SUB-SAHARAN AFRICA
REGIONAL ECONOMIC OUTLOOK

October 2004

This edition of the Sub-Saharan Africa Regional Economic Outlook was prepared by a staff team in the African Department under the general direction of Anupam Basu, Deputy Director and Delphin Rwegasira, Senior Advisor. The lead author of the text was Roger Nord, Advisor in the African Department, with contributions from Paula De Masi, John Green, Sanjeev Gupta, Catherine Pattillo, Jon Shields, Charalambos Tsangarides, Hans Weisfeld, and Yongzheng Yang. Gretchen Byrne was responsible for the statistical tables and charts, and Suresh Gulati for document production. The views expressed in this document are those of IMF staff and should not be attributed to Executive Directors or to their national authorities.

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FOREWORD

Sub-Saharan Africa is currently seeing robust economic growth. Per capita incomes could rise by over 2 percent – above 3 percent excluding Nigeria and South Africa – in 2004-2005, marking the fastest growth in a decade. At the same time, inflation is moderating and fiscal and external imbalances are narrowing. The gains are particularly large in oil-producing countries, but non-oil producers are also experiencing solid rates of economic growth.

But this overall positive assessment should not obscure the challenges that sub-Saharan Africa continues to face. While some countries have sustained high rates of growth for a prolonged period of time, leading to a reduction in poverty, others have faced lingering armed conflicts, natural disasters, and weak governance that have constrained the implementation of sound economic policies. As noted in the recent *Global Monitoring Report* prepared by the IMF and the World Bank, sub-Saharan Africa is still set to fall well short of achieving the Millennium Development Goals by 2015. The challenge for sub-Saharan Africa is to sustain macroeconomic gains while lifting economic growth and reducing poverty. This will require significant efforts – by African countries themselves and by their development partners.

This *Regional Economic Outlook* underlines that the current strength of the global economy is an opportunity for sub-Saharan Africa to make progress. Maintaining macroeconomic stability, strengthening governance and institutions, and reinforcing the enabling environment for private sector development are the key domestic priorities for Africa. Where these are in place, there is a prospect for significantly higher inflows of foreign assistance, which will help to accelerate progress toward the Millennium Development Goals, including combating HIV/AIDS and malaria. At the same time, trade liberalization under the Doha Round represents a significant opportunity for sub-Saharan Africa to increase its exports, particularly from the agricultural sector. It is therefore important to maintain the momentum provided by the July framework agreement reached at the WTO.

This *Outlook* has a special focus on regional integration initiatives in Africa. As emphasized at the recent summit of the African Union, accelerated regional integration has the potential of boosting economic growth and promoting poverty reduction. The analysis in the *Outlook* shows that this potential has not yet been fully seized. Trade liberalization, ensuring regional harmonization of business regulation, and the provision of better regional infrastructure can provide a much-needed boost to private investment. By reinforcing peer review mechanisms, as envisaged under the New Partnership for Africa's Development, regional integration can also help sustain sound macroeconomic policies and promote growth-enhancing structural reforms. And the African Union, together with sub-regional organizations, are already playing an important role in conflict resolution – critical for Africa's long-term peace and stability.

I hope that the analysis in this *Regional Economic Outlook* can continue to make a contribution to formulating the economic policies needed to raise living standards and fight poverty in Sub-Saharan Africa.

Abdoulaye Bio-Tchané
Director
African Department

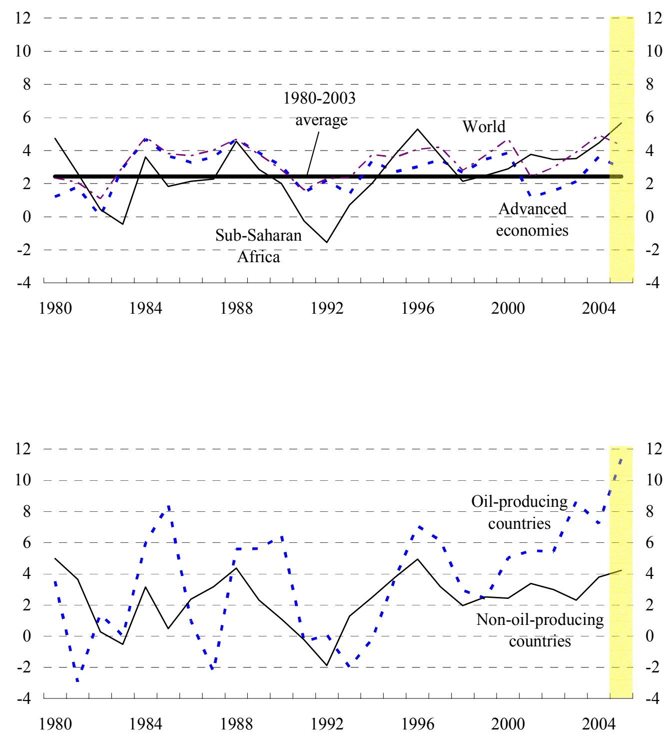
I. Overall Economic Developments and Outlook for Sub-Saharan Africa

Recent Developments

After remaining steady at 3½ percent in 2003, economic growth in sub-Saharan Africa is set to rise to 4½ percent in 2004 (Figure 1, panel 1). In 2004, 17 of the 42 sub-Saharan African countries are projected to see growth rates above 5 percent. An important factor supportive of growth in Africa is a strong global economic outlook (Box 1). Together with rising oil production and sustained sound policies in a rising number of countries, this will allow per capita GDP in sub-Saharan Africa to increase by 1¾ percent in 2004 (Statistical Appendix Tables 1-3).

Oil producing countries on average are likely to see growth of 8 percent in 2004, while growth is anticipated to reach a more modest 3¾ percent in the non-oil producing countries. (Figure 1, panel 2). Oil producers will benefit in particular from new fields coming on stream in Chad and Equatorial Guinea, and rising output in Angola. The more modest growth in non-oil countries still represents a significant improvement over their historical average and reflects a recovery in agricultural production from the drought-affected depressed levels of 2003 in several countries (for example, Ethiopia, Malawi, and Rwanda), and a rebound in countries that have recently emerged from conflict or where conflicts have subsided (Burundi, Democratic Republic of Congo, and the C.A.R.). Agricultural sectors in many countries are also benefiting from broad-based rural development programs, including supporting domestic reforms in marketing and pricing policies. Rising investment and domestic savings rates (in sub-Saharan Africa excluding Nigeria and South Africa) contribute to the robust economic performance (Statistical Appendix Tables 5-6).

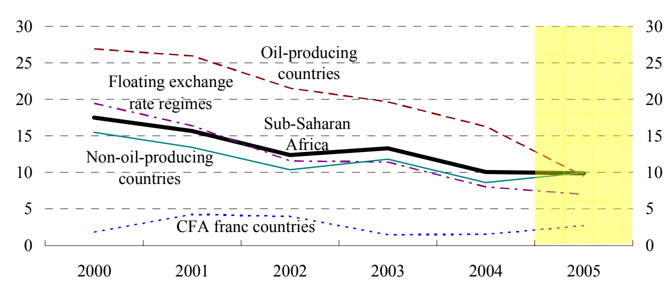
Figure 1. Real GDP Growth[1]
(In percent)



[1] Shaded area indicates projections.

Inflation fell in most countries in 2003 and is expected to fall further in 2004, with the small rise in the 2003 average for sub-Saharan Africa fully attributable to the

Figure 2. Inflation, 2000-2005[1]
(In percent)



[1] Shaded area indicates projections.

Box 1. Africa's External Environment

The global economic environment provided little stimulus for Sub-Saharan Africa (SSA) in 2003. While the world economy grew by close to 4 percent, import demand in the advanced economies, the major markets for SSA exports, expanded at a slightly lower rate of 3¾ percent. Terms of trade improved slightly, but were concentrated in a few products, notably cotton, groundnuts, and robust coffee.

The strengthening global recovery will help Africa. In 2004-05, global output is projected to rise by an average of 4¾ percent, and import volumes in advanced economies by a higher rate of 6 percent. This year the external terms of trade of the region as a whole are forecast to improve by 6 percent, benefiting from a rise of over 13 percent in nonfuel commodity prices that is only partly offset by a (net negative) impact of recent increases in world oil prices.

sharp rise in triple-digit inflation in Zimbabwe (Figure 2 and Statistical Appendix Table 4). Over the past decade, inflation has been reduced, sometimes sharply, in most countries in sub-Saharan Africa. While countries with pegged exchange rates, such as the CFAF zone, benefited from low worldwide inflation, sustained sound macroeconomic policies played an important part in lowering inflationary pressures in floating rate countries as well. In 2004, inflation is expected to fall to 10 percent for sub-Saharan Africa as a whole, with oil-producing countries likely to see inflation rates that are significantly higher than those of non-oil countries, primarily as a result of high, though declining inflation in Angola and, to a lesser extent, in Nigeria.

Broad money growth is slowing for sub-Saharan Africa as a whole, consistent with falling inflation rates (Statistical Appendix Table 11). In particular, countries that had inflation rates in excess of 20 percent in 2003 (Angola, Zambia, Zimbabwe, and Eritrea), and among the nine countries with inflation rates in the range of 10–20 percent, most are expected to achieve a slowdown in their rates of monetary expansion in 2004. An improved fiscal performance also contributed to monetary restraint in a number of countries.

Fiscal deficits fell in 2003 and are projected to fall further in 2004 (Figures 3 and 4). However, these averages mask a diversity of outturns. Some oil producers, including Nigeria, are running rising fiscal surpluses. At the same time, fiscal deficits (excluding grants) rose in about half of the countries in sub-Saharan Africa in 2003. These countries comprise those pursuing successful reforms supported by rising foreign assistance, including debt relief under the HIPC initiative, giving rise to higher levels of spending on poverty reduction. A strong revenue performance contributed to the average positive fiscal trend: over two-thirds of the countries in sub-Saharan Africa experienced revenue increases, with much of the gain stemming from higher tax receipts. Meanwhile, total government expenditure has remained roughly unchanged (Statistical Appendix Tables 7–10).

Figure 3. Fiscal Deficits and Grants, 2000-05[1]
(In percent of GDP)

[1] Shaded areas indicate projections.
[2] Excludes oil-producing countries.

Figure 4. Fiscal Developments, 2000-05[1]

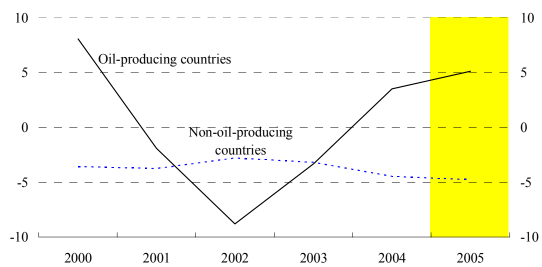
(In percent of GDP)

[1] Shaded areas indicate projections.

[2] Excludes oil-producing countries.

Current account deficits fell in 2003 and are expected to shrink further in 2004 (Figure 5). Export of goods and services are projected to rise sharply, reflecting primarily buoyant exports of petroleum products, outpacing the rise in imports (Statistical Appendix Tables 12-14). In some countries, export growth has been facilitated by successful export diversification efforts, for example in

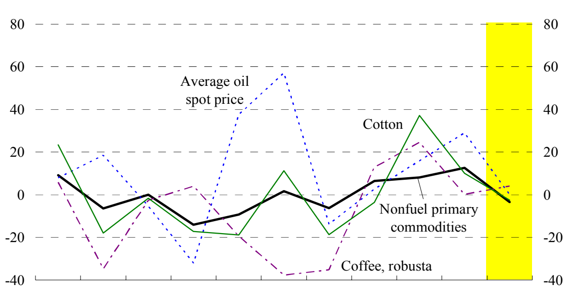
Figure 5. Current Account Balance Excluding Grants, 2000-05[1]
(In percent of GDP)



[1] Shaded areas indicate projections.

Ethiopia, Tanzania, and Uganda, and by recent trade agreements improving market access in selected sectors, including the Africa Growth and Opportunity Act (AGOA). Terms of trade have improved dramatically for oil-producing countries, and to a lesser extent for non-oil countries as other commodity prices have strengthened (Figure 6 and Statistical Appendix Table 15). The aggregate current account deficit (excluding grants) for sub-Saharan Africa is expected to fall to 2 percent of GDP in 2004, compared

Figure 6. Commodity Prices, 1995-2005[1]
(In annual percent change; in U.S. dollar terms)



[1] Shaded areas indicate projections.

with about 4 percent over the previous five years (Statistical Appendix Tables 16-17). As a result, many countries have built up comfortable reserve levels, providing a cushion against exogenous shocks, such as oil price increases, and facilitating domestic liquidity management.

Official grants rose to 3 percent of GDP in 2003 and are projected to remain at that level in 2004 for sub-Saharan Africa as a whole (Statistical Appendix Table 18, sub-Saharan Africa excluding Nigeria and South Africa). However, some countries are expected to receive sharply higher levels of foreign assistance in 2004, including budget support. One-quarter of the countries in sub-Saharan Africa are expected to receive grants exceeding 6 percent of GDP, for example Ethiopia and Uganda, and grants are financing a range of social programs, including treatment for HIV/AIDS.

