



# Monthly Developments in the African Macroeconomic Environment

**Afreximbank Research**  
**April 2025**

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

Transforming Africa's Trade

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01

# Executive Summary



## Executive Summary 1/2

The global economic outlook for 2025 is characterized by moderate growth amid stabilizing inflation, yet significant risks remain. Geopolitical uncertainties, U.S. tariff policies, and fluctuating commodity prices continue to pose challenges to global economic stability. Varying monetary policy approaches across major economies add another layer of complexity. The U.S. Federal Reserve has paused interest rate cuts in response to persistent inflation, while the European Central Bank (ECB) and Bank of Japan (BoJ) are adjusting their monetary policies based on regional economic conditions. These policy shifts will have far-reaching implications for global trade, capital flows, and investment patterns.

Afreximbank's Research April 2025 market update report provides a comprehensive analysis of both global and African macroeconomic trends, offering insights into emerging risks and opportunities. The report underscores the need for strategic decision-making to enhance resilience, attract investment, and ensure sustainable growth across African economies. By closely monitoring these dynamics, African policymakers and businesses can better position themselves to navigate economic uncertainties.

### Key Global Trends

**Inflation & Monetary Policy:** The U.S. recorded its highest consumer price increase in 17 months, raising concerns about inflation persistence. This has led to increased speculation regarding the Federal Reserve's next move, with potential rate hikes on the horizon. Tighter financial conditions could lead to reduced liquidity, affecting borrowing costs and investment flows worldwide. Emerging markets, including those in Africa, may face capital outflows as investors seek safer assets in developed economies. The ECB is also implementing careful rate adjustments to address inflation while maintaining growth, while Japan's monetary policy remains accommodative to stimulate domestic demand.

**Commodity Markets:** Global commodity prices remain highly volatile. Crude oil prices declined to \$70 per barrel in February, influenced by expectations of eased sanctions on Russian oil exports. While this offers relief to oil-importing nations, it could adversely impact the revenues of major crude exporters in Africa. Meanwhile, gold prices have surged, driven by heightened investor demand for safe-haven assets amid global uncertainties. The metals and agricultural commodity markets, including cocoa, have also performed well, benefiting key African exporters. The OPEC+ alliance's production decisions continue to influence oil price movements, while global demand for minerals such as lithium and cobalt remains strong due to the energy transition.

**Financial Markets:** Equity markets displayed contrasting trends, with European equity funds attracting \$6.03 billion in inflows, indicating growing investor confidence. In contrast, U.S. equity funds saw net outflows of \$2.25 billion, as concerns over inflation and monetary policy adjustments drove investors toward safer assets. These trends reflect shifting investor sentiment and the search for stability in an increasingly volatile economic environment.

**Geopolitical Risks:** Trade tensions and geopolitical uncertainties remain key concerns for global markets. The U.S. administration's renewed focus on tariffs and national security policies could disrupt global supply chains, particularly in sectors such as manufacturing, technology, and energy. Rising political tensions in key regions, including Europe and Asia, further add to the complexities of global trade and investment flows. The ongoing conflicts in Eastern Europe and the Middle East also introduce supply chain disruptions, affecting energy and agricultural markets worldwide.



## Executive Summary 2/2

### Africa's Economic Landscape

**Regional Growth:** Africa's economic performance is expected to vary across regions, with East Africa leading the way. The region's **GDP growth is projected by Afreximbank Research to accelerate from 4.9% in 2024 to 5.7% in 2025**, driven by increased infrastructure investments, a diversified economic base, and expanding trade opportunities. Countries such as Kenya, Tanzania, and Ethiopia are benefiting from targeted reforms and improved business environments. West Africa's economic growth remains steady but is challenged by security concerns, while Southern Africa continues to grapple with energy shortages and policy inefficiencies that may hinder growth.

**Fiscal Pressures & Debt:** Many African nations face mounting fiscal pressures, with Nigeria's 2025 budget featuring a fiscal deficit of 3.89% of GDP. While this expansionary approach aims to stimulate economic activity through increased public spending, concerns over debt sustainability persist. The recent suspension of USAID assistance further compounds Nigeria's fiscal challenges, necessitating alternative funding mechanisms such as domestic borrowing, multilateral support, and enhanced revenue mobilization through taxation and economic diversification initiatives.

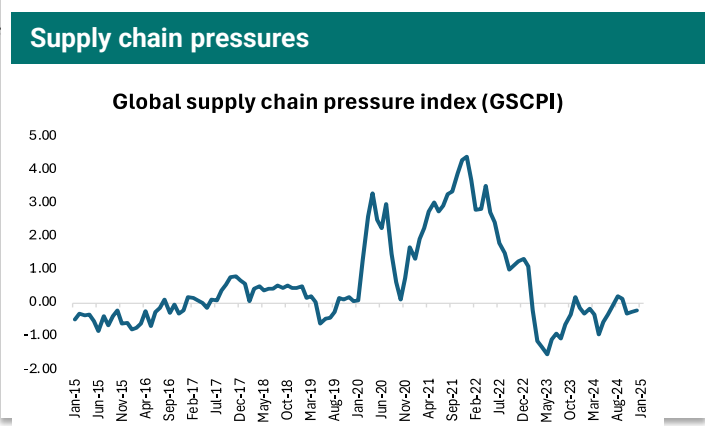
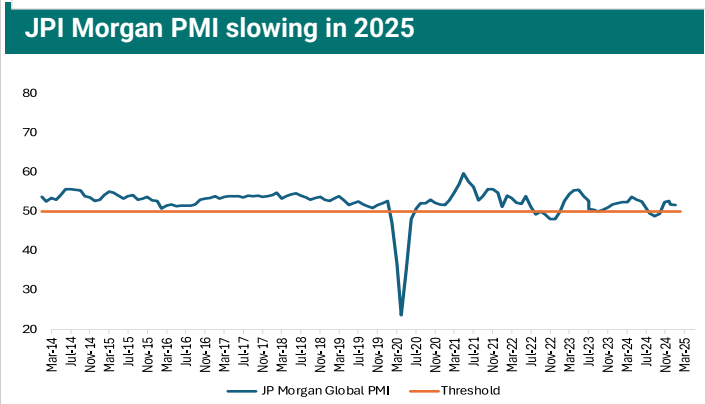
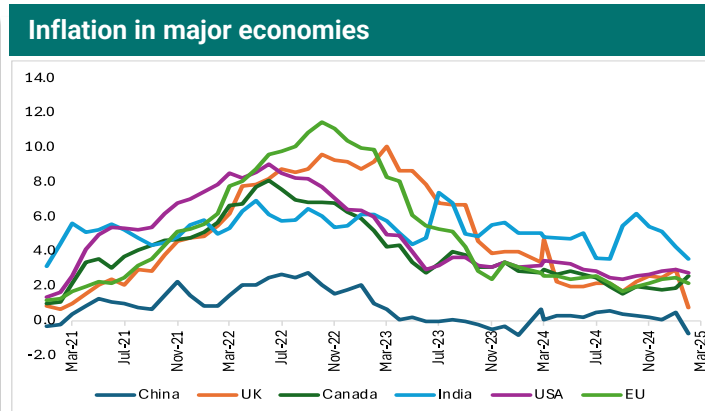
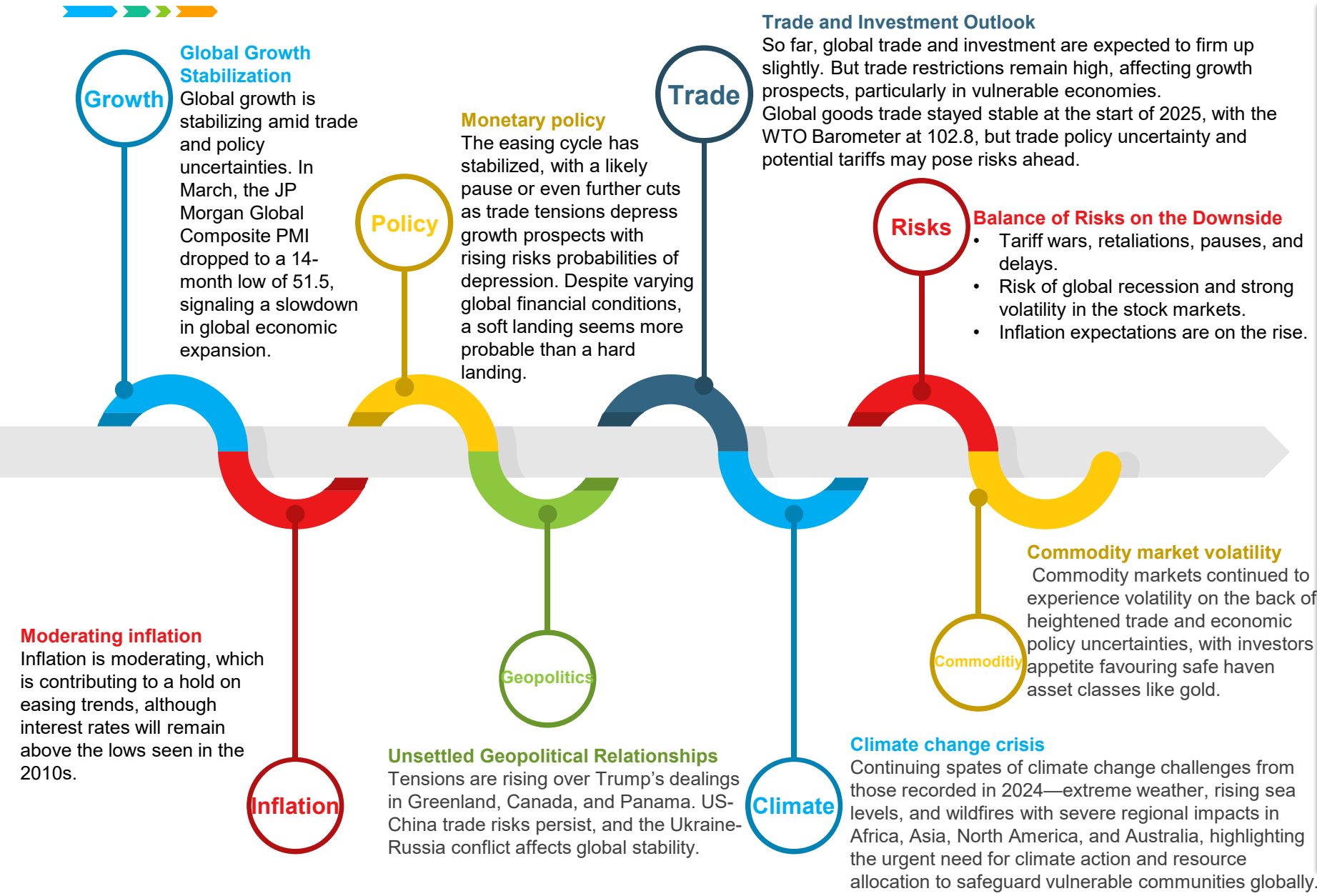
**Exchange Rate Movements:** African currencies have experienced mixed performance. While Nigeria, Egypt, Morocco, and Angola have seen their currencies appreciate due to strategic policy interventions, broader depreciation trends persist across the continent. These fluctuations are largely influenced by the strength of the U.S. dollar, global trade dynamics, and shifts in foreign investment patterns. Addressing currency volatility remains a priority for policymakers to ensure macroeconomic stability.

**Security & Political Risks:** Persistent geopolitical and security risks continue to shape Africa's economic outlook. Territorial disputes, armed conflicts, terrorism, and election cycles significantly impact investor confidence and economic policymaking. Addressing these challenges requires a coordinated approach that includes strengthening governance, improving security measures, and fostering regional cooperation to create a more stable economic environment. Additionally, the rise of political transitions in key African economies will influence economic policy directions, with investor confidence closely tied to the outcomes of upcoming elections in several nations.

02

# Emerging Trends and Shifts in the Global Macroeconomic Landscape

# Recent themes in the Global Macroeconomic Environment



Source: Trading Economics, Central Banks

# Highlights from select major economies



United States

## Growth outlook

- The US economy expanded an annualized 2.4% in Q4 2024, slightly higher than 2.3% in the previous estimates.
- The US trade deficit narrowed to \$122.7 billion in February 2025 from a record high of \$130.7 billion in January and compared to forecasts of a \$123.5 billion shortfall.
- US Manufacturing PMI came into 50.2 in March 2025, surpassing the preliminary estimate of 49.8 but falling short of February's final reading of 52.7.
- Consumer sentiment for the US was revised lower to 57 in March 2025 from a preliminary of 57.9, and well below 64.7 in February.

## Inflation rate

- The inflation rate in the US eased to 2.8% in February 2025 from 3% in January, below forecasts of 2.9%.

## Monetary policy

- The interest rate in the United States was last recorded at 4.50 percent. It is expected to be 4.25 percent by the end of this quarter.



China

## Growth outlook

- The Chinese GDP grew by a seasonally adjusted 1.6% in Q4 2024, accelerating from an upwardly revised 1.3% rise in Q3.
- Manufacturing PMI rose to 51.2 in March 2025, up from February's 50.8, surpassing expectations of 51.1.
- China's trade surplus surged to USD 170.52 billion in January-February 2025, up from USD 125.16 billion in the same period a year earlier, exceeding market expectations of USD 142.4 billion.

## Inflation rate

- China's consumer prices dropped by 0.7% yoy in February 2025, surpassing market estimates of a 0.5% decline and reversing a 0.5% rise in the prior month..

## Monetary policy

- PBoC held key lending rates steady in March for the fifth month.



Eurozone

## Growth outlook

- The Euro Area experienced stagnation in the fourth quarter of 2024 compared to the previous quarter.
- Eurozone Manufacturing PMI registered 48.6 in March 2025, slightly below the preliminary estimate of 48.7 but up from February's final reading of 47.6.
- Euro Area recorded a trade surplus of 1032.80 EUR Million in January 2025.
- The Euro Area's unemployment rate increased to a fresh low of 6.1% in February 2025, from January's 6.2%.

## Inflation rate

- Inflation in the Euro Area eased to 2.2% in March 2025, the lowest rate since November 2024.

## Monetary policy

- Interest rate in the Euro Area was last recorded at 2.65 percent. Interest Rate in the Euro Area is expected to be 2.65 percent by the end of this quarter. ECB cut the rate further by 25 bps.



Japan

## Growth outlook

- Japan's GDP grew by 0.6% QoQ in Q4 2024, below the flash estimate of 0.7% but higher than an upwardly revised 0.4% expansion in Q3
- Manufacturing PMI was revised to 48.4 in March 2025 from 48.3 in the preliminary estimates.
- Japan's trade balance shifted to a surplus of JPY 584.5 billion in February 2025 from a deficit of JPY 415.43 billion in the same month a year earlier.

## Inflation rate

- The inflation rate in Japan fell to 3.7% in February 2025 from a 2-year high of 4.0% in the prior month.

## Monetary policy

- The interest rate in Japan was last recorded at 0.50 percent. The Interest Rate in Japan is expected to be 0.50 percent by the end of this quarter.



United Kingdom

## Growth outlook

- The British economy expanded 0.1% on quarter in Q4 2024, the same as in the first estimate, and following a flat reading in Q3.
- Manufacturing PMI for March 2025 was revised up to 44.9 from an initial estimate of 44.6.
- The UK's trade deficit declined to £0.596 billion in January 2025 from £3.184 billion in December 2024, marking the smallest trade gap since September.

## Inflation rate

- The annual inflation rate in the UK fell to 2.8% in February 2025 from 3% in January, below market expectations of 2.9%.

## Monetary policy

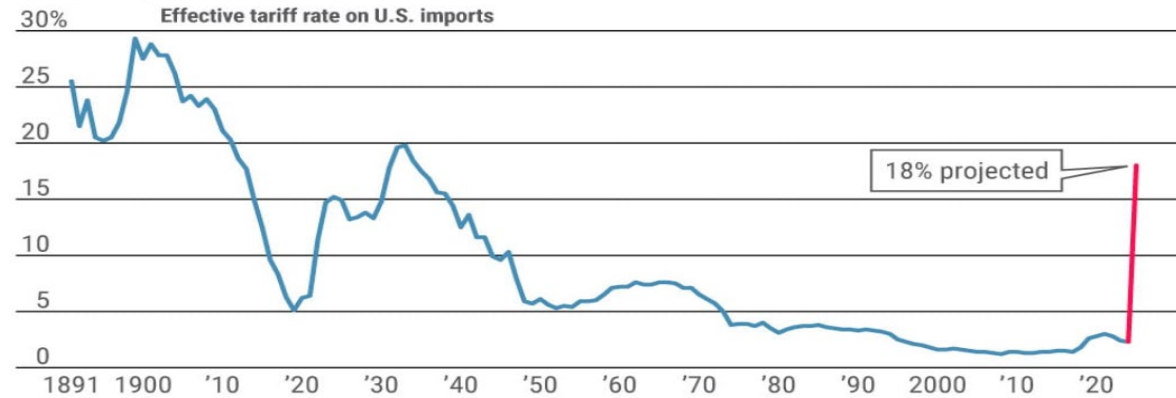
- Interest rates in the United Kingdom were last recorded at 4.50 percent. Interest Rate in the United Kingdom is expected to be 4.50 percent by the end of this quarter.

# Saga of Reciprocal Tariffs: Key details of Trump's announcement

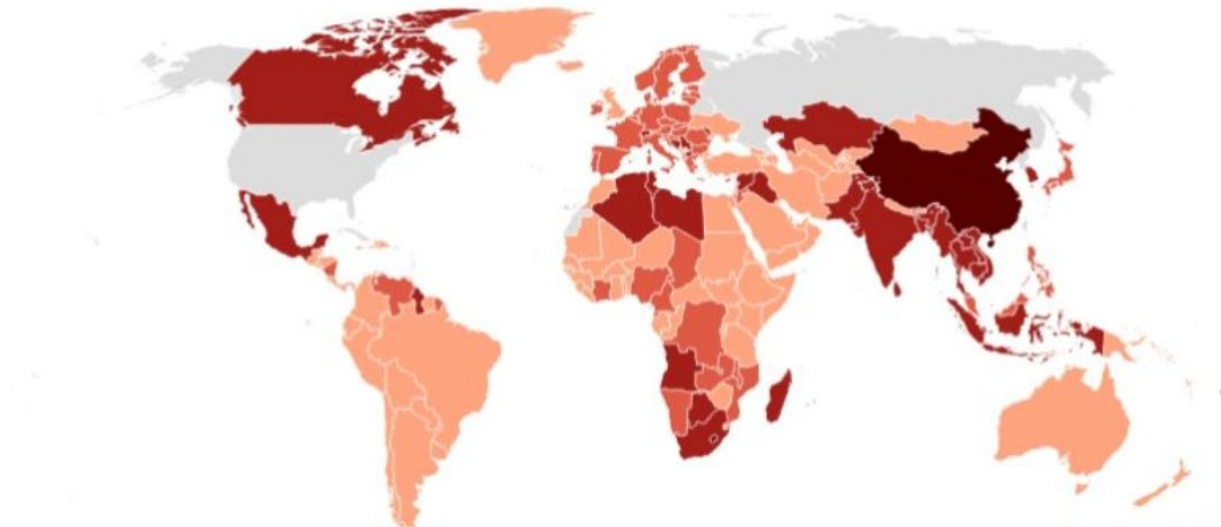
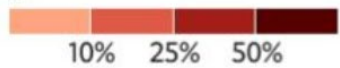


## Back To The 1930s

President Trump is turning the clock way back on world trade, preparing to tax imports at a rate not seen in 90 years



## New tariff on imported goods:



## 01 Tariff announcements

On April 2, 2025, President Donald Trump unveiled sweeping tariffs aimed at addressing trade imbalances and "nonreciprocal" practices by foreign nations.

## 02 Baseline Tariff

Baseline 10% Global Tariff: Effective April 5, 2025, a 10% tariff applies to imports from all countries unless exempted or subject to higher rates 1310.

## 03 Reciprocal Tariffs

Reciprocal Tariffs (11–50%): For 57 countries and trading blocs with large trade surpluses or "nonreciprocal" policies, higher tariffs take effect on April 9, 2025.

A moratorium has been announced, except for China.



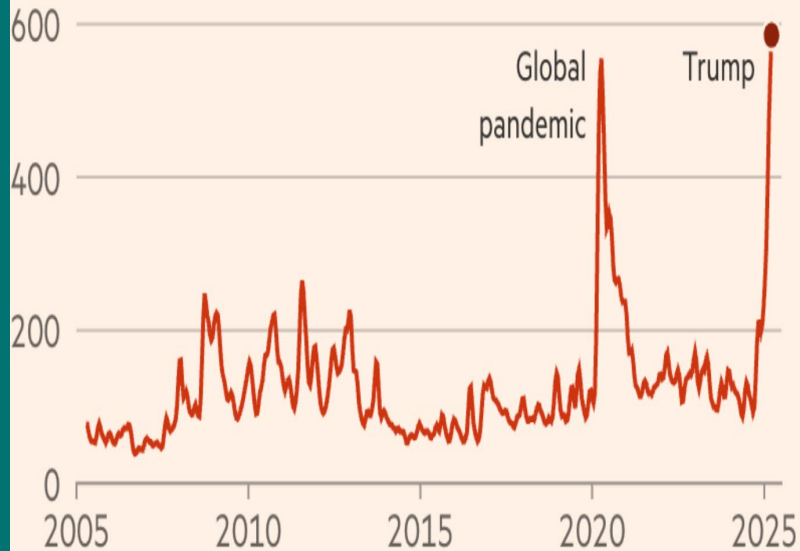
# US recession odds climbs on the back of rising global economic and trade policy uncertainties

## Economic Policy Uncertainty

- Shifts in US policy are influencing economic volatility now comparable to that of a global pandemic.

### Economic Policy Uncertainty Index

US



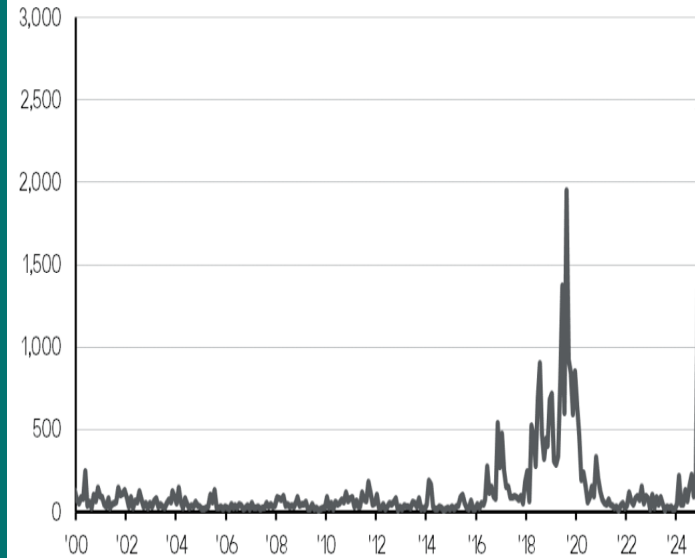
Source: [Baker, Bloom, and Davis](#)

## Trade Policy Uncertainty

- US Trade Policy Uncertainty Index Surpasses Trump Trade War Peak.

### Uncertainty around US trade policy is at unprecedented levels

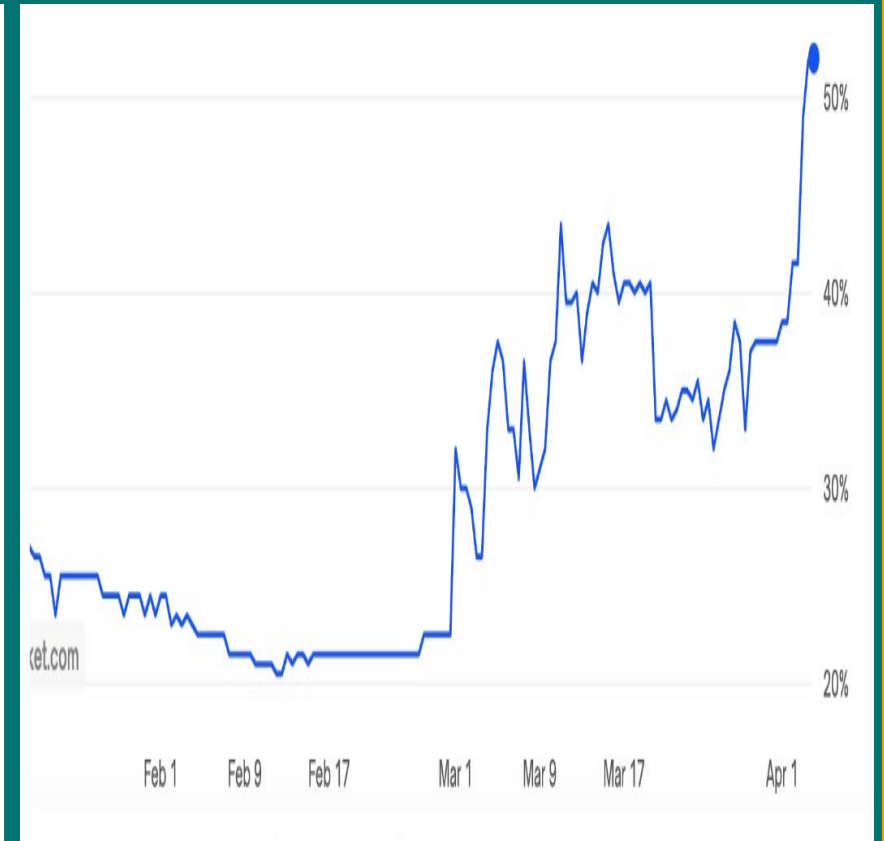
US trade policy uncertainty, index level



Source: LSEG Datastream, [policyuncertainty.com](#), J.P. Morgan Asset Management. The trade policy uncertainty index measures the frequency of recent newspaper articles in 10 large US newspapers discussing policy-related economic uncertainty and that also contain one or more references to trade policy. Data as of 28 March 2025.

## Risk of recession in the U.S

- U.S. recession risk is 51%, possibly worsened by Trump's tariff increases.

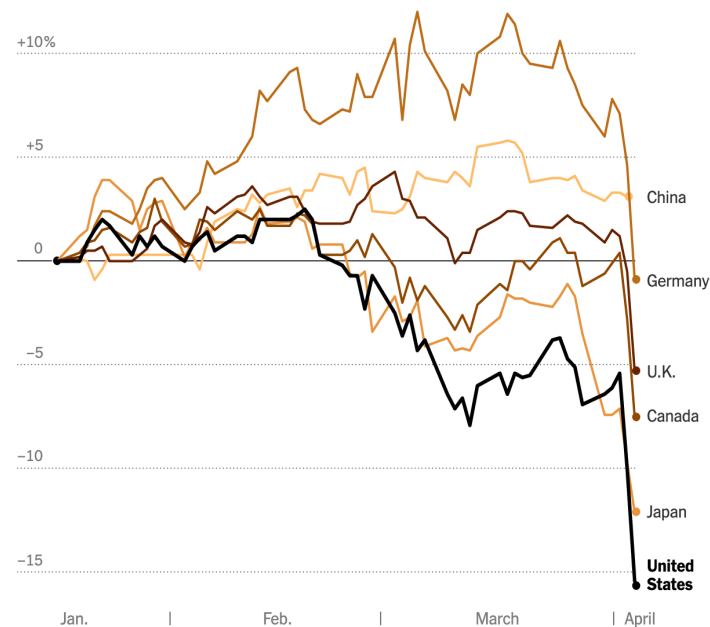


# US recession odds climbs on the back of rising global economic and trade policy uncertainties

## Trump's tariffs have shaken the stock markets.

- Trade war sets off 'max pessimism' in global markets as stocks plunge.
- US stocks shed \$5.4tn in two days as Trump's tariffs stoke recession fears.

Stock Markets Since Trump's Inauguration



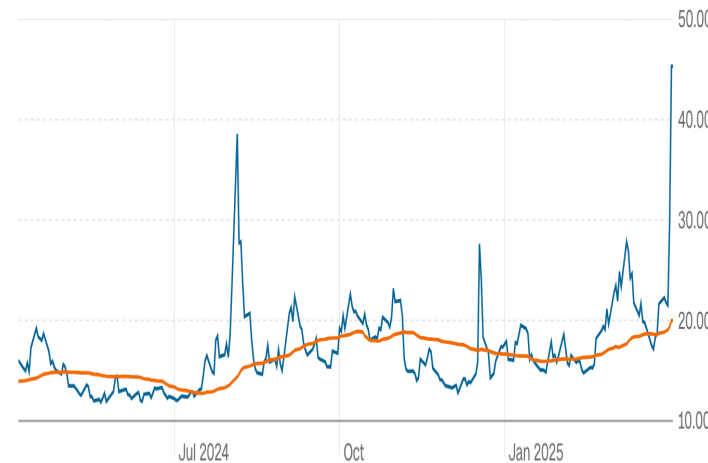
## Market Volatility.

- The VIX spiked sharply in early April 2025, signaling extreme fear in the market, as it surged well above its 50-day moving average.

MARKET VOLATILITY

VIX and its 50-day moving average

● VIX ● 50-day moving average



		Price	Change	% Change
Dow	United States	38,314.86	-2,231.07	5.50%
S&P 500	United States	5,074.08	-322.44	5.97%
NASDAQ	United States	15,587.79	-962.82	5.82%
Russell 2000	United States	1,827.03	-83.51	4.37%
S&P/TSX Compos...	Canada	23,193.47	-1,142.30	4.69%
S&P/TSX 60	Canada	1,397.90	-64.94	4.44%
BOVESPA	Brazil	127,256.00	-3,884.65	2.96%
S&P PSA	Chile	7,504.21	-215.01	2.79%
S&P/BMV PC	Mexico	51,452.73	-2,636.55	4.87%
STOXX Europe 50	Europe	4,226.43	-211.18	4.76%
STOXX Europe 600	Europe	496.33	-26.79	5.12%
FTSE 250	United Kingdom	18,365.35	-845.16	4.40%
FTSE 100	United Kingdom	8,054.98	-419.76	4.95%
DAX	Germany	20,641.72	-1,075.67	4.95%
FTSE MB	Italy	34,649.22	-2,421.61	6.53%
CAC 40	France	7,274.95	-324.03	4.26%
SMI	Switzerland	11,648.83	-630.65	5.14%
Nikkei 225	Japan	33,780.58	-955.35	2.75%
Hang Seng	Hong Kong	22,849.81	-352.72	1.52%
Shanghai Compo...	China	3,342.01	-8.12	0.24%
Shenzhen Compo...	China	10,365.73	-147.39	1.40%
S&P/ASX 200	Australia	7,667.80	-191.9	2.44
KOSPI	South Korea	2,465.42	-21.28	0.86%
Taiwan SE	Taiwan	21,298.22	18.05	0.08%
Bombay Sensex	India	75,364.69	-930.67	1.22%

# Trump's tariffs and countermeasures from countries like the EU and China driving market volatility as stocks drop and investors switch to safe havens like gold and bonds.

AP AP News

## Trump announces sweeping new tariffs to promote US manufacturing, risking inflation and trade wars

President Donald Trump has announced far-reaching new tariffs on nearly all U.S. trading partners — including a 34% tax on imports from China and 20% on the...

4 hours ago

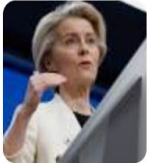


en Euronews

## Breaking news. EU preparing 'further countermeasures' to protect its interest, von der Leyen says

US President Donald Trump announced 20% tariffs on EU goods on Wednesday.

1 hour ago



CNN CNN

## China imposes 34% reciprocal tariffs on imports of US goods in retaliation for Trump's trade war

China said Friday that it will impose reciprocal 34% tariffs on all imports from the United States from April 10, making good on a promise...

5 hours ago



Los Angeles Times

## Bucking Trump tariffs, California will push to maintain global trade independently, Newsom says

Gov. Gavin Newsom announced Friday that California will look for ways to expand trade despite President Trump's sweeping round of tariffs...

19 hours ago



Bloomberg.com

## EU Vows to Respond With Countermeasures to Trump's 20% Tariffs

The European Union, the US's largest trading partner, vowed to retaliate after President Donald Trump announced sweeping tariffs against the bloc in his bid...

1 hour ago



Reuters

## Gold prices extend rise after Trump unveils tariff plans

Gold prices extended gains on Wednesday to hover near all-time highs, boosted by safe-haven inflows after U.S. President Donald Trump announces reciprocal...

7 hours ago



CBC

## Carney says Canada will fight back as Trump takes trade war to the world

Trump hit dozens of countries around the world with his latest round of tariffs today, but spared Canada and Mexico. Even though there was no direct hit to...

3 hours ago



The Guardian

## Trump tariffs see stocks dive and investors scramble to bonds, gold and yen

Nasdaq futures tumbled 3.3% and in after-hours trade as \$760bn was wiped from the market value of 'Magnificent Seven' technology leaders.

1 hour ago



Bloomberg.com

## China Restricts Companies From Investing in US as Tensions Rise

China has taken steps to restrict local companies from investing in the US, according to people familiar with the matter, in a move that could give Beijing...

6 hours ago

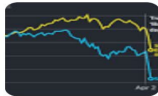


Financial Times

## US stocks shed \$5.4tn in two days as Trump's tariffs stoke recession fears

China's retaliation against Washington's levies adds to sense of gloom across global markets.

22 hours ago



BBC

## Stocks steady in Europe after US markets plunge

The global sell-off eases in Europe after US shares are hit by President Trump saying the economy is in "transition".

3 weeks ago







Trade wars and  
scramble for critical  
minerals.

Inflation expectations  
on the rise.

Geopolitical Tensions  
abated



Technological Changes  
(under the radar for  
now)

Climate Policies  
Changes (under the  
radar for now).

# Commodity: Continued Volatility and Markets Under Pressures

Top Gainers (Strong Price Increases)

## 🏆 Top Gainers (Strong Price Increases)

- Gold (+240 \$/troy oz)**  
 A jump in gold prices likely reflects increased demand for safe-haven assets amid geopolitical or inflationary concerns.
- Nickel (+87.6 \$/mt)**  
 Nickel rebounded sharply, likely reflecting stronger demand from battery and stainless steel sectors amid tight supply.
- Palm Oil (+41.8 \$/mt)**  
 Driven by seasonal supply constraints or rising demand from food and biofuel industries.
- Rice, Thai 25% (+37.0 \$/mt)**  
 Unusual price rebound possibly due to weather-related supply shocks or trade restrictions in major producing countries.
- Maize (+8.2 \$/mt)**  
 The increase may be linked to tight inventories or heightened feed and ethanol demand.

Top Losers (Strongest Declines)

## 📉 Top Losers (Strongest Declines)

- Aluminum (-66.9 \$/mt)**  
 The sharp drop may reflect oversupply or declining industrial activity in key markets like China.
- Coconut Oil (-9.5 \$/mt)**  
 Falling prices could be tied to easing supply bottlenecks or substitution by cheaper vegetable oils.
- Wheat, US SRW (-8.7 \$/mt)**  
 Likely due to improved harvest outlooks or weaker export demand.
- Soybean Oil (-8.6 \$/mt)**  
 A notable decline possibly due to surplus stocks or price corrections after previous rallies.
- Fertilizers (-7.7 index points)**  
 The price drop could reflect stabilizing supply chains or seasonal demand slowdown.

This item is

Commodity Price Trends and Market Overview								
	Commodity	Unit	Mar-25	Feb-25	MoM Change (\$US)	Mar-25	Mar-24	YoY Change (\$US)
Energy	Crude oil, average	(\$/bbl)	74.8	73.8	0.9	74.8	83.5	-8.8
	Coal, South African	(\$/mt)	103.1	100.4	2.6	103.1	104.8	-1.8
	Natural gas, US	(\$/mmbtu)	3.8	4.2	-0.4	3.8	1.5	2.3
	Natural gas, Europe	(\$/mmbtu)	14.6	15.3	-0.7	14.6	8.6	6.1
Agriculture	Cocoa	(\$/kg)	10.3	9.9	0.5	10.3	7.1	3.2
	Tea, average	(\$/kg)	2.8	2.7	0.1	2.8	2.7	0.1
	Coconut oil	(\$/mt)	1980.5	1990.0	-9.5	1980.5	1287.9	692.7
	Fish meal	(\$/mt)	1590.4	1592.4	-2.0	1590.4	1725.2	-134.9
	Palm oil	(\$/mt)	1109.1	1067.3	41.8	1109.1	942.9	166.2
	Soybeans	(\$/mt)	410.7	412.2	-1.4	410.7	487.5	-76.7
	Soybean oil	(\$/mt)	1059.9	1068.5	-8.6	1059.9	965.0	95.0
	Sunflower oil	(\$/mt)	1216.5	1220.0	-3.5	1216.5	950.9	265.6
	Maize	(\$/mt)	212.6	220.9	-8.2	212.6	190.6	22.1
	Rice, Thai 25%	(\$/mt)	461.0	424.0	37.0	461.0	584.0	-123.0
	Wheat, US SRW	(\$/mt)	234.8	243.5	-8.7	234.8	228.5	6.3
	Beef	(\$/kg)	6.4	6.6	-0.2	6.4	5.7	0.7
	Chicken	(\$/kg)	1.5	1.6	-0.1	1.5	1.5	0.0
	Lamb	(\$/kg)	5.8	5.6	0.1	5.8	5.2	0.6
	Sugar, world	(\$/kg)	0.4	0.4	0.0	0.4	0.5	-0.1
	Logs, Cameroon	(\$/cubic meter)	364.4	364.5	0.0	364.4	380.4	-16.0
	Sawnwood, Cameroon	(\$/cubic meter)	599.5	600.6	-1.1	599.5	609.0	-9.6
	Cotton	(\$/kg)	1.7	1.7	0.0	1.7	2.2	-0.5
Metals & Minerals	Aluminum	(\$/mt)	2590.7	2657.6	-66.9	2590.7	2226.2	364.5
	Iron ore	(\$/dmtu)	102.3	105.1	-2.8	102.3	109.8	-7.5
	Copper	(\$/mt)	9079.4	9330.6	-251.2	9079.4	8689.1	390.3
	Nickel	(\$/mt)	15375.7	#####	87.6	15375.7	17438.8	#####
Precious Metals	Gold	(\$/troy oz)	2939.8	2894.7	45.1	2939.8	2158.0	781.8
	Platinum	(\$/troy oz)	955.1	978.3	-23.1	955.1	908.8	46.4
	Silver	(\$/troy oz)	31.1	32.2	-1.0	31.1	24.5	6.6
Fertilizers	Fertilizers	Index	125.8	133.5	-7.7	125.8	115.3	10.5

Source: World Bank. (n.d.). Commodity markets. Retrieved April 2, 2025, from <https://www.worldbank.org/en/research/commodity-markets>

# Commodity: Continued Volatility and Markets Under Pressures

## Commodity Price Trends and Market Overview

	Commodity	Unit	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Energy	Crude oil, average	(\$ / bbl)	8%	13%	5%	5%	7%	1%	-7%	-5%	-7%	-7%	1%	-5%	-4%
	Coal, South African	(\$ / mt)	-2%	-2%	-1%	-1%	-1%	-1%	-1%	0%	0%	-1%	-3%	-6%	-3%
	Natural gas, US	(\$ / mmbtu)	-53%	-50%	-33%	-21%	-35%	-37%	-29%	-31%	-34%	-5%	29%	33%	19%
	Natural gas, Europe	(\$ / mmbtu)	-11%	-5%	6%	14%	8%	29%	23%	35%	46%	45%	53%	60%	53%
Agriculture	Cocoa	(\$ / kg)	61%	121%	71%	88%	61%	56%	48%	51%	80%	135%	144%	124%	134%
	Tea, average	(\$ / kg)	1%	14%	20%	21%	24%	21%	23%	18%	16%	11%	4%	1%	6%
	Coconut oil	(\$ / mt)	14%	26%	24%	24%	30%	43%	54%	53%	66%	75%	75%	76%	75%
	Fish meal	(\$ / mt)	-3%	-5%	-4%	-3%	-3%	-3%	-6%	-8%	-10%	-11%	-12%	-11%	-11%
	Palm oil	(\$ / mt)	12%	11%	2%	3%	6%	10%	16%	28%	38%	41%	27%	26%	31%
	Soybeans	(\$ / mt)	-11%	-13%	-10%	-12%	-14%	-27%	-29%	-19%	-20%	-25%	-25%	-25%	-25%
	Soybean oil	(\$ / mt)	-1%	-1%	2%	4%	11%	6%	7%	13%	18%	9%	8%	10%	9%
	Sunflower oil	(\$ / mt)	1%	3%	7%	11%	13%	11%	13%	28%	34%	30%	28%	29%	29%
	Maize	(\$ / mt)	-4%	-4%	0%	-3%	-11%	-14%	-7%	-4%	1%	2%	8%	11%	7%
	Rice, Thai 25%	(\$ / mt)	-6%	-9%	-4%	-4%	-10%	-10%	-10%	-20%	-21%	-19%	-26%	-32%	-26%
	Wheat, US SRW	(\$ / mt)	-8%	-8%	2%	-7%	-12%	-17%	-12%	-6%	-8%	-7%	-7%	-2%	-5%
	Beef	(\$ / kg)	15%	21%	18%	17%	24%	27%	26%	21%	24%	25%	29%	33%	29%
	Chicken	(\$ / kg)	-2%	-8%	-3%	-11%	-15%	-12%	-7%	-5%	-3%	-9%	-1%	4%	-2%
	Lamb	(\$ / kg)	-2%	-2%	-2%	-5%	-4%	-1%	4%	6%	10%	10%	10%	7%	9%
	Sugar, world	(\$ / kg)	-2%	-7%	-14%	-12%	-12%	-16%	-8%	-5%	-7%	-10%	-18%	-13%	-14%
	Logs, Cameroon	(\$ / cubic meter)	0%	-2%	-1%	-1%	-1%	1%	2%	0%	-3%	-4%	-5%	-5%	-5%
	Sawnwood, Cameroon	(\$ / cubic meter)	0%	-1%	-1%	0%	1%	2%	4%	3%	0%	0%	-3%	-1%	-2%
	Cotton	(\$ / kg)	8%	-2%	-6%	-10%	-12%	-13%	-10%	-9%	-11%	-13%	-15%	-15%	-14%
Metals & Minerals	Aluminum	(\$ / mt)	2%	14%	17%	14%	7%	7%	12%	18%	18%	16%	17%	21%	18%
	Iron ore	(\$ / dmtu)	-19%	-17%	-12%	-21%	-21%	-26%	-32%	-25%	-26%	-25%	-27%	-23%	-25%
	Copper	(\$ / mt)	4%	13%	22%	16%	13%	8%	11%	14%	9%	7%	8%	12%	9%
	Nickel	(\$ / mt)	8%	13%	22%	9%	1%	1%	0%	4%	-2%	-4%	-4%	-5%	-5%
Precious Metals	Gold	(\$ / troy oz)	6%	15%	16%	14%	18%	21%	26%	32%	30%	30%	33%	42%	35%
	Platinum	(\$ / troy oz)	-2%	2%	10%	6%	6%	2%	4%	8%	4%	1%	3%	6%	3%
	Silver	(\$ / troy oz)	7%	20%	28%	29%	30%	24%	31%	41%	36%	34%	33%	40%	36%
Fertilizers	Fertilizers	Index	-1%	-2%	-6%	2%	4%	4%	2%	7%	3%	3%	7%	15%	9%

Source: World Bank. (n.d.). Commodity markets. Retrieved April 2, 2025, from <https://www.worldbank.org/en/research/commodity-markets>

# Monetary and financial conditions- stabilization of easing cycles



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%	2.6%	1.9%	Lower	Hold	Jan-25
Canada	Overnight	2.75%	1.6%	1.1%	Lower	Cut	Mar-25
Mexico	Overnight Rate	9.00%	4.8%	4.0%	Unchanged	Cut	Mar-25
Eurozone	Deposit Rate	2.40%	2.1%	0.3%	Unchanged	Cut	Apr-25
UK	Bank Rate	4.50%	1.7%	2.8%	Lower	Cut	Mar-25
Norway	Deposit Rate	4.50%	2.6%	1.9%	Unchanged	Hold	Mar-25
Denmark	Deposit Rate	2.10%	1.6%	0.5%	Lower	Cut	Mar-25
Poland	Repo Rate	5.75%	5.0%	0.7%	Unchanged	Cut	Mar-25
Switzerland	Target Rate	0.25%	0.6%	-0.3%	Lower	Cut	Mar-25
Czech Republic	Repo Rate	3.75%	2.8%	0.9%	Lower	Hold	Mar-25
Sweden	Repo Rate	2.25%	1.6%	0.6%	Lower	Cut	Mar-25
Turkey	Repo Rate	46.00%	48.6%	-1.7%	Unchanged	Hike	Apr-25
China	Loan Prime Rate	3.10%	0.3%	2.8%	Unchanged	Hold	Mar-25
India	Repo Rate	6.25%	6.2%	0.0%	Unchanged	Hold	Mar-25
Japan	Policy Rate Bal	0.50%	2.5%	-2.0%	Unchanged	Hold	Mar-25
Saudi Arabia	Repo Rate	5.00%	1.9%	3.0%	Lower	Cut	Mar-25
Russia	Key Policy Rate	21.00%	8.5%	11.5%	Higher	Hold	Mar-25
Indonesia	Repo Rate	5.75%	1.7%	4.0%	Unchanged	Hold	Mar-25
Taiwan	Discount Rate	2.00%	1.7%	0.3%	Unchanged	Hold	Mar-25
Thailand	Policy Rate	2.25%	0.8%	1.4%	Lower	Hold	Mar-25
Malaysia	Policy Rate	3.00%	1.8%	1.2%	Unchanged	Hold	Mar-25
South Korea	Repo Rate	2.75%	1.2%	1.5%	Lower	Hold	Mar-25
Hong Kong	Base Rate	4.75%	2.5%	2.2%	Lower	Hold	Mar-25
Philippines	Key Policy Rate	5.75%	2.3%	3.4%	Lower	Hold	Mar-25
Argentina	Overnight Repo	29.00%	193.0%	-56.0%	Lower	Hold	Mar-25
Brazil	Target Rate	14.25%	4.8%	9.1%	Higher	Hike	Mar-25
Chile	Base Rate	5.00%	4.7%	0.3%	Lower	Hold	Mar-25
Peru	Policy Rate	4.75%	2.0%	2.7%	Lower	Hold	Mar-25
Colombia	Repo Rate	9.50%	4.1%	5.2%	Unchanged	Hold	Mar-25
Australia	Cash Rate	4.10%	2.8%	1.3%	Unchanged	Hold	Mar-25
New Zealand	Cash Rate	3.75%	2.2%	1.5%	Lower	Hold	Mar-25
South Africa	Repo Rate	7.50%	3.8%	3.6%	Unchanged	Hold	Mar-25

- The easing cycle has stabilized, with a pause more likely due to rising trade tensions and policy uncertainties. Currently, the chances of a soft landing seem to outweigh the risks of a hard landing.
- Additionally, while global financial conditions remain largely accommodative, significant discrepancies are observed across different jurisdictions.

