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Sub-Saharan Africa Macroeconomic Update:

Regional Growth To Accelerate As Major Economies Improve

Wednesday, 15th November 2023

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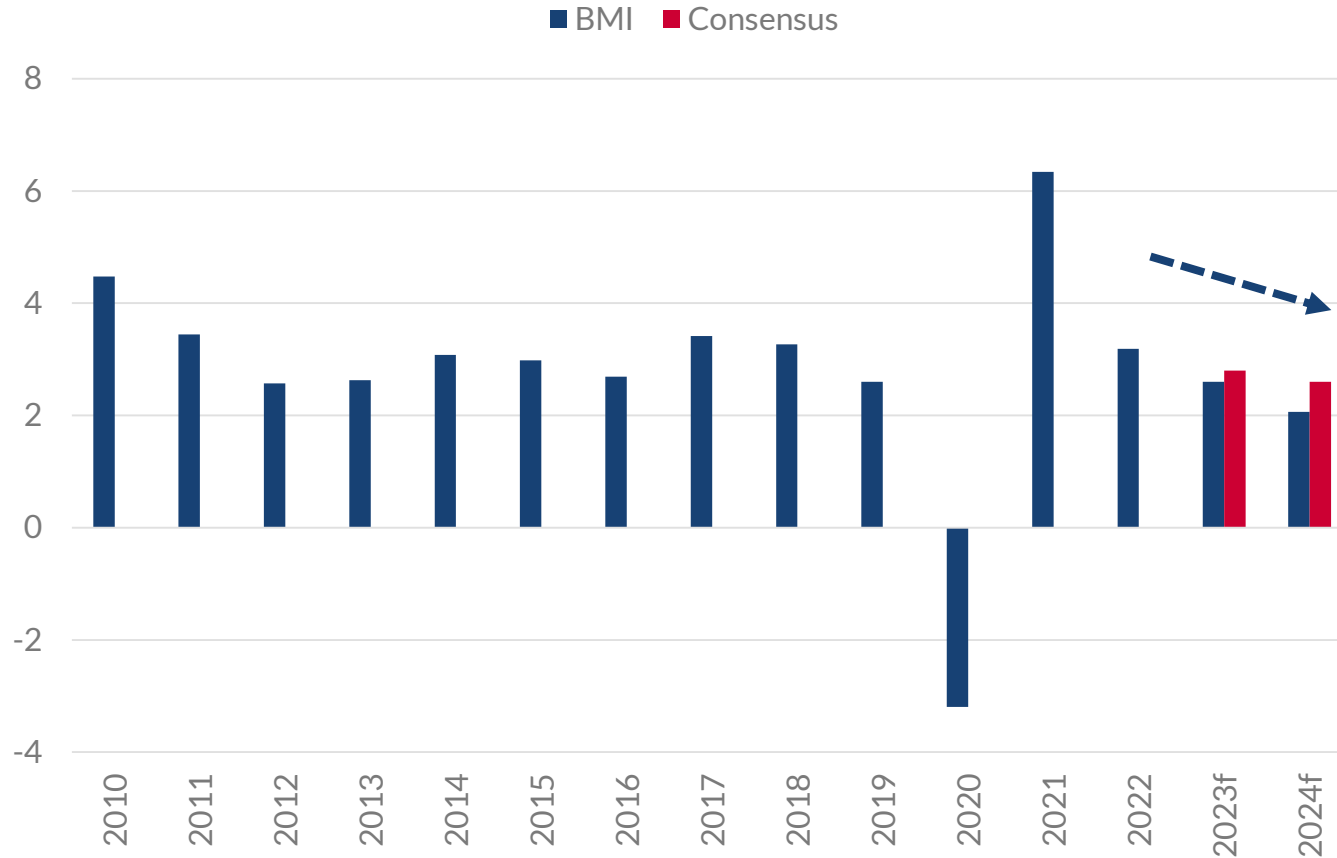
Global Outlook

The World In 2024

Global Growth To Continue Slowing, But More Modestly

Global Growth To Remain Under Pressure In 2024

Global - Real GDP Growth, %



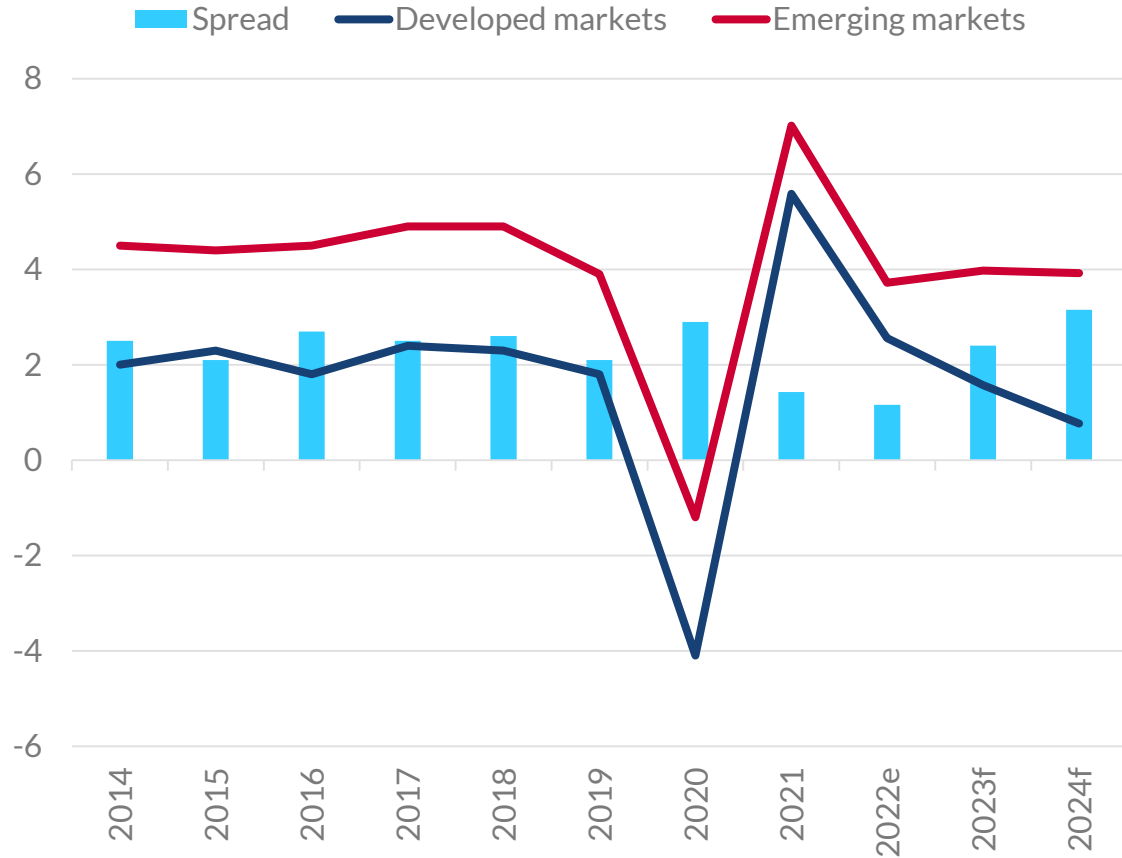
f = forecast. Source: Bloomberg, BMI

- We forecast that global growth will slow to 2.6% in 2023, but the global economy has shown relative resilience, particularly in the US.
- We forecast a further slowdown to 2.1% in 2024 as tighter-for-longer monetary conditions combined with less generous fiscal policy.
- Our forecasts are below consensus estimates of 2.8% in 2023 and 2.6% in 2024.
- While households should benefit from lower inflation, the combination of softening labour markets and elevated interest rates will weigh on private consumption more broadly.
- Political risk remains a significant challenge, ranging from US budget negotiations to major elections across the globe in 2024.