Total external public debt fell in 2003 and is projected to decline further in 2004 (Statistical Appendix Tables 19 and 20). Total external debt in sub-Saharan Africa (excluding Nigeria and South Africa) fell from an average of close to 90 percent of GDP in 1997-2001 to 68 percent in 2003 and a projected 59 percent in 2004. This improvement reflects the declining reliance on debt-creating flows as well as debt forgiveness, in particular under the HIPC initiative.[1]

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[1] As of end-August 2004, 23 African countries had reached their decision point, and of these, 11 had reached their completion point. Overall, the enhanced HIPC has committed US$25.6 billion in debt reduction (NPV terms), of which US$15 billion has gone to countries that have already reached their completion points. The

(continued)

Prospects and Risks

The outlook for 2005 is for strong growth and a further decline in inflation. Baseline projections are for growth in sub-Saharan Africa to accelerate to about 5½ percent (7¼ percent excluding Nigeria and South Africa), while inflation is expected to fall below 10 percent. Benefiting from a supportive global economy, growth will be driven by continued strong exports, especially of petroleum products, and by buoyant domestic demand in several economies. Meanwhile, low global inflation, agricultural recoveries, and more monetary restraint in several countries, will help reduce inflationary pressures. Stronger economic growth, coupled with high oil prices, will further strengthen average fiscal positions, with the overall fiscal deficit (including grants) for sub-Saharan Africa as a whole projected to fall to close to zero. However, as noted above, the average masks significant country variations, with most of the improvement confined to oil-producing countries.

This outlook is subject to various risks of both a political and an economic nature. On the down side, there are political risks stemming from lingering conflicts, including in Cote d'Ivoire and in the Democratic Republic of Congo, which have regional spillovers. Also, the current high level of oil prices, which together with new production coming on stream has boosted economic growth in some countries, presents adjustment and financing risks for non-oil producing countries (Box 2). Natural disasters, including the severe plague of locusts currently affecting the Sahel region, present unpredictable risks for agricultural production, which remains critical to economic growth. On the upside, the prospect of higher levels of foreign assistance presents an opportunity for sub-Saharan Africa to tackle some of the critical obstacles to growth and poverty reduction, including the HIV/AIDS pandemic. Finally, decisive progress in the Doha Trade Round, especially regarding agricultural trade, could provide a significant boost for Africa's exports (Box 3).

II. Regional Developments and Outlook

African countries currently participate in a variety of regional integration arrangements, which cover, with varying degrees of emphasis, cooperation in trade, macroeconomic policy coordination, and infrastructural development (Box 4 and Appendix). Some have shared a common currency and monetary policy for several decades – the CFA Franc zone countries in Western and Central Africa. Others have focused on trade – the Common Market for Eastern and Southern Africa (COMESA). In recent years, there has been an increasing focus on macroeconomic policy coordination and convergence, in some cases with the aim of establishing a regional monetary union. This section provides an analysis of regional economic trends in West Africa,

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resulting savings on debt service have translated into a rise in pro-poor expenditures of about 1.5 percent of GDP (see *Heavily Indebted Poor Countries (HIPC) Initiative—Status of Implementation*, International Monetary Fund and World Bank, September 2003.

Box. 2. The Incremental Financing Gap Due to Higher Oil Prices

Oil prices have risen well beyond earlier expectations in 2004, with spot prices reaching over US$40 per barrel by early August.

For non-oil producing countries, an exercise was undertaken to estimate the financing gaps for a twelve month period, that would be created by a 20 percent rise in the price of oil from the WEO baseline of US$34.50 to US$41.40 per barrel. The latter level was assumed to represent a likely upper limit to the price rise over the period, and the calculation did not account for possible second round effects via growth or exchange rate adjustments. The table below shows the aggregate estimated financing gaps, distinguishing between countries currently engaging, or close to engaging, in an IMF-supported economic program, and those without IMF financial support.

Incremental Financing Gap and Assumed Adjustment and Financing Mix in Nonoil Countries

	Incremental Financing Gap (Millions of U.S. dollars)	Percent of GDP	Tentative Adjustment/Financing Mix: Policy Adjustment	Reserve Drawdown	External Financing
			(Percent of Incremental Financing Gap)		
Program/Near Program	886	0.94	14.7	64.6	20.7
Non-Program	730	0.35	67.3	28.7	4.0
Total	1616				

The assumed price increase of US$6.90 per barrel is estimated to give rise to an aggregate financing gap of US$1.6 billion, or about 1.0 percent of GDP for program countries and 0.4 percent for non-program countries. In a second step, the exercise estimated how countries were likely to fill these gaps, i.e. the combination of policy adjustment and financing (including reserve drawdowns and external financing).

Results show that about two-thirds of the gap is likely to met by reserve drawdowns, reflecting the relatively comfortable levels of reserve that many countries in sub-Saharan Africa have built up in recent years. Countries currently supported by the IMF are also likely to have access to some external financing to mitigate the impact of an oil price rise.

There are two important caveats to these conclusions. First, current oil prices are more than 20 percent above earlier baseline assumptions. Should this continue, it would result in correspondingly larger financing gaps. Second, should current high prices prevail for a prolonged period of time, exceeding the exercise's 12-month assumption, countries would be likely to rely more on adjustment and less on reserve drawdowns over time.

Box 3. Africa and Trade Liberalization Under the Doha Round

On August 1, 2004, the World Trade Organization (WTO) General Council announced a package of agreements to guide future negotiations under the Doha Round. The package includes a framework for negotiations on agriculture and industrial products, a set of recommendations on services negotiations, and agreed modalities for negotiating improved customs procedures.

The package calls for substantial reductions in trade-distorting domestic support for agriculture, with a 20 percent reduction to be achieved during the first year of the agreement. Export subsidies are to be eliminated by a yet-to-be-determined date. Food aid and export credit programs are to be subject to tighter discipline.

The package reaffirms the importance of the Sectoral Initiative on Cotton—launched by Benin, Burkina Faso, Chad and Mali, which have complained that cotton subsidies in the United States, EU and China have depressed world prices and damaged their cotton industry. A subcommittee on cotton will address these issues within the agriculture framework. The General Council calls on members to work on the development-related aspects of the cotton initiative and instructs the WTO Director General to work with the Bretton Woods Institutions to "direct effectively existing programs and additional resources towards development of the economies where cotton has vital importance".

The framework agreements ensure that the Doha Round remains on track, providing a minimum of common ground for launching the next phase of negotiations. However, agreements in most areas are vague and qualified—including on market access for agricultural and industrial products, on services trade, and on trade facilitation. Looking ahead, difficult challenges remain in reaching agreement on specific commitments before the next Ministerial Meeting, to be held in Hong Kong SAR in December 2005.

For African countries, the package could pave the way to important market access opportunities, especially in agriculture. A substantial reduction in agricultural distortions, as envisaged under the framework, would improve the growth prospects for agriculture in Africa. In the cotton sector, if the general commitments translate into concrete actions, African countries will have an opportunity to expand their cotton exports as textile quotas in industrial countries are removed at the beginning of 2005. (At the same time, some African countries are likely to suffer losses in garment exports as a result of the quota elimination.) While net food importing African countries may suffer terms of trade losses as world prices increase, such losses, together with those from preference erosion (as a result of cuts in most-favored-nation tariffs in industrial countries), are likely to be outweighed by benefits from liberalization in other areas, such as industrial products and services.

The package reaffirms the WTO's commitment to special and differential treatment for developing countries. But such treatment is not the main source of the gains for developing countries from the Doha Round. Most analysis suggests that developing countries, including those in Africa, stand to gain most by reducing their own trade barriers. A so-called "round for free" (i.e., no reciprocal liberalization by certain developing countries) is therefore not in their self-interest.

Box 4. Regional Cooperation and Integration in Africa

Sub-Saharan African countries participate in a myriad of regional integration arrangements which cover, with varying degrees of emphasis, cooperation in trade, macroeconomic policy coordination, infrastructural development, and some other areas of domestic policy. Below is a summary of the major arrangements among these countries as well as some of the concerns that have emerged.

- **Main sub-regional groupings**. In West Africa, the Economic Community of West African States (ECOWAS) has a membership of 15 countries, and of these, 8 belong to the West African Economic and Monetary Union (WAEMU) that has a common currency and central bank (the BCEAO). In Central Africa, the main grouping is the Economic and Monetary Community of Central African States (CEMAC) that includes 6 countries that also share a common currency and central bank (the BEAC). In Eastern and Southern Africa, there are two large sub-groupings. First, the Common Market for Eastern and Southern Africa (COMESA) has a membership of 20 countries, 2 of which (Kenya and Uganda) together with Tanzania, are members of the East African Community (EAC). Second, the Southern African Development Community (SADC) includes a group of 13 countries, out of which 5 are in the Southern African Customs Union (SACU). There is a significant overlap in membership in the two main sub-groups; 9 of the COMESA partner states are also members of the SADC.

- **Cooperation in trade.** To promote intra-regional trade and to prepare countries for stronger competition in global trade are key common objectives among Africa's integration arrangements. Thus, in ECOWAS, for instance, the non-WAEMU countries (that do not share the common currency) have decided to implement WAEMU's external tariff structure by 2007 with the objective of establishing a single regional market. In Central Africa, a free trade zone linking 11 countries, including members of CEMAC, has recently come into effect. In COMESA, a free trade area was created in 2000 and a customs union is scheduled to be launched soon.

- **The implementation of regional trade liberalization within Africa's regional trade agreements has, however, been constrained by varying obligations arising from overlapping memberships, and at times from bilateral agreements.** The overlapping memberships raise costs of managing integration schemes and impose other transaction costs. Within integration arrangements, different time horizons are often set for various members to fully liberalize trade, and even when intra-regional tariff reductions are made, considerable non-tariff barriers remain. Partly as a result of these factors, the ratio of intra-African trade to total trade has remained low (about 8 percent).

- **Trade liberalization under regional arrangements has often not been matched by corresponding efforts to promote greater participation in global trade.** Inward-looking liberalization has been costly in diverting trade away from cheaper sources, and in discouraging competition. Africa's share in global trade has been declining (from about 5 percent in 1980 to 2 percent in 2002). Agreements between developed countries and African countries participating in regional integration arrangements, like the envisaged Economic Partnership Agreements (EPAs) with the European Union or the US AGOA initiative will help expand Africa's participation in international trade. But these would obviously fall far short of the benefits that could accrue through multilateral trade liberalization under the Doha Round.

- **Macroeconomic policy coordination**. Progress in implementing and monitoring macroeconomic convergence criteria such as the inflation rate, fiscal balances, etc. is more advanced under currency unions, which tend to have a stronger motivation and institutional framework for promoting convergence, e.g., a common central bank. However, even in these cases a number of the convergence criteria are not being observed by the member countries, for example in both WAEMU and CEMAC. Progress toward fiscal convergence in WAEMU has been particularly limited. In regional arrangements without currency unions, such as COMESA and SADC, macroeconomic coordination is weaker and convergence criteria—where they exist—are rather loosely defined, although there are plans in EAC, WAMZ, COMESA and SADC for future currency unions. In general, differing economic structures and performance among members of sub-regional groups as well as the lack of effective institutional surveillance mechanisms help to explain the limited progress on macroeconomic convergence.

- **Regional cooperation in infrastructure and other areas of development** is perhaps best exemplified by the case of SADC whose early program of action focused on transport and communications, agriculture, energy, and human development. Similar approaches are found in other sub-regional arrangements, including efforts to harmonize business and regulatory practices. Under this approach, regional cooperation is seen as a vehicle for attracting foreign financing, including FDI, within larger markets.

Further progress is needed in all key areas of regional cooperation to unify and widen Africa's domestic markets. Improved macroeconomic coordination and management, as well as efficient regional integration combined with more open trade with the rest of the world should assist Africa to enhance its role in the global trading system.

Central Africa, and Eastern and Southern Africa. Despite long-standing integration efforts, economic developments continue to vary significantly, both within and across regions. However, the current political momentum at the level of the African Union and the regions could provide a much-needed boost to further regional integration.

West Africa

In WAEMU, economic growth has fallen below the sub-Saharan African average in recent years, after outperforming it for a number of years (Figure 7). The political turmoil in Cote d'Ivoire – the largest economy within WAEMU – has had a negative impact on the region, which has long been dependent on Cote d'Ivoire for transport links, workers' remittances, and (largely informal) border trade. The real appreciation of the CFAF, which is pegged to the euro, has also provided some drag on the region's competitiveness. Within WAMZ, Nigeria enjoyed very strong growth in 2003 as oil prices rose sharply, and other members, including Ghana and Sierra Leone, have also seen robust growth as a result of buoyant export demand (Figure 8).

Inflation remained low in the WAEMU area, but was higher and more variable in the WAMZ. WAEMU's peg to the euro helped to contain inflation to 1 percent in 2003. Within WAMZ, in contrast, all countries except Sierra Leone experienced double-digit inflation, with an average approaching 17 percent in 2003.

Fiscal deficits fell on average in 2003, but there were significant differences between countries. In the WAEMU countries, average fiscal deficits widened in 2003, mainly as a result of rising spending. Fiscal improvement in some countries, including Burkina Faso, Mali, and Niger, were offset by widening deficits in others, notably in Cote d'Ivoire. Meanwhile, the oil price boom yielded significant windfall revenue in Nigeria, which coupled with fiscal restraint led to a shrinking cash deficit in 2003 (and a projected large fiscal surplus in 2004). Elsewhere in WAMZ, Ghana brought down its deficit further in 2003, following a sharp improvement in 2002, and further fiscal consolidation in the current year is beginning to have an overall positive economic impact, with inflation and interest rates declining.

Export performance was strong in West Africa in 2003, resulting in declining current account deficits and rising reserve levels. However, this reflected primarily Nigeria's rising oil exports. In the WAEMU region, exports fell as a share of GDP, mainly because of a decline in Mali's cotton exports and Cote d'Ivoire's cocoa export prices, resulting in a widening current account deficit for the region. Nevertheless, foreign exchange reserves rose, owing to the large inflow of foreign assistance and lower debt service payments, partly reflecting debt relief under the HIPC initiative.[2] Nigeria, which is yet to reach agreement with its creditors regarding its external payment arrears, also took advantage of high oil prices to increase its reserve levels. Elsewhere in the WAMZ region, the Gambia and especially Ghana registered buoyant growth in exports of goods and services, with beneficial effects on external debt levels and international reserves.