# Global macroeconomic outlook

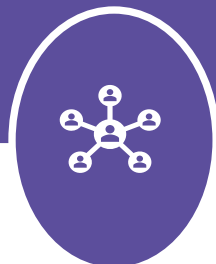


## Growth



- Trade and policy uncertainties are expected to setback global growth.
- Revised projections show global growth dropping to 2.8% in 2025 and 3% in 2026, down from the initial optimistic estimates of 3.3% at the start of the year.
- These forecasts come in below the historical average of 3.7% seen in the 2000–19 period.

## Growth drivers



- The estimates are underpinned by an almost broad-based downward revisions in key economies of United States (1.8% in 2025), Euro Area (0.8% in 2025), and even in Emerging Market and Developing Economies where growth is expected to slow down to 3.7% in 2025 and 3.9% in 2026 due to significant downgrades for countries like China that are most affected by recent trade measures.

## 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.

## 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.

## 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.

Source: IMF, April 2025



# Global growth outlook- Revised forecasts



(Percent change, unless noted otherwise)

	2024	Projections		Difference from January 2025 WEO Update <sup>1</sup>		Difference from October 2024 WEO <sup>1</sup>	
		2025	2026	2025	2026	2025	2026
<b>World Output</b>	<b>3.3</b>	<b>2.8</b>	<b>3.0</b>	<b>-0.5</b>	<b>-0.3</b>	<b>-0.4</b>	<b>-0.3</b>
<b>Advanced Economies</b>	<b>1.8</b>	<b>1.4</b>	<b>1.5</b>	<b>-0.5</b>	<b>-0.3</b>	<b>-0.4</b>	<b>-0.3</b>
United States	2.8	1.8	1.7	-0.9	-0.4	-0.4	-0.3
Euro Area	0.9	0.8	1.2	-0.2	-0.2	-0.4	-0.3
Germany	-0.2	0.0	0.9	-0.3	-0.2	-0.8	-0.5
France	1.1	0.6	1.0	-0.2	-0.1	-0.5	-0.3
Italy	0.7	0.4	0.8	-0.3	-0.1	-0.4	0.1
Spain	3.2	2.5	1.8	0.2	0.0	0.4	0.0
Japan	0.1	0.6	0.6	-0.5	-0.2	-0.5	-0.2
United Kingdom	1.1	1.1	1.4	-0.5	-0.1	-0.4	-0.1
Canada	1.5	1.4	1.6	-0.6	-0.4	-1.0	-0.4
Other Advanced Economies <sup>2</sup>	2.2	1.8	2.0	-0.3	-0.3	-0.4	-0.3
<b>Emerging Market and Developing Economies</b>	<b>4.3</b>	<b>3.7</b>	<b>3.9</b>	<b>-0.5</b>	<b>-0.4</b>	<b>-0.5</b>	<b>-0.3</b>
Emerging and Developing Asia	5.3	4.5	4.6	-0.6	-0.5	-0.5	-0.3
China	5.0	4.0	4.0	-0.6	-0.5	-0.5	-0.1
India <sup>3</sup>	6.5	6.2	6.3	-0.3	-0.2	-0.3	-0.2
Emerging and Developing Europe	3.4	2.1	2.1	-0.1	-0.3	-0.1	-0.4
Russia	4.1	1.5	0.9	0.1	-0.3	0.2	-0.3
Latin America and the Caribbean	2.4	2.0	2.4	-0.5	-0.3	-0.5	-0.3
Brazil	3.4	2.0	2.0	-0.2	-0.2	-0.2	-0.3
Mexico	1.5	-0.3	1.4	-1.7	-0.6	-1.6	-0.6
Middle East and Central Asia	2.4	3.0	3.5	-0.6	-0.4	-0.9	-0.7
Saudi Arabia	1.3	3.0	3.7	-0.3	-0.4	-1.6	-0.7
Sub-Saharan Africa	4.0	3.8	4.2	-0.4	0.0	-0.4	-0.2
Nigeria	3.4	3.0	2.7	-0.2	-0.3	-0.2	-0.3
South Africa	0.6	1.0	1.3	-0.5	-0.3	-0.5	-0.2
<i>Memorandum</i>							
World Growth Based on Market Exchange Rates	2.8	2.3	2.4	-0.6	-0.4	-0.5	-0.3
European Union	1.1	1.2	1.5	-0.2	-0.2	-0.4	-0.2
ASEAN-5 <sup>4</sup>	4.6	4.0	3.9	-0.6	-0.6	-0.5	-0.6
Middle East and North Africa	1.8	2.6	3.4	-0.9	-0.5	-1.4	-0.8
Emerging Market and Middle-Income Economies	4.3	3.7	3.8	-0.5	-0.4	-0.5	-0.3
Low-Income Developing Countries	4.0	4.2	5.2	-0.4	-0.2	-0.5	-0.4

03

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



# African Growth Resilience is On Track, Despite Uneven Progress and challenges

African growth resilience is strong, with signs of disinflation indicating a potential policy rate adjustment. Currency depreciation is widespread, highlighting a varied monetary landscape. Market access has improved due to favorable ratings and renewed capital market opportunities.

## Factors Influencing Africa’s Economic Performance in 2025

01

Monetary  
Policy  
Transition

02

Abating  
Inflation  
Trends

03

Impact  
of U.S.  
retaliator  
y tariffs.

04

Exchange  
Rate  
Volatility

05

Global  
Economic  
Trends

06

Political  
Stability  
&  
Security

07

Volatility  
of  
Commod  
ity Prices

08

Infrastructure  
& Investment

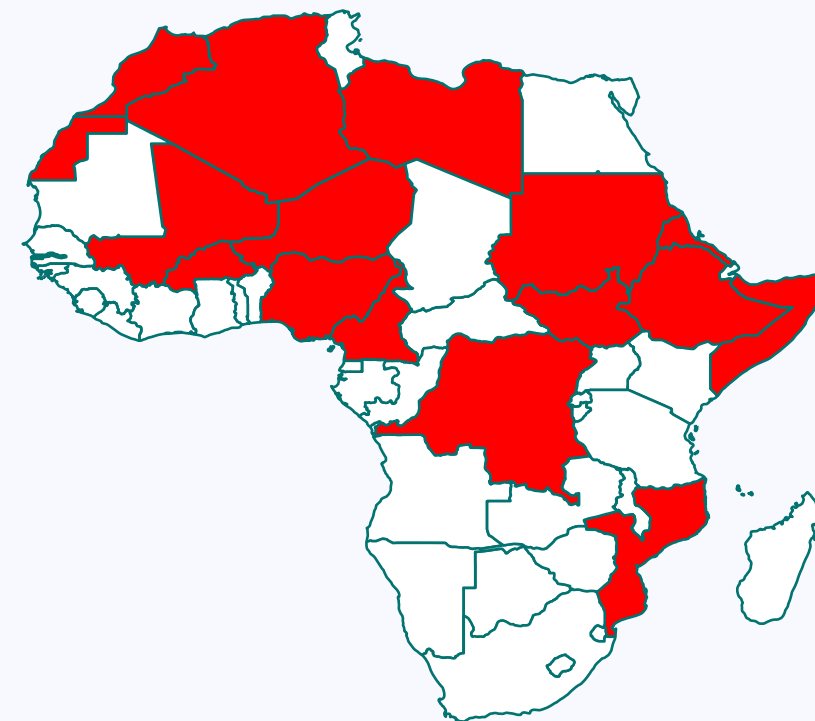
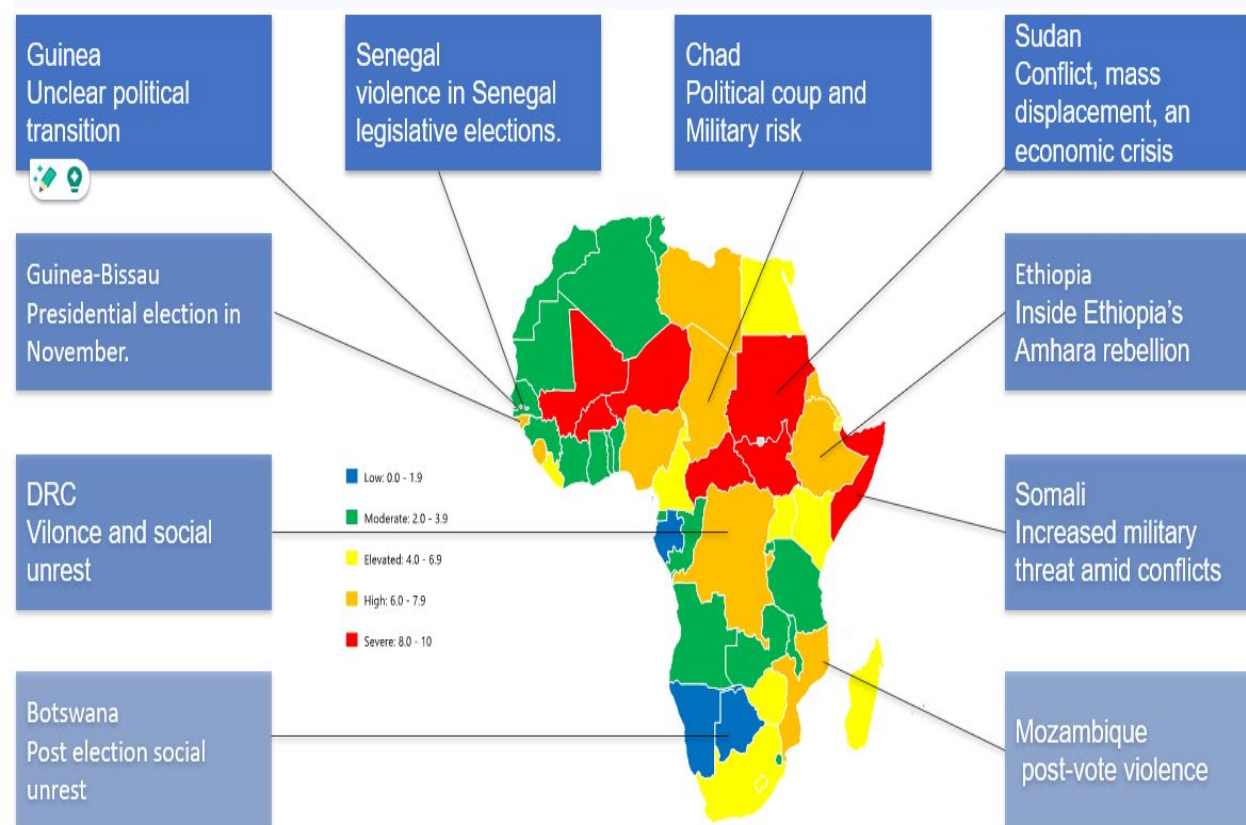
Country	Real GDP growth (%y-o-y)						
	2024 (f) - April 2024	2024 (f) - October 2024	Q1-2024	Q2-2024	Q3-2024	Q4-2024	2024
Niger	10.4	9.9	-0.2	0.6			
Rwanda	6.9	7.0	9.7	9.8	8.1		
Côte d'Ivoire	6.5	6.5	6.3	6.5			
Benin	6.0	6.5	6.3	6.6	7.2		
Mauritius	4.9	6.1	5.4	4.5	6.3		
Senegal	8.3	6.0	2.3	3.9	11.5		
Uganda	5.6	5.9	7.1	6.2	6.7		
Gambia	6.2	5.8	10.8	5.9	5.0		
Burkina Faso	5.5	5.5	3.9	5.9	5.3		
Tanzania	5.5	5.4	5.6	5.3	5.9		
Togo	5.3	5.3	6.2	5.1			
Liberia	5.3	5.1	5.1				
Kenya	5.0	5.0	5.0	4.6	4.0		
Guinea-Bissau	5.0	5.0	4.8	4.6			
Cabo Verde	4.7	4.7	10.9	8.5	3.3		
Mauritania	5.1	4.4	6.8	4.5	6.0		
Mozambique	5.0	4.3	3.2	4.5	3.7	-4.9	1.9
Guinea	4.1	4.1	4.7				
Cameroon	4.3	3.9	3.3	3.7	3.0		
Algeria	3.8	3.8	3.8	3.6			
Mali	4.0	3.8	4.2	3.8			
Seychelles	3.2	3.1	-5.6	3.1	10.2		
Ghana	2.8	3.1	4.9	7.5	7.2	3.6	5.7
Namibia	2.6	3.1	4.4	2.7	2.8		
Nigeria	3.3	2.9	3.0	3.2	3.5	3.8	3.4
Lesotho	2.4	2.8	2.3	0.7	3.7		
Morocco	3.1	2.8	2.5	2.4	4.3		
Egypt	3.0	2.7	2.2	2.4	3.5	2.4	2.4
Angola	2.6	2.4	4.6	4.1	5.5	3.6	4.4
Zambia	4.7	2.3	2.2	1.9	2.5		
Burundi	4.3	2.2					
Tunisia	1.9	1.6	0.3	1.0	1.8	2.4	1.4
South Africa	0.9	1.1	0.5	0.3	0.4	0.9	0.6
Botswana	3.6	1.0	-5.2	-0.4	-4.3		

> 5%

> 3%



# Geopolitical tensions in Africa continue to impact policy outcomes



## Territorial Disputes

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

## Civil Wars and Armed Conflicts

Ethiopia, Libya, Somalia, Sudan, Mozambique

## Terrorism

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

## Parliamentary elections

- Burundi.
- Cameroon
- Central African Republic
- Comoros
- Egypt
- Gabon

## Presidential elections

- Cote d'Ivoire
- Malawi
- Niger
- Seychelles
- Tanzania
- Togo

- Cameroon
- Togo

- Libya: Civil Wars and Armed Conflicts and Terrorism
- Somalia: Civil Wars and Armed Conflicts and Territorial Disputes
- Sudan: Civil Wars and Armed Conflicts and Territorial Disputes

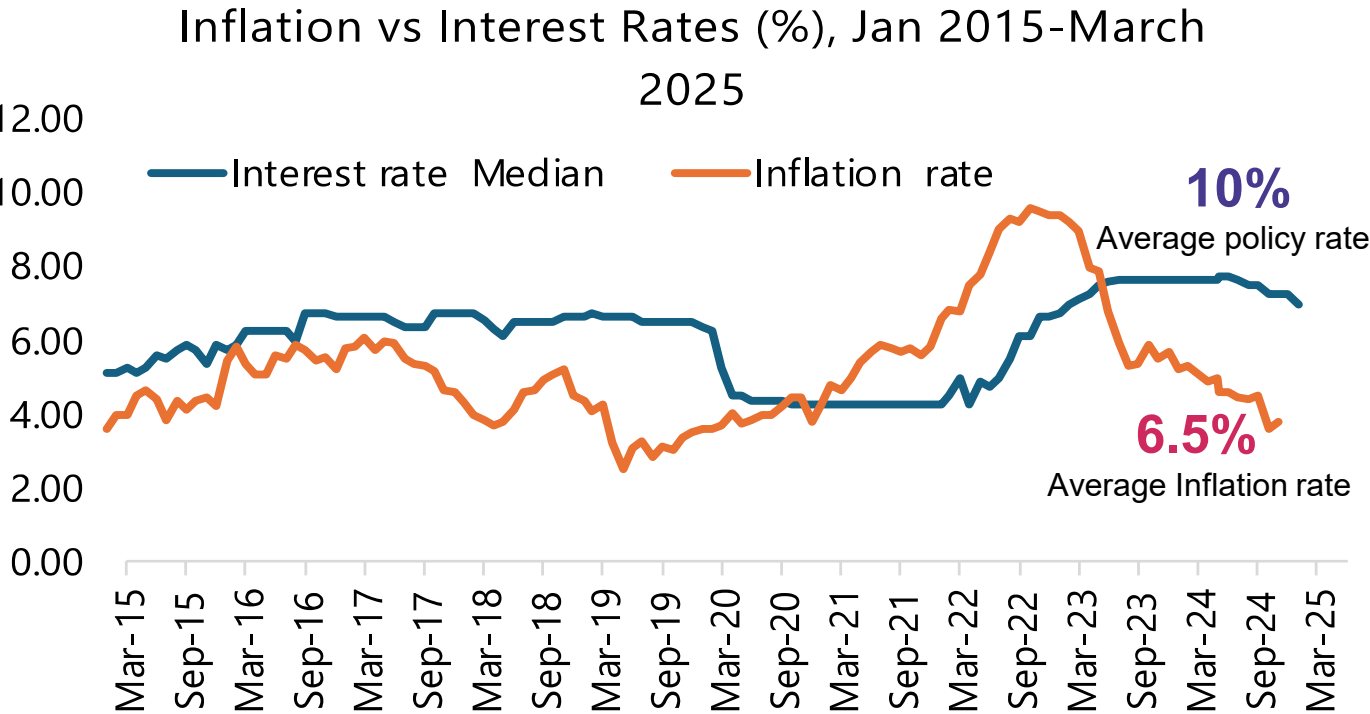
# Disinflation is Increasing, Suggesting a Potential Adjustment in the Policy Rate.

March 2025 vs. February 2025 (45 countries monitored):

14  
Disinflationary  
economies

15  
Inflationary  
economies

17  
Stable  
economies



In terms of policy rate, all countries remained **neutral** M-o-M.

Country	Interest Rate		Condition	Inflation		Condition
	Latest Rate	Previous Rate		Latest Rate	Previous Rate	
Algeria	3.00	3.00	Neutral	4.18	5.52	Disinflation
Angola	19.50	19.50	Neutral	28.41	29.17	Disinflation
Benin	5.50	5.50	Neutral	0.60	2.10	Disinflation
Botswana	1.90	1.90	Neutral	1.60	1.50	Inflation
Burkina Faso	5.50	5.50	Neutral	3.60	6.30	Disinflation
Burundi	12.00	12.00	Neutral	28.80	24.90	Inflation
Cameroon	5.00	5.00	Neutral	4.50	4.50	Stable
Cape Verde	1.50	1.50	Neutral	1.60	1.70	Disinflation
Central African Republic	5.00	5.00	Neutral	1.30	1.20	Inflation
Chad	5.00	5.00	Neutral	7.00	7.00	Stable
Congo Republic	25.00	25.00	Neutral	0.00	0.00	
Cote d'Ivoire	5.50	5.50	Neutral	2.50	2.60	Disinflation
Democratic Republic of Congo	25.00	25.00	Neutral	0.00	0.00	
Egypt	27.25	27.25	Neutral	25.50	26.50	Disinflation
Equatorial Guinea	5.00	5.00	Neutral	0.00	0.00	
Ethiopia	7.00	7.00	Neutral	16.90	16.10	Inflation
Gabon	5.00	5.00	Neutral	0.00	0.00	
Gambia	17.00	17.00	Neutral	10.30	10.03	Inflation
Ghana	29.00	29.00	Neutral	23.00	22.10	Inflation
Guinea	11.00	11.00	Neutral	3.10	4.70	Disinflation
Guinea Bissau	5.50	5.50	Neutral	5.30	4.90	Inflation
Kenya	11.25	11.25	Neutral	2.80	2.70	Inflation
Lesotho	7.50	7.50	Neutral	4.40	4.70	Disinflation
Liberia	17.50	17.50	Neutral	0.00	0.00	Stable
Madagascar	9.50	9.50	Neutral	7.80	7.80	Stable
Malawi	26.00	26.00	Neutral	27.00	32.40	Disinflation
Mali	5.50	5.50	Neutral	4.90	6.60	Disinflation
Mauritania	8.00	8.00	Neutral	1.60	2.50	Disinflation
Mauritius	4.00	4.00	Neutral	3.40	3.40	Stable
Morocco	2.50	2.50	Neutral	0.80	0.70	Inflation
Mozambique	12.75	12.75	Neutral	2.84	2.68	Inflation
Namibia	7.00	7.00	Neutral	3.00	3.00	Stable
Niger	5.50	5.50	Neutral	0.00	0.00	Stable
Nigeria	27.50	27.50	Neutral	34.60	33.88	Inflation
Rwanda	6.50	6.50	Neutral	3.40	0.50	Inflation
Sao Tome and Principe	10.00	10.00	Neutral	0.00	0.00	Stable
Senegal	5.50	5.50	Neutral	-0.20	-0.20	Stable
Seychelles	1.75	1.75	Neutral	1.34	0.55	Inflation
Sierra Leone	24.75	24.75	Neutral	15.41	16.92	Disinflation
South Africa	7.75	7.75	Neutral	2.90	2.80	Inflation
South Sudan	12.00	12.00	Neutral	0.00	0.00	Stable
Swaziland	7.00	7.00	Neutral	3.70	3.30	Inflation
Tanzania	6.00	6.00	Neutral	3.00	3.00	Stable
Togo	5.50	5.50	Neutral	1.30	1.70	Disinflation
Tunisia	8.00	8.00	Neutral	6.60	6.70	Disinflation
Uganda	9.75	9.75	Neutral	2.90	2.90	Stable
Zambia	14.00	14.00	Neutral	16.50	15.70	Inflation
Zimbabwe	20.00	20.00	Neutral	0.00	0.00	Stable
Average	10.61	10.61		6.63	6.77	
Median	7.25	7.25		3.00	2.95	
Min	1.50	1.50		-0.20	-0.20	
Max	29.00	29.00		34.60	33.88	

Source: Authors based on Trading Economics.  
Note: Data are unavailable for Comoros, Djibouti, Libya, and Sudan.

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



Country	Current Price	last Month	last Year	YoY Change	MoM Change
Seychelles	14.3	14.7	12.7	-13.2	2.7
Ivory Coast	591.8	605.3	601.0	1.5	2.2
Zambia	27.9	28.6	24.7	-13.0	2.2
Morocco	9.6	9.7	10.0	4.6	1.8
Madagascar	4628.4	4689.7	4313.0	-7.3	1.3
Burundi	2929.5	2966.1	2846.0	-2.9	1.2
Ethiopia	129.4	130.9	56.7	-128.3	1.2
Malawi	1717.0	1736.1	1715.0	-0.1	1.1
Sierra Leone	22615.8	22828.1	22533.1	-0.4	0.9
Tunisia	3.1	3.1	3.1	1.6	0.9
Comoros	449.8	453.7	453.3	0.8	0.9
Cape Verde	101.5	102.1	101.9	0.5	0.7
Cameroon	601.5	605.3	603.5	0.3	0.6
Rwanda	1401.5	1409.7	1278.0	-9.7	0.6
Guinea	8609.0	8656.9	8510.8	-1.2	0.6
Mauritius	45.0	45.2	45.2	0.3	0.5
Kenya	129.3	129.6	129.0	-0.2	0.2
Mauritania	39.7	39.7	39.5	-0.3	0.2
Ghana	15.5	15.5	13.4	-16.1	0.0
Djibouti	177.6	177.6	177.7	0.1	0.0
Eritrea	15.0	15.0	15.0	0.0	0.0
Somalia	568.0	568.0	568.0	0.0	0.0
Liberia	200.0	200.0	194.5	-2.8	0.0
South Sudan	4450.0	4444.7	1556.7	-185.9	-0.1
Algeria	133.4	133.3	134.1	0.5	-0.1
Sudan	600.5	598.8	568.0	-5.7	-0.3
Sao Tome and Principe	22.7	22.6	22.6	-0.6	-0.3
Zimbabwe	26.8	26.6	12.3	-118.3	-0.5
Tanzania	2665.0	2648.2	2580.0	-3.3	-0.6
Gambia	72.7	72.2	67.8	-7.2	-0.7
Angola	921.1	912.0	838.7	-9.8	-1.0
Mozambique	63.9	63.3	63.2	-1.1	-1.0
Uganda	3718.1	3671.5	3751.8	0.9	-1.3
Congo	2906.5	2864.5	2781.5	-4.5	-1.5
Egypt	51.4	50.6	47.5	-8.1	-1.6
Botswana	14.0	13.6	13.6	-2.9	-2.6
Nigeria	1566.0	1525.5	1248.6	-25.4	-2.7
Namibia	19.7	18.1	18.6	-5.5	-8.3
Lesotho	19.7	18.1	18.6	-5.5	-8.3
Swaziland	19.7	18.1	18.5	-6.5	-8.4
Libya	5.5	4.8	4.8	-14.8	-15.0

## Exchange Rate Dynamics recorded in February 2025:

- 01

**Currency appreciation**  
Seychelles, Ivory coast, Zambia, Morocco, Madagascar, and Burundi.
- 02

**Currency stability**  
Countries like Ghana, Djibouti, and Eritrea have experienced periods of stability
- 03

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

## U.S. Dollar Index

The US dollar has depreciated sharply since the last market update due to declining optimism over the sustainability of “US exceptionalism” given the underperformance of US equities relative to the rest of the world



Source: Trading Economics

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



Sovereign	Moody's			S&P			Fitch		
	Previous	Current	Direction	Previous	Current	Direction	Previous	Current	Direction
UPGRADES									
Benin	B2 (pos)	B1 (stable)	↑	BB- (stable)	BB- (pos)	↑	B- (Stable)	B (stable)	↑
Carneroon				B- (stable)	B- (pos)	↑			
Cabo Verde									
Cote d'Ivoire				BB- (stable)	BB (pos)	↑			
Tanzania									
Zambia				Ca (stable)	Caa2 (stable)	↑			
Total	2			3			1		
DOWNGRADES									
Niger	Caa2 (Neg)	Caa3 (stable)	↓						
Gabon	Caa1 (Neg)	Caa2 (stable)	↓						
Uganda	B2 (Neg)	B3 (stable)	↓						
Total	3								
POSITIVE CHANGES IN CREDIT RATING OUTLOOKS									
Cote d'Ivoire	Caa1 (Neg)	Caa1 (pos)	↑	BB- (stable)	B- (pos)	↑	B- (Stable)	B- (pos)	↑
Egypt				B- (stable)	B- (pos)	↑			
Gabon									
Morocco				BB+ (stable)	BB+ (pos)	↑			
Namibia									
Seychelles				B1 (stable)	B1 (pos)	↑			
Tunisia							BB- (stable)	BB- (pos)	↑
Nigeria	Caa2 (Neg)	Caa2 (stable)	↑				B- (Stable)	B- (pos)	↑
Total	3			3			4		

# Market access: slowdown in issuance.



## 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

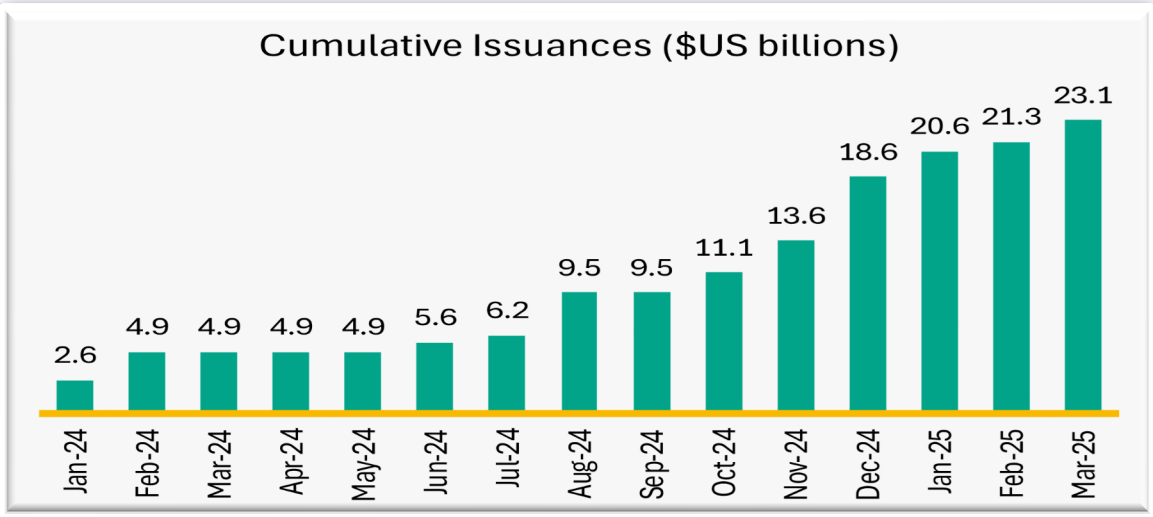
Several African countries, including Angola, Egypt, Nigeria, Côte d'Ivoire, Senegal, and Morocco, issued Eurobonds, taking advantage of favorable market conditions following earlier foreign debt success.



## 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.

Eurobonds Issuance, Africa					
	Issuances (US\$ billion)	Rates (Percent)	Maturity (Years)	Date	Rating
Côte d'Ivoire	1.1	7.875	9	Jan-24	Moody's: Ba3, + outlook
Benin	1.5	8.5	13	Jan-24	Moody's: Ba3, + outlook
Kenya	0.75	8.375	14	Feb-24	Moody's: B1, stable outlook
Senegal	1.5	10.375	7	Feb-24	Moody's: B3, - outlook
	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



Source: Trading Economics



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



Overall, Africa is stable, but the level of stability varies significantly across different regions.

## West Africa

Côte d'Ivoire and Ghana have stabilized trade, while Guinea and Liberia struggle with inflation. Higher rates to control inflation hinder growth, leading to mixed trade outcomes.

## East Africa

The region shows resilience with growth in Rwanda and Uganda, mixed inflation, and stability in Uganda and Kenya's policies and exchange rates.

## North Africa

Stable performance despite inflation in Egypt and Tunisia. Mixed exchange rates; stability in Morocco and Algeria. Trade improvements boost outlook. Cautious policy rates remain unchanged.

## Central Africa

Challenging economic conditions persist, with increased risks and unstable monetary policies in countries like Cameroon and Chad, which face inflationary pressures and limited trade improvements.

## Southern Africa

Economic disparities: Growth rises in Namibia and Botswana and declines in South Africa and Malawi, with inflation concerns in the latter. Botswana and Zambia show better trade. Tight policy rates hinder growth.

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



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

Deteriorating Stable Improving

# Key macroeconomic risks confronting Africa



## Currency and Financial Markets

- **Stronger USD** → weaker African FX, higher import costs and pressure on current acct and overall BOP
- Tight global conditions → difficult Eurobond access

**FX**



## Debt and Inflationary Pressures

- Higher U.S. rates raise **African debt servicing costs**
- Tariffs inflate **U.S. prices**, pushing global inflation

**Debt**



## Growth Risks

### Tariff spillovers and global uncertainty can:

- Increase commodity price volatility risks for resource-heavy African economies
- Slow African economic growth
- Erode FDI due to uncertainty
- Undermine industrialization momentum

**Growth**



## Indirect Risks via Global Value Chains

- **China Exposure:** Fall in demand for African commodities if Chinese exports drops
- **Supply Chain Disruptions:** Delays and cost spikes impact African processing sectors
- **Trade Diversion:** Risk of Chinese overcapacity flooding African markets (esp. textiles)

**China**





## The Trump II Trade Shock



### "Liberation Day Tariffs":

- 10% blanket tariff on all imports (April 5, 2025)
- Up to 50% tariffs on 57 countries, incl. 21 African states
- Key Exemptions: Oil, gas, minerals, semiconductors, pharma



### De Minimis Reform:

- Suspension of duty-free de minimis exemption.
- Closure of < \$800 loophole hits e-commerce trade flows



### U.S Foreign Aid Cuts:

- 90-day freeze on USAID, disrupting development finance to fragile states affecting nations like South Sudan, Liberia, Lesotho



### Uncertainty over AGOA:

- De facto overridden, official renewal unlikely (expires Sept 2025)

## Global Trade System in Flux

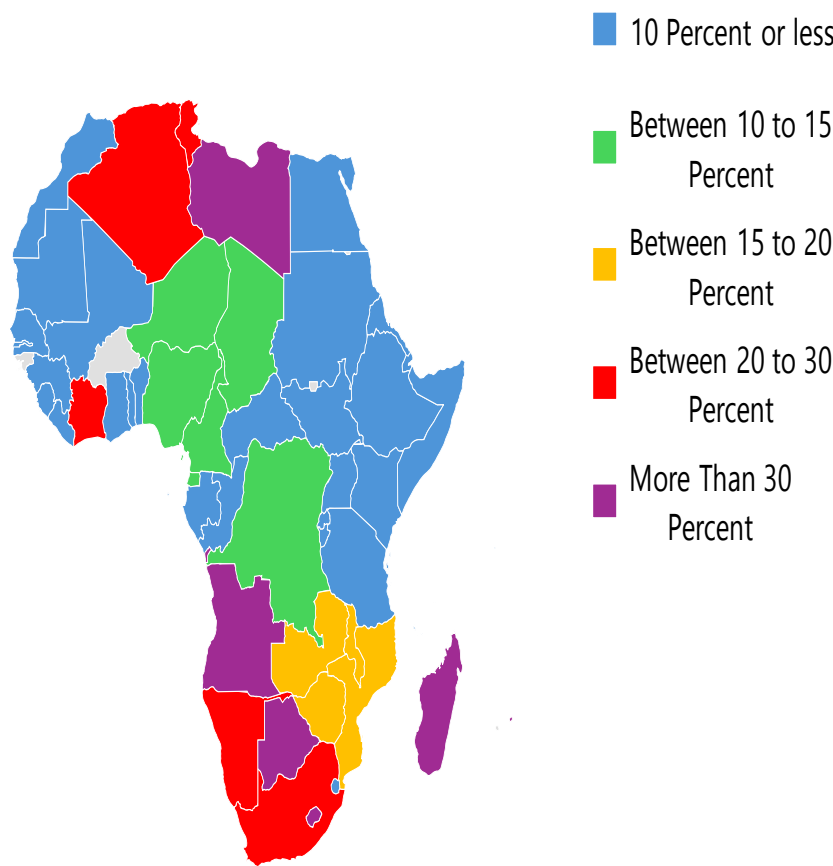


- ✓ **U.S.-China Trade War Escalates:**  
\$439B in Chinese exports to U.S. at risk
- ✓ **China's Retaliation:** Tariffs on \$163B U.S. goods announced
- ✓ **Europe, India Preparing Retaliation:**  
Rising risk of global protectionism
- ✓ **Equity markets lose \$2.5 trillion in value**
- ✓ **IMF warns:** "Significant risk to global outlook" amid tepid recovery

# Compounded shocks: Tariff environment and Development Assistance

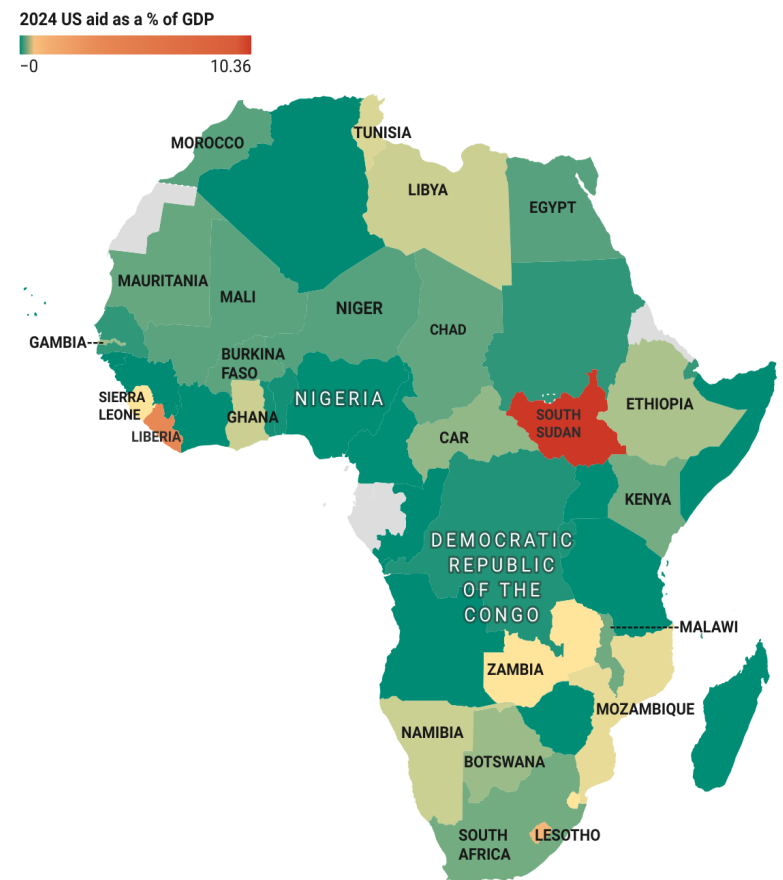


US new tariffs in Africa as of April 2, 2025



Source: Afreximbank Research.

African dependency on US assistance in 2024



Source: The Big US Aid Freeze: Who loses? - The Continent.

# African Exposure to US Reciprocal Tariffs



		U.S Tariff Rate	Exports to U.S	Total exports	Main Export Exemption*	Main Export to the US
		%	% of total	% of GDP (2023)		
1	Lesotho	50	20.0	41.3	No	Apparel
2	Madagascar	47	19.8	21.2	No	Vanilla
3	Mauritius	40	19.9	16.3	No	Food
4	Botswana	37	6.9	29.5	No	Precious Metals
5	Angola	32	3.0	39.8	Yes	Crude
6	Libya	31	4.5	79.2	Yes	Crude
7	Algeria	30	6.0	23.2	Yes	Crude
8	South Africa	30	10.6	29.2	Yes	Platinum
9	Sao Tome & principe	29	5.9	3.4	No	Machinery
10	Tunisia	28	4.0	18.8	No	Olive Oil
11	Cote d'Ivoire	21	4.9	21.7	No	Cocoa
12	Namibia	18	2.1	37.5	No	Precious Metals
13	Zimbabwe	18	1.3	23.7	No	Tobacco
14	Zambia	17	1.2	38.2	Yes	Copper
15	Malawi	17	4.2	8.3	No	Food
16	Mozambique	16	1.8	39.5	No	Precious stones
17	Nigeria	14	10.3	15.4	Yes	Crude
18	Equatorial Guinea	13	6.0	55.7	Yes	Crude
19	Chad	13	2.0	19.8	Yes	Crude
20	Congo, DRC	11	1.3	42.6	Yes	Copper
21	Cameroon	11	2.0	12.9	Yes	Crude
22	Egypt	10	5.4	12.0	No	Apparel
23	Morocco	10	3.3	25.2	No	Machinery
24	Kenya	10	9.8	6.7	No	Apparel
25	Tanzania	10	1.9	9.7	No	Precious stones
26	Senegal	10	3.4	21.4	No	Food
27	Uganda	10	1.9	14.4	No	Coffee
28	Ethiopia	10	12.3	2.2	No	Coffee
29	Ghana	10	6.4	20.7	Yes	Crude
30	Gabon	10	1.8	38.7	Yes	Crude
31	Togo	10	1.4	16.3	No	Soybeans
32	Republic of Congo	10	2.5	56.0	Yes	Crude
33	Djibouti	10	1.8	134.8	No	Vehicles
34	Rwanda	10	2.9	17.2	No	Coffee
35	Sierra Leone	10	1.5	19.7	No	Precious Metals
36	Guinea	10	0.1	42.6	No	Precious Metals
37	Mali	10	0.1	26.1	No	Precious Metals
38	Eswatini	10	1.4	44.4	No	Food
39	Liberia	10	2.9	17.5	No	Rubber
40	South Sudan	10	0.0	26.0	No	Food
41	Comoros	10	3.3	4.3	No	Vanilla
42	Cabo Verde	10	4.5	9.9	No	Food
43	Burundi	10	3.3	6.5	No	Coffee
44	Mauritania	10	0.2	30.0	No	Machinery
45	Gambia	10	0.1	145.2	Yes	Minerals
46	Central African Republic	10	0.9	3.9	No	Precious Metals
47	Eritrea	10	0.1	23.4	No	Food
48	Guinea Bissau	10	0.6	17.6	No	Food
49	Niger	10	0.3	5.9	No	Machinery
50	Benin	10	0.9	18.3	No	Food

# Africa’s Exposure Level, by Region



Region	Exposure Level	Key Countries & Impact
North Africa	Moderate	Minimal direct trade impact (oil exports are largely exempt)  Countries like Algeria (30%), Libya (31%), Tunisia (28%) face high tariffs. Fragility in investor confidence and supply chains—exempted oil masks broader (indirect) risk
East Africa	High	Kenya (10%), Ethiopia (10%)—textiles, coffee vulnerable. Mauritius hardest hit with 40% tariff, endangering its textile sector
Southern Africa	Severe	South Africa (30%), Lesotho (50%), Madagascar (47%)—jobs, exports at risk. Automotive, apparel, and vanilla industries at risk.
West Africa	Mixed	Mixed exposure; Nigeria (10%) and Ghana (10%) benefit from oil/gold exemptions  Côte d'Ivoire (21%) cocoa tariff poses inflationary risk to global chocolate supply chain
Central Africa	Low	Cameroon (11%), others exempt via oil/mineral status

# Africa's Exposure Level, by Countries



Country	Sector at Risk	Risk Level (Macro and/or Social Impact)	Notes
Mauritius, Madagascar, Lesotho	Textiles, Sugar, Apparel	Critical	High exposure to US market and high tariffs. 40% tariff cripples exports and above 20% exposure to US market
Kenya	Horticulture, Textiles & Apparel	High	U.S. is a major buyer. Export job loss, demand shift,
Ethiopia	Coffee, Apparel	High	Export slowdown. AGOA-fueled export base threatened
Côte d'Ivoire	Cocoa, Cashew	Severe	21% tariff could disrupt global prices. Rural economy impact
South Africa	Automotives, Metals, Citrus	Severe	30% tariff + steel restrictions. Industrial contraction
Angola, Nigeria	Oil, fertilizers (Exempted)	Moderate	Indirect risk via China + FDI decline, oil price decline due to slow down

# Implications of the compounded shocks



## Potential Impact



- ❖ Africa faces minimal direct impact from new U.S. tariffs, but indirect effects—especially from slowed growth in China and the EU—pose real risks.
- ❖ Africa's exposure to direct U.S. tariffs and indirect China shocks reveals structural vulnerabilities—but also opportunities for reform

## How should Africa play?



- ❑ Leverage Diaspora & African-American partnerships to unlock investment and trade flows.



- ❑ Position Africa as an alternative sourcing hub in strategic sectors like pharmaceuticals and agro-processing.



- ❑ Capitalize on U.S. inflation pressures to advocate for continued access to cost-competitive African exports.

# Africa's economic outlook– Growth



Despite rising global uncertainty, Africa's growth is expected to accelerate significantly compared with the global average starting in 2025. In 2025, growth is expected to come in at 4.0% and climb further to 4.1% by 2026. By 2027, Africa is anticipated to achieve a growth rate of 4.2%. All African regions are expected to see an improvement or to avoid setbacks in GDP growth starting in 2025



## Northern Africa

Northern Africa is anticipated to achieve robust economic growth, with GDP projections pointing to growth acceleration to 3.8% in 2025 from 3.2% in 2024, eventually reaching 4.1% in 2026 before stabilizing in 2027. This upward trajectory is largely influenced by improved economic conditions in Egypt, Morocco, and Tunisia. The resurgence is driven by a recovery in the services sector, with significant contributions from trade and tourism activities.



## Southern Africa

In Southern Africa, economic growth is projected to rise by 0.4 percentage points, reaching 2.6% by 2025 and 3% by 2027. This growth is expected to be common, with notable exceptions being Eswatini and Mauritius. The primary contributors to this growth trajectory are Botswana and Zambia, each of which are expected to account for an increase of 1.4 percentage points in the overall performance of the region.



## Central Africa

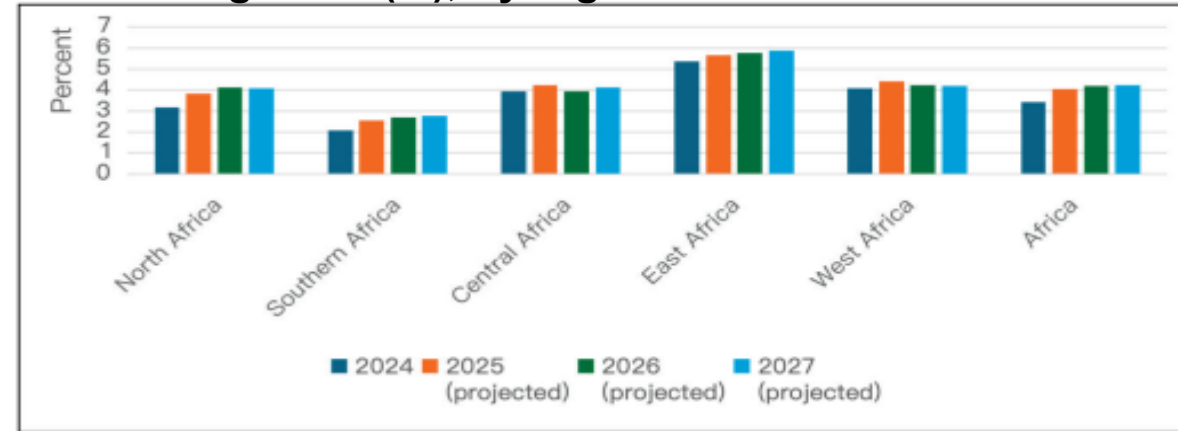
Central Africa is projected to experience a modest growth increment from 3.9% in 2024 to 4.2% in 2025, with growth rates anticipated to fluctuate through 2027. This optimistic projection for 2025 is broadbased, excluding Equatorial Guinea and the Republic of Congo, where growth prospects are set to diverge from the regional trend.



## Eastern Africa

Eastern Africa is expected to lead in economic growth on the continent, with GDP growth projected to increase from 4.4% in 2024 to 5.7% in 2025. This region is anticipated to maintain strong momentum, with GDP growth exceeding 6.0% by 2027. A significant change in the dynamics of the eastern region is the expectation that the Sudanese economy will stabilize after recovering from the impacts of internal conflict.

## Real GDP growth (%), by region



Sources: International Monetary Fund's World Economic Outlook databases and Afreximbank Research, 2024.