DMs Driving The Slowdown, EM Asia And SSA To Outperform In 2024

DM Growth Set To Fall Further As EMs Hold Up

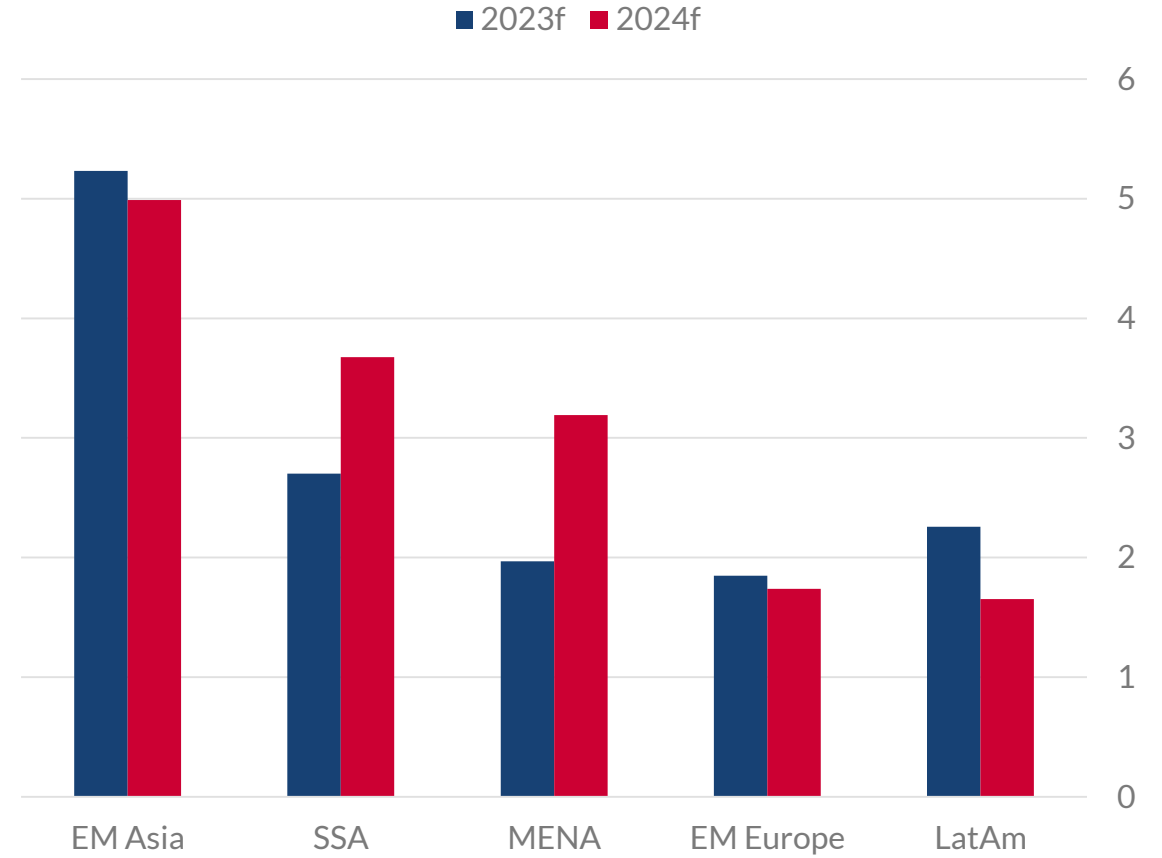
Global - Real GDP Growth, %



e/f = BMI estimate/forecast. Source: BMI

Asia & Sub-Saharan Africa Will Outperform

Global - Real GDP Growth, %

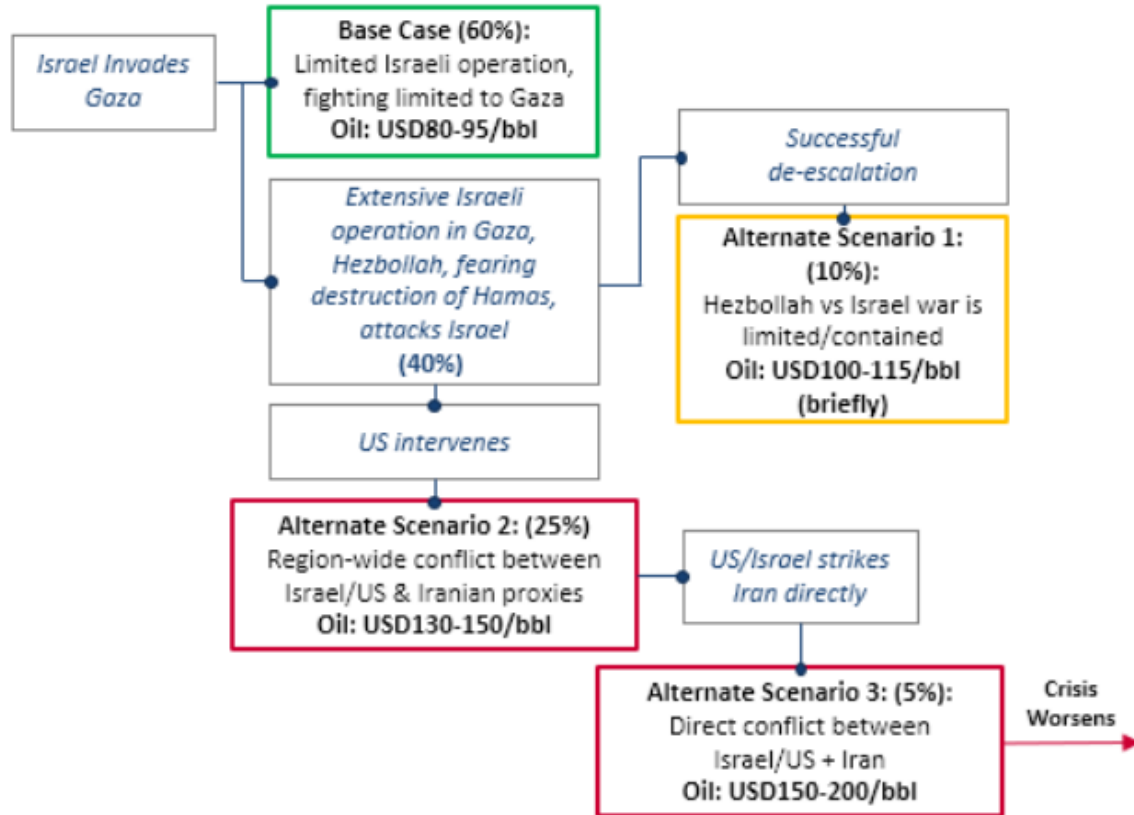


f = BMI forecast. Source: BMI

Risks Of Israel-Hamas War Broadening Are High

60% Chance That Conflict Will Remain Contained

MENA - Scenarios For Escalation



Source: BMI

Baseline Scenario: Conflict Is Contained

Market Impact	2023 View	Description
Oil Prices	USD80-95/bbl	Oil prices will trade within a range, but ultimately high levels of excess capacity will limit a surge in prices.
US Bond Yields	Little change	Bond yields will continue to be driven by US macro and inflation dynamics, with little spillover from conflict.
US Monetary Policy	Hold at 5.50%	The Fed is done with its hiking cycle, and will keep rates will unchanged until mid-2024 in the absence of an oil shock.
US Dollar Index	Wide range	Broad trading between 100 and 108 given significant cross currents.
Equities	Choppy, sideways to higher	S&P 500 will remain in a choppy, but gentle uptrend, with support around 4,200.
Gold Price	USD1,950 - 2,050/oz	Gold is likely to trade close to its all time historic highs of USD2,075/oz as its safe haven characteristic increases holdings.
Global Growth	2.1% in 2024	Limited spillover effects, forecasting 2.6% this year and 2.1% in 2024, with downside risks.

Source: BMI



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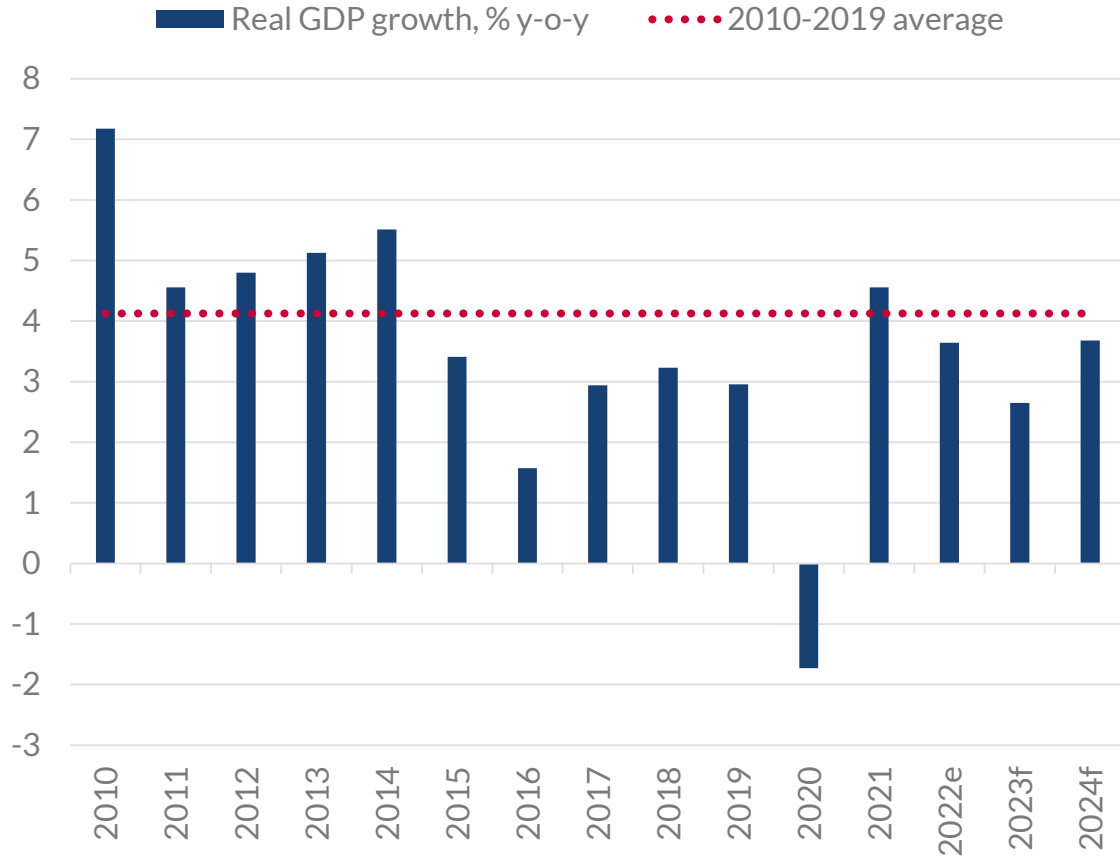
Sub-Saharan Africa Outlook