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[2] Five WAEMU countries (Benin, Burkina Faso, Mali, Niger, and Senegal) have reached the completion point.

Figure 7. WAEMU: Selected Indicators[1]
(In annual percent change)

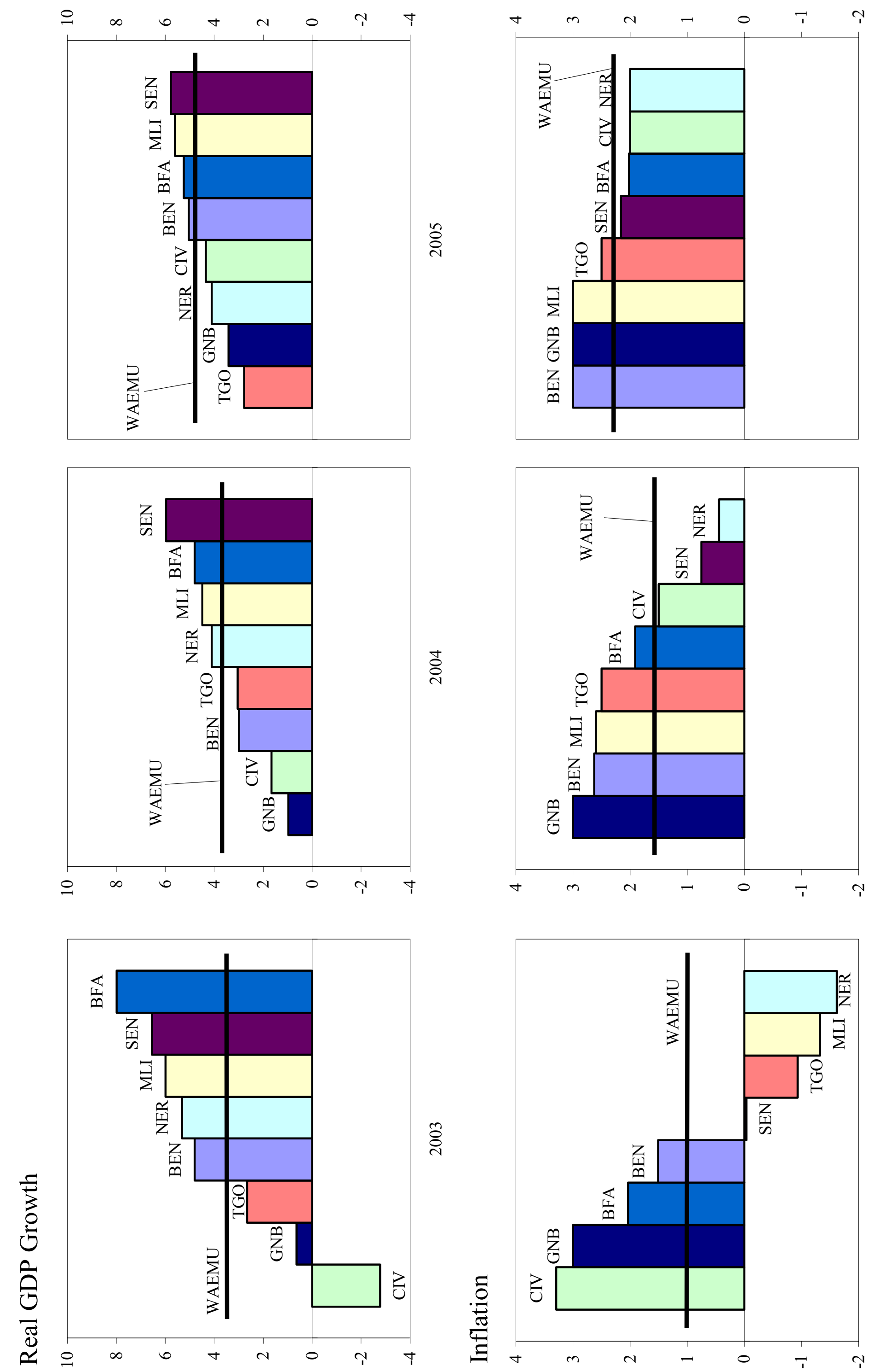
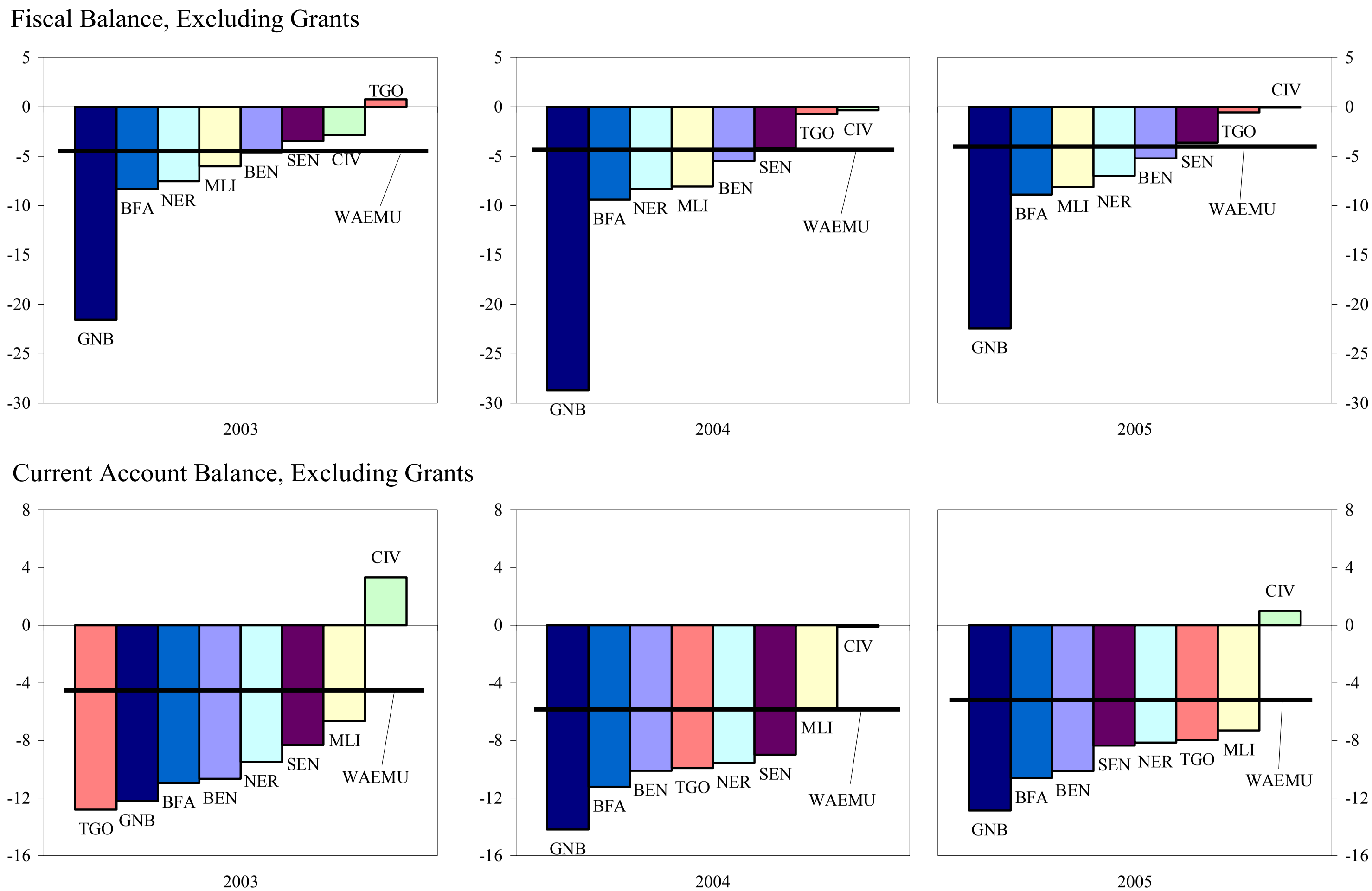


Figure 7 (*concluded*)
(In percent of GDP)



[1] For country abbreviations, see Annex Table 1.

Figure 8. WAMZ: Selected Indicators[1]

(In annual percent change)

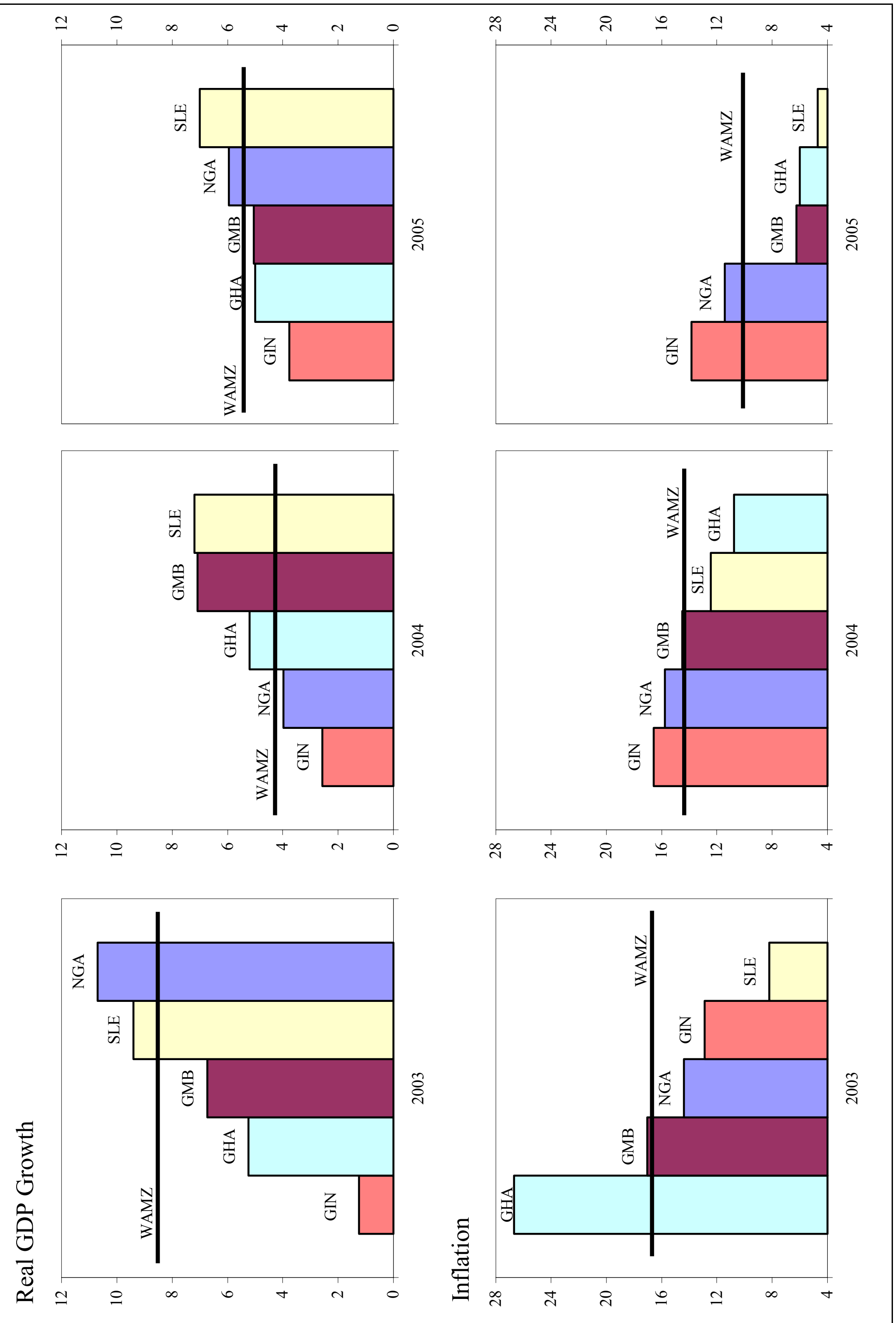
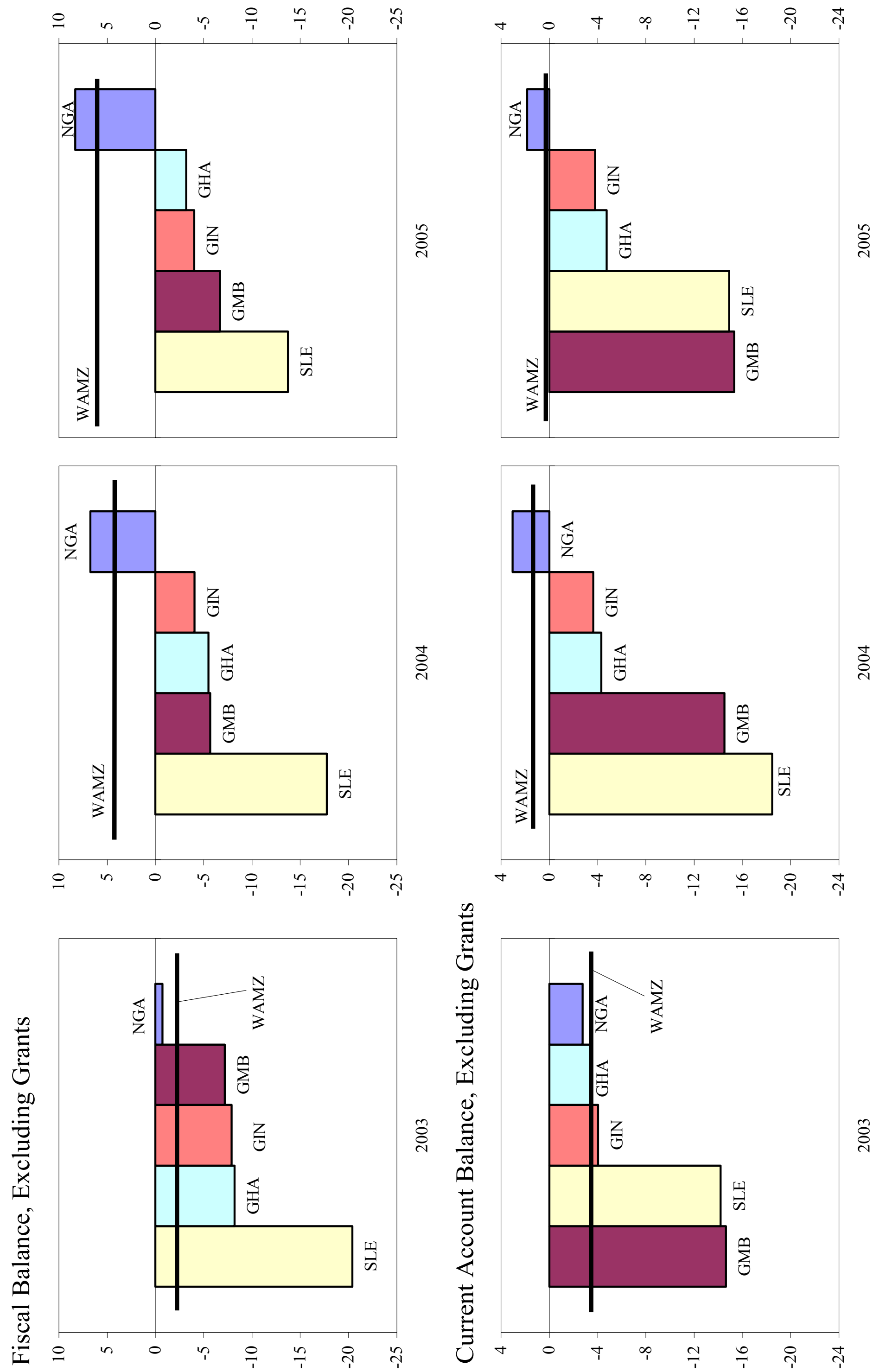


