Recent developments: Economic activity was robust in much of **Sub-Saharan Africa** in 2013. GDP growth in the region strengthened to 4.7 percent in 2013, up from 3.7 percent in 2012, supported by robust investment in the resource sectors and public infrastructure. However, domestic constraints and a tightening global environment will moderate growth in the medium term.

Fiscal and current account deficits have widened across the region. Ambitious public investment programs, large increases in public wages, and rising transfers and subsidies, coupled with weak revenues, as a result of weak commodity prices, have contributed to the deterioration of fiscal balances in many countries. In Zambia, for example, civil servants' salaries were increased by a record 45 percent in 2013, putting public finances on an unsustainable path. Partly as a result of rising fiscal deficits, the debt to GDP ratio remained elevated in many countries as government borrowing has risen. Among low-income countries, government debt rose to 43.3 percent of GDP in Mozambique and to 82.1 percent of GDP in the Gambia in 2013. Among middle-income countries, the debt-to-GDP ratio rose to 45.9 percent in Senegal, 60.1 percent in Ghana, and 95.0 percent in Cabo Verde, raising concerns about fiscal sustainability going forward and highlighting the need for fiscal consolidation to rebuild fiscal buffers.

As the United States began to taper its asset purchase program this year, the currencies of South Africa and other frontier market economies, including Ghana, Nigeria and Zambia, came under intense pressure and short-term capital inflows to Sub-Saharan Africa declined significantly, suggesting changing investor sentiment toward the region. In this environment, Zambia undertook the region's first sovereign debt issuance of the year, raising $1 billion through the sale of 10-year dollar-denominated bonds priced at 8.6 percent, compared with 5.3 percent on its maiden bond issuance in 2012. The increased cost of borrowing reflected not only falling investor demand for frontier market debt but also country-specific risks, including concerns about the country's rising budget deficit.

Outlook: Despite emerging challenges, medium-term growth prospects for Sub-Saharan Africa remain favorable. Regional GDP growth is projected to remain stable at 4.7 percent in 2014, strengthening to 5.1 percent in each of 2015 and 2016, supported by net foreign direct investment (FDI) flows in the resource sectors, public investment in infrastructure, and improved agricultural production.

The strengthening recovery in high-income countries bodes well for export demand and investment flows, although weaker commodity prices and slower growth in emerging markets will moderate growth of FDI flows to the region to $32.5 billion in 2014, from $31.9 billion in 2013. Nevertheless, this would support growth in many countries. Besides FDI, the continued focus on expanding public infrastructure to ease supply bottlenecks is expected to provide further impetus to growth in the region. The inflation outlook is expected to remain favorable across the region, although prices will trend higher due to higher food prices in some countries or pass-through from currency depreciations in others, particularly Ghana and South Africa.

At the sub-regional level, growth is expected to be strong in East Africa, increasingly supported by FDI flows into offshore natural gas resource in Tanzania, the onset of oil production in Uganda and Kenya, and agriculture in Ethiopia. Tight monetary policy combined with labor strikes and weak electricity supply will keep growth subdued in South Africa. In Angola, after a slowdown in 2013, growth is expected to pick up moderately in 2014, supported by improved oil production and infrastructure investment. Growth is projected to remain robust in Nigeria, which became the region's largest economy following the rebasing of its GDP, supported by the continued expansion of non-oil sectors. .

Risks: The risks to the region's outlook remain skewed to the downside and include lower commodity prices brought on by weaker growth in emerging markets, especially China; increased capital market volatility accompanying the tightening of global monetary conditions; and domestic risks from political tensions in the run-up to elections in Nigeria, security problems linked to conflicts in South Sudan and the Central African Republic, and higher inflation from extreme currency weaknesses and rising food prices.