Stronger Growth Ahead

Economic Growth In Sub-Saharan Africa Will Pick Up Pace In 2024

Stronger Outlook For 2024, After Weak 2023

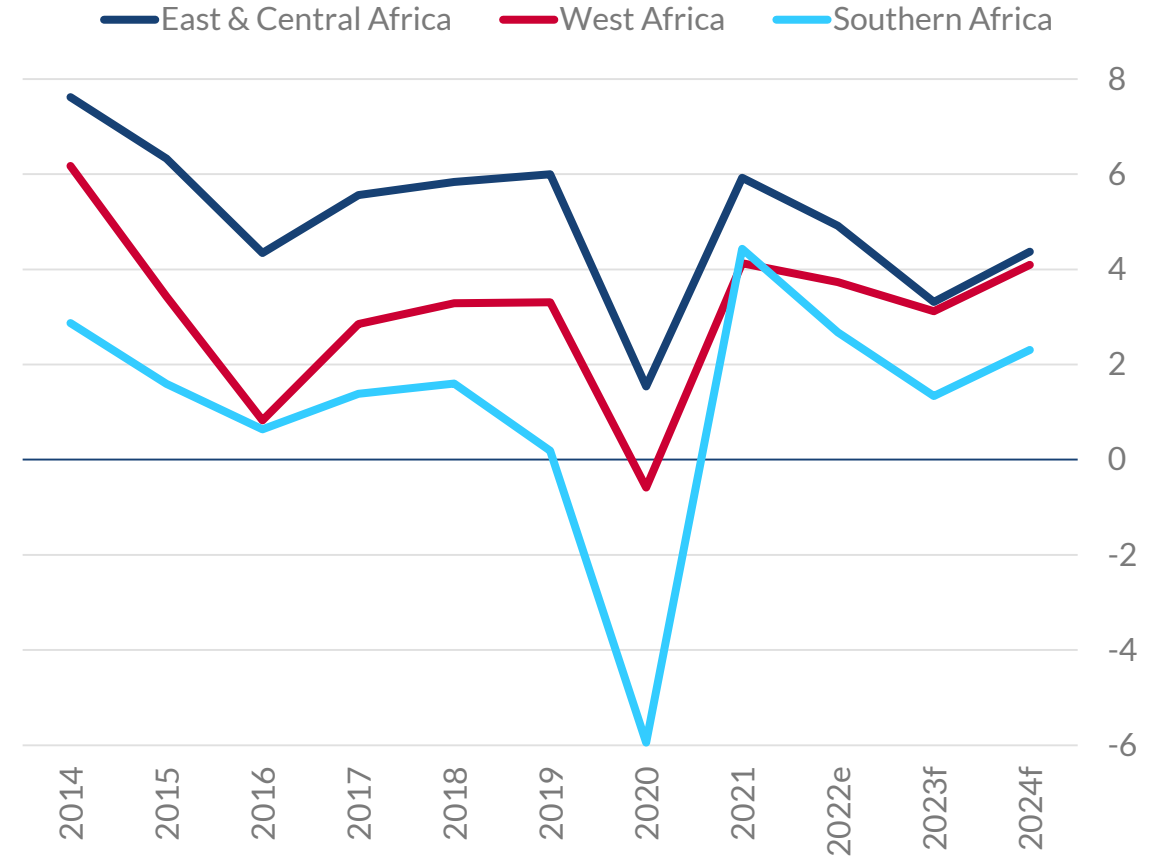
Sub-Saharan Africa – Real GDP Growth, %



e/f = BMI estimate/forecast. Source: National sources, BMI

Economic Growth Will Be Broad-Based

Sub-Saharan African Sub-Regions – Real GDP Growth, %

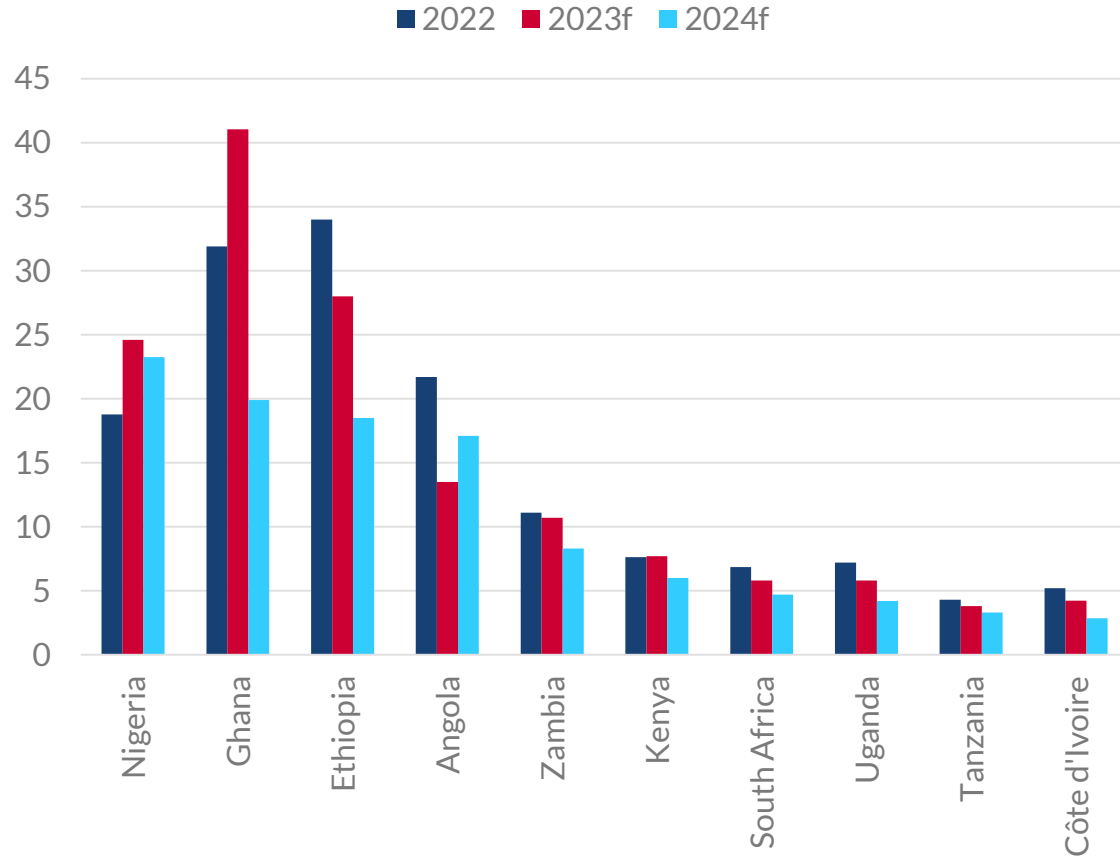


e/f = BMI estimate/forecast. Source: Local sources, BMI

Economic Conditions Set To Improve, But Fiscal Challenges Continue

Moderating Inflation Will Support Domestic Consumption

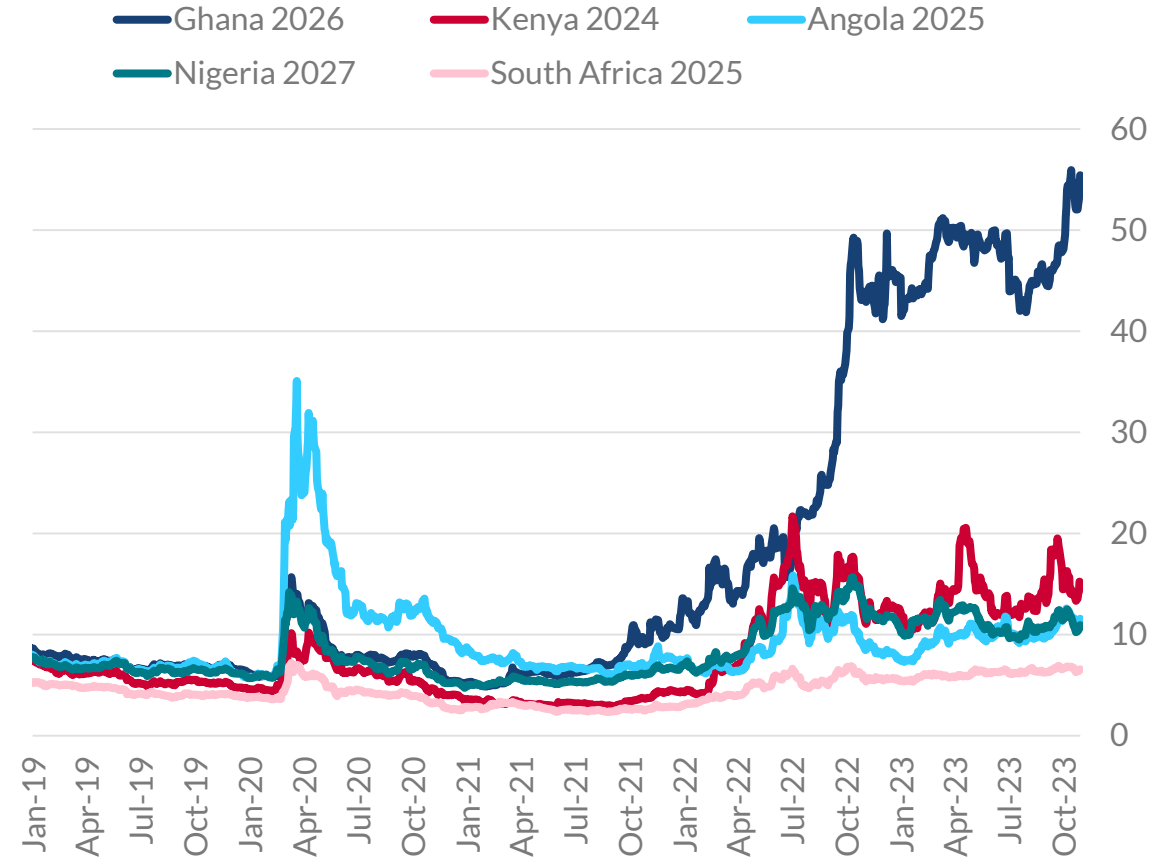
Selected SSA Markets – Average Consumer Price Inflation, %



f = BMI forecast. Source: Local sources, BMI

High Borrowing Costs Will Keep Pressure On Fiscal Accounts

Selected SSA Markets – Eurobond Yields, %



Source: Bloomberg

An aerial night view of Southern Africa, showing the Drakensberg mountain range and the Indian Ocean coastline. A bright sunburst or starburst effect is visible in the upper right quadrant of the sky, casting rays across the scene. The land is illuminated with a mix of dark blues and purples, while the oceans are a deep, dark blue. The overall atmosphere is serene and futuristic.

3

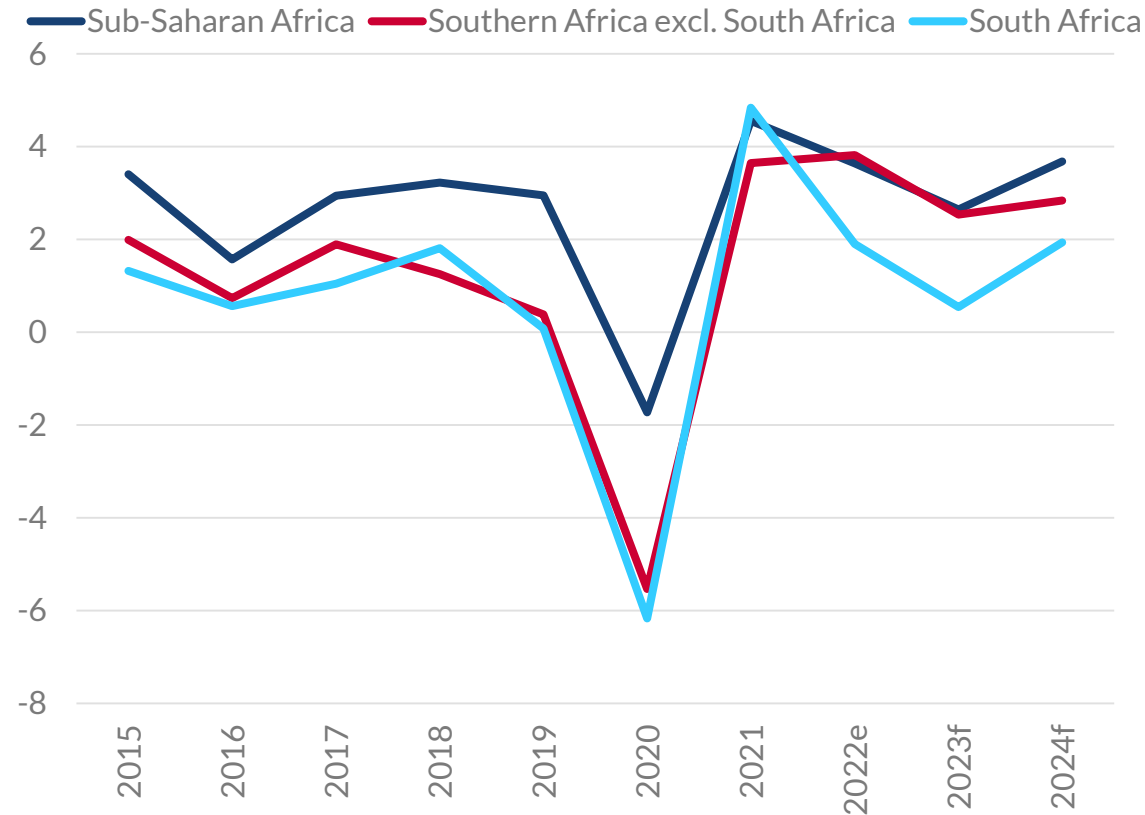
Southern Africa Outlook

South Africa

Lower Levels Of Loadshedding To Support Growth In South Africa

Despite Improvement, South Africa Remains Underperformer

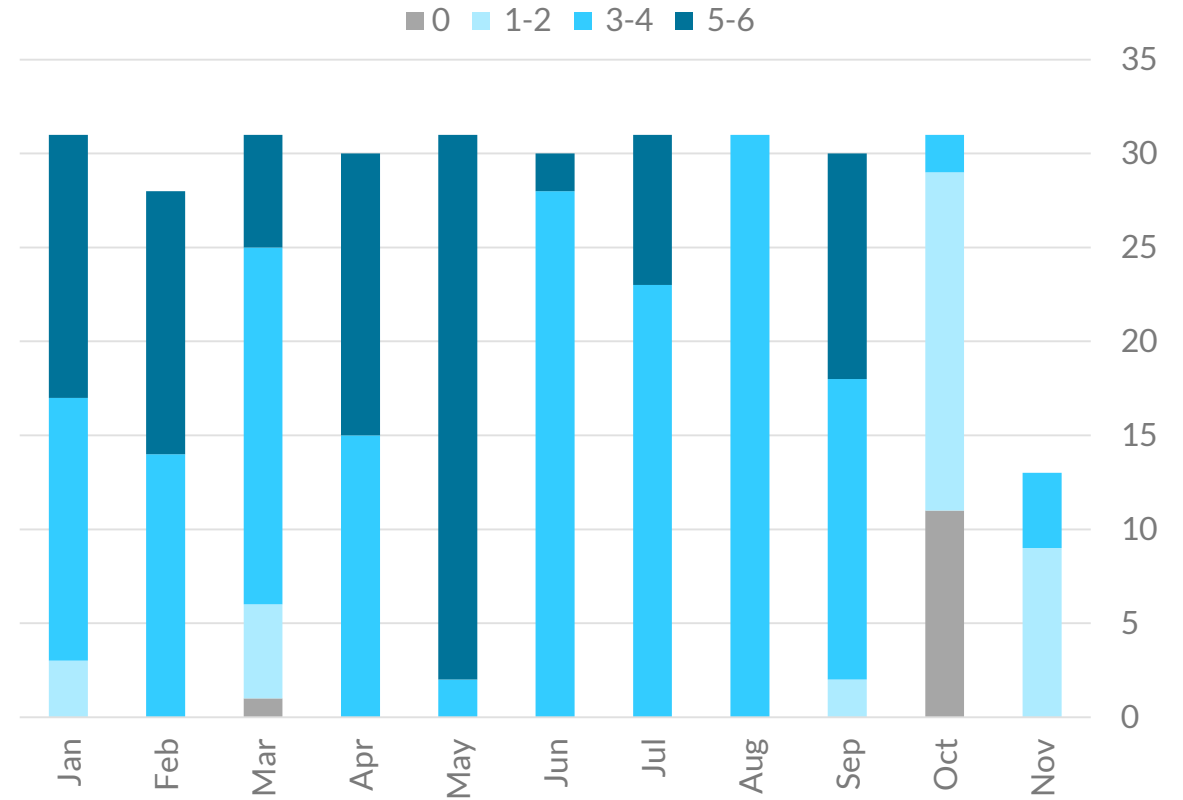
Sub-Saharan Africa – Real GDP Growth, %



e/f = BMI estimate/forecast. Source: National sources, UN, BMI

Loadshedding To Continue To Ease In 2024

South Africa – Level Of Loadshedding, days

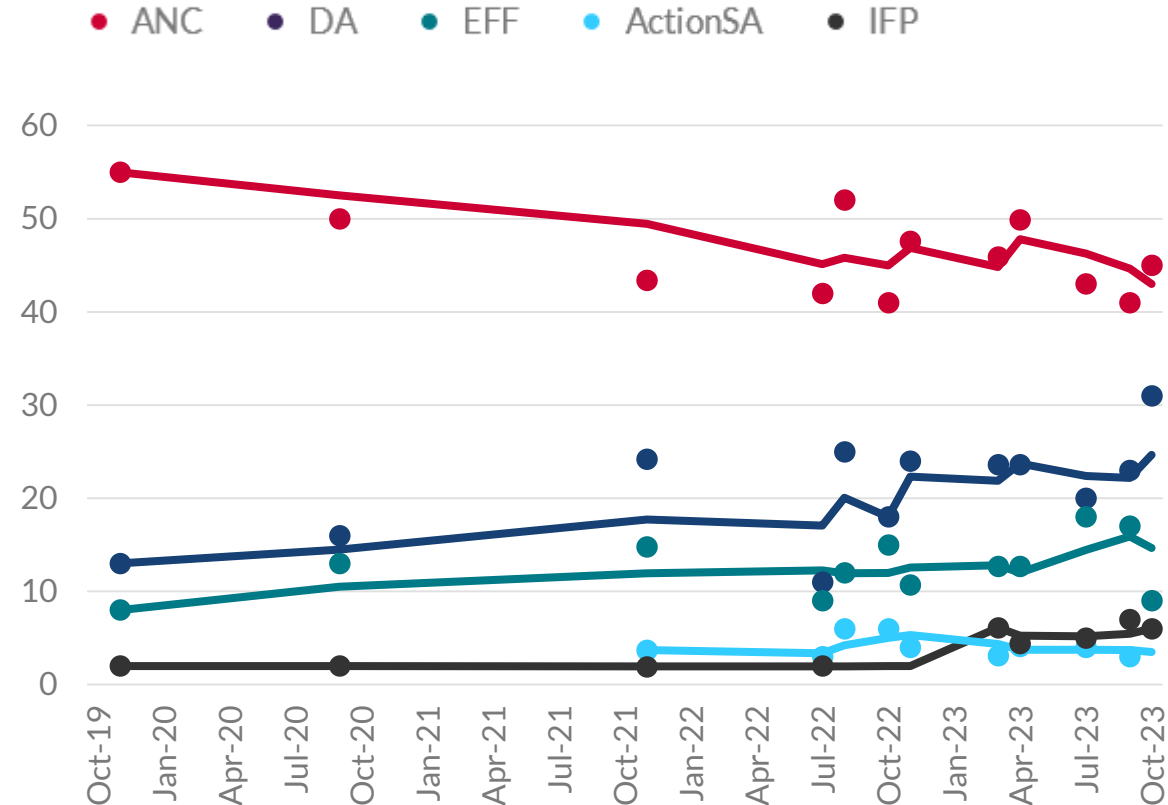


Note: November = Nov 1 to Nov 13. Level 6 = up to 6,000MW were removed from the grid. Source: The Outlier, BMI

Tough 2024 Election Ahead For The ANC

Despite Decline In ANC Popularity...