## Western Africa

Western Africa's economic projections indicate a growth shift from 4.1% in 2024 to 4.4% in 2025, followed by a stabilization of approximately 4.2% for 2026 and 2027. This forecast is significantly shaped by positive developments in Nigeria, where GDP growth is anticipated to rise to 3.4% in 2025, driven by the implementation of ongoing economic reforms. The region's growth trajectory is likely to exhibit common improvements, albeit with some notable exceptions. Benin is projected to stabilize at a sustained level of around 6%, while Niger is facing a considerable decline, with a reduction in growth by three percentage points. Additionally, The Gambia is expected to experience stagnation but maintain growth greater than 5%.



# Africa's economic outlook– Inflation



Africa is expected to gradually recover from the high inflation experienced post-pandemic, although inflation rates will vary significantly across its regions. The average inflation rate for Africa is projected to decrease from 19.3% in 2024 to 14.8% in 2025. This trend is anticipated to continue with inflation expected to crash further to 10.5% in 2026 and dip below the single-digit threshold to reach 9.1% by 2027.

01



## Northern Africa

In Northern Africa, inflation is predicted to decline by 4.8 percentage points, reaching 13.6% by 2025. This trend is expected to persist, with further reductions forecasted at 8.4% in 2026 and 7.2% in 2027. The primary factor driving this disinflationary trend is a significant decrease in prices in Egypt, which is anticipated to result in a cumulative reduction of 19.1 percentage points over the three-year projection period.

02



## Central Africa

Central Africa is expected to see a significant decline in inflation rates, decreasing from 8.4% in 2024 to 4.6% in 2025. This downward trajectory is expected to continue with rates falling to 4.3% in 2026 and to 4.1% in 2027. The Democratic Republic of the Congo's effective control of inflation is the main driver of this decline, contributing to an aggregate reduction of 9.9 percentage points from 2024 to 2027.

03



## Western Africa

In Western Africa, inflation is also expected to decrease significantly, with a projected drop of 5.7 percentage points, bringing the rate to 15.7% in 2025. This decline is anticipated to stabilize at 11.1% in 2026, followed by a further reduction to 9.3% in 2027. Key economies such as Ghana, Nigeria, and Sierra Leone are forecasted to substantially reduce inflation rates by 14.6, 16.7, and 27.8 percentage points, respectively.

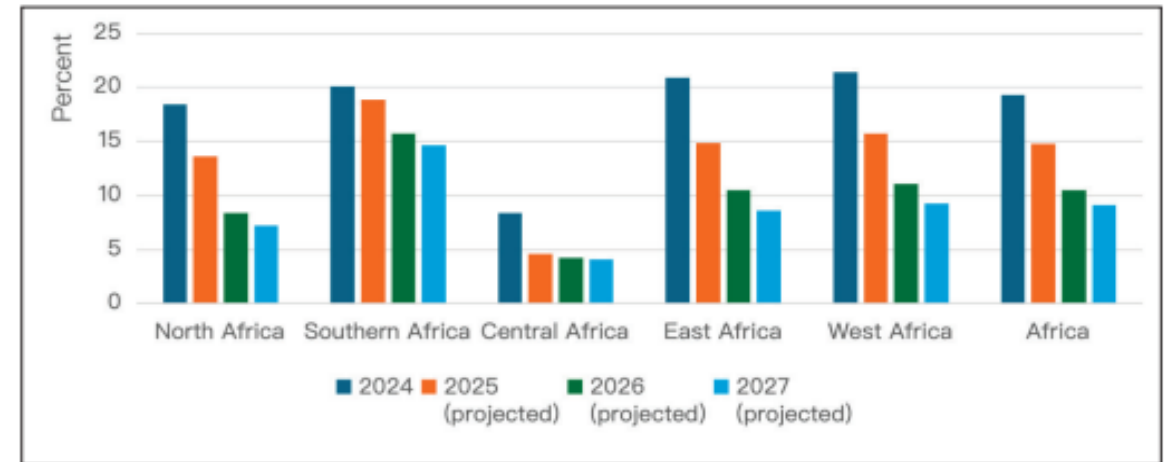
04



## Eastern Africa

Eastern Africa is expected to experience a significant decline in inflation rates, with estimates showing a decrease from 20.9% in 2024 to 14.9% in 2025. This downward trend is expected to continue, with inflation anticipated to decline to 10.5% in 2026 and 8.6% in 2027. Notably, Burundi is projected to achieve a cumulative reduction in inflation of approximately 9.6 percentage points. In comparison, Ethiopia is expected to see a decrease of around 9 percentage points during the forecast period. Additionally, after a prolonged period of hyperinflation, Sudan's inflation is projected to stabilize and return to more manageable levels.

## Inflation (%), by region



Sources: International Monetary Fund's World Economic Outlook databases and Afreximbank Research, 2024.

05



## Southern Africa

In Southern Africa, a sustained disinflationary trend is projected, with inflation rates expected to decrease from 20.1% in 2024 to 18.8% in 2025. This decline is anticipated to continue, with rates falling to 15.7% in 2026 and 14.7% in 2027. Notably, Angola is forecasted to achieve a cumulative reduction in inflation of approximately 15.6 percentage points. Malawi's inflation is expected to decrease significantly by some 18.7 percentage points. Zimbabwe is poised for a substantial contraction of approximately 32.2 percentage points over the forecast horizon.



# Africa's economic outlook– fiscal and trade



## Fiscal Outlook

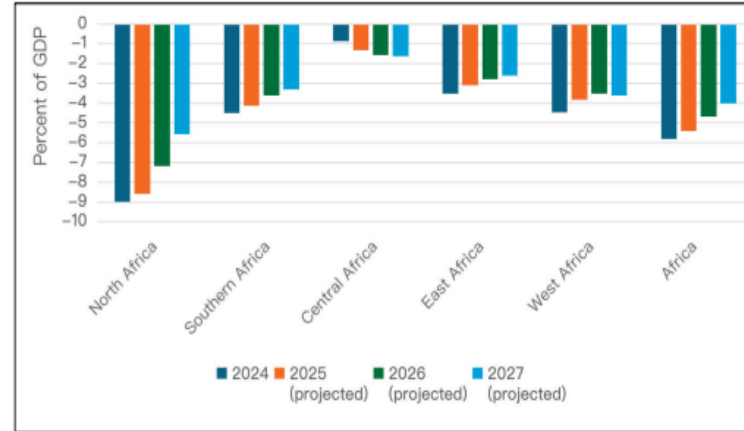
- Fiscal consolidation measures, alongside growth projections, are anticipated to enhance the fiscal landscape across Africa. All regions except Central Africa are expected to show improvements.
- The continent's average fiscal deficit is projected to decrease from 5.8% of GDP in 2024 to 5.4% of GDP in 2025, eventually reaching 4% of GDP by 2027



## Trade outlook

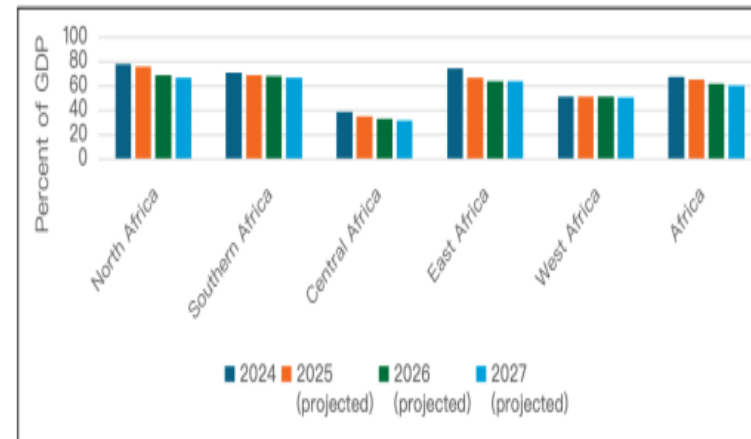
- African trade is projected to experience considerable growth, with an average annual increase of 5.1% anticipated for 2025 and 2026, hitting 5.4% by 2028.
- Total trade on the continent is expected to hit US\$1.5 trillion by 2025 and to rise to US\$1.7 trillion in the medium term. As trade outpaces GDP growth, the trade-to-GDP ratio is forecasted to grow to 51% in 2025 and 52.7% by 2028.
- Trade is expected to increase steadily across all African regions. Northern Africa will lead with an estimated US\$502 billion in trade in 2025 (34.1%), rising to US\$588 billion by 2028

## Fiscal balance (% GDP), by region



Sources: International Monetary Fund's World Economic Outlook databases and Afreximbank Research, 2024.

## Public debt (% GDP), by region

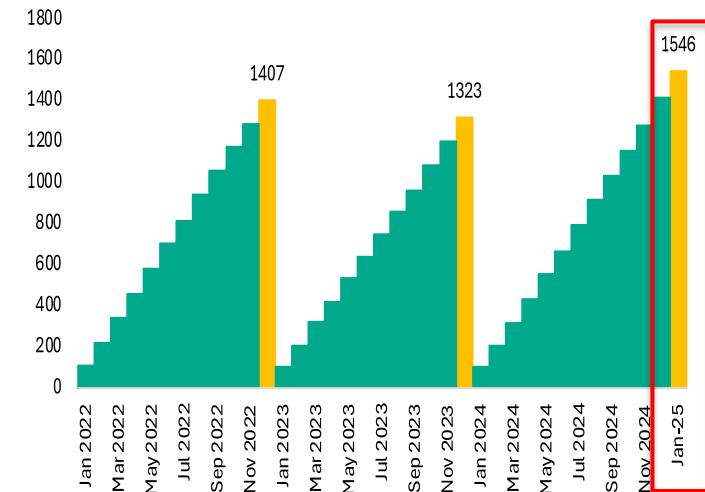


Sources: International Monetary Funds' World Economic Outlook databases and Afreximbank Research, 2024.

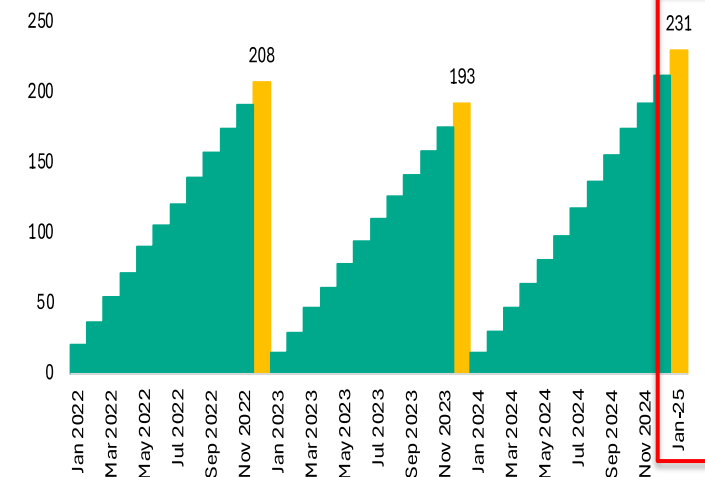
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## Resilient intra-African trade

Africa's total trade with world, , \$US bln



Intra-Africa's total trade, , \$US bln



# North Africa



# Key themes in Northern African countries



**Regional Growth Outlook Dims Amid Global Uncertainties:** The International Monetary Fund (IMF) revised its 2025 growth forecast for the Middle East and North Africa (MENA) region downward to 2.6% from the previously projected 4%. This adjustment reflects challenges such as declining oil prices, trade tariffs, and reduced foreign aid, which collectively threaten to lower regional growth by up to 4.5%. Oil-importing nations are expected to grow by 3.4%, slightly below earlier estimates.

## Egypt Initiates Monetary Easing as Inflation Declines

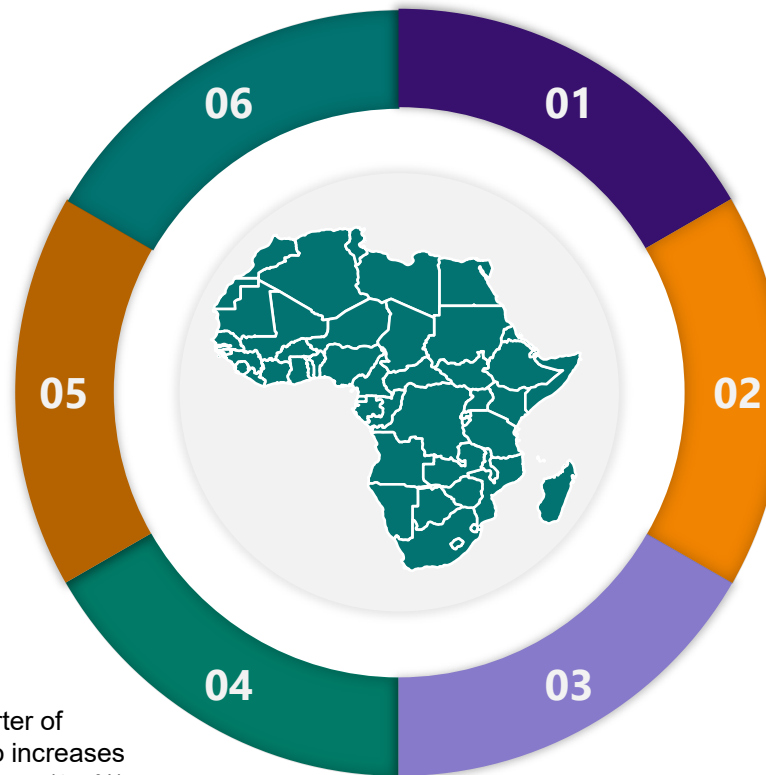
In April, Egypt's central bank reduced overnight interest rates by 225 basis points, bringing the lending rate to 26% and the deposit rate to 25%. This marks the first rate cut in over five years, prompted by a significant drop in annual headline inflation from a peak of 38% in September 2023 to 13.6% in March 2025. The central bank anticipates continued inflation decline into 2025 and 2026.

## Libya Devalues Currency to Address Public Debt

The Central Bank of Libya devalued the national currency in April by 13.3%, aiming to reduce public debt levels. This move reflects ongoing economic challenges amid political instability and efforts to stabilize the nation's fiscal position.

## Modest Economic Growth in Tunisia

Tunisia's economy recorded a 0.9% quarterly growth in the fourth quarter of 2024, up from 0.8% in the previous quarter. This growth is attributed to increases in agricultural activity (3.5%), construction (3.0%), and the services sector (0.7%), despite a 0.6% decrease in industrial activity. FMC Group



## Egypt's Gold Sector Sees Surge in Exports Amid Reforms

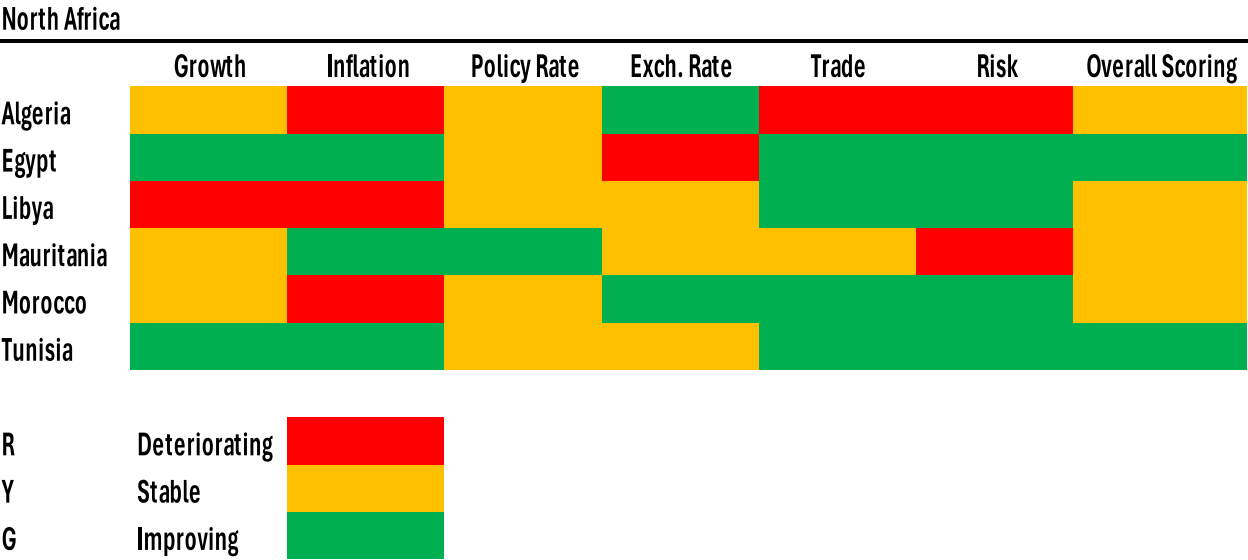
Egypt's gold exports nearly doubled to \$2.17 billion in the first nine months of 2024, up from \$1.11 billion during the same period in 2023. This growth is attributed to sector reforms, including the introduction of "golden licenses" and the launch of a Digital Mining Platform aimed at attracting investment and increasing transparency.

## Morocco Enhances Trade Relations with Sahel States

On April 28, the foreign ministers of Burkina Faso, Mali, and Niger endorsed a Moroccan initiative to gain access to global trade through Morocco's Atlantic ports. This development follows the formation of the Confederation of Sahel States (AES) and aims to diversify sea access for these landlocked nations, strengthening regional economic ties.



All countries are characterized by stable or enhancing macroeconomic fundamentals.



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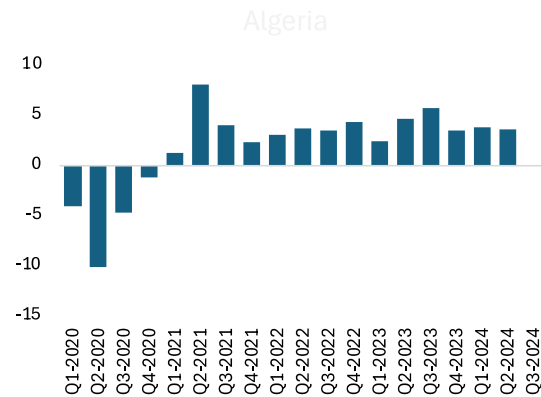
# Algeria



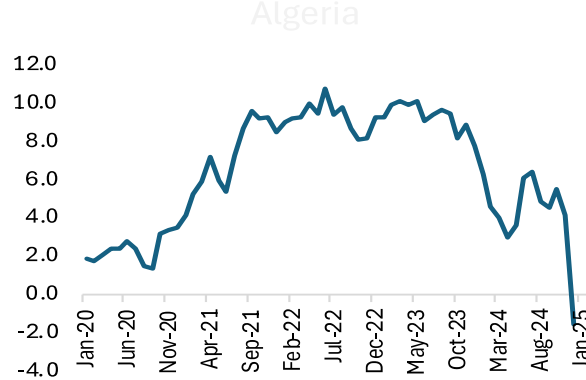
## Key Macroeconomic Indicators

The economy is growing at 3.6% with moderate inflation at -1.5% and a low policy rate of 3%. A stable exchange rate supports foreign trade of \$91.1 billion, but a risk index of 51.69 indicates moderate stability risks.

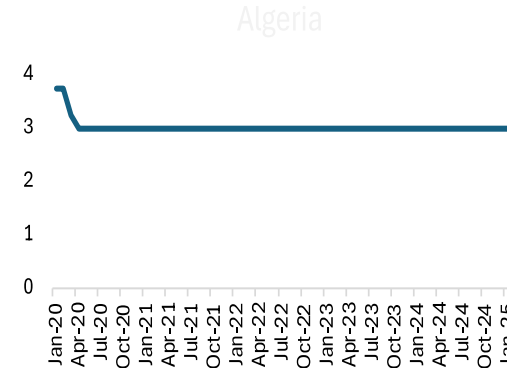
Growth rate



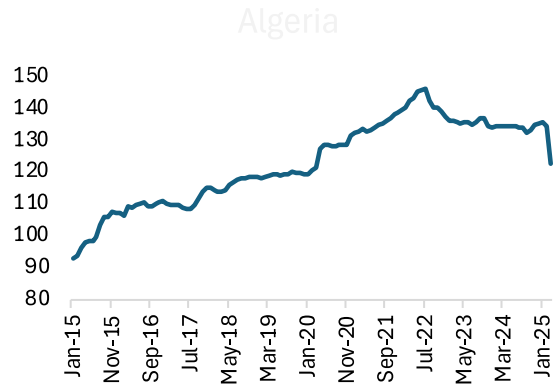
Inflation rate



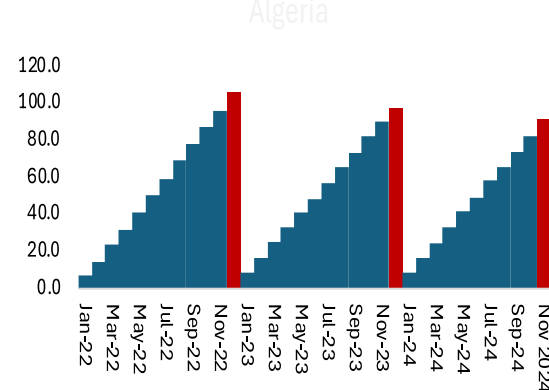
Policy rate



Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- **Algeria Explores Energy Security Strategies for Sustainable Development.**
- **Algeria to import 1 million sheep ahead of Eid al-Adha.**
- **Algeria and Egypt Agree to Strengthen Economic Dialogue**
- **Top French diplomat proclaims 'new phase' in Algeria ties**

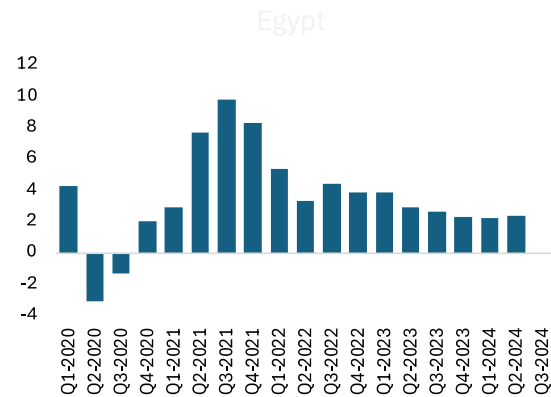
# Egypt



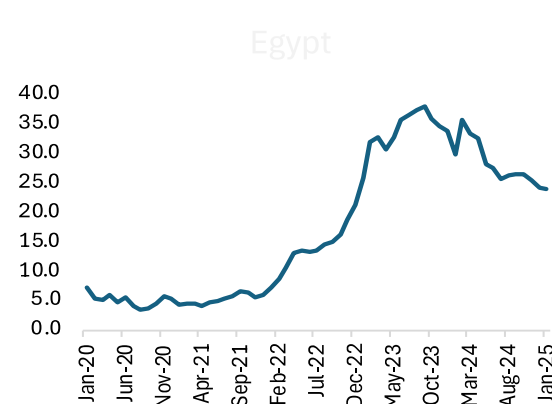
## Key Macroeconomic Indicators

The economy is experiencing slow growth at 4.3%, alongside high inflation of 12.8%. The central bank's policy interest rate is 27.25% to combat inflation. Trade remains robust at \$121.5 bn, although a risk index of 47.05 suggests moderate uncertainties.

Growth rate



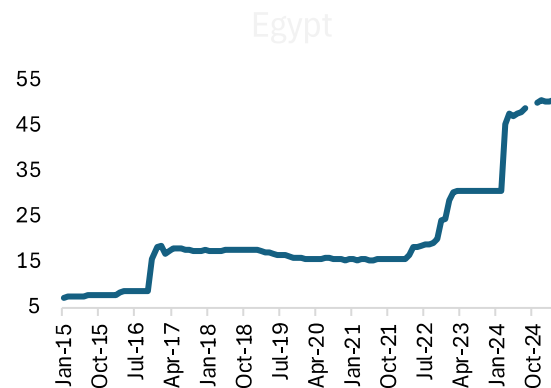
Inflation rate



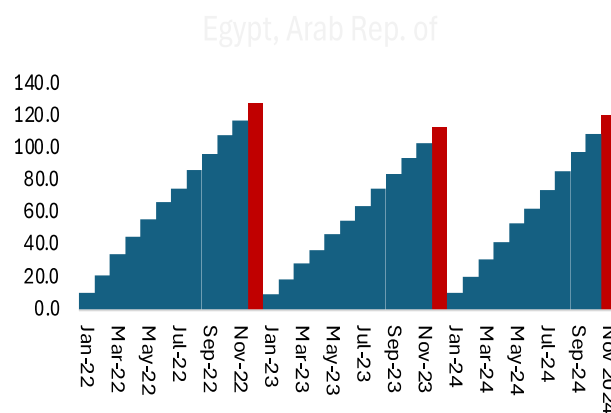
Policy rate



Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- Egypt PMI fell to 49.2 in March 2025 from 50.1 in February, signaling a mild deterioration in operating conditions and marking the first contraction of the year
- Egypt's economy advanced by 4.3% year-on-year in the last quarter of 2024, marking its fastest expansion since Q3 2022 and accelerating from a 3.5% increase in the previous quarter, according to the planning ministry.
- The International Monetary Fund (IMF) on Tuesday approved a \$1.2 billion disbursement to Egypt following the fourth review of its economic reform program, part of an \$8 billion bailout. Additionally, Cairo secured \$1.3 billion under the Resilience and Sustainability Facility (RSF).
- inflation rate in Egypt eased for the 4th consecutive month to 12.8% in February 2025, down from 24% in January, and falling below expectations of 14.5%



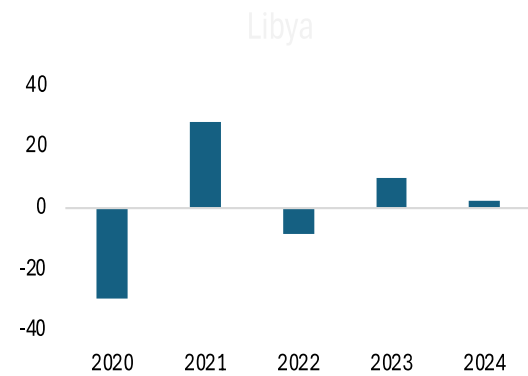
# Libya



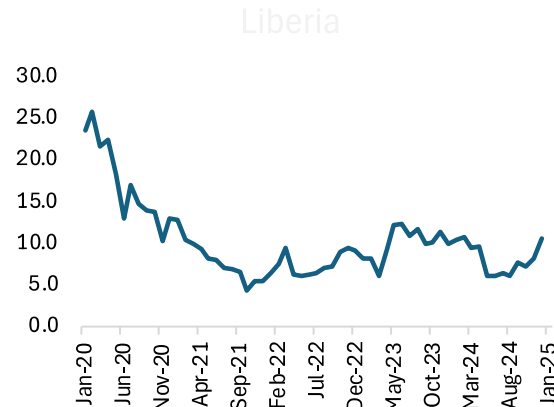
## Key Macroeconomic Indicators

The economy is growing slowly at 1%, with low inflation at 2.3%. The policy rate stands at 3%. Trade activity is moderate at \$44.7 billion, but the high-risk index of 65.3 indicates significant economic challenges.

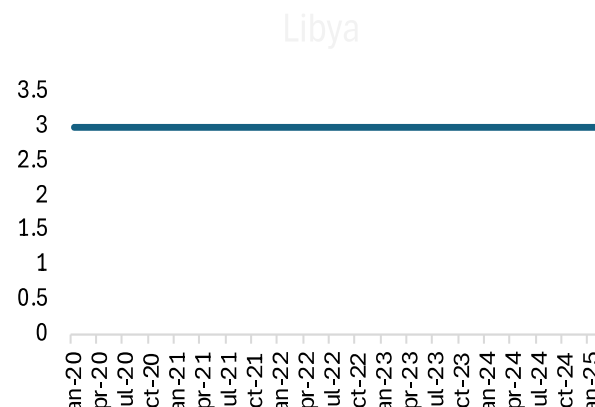
Growth rate



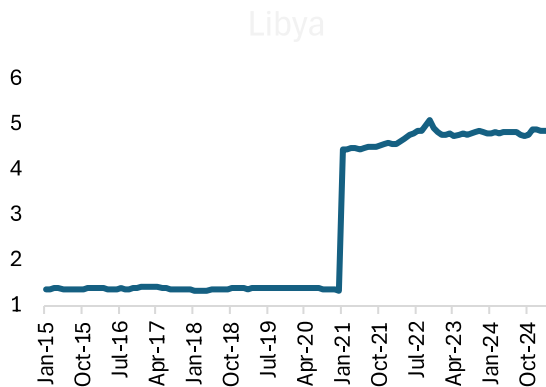
Inflation rate



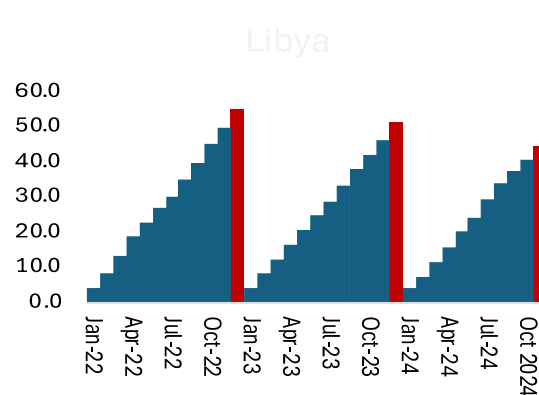
Policy rate



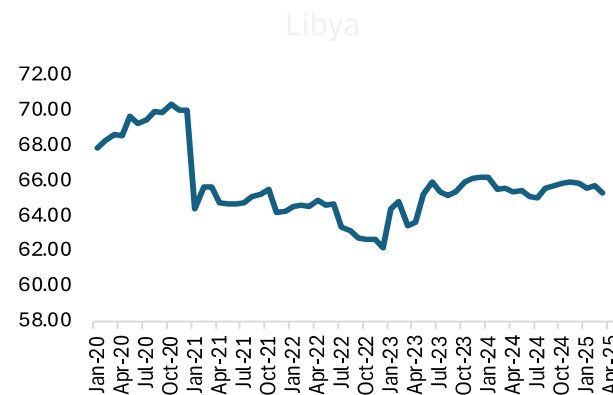
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- **Libya Faces Economic Turmoil Amid U.S. Tariffs And Currency Changes.**
- **Libyan Oil Corporation Launches Third Phase Of Bidding Round.**
- **Italy is the first trading partner and investor in Libya, exports +34,2 percent in 2024.**
- **Libya: New tariffs could cost Tripoli over \$1,57 billion in exports**

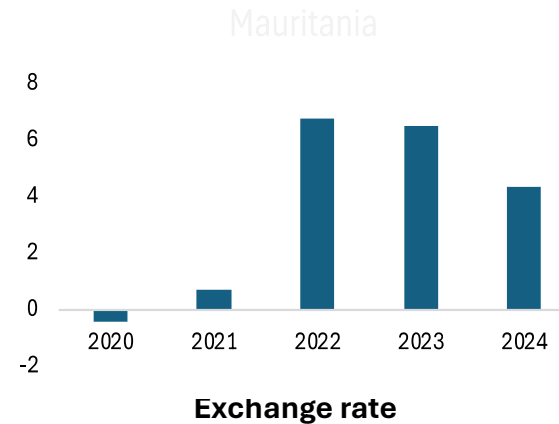
# Mauritania



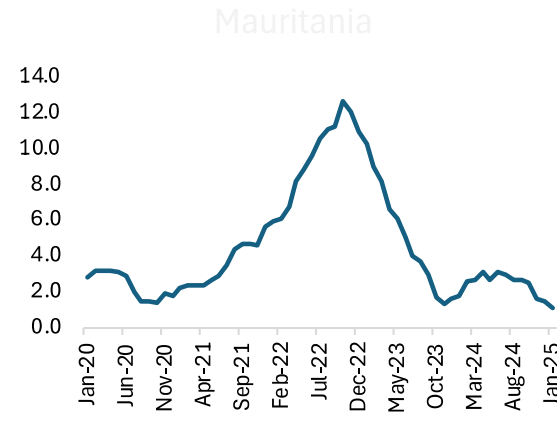
## Key Macroeconomic Indicators

The economy is growing at 4.7%, with low inflation at 0.8%. The policy rate is 6.75%, and trade activity totals \$8.4 billion. A risk index of 64.14 indicates economic vulnerability ahead.

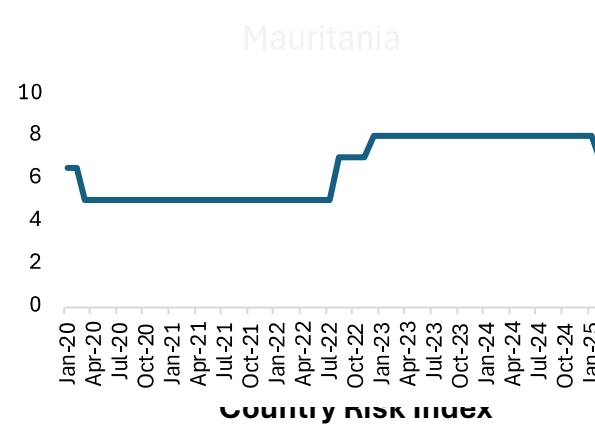
Growth rate



Inflation rate



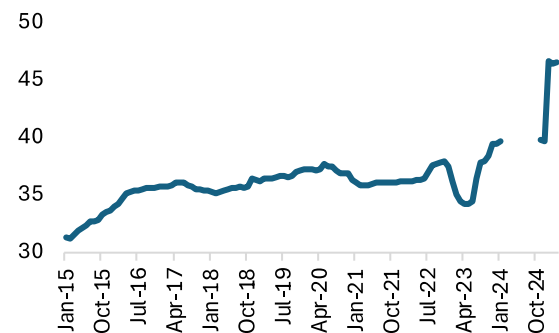
Policy rate



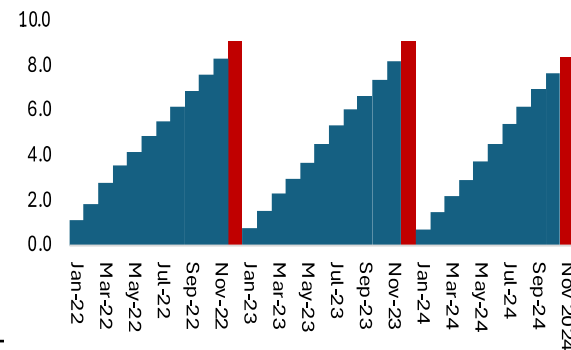
## Recent developments

- Mauritania and Senegal have rejuvenated their economic partnership, signaling a commitment to collaborative growth and development in the region.
- A Chinese medical aid team has been deployed to enhance healthcare services in Mauritania, providing critical support and expertise to address local medical needs.
- Morocco and Mauritania have concluded an agreement to bolster cooperation in the electricity sector, with a specific focus on renewable energy initiatives, thereby promoting sustainable energy practices in the region.

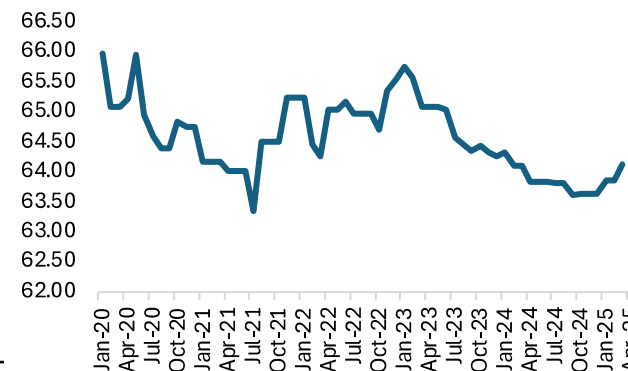
Mauritania



Mauritania, Islamic Rep. of



Mauritania



# Morocco



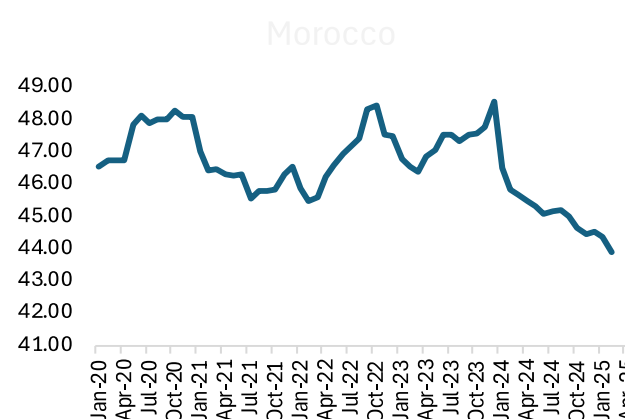
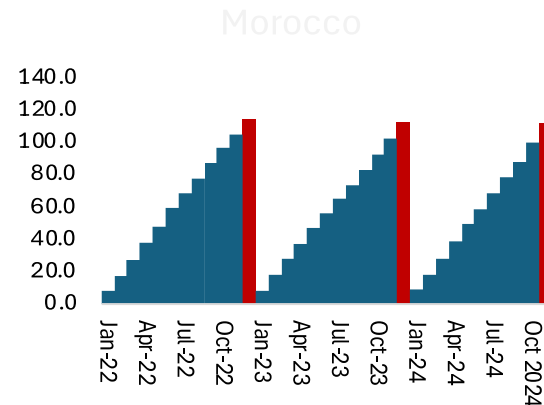
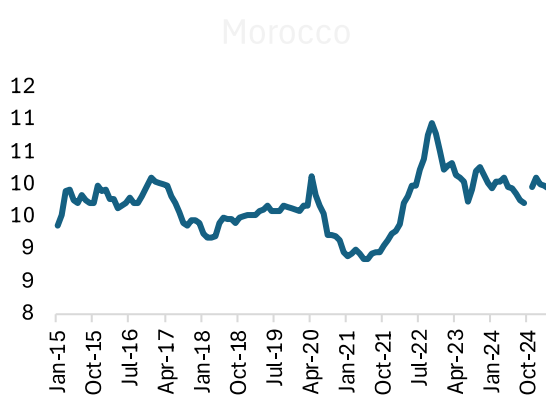
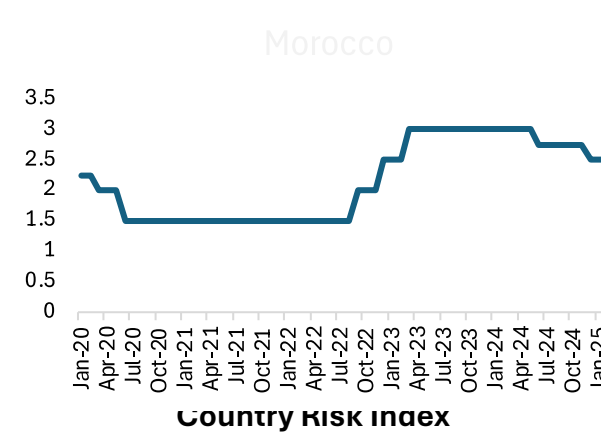
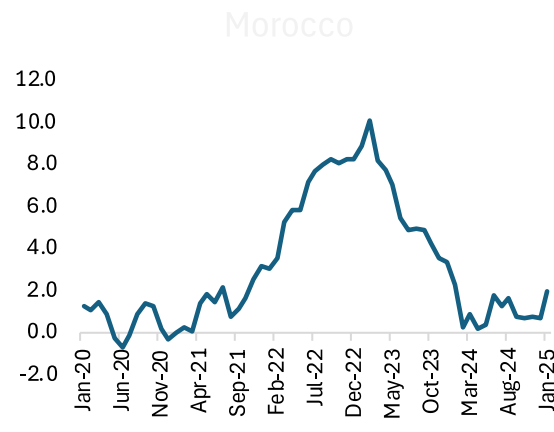
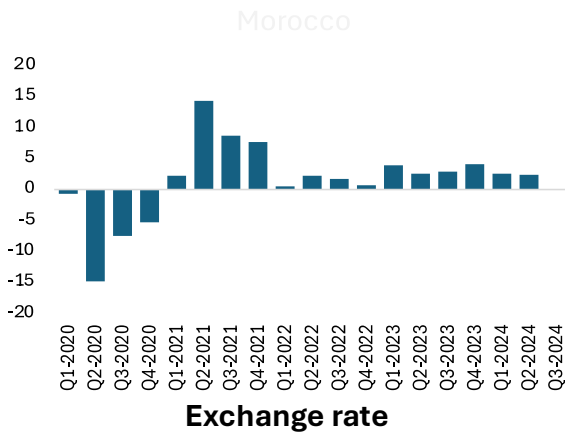
## Key Macroeconomic Indicators

The economy is growing moderately at 3.7%, with low inflation of 2.6%. The policy rate is set at 2.25%. Trade is strong, totaling \$112.1 billion, and the risk index of 43.9 suggests a stable environment with manageable risks.

Growth rate

Inflation rate

Policy rate



## Recent developments

- Morocco's GDP expanded by 3.7% year-on-year in Q4 2024, following a 4.3% rise in the previous three-month period, which was the fastest growth since Q4 2021.
- inflation rate in Morocco rose to 2.6% in February 2025 from 2% in the previous month. This marked the highest reading since December 2023
- The Central Bank of Morocco cut its key interest rate to 2.25% from 2.5% during its March 2025 meeting, bringing borrowing costs back to 2022 levels following similar reductions in June and December of last year.
- Manufacturing production in Morocco grew by 5% year-on-year in the last quarter of 2024, following a strong 9.2% increase in the previous quarter.

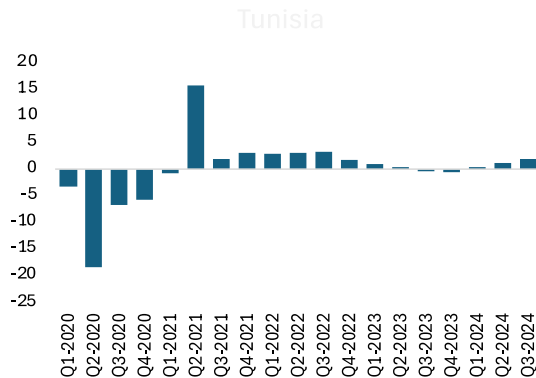
# Tunisia



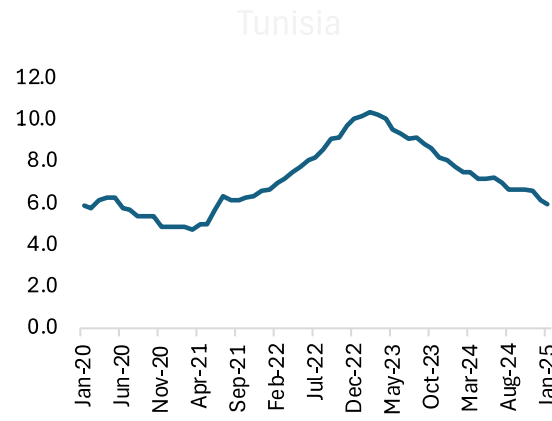
## Key Macroeconomic Indicators

The economy is growing at a slow rate of 0.9%, with moderate inflation at 5.9%. The policy interest rate is 7.5%. Trade activity amounts to \$45.4 billion, while a risk index of 52.14 indicates moderate economic risks.

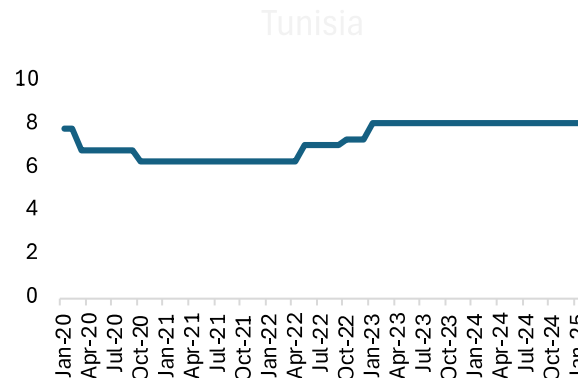
Growth rate



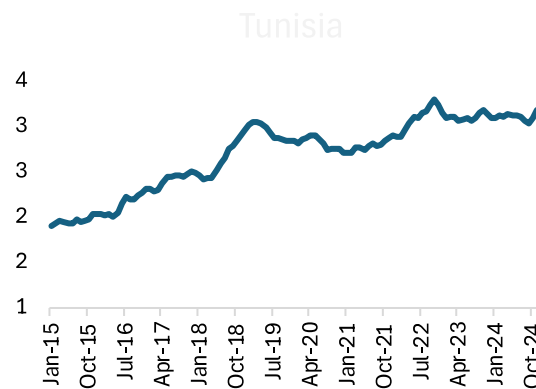
Inflation rate



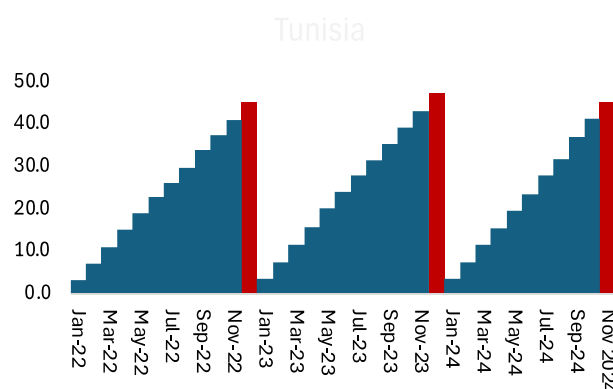
Policy rate



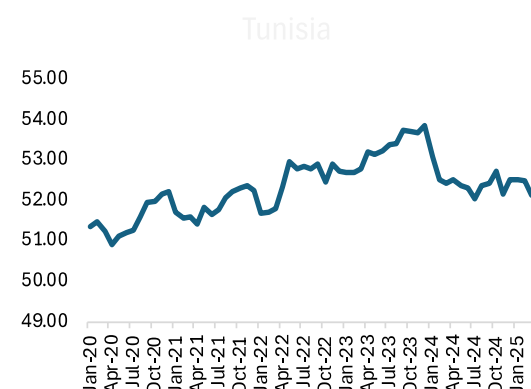
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- The annual inflation rate in Tunisia accelerated to 5.9% in March 2025, up from 5.7% in February. The main drivers of the increase were food and non-alcoholic beverages.
- The GDP in Tunisia expanded 2.4% year-on-year in the last three months of 2024, the strongest performance since the third quarter of 2022, compared to a 1.8% gain in the previous period.
- Tunisia plans to deploy 1,700 MW of photovoltaic (PV) capacity by the year 2030 as part of its renewable energy initiatives.
- The ongoing gas crisis in Tunisia has resulted in significant disruptions, affecting both residential and commercial sectors.