Figure 8 (*concluded*)
(In percent of GDP)



[1] For country abbreviations, see Annex Table 1.

Prospects are for continued robust growth in 2004 and 2005, at or slightly below the anticipated average for sub-Saharan Africa, with a baseline projection of growth of about 4 percent in 2004 and 5¼ percent in 2005. However, there are downside risks of both a political and an economic nature. In particular, a failure to resolve the lingering conflict in Cote d'Ivoire would constitute a continued drag on the region. A further appreciation of the euro would risk hampering the competitiveness of the WAEMU area. A sharp drop in oil prices – which is currently not expected – would dent Nigeria's growth prospects. And developments in international cotton markets – a key export for several West African countries – remain highly uncertain, especially the scope and timetable for eliminating cotton subsidies in the advanced economies.

Against this background, it is imperative that countries maintain sound macroeconomic policies that provide ample room for adjustment should it be required. There is also scope for strengthening structural reforms, learning from the positive experiences in the region. The regional integration and convergence process can be an important engine of growth.

In the WAEMU area, there is a need to reinvigorate the process of economic convergence and integration, particularly in view of the risks to external competitiveness posed by the real appreciation of the CFAF. Macroeconomic policies need to be centered on sound fiscal policies and more effective regional monetary policy by developing and integrating the regional money market. Ensuring the stability and soundness of the financial system and the business environment will be key to attracting investment, following the example of Senegal, which increased transparency and simplified regulations affecting investors. Several countries are strengthening governance structures, for example through the establishment of a High Authority for the Fight Against Corruption in Burkina Faso. But there remains ample scope for strengthening regional integration. The common external tariff is not yet fully implemented, and steps need to be taken to phase out the temporary surtaxes imposed in some WAEMU members. Progress in implementing the regional harmonization agenda has stalled, including in key areas such as exemptions, the investment code, and procurement policies. There has also been little or no progress toward the convergence criteria agreed under the Regional Pact of Convergence, Stability, and Growth, with particularly the key criteria of a positive basic fiscal balance and the non-accumulation of domestic payment arrears breached in several members.

In Nigeria, the home-grown National Economic Empowerment and Development Strategy (NEEDS) aims at addressing Nigeria's deep-rooted macroeconomic and structural problems and reducing poverty. A number of policies implemented since late 2003, combined with higher oil prices, have underpinned the improvement in macroeconomic performance. Continued fiscal tightening at the federal level, and the observance by all states of the fiscal rule to save windfall revenue from oil in the first half of 2004, contributed to further macroeconomic stabilization, including an easing of inflationary pressures. Sustaining this performance will also require perseverance in the structural reform effort, including by strengthening governance and institutions.

Elsewhere in the WAMZ, Ghana is reaping the fruits of sustained macroeconomic stabilization, with growth at or above 5 percent since 2003 and inflation falling to single digits. Private sector development, based on an overhaul of business legislation and regulation, is needed to ensure sustained high investment and growth in the future. In Guinea, however, prospects are clouded by continued macroeconomic slippages and weak governance. Sierra Leone is making good progress in its post-conflict transition, with growth boosted by surging exports.

The objective of the WAMZ authorities remains to establish a monetary union among its members by mid-2005. However, progress toward economic convergence has been limited. No country met all four primary convergence criteria at end-2003, and the fiscal balance and inflation criteria were met by only one country. Despite the political desirability of establishing a common currency among WAMZ members, its economic feasibility in the near term remains unclear.

Central Africa

Six countries in central Africa are members of the Central African Economic and Monetary Community (CEMAC). CEMAC members share a common currency, pegged to the euro at the same parity as the CFAF of West Africa, and adopted an economic convergence framework in 2001. However, progress toward reaching the convergence criteria has been limited.

Real GDP growth in the CEMAC fell slightly to 6 percent in 2003, but remained above the sub-Saharan Africa average (Figure 9). New oil production coming on stream in Equatorial Guinea and Chad, and continued robust growth in the region's largest economy, Cameroon, was partly offset by a strong output contraction in the Central African Republic and slow growth in the Republic of Congo in the aftermath of the armed conflict.

Inflation fell to low levels in 2003 in most CEMAC member countries. Low inflation in the euro area, the strengthening of the euro in international currency markets, and good agricultural production helped reduce average inflation in the CEMAC area to about 2 percent. Only Equatorial Guinea exceeded the convergence objective of 3 percent annual inflation by a significant margin as sustained double-digit economic growth continued to put pressure on domestic prices. However, despite generally better inflation performance, the strengthening of the euro against the U.S. dollar contributed to a further appreciation of all CEMAC member countries' real exchange rates, particularly in Equatorial Guinea, Chad, and the Republic of Congo.

Fiscal positions improved in 2003, helped by rising oil output and higher oil prices and an only modest increase in spending. But there were significant differences between countries: while Chad and the Central African Republic experienced widening deficits, resulting primarily from deteriorating revenue performance, others registered large fiscal surpluses, ranging up to 23 percent of GDP in Equatorial Guinea.

The regional current account balance improved strongly in 2003, thanks mostly to higher oil output and prices. Regional export volumes continued their upward trend, mostly due to rising oil

Figure 9. CEMAC: Selected Indicators[1]
(In annual percent change)

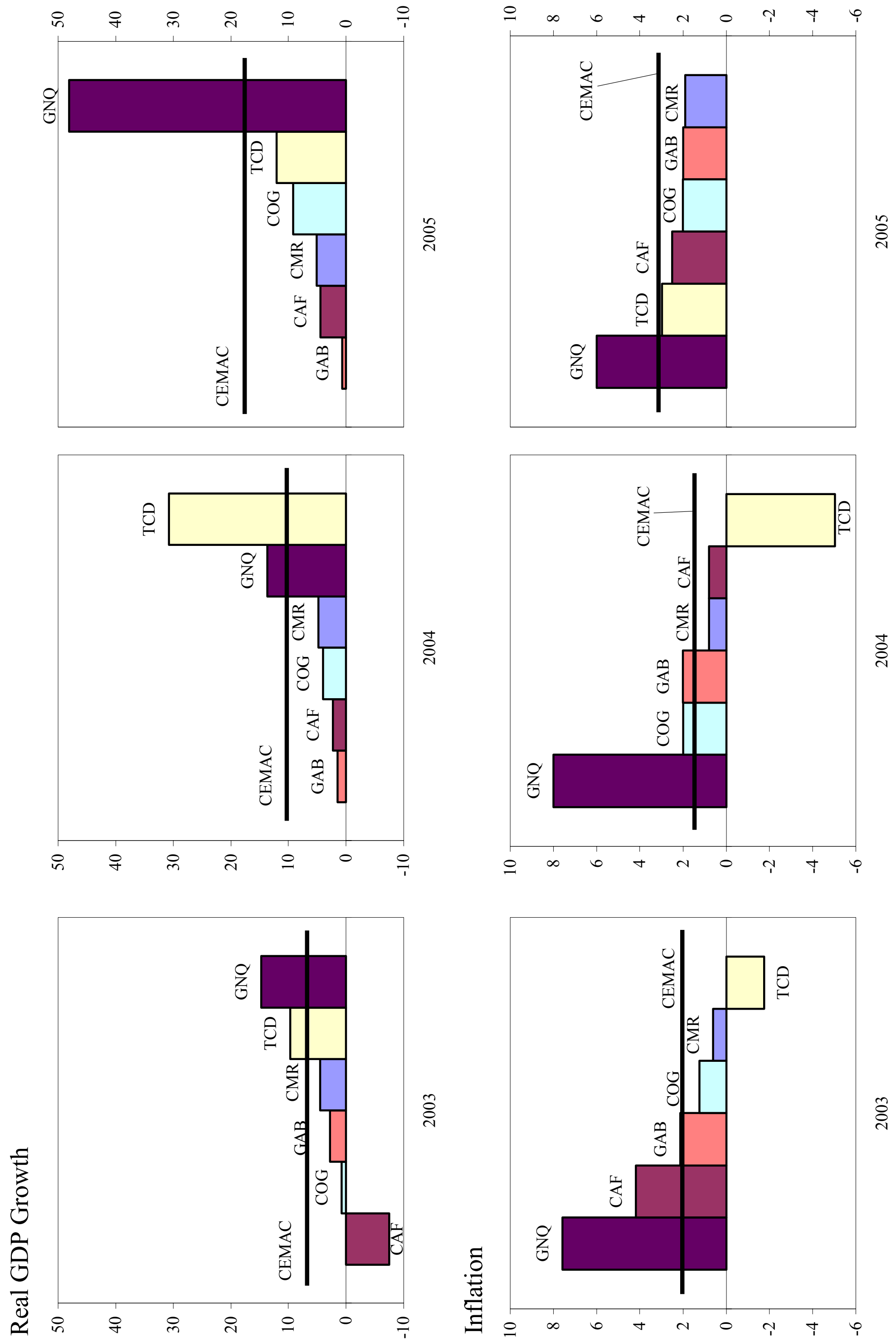
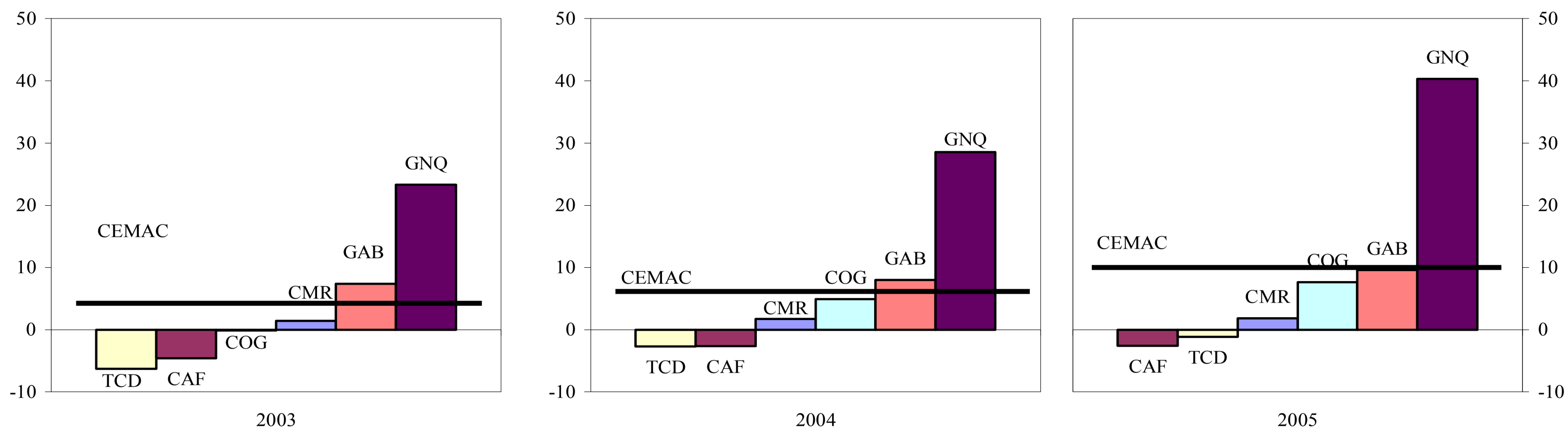
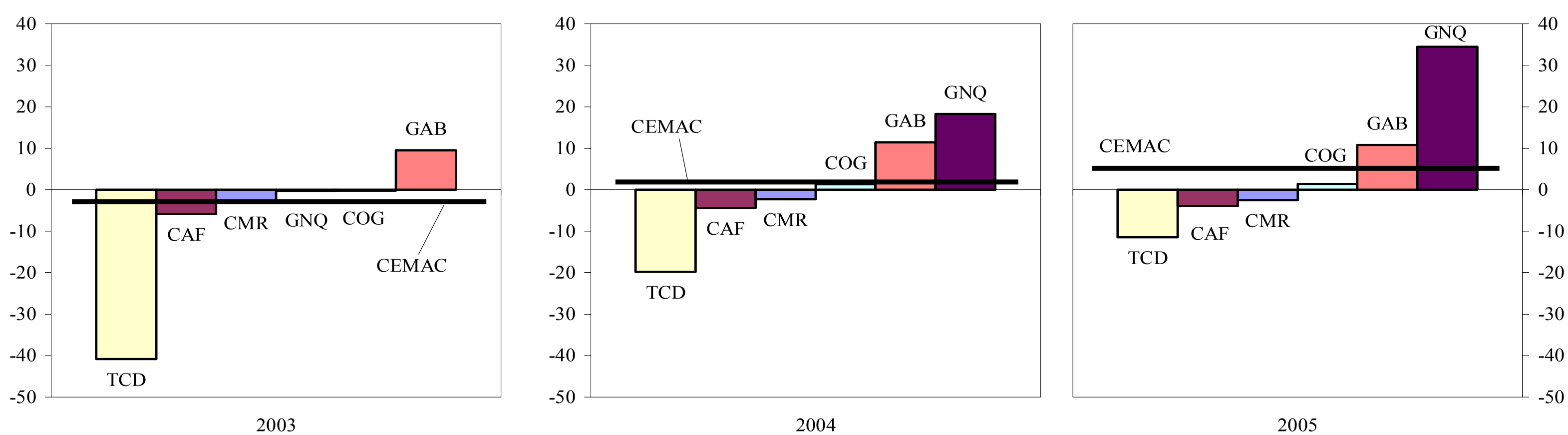


