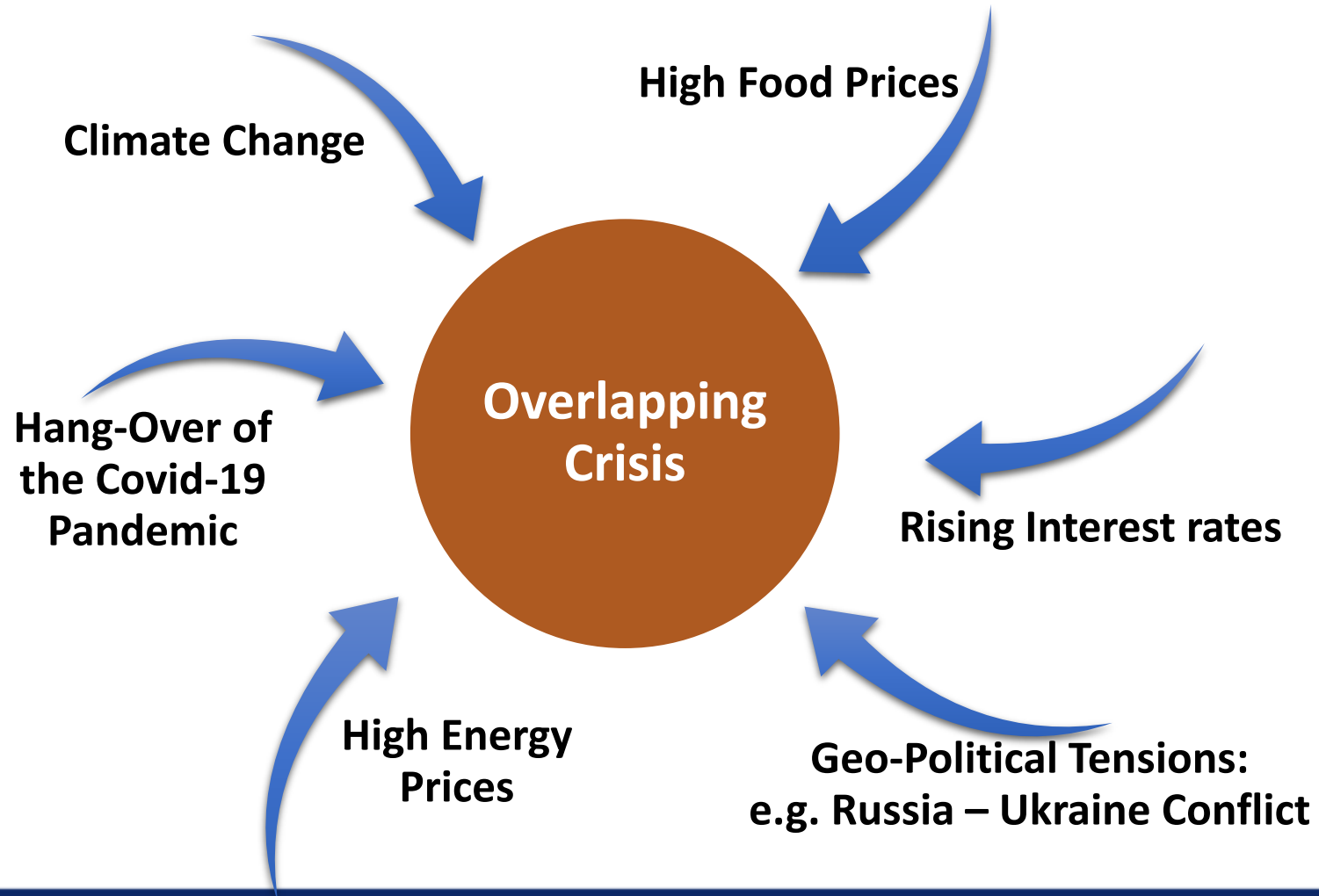


# African Economic Outlook and Key Challenges

Ezekiel ODIOGO

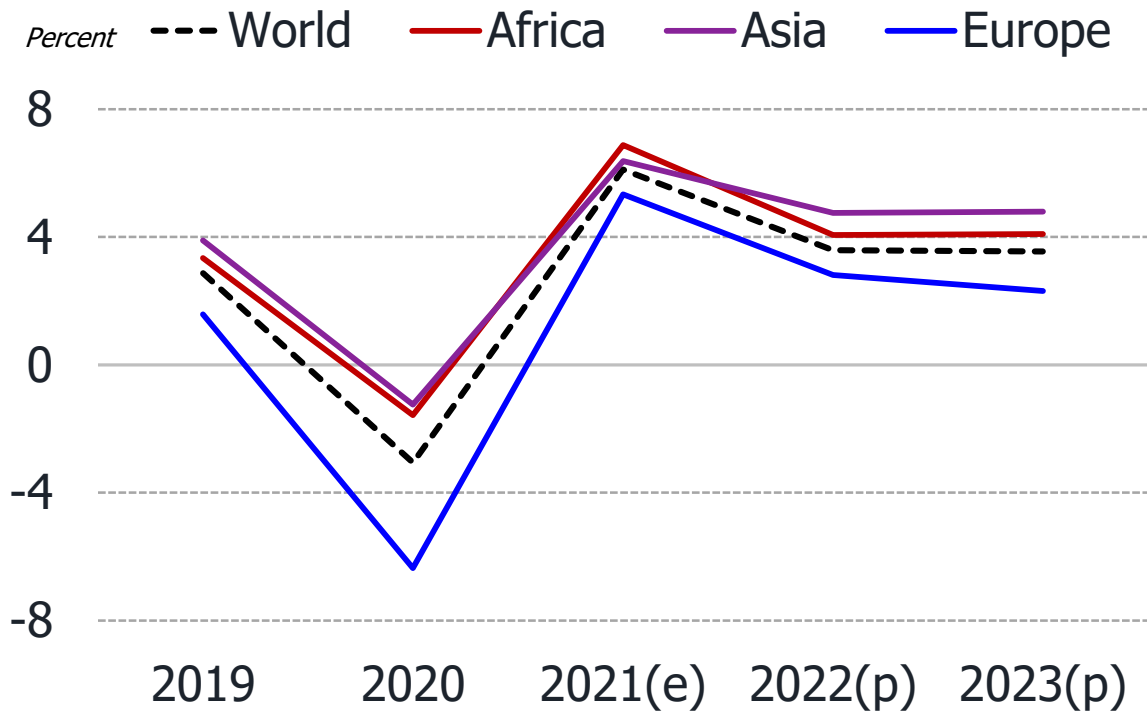


# Feeling the Pinch .....



# Growth Performance and Outlook

Real GDP Growth (%), 2019 - 2023

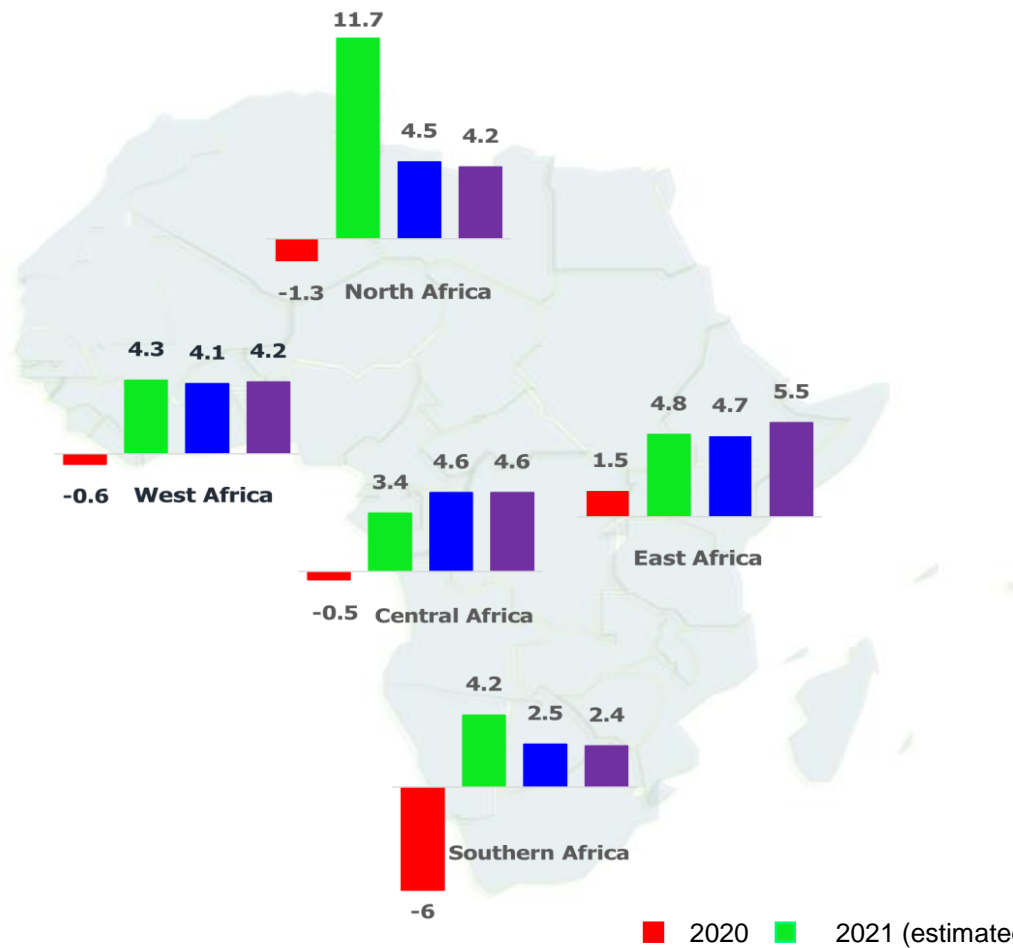


- Following a contraction of **1.6%** in **2020**, Africa's GDP grew by **6.9%** in **2021**.
- Africa's average growth is projected to decelerate to **4.1%** in **2022** and **2023**.
- Deceleration due to change in base effects, COVID-19 pandemic hang-over, climate change effects, and geo-political tensions e.g. Russia–Ukraine conflict.