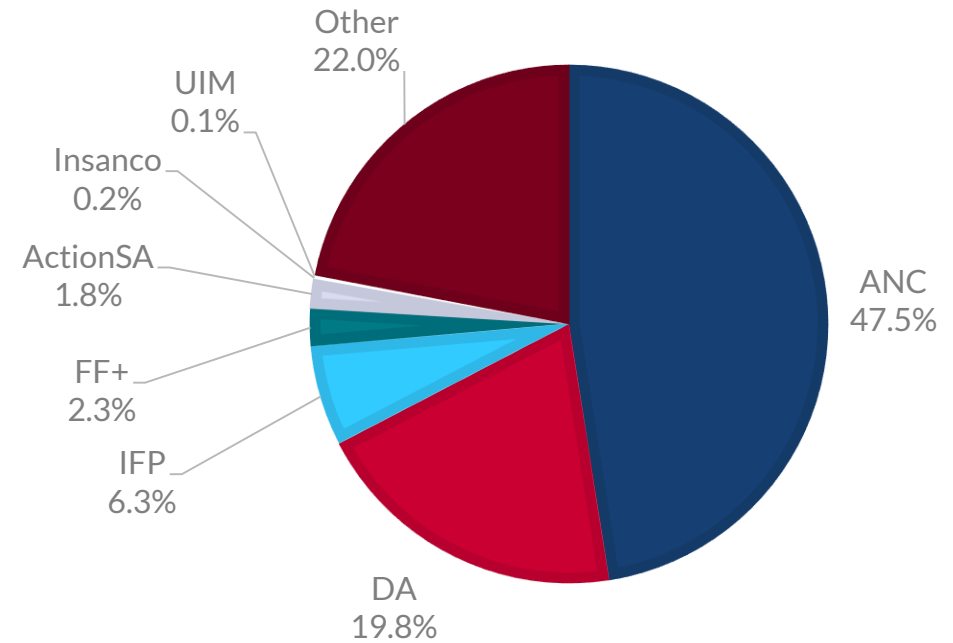
South Africa - Voting Intentions, % Of Total Respondents



Source: Ipsos, Afrobarometer, South Africa Institute of Race Relations, Intellidex, Rivonia Circle, Brenthurst Foundation, Social Research Foundation

...Opposition Coalition Unlikely To Achieve Majority

South Africa - 2021 Municipal Elections, % Of Total Votes

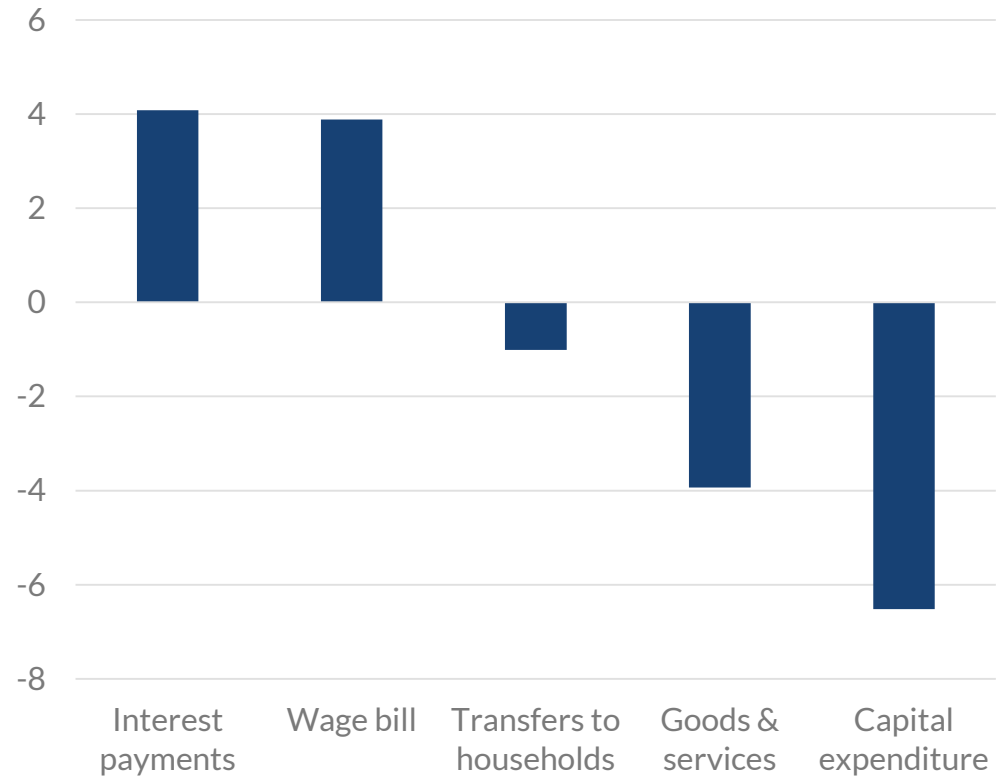


Source: Local sources, BMI

Medium-Term Budget Highlights Weaker Fiscal Outlook

Debt Servicing To Drive Up Spending

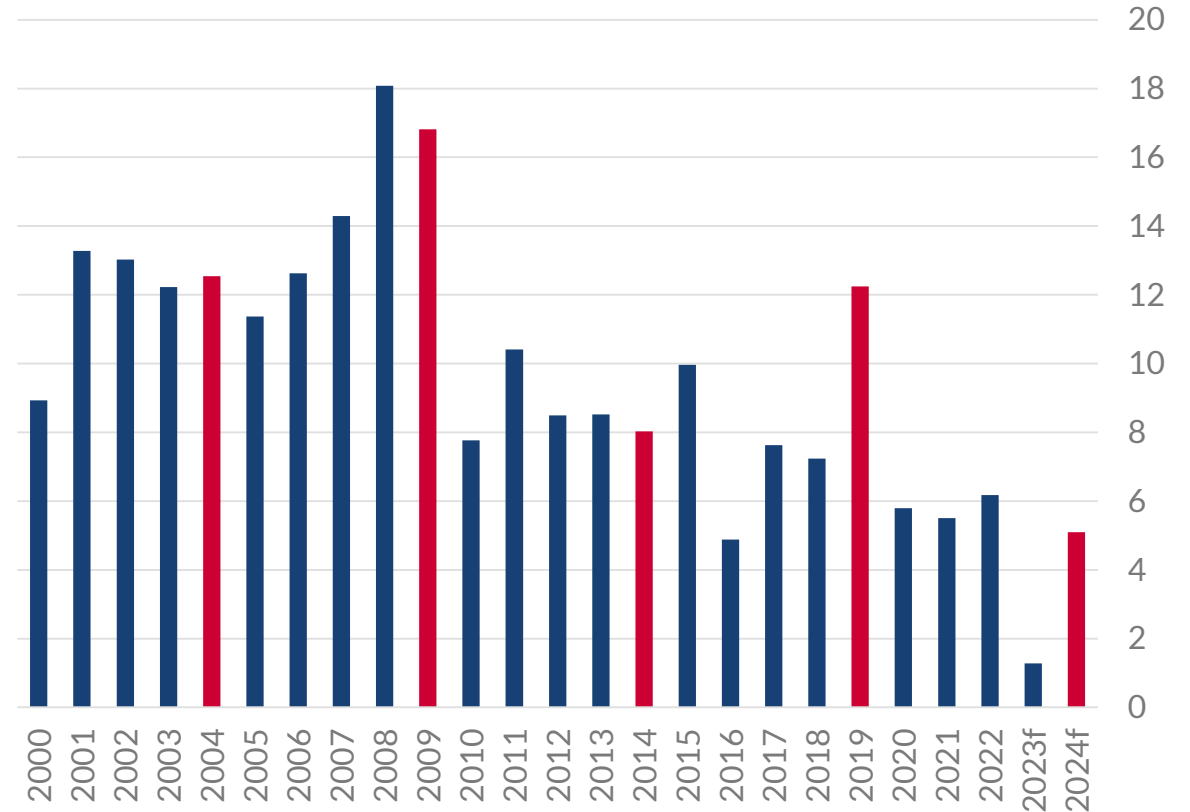
South Africa - Budget Allocations By Category, % Change Between Initial And Revised FY23/24 Government Projections



Note: Official forecast. Source: National Treasury, BMI

Fiscal Slippage Likely Around The Election

South Africa - Expenditure, % y-o-y



f = Official forecasts. Note: red columns = general election years. Source: Macrobond, National Treasury



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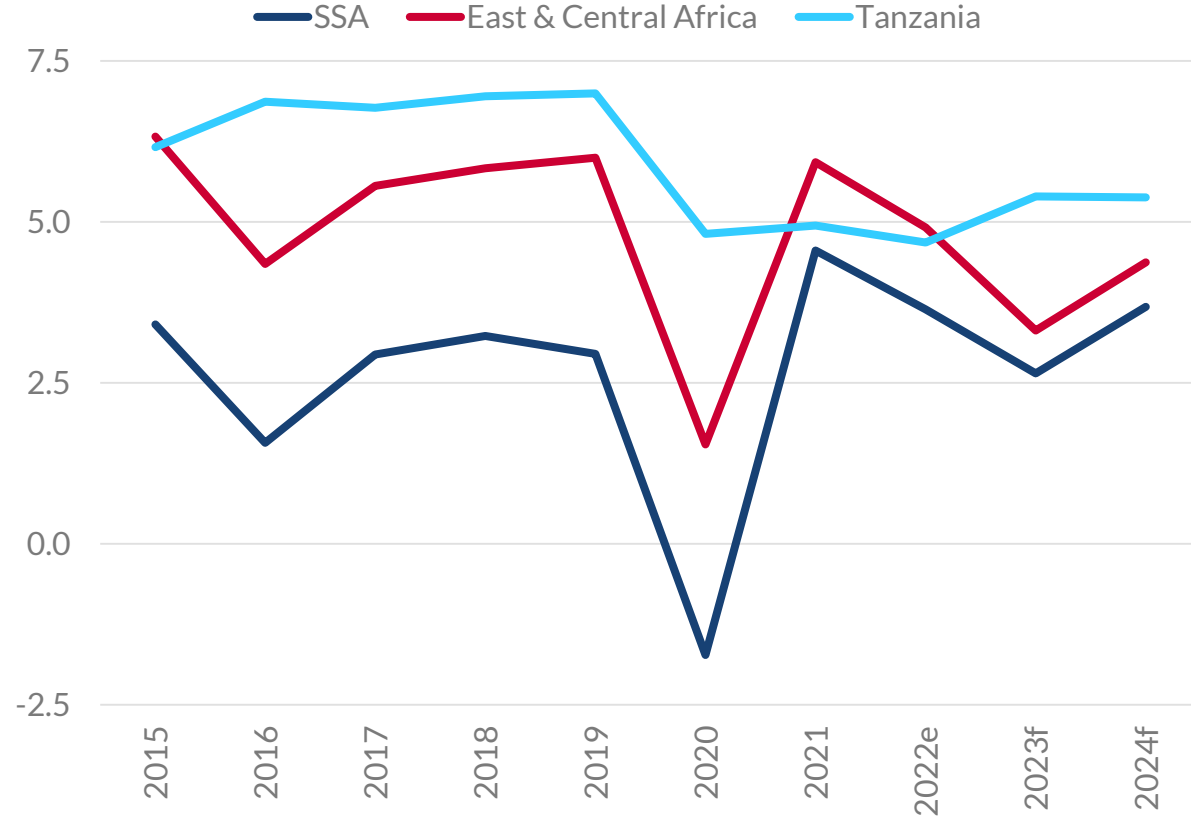
East & Central Africa Outlook

Tanzania, Kenya & DRC

Fixed Investment Will Continue To Drive Tanzanian Growth

Tanzanian Growth To Remain Above Regional Levels In 2024

SSA – Real GDP Growth, %



e/f = BMI estimate/forecast. Source: National sources, UN, BMI

Mining And Quarrying Sector To Support Growth

Tanzania - Selected Sectors, % Of GDP

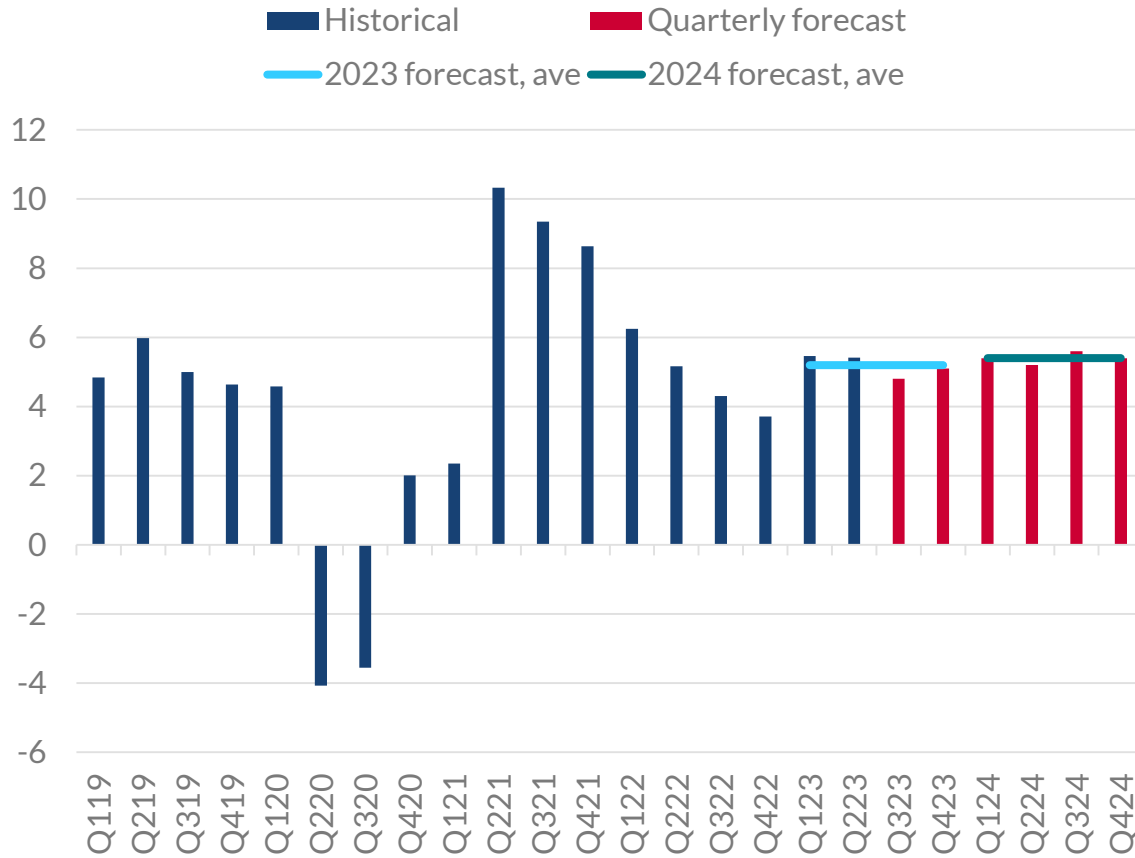


Source: Tanzania National Bureau of Statistics, BMI

Kenyan Growth To Remain Fairly Strong In Coming Quarters

Economic Activity Will Remain Robust In Coming Quarters...

