

SUB-SAHARAN AFRICA



Sub-Saharan Africa's growth improved, for the second consecutive year, to 4.5 percent in 2014. Despite headwinds, growth is projected to pick up to 5.1 percent by 2017, lifted by infrastructure investment, increased agriculture production, and buoyant services. The outlook is subject to downside risks arising from a renewed spread of the Ebola epidemic, violent insurgencies, lower commodity prices, and volatile global financial conditions. Policy priorities include a need for budget restraint for some countries in the region and a shift of spending to increasingly productive ends, as infrastructure constraints are acute. Project selection and management could be improved with greater transparency and accountability in the use of public resources.

Recent Developments

Growth picked up moderately in Sub-Saharan Africa in 2014, to an average of about 4.5 percent compared with 4.2 percent in 2013. GDP growth slowed markedly in South Africa, constrained by strikes in the mining sector, electricity shortages, and low investor confidence. Angola was set back by a decline in oil production. The Ebola outbreak severely disrupted economic activity in Guinea, Liberia, and Sierra Leone. By contrast, in Nigeria, the region's largest economy, activity expanded at a robust pace, supported by a buoyant non-oil sector. Growth was also strong in many of the region's low-income countries, including Côte d'Ivoire, Mozambique, and Tanzania. Excluding South Africa, the average growth for the rest of the region was 5.6 percent. This is a faster pace than other developing regions, excluding China (Figure 2.33). Extreme poverty remains high across the region, however.

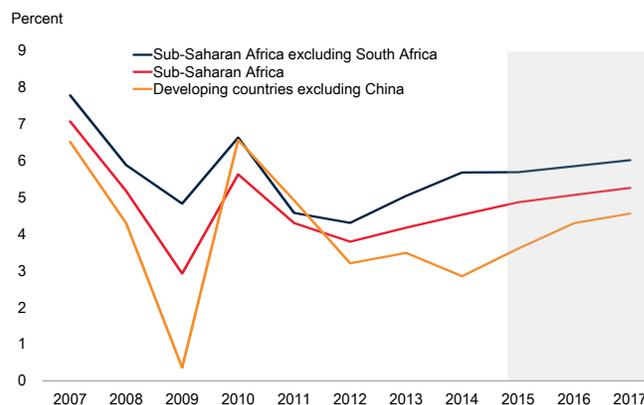
Investment in public infrastructure, increased agriculture production, and buoyant services were key drivers of growth. Infrastructure investment across the region, for example, in ports, electricity capacity, and transportation, helped to sustain growth. Increased agricultural production also buoyed growth. A record maize harvest in Zambia more than offset the decline in copper production. A strong increase in cocoa production lifted output in Côte d'Ivoire, despite concerns that the Ebola outbreak might disrupt the industry. Services sector expansion, led by

transport, telecommunication and financial services, spearheaded growth in countries such as Nigeria, Tanzania, and Uganda.

However, FDI flows, an important source of financing of fixed capital formation in the region, declined in 2014, reflecting slower growth in emerging markets and soft commodity prices. Portfolio investment flows also slowed, driven by reduced flows to South Africa and Nigeria, as did official flows directed mainly at low-income countries. Meanwhile, several frontier market countries were able to tap international bond markets to finance infrastructure

FIGURE 2.33 GDP growth

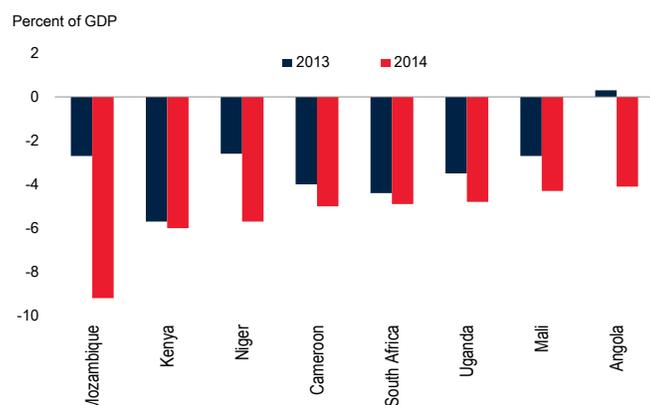
Growth was steady in Sub-Saharan Africa in 2014.



Source: World Bank.

FIGURE 2.34 Overall fiscal balance

Fiscal balances deteriorated in many countries in 2014.



Source: World Bank.

projects. Bond issuances of Côte d'Ivoire, Kenya, and Senegal were highly oversubscribed as a result of accommodative international financial conditions.

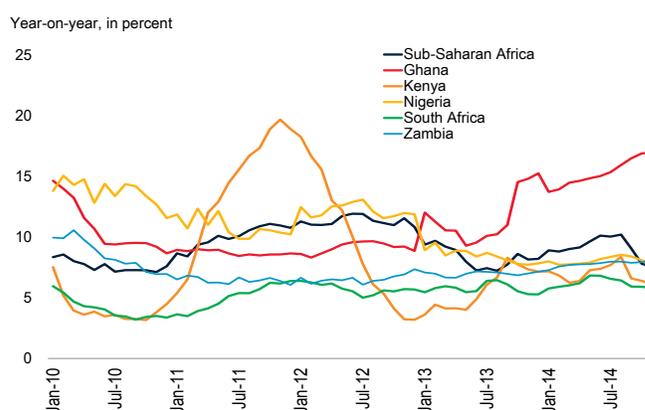
The fiscal deficit for the region narrowed to 2.5 percent of GDP, as several countries took measures in 2014 to control expenditures. Nigeria's overall deficit fell thanks to higher non-oil revenues and reduced current spending. In Senegal, the authorities cut less productive expenditures, including those on wages and salaries. In Burkina Faso, improvements in the overall balance came from better revenue collection and tax policy reforms. At the same time, however, the fiscal position deteriorated in many countries (Figure 2.34). In some, it was due to increases in the wage bill (e.g., Kenya and Mozambique). In other countries, it was due to higher spending associated with the frontloading and scaling up of public investment (e.g., Mali, Niger, and Uganda). Elsewhere, the higher deficits reflected declining revenues, notably among oil-exporting countries because of declining production and lower oil prices (Angola).

The region's debt ratio remained moderate, at 30 percent of GDP. Robust growth and concessional interest rates have helped to keep debt burdens manageable. However, in a few countries, debt increased significantly in 2014, especially in Ghana (to 65 percent of GDP), Niger (to 42 percent of GDP), Mozambique, and Senegal (both above 50 percent of GDP). In some countries, particularly those that have newly accessed international bond markets, the share of nonconcessional loans rose, pushing up debt servicing costs.

Current account deficits stabilized at 2.9 percent of GDP in 2014, reflecting soft commodity prices and

FIGURE 2.35 Inflation

Inflation edged higher in the first half of the year.



Source: World Bank.

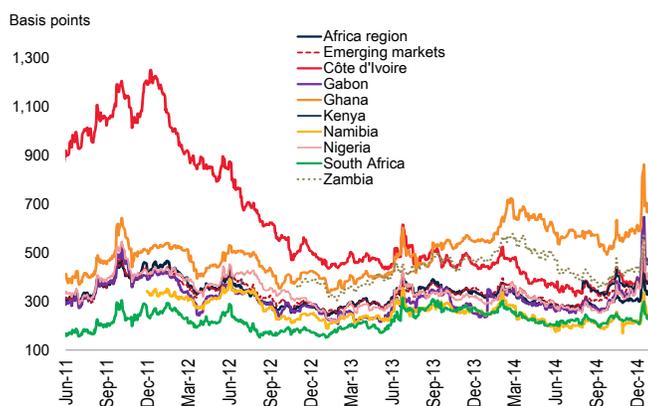
strong investment-related imports. Falling prices for oil, metals, and agricultural commodities weighed on the region's exports, which remain dominated by primary commodities. In contrast, spurred by infrastructure projects and private consumption growth, import demand was strong across the region. Several frontier market countries (Ghana, Kenya, Namibia) as well as South Africa—which relies heavily on portfolio capital flows to meet large financing needs—continued to have substantial twin fiscal and current account deficits.