# West Africa



# Key themes in Western African countries

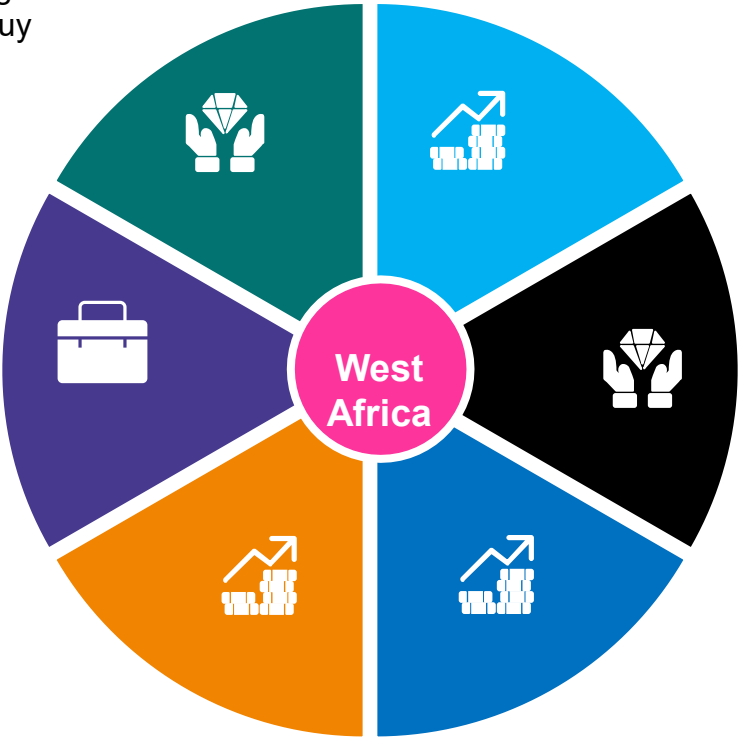


## Ghana Enhances Gold Reserves to Stabilize Currency

Ghana expanded its gold purchase initiative by securing agreements with nine additional mining companies to buy 20% of their gold output. This move aims to strengthen the country's gold reserves and help stabilize its currency, the Ghanaian cedi.

## Ghana Abolishes E-Levy to Stimulate Digital Transactions

In April 2025, President John Mahama signed a bill repealing the Electronic Transaction Levy (E-Levy), as part of his campaign promises. The removal aims to encourage digital transactions and reduce the financial burden on citizens



## Alliance of Sahel States Pursues Economic Integration

The Alliance of Sahel States (AES), comprising Mali, Burkina Faso, and Niger, has announced various measures towards its stated goals of regional stability, economic independence, and self-reliance. A common central bank and the introduction of a new currency to replace the CFA franc are some of its proposals

## Ghana Prohibits Foreigners from Trading Artisanally Mined Gold

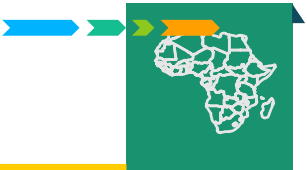
Starting May 1, 2025, Ghana will prohibit foreigners from trading or purchasing artisanally mined gold in the country. This policy shift was announced by the newly established Ghana Gold Board (GoldBod), which will replace the previous licensing agency, the Precious Minerals Marketing Co.

## Senegal Faces IMF Program Delay Due to Data Misreporting

The International Monetary Fund (IMF) announced it will not decide before May whether Senegal must repay funds from a previously frozen \$1.8 billion bailout programme. This is coming on the back of information that the prior administration may have misreported economic data, revealing higher debt levels. This delay could mean that Senegal will likely miss its target of securing a new IMF deal by June.



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



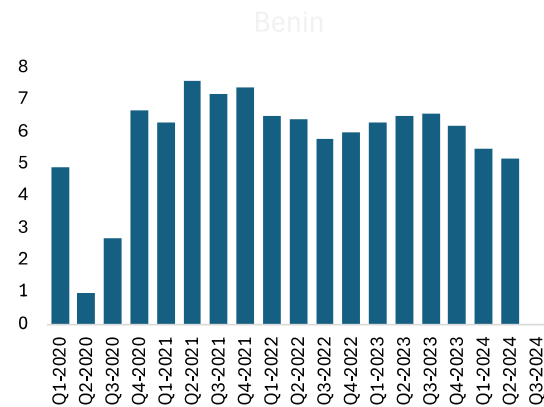
# Benin



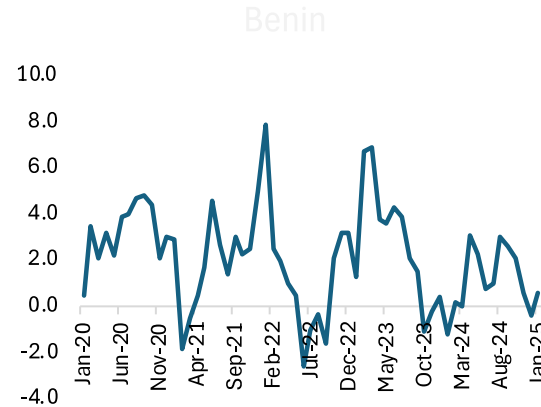
## Key Macroeconomic Indicators

The economy is growing at 6.8% with low inflation at 0.1%. The policy rate remains at 5.5%. Trade activity is modest, totaling \$5.3 billion, and the risk index is at 55.8, indicating moderate economic uncertainty.

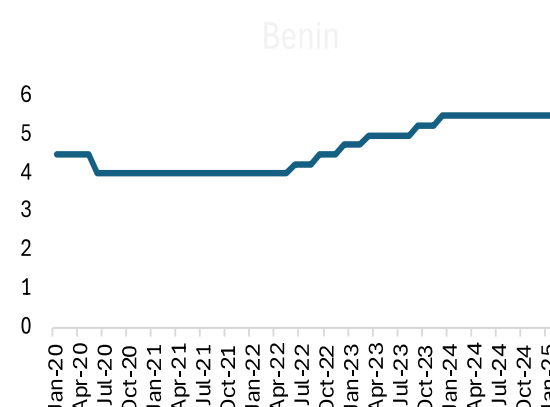
Growth rate



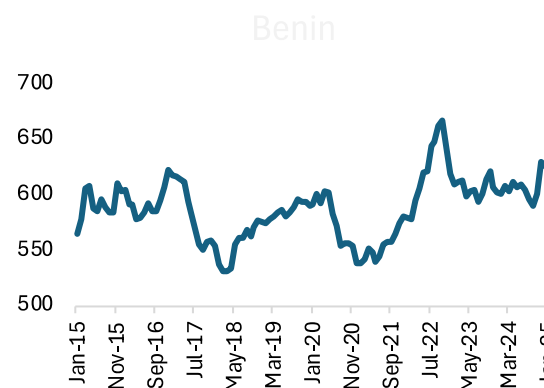
Inflation rate



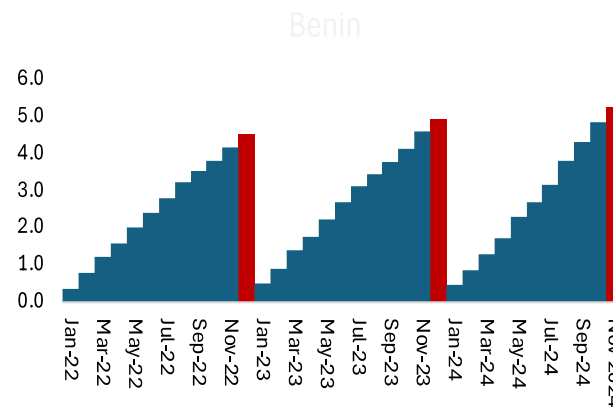
Policy rate



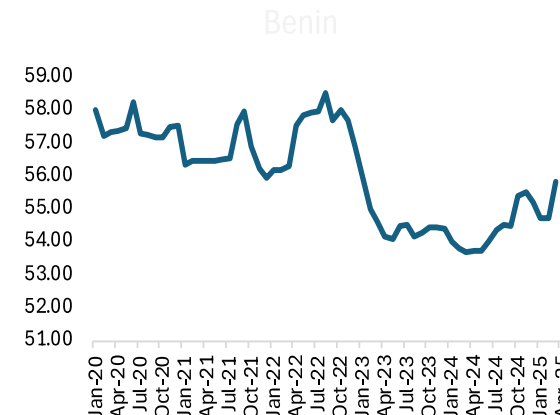
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- **Benin Pursues \$750 Million Eurobond in Challenging Market Environment:** The government is seeking to issue a Eurobond of up to \$750 million amid increasingly difficult market conditions, reflecting its ongoing financial strategy.
- **125km Benin-Asaba road project ready in 30 months – Official.**
- **Expansion of UAE Diplomatic Relationships:** The United Arab Emirates is enhancing its diplomatic ties with both Benin and India, indicating a strategic shift towards deepening bilateral relations across various sectors.

# Burkina Faso



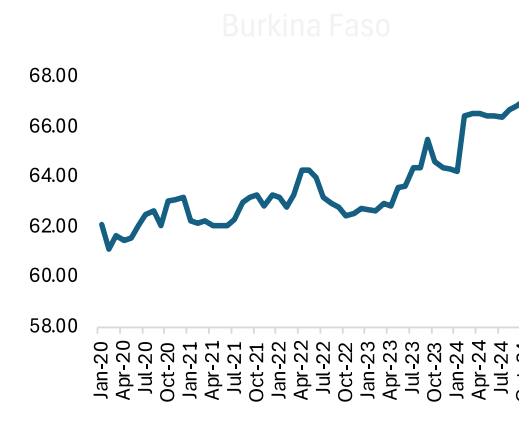
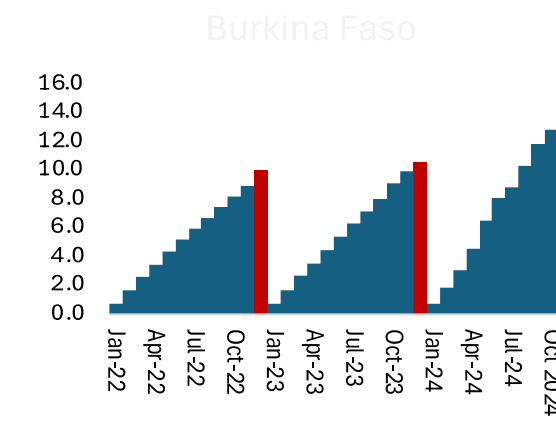
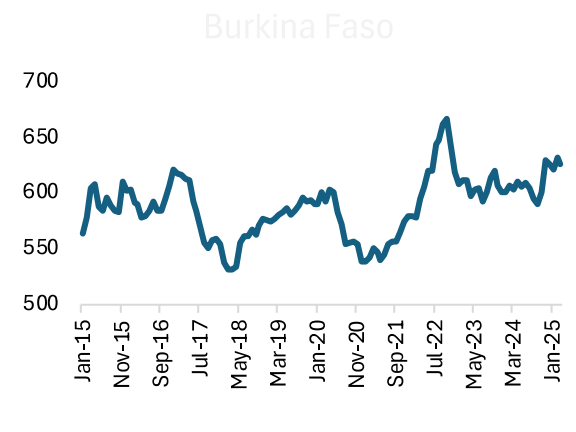
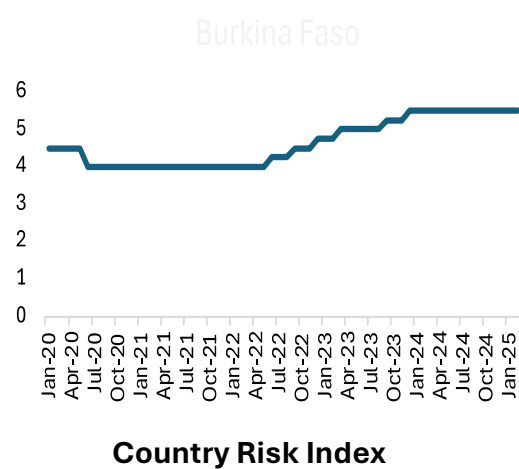
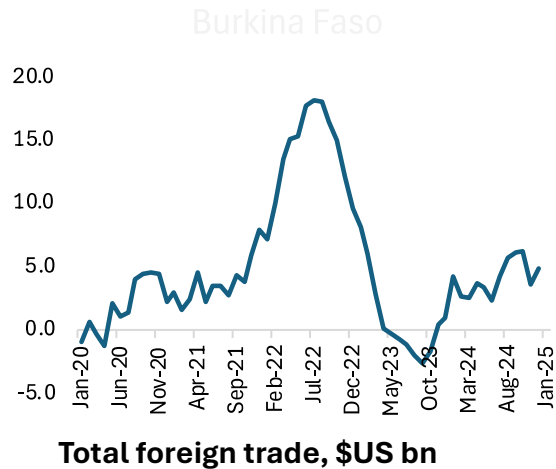
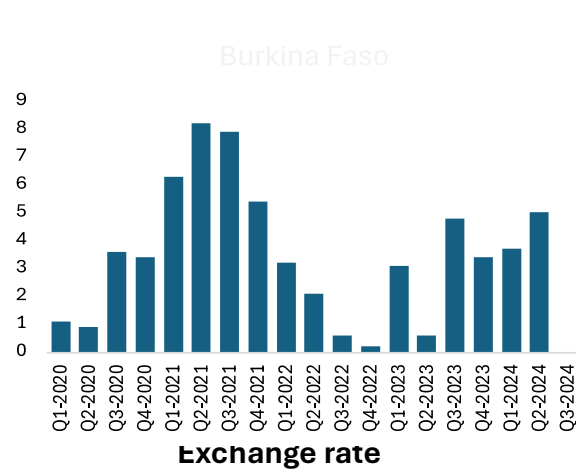
## Key Macroeconomic Indicators

The economy is growing at 5%, with moderate inflation at 4.9%. The policy rate stands at 5.5%. Trade is robust at \$13.6 billion, but a higher risk index of 66.47 indicates notable economic uncertainties.

Growth rate

Inflation rate

Policy rate



## Recent developments

- Russia's Expanding Geopolitical Influence in Burkina Faso, Mali, and Niger.
- Foreign Ministers of Mali, Burkina Faso and Niger to Visit Moscow on April 3-4.
- Mali, Niger and Burkina Faso announce joint counter-terrorism force

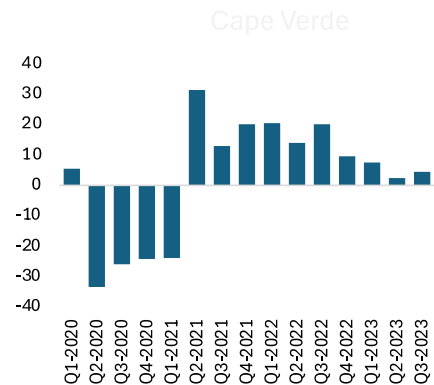
# Cabo Verde



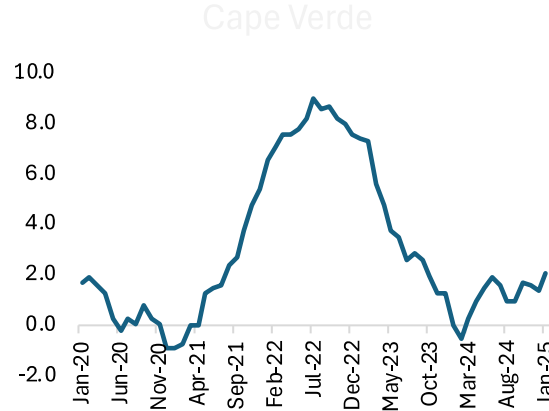
## Key Macroeconomic Indicators

The economy is experiencing a growth rate of 6.7% with inflation remaining low at 2.6%. The policy interest rate stands at 2.5%, while trade is valued at \$2.3 billion. The risk index is 54.81, indicating moderate economic risks despite robust growth.

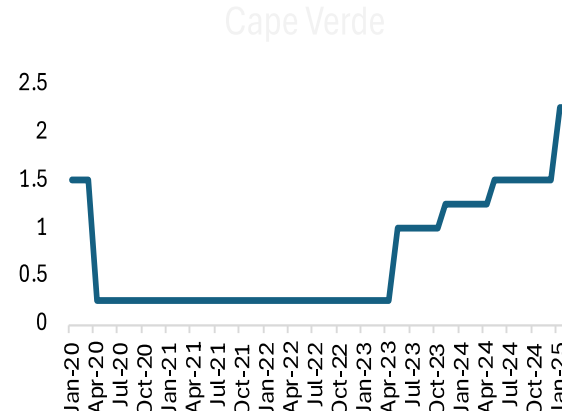
Growth rate



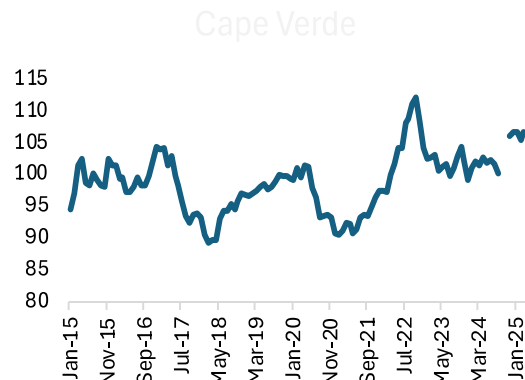
Inflation rate



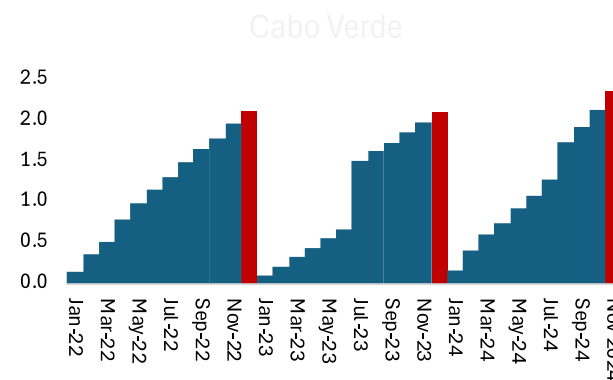
Policy rate



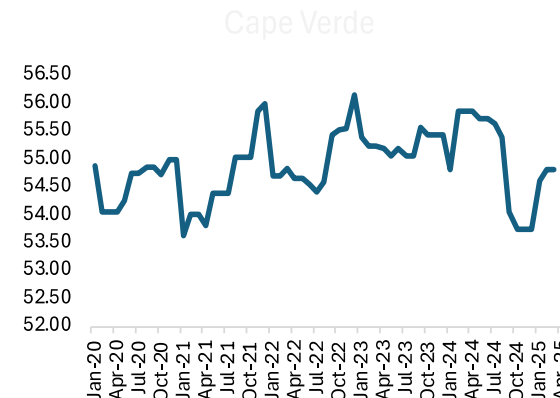
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- Economic Community of West African States (ECOWAS) Grants the Government of Cabo Verde \$50,000 to draw up its 2025-2040 Infrastructure Master Plan.
- China has committed an investment of US\$27.4 million into Cabo Verde, signifying growing economic ties and opportunities for development.
- As of early 2025, Cabo Verde ranks among the Top 10 African nations with the lowest debt-to-IMF ratio, indicating a favorable fiscal position and sound economic management.

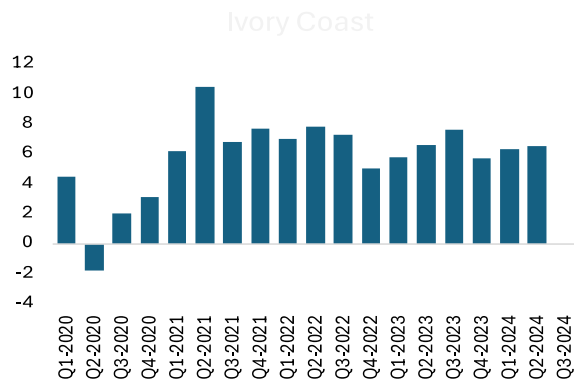
# Côte d'Ivoire



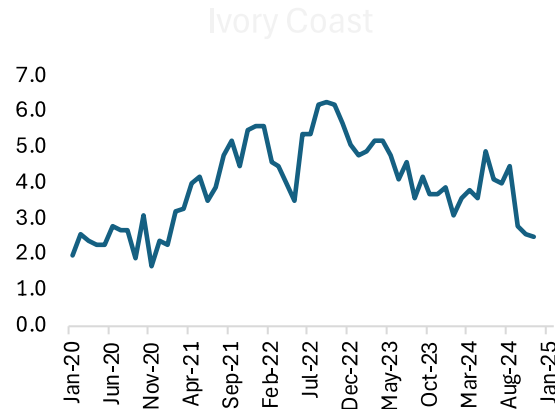
## Key Macroeconomic Indicators

The economy is experiencing strong growth at 6.5% with low inflation at 2.1%. The policy rate stands at 5.5%. Trade activity is robust at \$35.1 billion, but a risk index of 51.47 indicates moderate risks that could impact future stability.

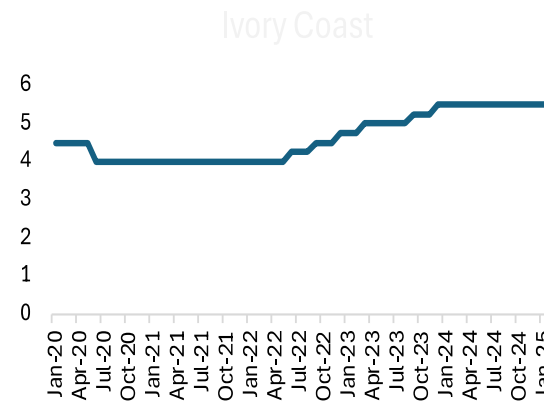
Growth rate



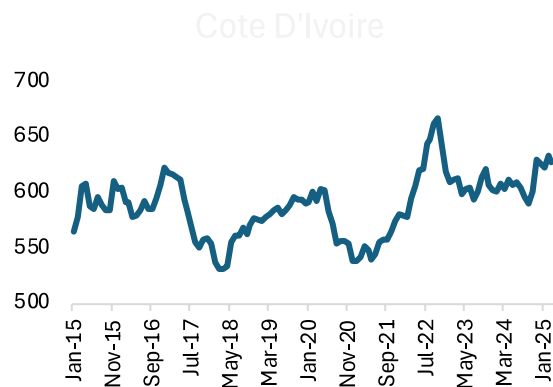
Inflation rate



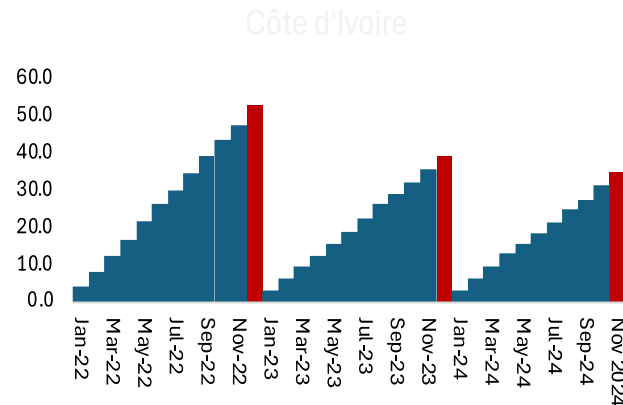
Policy rate



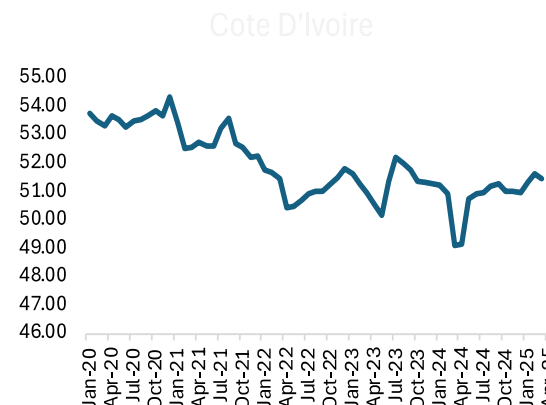
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- Côte d'Ivoire becomes a shareholder of the European Bank for Reconstruction and Development (EBRD).
- Cote d'Ivoire, Brazil enhance cooperation in aviation, trade, education.
- Ivory Coast implements the world's highest tax rate at 60%.
- Eni Expands Gas Supply in Côte d'Ivoire, Boosting Power Generation and Energy Security.

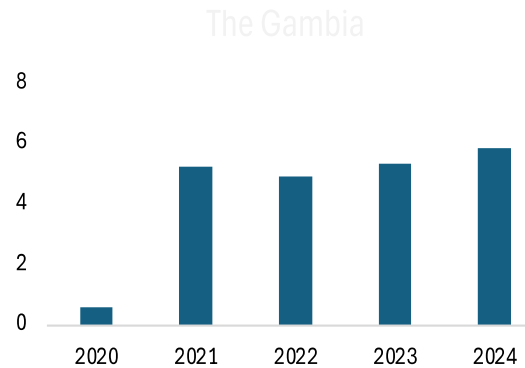
# The Gambia



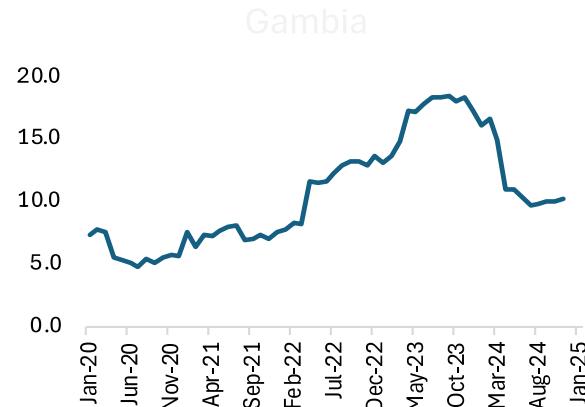
## Key Macroeconomic Indicators

Economic growth is at 5.6% with low inflation of 10.3%. The policy rate is high at 17%, and total trade activity is \$4.4 billion. However, a risk index of 63.51 indicates potential economic instability.

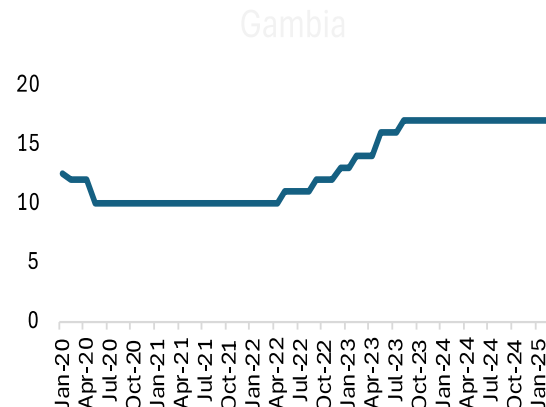
Growth rate



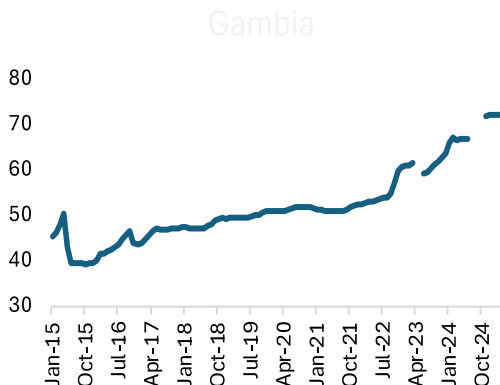
Inflation rate



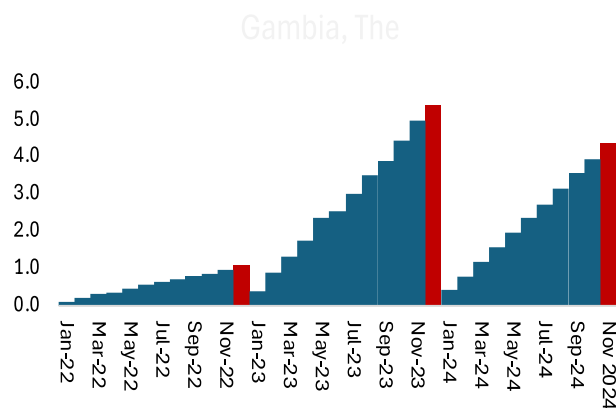
Policy rate



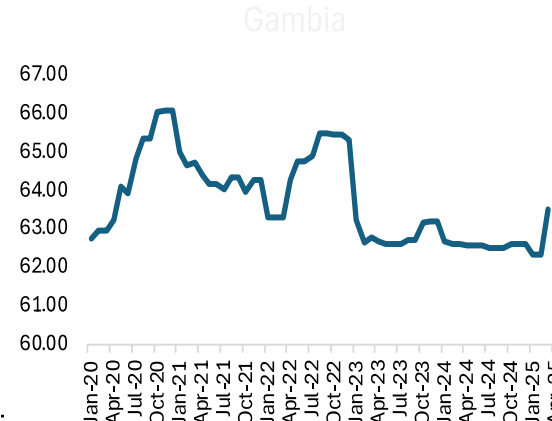
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- Gambia's \$776 million in remittances rivals tourism for revenue.
- Global demand for hardwood significantly impacts Gambia's finances.
- ECOWAS has approved the establishment of a special tribunal for Gambia.



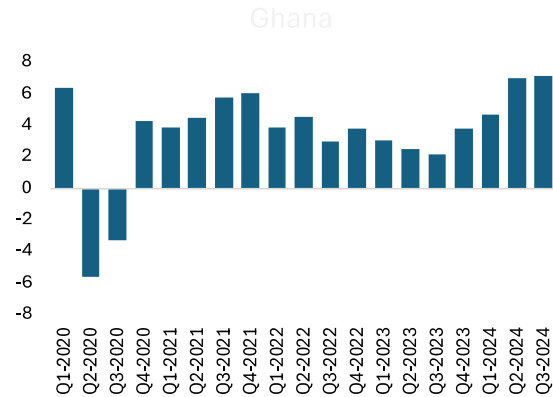
# Ghana



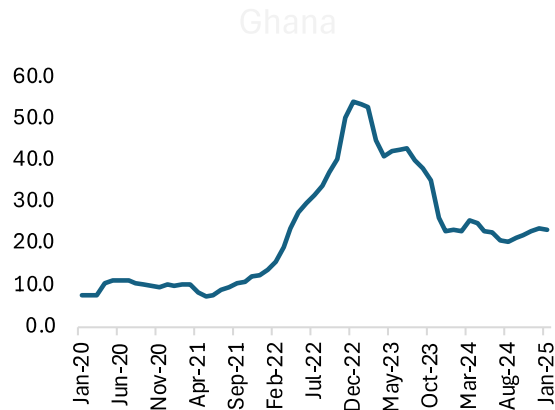
## Key Macroeconomic Indicators

The economy is growing at 7% but faces high inflation at 22.4% and a policy rate of 28%. Trade amounts to \$32.9 billion, and the risk index is at 49.39, suggesting moderate risks.

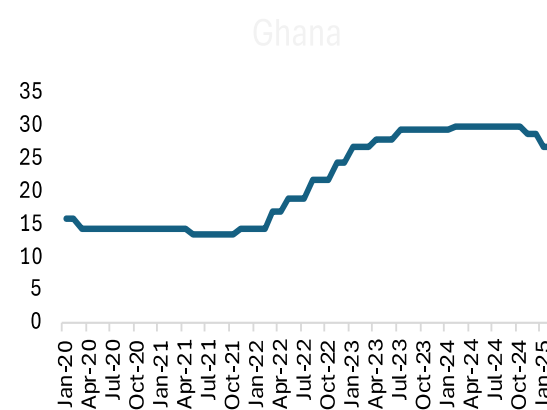
Growth rate



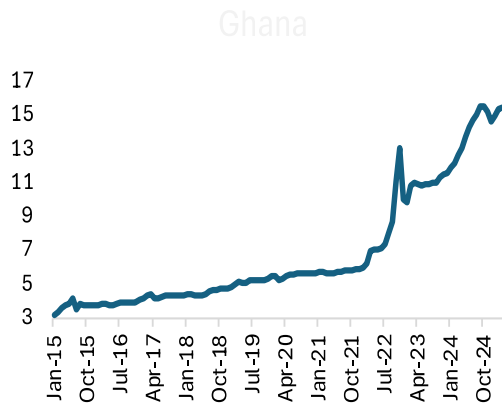
Inflation rate



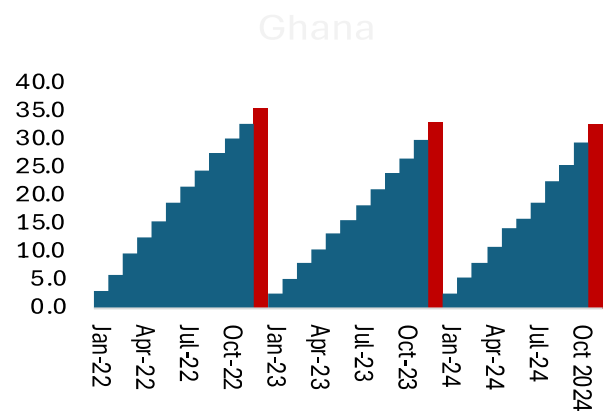
Policy rate



Exchange rate



Total foreign trade, \$US bn



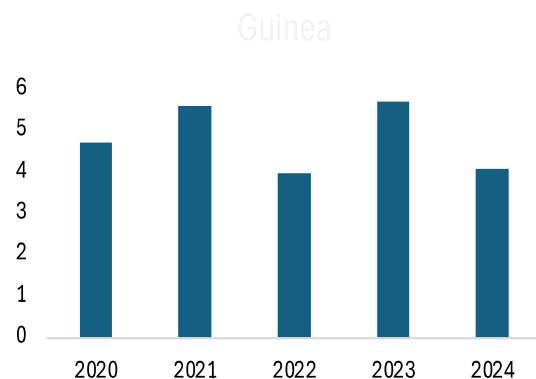
# Guinea



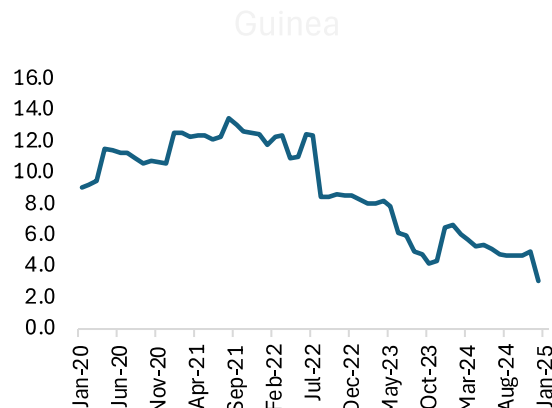
## Key Macroeconomic Indicators

The economy is growing at 5.4%, with inflation at 2.7% and a policy rate of 10.25%. Foreign trade totals \$10.7 bn, and the risk index is 58.21, indicating moderate economic risks despite positive growth.

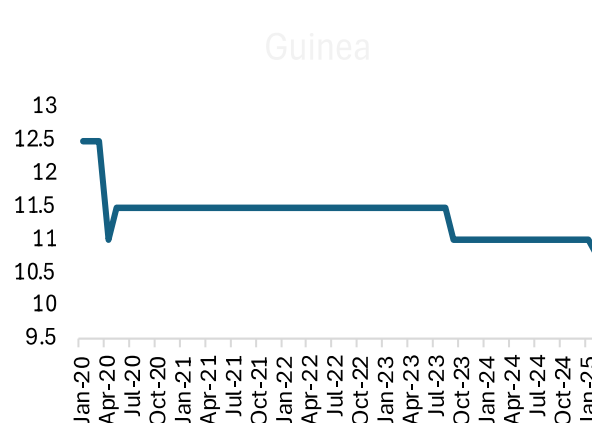
Growth rate



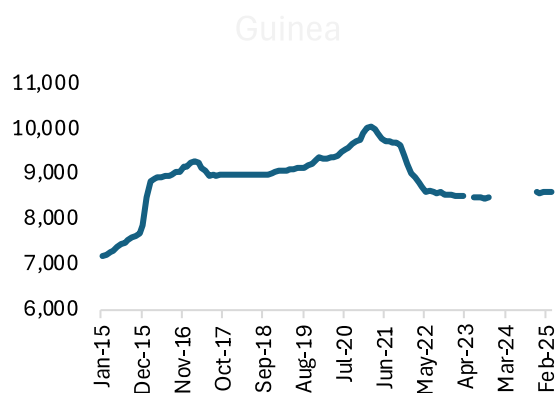
Inflation rate



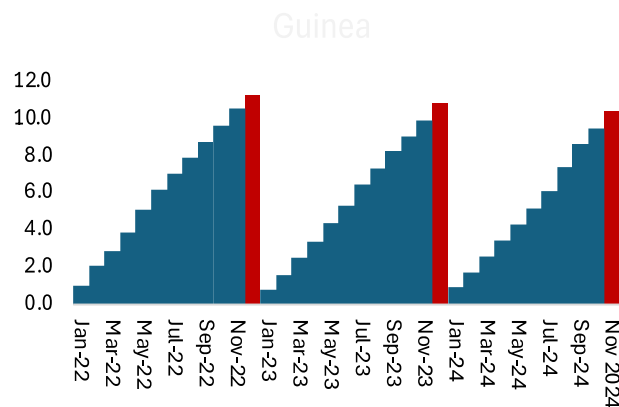
Policy rate



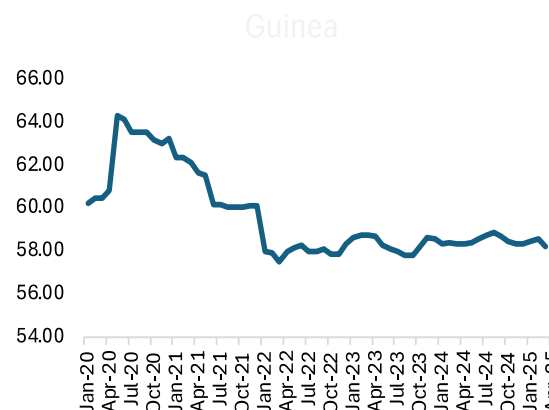
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- - Wabtec has secured a \$248 million deal for locomotives in Guinea.
- Pacific News Minute: Papua New Guinea partners with U.S. to regulate illegal fishing
- -China has announced plans to construct an alumina refinery in Guinea after facing obstacles with bauxite imports.
- -A Chinese company is set to build the largest alumina processing plant in Guinea.
- Guinea sets a date in September for a key referendum that would launch a return to democracy.

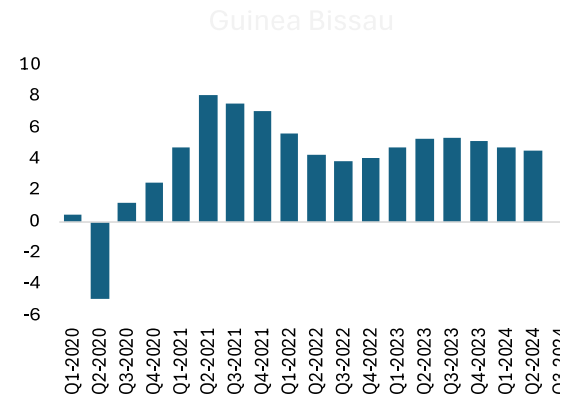
# Guinea-Bissau



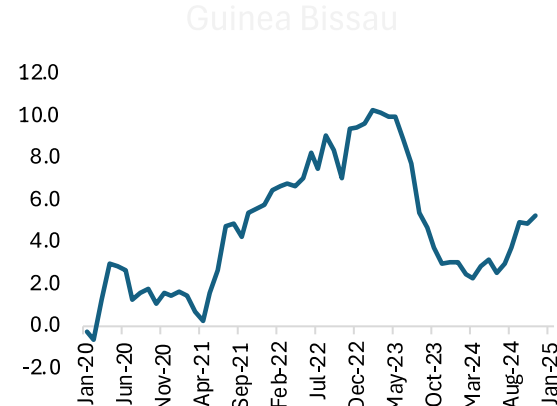
## Key Macroeconomic Indicators

The economy is growing at a rate of 3.1 with moderate inflation at 5.8%. The policy rate stands at 5.5%. Trade remains low at \$0.7 billion, and a risk index of 67.35 indicates significant economic risks to long-term stability.

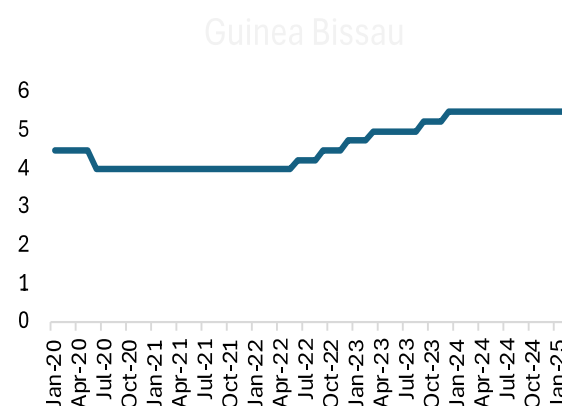
Growth rate



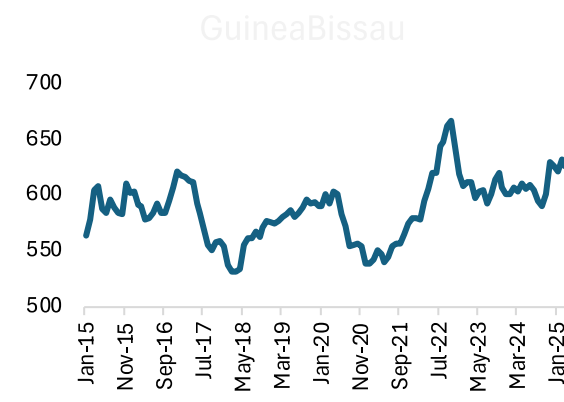
Inflation rate



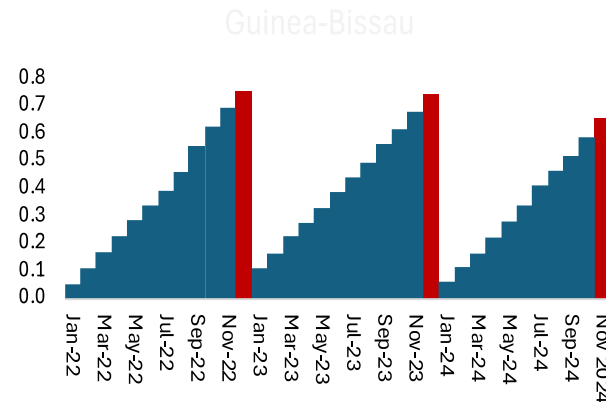
Policy rate



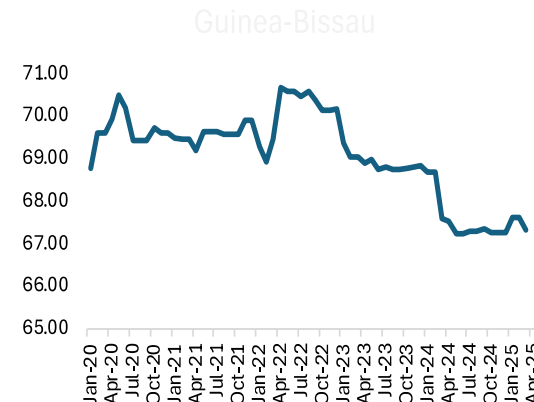
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- Guinea-Bissau's government debt-to-GDP ratio is 35.30 percent.
- Kenya and Guinea-Bissau are set to enhance their trade relations.
- Azerbaijan and Guinea-Bissau hold first political consultation.
- EU Parliament Backs Controversial Fisheries Deal with Guinea-Bissau
- ECOWAS's Path to Supporting Inclusive Elections in Guinea-Bissau

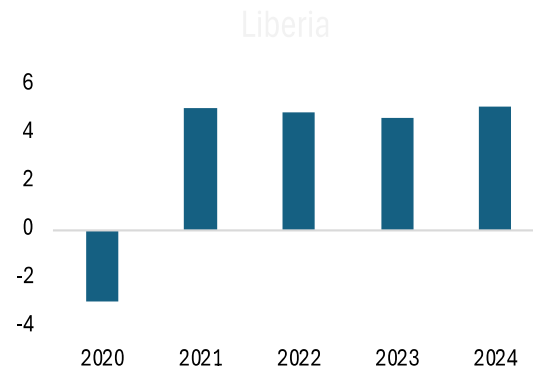
# Liberia



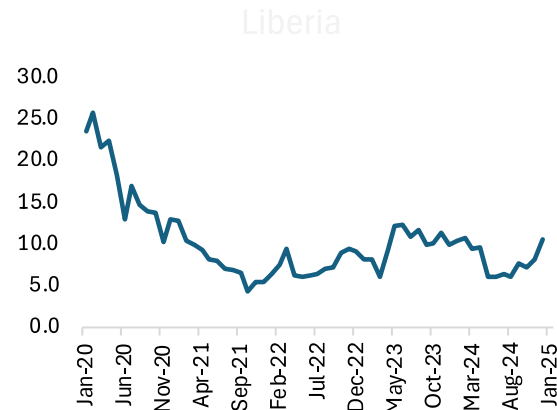
## Key Macroeconomic Indicators

The economy is currently growing at a rate of 4.7%, accompanied by low inflation of 11.9%. The policy interest rate stands at 17%. Trade is valued at \$2.2 billion, while a risk index of 63.87 reflects significant economic uncertainty.