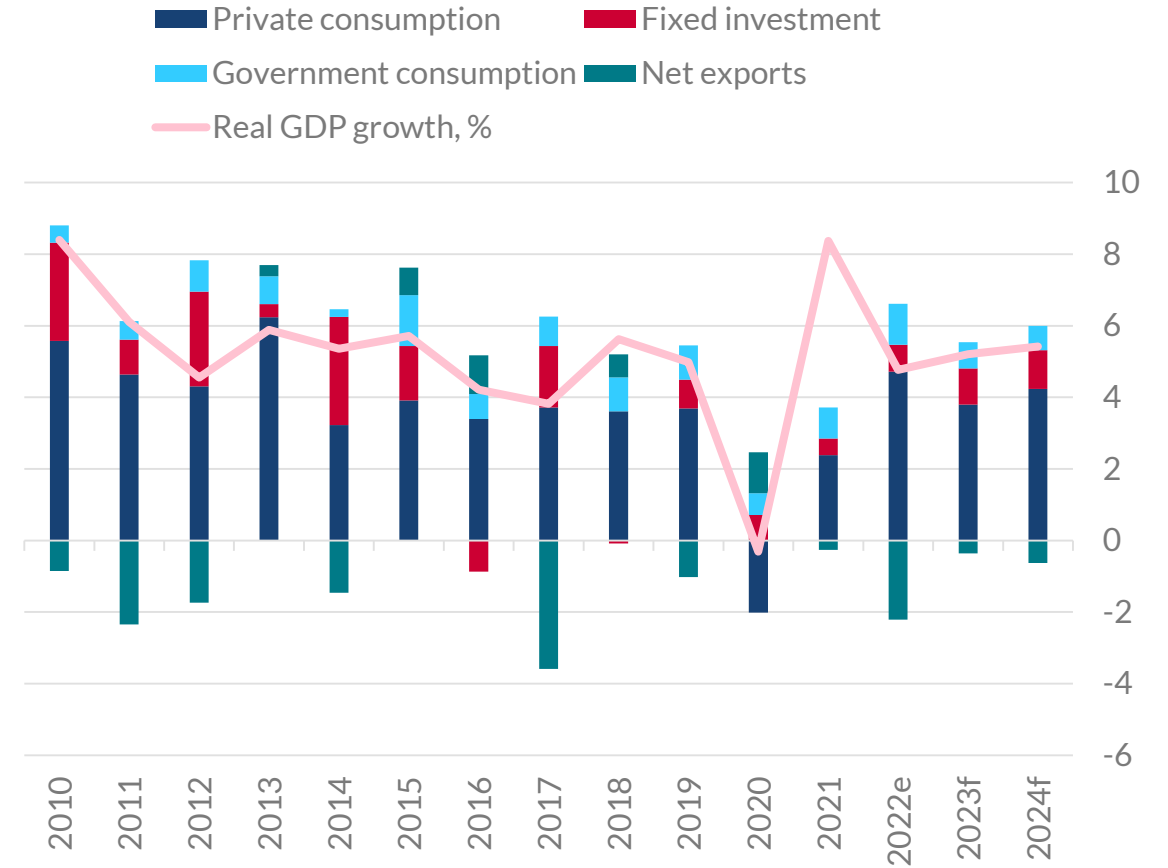
Kenya - Real GDP Growth, % y-o-y



Note: BMI forecast. Source: Macrobond, Kenya National Bureau of Statistics, BMI

...Driven By Private Consumption

Kenya - Contribution To Real GDP Growth, pp

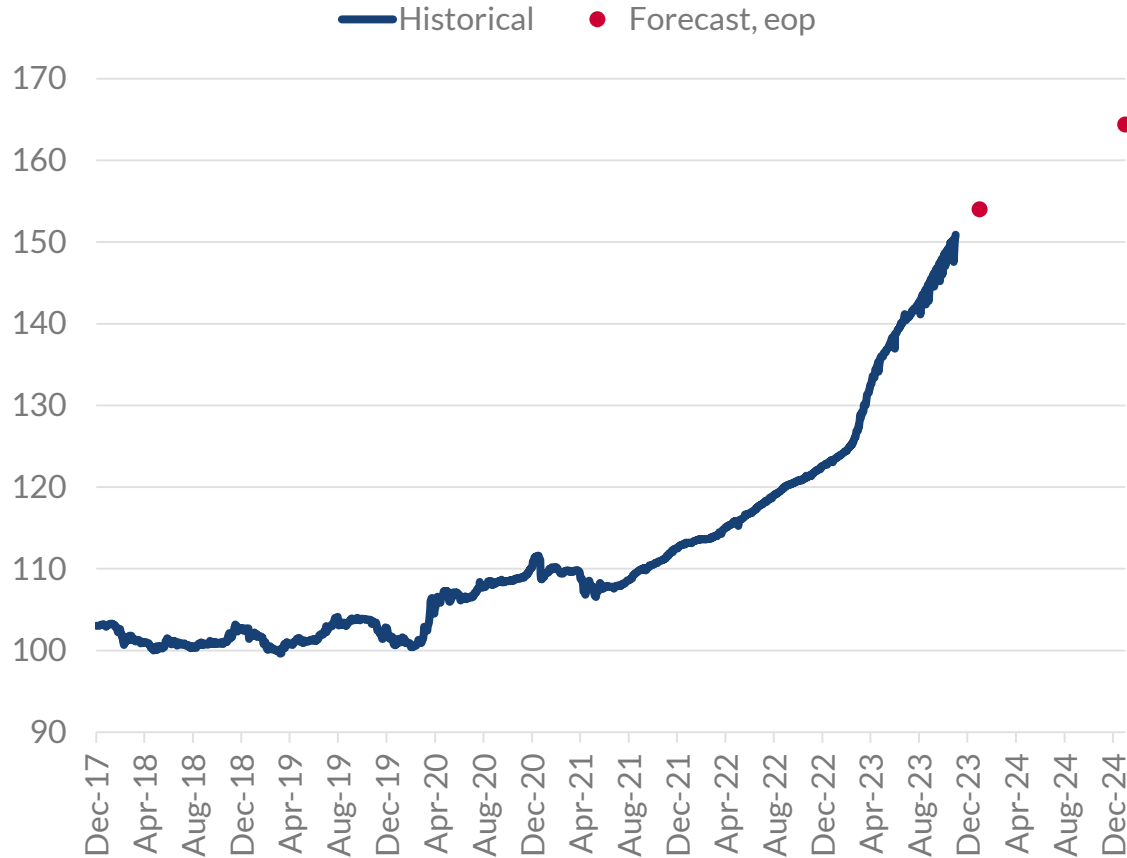


e/f = BMI estimate/forecast. Source: UN, BMI

Currency And Fiscal Outlooks Brighter In Coming Quarters

Shilling To Depreciate More Gradually In 2024...