Inflation edged up in the first half of 2014, due in part to higher food prices, but remained in single digits in most countries. The uptick was most visible among frontier market countries that sustained large currency depreciations—notably Ghana, where inflation was in double digits (Figure 2.35). In some countries (Ghana, South Africa), inflation rose above the upper limit of the central bank target range for 2014, prompting a tightening of monetary policy. Reduced real disposable income, due to inflation, and higher borrowing costs weighed on investor sentiment and kept household consumption subdued, slowing economic activity. However, low and declining commodity prices helped contain inflation in most countries in the region.

The low-interest-rate international environment and subdued volatility in global financial markets benefited Sub-Saharan Africa's capacity to issue bonds. Sovereign spreads fell across the region although they remained relatively high in Ghana and Zambia (Figure 2.36), suggesting that investors were differentiating between countries on the basis of macroeconomic imbalances and the pace of reforms. In recent months, reflecting concerns about low oil prices, sovereign spreads for oil

FIGURE 2.36 10-year sovereign bond spreads

Sovereign bond spreads fell across the region.



Sources: J.P. Morgan and World Bank.

exporters (Gabon, Ghana, Nigeria) rose strongly and currencies of some oil exporters depreciated (Angola, Nigeria, Figure 2.37). The Nigerian naira weakened markedly against the U.S. dollar in November, prompting the central bank to raise interest rates and devalue the naira. In contrast, the Zambian kwacha rebounded from its slide in the first half of the year when it had weakened by more than 20 percent. The Ghanaian cedi also stabilized after concerns about loose fiscal stance and low external reserves had led to bouts of pressure and a depreciation of about 40 percent against the U.S. dollar in the first 9 months of the year. Meanwhile, the South African rand continued to fall on concerns about the country's larger-than-expected current account deficit.

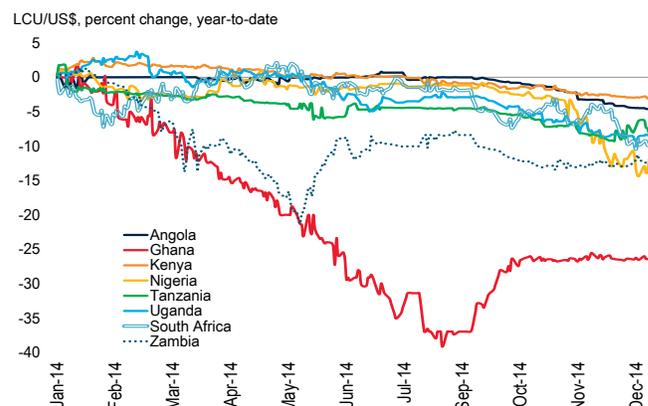
Outlook

Regional GDP growth is projected to remain steady at 4.6 percent in 2015 and rise gradually to 5.1 percent in 2017 (Table 2.11), supported by sustained infrastructure investment, increased agricultural production, and expanding service sectors. Commodity prices and capital inflows are expected to provide less support, with demand and economic activity in emerging markets remaining subdued. FDI flows are projected to remain flat in 2015 and sovereign bond issuance will slow as global financial conditions gradually tighten. Sub-Saharan Africa would nevertheless remain one of the fastest growing regions.

In the baseline forecast, growth remains robust in most low-income countries, by virtue of infrastructure investment and agriculture expansion, although soft commodity prices dampen activity in commodity

FIGURE 2.37 Exchange rates

The region's major currencies depreciated against the U.S. dollar.



Sources: Bloomberg and World Bank.

exporters. South Africa is expected to experience slow but steady economic growth, helped by improving labor relations, gradually increasing net exports, and reforms to alleviate bottlenecks in the energy sector. Growth is expected to pick up moderately in Angola as oil production rebounds with the attenuation of maintenance problems in oil fields. In Nigeria, the devaluation of the naira will push up inflation and slow growth in 2015, but with continued expansion of non-oil sectors, particularly the services sector which now accounts for more than 50 percent of GDP as well as agriculture and manufacturing, growth is expected to pick up again in 2016 and beyond.

Among frontier market countries, growth is expected to increase in Kenya, boosted by higher public investment and the recovery of agriculture and tourism. Growth should remain robust in Zambia, as new large copper mining projects start producing and agriculture continues to recover. In contrast, high interest rates and inflation would weigh on consumer and investor sentiment in Ghana. Real GDP growth is expected to strengthen in fragile states, such as Madagascar, as investment rises on the back of improved political stability. Oil importers would benefit from low oil prices, especially as the prices of their agricultural commodities (including coffee, cocoa, and tobacco) remain stable.

The baseline forecast assumes that the economic impact of Ebola would be concentrated in Guinea, Liberia, and Sierra Leone, with limited spillovers to the rest of West Africa. Preliminary World Bank estimates indicate that with effective containment within the three most affected countries, the epidemic would cause a moderate economic loss in West Africa by the end of 2015 (World

Bank, 2014k). To date the epidemic has been successfully contained in Nigeria and Senegal, two of the region's major transportation hubs.

Private consumption growth in the region is expected to remain robust. Reduced imported inflation, aided by low commodity prices as well as stable exchange rates, and adequate local harvests should help contain inflationary pressures in most countries and boost real disposable incomes. Remittances are projected to rise by 5 percent annually during 2015–17, which would help support private consumption and underpin a strengthening of domestic demand. Monetary policy is expected to remain broadly accommodative. However, currency-induced price pressures, which could adversely affect private consumption growth, remain a concern for countries where inflation is high, including Ghana and South Africa.

Government consumption is projected to grow at a steady but robust pace, as governments across the region strive to consolidate budgets. Spending on goods and services is expected to continue to expand and support rising public investment. Demands on governments to increase wages and salaries will keep upward pressure on total current expenditures.

The sharp drop in 2014 in oil and metal prices as well as the prices of agricultural commodities is expected to persist in 2015, partly as a result of rising supply in countries in Sub-Saharan Africa. Weakening terms of trade will hold back exports and growth in commodity exporters. The demand for imported capital goods is projected to remain strong in 2015–16, as governments continue to frontload investment projects. Over time, as investment projects mature, import demand will soften and exports will rise. Reflecting these trends, the contribution of net exports to growth is expected to remain marginally negative through most of the forecast period. The improvement in the trade balance will not be sufficient to rein in current account deficits, which are projected to rise to 3.8 percent of GDP by 2017.

Risks

The risks to the region's outlook are mostly on the downside, stemming from both external and domestic factors. A range of idiosyncratic risks includes the Ebola epidemic, expansionary fiscal policy and currency weaknesses, and the precarious security situation in a number of countries. A sudden increase in volatility in international financial markets, and lower growth in export markets are among the major external risks to the region's outlook.

Domestic Risks

The Ebola outbreak continues to spread in West Africa with a recent surge of new cases in Liberia. Without a strengthened program for effective intervention, the virus could spread more widely than assumed in the baseline forecast, and could reach large urban centers and new countries. Public health infrastructures and institutional capacities are inadequate to deal with the outbreak. In addition to the loss of lives, affected countries would suffer a sharper decline in output. If the epidemic were to hit the transportation hubs in Ghana and Senegal, disruptions to cross-border trade and supply chains would hurt the entire sub-region. Heightened fears of Ebola would further undermine confidence, investment, and travel.