Sub-Saharan Africa Country forecasts

(annual percent change unless indicated otherwise)

					Est.	Forecast		
	00-09[a]	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
GDP at market prices (2010 US$)								
Angola	10.9	3.4	3.9	6.8	4.1	5.2	6.5	6.8
Benin	3.6	2.6	3.5	5.4	4.0	4.5	4.4	4.3
Botswana	3.5	7.3	5.1	4.2	4.2	4.1	4.0	4.2
Burkina Faso	5.2	7.9	4.2	9.5	6.6	6.7	6.5	6.3
Burundi	2.9	3.8	4.2	4.0	4.5	4.0	3.7	3.0
Cabo Verde	6.0	3.7	4.5	2.5	1.7	2.5	2.2	4.0
Cameroon	2.9	3.3	4.1	4.6	4.7	4.9	5.1	5.0
Comoros	1.8	2.1	2.2	3.0	3.3	3.5	3.5	3.2
Congo, Dem. Rep.	4.2	7.2	6.9	7.2	6.5	6.0	5.0	4.4
Congo, Rep.	3.8	8.8	3.4	3.8	3.5	5.9	7.4	4.9
Cote d Ivoire	0.8	2.4	-4.7	9.5	8.7	7.4	5.9	4.0
Equatorial Guinea	15.0	-1.7	4.9	2.5	-4.9	-4.3	-2.0	-0.1
Eritrea	0.7	2.2	8.7	7.0	3.6	3.5	3.0	2.0
Ethiopia[b]	7.6	12.6	11.2	8.7	9.7	7.4	7.0	6.6
Gabon	1.3	6.7	7.1	5.6	3.5	3.6	3.7	3.7
Gambia, The	3.2	6.5	-4.3	5.3	6.2	6.5	6.0	5.0
Ghana	5.0	8.0	15.0	7.9	7.1	5.0	7.3	7.5
Guinea	2.4	1.9	3.9	3.9	2.6	4.6	5.2	5.5
Guinea-Bissau	2.3	1.7	4.8	-6.7	0.3	2.5	2.7	2.7
Kenya	3.6	5.8	4.4	4.6	4.7	5.0	4.7	4.0
Lesotho	3.3	7.9	3.7	4.0	4.1	4.2	4.4	4.1
Madagascar	2.5	0.5	1.9	3.1	2.8	4.0	4.5	4.5
Malawi	3.8	-9.5	4.3	1.9	4.2	4.4	4.6	4.7
Mali	5.4	5.8	2.7	-0.4	1.8	6.6	5.8	5.7
Mauritania	4.5	5.1	4.0	7.6	5.7	4.4	3.7	3.1
Mauritius	3.4	4.1	3.9	3.2	3.2	3.7	4.1	4.2
Mozambique	7.1	7.1	7.3	7.4	7.1	8.1	8.6	8.4
Namibia	3.9	6.3	5.7	5.0	4.2	3.4	3.5	3.3
Niger	3.7	8.4	2.3	10.8	3.6	6.2	6.0	5.6
Nigeria	5.7	7.8	6.8	6.5	7.0	6.7	6.5	6.1
Rwanda	7.2	7.2	8.2	8.0	5.0	7.2	7.4	7.4
Senegal	3.7	4.3	2.1	3.5	3.7	4.1	4.3	4.2
Seychelles	1.4	5.9	7.9	2.8	3.7	3.7	2.9	2.8
Sierra Leone	5.9	5.4	6.0	15.2	13.3	14.1	10.5	9.2
South Africa	3.2	3.1	3.5	2.5	1.9	2.0	3.0	3.5
Sudan	5.5	3.5	-3.3	-10.1	4.0	3.2	3.0	3.0
South Sudan	6.2	4.2	1.6	-42.1	27.0	8.0	8.5	9.0
Swaziland	2.9	1.9	0.3	-1.5	1.5	1.6	1.8	2.0
Tanzania	6.2	7.0	6.4	6.9	7.0	7.2	7.2	7.1
Togo	1.6	4.2	4.9	5.7	4.0	3.7	3.5	3.4
Uganda	6.9	6.2	5.0	4.7	6.5	7.0	6.8	6.8
Zambia	4.8	7.6	6.8	7.2	6.4	7.0	6.8	6.5
Zimbabwe	-5.8	9.6	10.6	4.4	2.9	2.0	1.0	0.6

Source: World Bank.

World Bank forecasts are frequently updated based on new information.

Liberia, Somalia, Sao Tome and Principe are not forecast owing to data limitations.

a. Growth rates over intervals are compound average; growth contributions, ratios and the GDP deflator are averages.

b. The growth rates are reported in Fiscal Year terms.