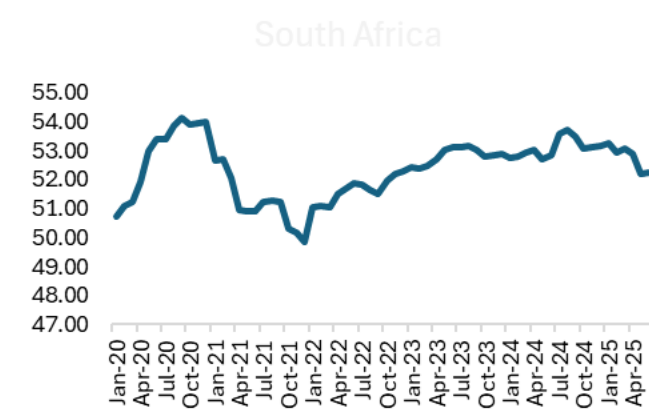
Exchange rate



Total foreign trade, \$US bn



Country Risk Index

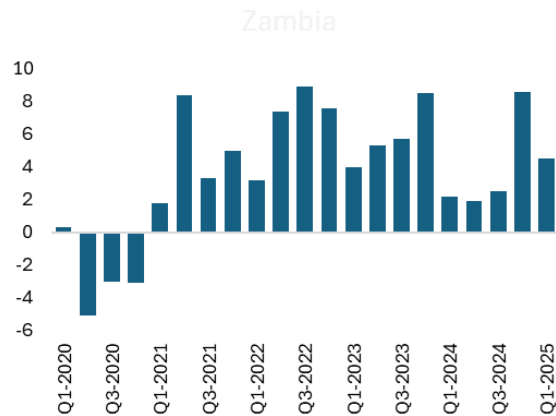


# Zambia

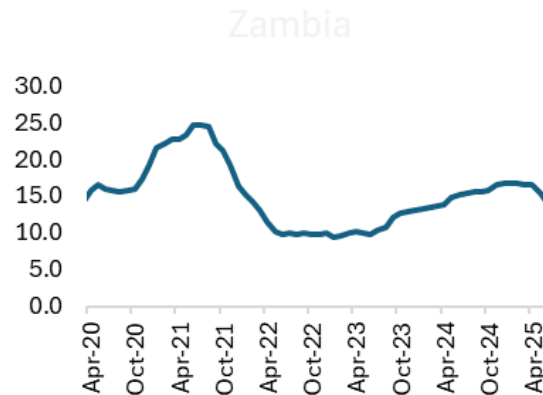
## Key Macroeconomic Indicators

Growth decreased to 4.5% in Q1-2025 from 8.6%, while inflation declined to 14.1% in June from 15.3% in May. Policy rate remained at 14.5%, and the exchange rate appreciated by 6.31% to 25.29 per USD. Total trade stood at \$7.5 million in March. Risk score was 59.74.