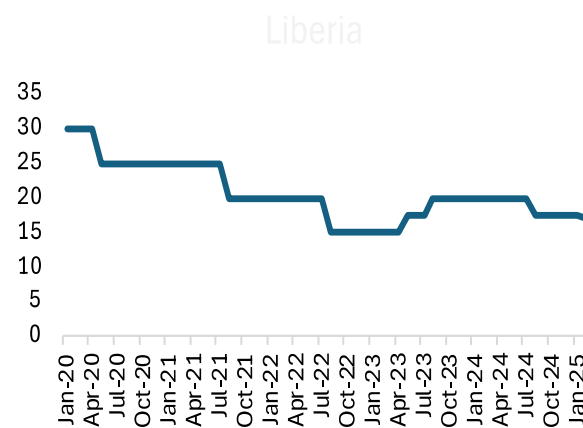
Growth rate



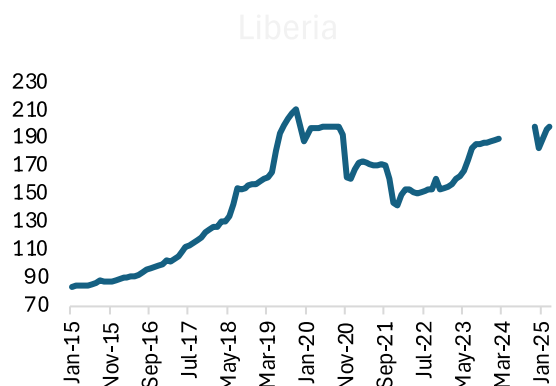
Inflation rate



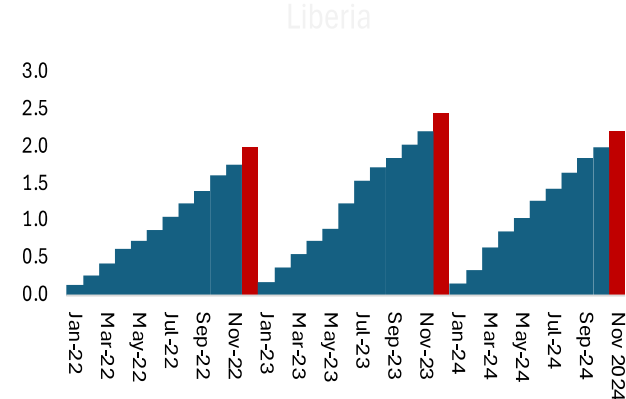
Policy rate



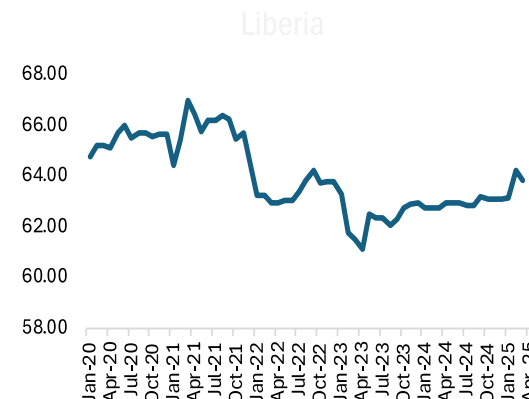
Exchange rate



Total foreign trade, \$US bn



Country risk index



## Recent developments

- Liberia seeks \$3 billion investment following new mineral discoveries.
- Liberia attracts Nigerian investors by offering 100% profit repatriation and tax exemptions.
- Next Five Years Critical for Liberia's Economic Future.
- Liberia: ArcelorMittal Liberia Marks 20th Anniversary with Over \$2 Billion Phase II Expansion, Promising Jobs and Economic Growth

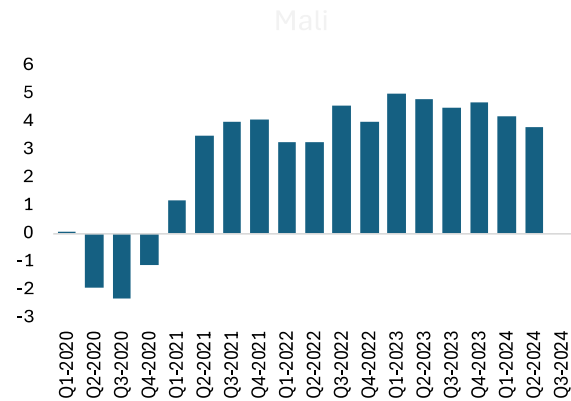
# Mali



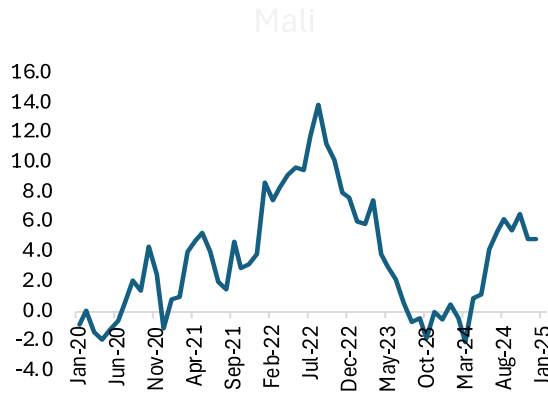
## Key Macroeconomic Indicators

The economy is currently growing at 4.4%, with inflation at 4.9%. The policy rate is 5.5%, and trade activity totals \$12.7 billion. However, a risk index of 69.76 indicates higher economic uncertainty.

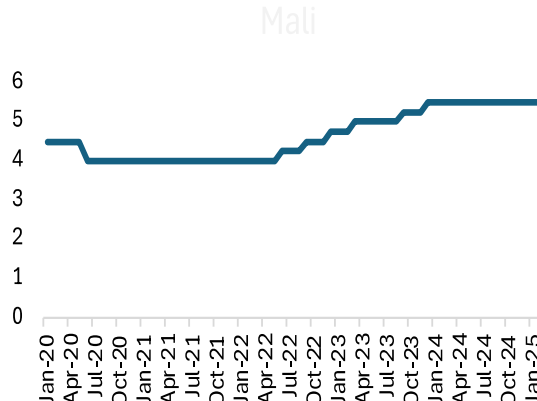
Growth rate



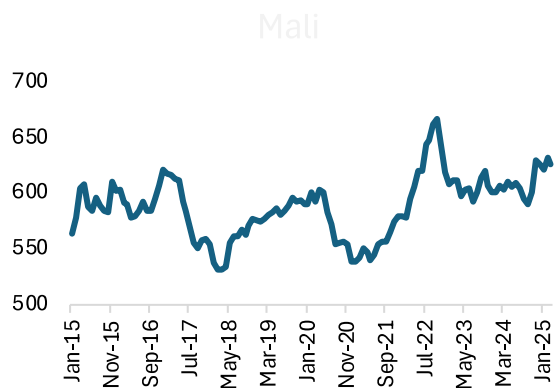
Inflation rate



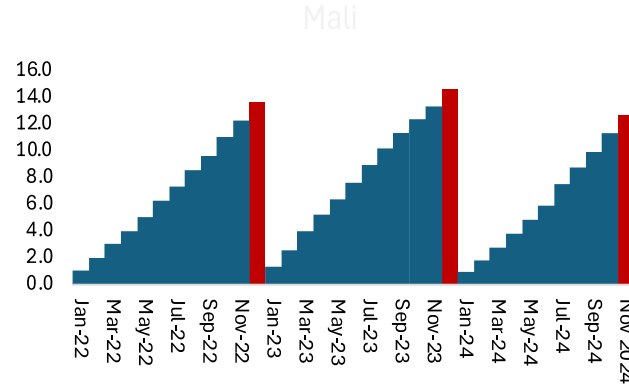
Policy rate



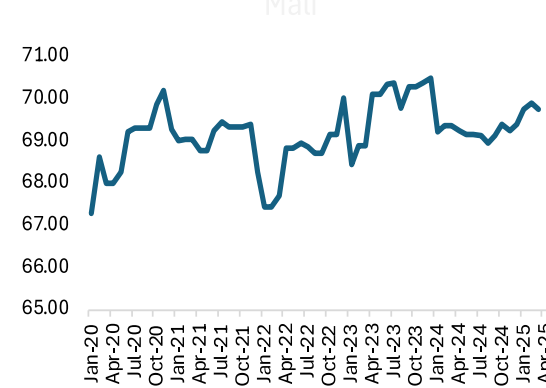
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

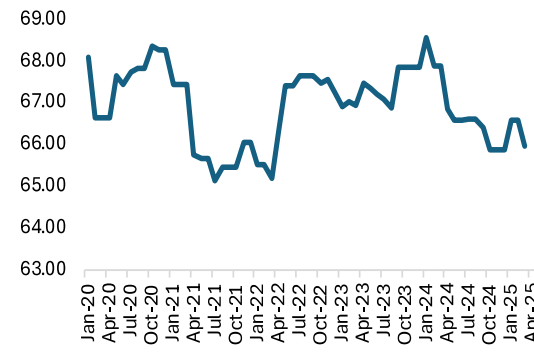
- **Algeria closes airspace to Mali aircraft as drone row escalates.**
- **Mali suspends artisanal gold mining permits for foreign companies after series of accidents.**
- **The company halted operations after \$245 million worth of gold was taken by the government.**
- **Foreign Ministers of Mali, Burkina Faso and Niger to Visit Moscow on April 3-4**



## Recent developments

➤ **UN concerned over Niger's decision to exit MNJTF**

### Growth rate





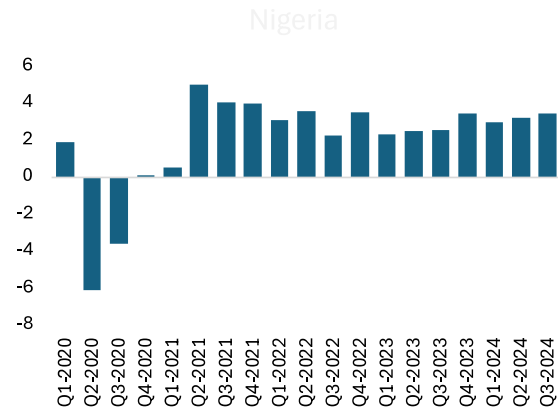
# Nigeria



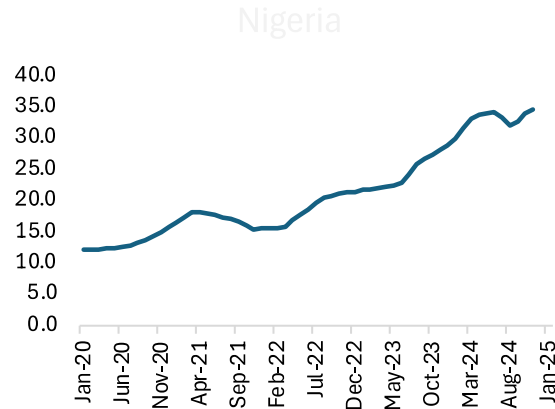
## Key Macroeconomic Indicators

The economy is experiencing moderate growth at 3.19%, but it is facing high inflation of 23.1%. The policy rate stands at 27.5%. Foreign trade remains strong at \$110.5 billion, although a risk index of 60.93 indicates moderate economic risks.

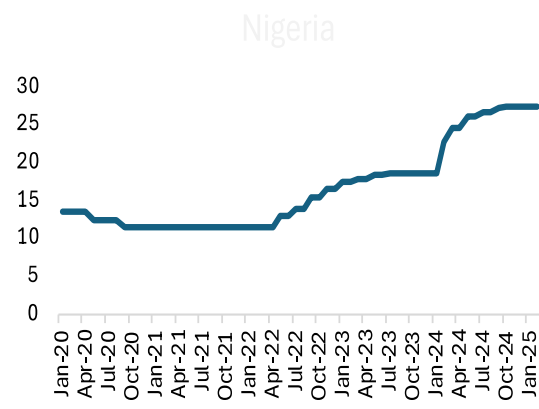
Growth rate



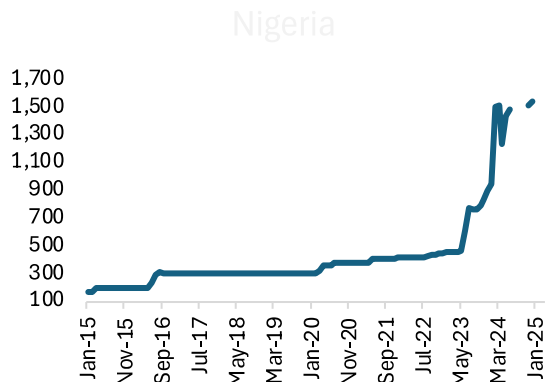
Inflation rate



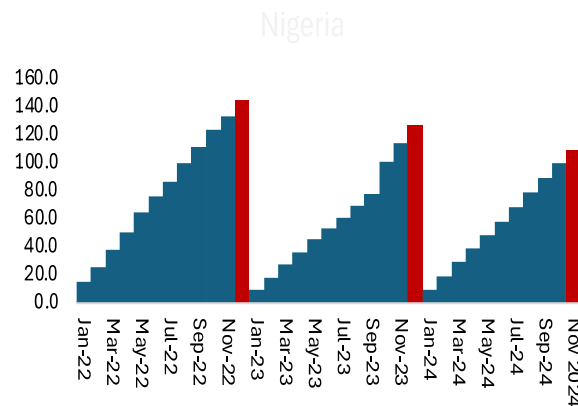
Policy rate



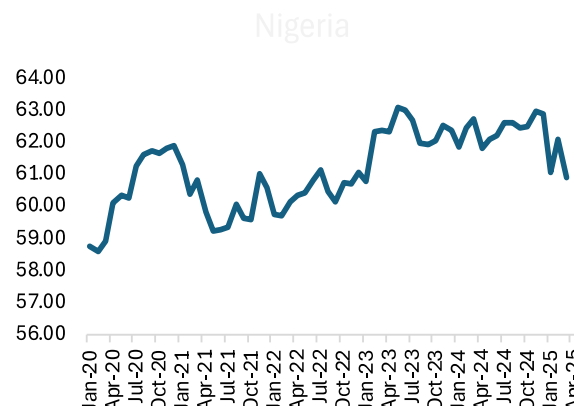
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- Nigeria leads the trend as 7 major economies move away from cash payments.
- Nigeria's central bank has sold nearly \$200 million to support the naira, following a sharp selloff triggered by President Donald Trump's new tariffs that rattled global markets, the bank said on Sunday
- Nigeria PMI rose to 54.3 in March 2025, from 53.7 in February, signaling the fourth consecutive month of growth in the private sector and the strongest since early 2024
- Nigeria's oil production takes blow as explosion rocks biggest oil pipeline.
- Nigeria – US \$10bn trade threatened over Trump's new tariffs.
- Nigeria posts \$6.83 billion payments surplus in 2024, first in three years

# Senegal



## Key Macroeconomic Indicators

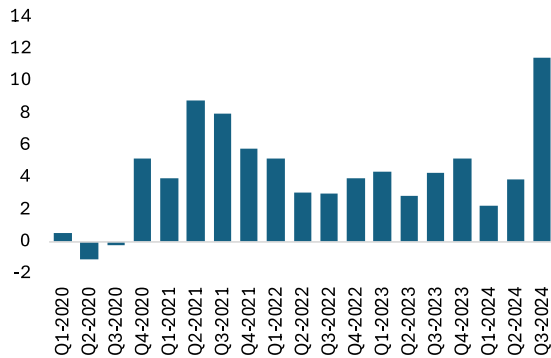
The economy is growing strongly at 11.5%, with mild deflation at 0.6%. The policy rate is 5.5%, and foreign trade totals \$16.1 billion. A risk index of 56.32 indicates moderate economic risks despite robust growth and low inflation.

Growth rate

Inflation rate

Policy rate

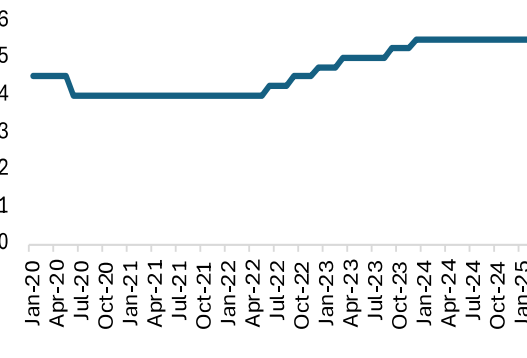
Senegal



Senegal



Senegal



Exchange rate

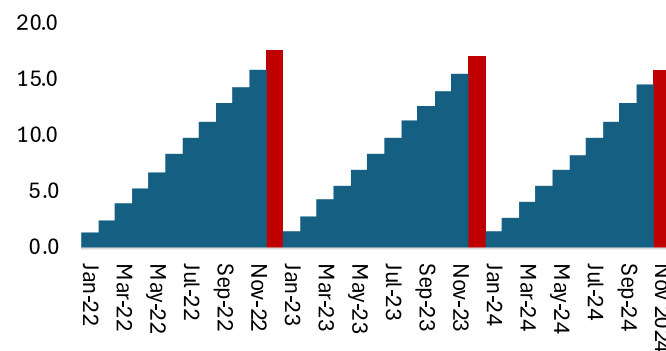
Total foreign trade, \$US bn

Country Risk Index

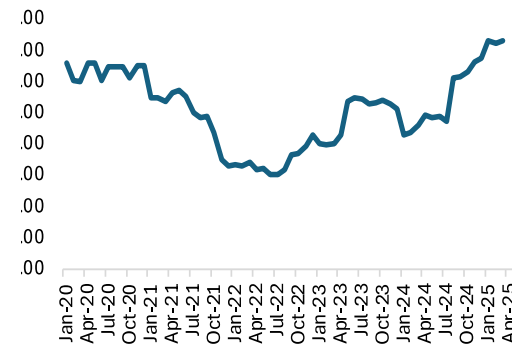
Senegal



Senegal



Senegal



## Recent developments

- Senegal and Mauritania have initiated a joint gas project aimed at establishing regional leadership in energy.
- IMF says no talks on new Senegal programme until misreporting addressed.
- Senegal Moves Forward with Long-Awaited Prisoner Transfer Accord with Morocco

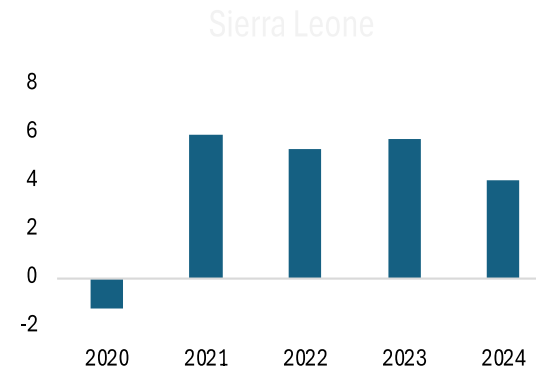
# Sierra Leone



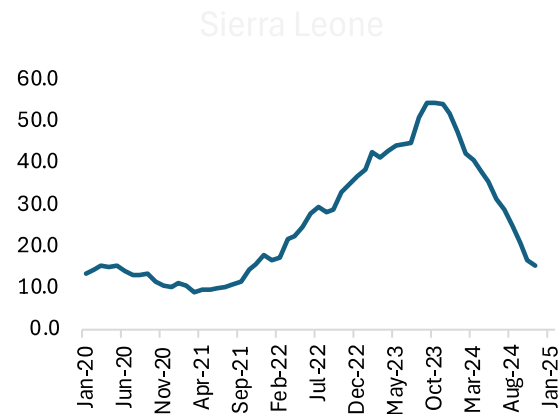
## Key Macroeconomic Indicators

The economy is growing at 3.4%, while inflation stands at 14.03%. The policy rate is 24.75%, and trade activity totals \$2.5 billion. A risk index of 65.95 indicates high uncertainty caused by inflationary pressures and exchange rate depreciation.

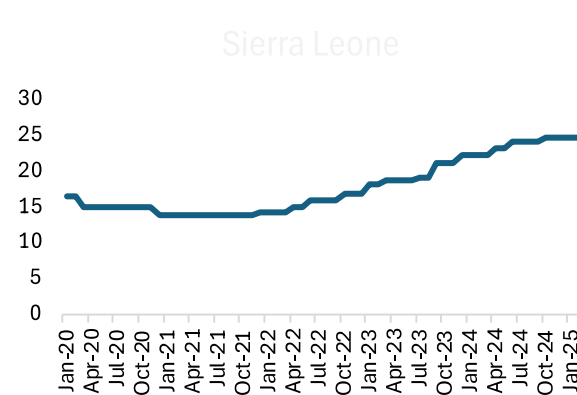
Growth rate



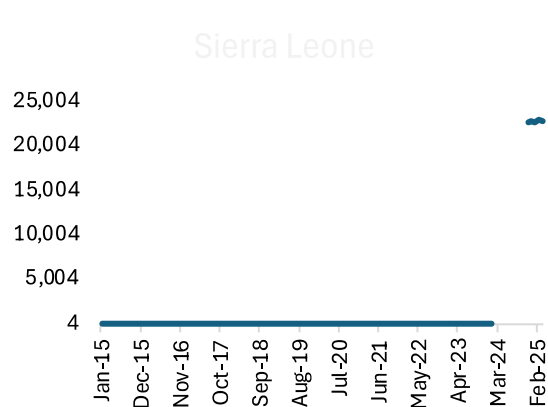
Inflation rate



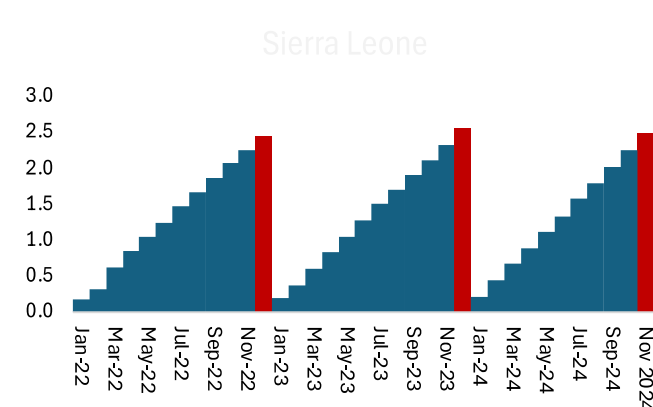
Policy rate



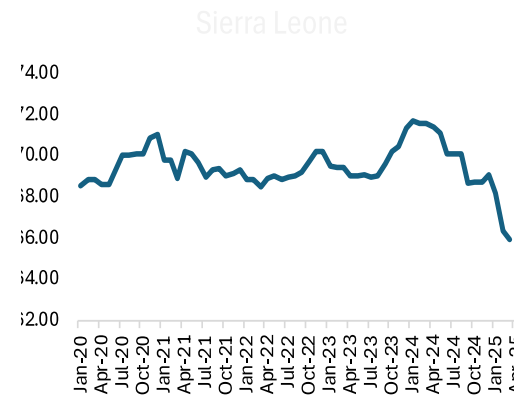
Exchange rate



Total foreign trade, \$US bn



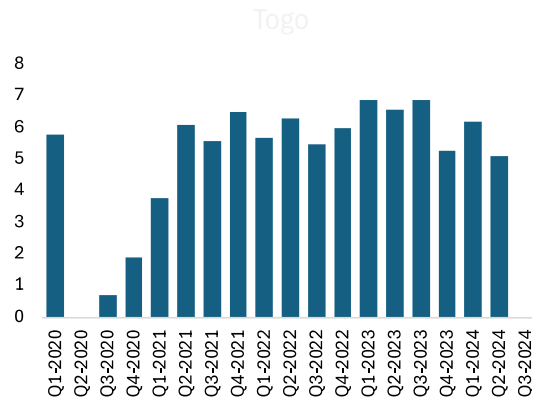
Country Risk Index



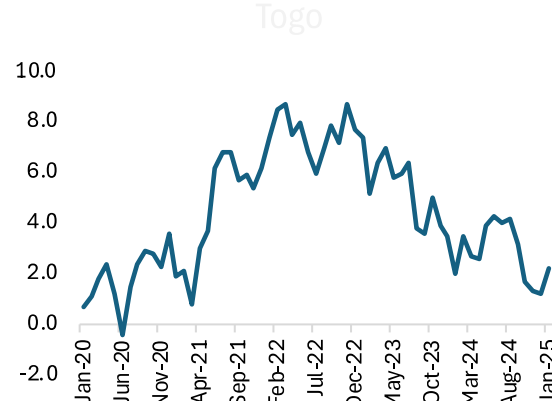
## Key Macroeconomic Indicators

The economy is growing at 5.1% with low inflation at 2.1%. The policy rate is set at 5.5%, and trade activity is currently \$4.8 billion. However, a risk index of 60.17 signals moderate economic risks.

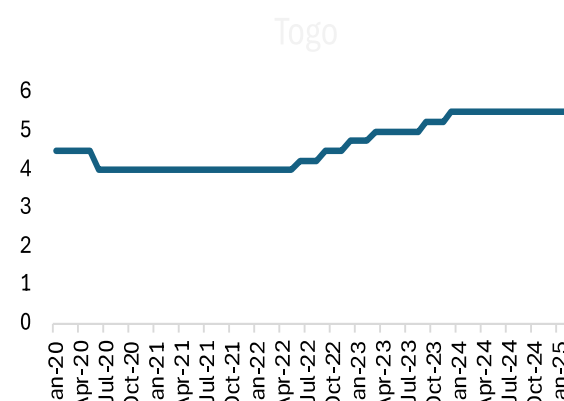
Growth rate



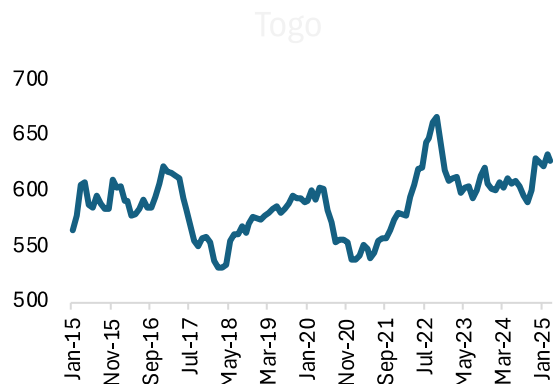
Inflation rate



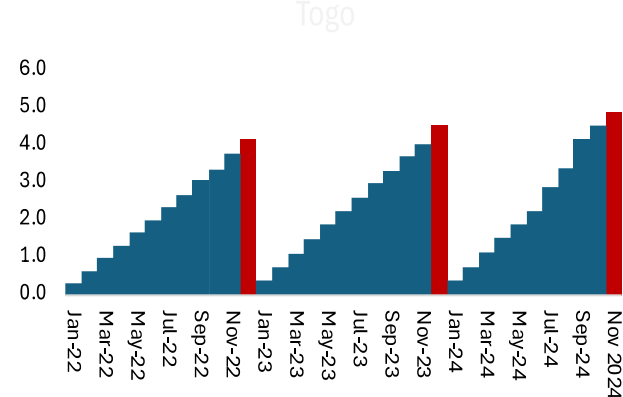
Policy rate



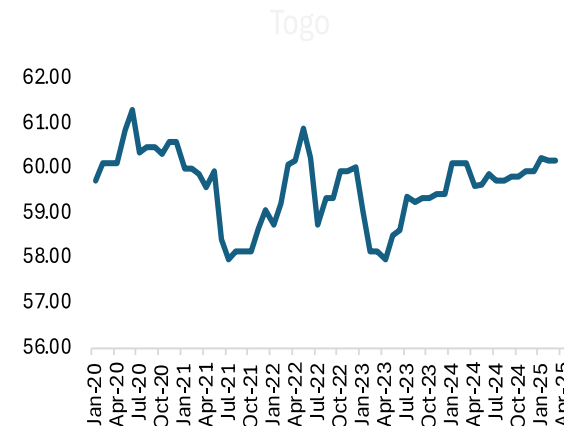
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- **Togo Launches Open Data Platforms to Promote Transparency and Development.**
- **Togo's Food Resilience Program Benefits Over 500,000 People in Two Years.**
- **Togo Introduces New Bill to Improve Competition Regulation and Consumer Protection.**
- **Togo to Host International Festival of Local Economic Development Next Month.**
- **Togo: Private Sector Contributed 76.8% of GDP in 2024**

# Central Africa

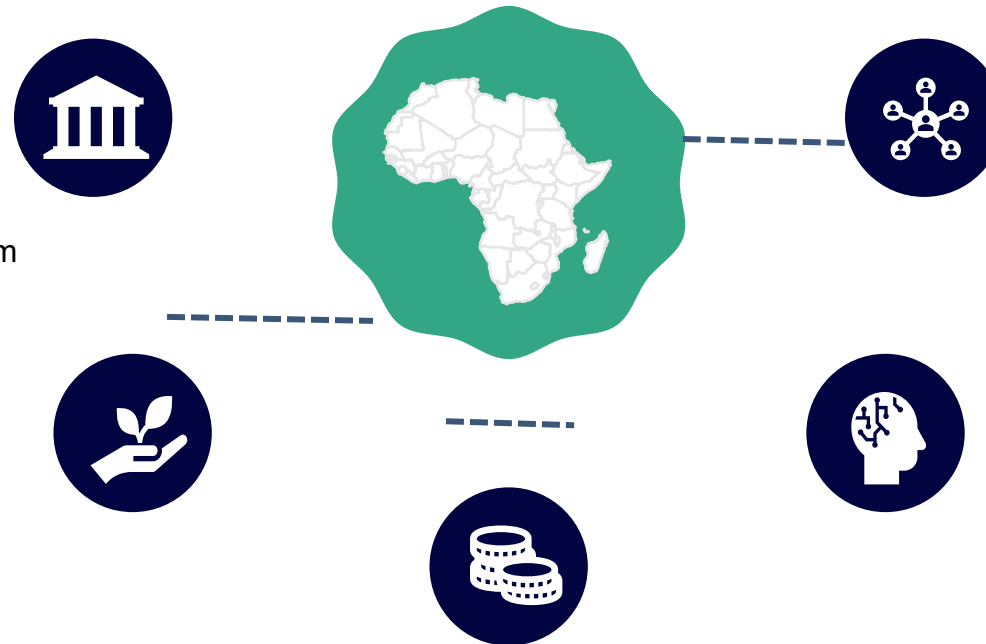


# Key themes in Central African countries



## Gabon: Transition to Civilian Rule Spurs Economic Reforms

General Brice Oligui Nguema was sworn in as Gabon's president in April 2025 as the nation returned to constitutional order after the 2023 coup. The government has secured backing from around 10 financial institutions to restructure regional market debt and obtain new financing, aiming to tackle liquidity issues exacerbated by previous fiscal mismanagement



## DR Congo: M23 Rebels Grapple with Economic Governance

After some territorial gains in eastern DR Congo, M23 rebels are now contending with closed banks, currency shortages, and inflated prices. To finance their rule, M23 has imposed heavy taxes on residents and businesses, including a 15% coltan mining tax and up to 20% levies on small traders, raising concerns about the sustainability of their economic model

## Belgium Signals Increased Investment in DR Congo's Mining Sector

Belgium has expressed interest in expanding its role in DR Congo's vital minerals sector. Foreign Affairs Minister Maxime Prevot highlighted Belgium's technological expertise and affirmed readiness to invest further, emphasizing a mutually beneficial and principled engagement.

## US Facilitates Congo-Rwanda Peace Talks with Economic Incentives

The United States is mediating peace talks between DR Congo and Rwanda, aiming for a White House agreement accompanied by substantial mineral deals. The proposed accords focus on resources like tantalum and gold, contingent on resolving mutual security concerns, including Rwanda's alleged support for M23 rebels.

## Ambitious Plans to Boost Oil and Gas Production in Republic of Congo

The Republic of Congo aims to increase oil production from 270,000 barrels per day (bpd) to 500,000 bpd in 2025. The Congo Economic & Investment Forum highlighted strategies to revitalize mature fields and attract international investment.



All countries are characterized by stable or enhancing macroeconomic fundamentals.

Central Africa

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

R	Deteriorating	
Y	Stable	
G	Improving	





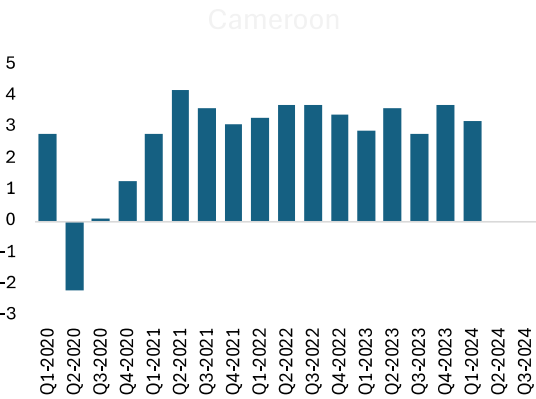
# Cameroon



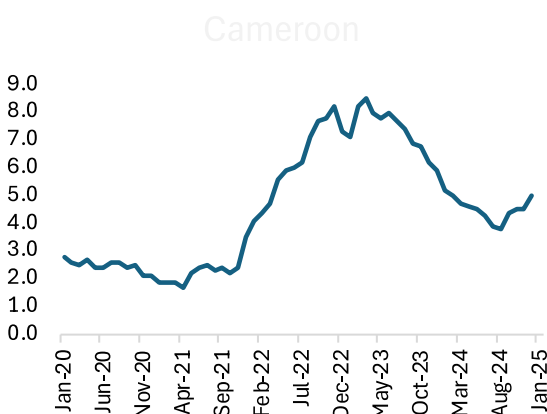
## Key Macroeconomic Indicators

The economy is growing at a rate of 3%, accompanied by moderate inflation of 5.3 The policy interest rate is set at 4.5%. Foreign trade remains strong at \$14.5 billion. However, the risk index of 61.39 suggests moderate economic risks, primarily stemming from inflation and potential fluctuations in exchange rates.

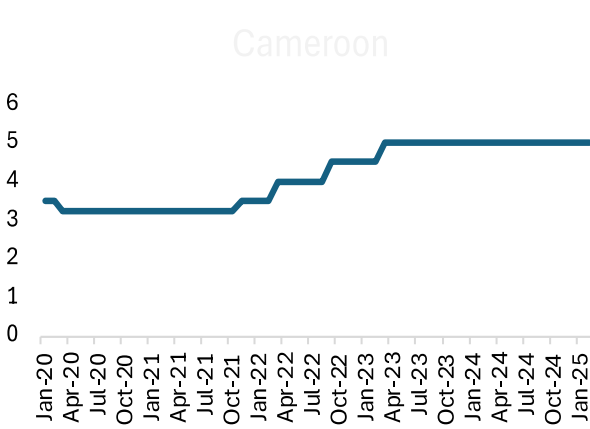
Growth rate



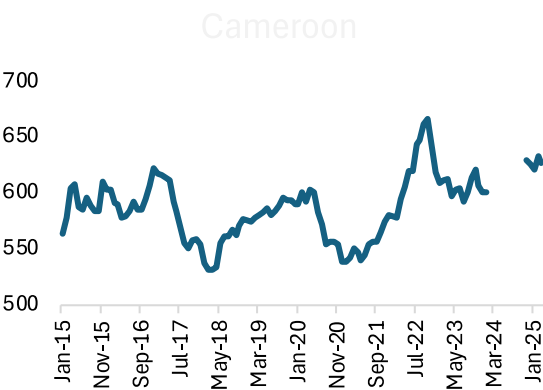
Inflation rate



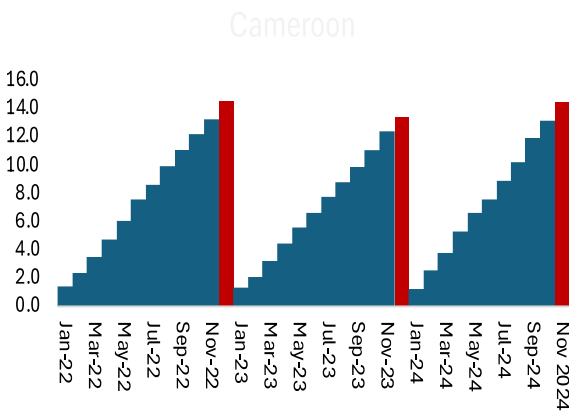
Policy rate



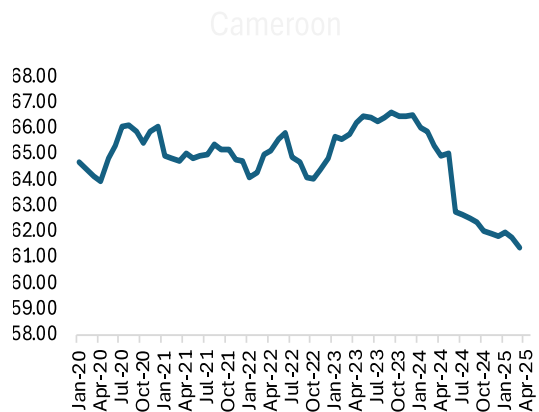
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- **Cameroon aims to double its cacao and coffee production.**
- **Cameroon has launched the pre-selection process for the 500 MW Kikot Dam Project.**
- **Morocco and Cameroon Strengthen Military Cooperation with New Agreement.**
- **Manufacturing costs in Cameroon increased by 5.5% in the third quarter of 2024.**

# Central African Republic



## Key Macroeconomic Indicators

The economy is growing at a weak rate of 1.1%, with inflation low at 1.2%. The policy rate stands at 5%, and trade remains minimal at \$0.7 billion. A risk index of 74.42 indicates significant vulnerabilities and high risks for future stability.

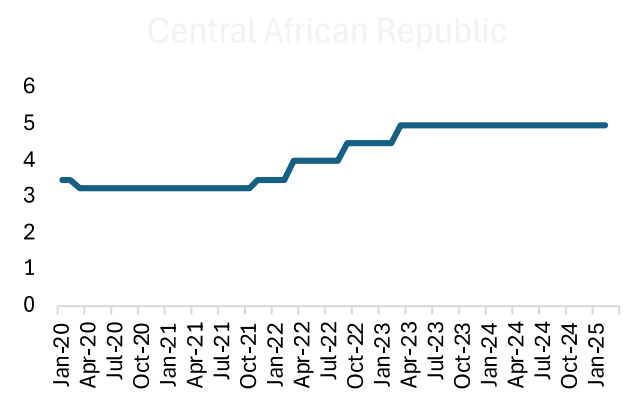
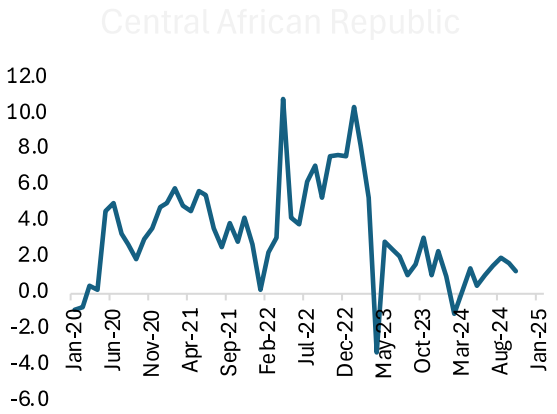
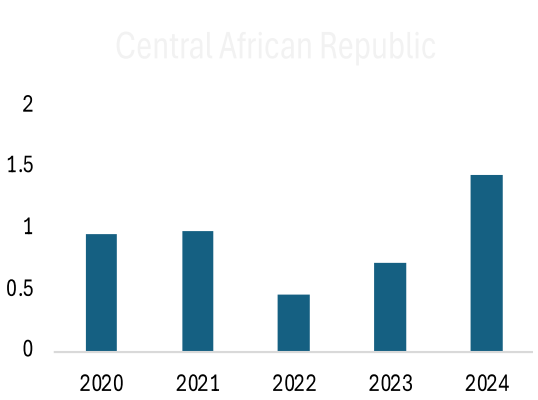
**Growth rate**

**Inflation rate**

**Policy rate**

## Recent developments

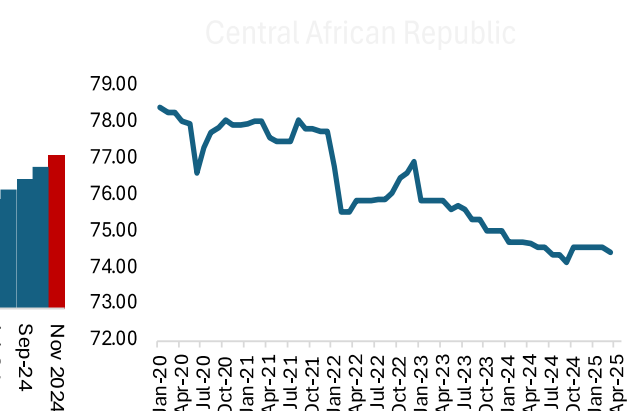
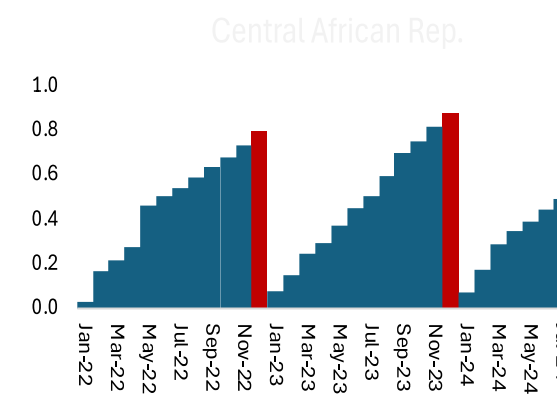
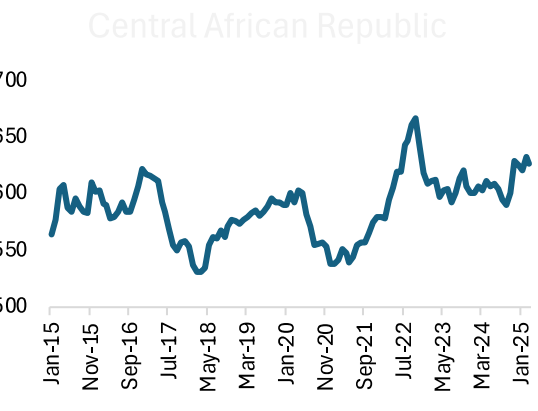
- **Climate shocks, humanitarian crises, and political division plague Central Africa.**
- **Central African Republic joins hands with SML Gold to trial G.I.F.T.**



**Exchange rate**

**Total foreign trade, \$US bn**

**Country Risk Index**



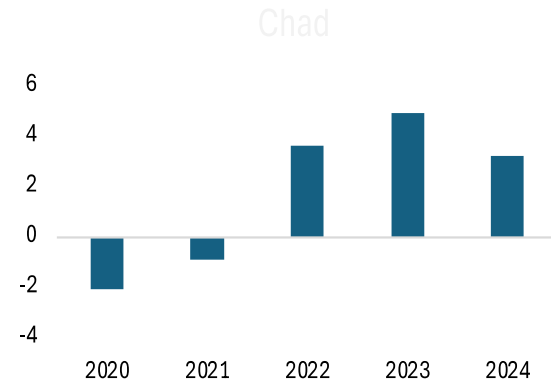
# Chad



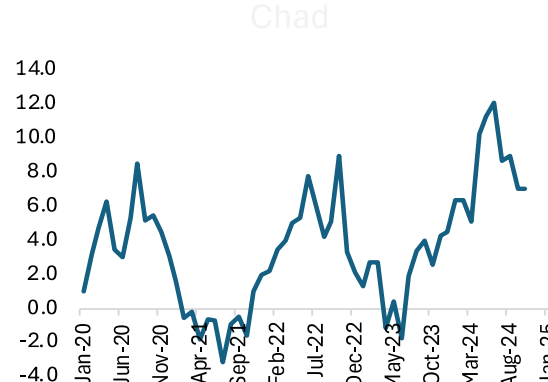
## Key Macroeconomic Indicators

Growth is at 3.1% while inflation stands at 3.7%, and the policy rate is set at 4.5%. Trade activity remains moderate at \$6.2 billion; however, a risk index of 71.5 indicates significant economic challenges despite this performance.

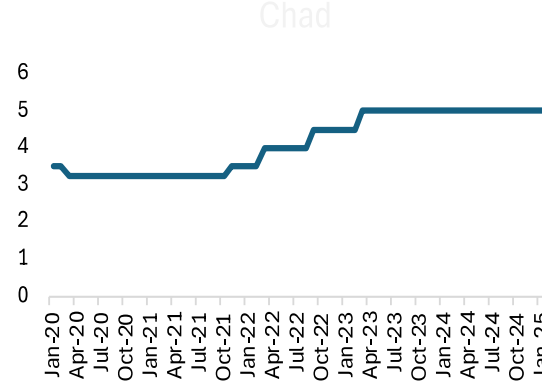
Growth rate



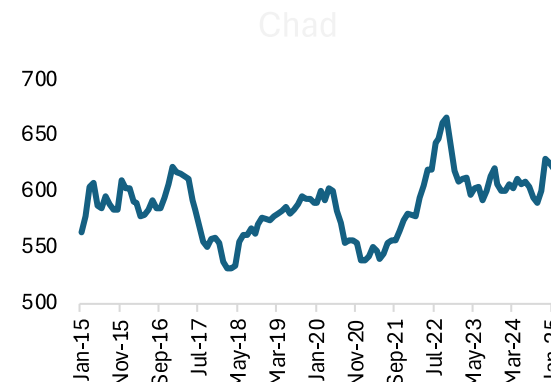
Inflation rate



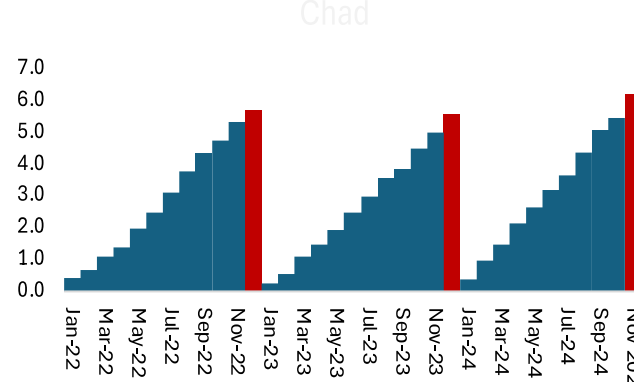
Policy rate



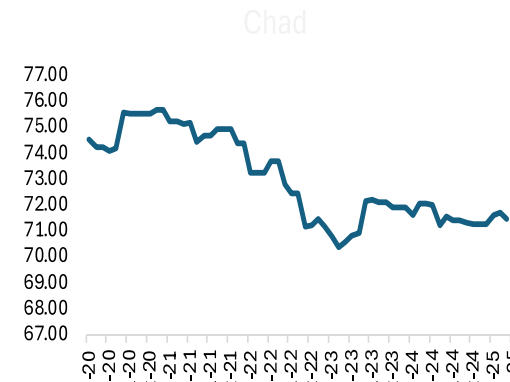
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- African Development Bank and Lake Chad Basin Commission Sign \$10 Million Grant Agreement to Revitalize Lake Chad.
- AfDB committed to finance stabilization in the Lake Chad region.
- Tinubu urges renewed commitment to stabilize the Lake Chad Basin.
- African Union approves additional \$0.8m to combat terrorism in Chad Basin.

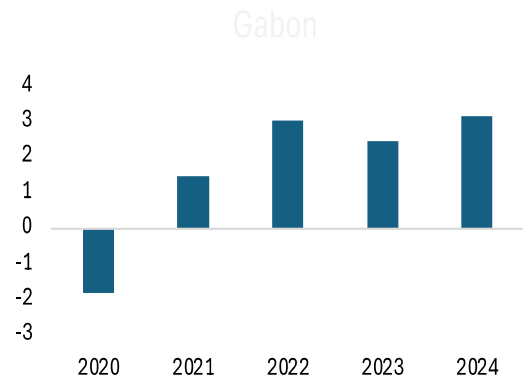
# Gabon



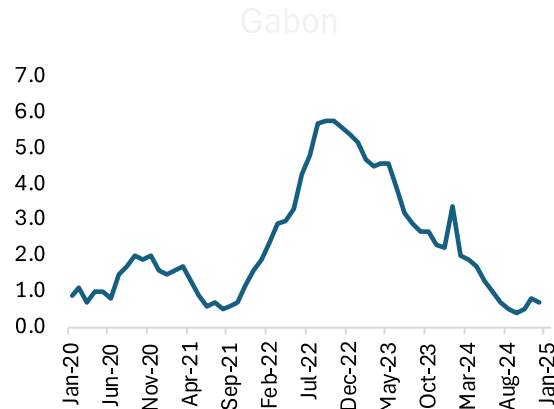
## Key Macroeconomic Indicators

The economy is growing at 3.2%, inflation is low at 0.7%, and the policy rate is 4.5%. Trade amounts to \$14.9 billion, while a risk index of 58.03 indicates moderate economic risks from inflation and exchange rate depreciation.