In various countries, government budgets are at risk from demands for increased spending (Ghana and Zambia). Large deficits are already a source of vulnerability for such countries. Monetary policy has to strike a balance between the need to contain inflationary pressures, which might in some cases stem from currency depreciation, and the risk that high real interest rates could hamper growth.

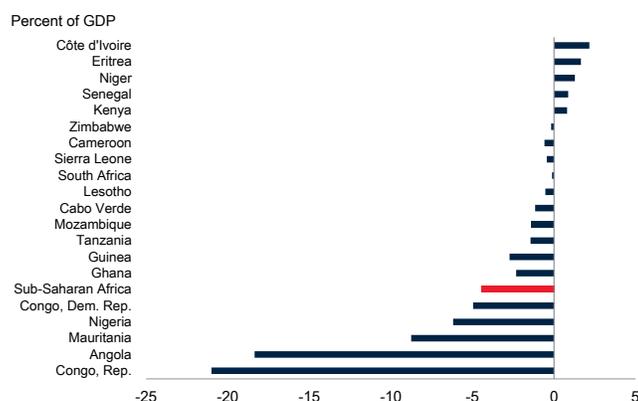
Conflicts in South Sudan and Central Africa Republic, and security concerns in northern Nigeria could deteriorate further with harmful regional spillovers. With the outlook for a political settlement still poor, the South Sudan conflict could escalate and disrupt trade in East Africa. The political and security conditions in Central Africa Republic remain explosive and could deteriorate into renewed fighting and violence that could spill over to the rest of Central Africa. An expansion of the Boko Haram insurgency could further disrupt agricultural production in northern Nigeria. Governments in the region might be forced to divert budgetary resources from infrastructure investment to security, which would have a negative impact on longer-term growth.

External Risks

A reemergence of volatility in global financial markets, with a jump in risk premiums from their current low levels, would hurt the region. A sudden deterioration in liquidity conditions would have a particularly hard impact on South Africa, which depends heavily on portfolio flows to finance its current account balance. It would also affect frontier market countries such as Ghana, Nigeria, and Zambia, which have increased their reliance on external financing. Recent episodes of capital market volatility suggest that countries with large macroeconomic imbalances would face strong downward pressure on the

FIGURE 2.38 Changes in trade balance due to terms of trade effects, 2014–17

A sharp decline in commodity prices would weaken trade balances across Sub-Saharan Africa.



Source: World Bank.

Note: Effect of 30 percent decline in oil, 5 percent decline in agricultural prices and 10 percent decline in metal prices on the difference between exports and imports in percent of GDP, assuming no supply response.

exchange rate, and hence an increased risk of inflation. More generally, in a situation of deteriorating terms of trade, one can expect currency depreciations, and without monetary policy discipline, currency-depreciation-induced inflation would become a constant threat.

Lower growth in emerging economies, to which Sub-Saharan Africa exports, is the main external risk to the regional outlook (Box 2.4). A worse-than-expected slowdown in China especially would reduce demand for commodities, putting further downward pressure on prices, especially where supply is abundant. A further decline in the already depressed price of metals, in particular iron ore, gold, and copper, would severely affect a large number of countries in the region. In countries such as Mauritania, Mozambique, Niger, Tanzania, and Zambia, metals account for a large share of exports; and their exploitation involves large FDI flows. A protracted decline in metal prices would lead to a significant drop in export revenues. A scaling down of operations and new investments in these countries would reduce output in the short run, and reduce growth momentum over an extended period of years.

Simulation results suggest that the income effects of a sharp decline of commodity prices on Sub-Saharan African economies could be large. The scenario considered has a price decline from the baseline of 10 percent for metals (aluminum, copper, gold, iron ore, and silver), 5 percent for agricultural commodities (cocoa, coffee, tea, cotton, and tobacco), and 30 percent for crude oil. In the simulation, Sub-Saharan Africa is affected more than other parts of the developing world. Countries where

metals, agricultural products, or oil represent a large share of total exports see their terms of trade deteriorate sharply. A sharper-than-expected and sustained decline in the price of oil from the baseline would, on the whole, adversely affect the Sub-Saharan Africa region, even though non-oil importers would gain. Oil exporters with a narrow economic base such as Angola and the Republic of Congo would be affected the most. The positive effect on oil importers is reflected in large trade balance improvements for Côte d'Ivoire, Eritrea, Kenya, Niger, and Senegal and moderate trade balance deterioration in South Africa (Figure 2.38).

Policy Challenges

Governments in the region should pursue policies that preserve economic and financial stability. In view of the heightened risks in the outlook, the need for governments to act as a steadying force is paramount. Yet large fiscal deficits and inefficient government spending are sources of vulnerability in much of the region. The basic need is to strengthen fiscal positions, and restore fiscal buffers to increase resilience against exogenous shocks (Chapter 3). In Ghana, Senegal, and Zambia, governments have to resist pressures for public sector wage increases, and cut less productive spending. Widening budget deficits in the region have been linked systematically to excessive current expenditures, rather than to infrastructure and other capital spending. Budget consolidation should involve a shift that enhances the efficiency of public expenditures and encourages growth, for example, toward efficient infrastructure investment as described below.

On the monetary policy front, given the favorable inflation outlook, many countries appear to have the space to maintain an accommodative monetary policy stance. In some countries (e.g., Ghana and South Africa), policy tightening would help reduce vulnerabilities and contain the potential inflationary impact of any exchange rate depreciation. With terms of trade of commodity exporters deteriorating, some currency depreciation may be appropriate, but monetary policy has to be sufficiently tight to ward off any secondary rounds of wage and price increases that might follow the one-off impact on consumer prices of more expensive imports.

There is an urgent need across the region for structural reforms to increase potential output growth. An acute infrastructure deficit is evident, especially in energy and roads. Countries across the region are rightly increasing public investment in infrastructure, as they strive to

boost potential growth and to broaden it to reduce poverty. It is critical that improvements in public investment management systems are accompanied by efforts to ensure that resources are allocated to the most productive ends. For most countries in the region, concerns about the quality of public investment, and the

capacity to maintain and operate infrastructure once it is installed, highlight the need for financial management reforms. Reform efforts should aim at strengthening project selection, execution, and monitoring, and encourage transparency and accountability in the use of public resources.

TABLE 2.11 Sub-Saharan Africa forecast summary

(Annual percent change unless indicated otherwise)

	00-10 ^a	2011	2012	2013	2014 ^e	2015 ^f	2016 ^f	2017 ^f
GDP at market prices^b	5.7	4.3	4.0	4.2	4.5	4.6	4.9	5.1
(Average including countries with full national accounts and balance of payments data only) ^c								
GDP at market prices^c	5.7	4.3	4.0	4.2	4.5	4.6	4.9	5.1
GDP per capita (units in US\$)	3.1	1.7	1.5	1.7	2.0	2.1	2.4	2.6
PPP GDP ^d	5.8	4.4	4.1	4.4	4.7	4.8	5.0	5.3
Private consumption ^d	5.6	3.6	2.2	12.1	4.4	4.4	4.5	4.7
Public consumption	7.2	7.9	5.2	3.7	3.9	4.4	4.4	4.4
Fixed investment	9.2	-0.6	7.1	4.1	5.1	6.0	6.1	6.2
Exports, GNFS ^f	5.0	10.7	0.8	-7.3	3.4	3.9	4.1	4.2
Imports, GNFS ^f	8.2	8.3	1.4	6.0	3.3	4.5	4.3	3.9
Net exports, contribution to growth	-0.6	0.8	-0.1	-4.1	-0.1	-0.3	-0.2	0.0
Current account balance (percent of GDP)	-0.3	-1.3	-2.4	-2.8	-2.9	-3.9	-4.0	-3.8
Consumer prices (annual average)	8.6	10.1	11.3	8.2	8.7
Fiscal balance (percent of GDP)	-0.6	-1.1	-1.7	-2.9	-2.5	-2.2	-2.2	-2.1
Memo items: GDP								
SSA excluding South Africa	6.6	4.6	4.6	5.1	5.6	5.4	5.7	5.9
Broader geographic region (incl. recently high income countries) ^f	5.7	4.3	4.0	4.2	4.4	4.5	4.8	5.0
Oil exporters ^g	7.7	3.5	3.8	4.8	5.8	5.5	5.6	5.9
CFA countries ^h	4.1	2.4	5.7	4.4	5.5	5.0	5.2	5.4
South Africa	3.5	3.6	2.5	1.9	1.4	2.2	2.5	2.7
Nigeria	8.9	4.9	4.3	5.4	6.3	5.5	5.8	6.2
Angola	11.3	3.9	8.4	6.8	4.4	5.3	5.0	5.2

Source: World Bank.