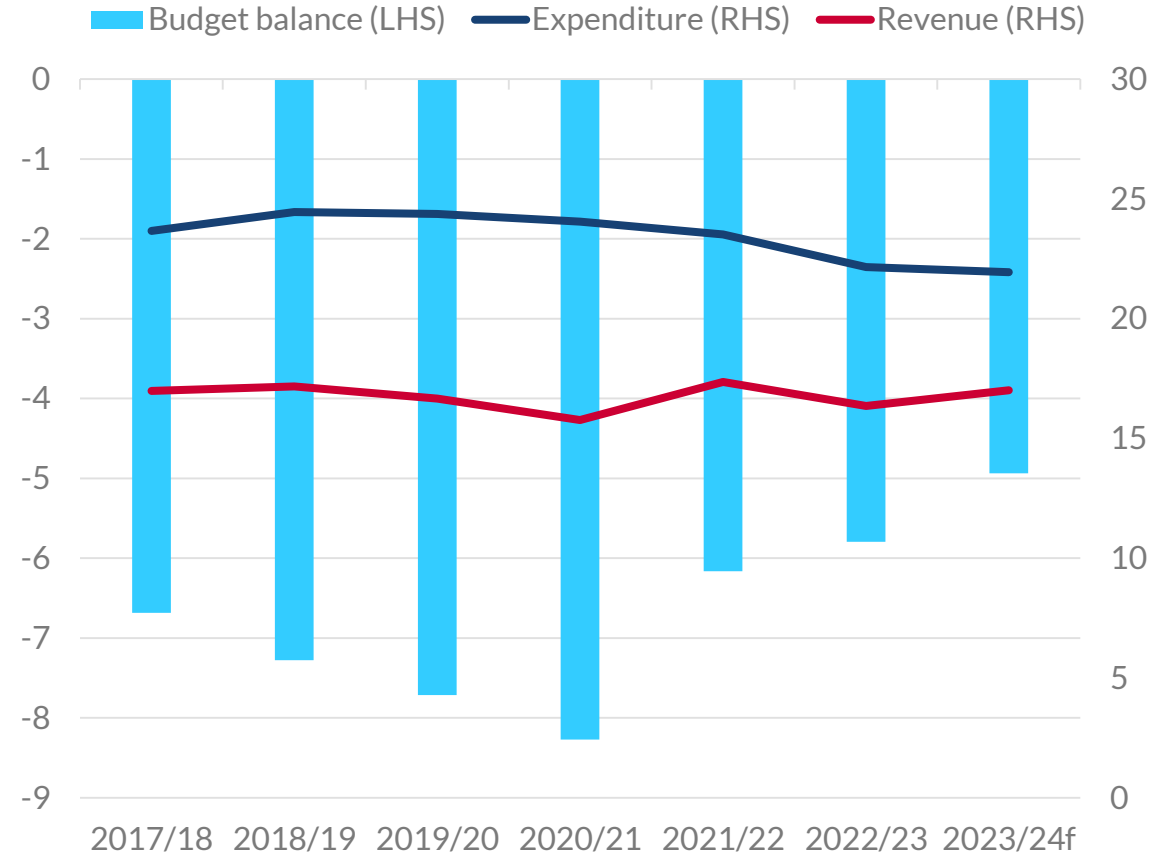
Kenya - Exchange Rate, KES per USD



Note: BMI forecast. Source: Macrobond, BMI

...While The Fiscal Deficit Is Set To Narrow

Kenya - Fiscal Metrics, % Of GDP

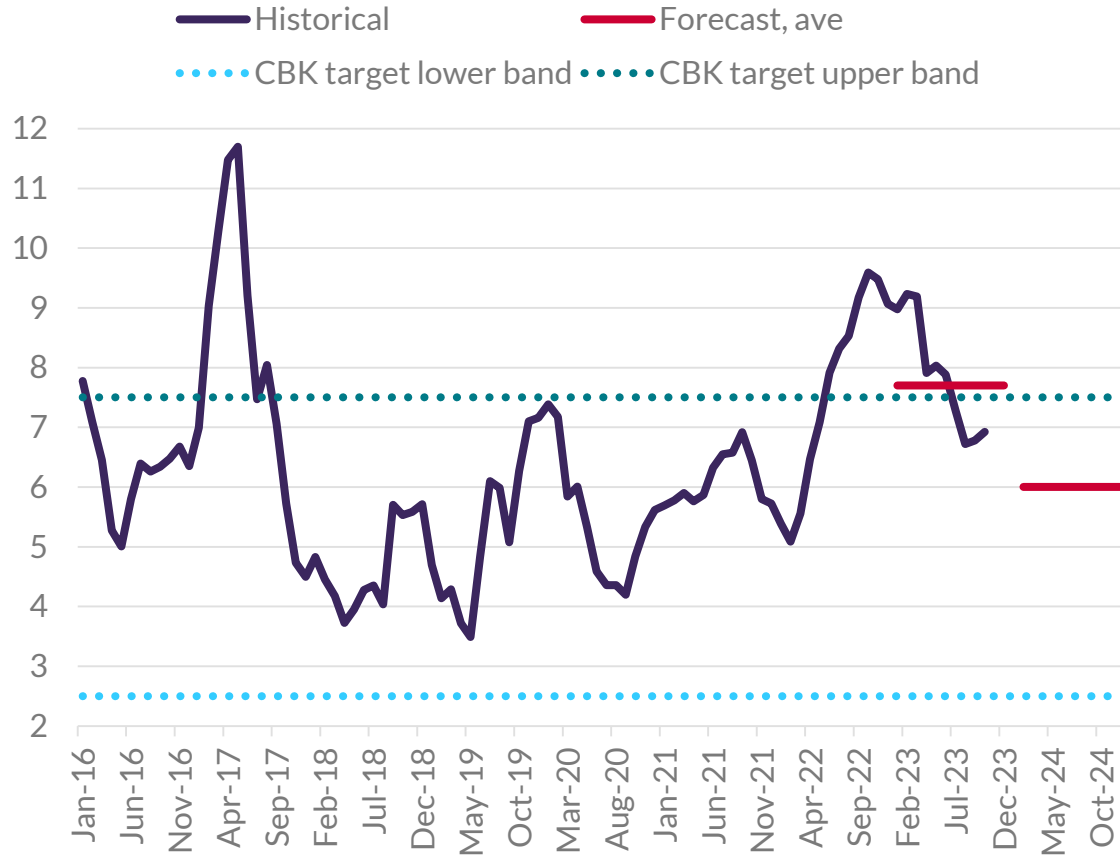


f = BMI forecast. Source: Central Bank of Kenya, BMI

Political Risks Fading Somewhat In Kenya

Inflation Will Moderate, Remain In Target...

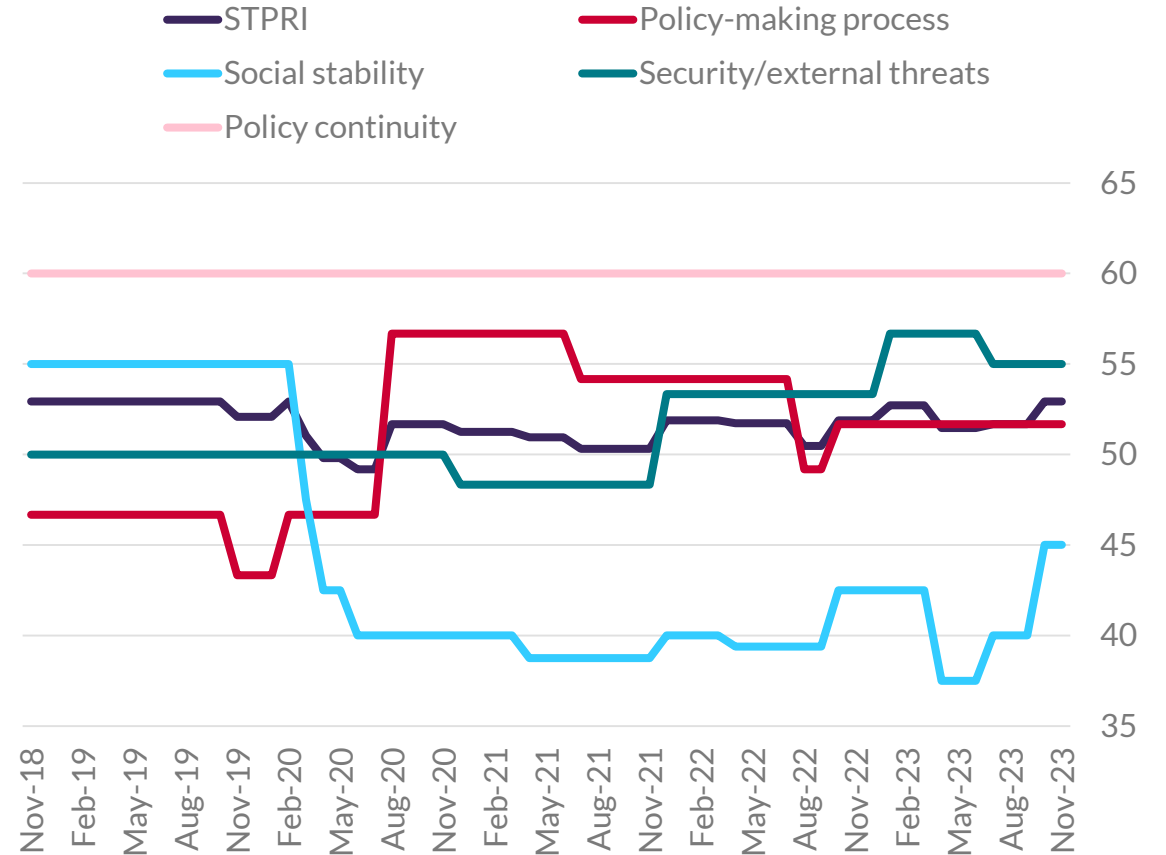
Kenya - Inflation, % y-o-y



Note: BMI forecast. Source: Macrobond, KNBS, BMI

...Which Will See Social Unrest Risks Gradually Recede

Kenya - Short-Term Political Risk Index & Components

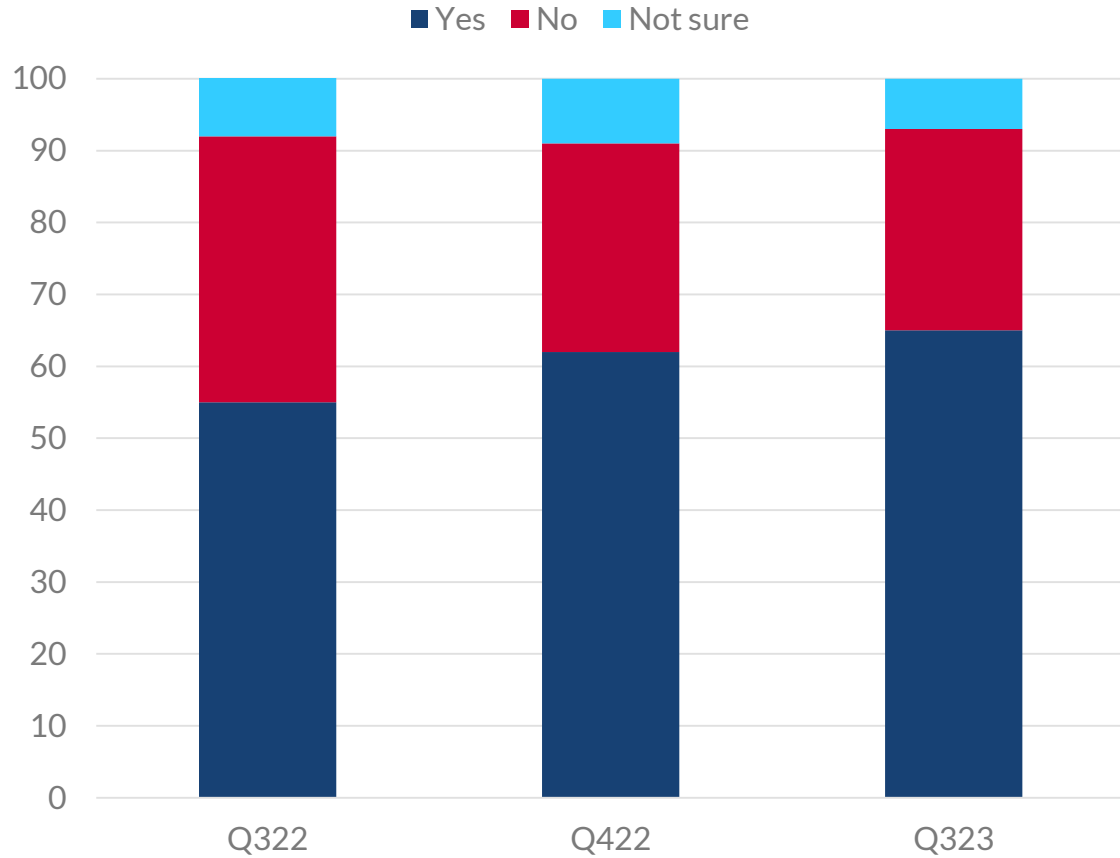


Note: Scores out of 100, higher score = lower risk. Source: BMI

Tshisekedi To Win DRC Election, But Political Risks Will Remain High

Tshisekedi Win Does Not Reflect Public Enthusiasm...

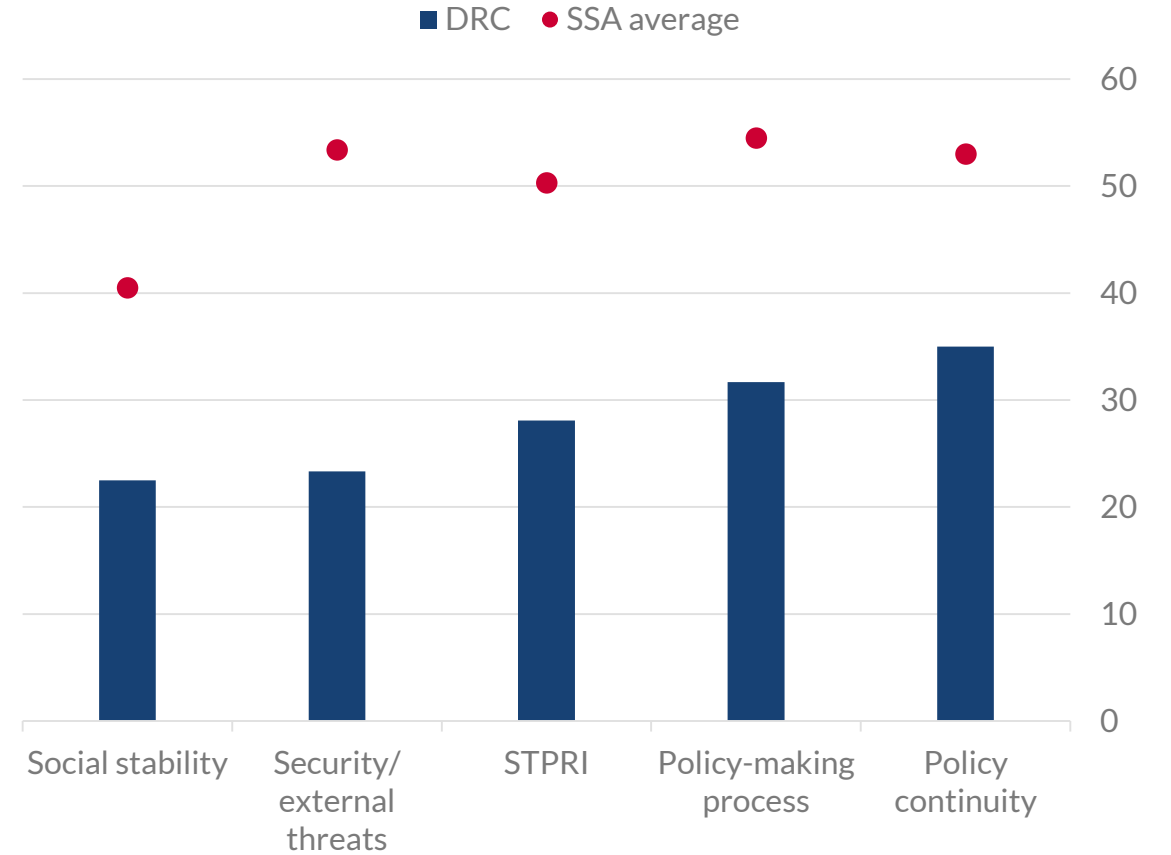
DRC – Willingness To Vote For Tshisekedi, % Of Respondents



Source: GeoPoll, BMI

...With Political Risks Likely To Remain High

DRC – STPRI & Components



Note: Scores out of 100; lower score = higher risk. Source: BMI

An aerial, night-time view of West Africa, showing the coastline and inland terrain. A bright sunburst or starburst effect is visible in the upper right quadrant of the image, casting light across the scene. The number '5' is positioned in the upper left corner.