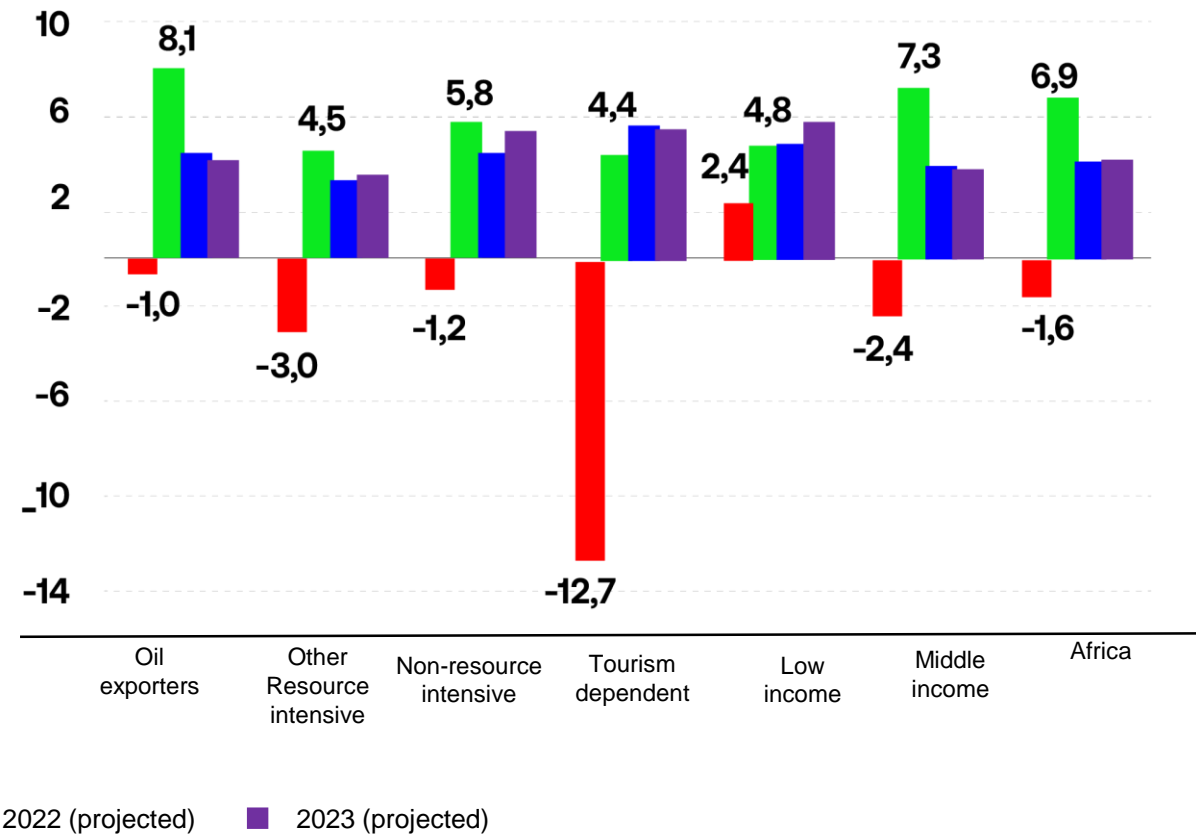


# Growth Performance by Region and Country Groupings

Real GDP Growth (%), 2019 - 2023

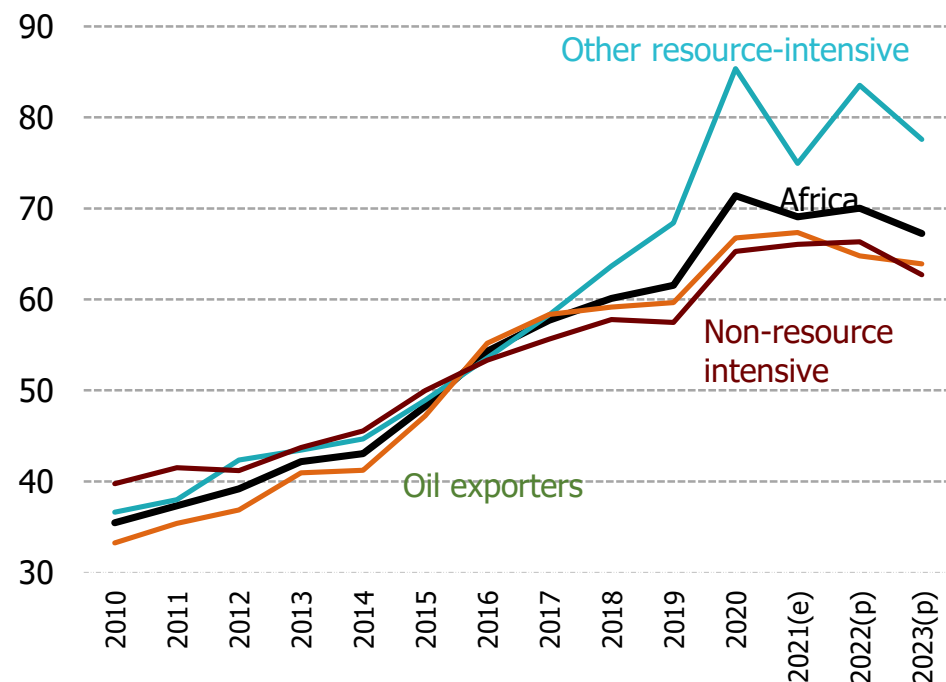


Percent



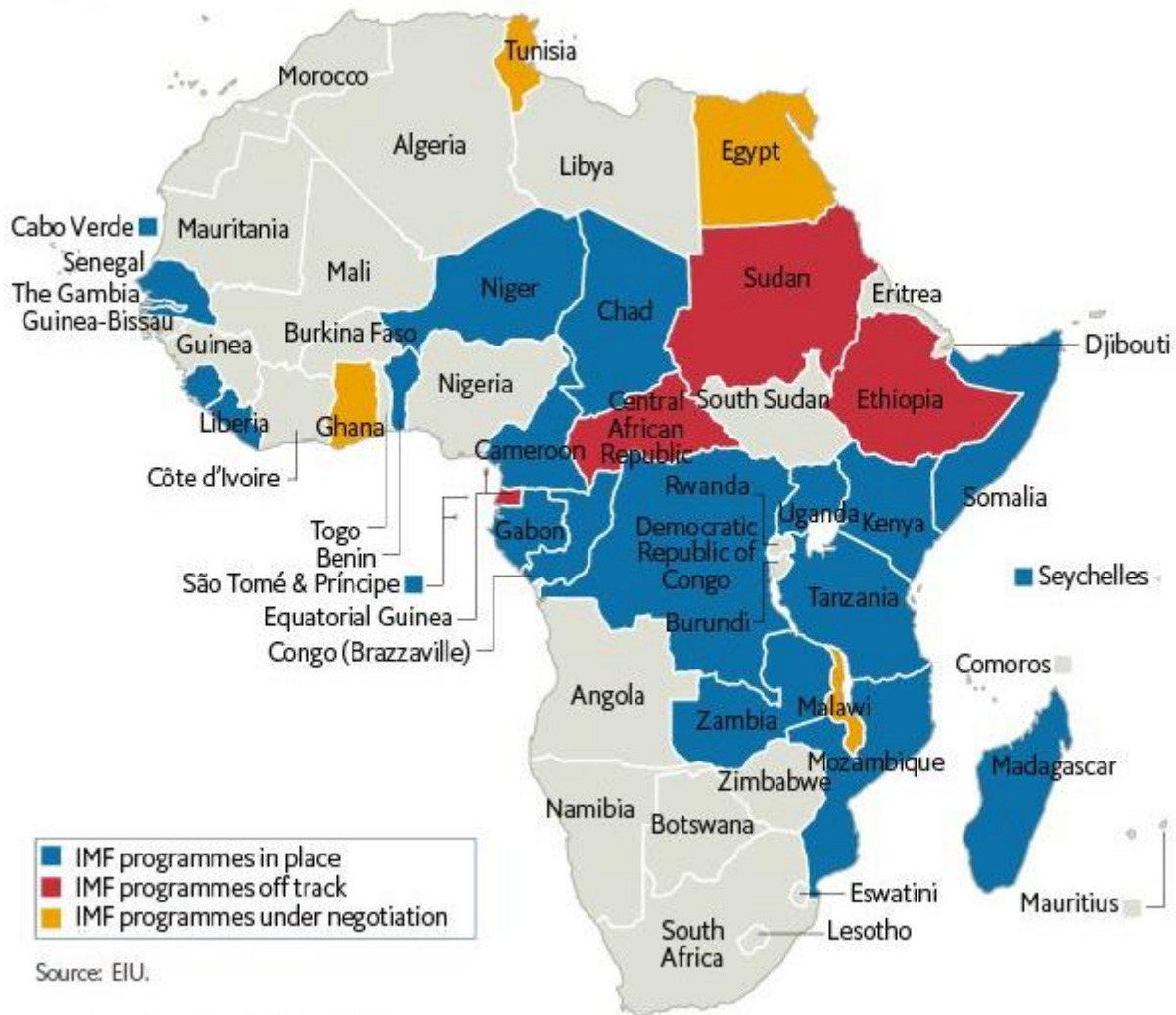
# Macro-economic fundamentals

Gross government debt (% of GDP), 2010-2023



- Africa's Debt to GDP ratio is currently 70% from 71.4% in 2021.
- Current account deficit is projected at 2% in 2022 down from 2.4% in 2021.
- Average Fiscal Deficit is 4% of GDP from 5.1% in 2021.