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

a. Growth rates over intervals are compound weighted averages; average growth contributions, ratios and deflators are calculated as simple averages of the annual weighted averages for the region.

b. GDP at market prices and expenditure components are measured in constant 2010 U.S. dollars.

c. Sub-region aggregate excludes Liberia, Chad, Somalia, Central African Republic, and São Tomé and Príncipe. Data limitations prevent the forecasting of GDP components or Balance of Payments details for these countries.

d. The sudden surge in Private Consumption in the region in 2013 is driven by the revised and rebased NIA data of Nigeria in 2014.

e. Exports and imports of goods and non-factor services (GNFS).

f. Recently high-income countries include Equatorial Guinea.

g. Oil Exporters: Angola, Côte d'Ivoire, Cameroon, Congo, Rep., Gabon, Nigeria, Sudan, Chad, Congo, Dem. Rep.

h. CFA Countries: Benin, Burkina Faso, Central African Republic, Côte d'Ivoire, Cameroon, Congo, Rep., Gabon, Equatorial Guinea, Mali, Niger, Senegal, Chad, Togo.

TABLE 2.12 Sub-Saharan Africa country forecast

(Real GDP growth at market prices in percent and current account balance in percent of GDP, unless indicated otherwise)

	00-10 ^a	2011	2012	2013	2014e	2015f	2016f	2017f
Angola								
GDP	11.3	3.9	8.4	6.8	4.4	5.3	5.0	5.2
Current account balance	5.3	12.6	11.9	5.8	2.8	-2.0	-5.5	-5.7
Benin								
GDP	3.9	3.5	5.4	5.6	5.2	5.0	4.7	4.7
Current account balance	-7.1	-7.1	-6.0	-14.4	-12.8	-12.5	-8.0	-2.2
Botswana								
GDP	4.2	5.2	5.1	5.2	4.5	4.6	4.9	5.0
Current account balance	7.1	-2.1	-7.1	9.5	7.6	6.1	5.1	3.9
Burkina Faso								
GDP	6.0	4.2	9.5	5.3	6.0	5.5	6.5	6.8
Current account balance	-8.8	-1.5	-4.5	-7.1	-7.5	-6.9	-5.9	-5.1
Cabo Verde								
GDP	5.3	4.0	1.2	0.5	2.1	2.8	3.0	3.1
Current account balance	-11.1	-17.3	-9.8	-4.2	-5.0	-6.3	-5.1	-4.6
Cameroon								
GDP	3.3	4.1	4.6	5.5	5.1	5.1	4.9	5.1
Current account balance	-2.2	-2.8	-3.6	-3.7	-3.6	-4.1	-4.6	-4.9
Comoros								
GDP	1.8	2.2	3.0	3.5	3.4	3.6	3.2	3.0
Current account balance	-13.5	-26.2	-29.4	-27.1	-26.6	-25.3	-25.5	-24.8
Congo, Dem. Rep.								
GDP	4.7	6.9	7.2	8.5	8.0	7.8	7.5	7.3
Current account balance	-0.7	-5.4	-6.2	-10.3	-9.4	-10.1	-10.6	-10.8
Côte d'Ivoire								
GDP	1.1	-4.7	9.5	8.7	9.1	8.5	8.2	8.0
Current account balance	1.8	13.0	-1.7	-3.0	-2.1	-2.5	-3.9	-5.0
Eritrea								
GDP	0.9	8.7	7.0	1.3	3.2	3.0	4.0	4.3
Current account balance	-19.5	4.9	12.8	2.5	-3.1	-4.3	-7.6	-6.8
Ethiopia								
GDP	8.6	11.2	8.7	10.4	6.7	6.9	6.6	6.7
Current account balance	-4.7	-2.0	-6.2	-6.0	-7.0	-7.5	-7.6	-7.5
Gabon								
GDP	2.0	7.1	5.6	5.9	5.0	5.5	5.6	5.7
Current account balance	14.1	11.3	9.1	5.4	3.8	1.4	-2.8	-2.1
Gambia, The								
GDP	3.8	-4.3	6.1	5.6	5.7	5.3	4.8	4.6
Current account balance	-1.6	12.2	6.4	3.3	-2.0	-1.9	-1.3	-1.3
Ghana								
GDP	5.8	15.0	8.8	7.1	4.7	4.5	5.5	6.0
Current account balance	-13.5	-10.9	-11.4	-12.0	-10.6	-10.9	-9.9	-8.8
Guinea								
GDP	2.6	3.9	3.9	2.5	0.5	-0.2	2.2	2.5
Current account balance	-6.9	-23.5	-19.4	-10.9	-11.5	-15.1	-15.4	-14.9

TABLE 2.12 (continued)

(Real GDP growth at market prices in percent and current account balance in percent of GDP, unless indicated otherwise)

	00-10 ^a	2011	2012	2013	2014e	2015f	2016f	2017f
Guinea-Bissau								
GDP	2.2	5.3	-1.5	0.3	2.1	2.5	2.3	2.0
Current account balance	-0.7	2.6	-7.6	-8.1	-7.8	-7.0	-6.1	-6.3
Kenya								
GDP	4.4	6.1	4.5	5.7	5.4	6.0	6.6	6.5
Current account balance	-2.4	-9.1	-8.4	-8.3	-7.4	-6.7	-5.8	-4.7
Lesotho								
GDP	4.0	2.8	6.5	5.9	4.6	4.7	4.5	4.4
Current account balance	2.7	-18.5	-25.2	-5.5	-2.6	-2.0	-2.2	-2.8
Madagascar								
GDP	2.5	1.0	2.4	2.1	3.0	3.6	3.8	3.9
Current account balance	-11.5	-7.7	-8.4	-6.2	-8.5	-11.0	-0.7	1.8
Malawi								
GDP	4.5	4.3	1.9	5.0	4.2	4.6	5.0	5.2
Current account balance	-10.8	-13.6	-18.9	-18.1	-17.8	-17.4	-15.8	-14.2
Mali								
GDP at market prices (% annual growth) ^b	6.0	2.7	-0.4	2.1	5.0	4.3	4.6	4.8
Current account balance	-8.5	-6.2	-2.7	-5.4	-9.3	-9.4	-9.8	-9.9
Mauritania								
GDP	4.9	4.0	7.0	6.7	5.7	5.5	5.6	5.6
Current account balance	-10.6	-0.5	-25.8	-18.3	-20.7	-22.1	-24.2	-25.7
Mauritius								
GDP	3.8	3.9	3.2	3.2	3.4	3.9	3.7	3.7
Current account balance	-3.4	-13.4	-10.5	-12.5	-10.8	-10.0	-9.4	-8.7
Mozambique								
GDP	7.8	7.3	7.2	7.1	7.2	8.0	8.1	8.2
Current account balance	-14.1	-23.9	-43.2	-36.3	-33.9	-31.4	-31.1	-31.2
Namibia								
GDP	4.6	5.1	5.2	5.1	4.2	4.3	4.1	4.0
Current account balance	4.4	-1.2	-2.2	-7.9	-6.5	-6.6	-5.2	-4.1
Niger								
GDP	4.6	2.3	10.8	3.9	5.7	6.0	6.2	6.3
Current account balance	-10.5	-18.7	-8.4	-8.2	-11.4	-12.0	-12.9	-13.4
Nigeria								
GDP	8.9	4.9	4.3	5.4	6.3	5.5	5.8	6.2
Current account balance	13.5	3.0	4.4	4.0	3.7	1.9	2.0	1.8
Rwanda								
GDP	7.9	7.5	7.3	4.6	6.0	6.5	7.0	7.1
Current account balance	-5.5	-7.5	-11.5	-7.1	-6.0	-4.9	-4.1	-4.5
Senegal								
GDP	4.1	2.1	3.5	4.0	4.5	4.8	4.7	4.7
Current account balance	-7.7	-7.9	-12.1	-10.6	-9.6	-8.2	-7.5	-6.4
Sierra Leone								
GDP	8.9	6.0	15.2	20.1	4.0	-2.0	2.5	2.7
Current account balance	-6.5	-66.6	-22.9	-10.3	-12.5	-15.0	-15.4	-15.7