5

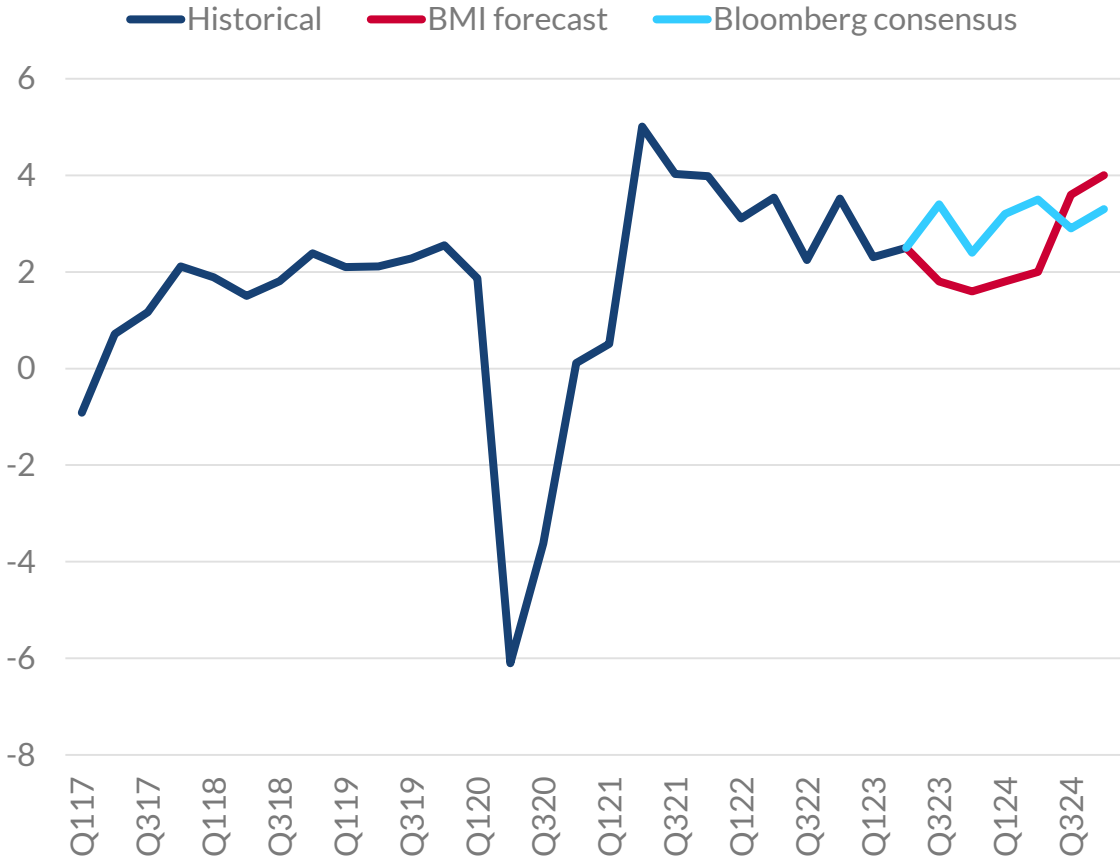
West Africa Outlook

Nigeria & Ghana

Challenging Quarters Ahead For The Nigerian Economy

Economic Activity Will Start To Pick Up In H224

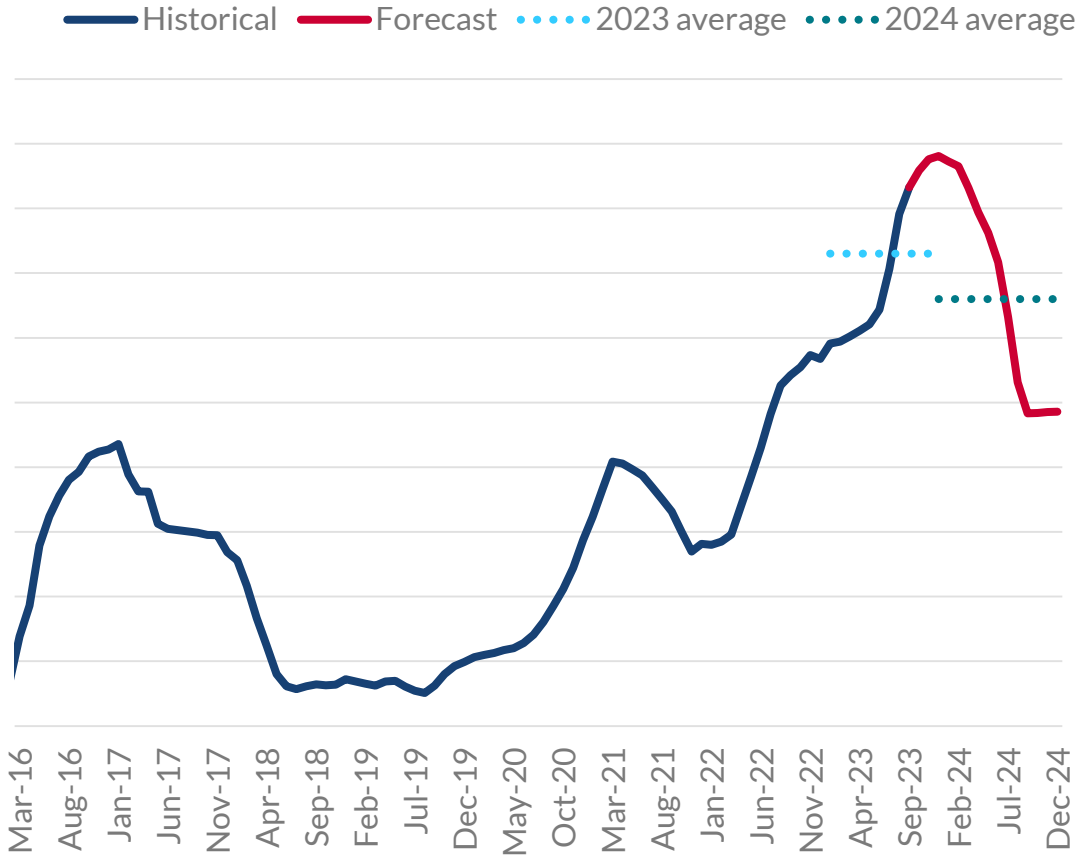
Nigeria – Real GDP Growth, % y-o-y



Source: Macrobond, National Bureau of Statistics, Bloomberg, BMI

High Inflation Will Keep Domestic Consumption Weak

Nigeria – Consumer Price Inflation, % y-o-y

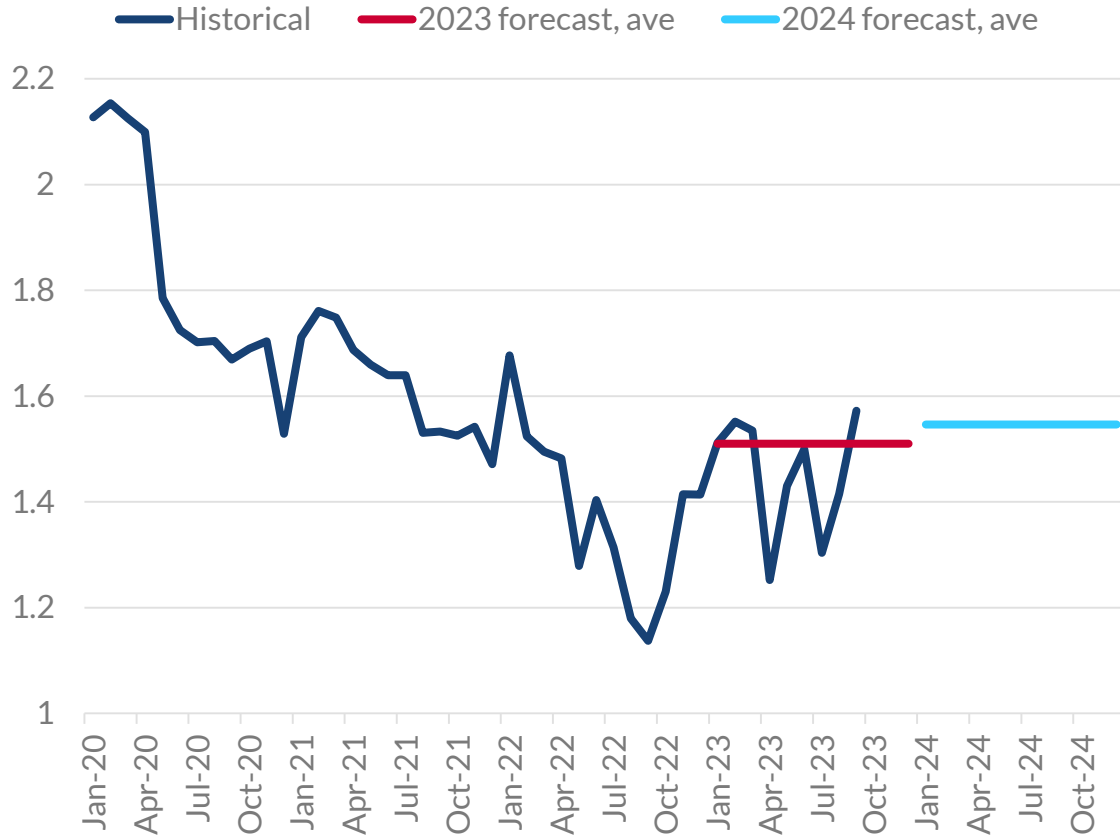


Note: BMI forecast. Source: Macrobond, National Bureau of Statistics Nigeria, BMI

External Outlook Improves On Operational Start Of Dangote Refinery

Oil Sector Will Offer Limited Tailwinds To Growth

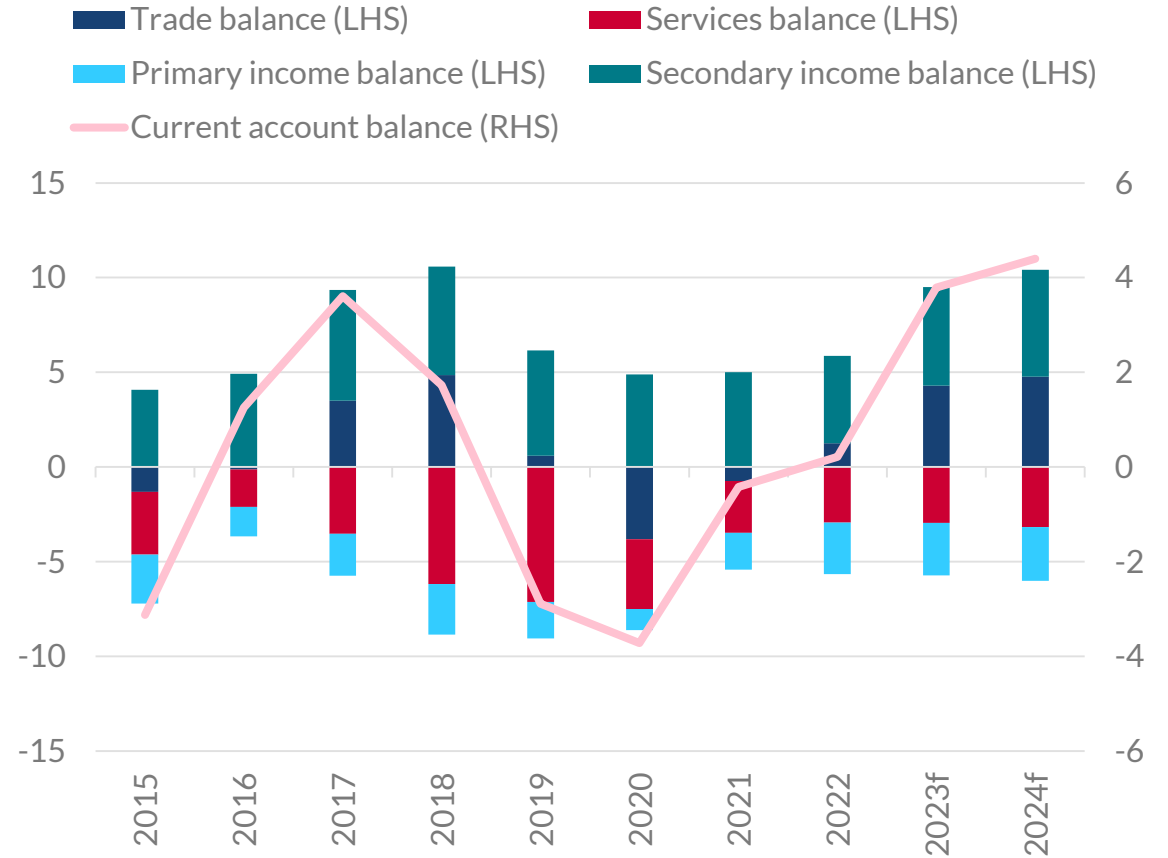
Nigeria – Crude Production, Million Barrels per Day



Note: BMI forecast. Source: Macrobond, Nigerian Upstream Petroleum Regulatory Commission, BMI