Figure 9 (*concluded*)
(In percent of GDP)

Fiscal Balance, Excluding Grants



Current Account Balance, Excluding Grants



[1] For country abbreviations, see Annex Table 1.

exports, and rising oil prices led to an improvement in the region's terms of trade. Only the Central African Republic saw its current account deteriorate due to its overall very weak economic condition. As a result, the CEMAC region's foreign reserves rose substantially, in spite of a slightly lower inflow of foreign grants.

The region's nominal external debt stock grew somewhat in 2003, but debt to GDP ratios fell in most member countries. Only the Central African Republic registered a rising debt to GDP ratio. The Congo and the Central African Republic are the two most highly-indebted countries in the region.

Prospects are for an acceleration of economic growth in 2004 and 2005, primarily reflecting a further expansion of oil production in Chad and Equatorial Guinea. Growth is also expected to be helped by recoveries in the Central African Republic and the Republic of Congo following political stabilization, and by continuing robust non-oil sector growth in Cameroon. In contrast, Gabon is expected to suffer from weak non-oil growth, barely offsetting the trend decline in its oil production, and per capita income is likely to fall in 2004-05.

Strong growth is expected to contribute to further macroeconomic stabilization. Fiscal balances are projected to strengthen further, on average, helped by buoyant oil revenues and the end of armed conflicts in the Central African Republic and the Republic of Congo. Inflation is expected to remain low, resulting from CEMAC's currency peg to the euro, and external current accounts and reserve levels are expected to improve further. However, there are downside risks to this outlook, primarily related to developments in oil prices and production, upon which the region remains heavily dependent.

Policies in the CEMAC region need to be geared toward making good use of oil revenues and promoting economic diversification. High oil prices and the appreciation of the exchange rate are putting pressure on the competitiveness of the non-oil sectors of CEMAC economies. Strengthening governance and institutions aimed at improving the business environment and attracting investment in the non-oil sector, is a critical priority. Transparent fiscal rules aimed at saving windfall revenue in times of high oil prices deserve serious consideration, but may require recasting the fiscal convergence criterion of the CEMAC area. The Republic of Congo, which bases its fiscal framework on deliberately conservative oil price assumptions, has made some progress in this regard. Financial sector reform, and the strengthening of the institutional framework to promote investment, also remain critical to make economic growth durable and sustained. There also remains scope to strengthen regional cooperation, including through trade liberalization and the harmonization of regulatory frameworks.

Eastern and Southern Africa

The institutional structure for regional integration is much less advanced in Eastern and Southern Africa than in West or Central Africa. There is only one operational customs union, covering five countries, four of which also form a common monetary area. Furthermore, the large number of Regional Integration Institutions have overlapping memberships; four institutions (COMESA, EAC, SADC and SACU) have separate mandates to determine trade policies. This fragmentation, combined with poor regional infrastructure, few complementarities in production between countries, diverse macroeconomic policies, and the persistence of trade patterns based on former colonial ties, means that economic performance continues to vary substantially within the Eastern and Southern Africa region.

In 2003, average real GDP growth in the eastern and southern Africa region slowed markedly to 2½ percent, compared with 4½ percent growth in 2002 (Figure 10). This slowdown largely reflected a temporary decline in the pace of economic activity in South Africa (nearly 60 percent of the region's GDP). Elsewhere in the region, growth performance was mixed. Mozambique and Tanzania, benefiting from continued sound economic management, grew by over 7 percent, and Madagascar by 10 percent following its return to social stability. However, GDP levels declined in several countries, particularly in Zimbabwe, as a result of continuing weak policies, and in Seychelles, following the implementation of sharp adjustment measures. Crop failures in Burundi, Eritrea and Ethiopia also caused activity to decline.

The slowdown in GDP growth appears to have largely been reversed in 2004. Real GDP growth rebounded in South Africa to an annual rate of about 3 percent in the first half of the year and is expected to continue to be broadly-based through 2004. Angola and Ethiopia are projected to grow by more than 10 percent in 2004 reflecting, respectively, a surge in oil production and improved harvests. In addition to continued strong growth of 6-8 percent in Tanzania and Mozambique, other countries with recent records of sound economic policy management, including in many cases financial sector and institutional reform—Botswana, Mauritius, Namibia, Rwanda, and Uganda—are also headed for GDP growth in 2004 comfortably above 4 percent.

Average consumer price inflation in the region (excluding Angola and Zimbabwe) fell from 8 percent in 2002 to 6¾ percent in 2003. South Africa, and its four partner countries in the Southern African Customs Union (SACU)—three of which peg their currencies to the South African rand—experienced sharp falls in inflation as the South African rand continued to recover from its substantial depreciation during 2000-01. Inflation in most other countries also fell in 2003, benefiting from the benign trend in world prices and adherence to fairly steady monetary policies within the region (only two countries, Comoros and Seychelles, peg their currencies to anchors entirely external to the region—the euro and US dollar respectively).

Average inflation rates nevertheless remained relatively high in the region compared with the rest of Africa. Apart from Madagascar (rebounding from domestic conflict), no country had an inflation rate below 4½ percent in 2003 and seven countries (Angola, DRC, Ethiopia, Kenya, Malawi, Zambia, and Zimbabwe) were above 9 percent. Outside the SACU sub-region, and countries with a currency peg, persistent fiscal deficits, financed to a varying degree by money creation, have so far hindered the attainment of low, single-figure inflation rates.

Figure 10. SADC and COMESA: Selected Indicators[1]
(In percent)

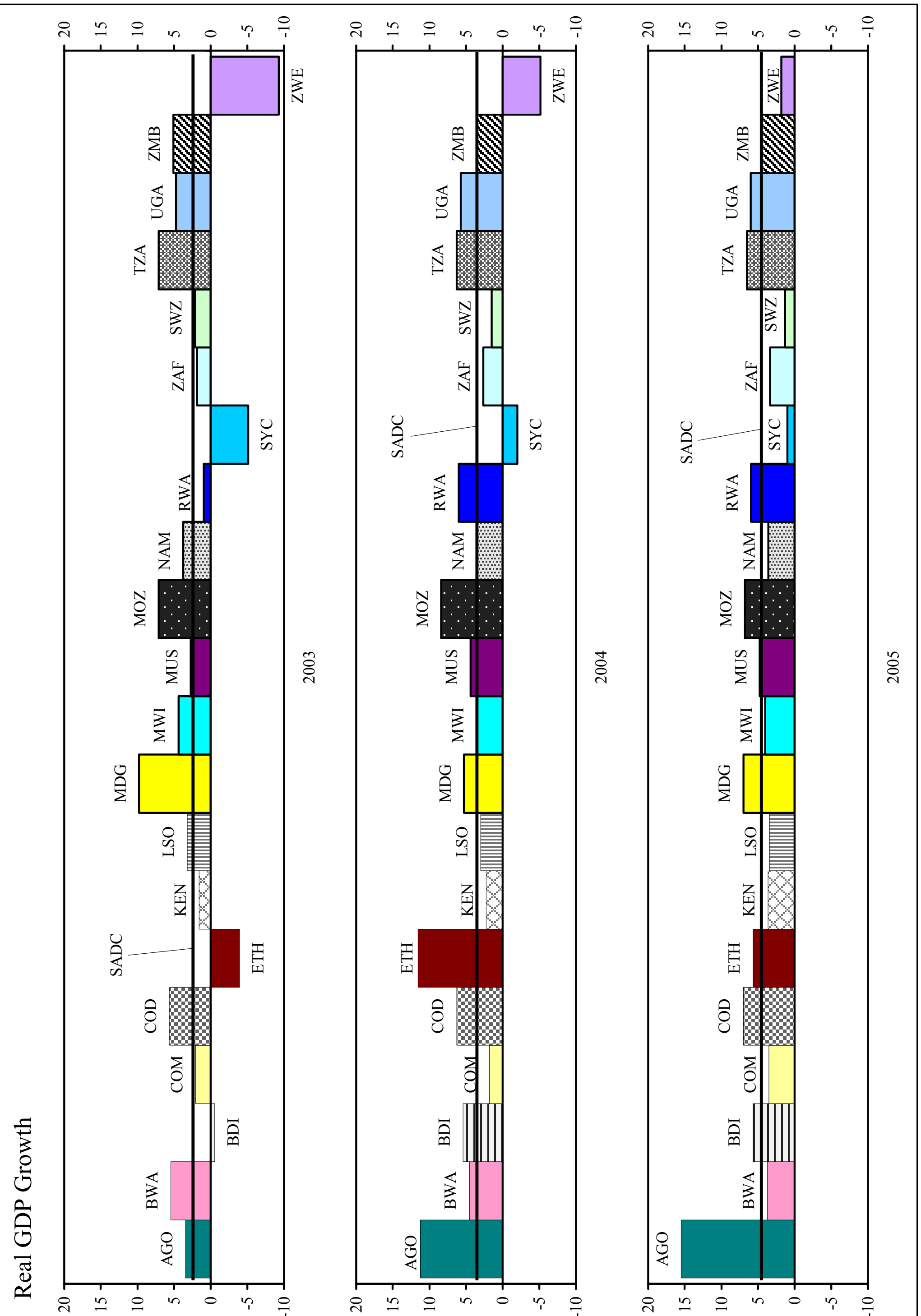


Figure 10 (*continued*)
(In percent)

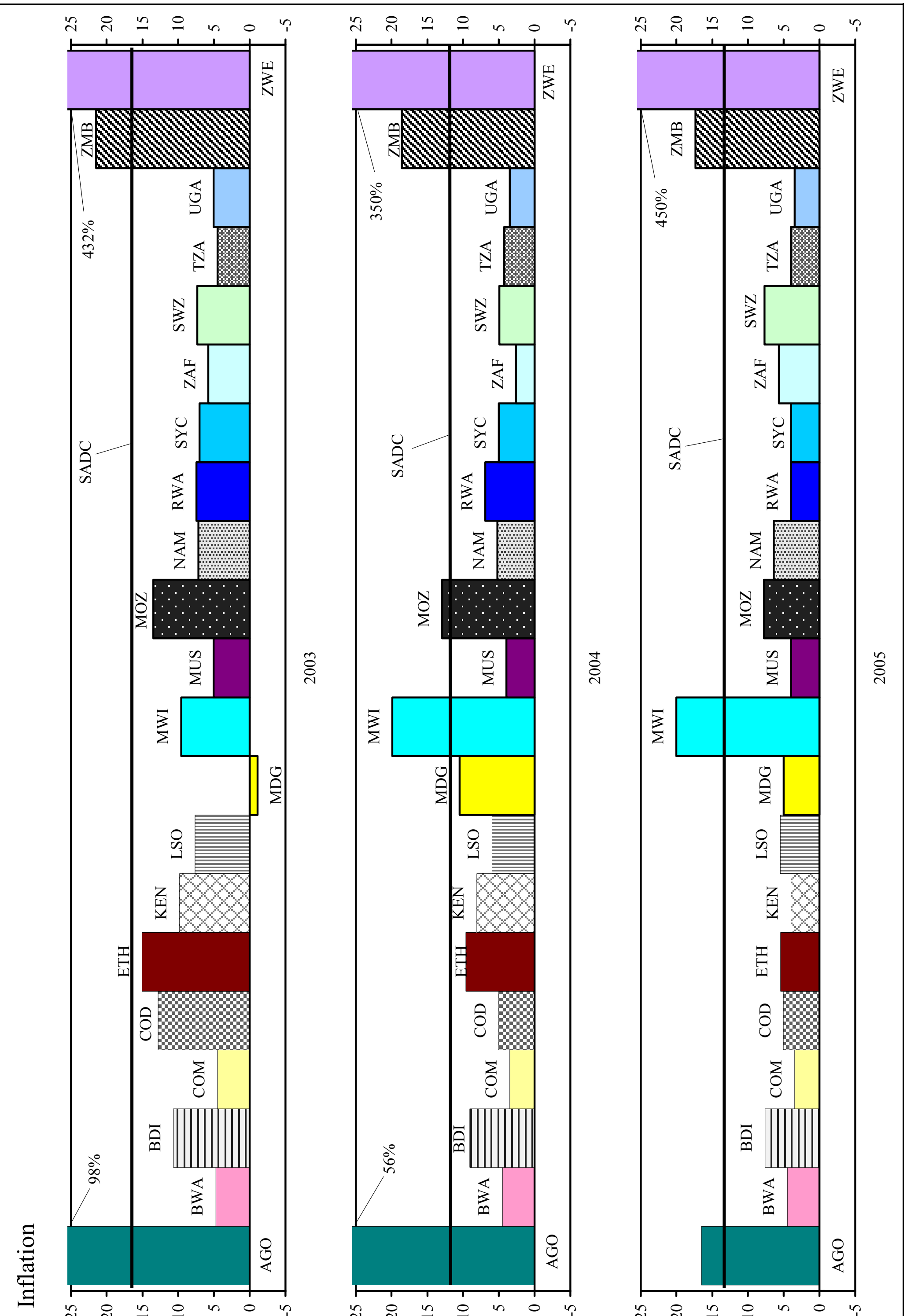


Figure 10 (*continued*)
(In percent of GDP)