TABLE 2.12 (continued)

(Real GDP growth at market prices in percent and current account balance in percent of GDP, unless indicated otherwise)

	00-10 ^a	2011	2012	2013	2014e	2015f	2016f	2017f
South Africa								
GDP	3.5	3.6	2.5	1.9	1.4	2.2	2.5	2.7
Current account balance	-2.9	-2.3	-5.2	-5.8	-5.6	-5.2	-4.8	-4.5
Sudan								
GDP	6.3	-3.3	-10.1	-6.0	2.6	2.5	2.8	3.0
Current account balance	-7.2	-1.7	-9.7	-8.6	-11.2	-10.9	-10.7	-10.2
Swaziland								
GDP	2.3	-0.7	1.9	2.8	2.0	2.2	2.6	2.8
Current account balance	-3.2	-8.2	3.8	3.8	1.8	-2.8	-3.2	-3.3
Tanzania								
GDP	7.0	6.4	6.9	7.0	7.0	7.2	6.8	7.0
Current account balance	-5.1	-16.7	-12.9	-11.4	-13.5	-13.1	-12.9	-12.6
Togo								
GDP	2.2	4.9	5.9	5.1	5.2	5.0	4.9	4.7
Current account balance	-9.0	-8.2	-8.1	-11.3	-12.6	-12.6	-13.2	-12.5
Uganda								
GDP	7.5	5.0	4.6	5.9	6.3	6.6	6.9	7.0
Current account balance	-4.2	-9.8	-6.8	-7.0	-8.7	-9.2	-10.3	-10.9
Zambia								
GDP	5.6	6.8	7.3	6.4	6.4	6.3	6.5	6.7
Current account balance	-6.1	9.2	5.2	1.5	0.6	0.1	0.4	1.2
Zimbabwe								
GDP	-4.7	11.9	10.6	4.5	3.1	3.2	3.7	3.4
Current account balance	-13.6	-29.9	-24.4	-25.4	-23.9	-24.2	-25.4	-25.4

	00-10 ^a	2011	2012	2013	2014e	2015f	2016f	2017f
Recently transitioned to high-income countries^b								
Equatorial Guinea								
GDP	14.7	5.0	3.2	-4.9	-2.2	-8.1	-7.3	-6.4
Current account balance	-26.9	-17.3	-9.3	-19.1	-13.9	-17.8	-20.0	-19.2

Source: World Bank.

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

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

a. GDP growth rates over intervals are compound average; current account balance shares are simple averages over the period.

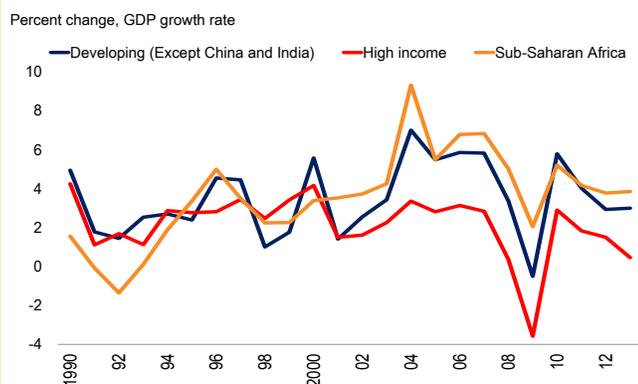
b. The recently high-income countries are based on World Bank's reclassification from 2004 to 2014.

BOX 2.4 How Resilient Is Sub-Saharan Africa?¹

Growth in Sub-Saharan Africa is fairly resilient to a variety of external shocks. In contrast, it is highly vulnerable to domestic shocks, such as drought or civil conflict.

FIGURE B2.4.1 GDP growth

Sub-Saharan Africa has been resilient to global recession and weak recovery.



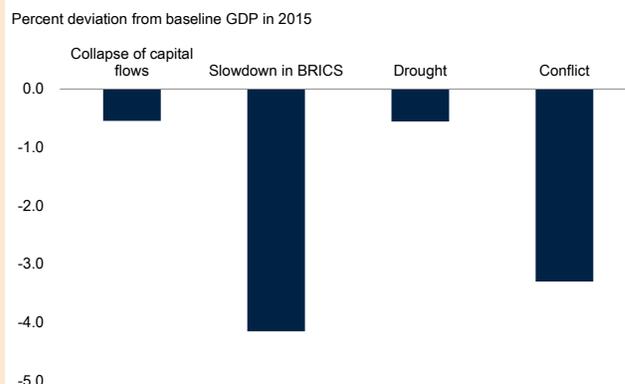
Despite weak global growth in recent years, Sub-Saharan Africa has recovered well (Figure B2.4.1). However, in light of the fragile medium-term global growth outlook, concerns remain about the resilience of Sub-Saharan African to future shocks. This box takes a long-term view and studies how Sub-Saharan African growth will react to various shocks through 2025 by employing a multicountry general equilibrium model.²

Baseline scenario and the shocks

The baseline scenario assumes a steady recovery in high-income countries and continued growth in developing countries. The supportive external environment, together with capital accumulation, technological catch-up, and within-region demographic change support growth in Sub-Saharan Africa of 5 percent a year through 2025. The baseline is perturbed by shocks that originate outside the region (a prolonged recession

FIGURE B2.4.2 Deviations from the baseline GDP under various scenarios in 2025

The slowdown in BRICS and conflict scenarios have the largest impacts on GDP.



in the high-income countries and an accompanying decline in global capital flows, and a prolonged recession in the BRICS countries (Brazil, Russian Federation, India, China, and South Africa) and within the region (drought in several countries, and civil conflict in key countries). Except for the cessation of global capital flows (which would be unprecedented), the shocks are of a duration and magnitude within the range of historical norms. The external shocks are assumed to last throughout the entire period under analysis, while droughts and conflicts are modeled to last three years followed by a swift recovery.

Slowdown in high-income countries and decline of global capital flows

Growth in several Sub-Saharan African economies that rely heavily on capital inflows would be dampened by a prolonged slowdown in high-income countries and accompanying disruption to global capital flows. Given that high-income countries account for almost 90 percent of the FDI flows to Africa, a collapse in capital flows is considered a worst-case scenario in order to illustrate their importance for the region. The growth slowdown and reduction in capital flows are modeled as halving the per capita growth rate of high-income countries to 0.7 percent over 2015–25 and a gradual withdrawal of capital flows to Sub-Saharan Africa by 2025.