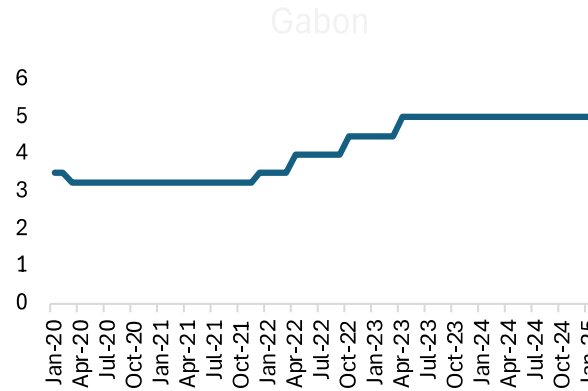
Growth rate



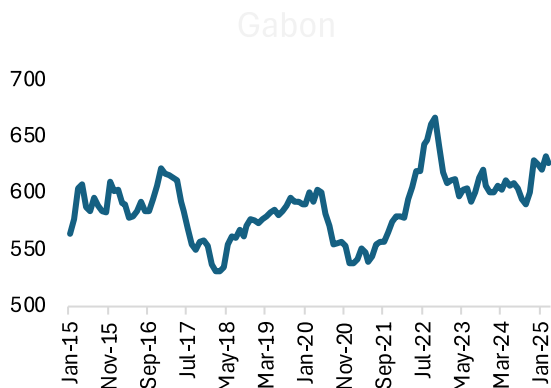
Inflation rate



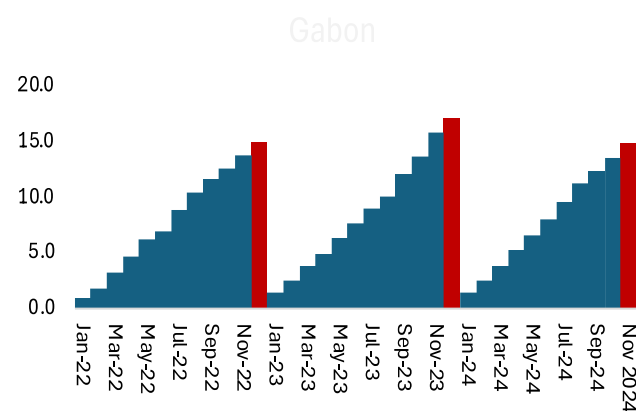
Policy rate



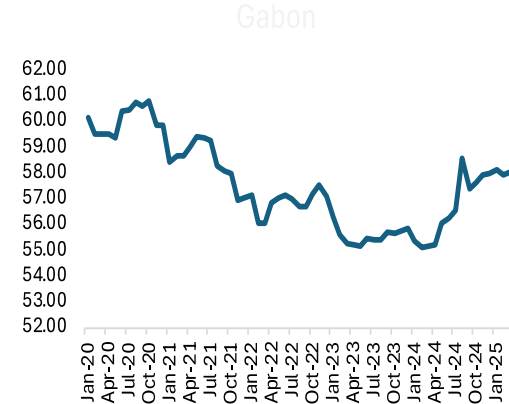
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- Gabon will hold its first presidential election since the 2023 military coup
- Gabon's Junta Gets Direct Access to \$620 Million Timber Industry.
- VAALCO Energy secures a platform for its 2025/2026 drilling campaign in Gabon.
- Gabon to vote in first presidential election since 2023 coup

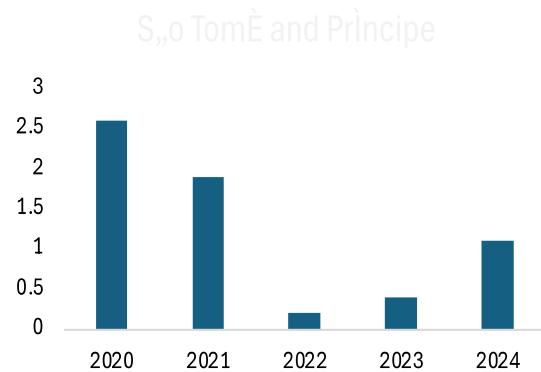
# Sao Tome and Principe



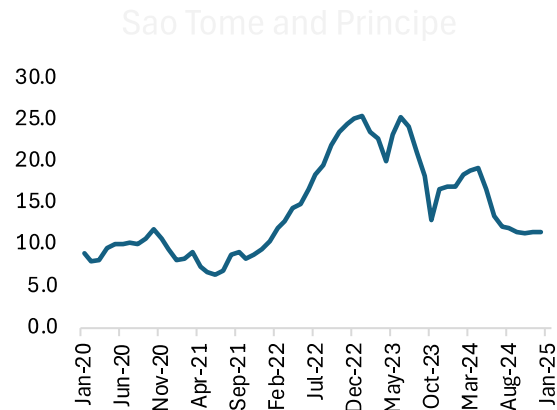
## Key Macroeconomic Indicators

The economy is growing weakly at 1%, with inflation at 12% and trade at \$0.6 billion. A risk index of 60.52 indicates moderate economic risks due to low growth and high inflation.

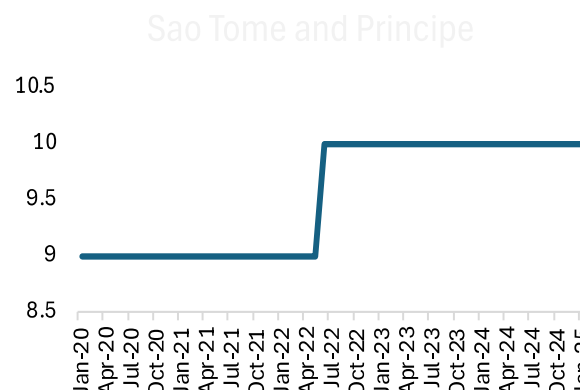
Growth rate



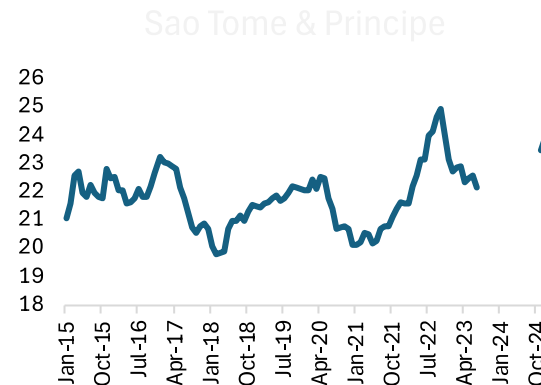
Inflation rate



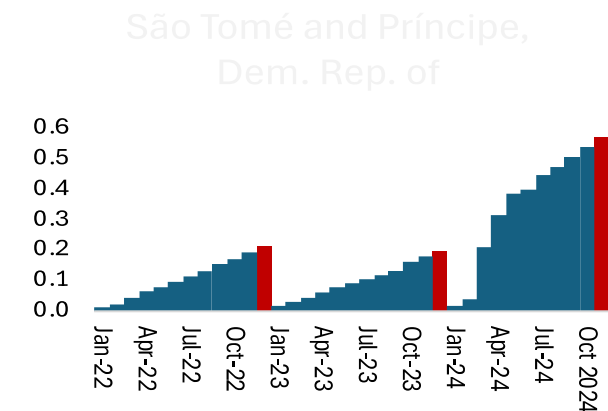
Policy rate



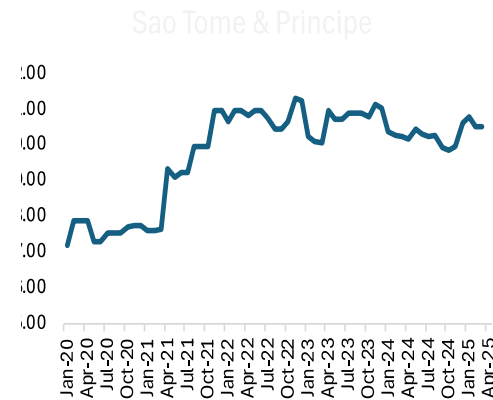
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- **São Tomé and Príncipe and Morocco Signed New Cooperation Roadmap for 2025-2027.**
- **Tourists in São Tomé gather to watch the release of 400 baby turtles into the sea.**

# East Africa



# Key themes in Eastern African countries



## Uganda – Budget Expansion Fuels Growth Agenda

In April, Uganda proposed a **25% increase** in its 2025/26 budget to **71.9 trillion shillings** (\$19.6 billion), prioritizing agro-industrialization, tourism, and petroleum investments

## Tanzania – Cautious Monetary Stance Keeps Rates Unchanged

The Bank of Tanzania held its policy rate at **6%**, citing controlled inflation (~3%) but warning that global trade tensions could spill over into the domestic economy

## Tanzania – IMF Staff-Level Deal Unlocks \$441 Million

The IMF reached a staff-level agreement with Tanzania in April, paving the way for access to **\$441 million** in concessional financing once formally approved



## Ethiopia – IMF Review Nears Conclusion

State Finance Minister Eyob Tekalign recently hinted that Ethiopia expects a preliminary agreement on the third review of its **\$3.4 billion** IMF programme “within days,” setting the stage for formal debt talks this summer

## Rwanda – Mineral-For-Security Talks with the U.S.

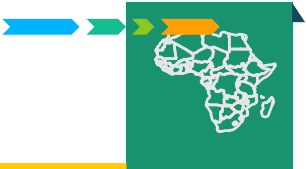
Kigali confirmed on April 23 that it is in discussions with Washington over a potential minerals-for-security deal, reflecting U.S. interest in diversifying supply away from China

## Somalia – \$306.5 Million Debt Relief from Arab Fund

Somalia signed a **\$306.5 million** debt-restructuring agreement with the Arab Monetary Fund, a critical step following last year’s 99% Paris Club cancellation



5 out of 9 countries are characterized by stable or enhancing macroeconomic fundamentals.



East Africa

	Growth	Inflation	Policy Rate	Exch. Rate	Trade	Risk	Overall Scoring
Burundi	R	G	Y	Y	R	Y	Y
Djibouti	R	G	Y	Y	R	Y	Y
Ethiopia	R	Y	Y	R	G	G	Y
Kenya	Y	R	R	Y	R	G	Y
Rwanda	Y	R	Y	R	G	G	Y
Somalia	Y	Y	R	Y	R	Y	Y
South Sudan	R	R	Y	Y	G	G	Y
Tanzania	G	Y	Y	R	G	G	Y
Uganda	G	R	Y	Y	G	R	Y

R	Deteriorating	R
Y	Stable	Y
G	Improving	G

2



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© Microsoft, OpenStreetMap

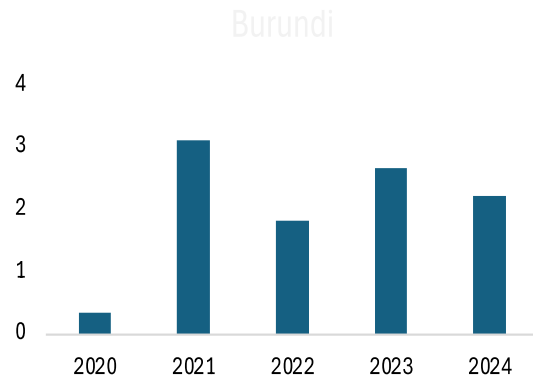
# Burundi



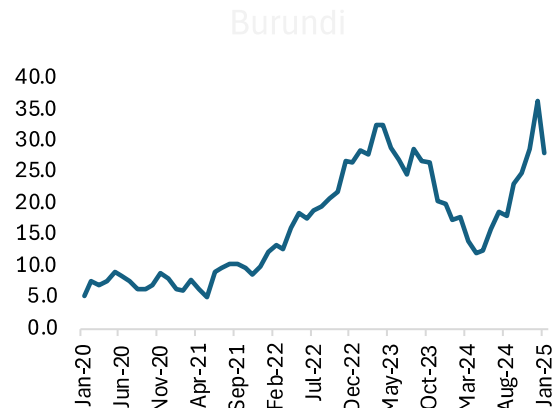
## Key Macroeconomic Indicators

The economy is growing at 2.8%, while high inflation stands at 38.2%. The policy rate is set at 12%, trade levels are low at \$0.8 billion, and a risk index of 69.24 indicates significant economic risks due to inflation and weak trade.

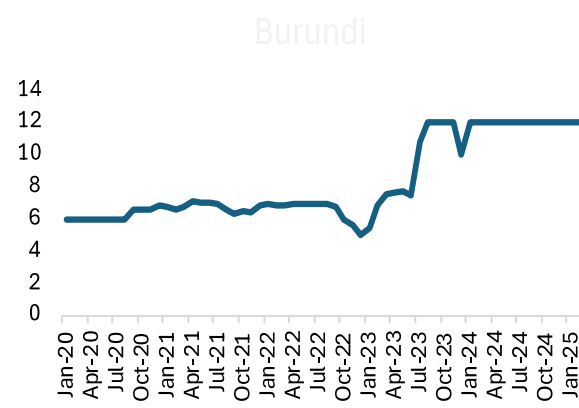
Growth rate



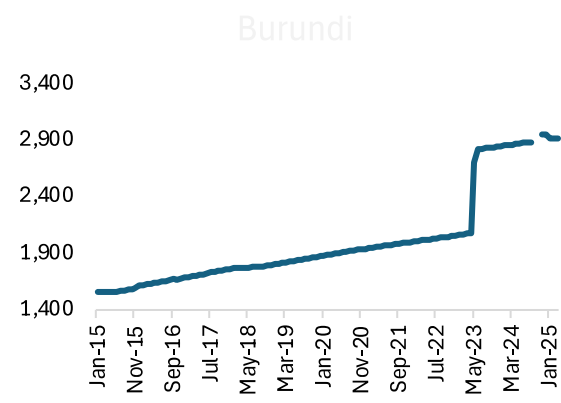
Inflation rate



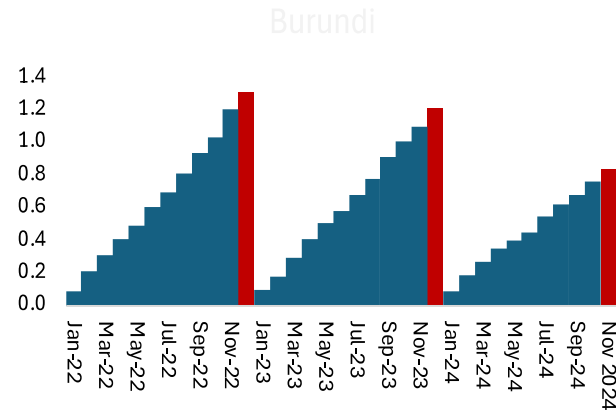
Policy rate



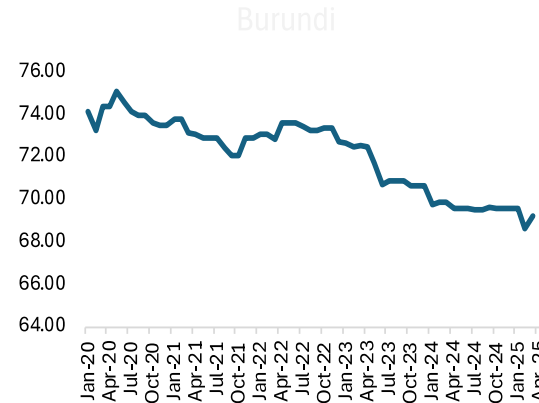
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- World Bank grants \$168m to support Burundi's climate and energy projects.
- Tanzania and Burundi agree to start the Sh5 trillion SGR project.
- China to build a major railway linking Tanzania and Burundi for mineral transport.
- Burundi introduces malaria vaccine into routine immunization
- Burundi President's visit set to unlock new cooperation potentia

# Djibouti



## Key Macroeconomic Indicators

The economy is currently growing at a rate of 6.8%, with low inflation of -1.6%. Trade activity amounts to \$8.4 billion, and a stable risk index of 61.37 indicates moderate risks despite favorable conditions.

## Recent developments

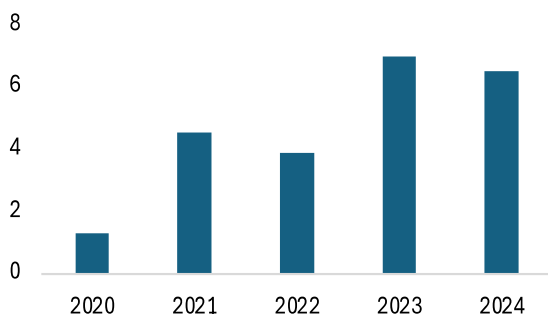
- Saudi Arabia's flynas begins Jeddah-Djibouti flights.
- Mapping China's Strategic Port Development in Africa.
- Oman and Djibouti sign an air transport agreement.
- Somali, Djiboutian Presidents discuss security and economic cooperation

### Growth rate

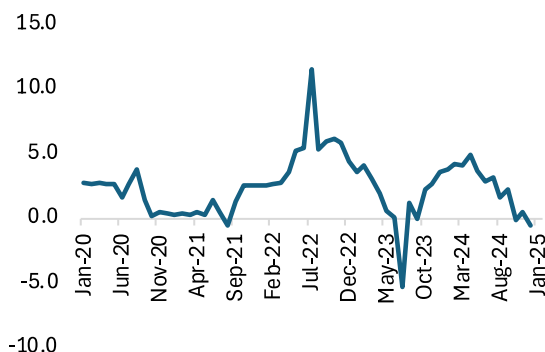
### Inflation rate

### Policy rate

Djibouti



Djibouti

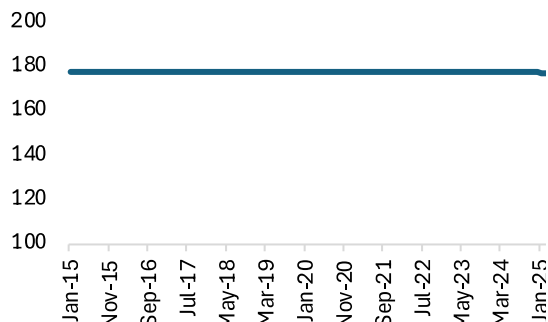


### Exchange rate

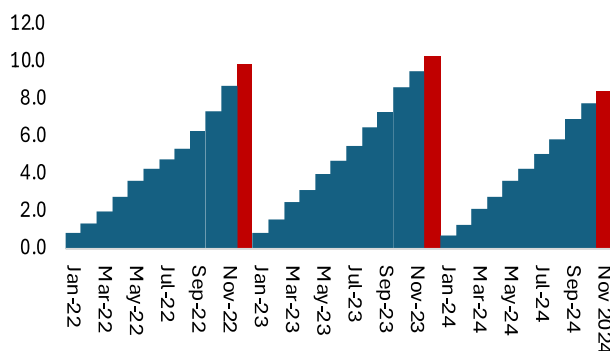
### Total foreign trade, \$US bn

### Country Risk Index

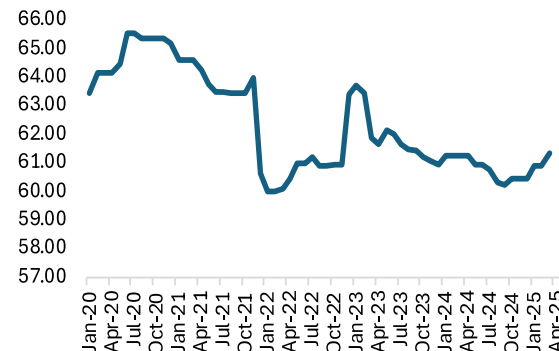
Djibouti



Djibouti



Djibouti



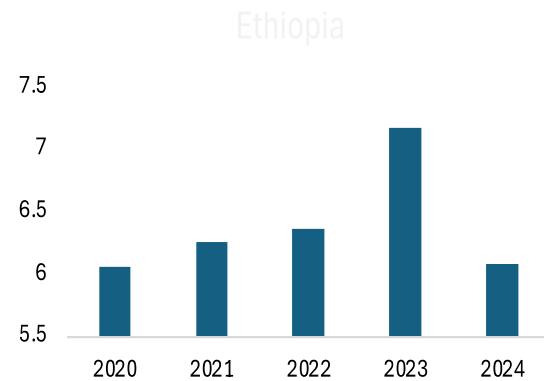
# Ethiopia



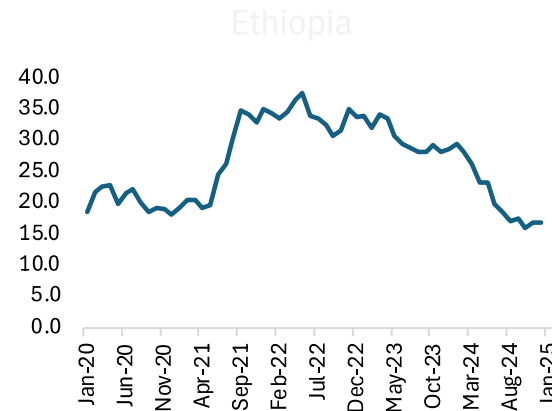
## Key Macroeconomic Indicators

The economy is growing at 7.9%, but inflation is high at 15%. The policy rate is 7%, with foreign trade at \$19.9 bn. A risk index of 66.13 indicates moderate to high economic risks due to inflation and external vulnerabilities.

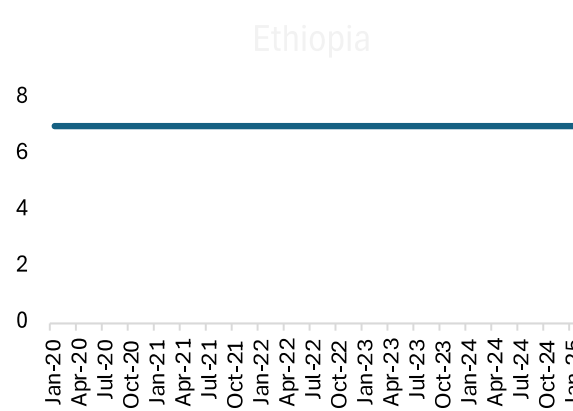
Growth rate



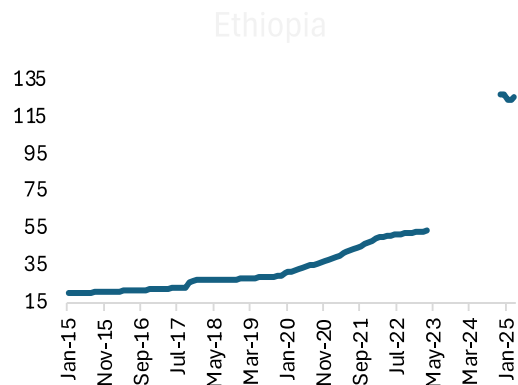
Inflation rate



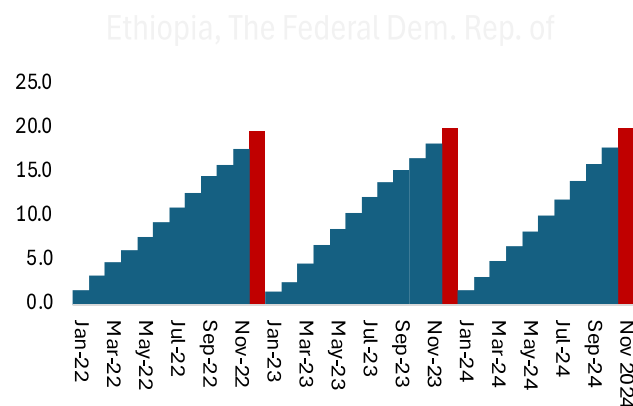
Policy rate



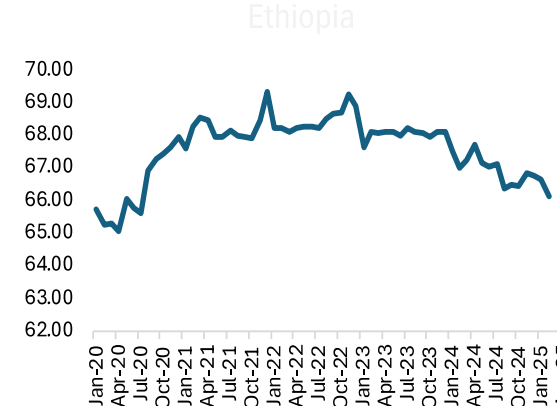
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- Funding agreement signed with European Union.
- Ethiopian Railways Corporation Signed Memorandum with Korail.
- Ethiopia Earns \$2 Billion in Export Revenue in Four Months.
- Ethiopia, Creditors Agree on \$8.4 Billion Debt Restructuring.
- World Bank backs Africa digital data push with \$100 million Raxio deal.
- Ethiopia Invites UK Investors to Seize Lucrative Opportunities.

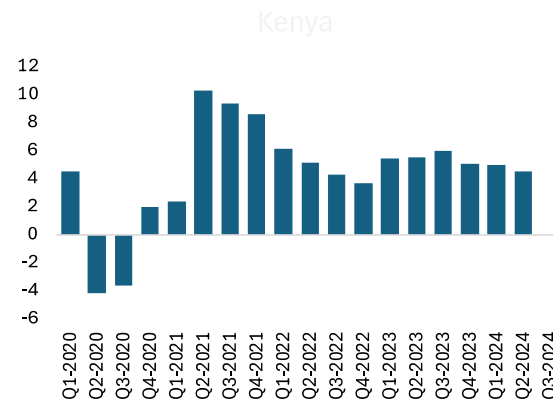
# Kenya



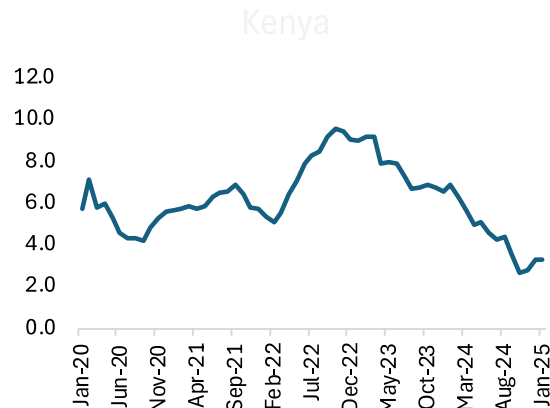
## Key Macroeconomic Indicators

The economy is growing at 4.6% with low inflation of 3.6%. The policy rate is 10%, trade activity is \$21.4 bn, and a risk index of 53.47 indicates moderate economic risks in a stable environment.

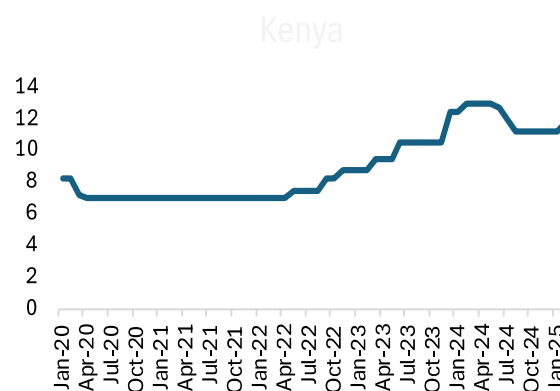
Growth rate



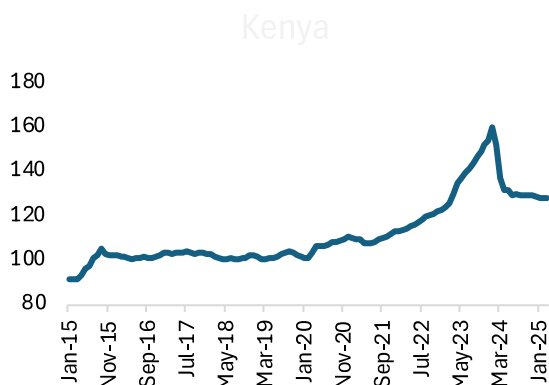
Inflation rate



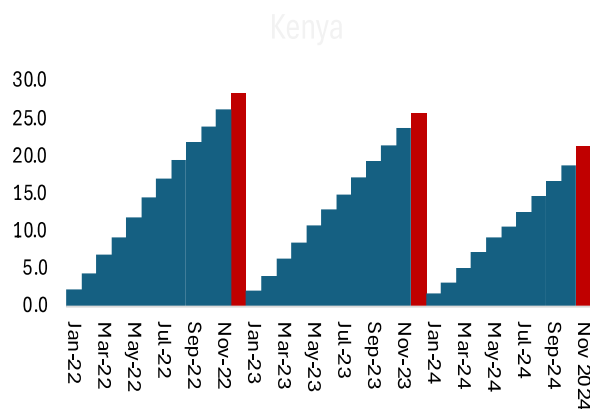
Policy rate



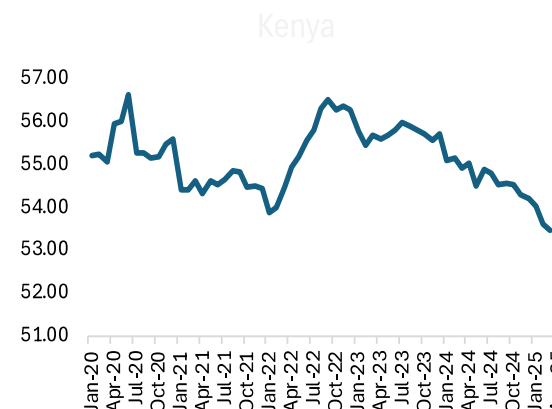
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- **Moody's Ratings** has revised Kenya's outlook from "negative" to "positive," citing a potential reduction in liquidity risks and improved debt affordability over time.
- **Sudan bans all Kenyan imports** after it hosted RSF.
- **The Central Bank of Kenya** trimmed its benchmark interest rate by 75 bps to 10% at its meeting on April 8th, 2025, marking the fifth consecutive rate reduction.
- **Kenya's annual inflation rate** rose to a six-month high of 3.6% in March 2025, from 3.5% in the previous month.
- **Kenya PMI** edged higher to 50.6 in February 2025 from a three-month low of 50.5 in the previous month, marking its fifth consecutive month of expansion

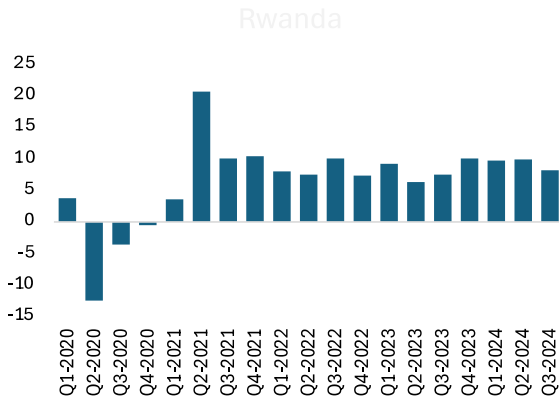
# Rwanda



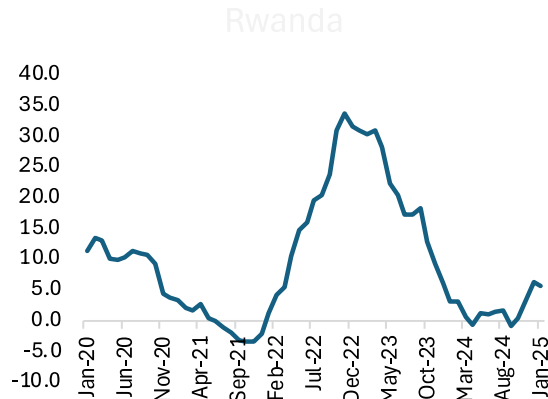
## Key Macroeconomic Indicators

The economy is growing at 4.1% with inflation at 3.8% and a policy rate of 6.5%. Trade stands at \$5.5 bn, while the risk index is at 57.78, indicating moderate risks.

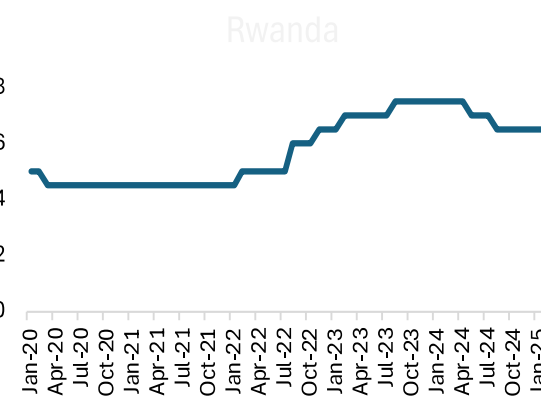
Growth rate



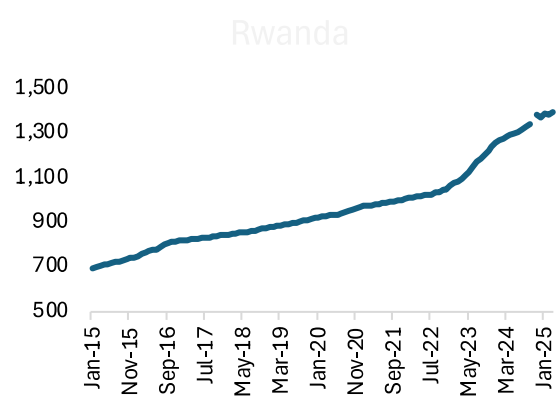
Inflation rate



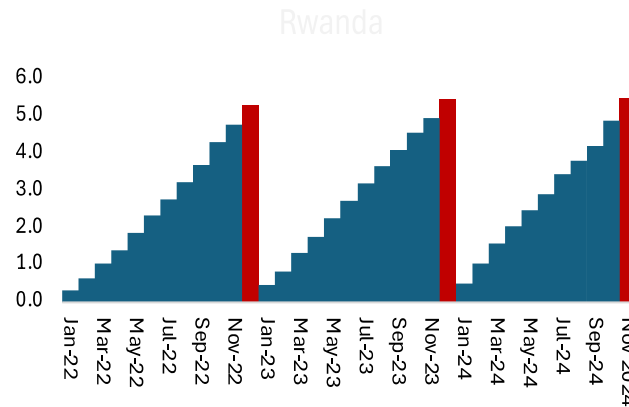
Policy rate



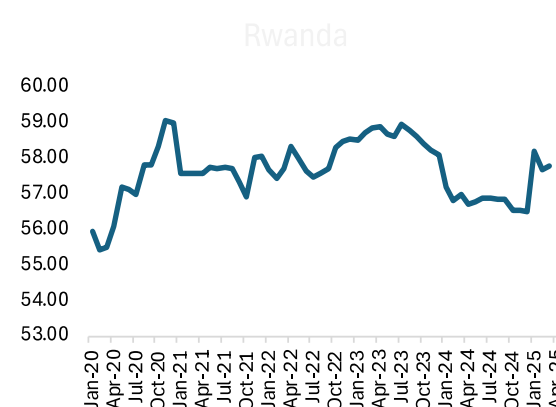
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- Rwanda's economy grew by 8.0% year-on-year in the fourth quarter of 2024, slightly down from the 8.1% expansion recorded in the previous quarter.
- African Development Bank-Supported Projects in Senegal, Rwanda Clinch Top Honors at 2025 Bonds, Loans & ESG Capital Markets Africa Awards.
- Rwanda Sees Record Travel Balance of Payment Surplus of \$215m

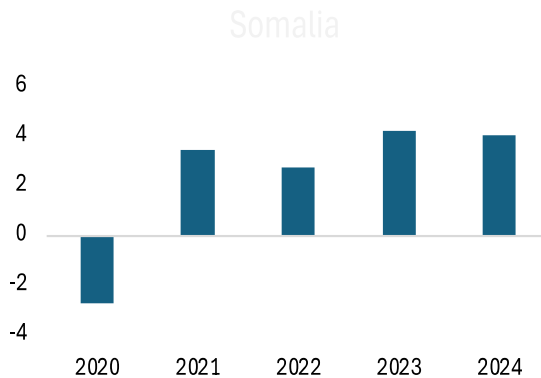
# Somalia



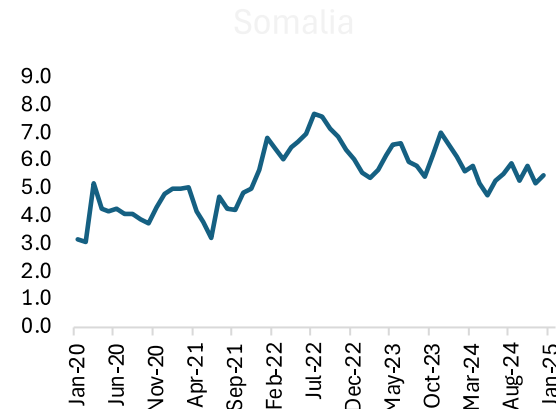
## Key Macroeconomic Indicators

The economy is growing at 4% with inflation at 5.5%. Trade activity is \$5 bn, but a high-risk index of 77.53 indicates potential instability due to inflation and exchange rate fluctuations.

Growth rate

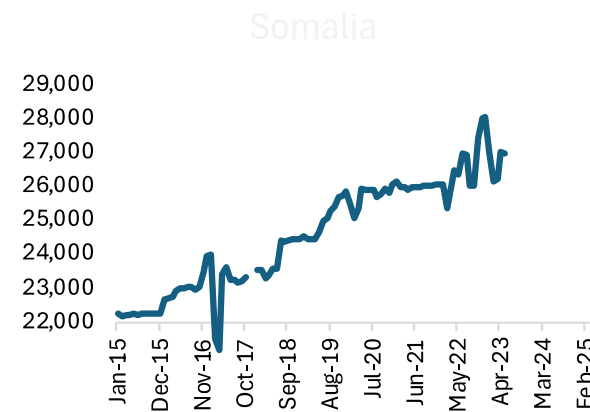


Inflation rate

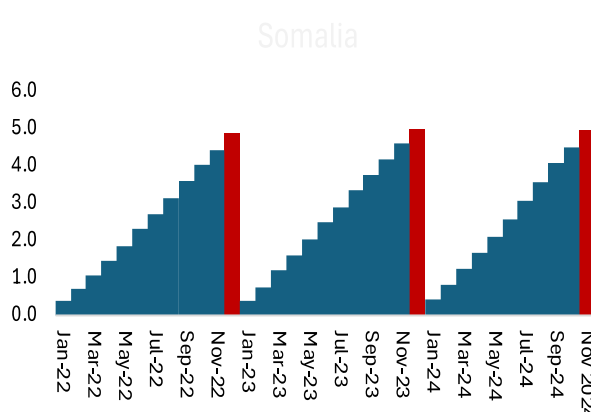


Policy rate

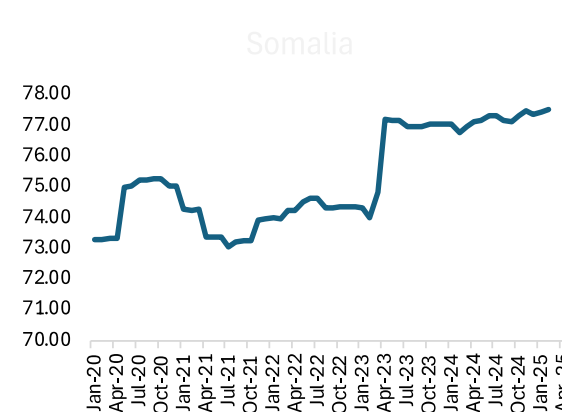
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- Turkey advances plans for a drone launch facility in Somalia.
- Al-Shabaab launches mortar attacks near Somalia's main airport
- Somalia won IMF debt relief despite al-Qaeda. This is how we did it.
- Somalia, UAE logistics group sign port development agreement.
- Ethiopia backs a new peacekeeping force in Somalia.
- Somalia and Ethiopia agree to restore diplomatic ties.
- Newly deployed African Union Support and Stabilisation Mission in Somalia (AUSSOM) officers train on Civil-Military relations to strengthen community relations



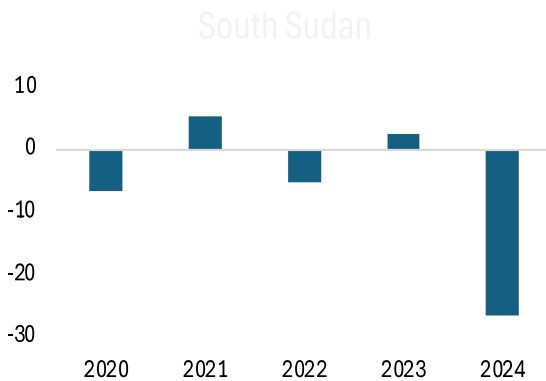
# South Sudan



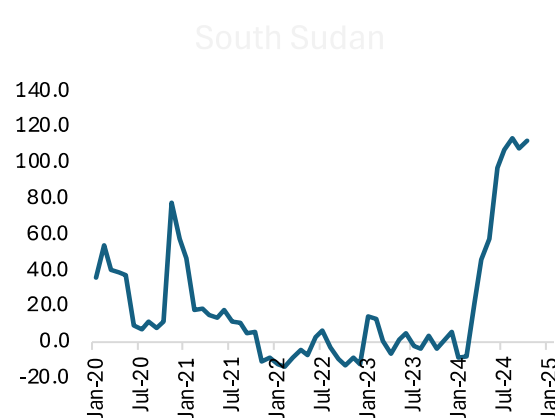
## Key Macroeconomic Indicators

The economy is experiencing a severe contraction, with a growth rate of -27% and inflation at 107%. The policy rate stands at 12%, trade activity is low at \$2.5 bn, and the high-risk index is at 79.17, indicating significant economic instability.

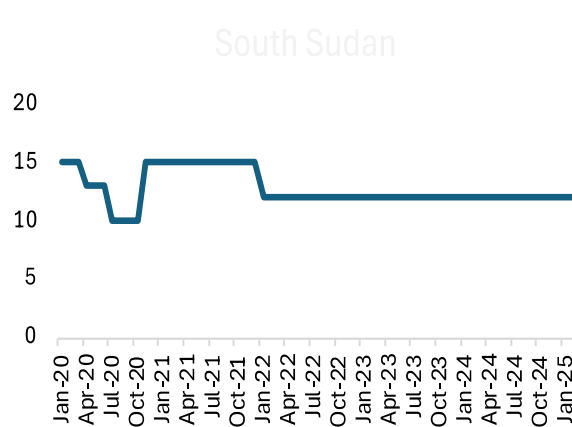
Growth rate



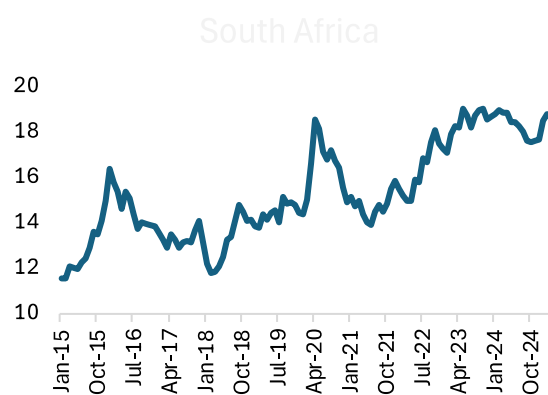
Inflation rate



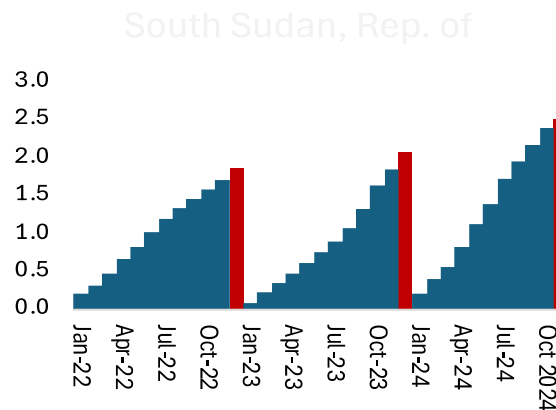
Policy rate



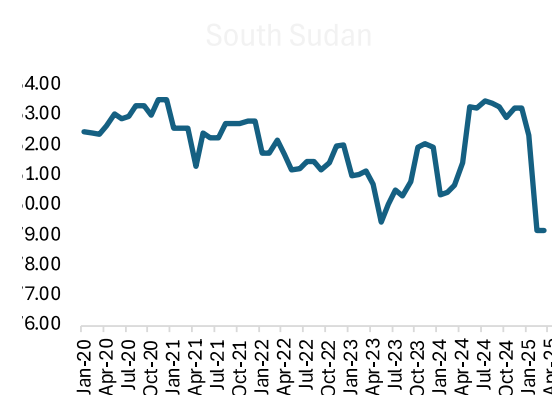
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- World Bank projects 30% economic contraction in South Sudan.
- South Sudan to start producing 90,000 bpd.

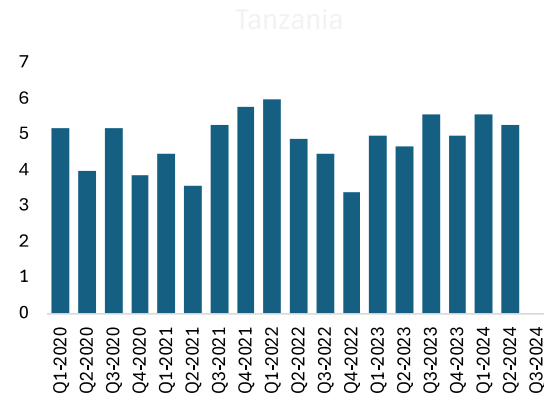
# Tanzania



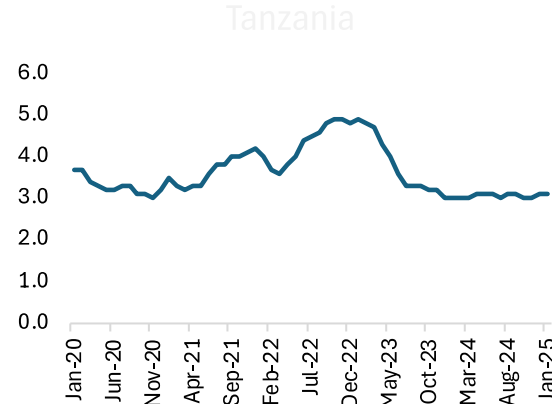
## Key Macroeconomic Indicators

The economy is growing at 5.9% with moderate inflation at 3.3%. The policy rate is 6%, trade activity stands at \$24.5 bn, and the risk index is 56.27, indicating moderate economic risks.