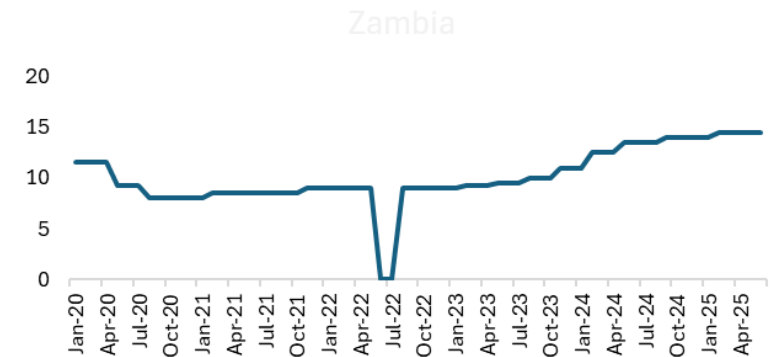
Growth rate



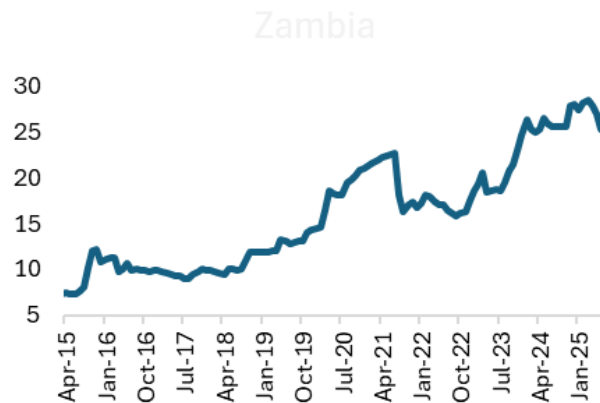
Inflation rate



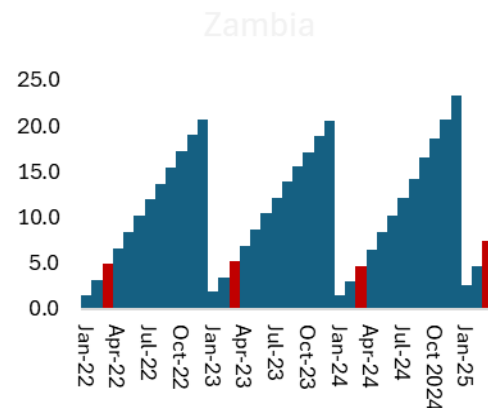
Policy rate



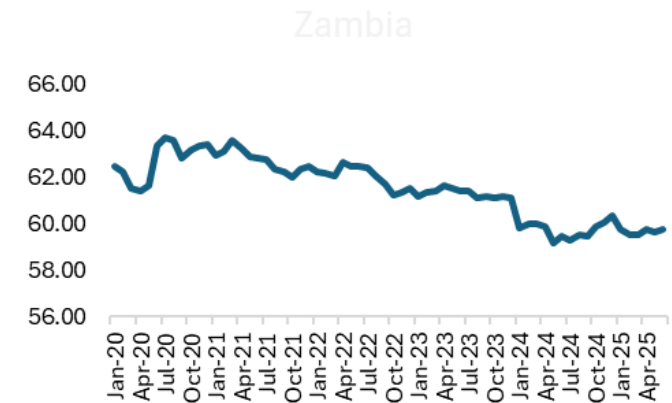
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



04

## **Conclusion and Recommendations**



# Conclusion and Recommendations

## 1. Global Outlook: Fragile Recovery Amid Persistent Risks

The July 2025 macroeconomic report reveals a global economy teetering between fragile recovery and persistent risk. While global manufacturing has shown signs of revival, underpinned by easing supply chains and tentative inventory restocking in the U.S., sustained growth remains elusive due to subdued global trade, high interest rates, and ongoing geopolitical tensions. The divergence in monetary policy across major economies—particularly between the U.S. and other advanced/emerging markets—further amplifies financial market volatility and creates challenges for capital flows and exchange rate stability.



## 2. Africa's Resilience Tested by External Pressures and Internal Divergences

Africa remains relatively resilient amid these headwinds. Notably, intra-African trade has grown, some regional currencies have appreciated, and inflation is gradually moderating across several economies. However, regional disparities persist—while countries like Ghana, Kenya, and Côte d'Ivoire demonstrate improving fundamentals, others, including Chad and Angola, grapple with inflationary pressures, fiscal imbalances, and fragile socio-political contexts. The continent also faces intensified exposure to global trade tensions, weaker external demand, and falling commodity prices, which threaten fiscal consolidation and current account stability.

## 3. Unlocking Africa's Growth Potential Through Structural Reform and Integration

Africa's short- to medium-term prospects hinge on its ability to withstand these global disruptions through strategic internal reforms, regional integration, and structural transformation. While the overall outlook is stable, it is clear that Africa's economic resilience remains uneven and susceptible to external shocks.

# Recommendations

## 1. Strengthen Domestic Resilience and Economic Diversification

Accelerate industrialization and reduce overreliance on commodity exports by promoting value-added manufacturing, digital economies, and services.

Enhance agricultural productivity and agro-processing to boost food security, reduce import dependence, and create employment.

## 2. Deepen Regional Integration

Leverage the African Continental Free Trade Area (AfCFTA) to bolster intra-African trade, improve supply chain resilience, and enhance market access for SMEs.

Invest in cross-border infrastructure (transport, energy, digital connectivity) to unlock trade and investment flows across regions.

## 3. Enhance Fiscal and Debt Management

Prioritize domestic resource mobilization through efficient tax systems, broader tax bases, and curbing illicit financial flows.

Implement transparent debt management frameworks, adopt medium-term debt strategies, and explore debt-for-development swaps.

Engage proactively with multilateral institutions to restructure or refinance unsustainable debt under equitable and transparent terms.

## 4. Safeguard Monetary and Financial Stability

Central banks should maintain vigilant monetary policies, balancing inflation control with growth support, particularly amid volatile global interest rates.

Strengthen financial supervision to mitigate systemic risks and support credit access for productive sectors, especially SMEs and green investments.

## 5. Invest in Human Capital and Climate Resilience

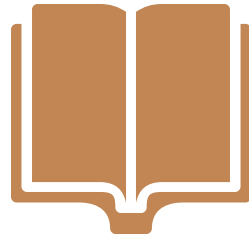
Increase investment in education, health, and skills development to align workforce capabilities with future growth sectors.

Mainstream climate adaptation and mitigation into national planning to address vulnerabilities from climate shocks and ensure long-term sustainability.

## 6. Promote Institutional Reform and Policy Credibility

Foster good governance, data transparency, and regulatory predictability to boost investor confidence and policy effectiveness.

Build institutional capacities for evidence-based policymaking and rapid response to external shocks.



# Thank You