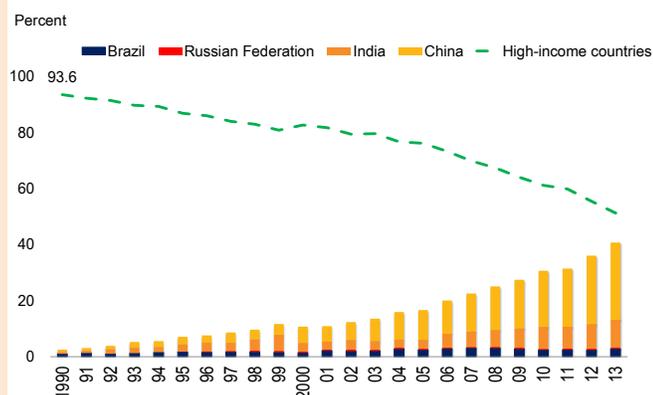
¹The main author of this box is Maryla Maliszewska.

²For details of the model here, see Devarajan, Go, Maliszewska, Osorio-Rodarte, and Timmer (2013) and World Bank (2013c). The framework involves a multicountry general equilibrium model and a microsimulation model that subjects the African economies to a series of shocks (van der Mensbrughe, 2011 and 2013; Bourguignon and Bussolo, 2013).

BOX 2.4 (continued)

FIGURE B2.4.3 Share of BRICS and HIC in SSA exports

The importance of BRICS has been steadily growing.



Source: World Integrated Trade Solution.

Without external financing, investment in several countries relying on capital inflows would drop significantly, while slower external demand would reduce the volume of exports. As a result, investment in countries such as Ghana and Malawi would fall by up to 10 percentage points of GDP in 2025 relative to the baseline. GDP in net capital importers as a group would decline almost 6 percent below the baseline level in 2025.

The effect of a downturn in capital inflows would be tempered by the fact that the number of resource-rich Sub-Saharan African countries, which are net exporters of capital, is rising. If large resource-rich economies, such as Botswana, Nigeria, or Zambia, are able to absorb and invest their excess capital domestically (which would otherwise flow to the rest of the world), expanding output accordingly, GDP in net capital exporters would rise 13.4 percent above the baseline by 2025.

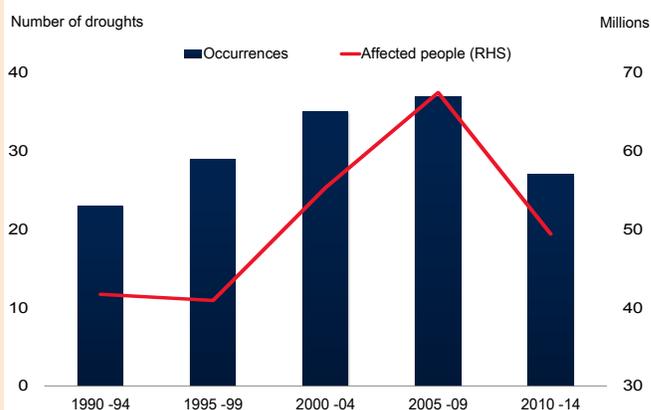
The diverging effects of net importers versus net exporters of capital would offset one another. As a result, Sub-Saharan Africa's overall GDP would only fall 0.5 percent below the baseline in 2025 (Figure B2.4.2). If, however, resource-rich countries are not able to deploy their excess capital productively, the adverse impact on the regional output would be much larger.³

Slowdown in the BRICS

From negligible trade flows two decades ago, China has become Africa's major trading partner and, together with Brazil, India, and

FIGURE B2.4.4 Droughts in Sub-Saharan Africa

Droughts are a recurrent event affecting millions of people.



Source: The OFDA/CRED International Disaster.

Note: Occurrences are the number of droughts in a given 5-year period.

the Russian Federation, buys 44 percent of Africa's exports, mainly commodities (Figure B2.4.3). This deepening trade link implies that African economies have become more vulnerable to lower growth rates in the BRICS countries. Indeed, recent research finds that Africa's business cycles are increasingly linked to the BRICS' business cycles (Diallo and Tapsoba, 2014). The importance of China's economic performance for Africa has also received attention: a 1 percentage point increase in China's investment growth is associated with a 0.6 percentage point increase in Sub-Saharan Africa export growth (Drummond and Liu, 2013).

Under the scenario of a persistent slowdown in the BRICS (with their average per capita growth rate at 2.3 percent over 2015-25, about 1.4 percentage points lower than in the baseline), Sub-Saharan African countries' exports would be 13 percentage points below the baseline, although the weaker global demand would dampen increases in commodity and agricultural and food prices over time.⁴ Sub-Saharan African GDP would drop about 4 percent below the baseline by 2025. In contrast to the scenario of

³These findings confirm those from other recent studies. For example, a structural slowdown in high-income countries would have smaller negative spillover effects for developing countries than a cyclical slowdown, where monetary policy easing would lead to a depreciation of currencies of emerging markets, magnifying the impact on developing countries through lower imports (IMF, 2014d).

⁴This scenario does not incorporate the potential impact of rebalancing of China's growth.

BOX 2.4 (continued)

a slowdown in the high-income countries and an accompanying collapse of capital flows, activity in all Sub-Saharan African countries would be reduced by slowing growth in the BRICS.

Droughts

Droughts are recurrent events in Sub-Saharan Africa, with tragic repercussions for millions of people (Figure B2.4.4). As of 2012, more than 18 million people suffered food shortages and over 1 million children faced the risk of acute malnutrition.

Following historical patterns, the drought scenario assumes a temporary shock to productivity in agriculture that initially reduces agricultural output by around 10 percent and dissipates over the next two years. Prices of agricultural products and food would rise following the drop in output and Sub-Saharan imports would increase in this scenario, reducing GDP by almost 1 percent below the baseline. Households would bear the burden of higher prices. Given that agricultural and food expenditures constitute a high share of household budgets in Sub-Saharan African countries, real consumption would decrease substantially absent government or international intervention. The loss in household consumption for Sub-Saharan Africa as a whole would amount to 1.3 percent in 2015 and would be fairly persistent.

Other research also finds that in a typical developing country a drought leads to a reduction of agricultural and industrial annual growth rate of the order of 1.0 percentage point, resulting in a decline of GDP of 0.6 percentage points per year, or 3.0 percentage points over a period of five years (Loayza et al., 2009). These effects are expected to be considerably worse in the case of a severe drought.⁵

Conflict

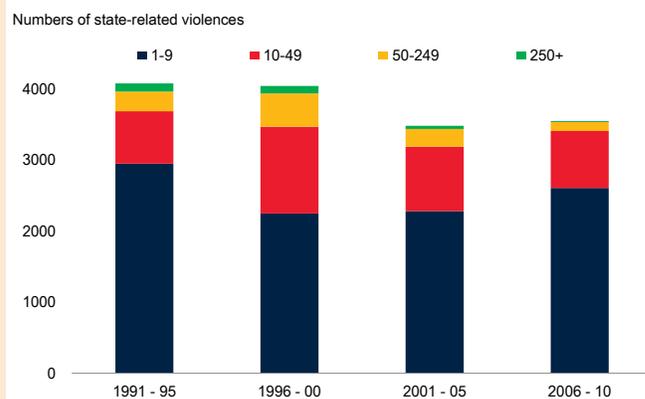
Conflict is a significant contributor to growth collapses or decelerations among African countries (Arbache et al., 2008). In 2000, for example, one in five people in Sub-Saharan Africa lived in a country affected by conflict (World Bank, 2000; Figure B2.4.5).

⁵For instance, in the case of Malawi, a severe drought (occurring on average every 25 years) could destroy more than 20 percent of agricultural GDP and reduce GDP by 10 percent (Pauw, Thurlow and van Seventer, 2010).

⁶These are Ethiopia, Nigeria, and South Africa. Ethiopia engaged in a border war with Eritrea in the late 1990s and bouts of violence resurface occasionally. Nigeria faces an ongoing insurgency, with Boko Haram controlling the Northern part of the country. South Africa faces recurring strikes of workers in gold mines resulting in a significant reduction of export revenues, investment, and growth.