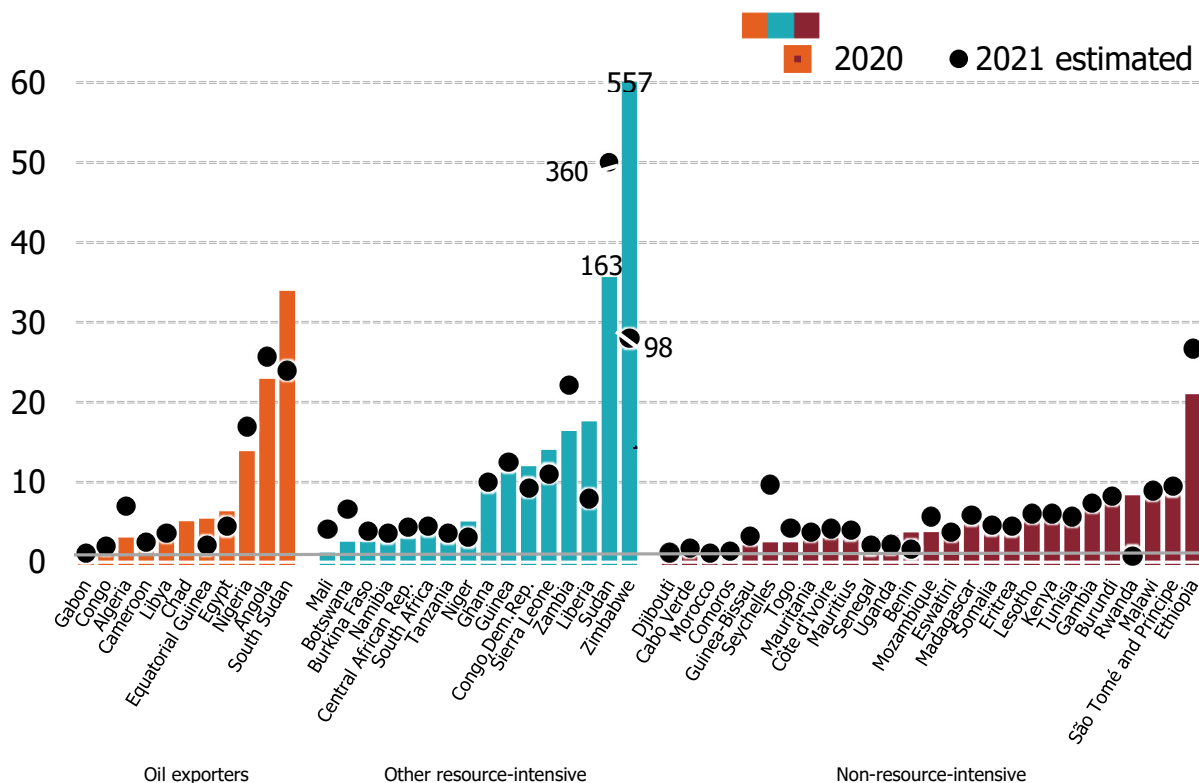
# Debt Vulnerabilities



- As of August 2022, Twenty-Three countries were either on IMF program or under negotiation for one.
- Three Countries are off-track.
- IMF has previously provided US\$38 billion in emergency pandemic support.

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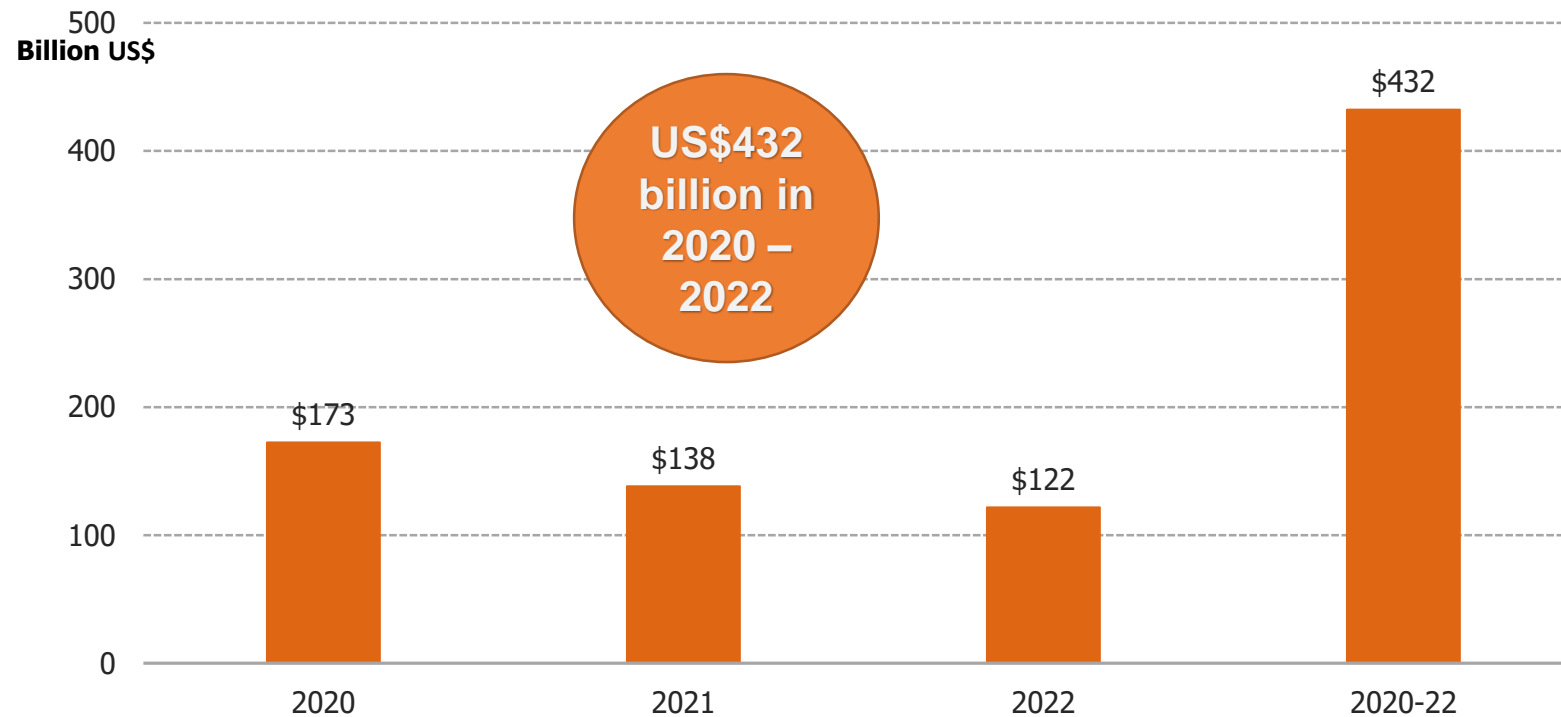
## Consumer price inflation (Percent), 2020 vs 2021



- Average Inflation accelerated to 13.5% in 2022 from 13% in 2021
- Fueled by sharp rises in commodity prices, especially Energy and Food, due to the Russia – Ukraine Conflict.
- Rise in Interest rates