Fiscal Balance, Excluding Grants

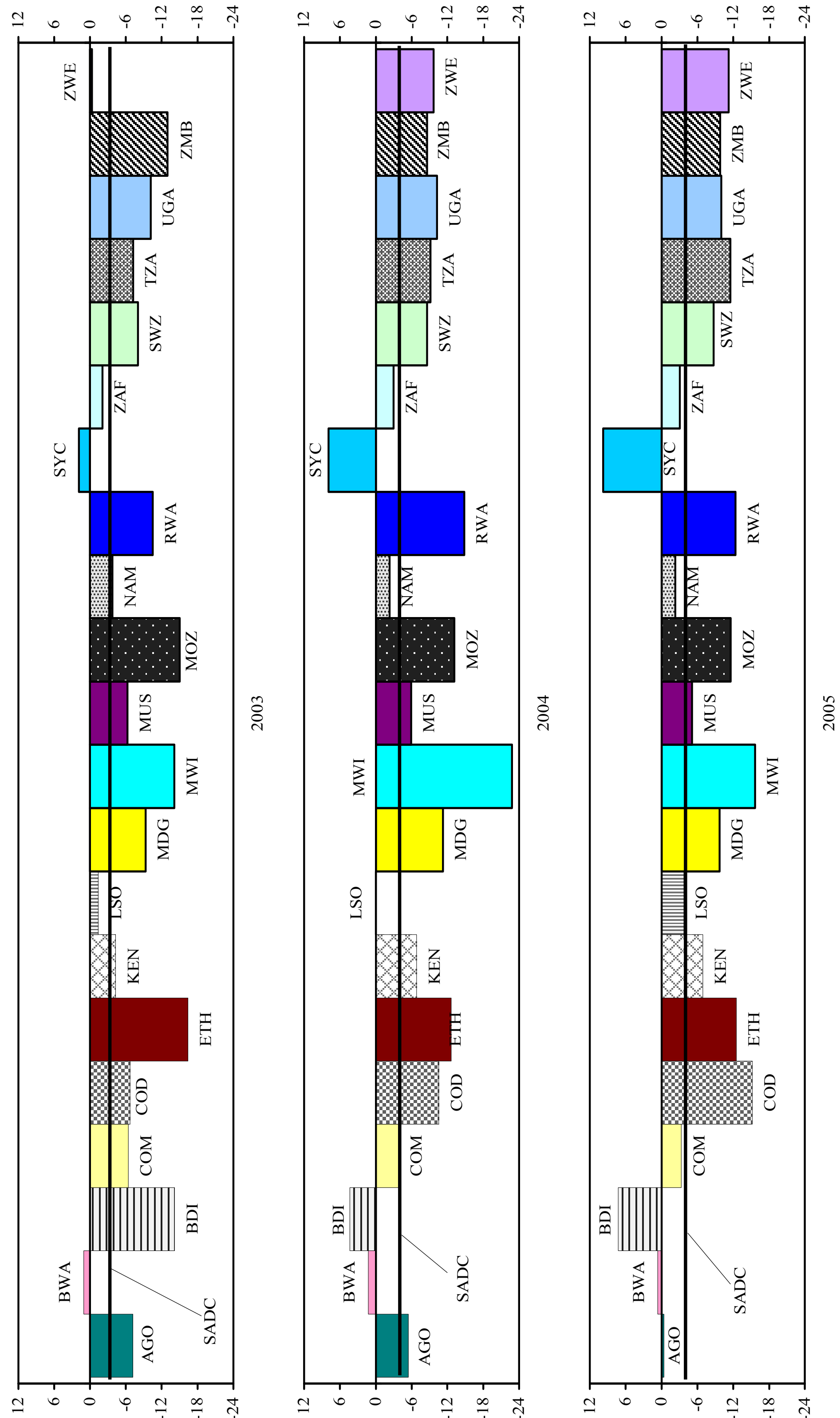
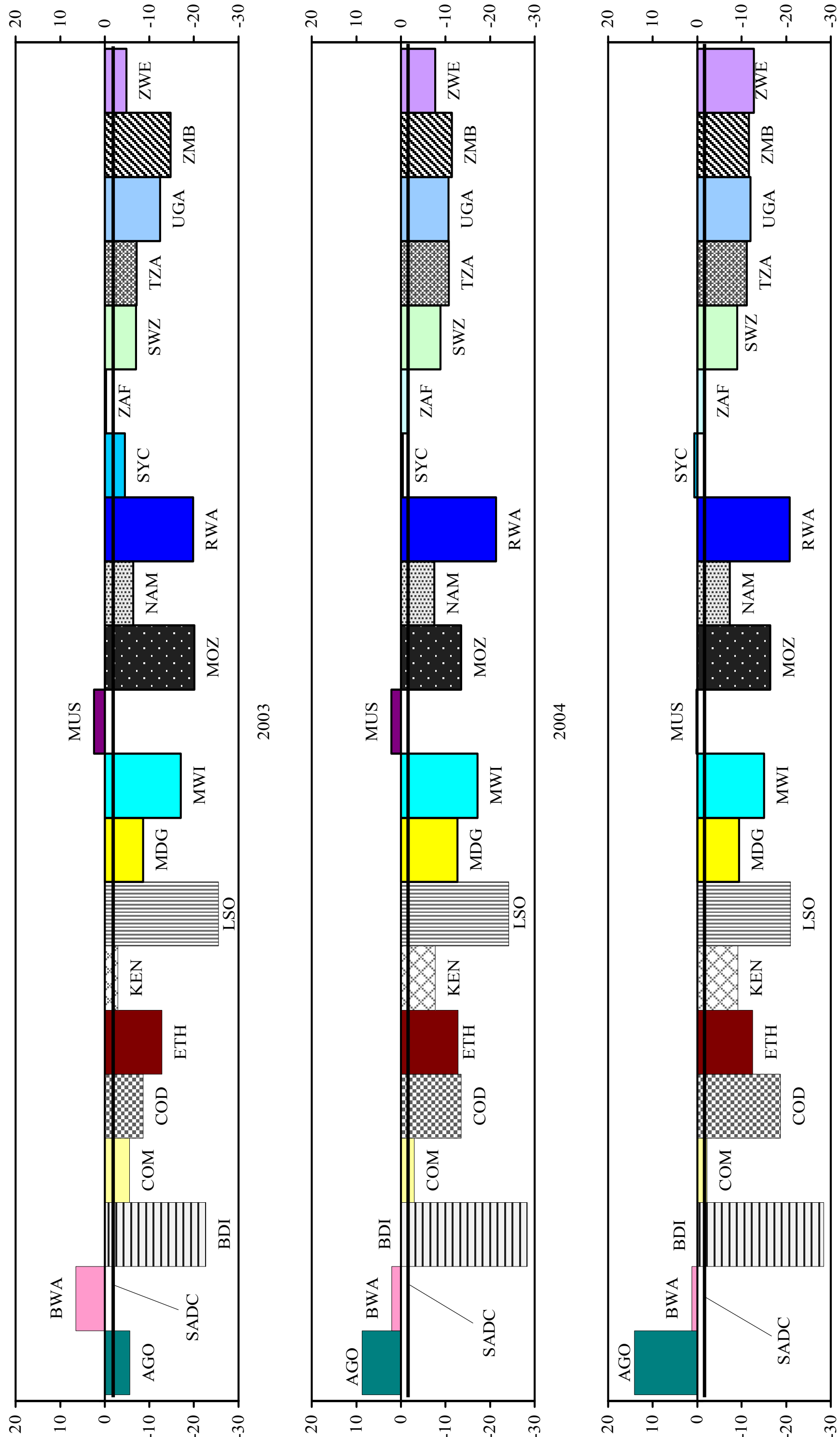


Figure 10 (*concluded*)
(In percent of GDP)

Current Account Balance, Excluding Grants



[1] For country abbreviations, see Annex Table 1.

In 2004, inflation is projected to fall in virtually all countries in the region. The good performance on inflation in South Africa, relative to other economies in Africa with floating exchange rates, reflects the maintenance of fiscal discipline and the firm direction of monetary policy towards keeping rises in the CPIX inflation rate within the target range of 3-6 percent. [3] Inflation is expected to remain very high in Zimbabwe, while Angola is expected to make progress in bringing down its still-high rate as fiscal and monetary policies tighten and the exchange rate stabilizes.

Although average fiscal deficits (including grants) in the region declined in 2003 to below 3 percent of GDP, the underlying fiscal position remained difficult in a number of countries. Nine countries have been recording fiscal deficits (excluding grants) of above 10 percent of GDP during the period 2002-04. However, official grants provided substantial and rising support for government budgets in those countries that were approaching or had already passed the completion point under the enhanced HIPC Initiative or received assistance after drought or a conflict (including Burundi, DRC, Madagascar, and Rwanda). These high levels of external support allowed spending to be increasingly directed toward the alleviation of poverty or humanitarian relief.

In South Africa, fiscal deficits have been kept at low levels for a number of years as the fulcrum of its successful macroeconomic stabilization. This policy provided room for some counter-cyclical spending in 2003, focused on social services, and a rise in the fiscal deficit from 1¼ percent of GDP in 2002 to 2 percent of GDP. A further increase, to 3 percent of GDP, is projected for 2004 as the spending initiatives embrace additional outlays related to HIV/AIDS, other public services and an enlarged public works program. Elsewhere in the SACU region, fiscal deficits remain relatively low, but recent increases in Swaziland's spending plans and lapses in control contributed to a rise in its fiscal deficit (including grants) to 6¼ percent of GDP in 2003.

The burden of public sector external debt continued to decline in Eastern and Southern Africa in 2003, although debt-to-GDP ratios continued to exceed 150 percent of GDP in Burundi, DRC, Malawi, and Zambia. Only South Africa, Namibia, Mauritius, and Swaziland had external debt levels of below 30 percent of GDP. Ethiopia's achievement of its HIPC completion point in April 2004, joining Mozambique, Tanzania, and Uganda, brought to four the number of countries in the region receiving full debt relief under the Enhanced HIPC Initiative. A further four countries, which have passed their decision points, are currently receiving interim debt relief.

With some easing in both fiscal and monetary policy in South Africa (against the backdrop of an appreciating exchange rate), the overall stance of macroeconomic policy in the region has probably relaxed slightly over the past year. However, few countries have shown an appreciable shift in their policy positions and considerable

[3] The CPIX index targeted by the South African Reserve Bank removes the impact of changes in interest payments on mortgage bonds from the overall consumer price index.

diversity remains in both the stance of policy and the type of monetary/exchange rate regimes being operated. Fixed currency pegs have provided solid anchors for macroeconomic policy in Comoros, Lesotho, Namibia, and Swaziland (although rising fiscal deficits in Swaziland have caused some concerns). In addition, several countries emerging from conflict—Angola, Burundi, DRC, and Madagascar—have tightened macroeconomic policies. Seychelles has adopted stringent adjustment measures and Eritrea, Ethiopia, Madagascar, and Zambia have taken steps to firm monetary conditions.

Despite this generally prudent macroeconomic policy stance, most countries in the region are experiencing some deterioration in their external positions. This largely reflects the terms of trade shocks resulting from rising oil prices. Angola, South Africa, and Zambia have however reaped substantial benefits from the rise in prices of their principal exports (respectively oil; gold and platinum; and copper) while the utilization of its new aluminum smelter and gas pipeline has boosted Mozambique's exports. Overall, current account deficits are projected to rise as a percentage of GDP from 1¼ percent in 2002 to 2 percent in 2004.

Prospects for 2005 are for a reinforcement of the positive growth and inflation trends of 2004. The South African economy is projected to grow by 3¼ percent, reflecting the global recovery and economic policy stimulus, and average regional GDP growth will increase to 4¾ percent. But serious challenges remain in some countries. Zimbabwe has not yet effectively addressed its fundamental policy shortcomings. And in both Kenya and Malawi there is an urgent need to reestablish economic programs, buttressed by governance safeguards, that can be fully supported by the international community.

The agenda for regional integration continues to be clouded by the proliferation of regional institutions. The relatively slow progress on the integration of trade and financial markets to date has meant that the regional spill-over effects of macroeconomic policies have been limited and few problems have arisen in practice as a result of overlapping membership. At the same time, policy-making at a national level has been hampered by the different philosophies that are being pursued by the different trade arrangements. A priority must be to establish mechanisms for effective coordination on trade and macroeconomic policies. Unless that happens, proposals to establish customs unions in COMESA and the EAC (and subsequently in SADC) may make it more difficult to achieve effective integration throughout the whole region. Macroeconomic convergence is an objective of both COMESA and SADC. However, progress has been limited so far. Consideration should be given to establishing common surveillance procedures, with a view to the specification and monitoring of agreed objectives for the attainment of macroeconomic stability throughout the region.