FIGURE B2.4.5 Conflicts in Sub-Sahara in Africa

The 2000s saw a decline in the number of state-related violent incidents.



Source: UCDP GEP - Uppsala Conflict Data Program's Georeferenced Event Dataset

Note: State related violence is classified by the estimated number of deaths; for example, an event marked as 1-9 is a conflict with 1-9 deaths.

The conflict scenario models hypothetical civil unrest in three large countries lasting for a period of three years.⁶ The destruction of capital is captured by doubling the depreciation rates over that period, while the investment-to-GDP ratio is halved. Conflict is also assumed to reduce productivity, with a larger reduction in manufacturing and services than in agriculture. Productivity is assumed to revert to the pre-conflict level two years after the end of the conflict.

The results of the scenario are consistent with historical experience. Investment quickly recovers to and rises above the pre-conflict level, and marginal returns to capital are much higher following the destruction of a large part of the capital stock. Even so, the capital stock in the countries hit by civil unrest would remain well below the baseline levels. GDP would take a significant hit in the countries affected by conflict, with declines of up to 15 percent below the baseline but it would recover quickly. Nonetheless, regional GDP would remain more than 3 percent below the baseline level in 2025 under the conflict scenario, mainly because the initial loss in capital stock would prevent it from returning to its reference trend level.

Other research finds a GDP loss from conflict of a similar magnitude. Although damages can vary, annual per capita growth during civil wars is estimated to be reduced by 2.2 percentage points below the baseline. The length of war, however, has an impact on the speed of post-war recovery (Collier, 1999). A

BOX 2.4 (continued)

range of policies such as developing institutional resilience, good governance, building inclusive coalitions for policies or managing external stress have been recommended to prevent conflict in the region (World Bank, 2011b).

Conclusion

The results of the simulations paint a cautiously optimistic picture. Growth in Sub-Saharan Africa is fairly resilient to a prolonged recession in high-income countries, partly as a result of declining trade links. The region appears to be more vulnerable to persistently lower growth rates in the BRICS, but a slowdown of limited duration would not impact its long-term growth prospects. Further, Sub-Saharan African economies are sensitive to domestic shocks, such as drought or civil conflict, with strong negative and immediate impacts.

These adverse shocks also affect poverty in the region. Specifically, in the medium term, the domestic shocks would

inflict greater damage in terms of forgone poverty reduction than the external shocks. The poverty headcount at PPP\$1.25/day in the conflict and drought scenarios would be greater by 2.1 and 1.0 percentage points, respectively, relative to the baseline numbers in 2025, adding 26 million and 12 million more people in poverty, respectively. The external shocks would increase poverty by about 0.3 percentage points in the medium run, but due to their persistence, their long-term impact would be much more severe.

Because of the economic importance of agriculture and food in household budgets, Sub-Saharan Africa will need to increase the resilience and productivity of its agricultural sector against droughts. Diversifying exports and expanding regional integration and markets, as well as improving financial markets will also increase the region's resilience to negative shocks to external demand. However, as in the past, civil conflicts and violence could pose by far the greatest danger to the region's economic performance and poverty reduction.

References

- Abbas, A., and A. Klemm. 2012. "A Partial Race to the Bottom: Corporate Tax Developments in Emerging and Developing Economies." Working Paper 12/28, International Monetary Fund, Washington, DC.
- African Development Bank. 2014. *Innovation and Productivity: Empirical Analysis for North African Countries, Tunisia*. Tunisia: African Development Bank.
- Ahuja, A., and M. Nabar. 2012. "Investment-Led Growth in China: Global Spillovers." Working Paper 12/267, International Monetary Fund, Washington, DC.
- Anand, R., D. Ding, and V. Tulin. 2014. "Food Inflation in India: The Role for Monetary Policy." Working Paper WP/14/178, International Monetary Fund, Washington, DC.
- Andres, L., D. Biller, and M. H. Dappe. 2013. *Reducing Poverty by Closing South Asia's Infrastructure Gap*. Washington, DC: World Bank.
- Arbache, J., D. S. Go, and J. Page. 2008. "Is Africa's Economy at a Turning Point?" In *Africa at a Turning Point: Growth, Aid, and External Shocks*, ed. Delfin Go and John Page, 13–85. Washington, DC: World Bank.
- Baffes, J., and C. Savescu. 2014. "Causes of the Post-2000 Metal Super Cycle." Mimeo, World Bank, Washington, DC.
- Bahar, D. R.Hausmann, and C.A. Hidalgo. 2014. "Neighbors and the Evolution of the Comparative Advantage of Nations: Evidence of International Knowledge Diffusion?" *Journal of International Economics* 92 (1): 111–23.
- Barnett, A., B. Broadbent, A. Chiu, J. Franklin, and H. Miller. 2014. "Impaired Capital Reallocation and Productivity." *National Institute Economic Review* 228 (1): 35–41.
- Barro, R.J., and J. Lee. 2013. "A New Data Set of Educational Attainment in the World, 1950–2010." *Journal of Development Economics* 104: 184–98.
- Berument, H., M. Nildag, B. Ceylan, and N.Dogan. 2010. "The Impact of Oil Price Shocks on Economic Growth of Selected MENA Countries." *The Energy Journal* 31(1): 149-76.
- Bourguignon, F., and M. Bussolo. 2013. "Income Distribution in Computable General Equilibrium Modeling." In *Handbook of Computable General Equilibrium Modeling*, ed. P.B. Dixon and D.W. Jorgenson, 1383–1437. North Holland: Elsevier B.V.
- Caballero, R., J., Takeo Hoshi, and A.K. Kashyap. 2008. "Zombie Lending and Depressed Restructuring in Japan." *American Economic Review* 98 (5): 1943–77.
- Chandrasiri, S. 2009. *Promoting Employment-Intensive Growth in Sri Lanka: Policy Analysis of the Manufacturing and Service Sectors*. Geneva: International Labour Organization.
- Cheung, Y., M. D. Chinn, and X. Qian. 2014. "The Structural Behavior of China-U.S. Trade Flows." La Follette School Working Paper No. 2014-009, University of Wisconsin-Madison.
- Collier, P. 1999. "On the Economic Consequences of Civil War." *Oxford Economic Papers* 51 (1): 168–83.
- Devarajan, D., Delfin S. Go, M. Maliszewska, I. Osorio-Rodarte, and H. Timmer. 2013. "Stress-Testing Africa's Recent Growth and Poverty Performance." Policy Research Working Paper 6317, World Bank, Washington, DC.

