Overview: Economic growth picked up in Sub-Saharan Africa in 2013, supported by strong domestic demand, notably resource-based investments. Real GDP for the region grew an estimated 4.7 percent. Excluding South Africa, the region's largest economy, regional growth was higher at 6 percent.

Foreign direct investment (FDI) continued to flow to the region, not only in the oil, gas and mining sectors but also in non-extractive industries. Net FDI inflows were an estimated $43 billion in 2013, up from $37 billion in 2012. In many countries, governments launched ambitious investment programs to alleviate infrastructure bottlenecks and increase export capacity, and a number of them issued Eurobonds to finance these expenditures. Gross fixed investments grew an estimated 7.3 percent in 2013, reaching 23.5 percent GDP. Inflation decelerated in many countries, owing to lower food prices and prudent monetary policy; and the low inflation, coupled with an estimated 6.2 percent increase in remittances, supported private consumption. Nevertheless, poverty and unemployment remains high in many countries in the region.

Fiscal balances deteriorated further in 2013, especially among oil exporters who faced falling output and lower oil prices. Partly as a result, public debt has risen from 29 percent of GDP in 2008 to an estimated 34 percent of GDP in 2013. Debt ratios in some countries have risen sharply, raising the specter of debt sustainability going forward. The strong investment spending in the region exacerbated current account deficits, which widened further in 2013. In most countries, fiscal consolidation is needed not only to create fiscal space for development spending but also to start rebuilding fiscal buffers to minimize exposure to external headwinds.

Outlook: Robust domestic demand is expected to continue to support growth in the medium term, despite tighter global financial conditions from which most countries in the region are less likely to be affected. Regional GDP is projected to strengthen to 5.3 percent in 2014 from 4.7 percent in 2013, rising to 5.4 percent in 2015 and reaching 5.5 percent in 2016. Net FDI inflows are expected to remain resilient, averaging $44.3 billion in the 2014-16 period; and inflation is expected to continue its downward trend as food and energy prices remain low, which combined with steadily increasing remittances should stimulate household consumption and permit a continued rapid expansion of domestic demand. A modest fiscal consolidation is projected to start in 2014; but fiscal deficits will remain elevated as governments maintain their investment programs while revenue stays low. Reflecting still strong domestic demand, current account deficits are projected to widen in 2014-15, before narrowing in 2016 as import growth decelerates and export capacity strengthens.

Risks: The main risks to this outlook stem from external as well as internal factors. Slower growth in emerging markets and a weaker recovery in developed economies could affect the region's growth prospects through a protracted decline in commodity prices and lower FDI inflows. Simulation results of commodity price shocks indicate that growth in the region would slow but not collapse. Countries that depend on mineral exports would, however, see real GDP growth and current account balances deteriorate significantly. The United States Federal Reserve taper of asset purchases is not expected to have a major impact in the region owing to the countries' limited integration in global financial markets. However, South Africa, which has strong links with global financial markets, remains particularly vulnerable to capital outflows given its reliance on portfolio inflows to finance its current account deficit. Frontier market countries that have seen significant portfolio inflows in local securities markets would also be affected by the reversal of capital flows; and countries that are planning to tap the international bond markets are likely to face higher coupon rates. Domestic risks relate to weather shocks which could affect local harvests and raise food prices; political instability, which could deter investment; security problems in Nigeria driven by unrest in the north, which could have adverse spillovers in neighboring countries, and pirate attacks along the gulf of Guinea, which could raise shipment costs and disrupt trade in the sub region.

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	10.7	3.4	3.9	5.2	5.1	8.0	7.3	7.0
Benin	3.6	2.6	3.5	5.4	4.2	4.1	4.2	4.0
Botswana	3.5	8.1	6.1	4.3	4.6	5.0	5.2	5.2
Burkina Faso	5.2	7.9	4.2	10.0	7.0	7.0	7.0	7.0
Burundi	2.9	3.8	4.2	4.0	4.3	4.5	4.1	3.5
Cape Verde	5.6	1.5	4.0	2.5	2.6	2.9	3.3	3.6
Cameroon	3.0	3.3	4.1	4.7	4.8	5.0	5.1	5.1
Central African Republic	0.7	3.3	3.1	4.1	-18.0	-1.8	1.1	2.5
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	7.5	7.5	7.4	6.7
Congo, Rep.	3.8	8.8	3.4	3.8	5.6	5.4	5.5	5.5
Cote d Ivoire	0.8	2.4	-4.7	9.8	8.7	8.2	8.1	7.6
Equatorial Guinea	15.0	-1.7	4.9	2.5	-1.5	-0.5	-1.6	2.1
Eritrea	0.7	2.2	8.7	7.0	6.0	3.5	3.0	3.0
Ethiopia	7.5	8.6	7.9	7.7	7.0	7.1	7.0	7.1
Gabon	1.3	6.7	7.0	6.1	4.2	4.2	3.9	3.9
Gambia, The	3.2	6.5	-4.3	5.3	6.5	7.5	6.4	5.5
Ghana	5.0	8.0	15.0	7.9	7.4	7.4	7.3	6.7
Guinea	2.4	1.9	4.3	3.9	4.0	4.7	5.0	6.0
Guinea-Bissau	2.3	1.7	5.7	-1.5	3.0	2.7	2.7	2.9
Kenya	3.6	5.8	4.4	4.6	5.0	5.1	5.2	5.3
Lesotho	3.3	7.9	3.7	4.0	4.6	5.1	4.5	4.4
Madagascar	3.0	0.5	1.9	3.1	4.1	4.8	5.4	5.4
Malawi	3.8	6.5	4.3	1.9	4.4	4.8	5.5	5.5
Mali	4.2	5.8	2.7	-1.2	4.0	5.2	4.5	4.6
Mauritania	4.5	5.1	4.0	7.6	5.7	4.6	4.0	3.3
Mauritius	3.4	7.7	3.8	3.2	3.7	4.1	4.3	4.2
Mozambique	7.1	7.1	7.3	7.4	7.0	8.5	8.5	8.5
Namibia	3.9	6.0	4.9	5.0	4.2	4.3	4.4	4.4
Niger	3.6	-8.0	2.3	11.2	5.6	6.2	6.0	5.8
Nigeria	5.6	8.0	7.4	6.6	6.7	6.7	6.8	6.8
Rwanda	7.2	7.2	8.2	8.0	7.0	7.5	7.2	7.0
Senegal	3.6	4.1	2.6	3.7	4.0	4.5	4.6	4.6
Seychelles	1.5	7.1	5.0	2.9	3.5	3.9	3.5	3.0
Sierra Leone	6.0	5.4	6.0	15.2	17.0	14.1	12.1	12.1
South Africa	3.2	3.1	3.5	2.5	1.9	2.7	3.4	3.5
Sudan	5.6	3.5	-3.3	-10.1	2.9	2.9	3.0	3.2
South Sudan	4.4	3.1	2.6	-49.0	33.9	17	9	9.1
Tanzania	6.2	7.0	6.4	6.9	7.1	7.4	7.6	7.8
Togo	1.7	4.0	4.8	5.6	5.0	4.5	4.5	4.4
Uganda	6.9	6.2	5.0	4.6	6.2	6.6	7.0	7.1
Zambia	4.8	7.6	6.8	7.3	6.0	6.5	6.0	5.8
Zimbabwe	-5.9	9.6	9.4	4.4	2.2	3.3	3.4	3.5

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