III. Conclusions and Policy Challenges Facing Sub-Saharan Africa

Sub-Saharan Africa is experiencing a pick-up in economic growth in 2004 that

is set to accelerate into 2005. Per capita incomes could rise by close to 2½ percent – above 3 percent excluding Nigeria and South Africa – marking the fastest growth in a decade. At the same time, inflation is moderating and fiscal and external imbalances are narrowing. The gains are particularly large in oil-producing countries, but even non-oil producers are experiencing historically high rates of economic growth. If sustained, this robust economic performance is an opportunity for sub-Saharan Africa to reduce poverty and make decisive progress towards the Millennium Development Goals.

The outlook is fraught with risk, however. Political risks stem from lingering conflicts, which can have regional spillovers. Sub-Saharan Africa remains vulnerable to natural disasters, which often have a severe impact in economies that continue to rely heavily on agricultural production. And HIV/AIDS poses tremendous challenges for African societies that have more than only an economic dimension.

The challenge for sub-Saharan Africa is to implement policies that preserve the macroeconomic gains while lifting economic growth and making decisive progress in poverty reduction. Recent good performance – and the projected further robust growth in 2005 – is welcome, but still falls well short of what is needed to reach the Millennium Development Goals, including the objective of halving poverty by 2015. Higher levels of foreign assistance provided to help countries in sub-Saharan Africa reach the MDGs will need to be accompanied by strong domestic policies aimed at accelerating structural and institutional reforms to stimulate private sector activity and investment and to capitalize on the opportunities for global trade and investment flows. Sound medium-term fiscal frameworks, including strong public expenditure management systems, are needed to effectively use both domestic and foreign resources. Making good use of revenue from abundant natural resources, including petroleum products, requires strengthening governance and institutions. Financial sectors need to be reinforced to provide a foundation for strong and sustained growth. And the potential of strengthened regional integration and cooperation needs to be seized fully.

Rising official grants are an opportunity to reduce poverty decisively. The prospect of higher levels of grants, including from the Global Fund to Combat HIV/AIDS, Tuberculosis, and Malaria, and from the Education for All Initiative, has the potential to help sub-Saharan Africa tackle critical problems in health and education, raising economic productivity and living standards. A number of countries are already experiencing significantly higher levels of foreign assistance, while in other cases commitments have not yet translated into disbursements. Volatility and unpredictability of aid flows raise difficult macroeconomic issues that need to be addressed to ensure that increased aid levels are used efficiently (Box 5). Two critical priorities to raise aid effectiveness are strengthening fiscal management in sub-Saharan Africa and achieving better donor coordination abroad (Box 6).

Sound medium-term fiscal frameworks, including strong public expenditure management systems, are needed to use both domestic and foreign resources

effectively. Rising fiscal receipts, as well as foreign grants, will provide many countries in sub-Saharan Africa with scope for additional spending. Capital spending is estimated to rise by about 1 percent of GDP to 7½ percent of GDP in 2004, and part of the higher investment is estimated to have benefited social sectors (e.g., construction of news schools). Moreover, there is some evidence that the composition of spending has shifted in favor of poverty-reducing programs (including primary education and basic health) identified in the country-owned poverty reduction strategies. Making decisive progress toward the Millennium Development Goals will require continued judicious use of resources.

Making good use of revenue from natural resources, including petroleum products, needs to be a priority. Fiscal policy in oil producing countries faces specific difficulties because of the volatility of international oil prices and the challenge of maintaining competitiveness in the non-oil sector of the economy (Box 7). Moreover, achieving inter-generational equity in the use of a finite resource poses considerable governance and transparency challenges. Adopting a fiscal rule that provides for higher levels of government savings in times of high oil prices is one possible approach, which is being pursued in the Republic of Congo. Increasing transparency by subscribing to international disclosure standards, as proposed by the Extractive Industries Transparency Initiative, is another approach being considered by some countries, including Nigeria.[4] And Chad's special law governing the use of oil revenue transparently combines forced government savings with mandated spending on priority sectors and debt service.

Financial sector reform is a cornerstone of strong and sustained growth. Over the past two decades, most countries in sub-Saharan Africa have implemented a wide range of financial sector reforms. However, many continue to face significant problems, not least as a result of weak legal and regulatory frameworks. In recent years, an increasing number of countries in sub-Saharan Africa have reinforced efforts to strengthen the performance of their financial sectors, supported by the Financial Sector Assessment Program (FSAP) of the IMF and the World Bank.[5] These programs have aimed at strengthening institutions, prudential regulations and practices governing the financial sector, including in the area of banking supervision; restructuring, divesting, and improving the health of weak financial institutions; modernizing the payments systems; and promoting the expansion of microfinance.

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[4] The EITI is an initiative of the UK Department for International Development; for details see http://www2.dfid.gov.uk/news/files/extractiveindustries.asp.

[5] Since 2001, FSAPs have been conducted in 12 African countries: Cameroon, Gabon, Ghana, Kenya, Mauritius, Mozambique, Nigeria, Senegal, South Africa, Tanzania, Uganda, and Zambia.

(continued)

Box 5. Donor Inflows for the Treatment and Prevention of HIV/AIDS

Several donors have decided to provide more resources for the treatment and prevention of HIV/AIDS to low-income countries, including in Africa. The funding for this purpose—predominantly in the form of grants—is expected to rise from US$5 billion in 2003 to US$8 billion in 2004 and US$20 billion by 2008. The key providers of additional resources are: the United States (the President's Emergency Program for AIDS Relief);[1] the Global Fund Against AIDS, Tuberculosis, and Malaria; and the World Bank. While some of these resources are channeled through governments budgets, a significant—but yet unknown—share will flow through NGOs.

These inflows, which are critical to address the urgent need for treatment and prevention of HIV/AIDS, could be significant for many African countries and in particular in relation to the size of the health sectors. From a macroeconomic perspective, the following issues need to be addressed:

- It is necessary to have information on the size and destination of the inflows, including whether they go through the budget or NGOs. In this connection, each country needs to have a coordinating mechanism for activities of the various donors.

- Fund staff should help the authorities analyze the macroeconomic consequences of higher grant inflows.

- Public expenditure systems in several countries need to be strengthened to ensure that resources reach the intended users.

- Governments need to take care that the increased focus on HIV/AIDS do not divert the basic health sector of needed resources—an area of critical importance for improving the health status of populations in low-income countries and for promoting growth towards achieving the Millennium Development Goals.

- Since the supply of trained health personnel in most low-income countries is limited, additional expenditure on HIV/AIDS programs could generate wage pressures in the health sector or in the government sector in general. This could happen irrespective of whether resources flow through the budget or through NGOs.

- The formulation and execution of the medium-term budgetary framework need to take into account the projected inflows, including their sustainability and associated costs. Fund missions, in collaboration with the World Bank, would seek to help the authorities with the budgetary consequences to ensure that the budgetary framework allows sufficient room to accommodate the HIV/AIDS inflows.

The US has committed US$15 billion over five years, of which the US Congress has so far appropriated US$1 billion. The program is targeted to 15 countries most affected by the HIV/AIDS epidemic, of which 13 are in Africa.

Box 6. Aid Absorption and Effectiveness

Increased aid flows to sub-Saharan African countries to achieve the Millennium Development Goals (MDGs) represent an important opportunity for low-income countries. However, the positive impact of these aid flows may be limited by microeconomic and macroeconomic capacity constraints in the recipient countries. Understanding and monitoring these constraints will be important for ensuring that aid flows play an effective role in reaching the MDGs.

Microeconomic absorption constraints are likely to be particularly binding in low income countries:

- Recipient countries' limited administrative capacity may not be able to cope with large aid inflows;
- Aid volatility can make it difficult for governments to form medium-term expenditure plans;
- Aid can have distortionary effects across sectors (for example increasing employment and wages in the health sector to the detriment of the education sector), and create perverse incentive effects that can weaken governance.

These constraints can be partly addressed by increasing harmonization and coordination in aid practices and delivery among donors and with the recipient countries, using vehicles such as the PRSP as a platform. Appropriate targeting and sequencing of aid to remove bottlenecks and build on previous reforms and investments can also increase absorption capacity and enable productive use of rising aid flows.

Macroeconomic absorption constraints, while probably less severe than microeconomic constraints, may also pose serious challenges:

- **Dutch Disease.** Aid can in the short run be associated with Dutch disease effects. Large aid inflows can increase wages and prices in the non-tradable sector, driving up the real exchange rate and weakening the external competitiveness of the economy. However, in the longer run, Dutch disease effects can be more than compensated by aid-induced productivity increases.

- **Fiscal Management.** While aid effectively loosens the public sector budget constraint of the recipient economy, large aid flows also make fiscal management more complicated. For some countries, debt sustainability can be an issue if aid flows are in the form of (even highly concessional) lending. Large aid financing can also weaken incentives to develop an adequate domestic revenue base and strengthen the tax system. Low income countries are also vulnerable to highly volatile aid inflows.

- **Monetary and exchange rate management** is also affected by large aid inflows, as aid can increase domestic liquidity and create inflationary pressures. Central banks in recipient countries must decide whether, and in what degree, to sterilize. Sterilization can however have unwanted effects in terms of domestic debt or accumulation of excessive foreign exchange reserves.

Box 7. Use of Oil Revenues in Sub-Saharan Africa

Seven Sub-Saharan African countries presently produce oil: Angola, Cameroon, Chad, the Republic of Congo, Equatorial Guinea, Gabon, and Nigeria. So far, none of these countries has been very successful at transforming its oil wealth into a basis for lasting development. In general, African oil-producing countries have not achieved better social indicators than other African countries, and they show some of the weakest Human Development Indicators of all oil producing countries.

Fiscal policy in oil producing countries faces specific difficulties: (i) oil revenue is generally more volatile than revenue from other export commodities because of international market conditions; (ii) excessive oil revenue inflows have undesirable effects on macroeconomic stability and the competitiveness of the non-oil sector; and finally, (iii) oil is an exhaustible resource with a finite revenue stream. The challenge for fiscal policy in oil producing countries is therefore to (i) stabilize budgetary expenditures at a level that observes the domestic economy's absorption capacity; and (ii) achieve intergenerational equity in exploiting a resource that belongs to all present and future generations.

Appropriate fiscal policy could be based on a fiscal spending rule that aims at realizing either a certain non-oil fiscal deficit or an overall fiscal balance at a conservatively projected price of oil. Savings of oil revenue should be utilized for the repayment of existing government debt or investment in foreign financial assets. They should generally not be invested domestically in order to avoid an excessive inflow of funds into the domestic economy. The financial assets should be held in a fund that is integrated into the budget and meets the highest standards of transparent asset management.

Few oil-producing countries in Sub-Saharan Africa have responded well to these requirements. Among the few steps forward, the Republic of Congo recently decided to implement a fiscal expenditure rule based on a conservative oil price projection, and Chad, Gabon and Equatorial Guinea put into place funds for saving parts of their oil revenues. In most countries, oil revenue management lacks transparency.[1]

The presence of oil revenues has implications for regional convergence mechanisms, too. In order to help its oil-producing member countries meet the challenges posed by oil revenues, the CEMAC's fiscal convergence criterion should be adjusted to target the appropriate rule-based fiscal balance.

1. For an in-depth discussion, see M. Katz et al., 2004, *Lifting the Oil Curse: Improving Petroleum Revenue Management in Sub-Saharan Africa*, (IMF: Washington, D.C.)

Strengthened regional integration and cooperation has the potential of boosting sub-Saharan Africa's economic growth prospects. But this potential is yet to be fully realized. There remains significant scope for trade liberalization within regional arrangements. Coordination and, where feasible, harmonization of regulatory regimes can help establish better business climates and stimulate investment. And peer review, as envisaged under the New Partnership for Africa's Development (NEPAD) can contribute to a lasting foundation of sound macroeconomic policies.

Regional integration is a complement, not a substitute for strengthened multilateral liberalization. It will be important, particularly for developing countries, to keep the Doha Round on track. It is an opportunity to further open global markets, including for agricultural products that are particularly important for Africa. But it is also an opportunity to lower effective trade barriers within Africa, which potentially offer the largest gains for the region itself. Africa's road to sustained growth and poverty reduction leads through an unequivocal embrace of global markets. Taking this road will require significant effort to strengthen domestic economic policies and governance in Africa and create an environment conducive to growth and investment. But it also requires external assistance. Development partners need to seize the opportunity to help Africa realize its potential, both by opening their markets to African exports and providing increased levels of development assistance to those countries that use it effectively.