# Financing economic recovery

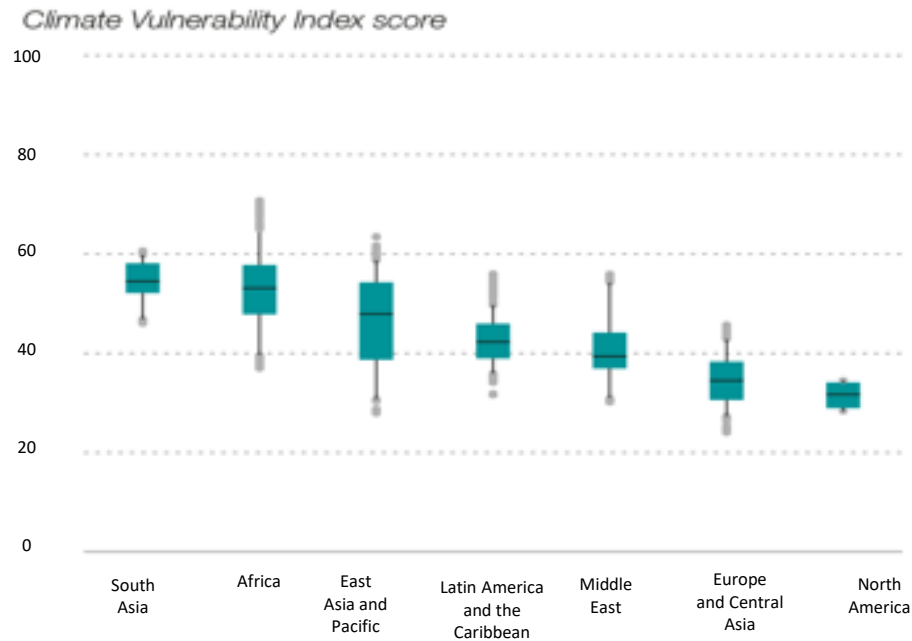
## Additional resources to finance fiscal deficits in Africa, 2020-22