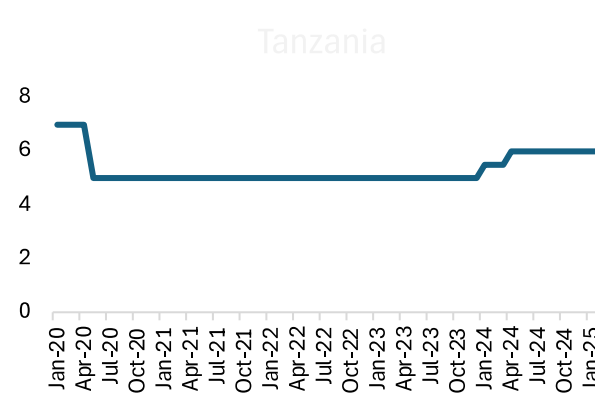
Growth rate



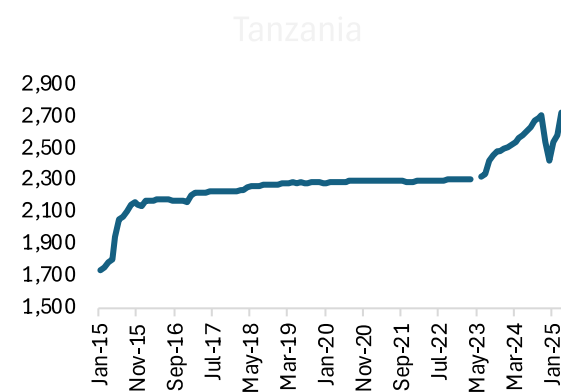
Inflation rate



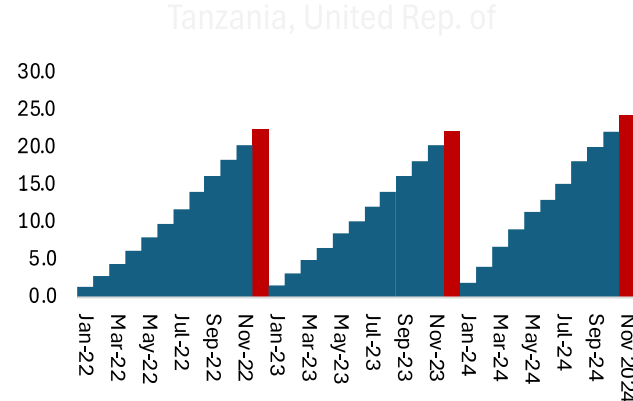
Policy rate



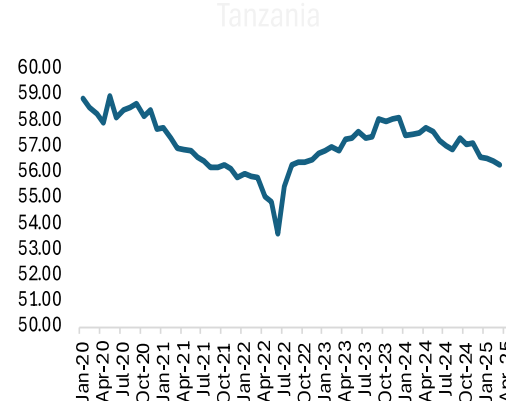
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- Tanzania's central bank kept its benchmark interest rate at 6% for the fourth consecutive policy meeting on April 4th, 2025, in a bid to keep inflation below its 5% target.
- Tanzania's annual inflation rate stood at 3.3% in March, unchanged from the prior month.
- Internet censorship cost Tanzania and Kenya a total of \$76.4 million in lost economic output last year.
- Air Tanzania Expands Africa Network: New Dar es Salaam to Kinshasa Flights Boost Regional Travel in 2025.

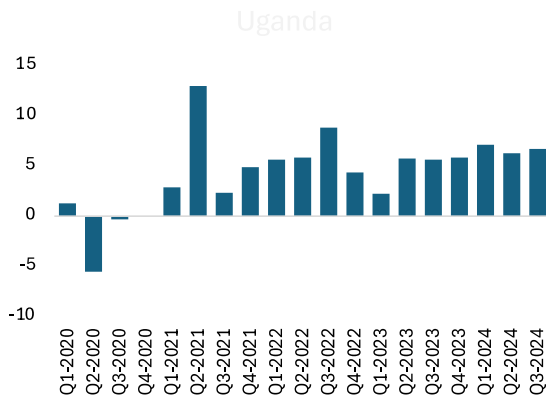
# Uganda



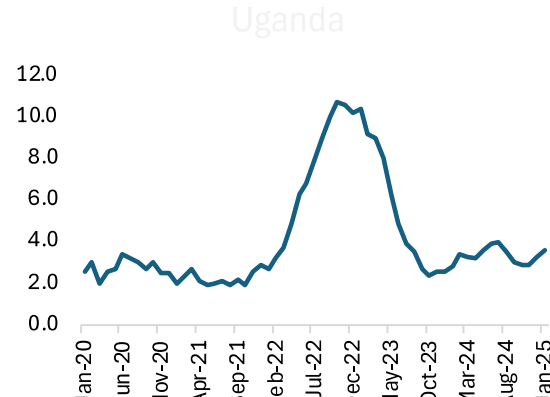
## Key Macroeconomic Indicators

The economy is growing at 6.2% with inflation at 3.4%. The policy rate is 9.75%, trade stands at \$24.6 bn, and a risk index of 59.02 indicates moderate economic risks.

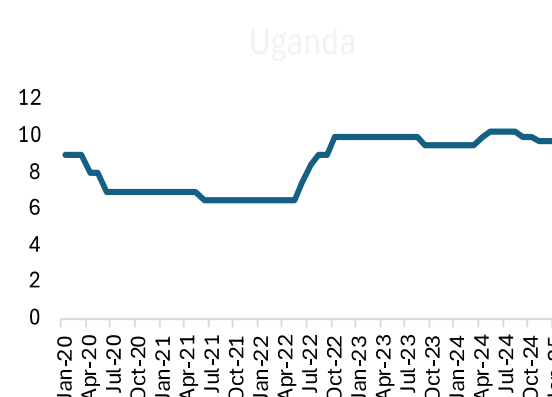
Growth rate



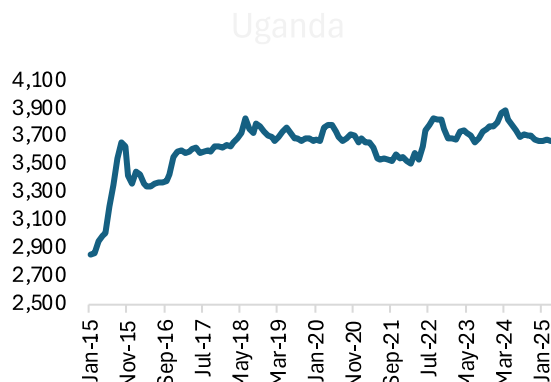
Inflation rate



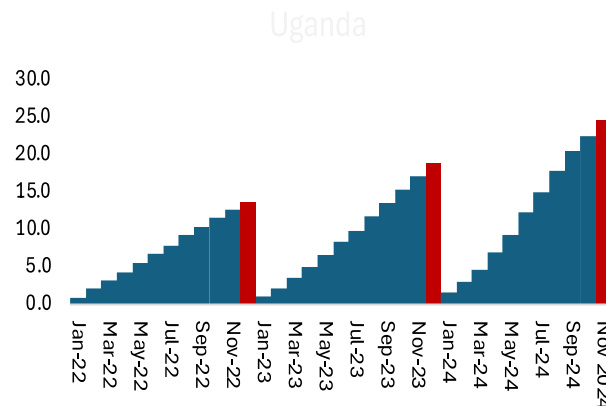
Policy rate



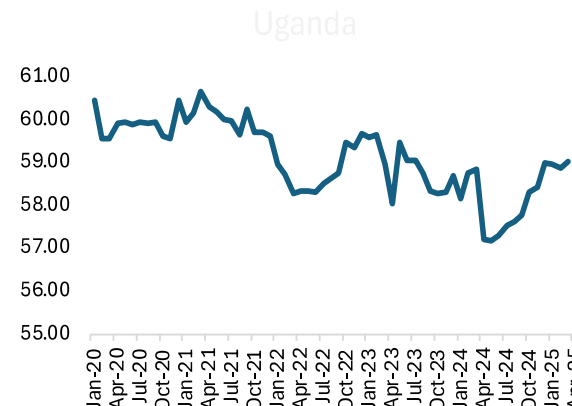
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- Uganda PMI edged higher to 52.9 in March 2025 from 52.6 in February, signaling a sustained improvement in business conditions for the second consecutive month
- Uganda's GDP grew by 5.3% year-on-year in Q4 2024, slowing from 6.7% in the previous quarter, marking the weakest expansion since Q1 2023, but still solid.

# Southern Africa



# Key themes in Southern African countries



**Angola's economy grew by 3.6% in the fourth quarter of 2024**, marking the 15th consecutive quarter of expansion, following a 5.5% advance in the previous three-month period.



**The National Bank of Angola held its key interest rate at 19.5% in its March 2025 meeting**, marking ten consecutive months of borrowing costs at the highest since December 2022.

**South Africa's PMI fell to 48.3 in March 2025 from 49.0 in the previous month.** This marked the fourth straight month of contraction as weak demand persisted, driving further declines in output and new orders amid economic and political uncertainty.



**Revised outlook on diamond pressures:** Botswana's economic outlook revised to negative due to diamond market pressures

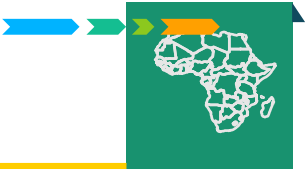
**The Central Bank of Mozambique reduced its key MIMO interest rate by 50 bps to 11.75%** during its regular meeting on March 26th, 2025.



**Zambia's annual inflation rate eased to 16.5% in March 2025, from 16.8%** in the prior month, which was the steepest since November 2021.



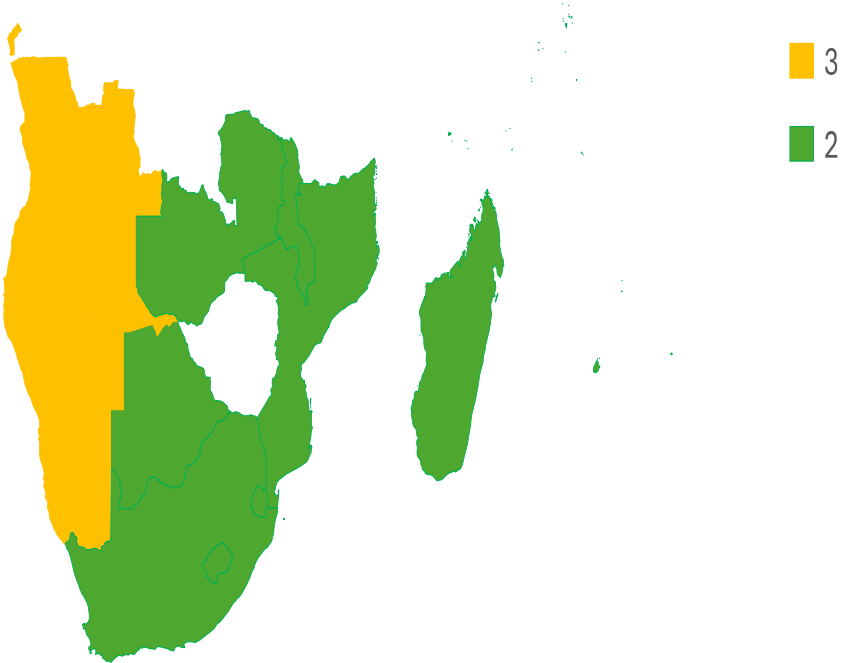
8 out of 12 countries are characterized by stable or enhancing macroeconomic fundamentals.



Southern Africa

	Growth	Inflation	Policy Rate	Exch. Rate	Trade	Risk	Overall Scoring
Angola	G	R	Y	G	G	Y	G
Botswana	R	R	Y	Y	R	G	Y
Eswatini	Y	G	G	R	G	Y	Y
Lesotho	R	G	Y	G	G	Y	Y
Madagascar	G	Y	Y	R	R	G	Y
Malawi	G	Y	Y	Y	R	Y	Y
Mauritius	G	G	R	G	Y	R	Y
Mozambique	Y	R	G	Y	Y	G	Y
Namibia	R	G	Y	Y	G	G	G
Seychelles	R	G	Y	R	R	Y	Y
South Africa	R	R	Y	Y	Y	Y	Y
Zambia	R	R	R	R	Y	G	Y

R	Deteriorating	
Y	Stable	
G	Improving	



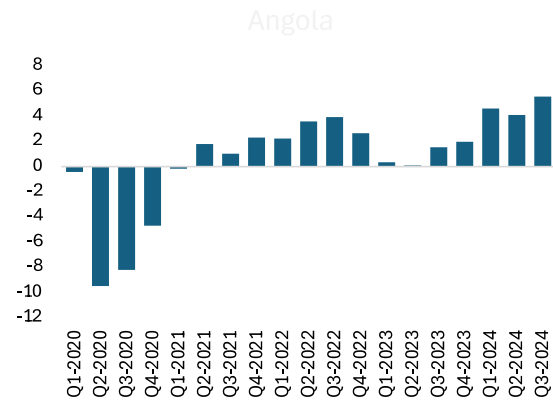
# Angola



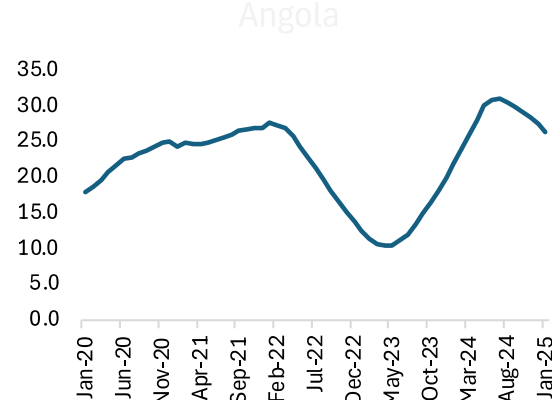
## Key Macroeconomic Indicators

The economy is experiencing growth at a rate of 4.1%, but it is faced with high inflation at 25.3%. The policy interest rate stands at 19.5%, and foreign trade is robust, amounting to \$78.5 billion. However, a risk index of 60.58 points to a moderate level of economic risks associated with inflation and currency depreciation.

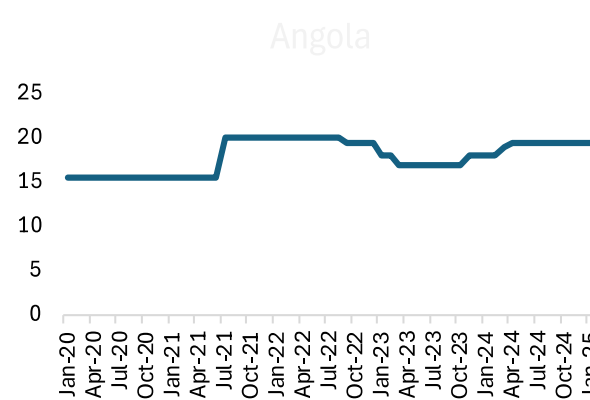
Growth rate



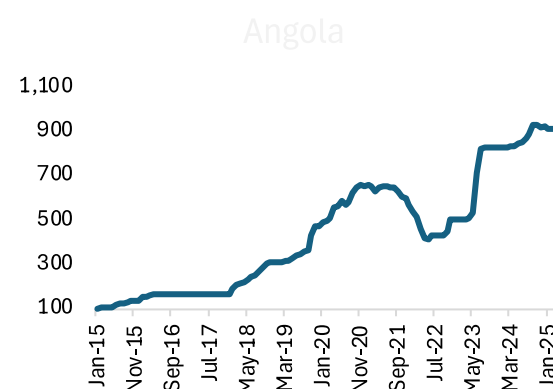
Inflation rate



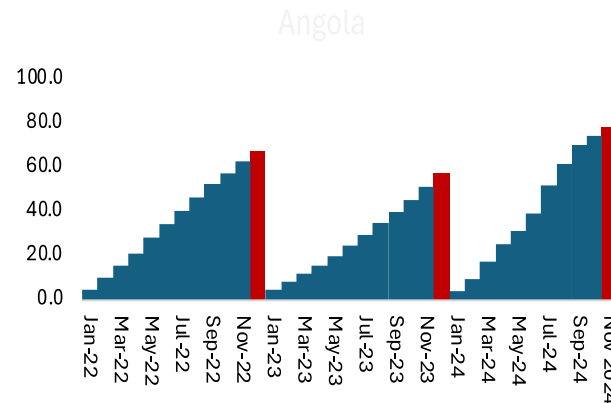
Policy rate



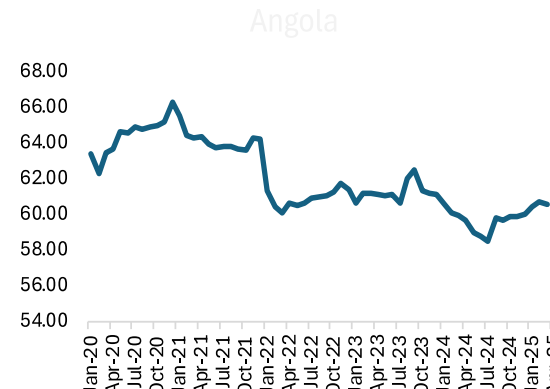
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- The National Bank of Angola held its key interest rate at 19.5% in its March 2025 meeting, marking ten consecutive months of borrowing costs at the highest since December 2022.
- Angola's economy grew by 3.6% in the fourth quarter of 2024, marking the 15th consecutive quarter of expansion, following a 5.5% advance in the previous three-month period.
- Angola floats tenders for Cabinda and Soyo ports.
- Tanzania, Angola sign pact to boost trade, investments.
- TAAG Angola Airlines receives the First Boeing 787 Dreamliner plane for the carrier's expansion.



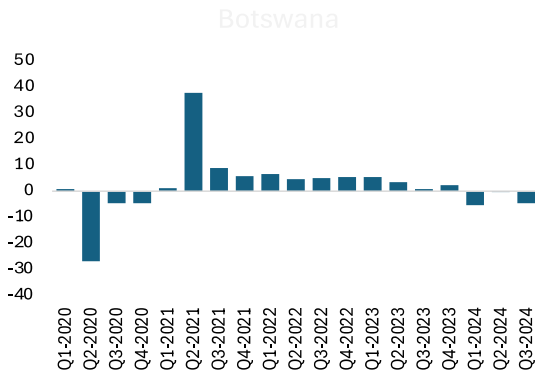
# Botswana



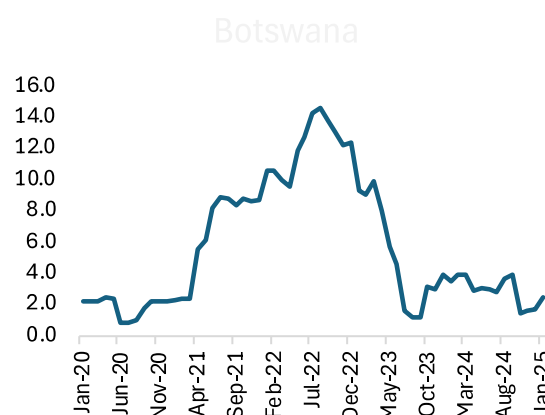
## Key Macroeconomic Indicators

The economy has contracted by -0.4%, with low inflation standing at 2.7% and a policy rate of 1.9%. Foreign trade stands at \$9.3 bn, and a risk index of 49.57 indicates manageable risks, though the growth contraction remains a primary concern.

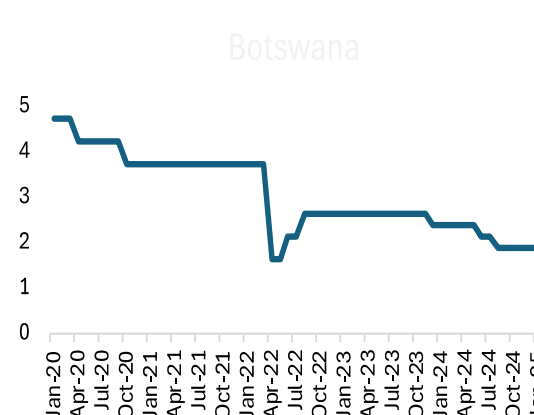
Growth rate



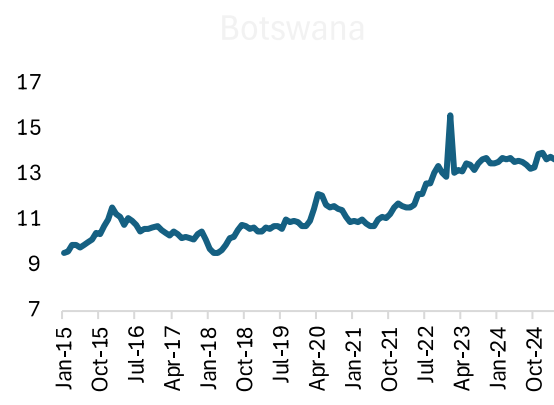
Inflation rate



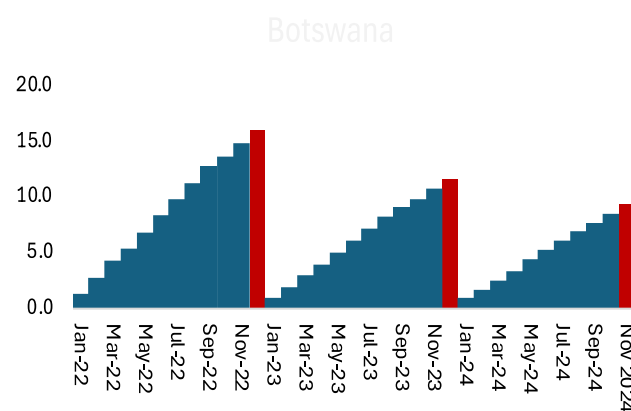
Policy rate



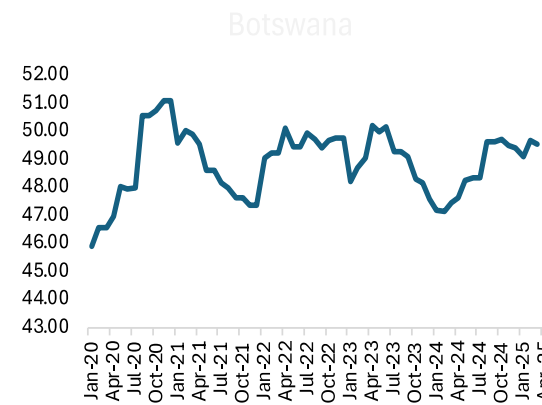
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



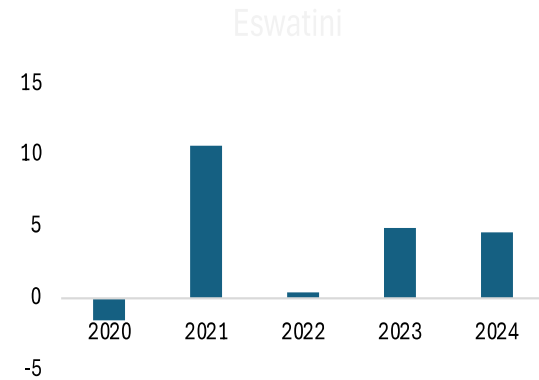
## Recent developments

- **Botswana Seeks New Eskom Power Deal as Supply Crisis Deepens**
- **Botswana Forecasts Diamond Market Recovery in 2025.**
- **Botswana's Economy Faces Contraction Amid Weak Diamond Sales.**
- **Botswana's economic outlook revised to negative due to diamond market pressures**
- **BHP to invest \$25m in Cobre's Kitlanya projects in Botswana**

## Key Macroeconomic Indicators

The economy is growing at 3.7% with inflation at 4%. The policy rate is 7%, trade activity is \$4.4 billion, and the risk index stands at 59.95, indicating moderate risks.

### Growth rate



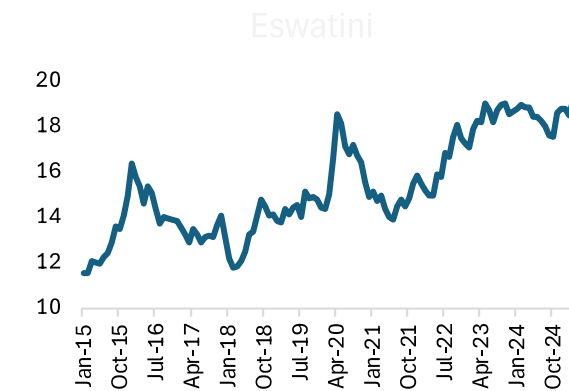
### Inflation rate

### Policy rate

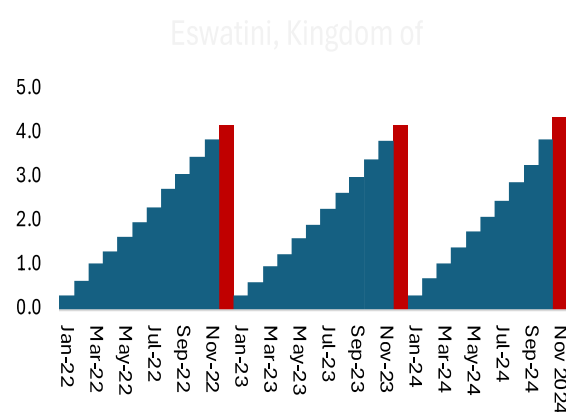
## Recent developments

- Eswatini partners with Google to drive digital transformation and economic growth.
- Dubai International Chamber facilitates expansion of 'Farm To Plate' agri-tech business into Eswatini.

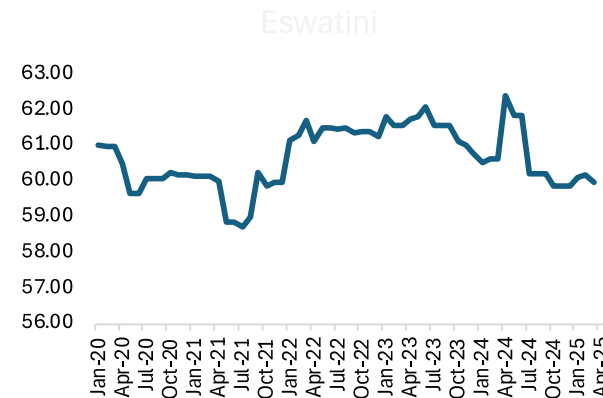
### Exchange rate



### Total foreign trade, \$US bn



### Country Risk Index



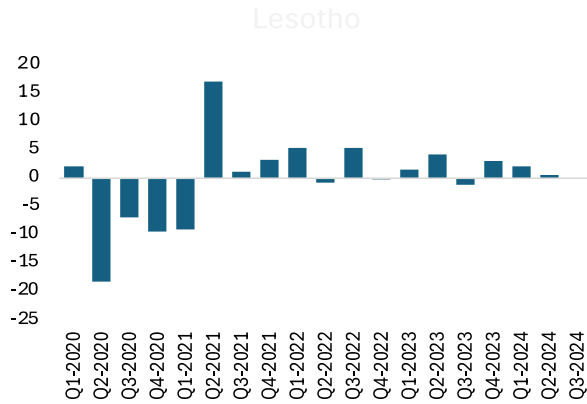
# Lesotho



## Key Macroeconomic Indicators

The economy shows minimal growth at 0.53% and moderate inflation at 4.1%. The policy rate is 7.25%, trade is low at \$2.7 billion, and the risk index is 62.83, reflecting moderate risks.

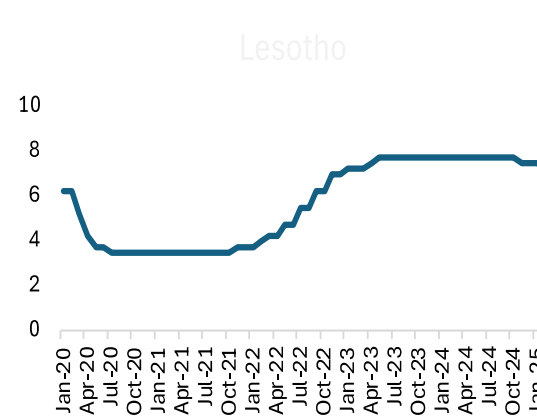
Growth rate



Inflation rate



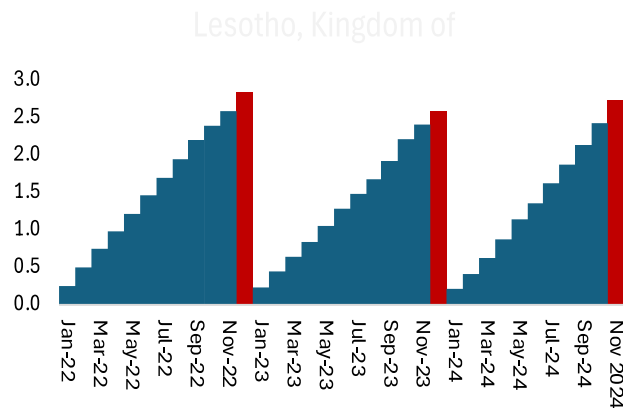
Policy rate



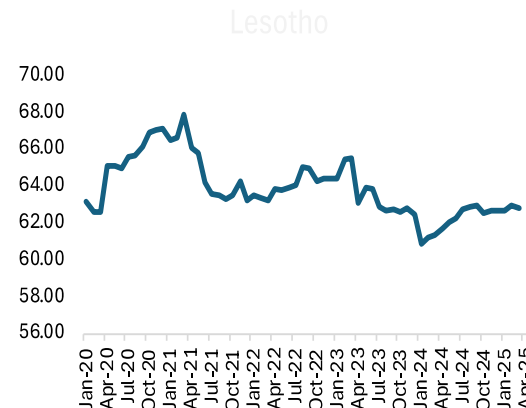
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- Trump Hits Tiny African Nation Of Lesotho With Highest Tariff Rate.
- Baffled Lesotho seeks to engage with US on 'shocking' tariffs.

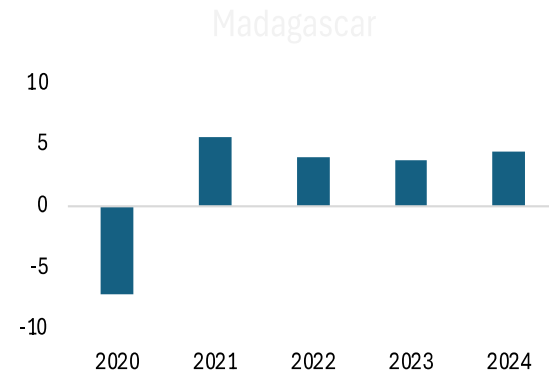
# Madagascar



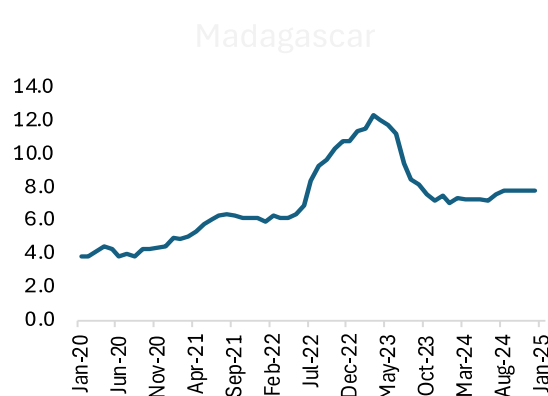
## Key Macroeconomic Indicators

The economy is growing at 4.7% with inflation at 7.8%. The policy rate is 9.5%, and foreign trade is \$6.7 bn. A risk index of 65.13 indicates moderate risks, signaling that while growth is solid, inflation and exchange rate pressures may challenge stability.

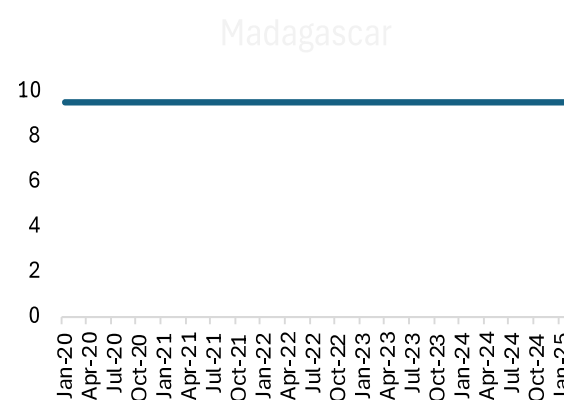
Growth rate



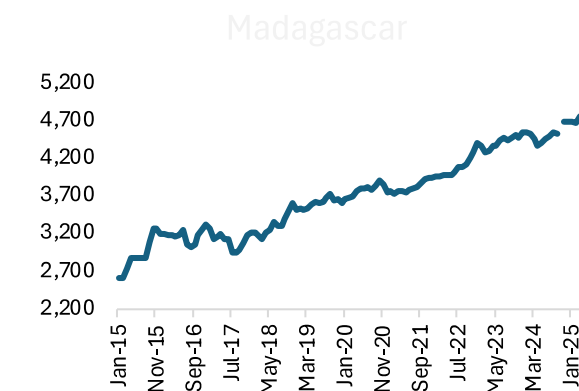
Inflation rate



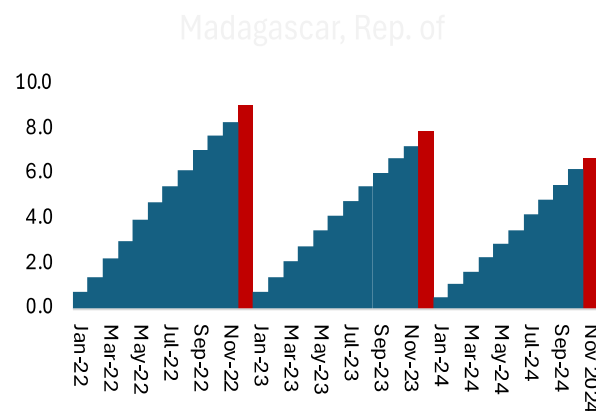
Policy rate



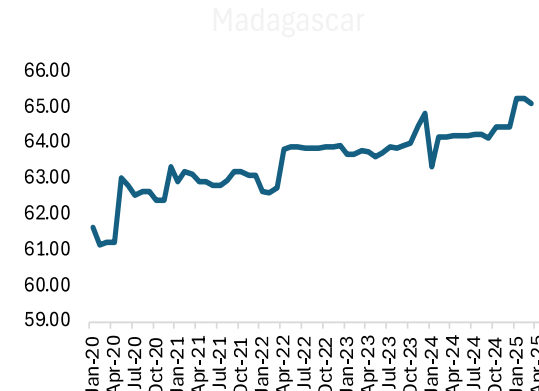
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- Madagascar recorded a Government Debt to GDP of 40.40 percent.
- Standard & Poor's credit rating for Madagascar stands at B- with a stable outlook.
- Madagascar highway pushes on through controversy.

# Malawi



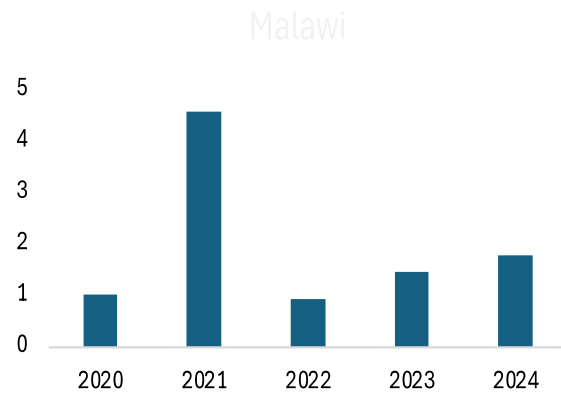
## Key Macroeconomic Indicators

The economy is growing at a rate of 1.8%, but inflation is high at 30.7%. The policy rate is set at 26%, and the exchange rate has depreciated to USD1:MWK1,735. Trade totals \$2.9 bn, while the risk index of 62.63 indicates moderate economic risks.

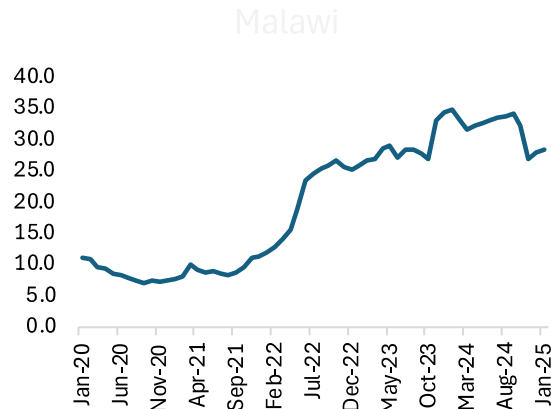
## Recent developments

- **Malawi Eyes Mining Boom to Revive Ailing Economy.**
- **Malawi's Mining Exports Set to Skyrocket to \$30-\$40bn by 2040.**

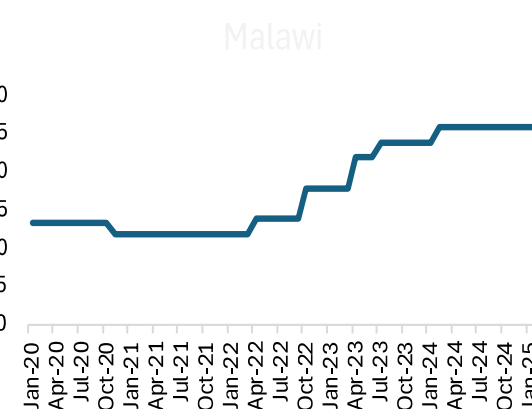
Growth rate



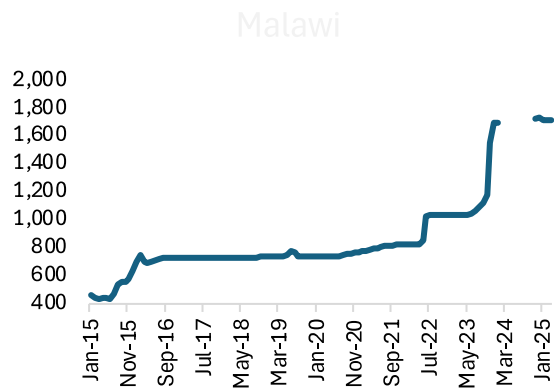
Inflation rate



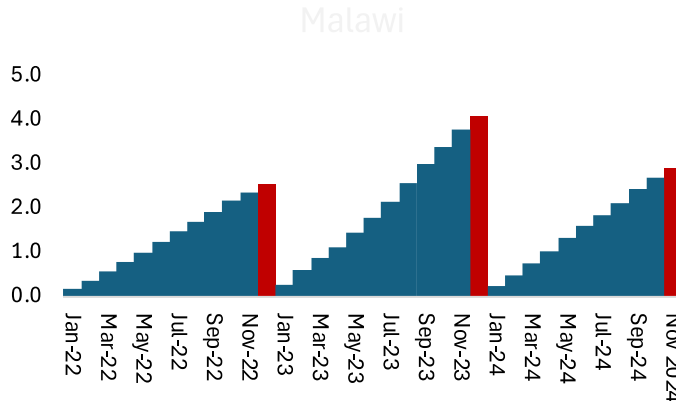
Policy rate



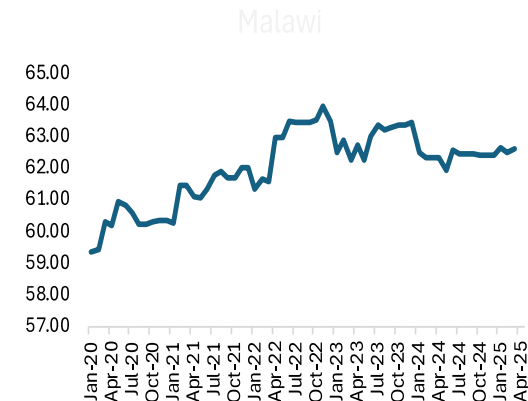
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



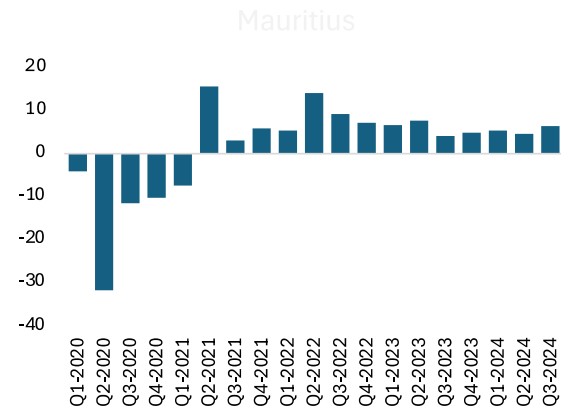
# Mauritius



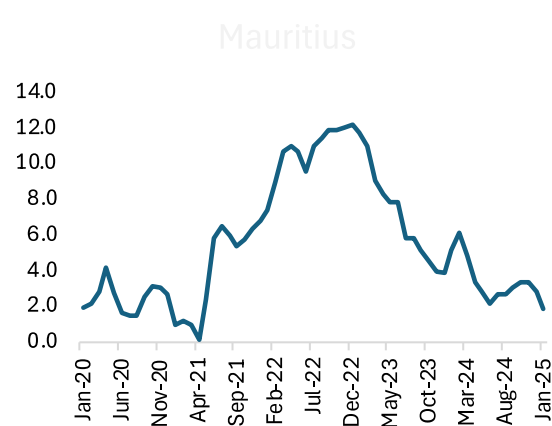
## Key Macroeconomic Indicators

The economy is currently experiencing healthy growth of 4.5%, with inflation at 1.8%. The policy interest rate is set at 4.5%. Trade activity is robust, totaling \$5.7 bn. Additionally, the low-risk index stands at 40.95, indicating a relatively stable economic environment with manageable risks.

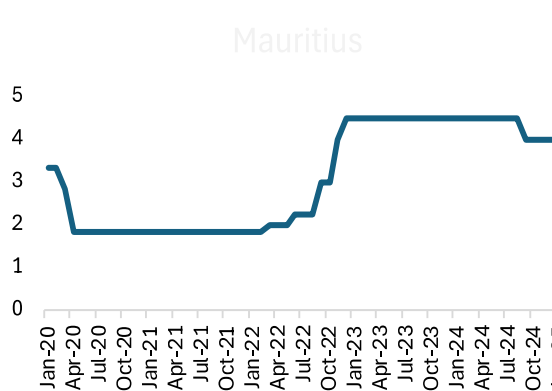
Growth rate



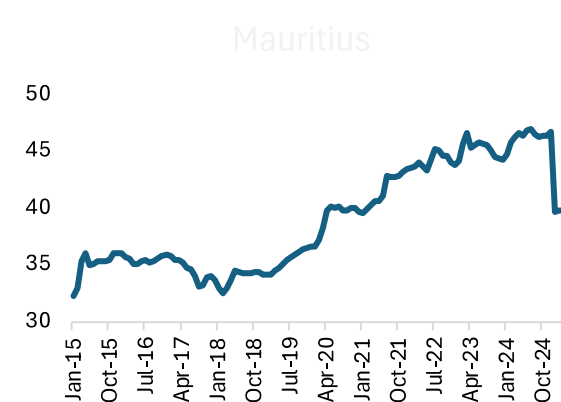
Inflation rate



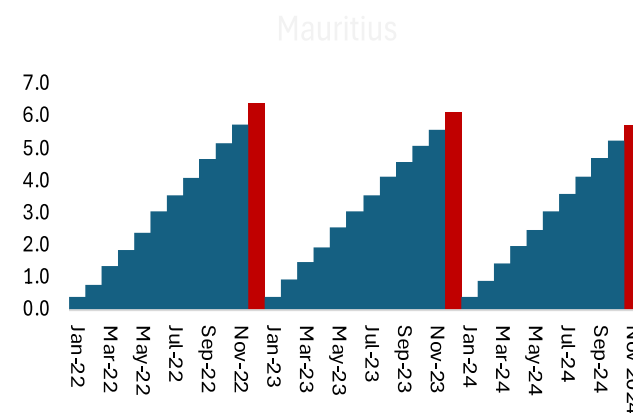
Policy rate



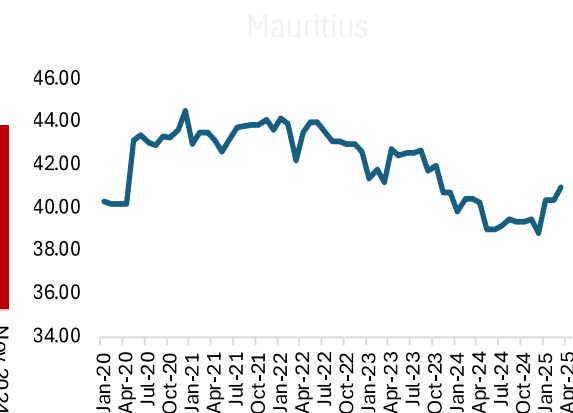
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- India-Mauritius Joint Vision for an Enhanced Strategic Partnership.
- Mauritius 'demanded £800m' from Britain every year for Chagos Islands plus bn in reparations.

# Mozambique

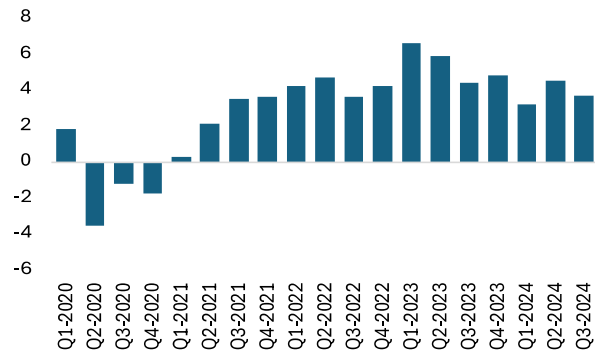


## Key Macroeconomic Indicators

The economy is growing at 4.5% with inflation at 4.74%. The policy rate is 11.75%, trade totals \$17.5 bn, and the risk index is 66.45, indicating moderate to high economic risks.