FX Scarcity Will Ease On Improving Trade Dynamics

Nigeria – Current Account Metrics, % Of GDP

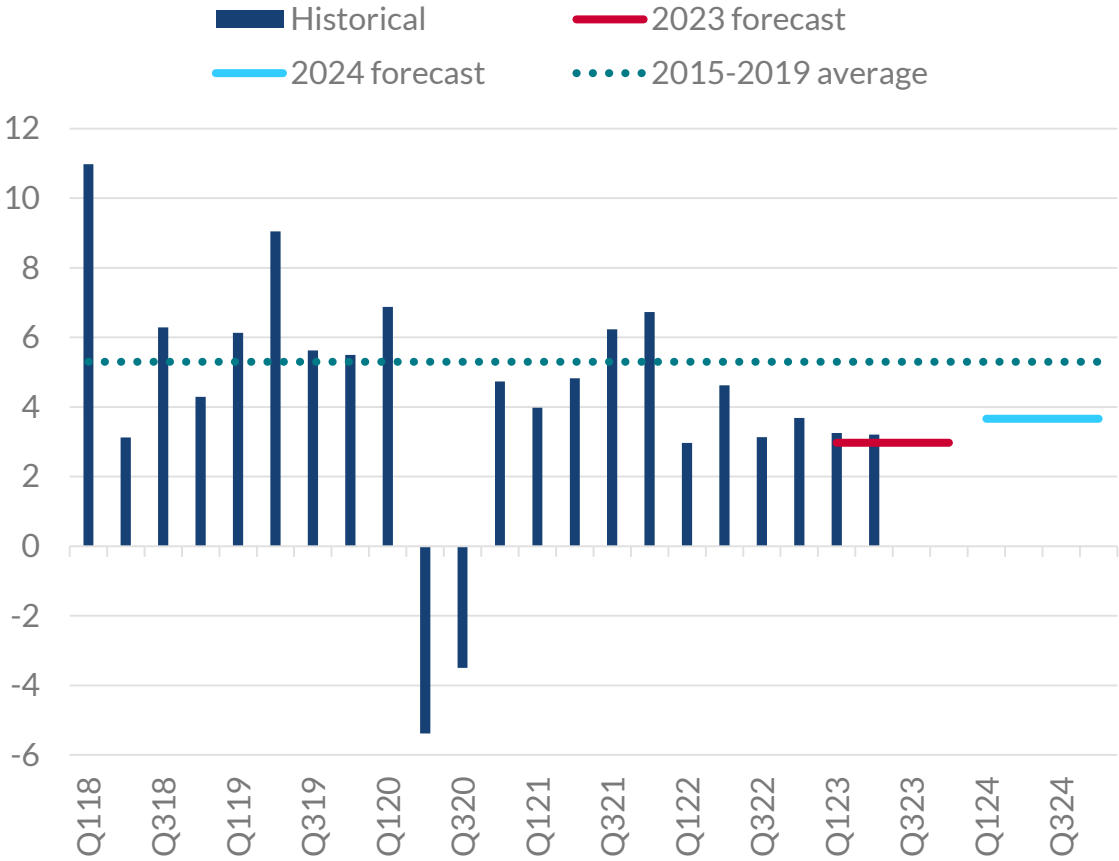


f = BMI forecast. Source: Central Bank of Nigeria, BMI

Ghana's Economy Will Reach Gradual Path To Recovery In 2024

Economic Growth Will Remain Below Trend

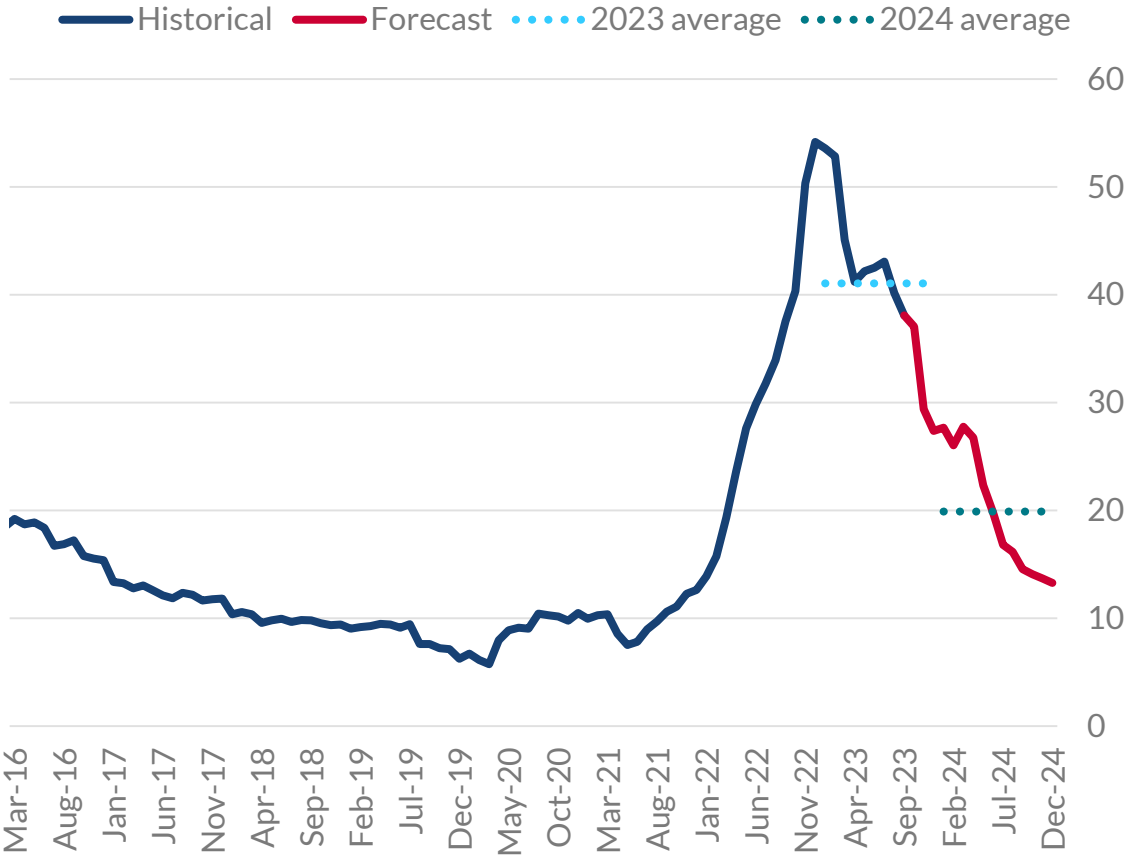
Ghana - Real GDP Growth, % y-o-y



Note: BMI forecast. Source: Macrobond, Ghana Statistical Service, BMI

Rapidly Moderating Inflation Will Support Domestic Demand

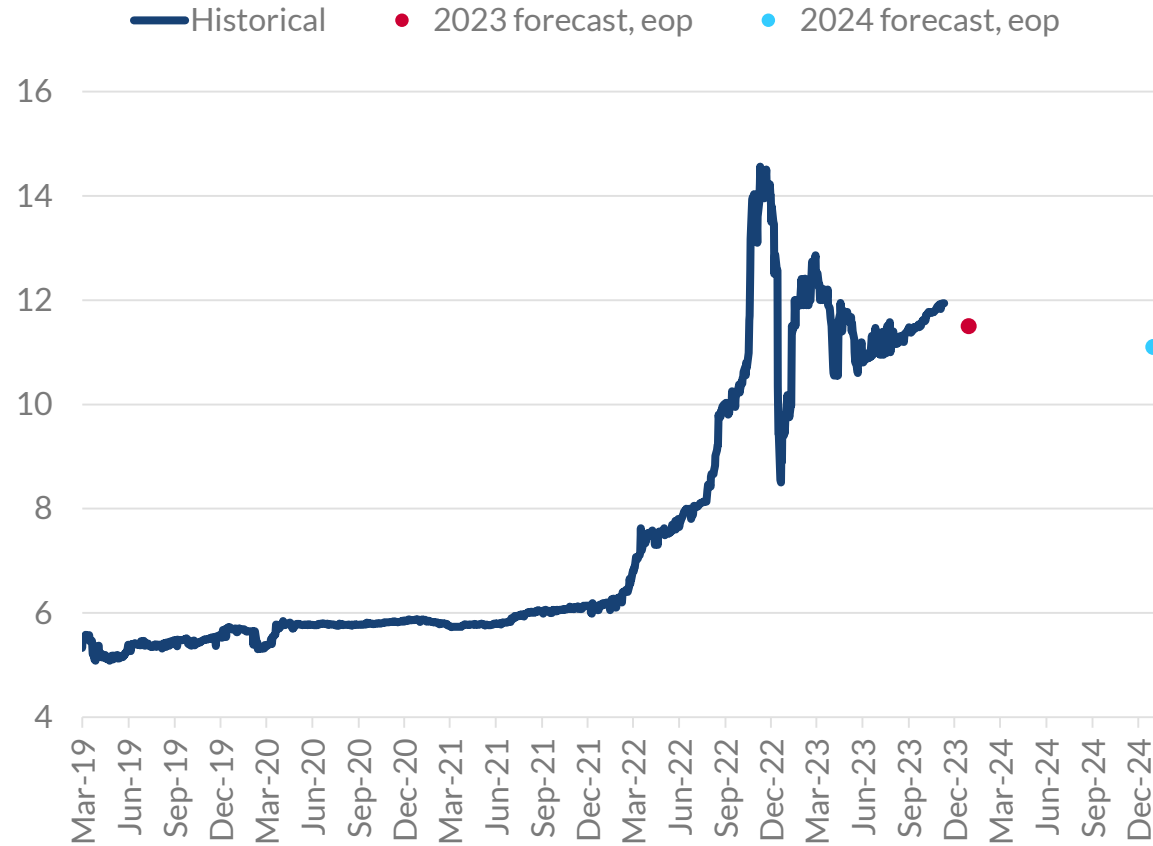
Ghana - Consumer Price Inflation, % y-o-y



Note: BMI forecast. Source: Macrobond, Ghana Statistical Service, BMI

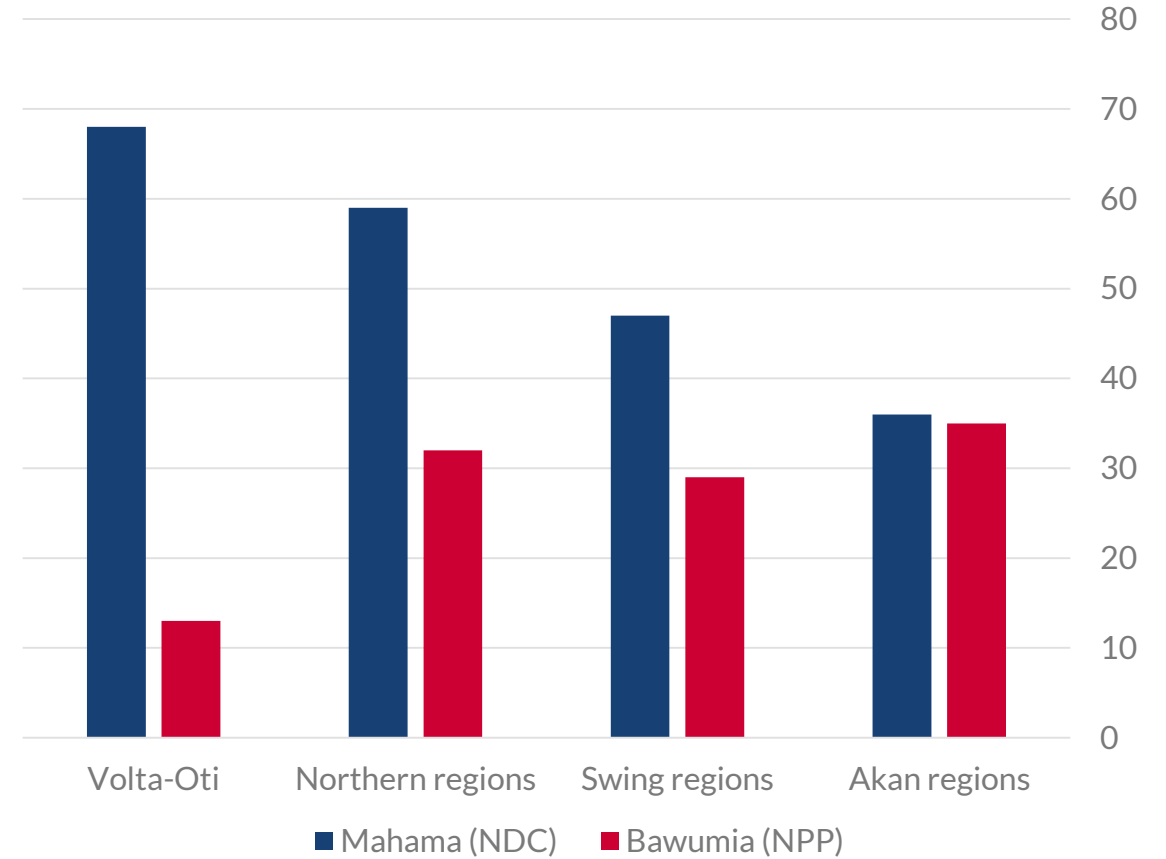
Likely Progress On External Debt Restructuring In 2024

Cedi Will Pare Back Some Losses On Debt Restructuring Deal
Ghana - Exchange Rate, GHS per USD



Note: BMI forecast. Source: Macrobond, BMI

NPP Unlikely To Remain In Power Following 2024 Election
Ghana - Voting Intentions In December 2024 General Election, % Of Total



Note: polling data from October 2023. Source: Global Info Analytics, BMI

An aerial view of Earth from space, showing the Americas and the Atlantic Ocean. A bright sunburst is visible in the upper right quadrant, casting rays across the scene. The text "Q&A" is overlaid in the lower-left area.

Q&A

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