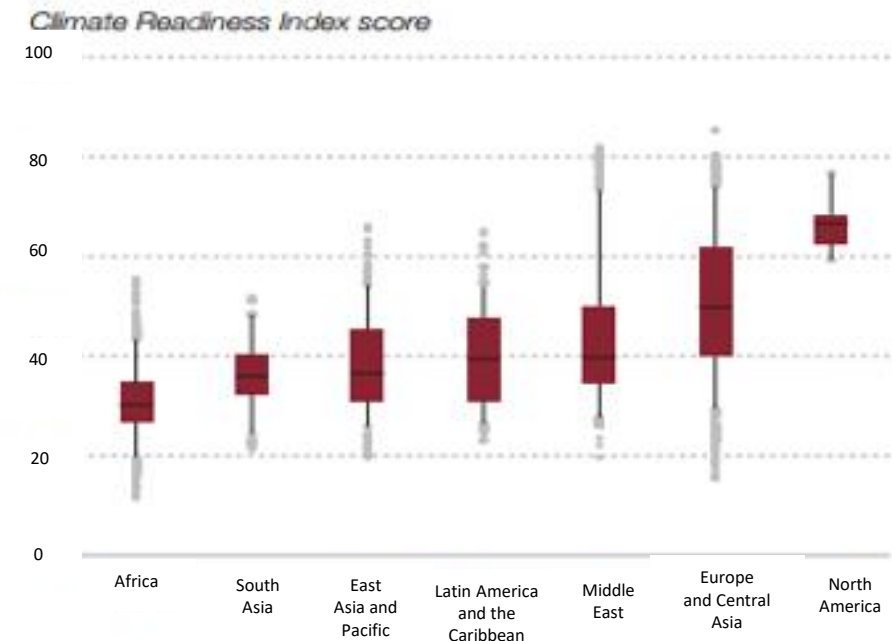


# Climate Vulnerability; Readiness & Resilience

Climate vulnerability by regions, average 2010-19

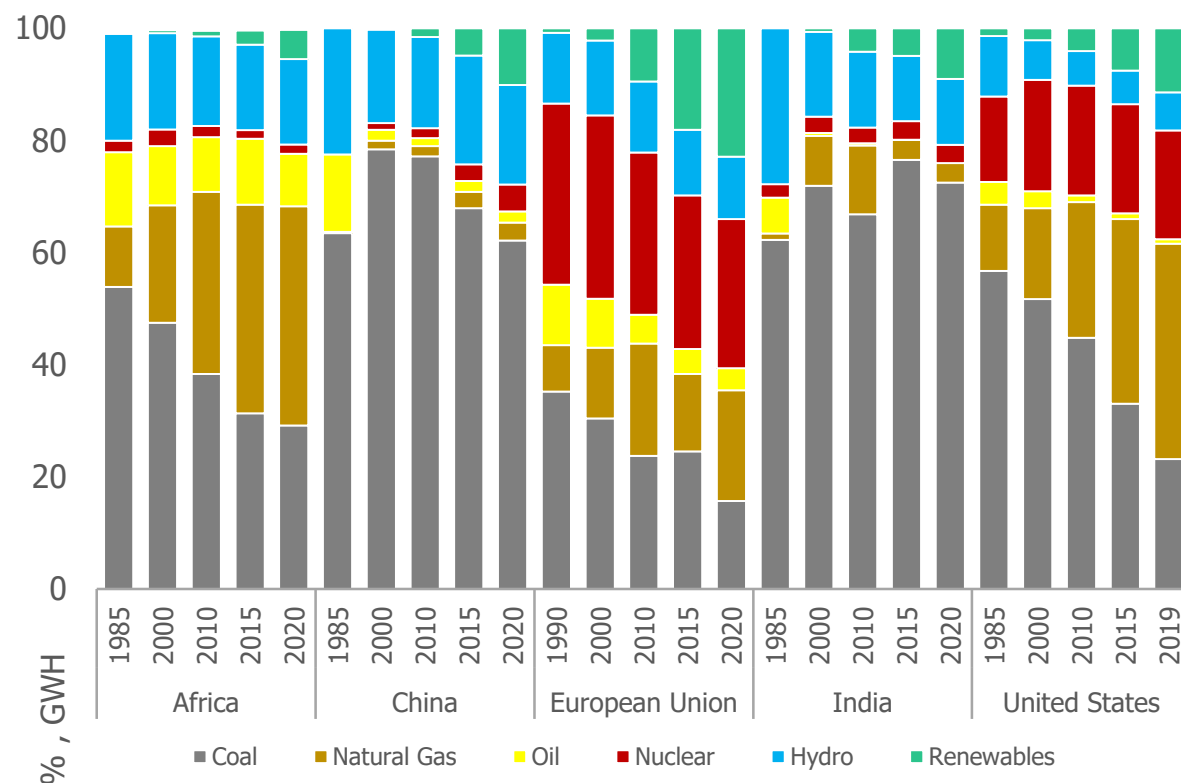


Climate Readiness by regions, average 2010-19

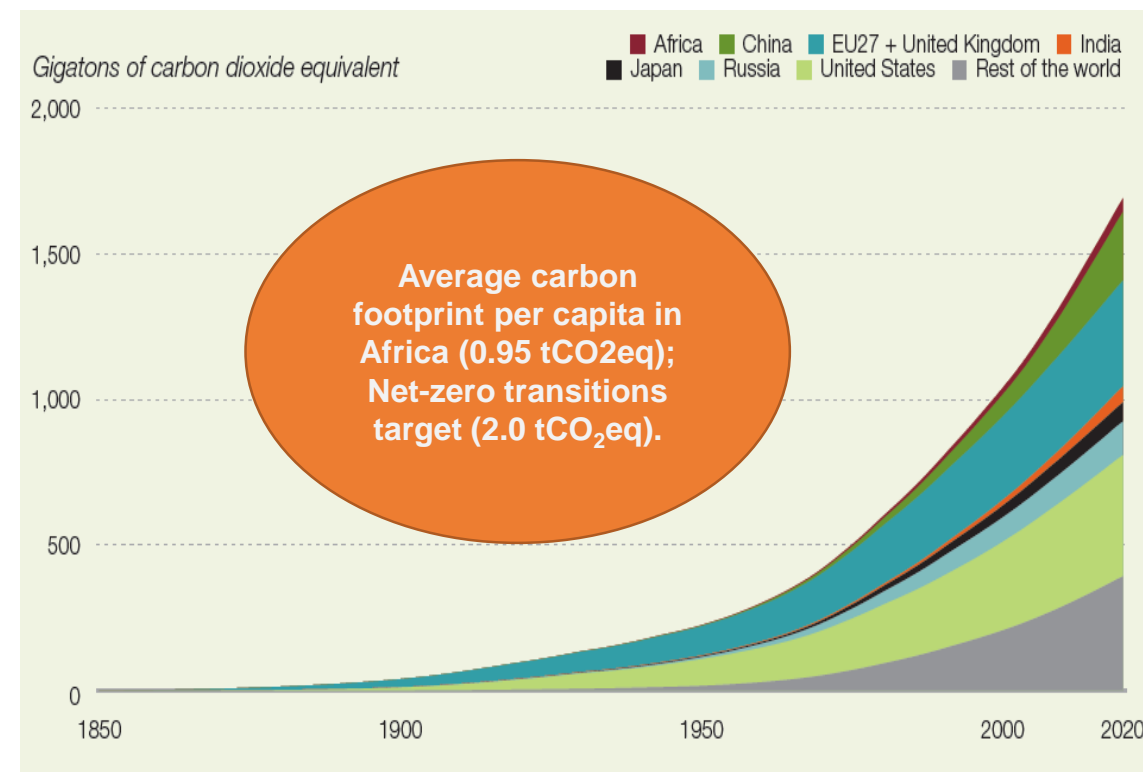


# Just Transitions: Energy and Climate Resilient Development

## Energy mix in selected regions and countries

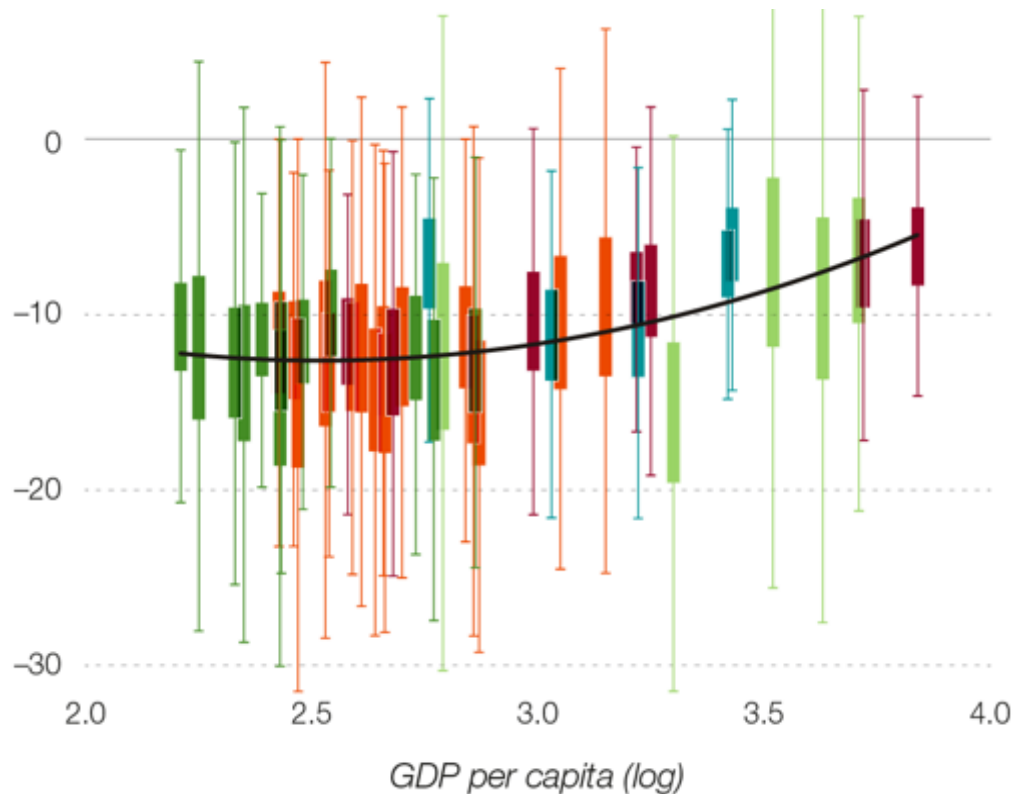


## Cumulative carbon emissions by region, 1850 - 2020



# Socioeconomic Impacts of Climate Change

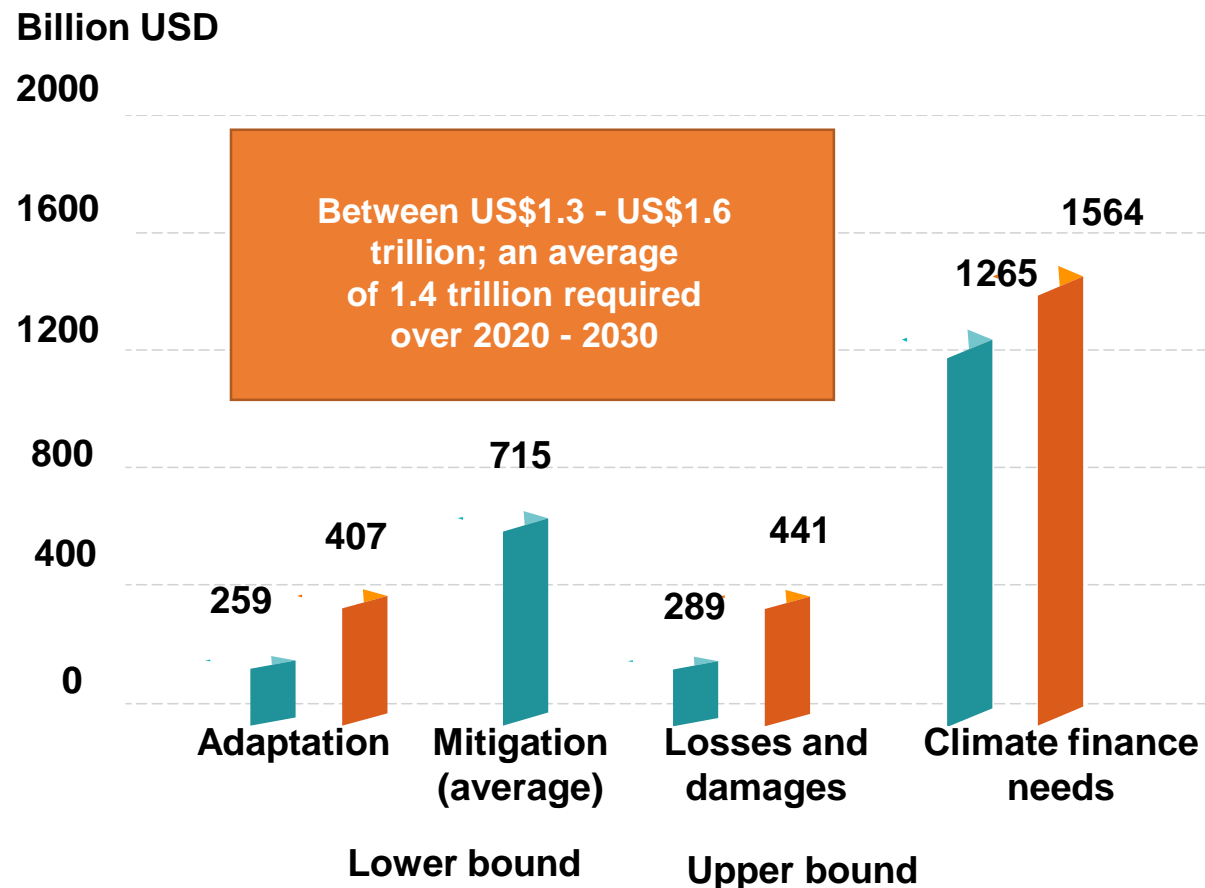
Average Annual climate induced losses



- Annual climate-induced losses estimated at 5% – 15% of GDP per capita growth.
- Increased mortality, climate-induced conflicts and human displacements, migration etc.
- The benefits and co-benefits of Climate resilience are multiple times higher than the costs.

# The Climate Finance gap – resources vs expectations

African NDCs' climate financing needs 2020-2030



- On average between US\$118.2 billion - US\$145.5 billion required each year, from 2020 – 2030
- On average about \$18.3 billion received annually between 2016 –2019.
- Climate financing gap: between \$99.9 billion to \$127.2 billion
- At current trends, expectations on Africa's climate targets will not be met

# .....it all comes down to greater Investments

- Improved Macroeconomic Fundamentals albeit challenging
- US\$90+ Billion annual infrastructure investment opportunity
- US\$432 Billion required to fund the recovery
- US\$1.2 Trillion Climate Resilient Investment opportunity between 2020 to 2030.
- Africa Continent Free Trade Area opens over Three times a Trillion investment opportunity





Thank You