Growth rate

Mozambique



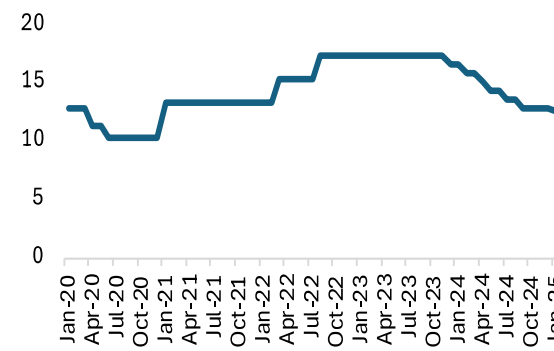
Inflation rate

Mozambique



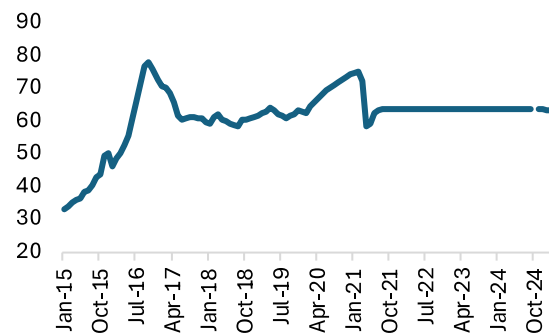
Policy rate

Mozambique



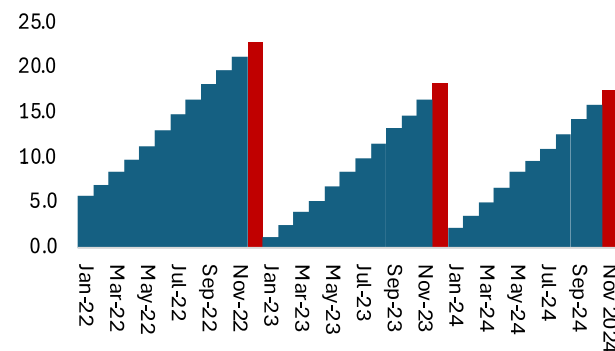
Exchange rate

Mozambique



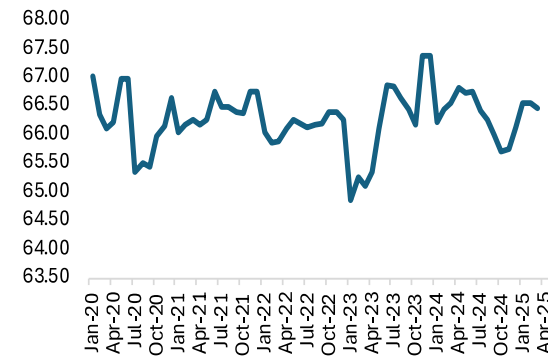
Total foreign trade, \$US bn

Mozambique, Rep. of



Country Risk Index

Mozambique



## Recent developments

- The Central Bank of Mozambique reduced its key MIMO interest rate by 50 bps to 11.75% during its regular meeting on March 26th, 2025.
- Mozambique PMI rose to 50.9 in February 2025, up from 47.5 in January, signaling a return to growth in the private sector after four months of contraction.
- Mozambique Misses 2024 Revenue Target by 10% After Vote Unrest.



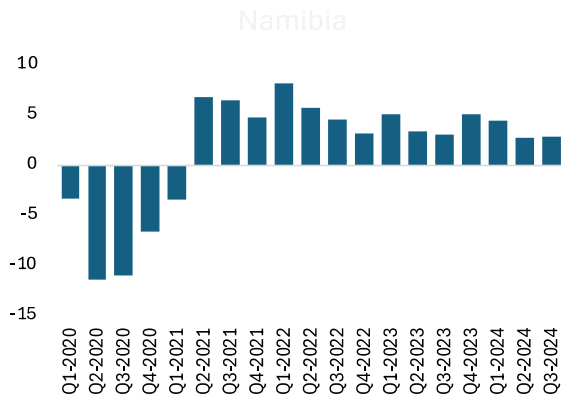
# Namibia



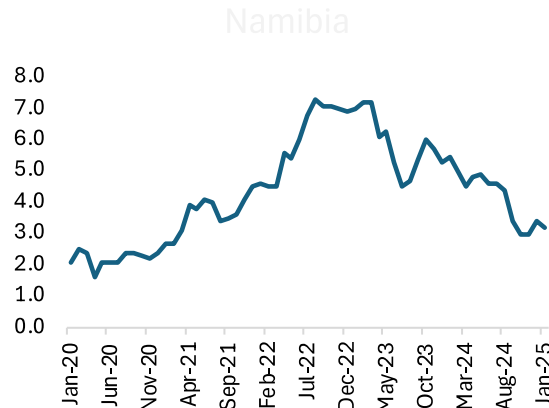
## Key Macroeconomic Indicators

The economy is growing at 2.7% with moderate inflation of 4.2%. The policy rate is 6.75%, trade activity is solid at \$14 bn, and the risk index is 51.28, indicating moderate risks.

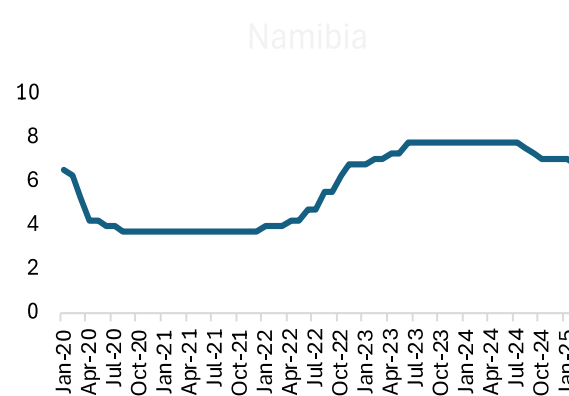
Growth rate



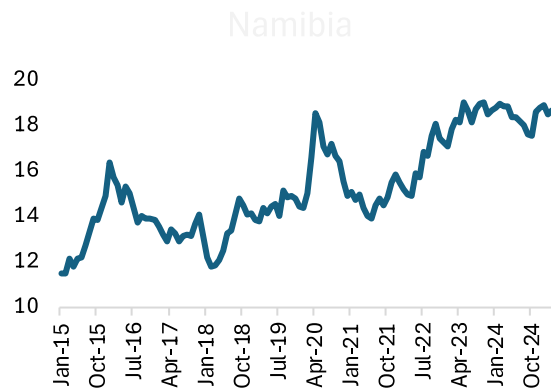
Inflation rate



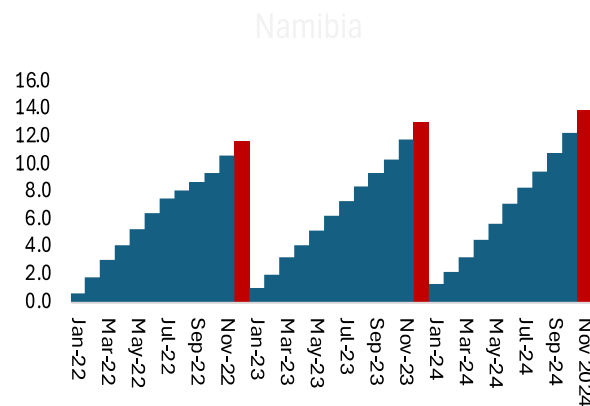
Policy rate



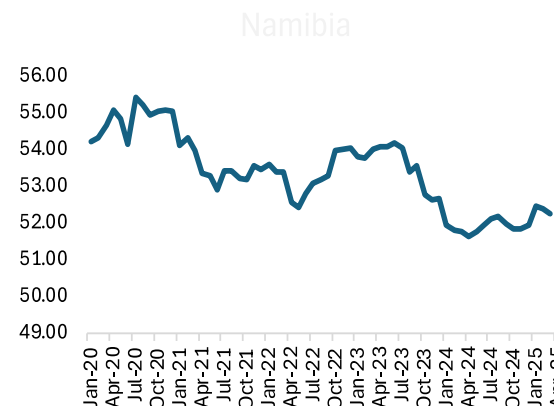
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- The economy of Namibia advanced by 3.1% year-on-year in the fourth quarter of 2024, following an upwardly revised 3.2% rise in the previous three-month period.
- Trump hits Namibia with 21% trade tariffs.
- Namibian leader pushes for sanctions removal.

# Seychelles

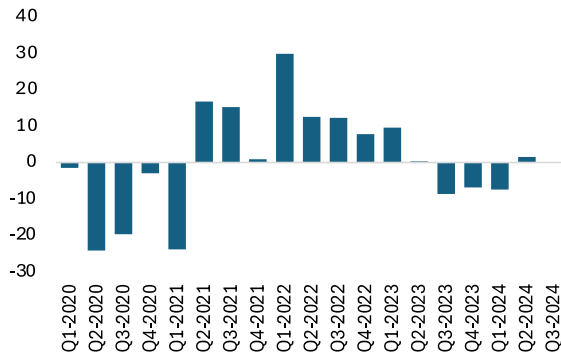


## Key Macroeconomic Indicators

The economy is growing modestly at 1.5% with low inflation at 1.7%. The policy rate is 1.75%, trade amounts to \$1.9 bn, and the risk index is 45.5, indicating a stable environment despite the growth.

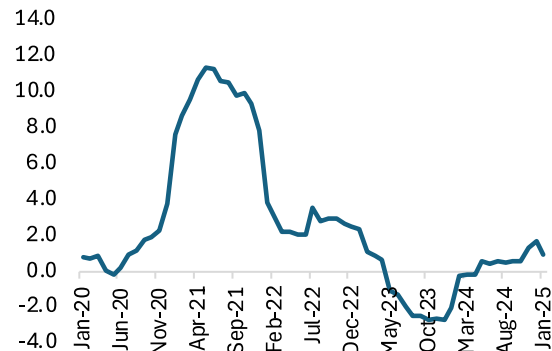
Growth rate

Seychelles



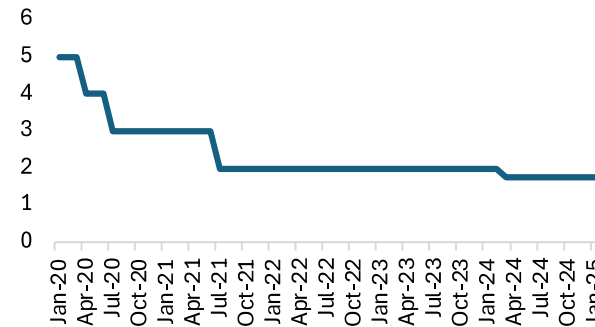
Inflation rate

Seychelles



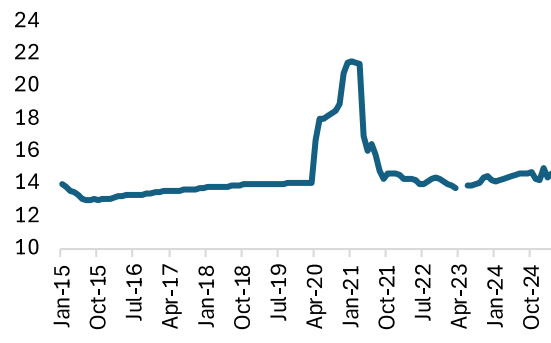
Policy rate

Seychelles



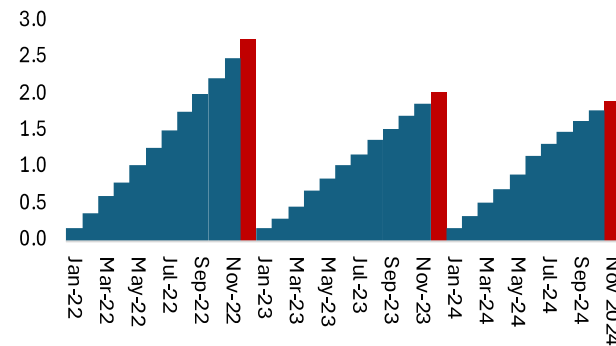
Exchange rate

Seychelles



Total foreign trade, \$US bn

Seychelles



Country Risk Index

Seychelles



## Recent developments

- Seychelles leads African nations in 2025 global passport rankings.
- Seychelles and the USA discuss facilitation of USA Visa application procedures.
- The Seychelles Explains Reason For Banning Nigerian Tourists.

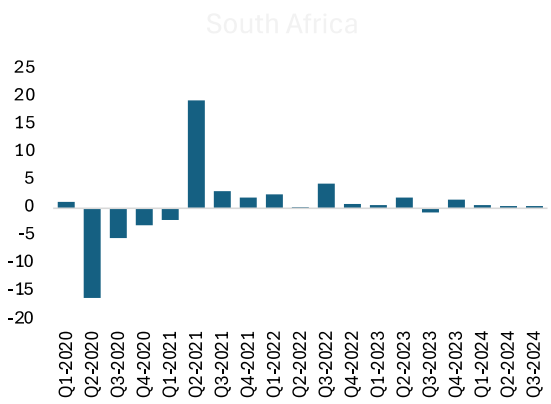
# South Africa



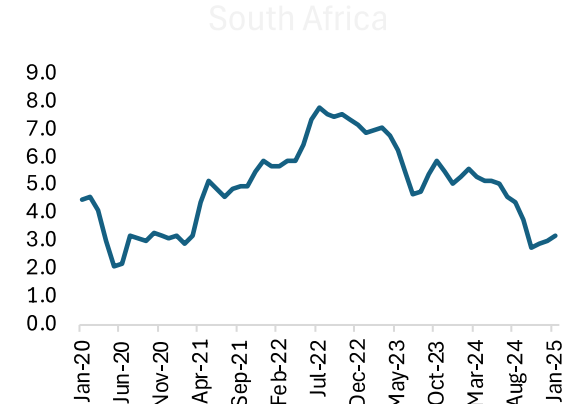
## Key Macroeconomic Indicators

The economy shows minimal growth at 0.9%, with inflation at 3.2% and a policy rate of 7.5%. Trade activity is \$200.7 billion, and the risk index stands at 53.06, indicating moderate risks.

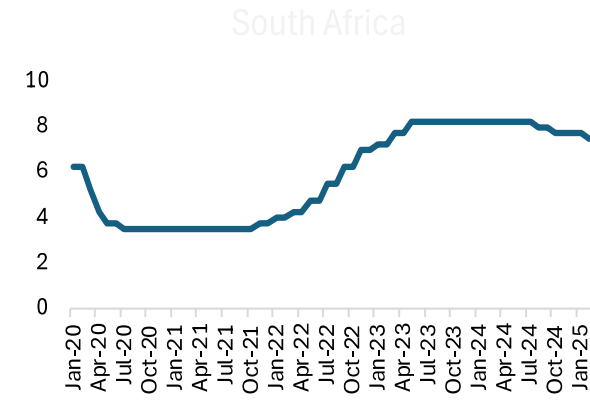
Growth rate



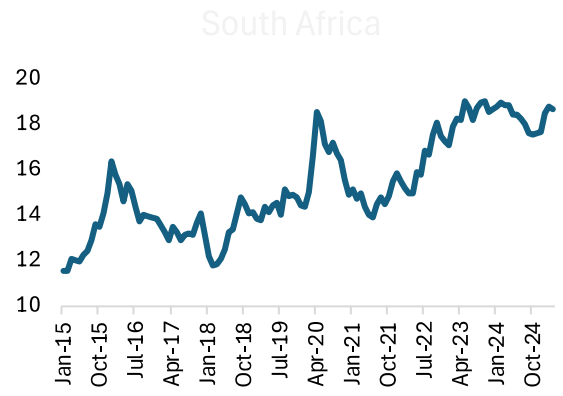
Inflation rate



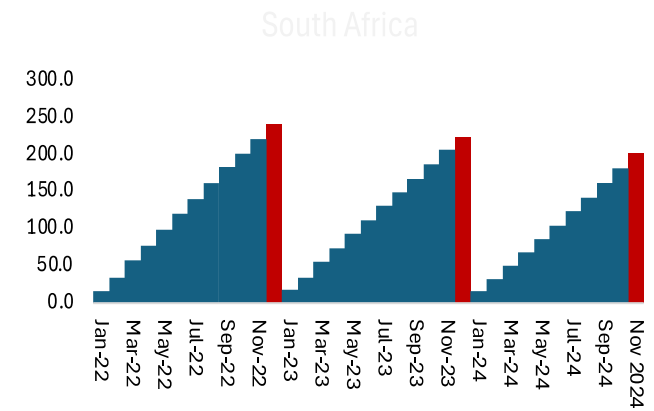
Policy rate



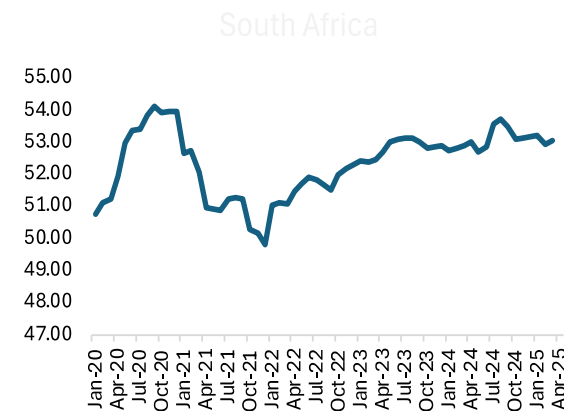
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- The South African rand slid to a historic low, crossing 19.8 per USD, despite the dollar's weakness, as general risk aversion intensified due to concerns over the global economic impact of President Trump's wide-ranging tariffs.
- The South African rand traded around 18.8 per USD, hovering near three-month lows, as the currency faced pressure from both US trade tariffs and domestic political tensions.
- South Africa PMI fell to 48.3 in March 2025 from 49.0 in the previous month. This marked the fourth straight month of contraction as weak demand persisted, driving further declines in output and new orders amid economic and political uncertainty.
- South Africa's 10-year government bond yield has surged past 11%, marking its highest level since April 2024.

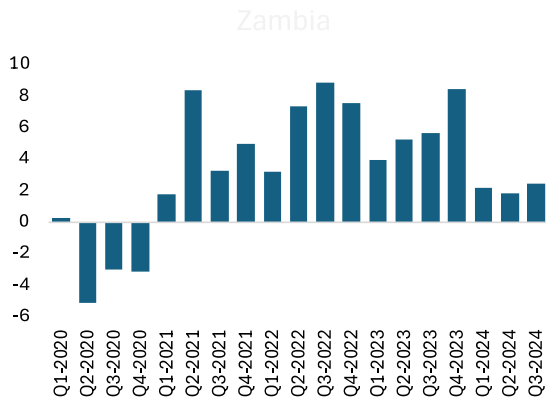
# Zambia



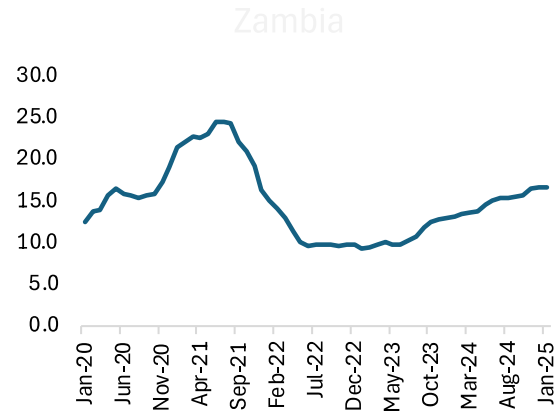
## Key Macroeconomic Indicators

The economy is growing at 1.9% with inflation at 16.7%. The policy rate is 14.5%, foreign trade is \$19.2 bn, and the risk index is 59.53, indicating moderate economic risks.

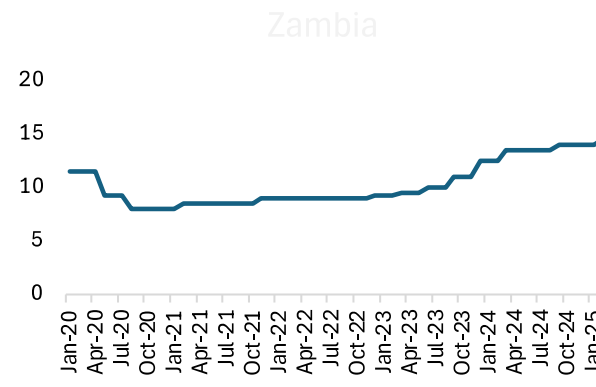
Growth rate



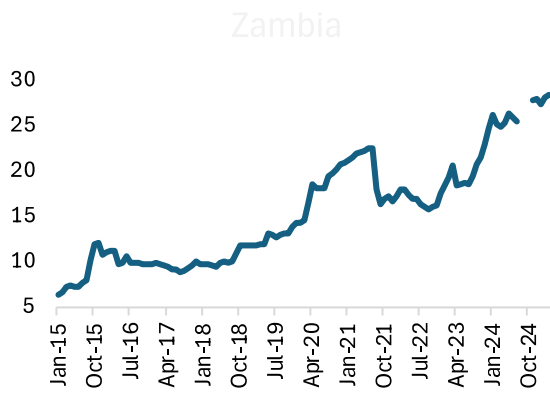
Inflation rate



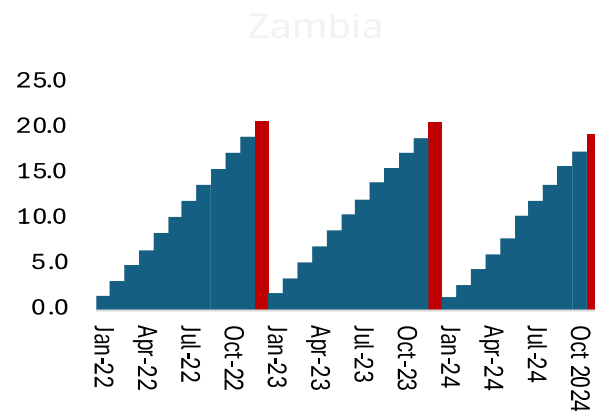
Policy rate



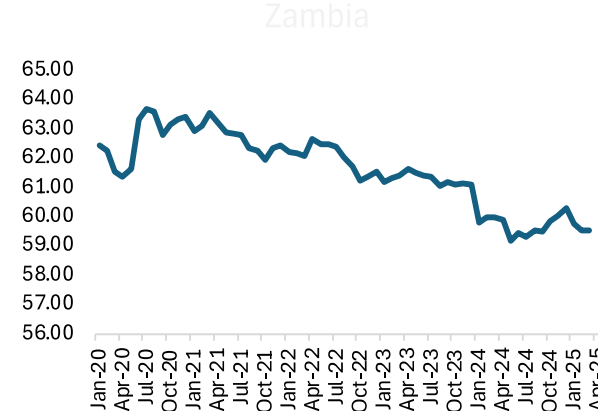
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- Zambia PMI dropped to 49.3 in March 2025 from 50.9 in February, signaling a renewed contraction after three months of improvement.
- Zambia's annual inflation rate eased to 16.5% in March 2025, from 16.8% in the prior month, which was the steepest since November 2021.
- Zambia reforms immigration laws.
- Zambia is reminiscing \$80 million in Erroneous Debt Payments to China.

# CARICOM





## Growth rate

### Modest growth

In 2024, the Bahamas' GDP increased by 3.1% compared to the previous year.



## Inflation rate

### Inflation in negative territory

In April 2025, consumer prices in the Bahamas fell by 0% compared to the previous year, following a -1% decrease in the prior month.



## MPC

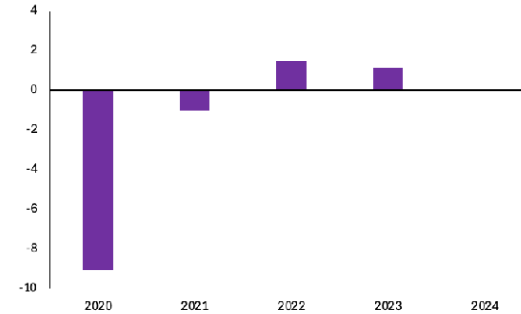
### Stable interest rate

The benchmark interest rate in the Bahamas is currently 4%. From 2006 to 2024, it has averaged 4.47%, with a high of 5.25% recorded in November 2006 and a low of 4.00% observed in December 2016.

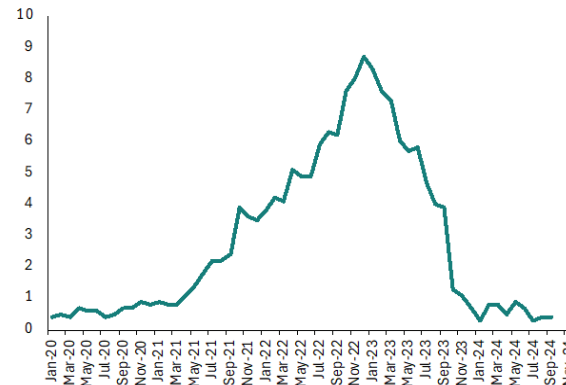
Source: Afreximbank Research.

## Macroeconomic developments

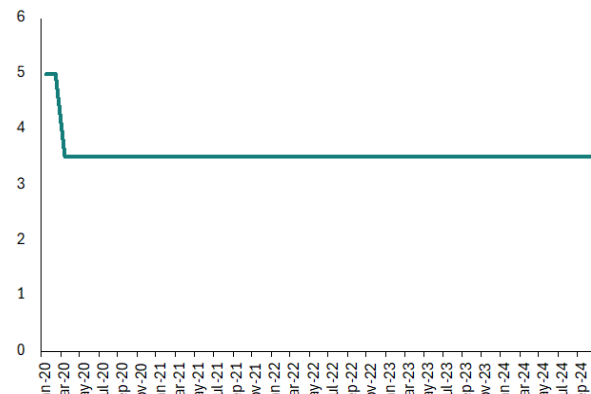
### Growth rate (% of change)



### Inflation rate (% of change)



### CB policy Rate



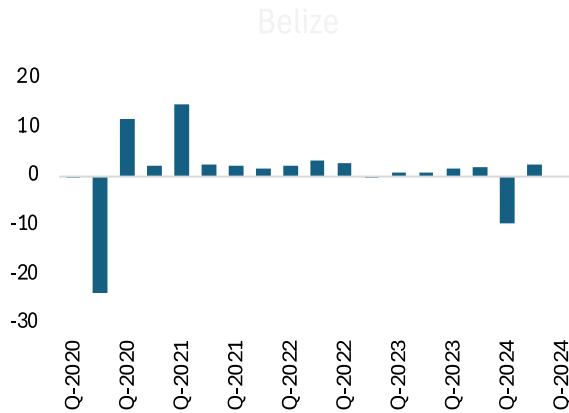
## Recent developments

- Public finances are improving, and borrowing costs have decreased. Growth is expected to slow to its long-run potential of 1½% due to increasing capacity constraints in tourism.
- Income per capita continues to diverge from that of the U.S. Meanwhile, high electricity costs, a shortage of skilled labor, and barriers to business formation and expansion persist, hindering growth.
- Foreign air departures have decreased by 11% due to a slowdown in tourism.
- The US-based rating agency has retained The Bahamas' current 'B+' long-term credit rating with a "stable" outlook.
- Guyana, Bahamas ink new agreement for air travel

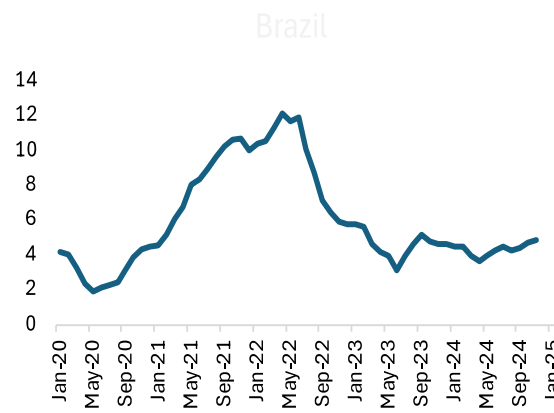
## Key Macroeconomic Indicators

Belize experienced a -9.6% growth in Q2-2024 and 1.6% inflation in December. With a low policy rate of 2.25%, the economy faces challenges from a moderate-Country Risk Index of 57.41 and a low foreign trade volume of \$2 bn.

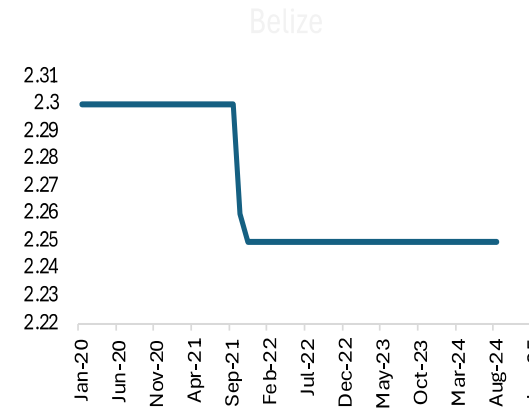
Growth rate



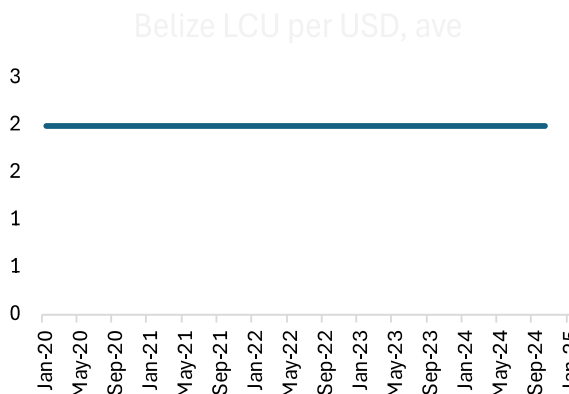
Inflation rate



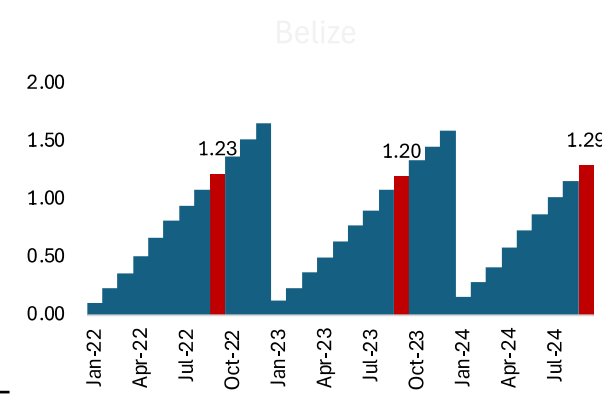
Policy rate



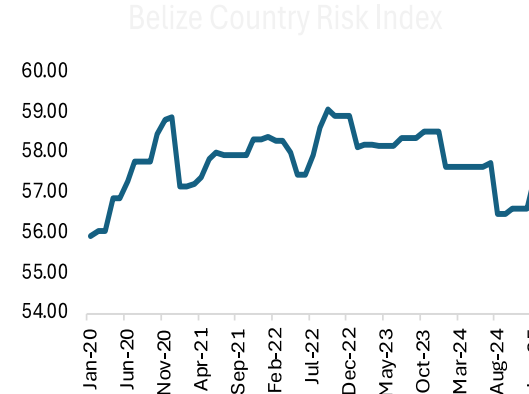
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- **UK Government Invests £100,000 in Belize's Seaweed Industry.**





## Growth rate

Guyana's GDP saw a remarkable growth of 33.2% in Q4 2024. The expansion of the Guyanese economy continued into the first quarter of 2024, primarily driven by the oil and gas sector.



## Inflation rate

### Steady Inflation

The annual inflation rate in Guyana rose to 4% In April 2025, up from 3.4% the previous month.



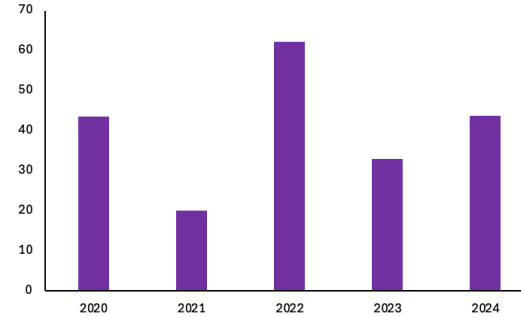
## MPC

### Interest rate on hold at record high

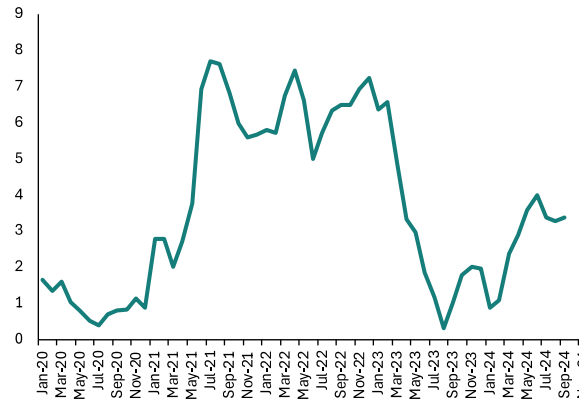
The benchmark interest rate in Guyana is currently recorded at 5%. From 2001 until 2024, the average interest rate in Guyana was 5.67%.

## Macroeconomic developments

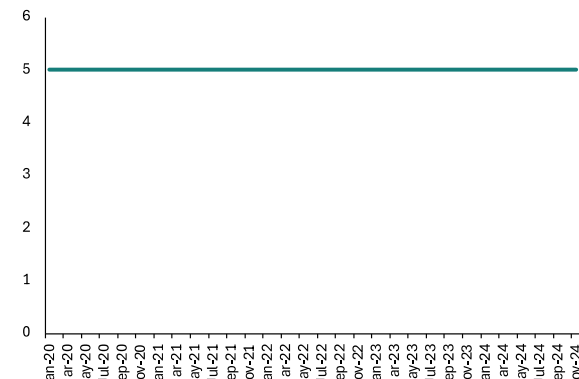
### Growth rate (% of change)



### Inflation rate (% of change)



### CB policy Rate



## Recent developments

- Guyana's real economy experienced an estimated growth of 49.7% in the first half of 2024, driven by expansion in the oil and gas industry, along with sustained growth in the non-oil sectors.
- The current account surplus in the first half of 2024 was driven by an increase in merchandise export earnings, which surpassed the rise in payments for goods and services.
- Prime Minister Modi's visit to Guyana represents a significant milestone in the relationship between India and Guyana.

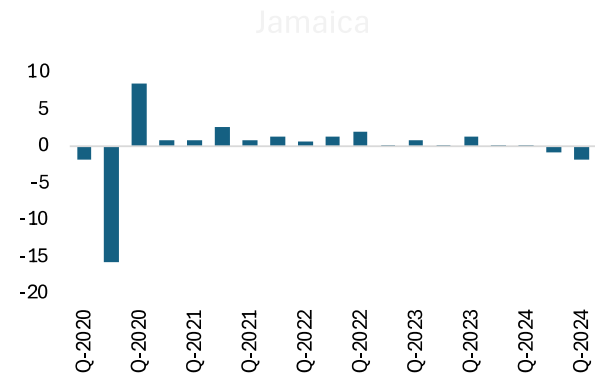
# Jamaica



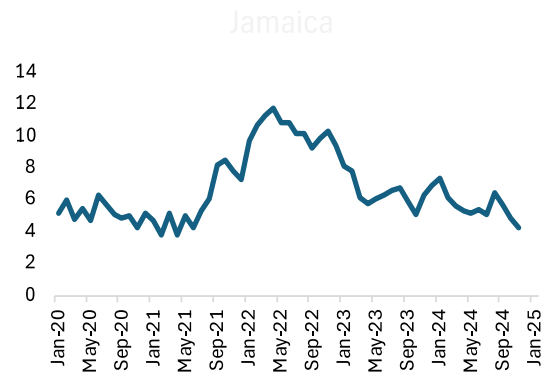
## Key Macroeconomic Indicators

Jamaica had a -2% growth rate in Q2-2024 with 4.4% inflation and a 6% policy rate. The country risk index stands at 49.11, and foreign trade is at \$6.8 bn.

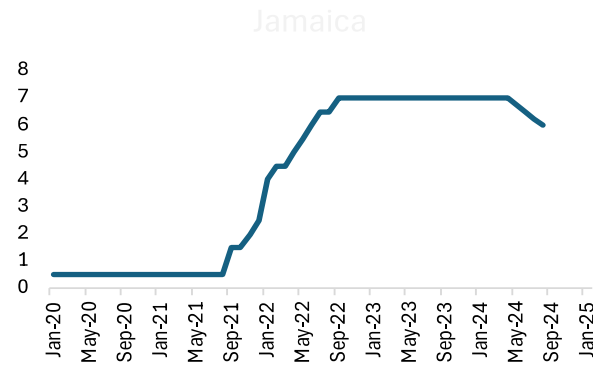
Growth rate



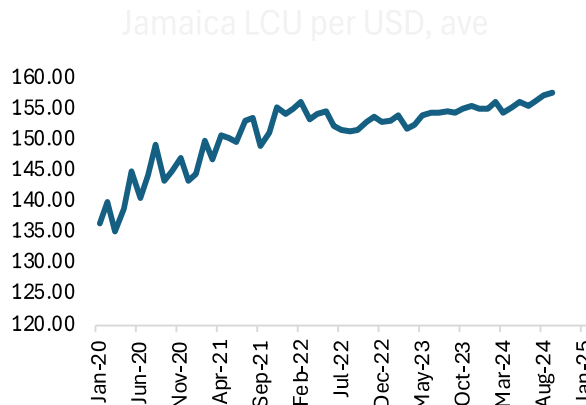
Inflation rate



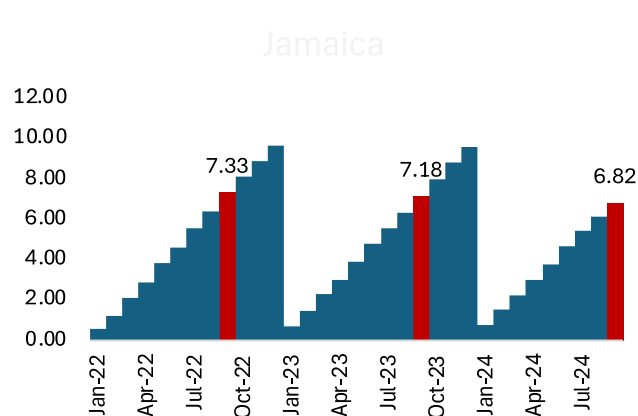
Policy rate



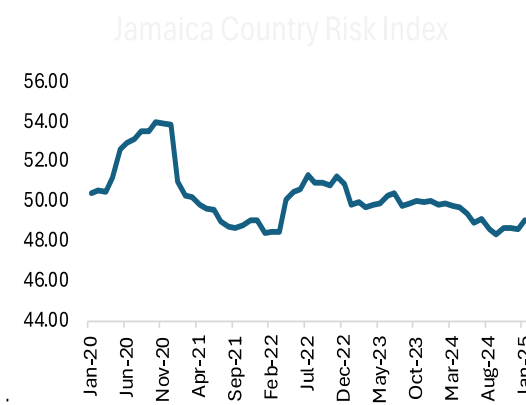
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



## Recent developments

- Wendy's has invested over \$300 million in a new Whitter Village location in Jamaica.
- There is a strengthened economic partnership between Jamaica and India.
- Port Royal will benefit from an improved water supply due to the commissioning of a new \$530 million pipeline system.

# Trinidad And Tobago



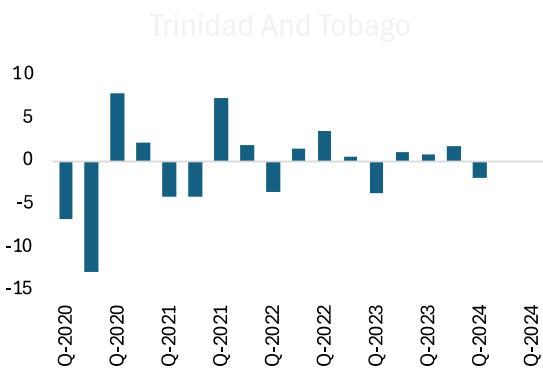
## Key Macroeconomic Indicators

Trinidad and Tobago had 0.3% growth in Q2-2024, with low inflation at 0.7%. The policy rate is 3.5%, foreign trade totals \$6.76 bn, and the country risk index stands at 41.19.

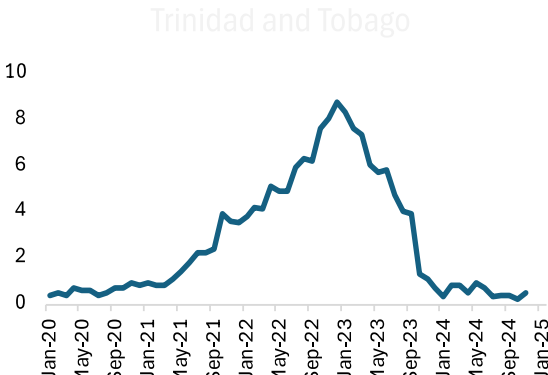
## Recent developments

- **The Samoa Agreement: Focus on the Caribbean Economic Development and EU Partnership.**
- **LIAT20 makes inaugural flight to Trinidad and Tobago.**

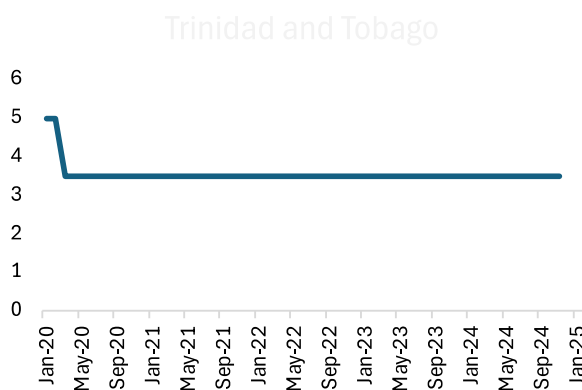
Growth rate



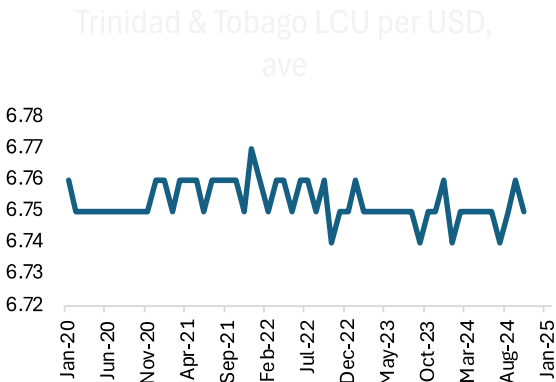
Inflation rate



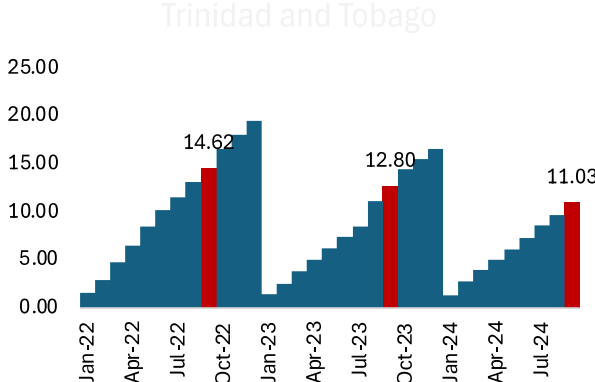
Policy rate



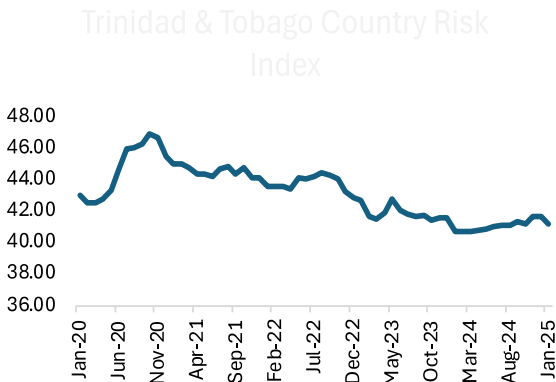
Exchange rate



Total foreign trade, \$US bn



Country Risk Index



04

## **Conclusion and Recommendation**



# Conclusions and Recommendations 1/2

## 1. Signs of Stabilization Amid Persistent Challenges

African economies are exhibiting cautious signs of stabilization, with inflation moderating and exchange rates showing reduced volatility in some markets. However, this progress remains fragile, with macroeconomic stability vulnerable to global shocks, such as geopolitical tensions, commodity price fluctuations, and tightening global financial conditions.

## 3. The Role of Policy Credibility and External Support

Countries like Egypt and Ghana illustrate the importance of credible policy frameworks and external financing (from the IMF or bilateral partners) in stabilizing macroeconomic indicators. Their ability to implement reforms and secure international support has been critical in curbing inflation and restoring investor confidence.



## 4. Uneven Growth and Structural Bottlenecks

Despite easing inflation, growth remains uneven across the continent. Structural challenges—ranging from infrastructure gaps and energy shortages to debt burdens and governance issues—continue to constrain economic expansion, particularly in South Africa, Nigeria, and Ethiopia.

## 2. Debt Sustainability and Fiscal Pressures

While some countries regained access to international capital markets, debt sustainability remains a pressing issue. Fiscal consolidation efforts are underway in several countries, but high debt servicing costs and limited revenue generation capacity constrain public investment and economic resilience.

## 5. Rising Importance of Domestic Reforms

The differential performance across countries underscores the growing importance of timely and sustained domestic reforms. Economies that are implementing coherent monetary, fiscal, and structural policies are better positioned to weather global uncertainties and attract investment.

# Conclusions and Recommendations 2/3

01



## Enhance Policy Credibility and Transparency

Countries must reinforce central bank independence and transparency in monetary policy to anchor inflation expectations and foster investor confidence.

Clear and consistent communication around FX and debt strategies is crucial, especially in high-volatility environments.

02



## Strengthen Domestic Resource Mobilization

With limited external financing options, African economies should deepen domestic revenue mobilization through tax reforms, digitalization of revenue collection, and broader tax bases.

03



## Diversify Economies and Export Bases

Reduce overreliance on primary commodities by investing in value-added sectors like manufacturing and services.

Regional integration (AfCFTA) offers a platform to expand intra-African trade and reduce external dependency.

04



## Build External Buffers and Risk Management Mechanisms

Countries should proactively build foreign reserves and consider hedging strategies to mitigate commodity price and FX volatility risks.

05



## Sustain Structural Reforms

Continue reforms in energy, infrastructure, and governance to enhance productivity and attract private investment.

Social safety nets must be expanded to cushion the vulnerable during adjustment processes.

06



## Leverage Concessional Financing and Partnerships

Multilateral and bilateral support remains vital. Countries should strategically engage with partners to access concessional financing, technical assistance, and debt relief mechanisms where applicable.