- Diallo, O., and S.J.-A. Tapsoba. 2014. "Rising BRICS and Changes in Sub-Saharan Africa's Business Cycle Patterns." IMF Working Paper 14/35, International Monetary Fund, Washington, DC.
- Ding, D., and I. Masha. 2012. "India's Growth Spillovers to South Asia." Working Paper 12/56, International Monetary Fund, Washington, DC.
- Drummond, P., and E. Xue Liu. 2013. "Africa's Rising Exposure to China: How Large Are Spillovers Through Trade?" IMF Working Paper 13/250, International Monetary Fund, Washington, DC.
- ECLAC (United Nations Economic Commission for Latin America and the Caribbean). 2014. *Latin America and the Caribbean in the World Economy: Regional Integration and Value Chains in a Challenging External Environment*. Santiago: ECLAC.
- Eichengreen, B., P. Donghyung, and S. Kwanho. 2012. "When Fast Growing Economies Slow Down: International Evidence and Implications for China." *Asian Economic Papers* 11 (1): 42–87.
- García-Herrero, A., and D. Santabárbara. 2008. "Does China Have an Impact on Foreign Direct Investment to Latin America?" *China Economic Review* 18 (2007): 266–86.
- Gauvin, L., and C. Rebillard. 2014. "Towards Recoupling? Assessing the Impact of a Chinese Hard Landing on Commodity Exporters: Results from Conditional Forecast in a GVAR Model." Mimeo. Lyon Meeting.
- Gruss, B. 2014. "After the Boom: Commodity Prices and Economic Growth in Latin America and the Caribbean." Working Paper 14/154, International Monetary Fund, Washington, DC.
- Hanson, G. 2012. *Understanding Mexico's Economic Underperformance*. Washington, DC: Migration Policy Institute.
- IDB (Inter-American Development Bank). 2014. "Global Recovery and Monetary Normalization: Escaping a Chronicle Foretold?" Organized by Andrew Powell. 2014 Latin American and Caribbean Macroeconomic Report, IDB, Washington, DC.
- IMF (International Monetary Fund). 2013a. "Russian Federation: 2013 Article IV Consultation." Country Report 13/310, International Monetary Fund, Washington, DC.
- . 2013b. "Pakistan: Article IV Consultation and Request for an Extended Arrangement under the Extended Fund Facility." Country Report 13/287, IMF, Washington, DC.
- . 2014a. *Toward New Horizons: Arab Economic Transformation Amid Political Transitions*. Washington, DC: IMF.
- . 2014b. *Subsidy Reforms in the Middle East and North Africa: Recent Progress and Challenges Ahead*. Washington, DC: IMF.
- . 2014c. "India: Staff Report for 2014 Article IV Consultation." Country Report 14/57, IMF, Washington, DC.
- . 2014d. "Spillovers from a Potential Reversal of Fortune in Emerging Market Economies." In *IMF Multilateral Policy Issues Report: 2014 Spillover Report*, ed. IMF, 55–81. Washington, DC: IMF.
- Jian, C., Y. Lingxiu, and H. Yiping. 2013. "How Big Is the Chinese Government Debt?" *China Economic Journal* 6 (2–3): 152–71.
- Keen, M. 2012. "Taxation and Development: Again." Working Paper 12/220, International Monetary Fund, Washington, DC.
- Keen, M., and B. Lockwood. 2010. "The Value Added Tax: Its Causes and Consequences." *Journal of Development Economics* 92 (2): 138–51.

- Koopman, R., W. Powers, Z. Wang, and S. Wei. 2010. "Give Credit Where Credit is Due: Tracing Value Added in Global Production Chains." NBER Working Paper 16426.
- . 2014. "Tracing Value-Added and Double Counting in Gross Exports: Dataset." *American Economic Review* 104 (2): 459–94.
- Loayza, N., E. Olaberria, J. Rigolini, and L. Christiaensen. 2009. "Natural Disasters and Growth: Going beyond the Averages." Policy Research Working Paper 4980, World Bank, Washington, DC.
- Lopez-Calix, R. Jose, and Irum Touqeer. 2013. "Mobilizing Revenue." Pakistan Policy Note 16, World Bank, Washington, DC.
- Norregaard, J., and T. Khan. 2007. "Tax Policy: Recent Trends and Coming Challenges." Working Paper 07/274, International Monetary Fund, Washington, DC.
- Pargal, S., and S. Banerjee. 2014. *More Power to India: The Challenge of Electricity Distribution*. Washington, DC: World Bank. <http://documents.worldbank.org/curated/en/2014/06/19703395/more-power-india-challenge-electricity-distribution>.
- Pauw, K., J. Thurlow, and D. van Seventer. 2010. "Droughts and Floods in Malawi." Discussion Paper 962, International Food Policy Research Institute, Washington, DC.
- PISA (Programme for International Student Assessment). 2012. "OECD: Programme for International Student Assessment." Organisation for Economic Co-operation and Development, Paris. <http://www.oecd.org>.
- Rahman, J., and T. Zhao. 2013. "Export Performance in Europe: What Do We Know from Supply Links?" Working Paper 13/62, International Monetary Fund, Washington, DC.
- Roache, S. K. 2012. "China's Impact on World Commodity Markets." Working Paper 12/115, International Monetary Fund, Washington, DC.
- Timmer, M., ed. 2012. "The World Input-Output Database (WIOD): Contents, Sources and Methods." Working Paper 10, World Input-Output Database.
- UNODC (United Nations Office on Drugs and Crime). 2014. *Global Study on Homicide 2013*. Vienna: UNODC.
- Van der Mensbrugge, D. 2011. "Linkage Technical Reference Document." Version 7.1. World Bank, Washington, DC. http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1314986341738/TechRef7.1_01Mar2011.pdf.
- . 2013. "Modeling the Global Economy: Forward Looking Scenarios for Agriculture." In *Handbook of Computable General Equilibrium Modeling*, ed. P.B. Dixon and D.W. Jorgenson, 933–94. North Holland: Elsevier B.V.
- Westcott, P., and R. Trostle. 2014. "USDA Agricultural Projections to 2023." Economic Research Service, U.S. Department of Agriculture, Washington, DC.
- World Bank. 2000. *Can Africa Claim the 21st Century?* Washington, DC: World Bank.
- . 2011a. "LAC's Long-Term Growth: Made in China?" *Latin America and the Caribbean Region Report*, World Bank, Washington, DC.
- . 2011b. *World Development Report 2011: Conflict, Security, and Development*. Washington, DC: World Bank.
- . 2012. "South Asia Economic Focus, June 2012: Creating Fiscal Space through Revenue Mobilization." World Bank, Washington, DC.

- . 2013a. “June 2013 Global Economic Prospects.” World Bank, Washington, DC.
- . 2013b. *Middle East and North Africa Economic Developments and Prospects: Investing in Turbulent Times*. Washington, DC: World Bank.
- . 2013c. “An Analysis of Issues Shaping Africa’s Economic Future.” *Africa’s Pulse* 8 (October 2013), World Bank, Washington, DC.
- . 2014a. “China Economic Update, June 2014.” World Bank, Washington, DC.
- . 2014b. “Enhancing Competitiveness in an Uncertain World.” *East Asia Update*, October, World Bank, Washington, DC.
- . 2014c. “Brittle Recovery.” *South East Europe Regular Economic Report*, May, World Bank, Washington, DC.
- . 2014d. *Diversified Development—Making the Most of Natural Resources in Eurasia*. Washington, DC: World Bank.
- . 2014e. “Global Economic Prospects: Commodity Markets Outlook.” World Bank, Washington, DC.
- . 2014f. “Implications of a Changing China for Brazil: A New Window of Opportunity.” *Economic Report*, World Bank, Washington, DC.
- . 2014g. *The Rise of the South: Challenges for Latin America and the Caribbean*. Washington, DC: World Bank.
- . 2014h. *Doing Business 2015*. Washington, DC: World Bank.
- . 2014i. “Harnessing the Global Recovery: A Tough Road Ahead.” *MENA Regional Economic Update*, April, World Bank, Washington, DC.
- . 2014j. “Corrosive Subsidies.” *MENA Economic Monitor*, October, World Bank, Washington, DC.
- . 2014k. *The Economic Impact of the 2014 Ebola Epidemic: Short and Medium-Term Estimates for West Africa*. Washington, DC: World Bank.
- World Bank and Development Research Center of the State Council, the People’s Republic of China. 2014. *Urban China: Toward Efficient, Inclusive, and Sustainable Urbanization*. Washington, DC: World Bank.
- Wang, S. 2011. “State Misallocation and Housing Prices: Theory and Evidence from China.” *American Economic Review* 101 (5): 2081–107.
- Xing, Y., and N. Detert. 2010. “How the iPhone Widens the United States Trade Deficit with the People’s Republic of China.” Working Paper 257, Asian Development Bank, Washington, DC.