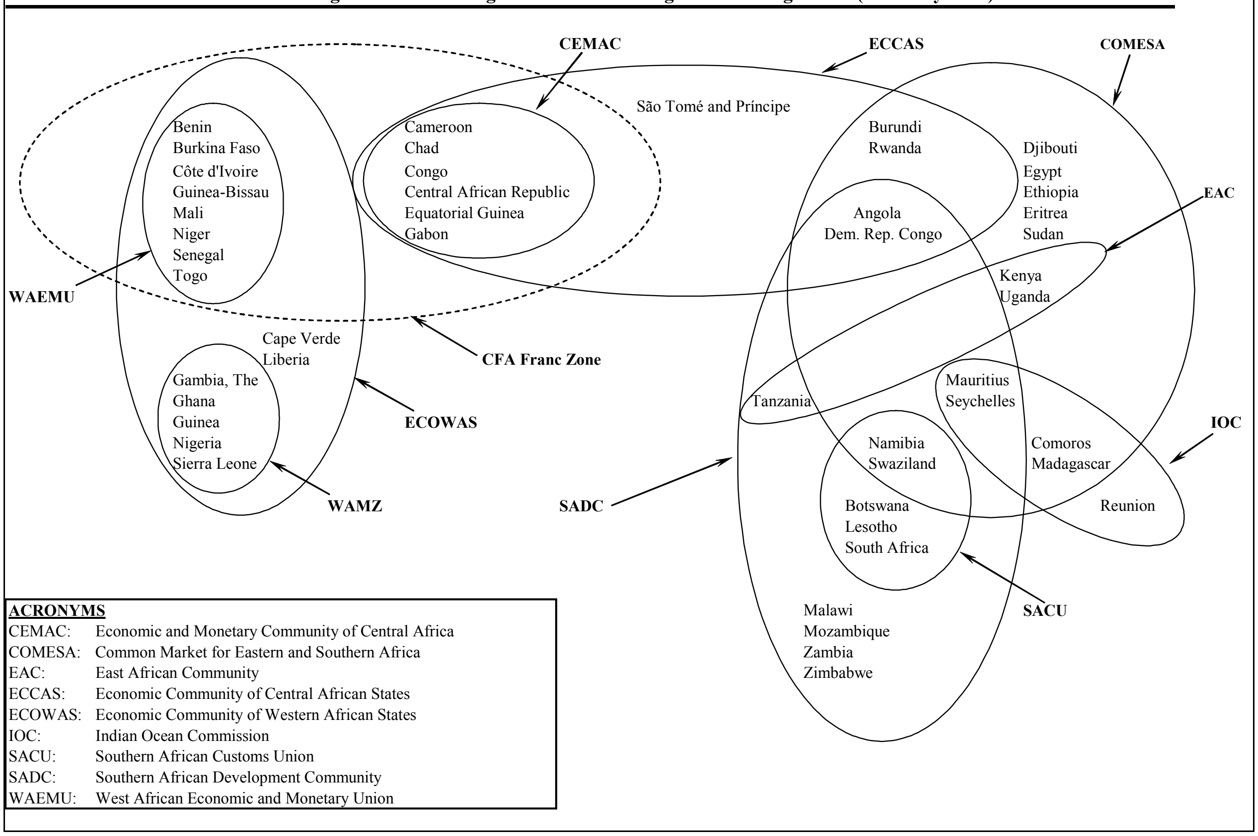
Regional Cooperation and Integration in Africa

I. West Africa

A. Institutional Arrangements

West African countries are members of ECOWAS (Economic Community of West African States), an organization of 15 members founded in 1975 with a mandate to promote regional economic integration. Within ECOWAS, eight countries are also members of WAEMU (West African Economic and Monetary Union) and share a common currency and a single monetary policy. With the aim of enhancing economic stability in the common currency area, WAEMU members adopted a regional convergence pact. In 2000, five non-WAEMU members of ECOWAS formed a second monetary area, the WAMZ (West African Monetary Zone). They also established the West African Monetary Institute to oversee a convergence process toward a second common currency, the ECO. Merging the WAEMU and WAMZ areas is a political objective of ECOWAS. [1]

Main African Regional and Sub-Regional Economic Integration Arrangements (as of July 2004)



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[1] Two members of ECOWAS, Cape Verde and Liberia, are members of neither WAEMU nor WAMZ.

B. Macroeconomic Convergence within WAEMU

The WAEMU Regional Pact of Convergence, Stability, Growth, and Solidarity was adopted by the Conference of Heads of State in December 1999, as a formal agreement among the member countries to strengthen the convergence of their economies, reinforce macroeconomic stability, accelerate economic growth, and enhance solidarity among the member countries. The pact specifies: (i) a set of primary and secondary convergence criteria to be satisfied by member states by end-2002; (ii) a convergence phase 2000-2002, at the end of which member countries were expected to have been in compliance with both sets of convergence criteria; and (iii) a stability phase from 2003 onward.

The four primary criteria are: the ratio of the basic fiscal balance to nominal GDP, which must be in balance or in surplus (key criterion); the ratio of outstanding domestic and external debt to nominal GDP, which must not exceed 70 percent; the average annual inflation rate which, must not surpass 3 percent; and the variation in the stock of domestic and external payment arrears, which must not be positive. A penalty procedure is foreseen for noncompliance with the key criterion on the basic fiscal balance at the end of each year, during both the convergence and stability phases. Sanctions range from moral suasion to the withdrawal of financial support from regional institutions, such as the West African Development Bank, and outright suspension of financing from the regional central bank (although this has never been enforced).

C. Macroeconomic Convergence in WAMZ

In April 2000, five non-WAEMU members of ECOWAS namely, The Gambia, Ghana, Guinea, Nigeria and Sierra Leone, agreed to create a second monetary zone (WAMZ), with a common currency (ECO) and a flexible exchange rate regime, as a prelude to the larger monetary union of all ECOWAS countries. The WAMZ established a set of primary convergence criteria to be met by end-2002 with the deadline now extended to July 2005. The primary convergence criteria are: an overall budget deficit no greater than 4 percent of GDP; an inflation rate below 10 percent; central bank financing of the budget less than 10 percent of the previous years' tax revenue; and gross official revenues equivalent to at least 3 months of imports. In March 2001, the West African Monetary Institute (WAMI) was established to oversee the convergence process among the countries of the WAMZ and prepare for the introduction of the ECO. An exchange rate mechanism was also introduced in 2002.

II. Central Africa

The Central African Economic and Monetary Community (CEMAC) was established in 1994 as a successor to the Central African Customs and Economic Union. It comprises Cameroon, the Central African Republic, Chad, the Republic of Congo, Equatorial Guinea, and Gabon. After Chad started to produce oil in late 2003, the Central African Republic remains the only non-oil producing CEMAC member country.

Monetary integration between the CEMAC countries dates back to 1959, when five countries joined together to create a common monetary institute called the Central Bank of the States of

Equatorial Africa and Cameroon. The arrangement was upgraded in 1972, with the signature of a monetary cooperation convention between the same countries, and the establishment of a successor central bank, which became operational in 1973. Equatorial Guinea joined the BEAC in 1985. The common central bank (Bank of Central African States, BEAC) conducts monetary policy and pools member countries' foreign exchange reserves, while France guarantees the fixed exchange rate against the euro (previously, the French Franc).

Real sector integration took a new impetus with the regional tax and customs reform of 1994, when the CEMAC created a preferential trade agreement (evolving into a customs union) to promote trade between member countries, while simultaneously reducing tariffs against third-country imports.

In 2001, the CEMAC put in place a revised macroeconomic convergence framework that includes the monitoring, country-by-country, of four primary convergence criteria: a nonnegative basic fiscal balance (the basic fiscal balance excludes grants and externally-financed investment expenditures); consumer price inflation of no more than 3 percent; a level of external and domestic public debt of no more than 70 percent of GDP; and the nonaccumulation of external or domestic payments arrears. The associated surveillance mechanism is non-binding in the sense that the non-observance of convergence criteria is not sanctioned by penalties.

Progress towards greater integration in the CEMAC has been slow. In particular, the currency union suffers from the segmentation of the regional interbank market, and compliance with the convergence framework has been limited.

III. Eastern and Southern Africa

A. Institutional Arrangements

Countries in Eastern and Southern Africa cooperate in a large number of overlapping Regional Integration Institutions .[2] Four of these institutions (COMESA, EAC, SADC and SACU) have mandates to determine common policies in trade.

SADC and SACU

The Southern African Development Community (SADC) is an association of 13 countries in southern Africa.[3] It was established in 1992 as a successor to the Southern African Development Coordination Conference (SADCC), the association of front-line states opposing

[2] Including COMESA, EAC, ECCAS, IOC, IGAD, SACU, and SADC.

[3] Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe. Seychelles left SADC in August, 2004.

the apartheid regime in South Africa. Over two-thirds of the GDP of SADC is generated in South Africa and South Africa is a major exporter to all the other countries. Member countries vary substantially in size, per capita income, resource base, development, openness and governance. Within SADC, five countries constitute the Southern Africa Customs Union (SACU).[4]

In its first decade, SADC followed a broadly-based and gradualist agenda towards regional development and integration, culminating in the launching of a Free Trade Area in September 2001, which envisaged substantially free trade in the region by 2008. While most countries, other than Zimbabwe and the Seychelles, have liberalized trade substantially in recent years, there are still some substantial protective barriers both within and external to the region, involving high tariffs and significant non-tariff barriers. In August 2003, it adopted a set of specific and time-bound targets in all its main operational areas under the Regional Indicative Strategic Development Plan. These include an ambitious program for economic integration, including completion of negotiations on a customs union by 2010, a common market by 2015 and the launch of a regional currency in 2018.

COMESA

The Common Market for Eastern and Southern Africa (COMESA), a successor to the Preferential Trade Area (PTA), established a Free Trade Area in October 2000. Nine out of the current 20 members of COMESA - Djibouti, Egypt, Kenya, Madagascar, Malawi, Mauritius, Sudan, Zambia and Zimbabwe – joined the FTA at its inception. In addition, most of the other 11 COMESA countries preserved or improved the level of preferential access into their markets for other COMESA countries; import tariffs are in some cases 80 percent or more below the tariffs levied against non-members.[5]

COMESA has sought to advance regional integration by focusing its attention on trade issues, including tariffs, nontariff barriers, and trade facilitation and, latterly, on services, including transport and banking, and the encouragement of infrastructure improvements in the region. A COMESA customs union was originally scheduled to be launched in November 2004, but now seems likely to be delayed pending resolution of concerns expressed by some countries on the trade and financial implications of the proposed structure of external tariffs. As in the case of SADC, while most countries, other than Zimbabwe and the Seychelles, have liberalized trade substantially in recent years, there are still some substantial protective barriers against third parties, involving both high tariffs and significant non-tariff barriers.

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[4] Botswana, Lesotho, Namibia, South Africa and Swaziland.

[5] Burundi, Comoros, Eritrea, Ethiopia, Rwanda, and Uganda provide preferential tariff reductions; Angola, DRC, Seychelles, Namibia and Swaziland do not.

EAC

The **East African Community (EAC)** was re-established by treaty in 2000 and a Protocol signed in 2004 aims at forming a Customs Union beginning in January 2005. Two members of the EAC (Kenya and Uganda) also belong to COMESA and the third member (Tanzania) belongs to SADC.

B. Macroeconomic Convergence in COMESA and SADC

COMESA

To give substance to the objective of eventually establishing a monetary union within COMESA, a phased Monetary Harmonization Program (MHP) was adopted in 1992. This envisaged the pursuit of currency convertibility and macroeconomic convergence in a three-stage, time-bound schedule with a view to eventual monetary union. Macroeconomic convergence was to be achieved by 1996 and currencies would be fully convertible by 2000, after which an exchange rate mechanism would be established, leading to fixed exchange rates and ultimately a common currency by 2025.

This timetable has not been achieved. Although restrictions on member states' current accounts have generally been removed and capital account restrictions reduced, little progress has been made in other areas. The most visible result to date has been an annual report on macroeconomic convergence in COMESA, which is presented to central bank governors and ministers and which records the performance of each member country relative to a set of qualitative and quantitative convergence indicators. The quantitative indicators relate to the budget deficit as a percentage of GDP (less than 10 percent), broad money growth (10 percent), central bank financing as a proportion of previous year's tax revenue (less than 10 percent), positive real lending and deposit rates, debt service as a proportion of export earnings, and inflation (less than 10 percent).

SADC

SADC finance ministers agreed in 2002 on procedures that will ultimately be adopted for bringing about macroeconomic convergence in SADC countries, codified in a 'Memorandum of Understanding (MoU) on Macroeconomic Stability and Convergence'. The MoU emphasizes the fundamental role that needs to be played by macroeconomic stability in bringing about successful integration and that convergence on stability-oriented economic policies should be the prime aim of national economic policy within SADC. To help achieve this, the MoU calls for national convergence programs, containing rolling, country-specific targets for a set of indicators and for a regional surveillance procedure that will assess, annually, progress towards each country's targets.

The focus of the regional surveillance over macroeconomic policies is to maintain a low rate of inflation; other indicators are the ratio of the budget deficit to GDP, the ratio of public debt to

GDP, and the balance and structure of the current account. A Committee of Central Bank Governors has specified reference values for the first two of these indicators as well as two financial variables (central bank credit to government and external reserves) for two sub-periods 2004-08 and 2009-12 in relation to preparations for a possible monetary union in 2013-2015. For the first sub-period (2004-08), inflation should be under 10 percent, the budget deficit under 5 percent of GDP, central bank credit to the government less than 10 percent of previous year's tax revenue, and external reserves should cover at least 3 months of merchandise imports. Convergence is defined in the MoU in terms of policies to achieve and maintain macroeconomic stability rather than as a set of uniform macroeconomic outcomes. It is envisaged in the MoU that convergence indicators would be specified as 'common guidelines' rather than single targets across the region, so that they could be quantified in country-specific form, at least during the initial stages of the convergence process. The MoU does not, however, preclude the adoption of uniform targets at some subsequent stage, perhaps in the context of progress towards currency union.

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[1] Estimates and projections used in this report are based on data provided by country desks as of September 15, 2004. The database contains data for 42 Sub-Saharan African countries of the African Department; Eritrea and Liberia are excluded from group composites due to data limitations. The data are consistent with those underlying the World Economic Outlook (WEO), September 2004.

[2] Country group composites are calculated as the arithmetic average of data for individual countries, weighted by GDP valued at purchasing power parity (PPP) as a share of the total group GDP. The source of PPP weights is the WEO database.

[3] Country group composites are calculated as the arithmetic average of data for individual countries, weighted by GDP in U.S. dollars at market exchange rates as a share of total group GDP.

[4] Country group composites are calculated as the geometric average of data for individual countries, weighted by GDP valued at purchasing power parity (PPP) as a share of the total group GDP. The source of PPP weights is the WEO database.

[5] Country group composites are calculated as the geometric average of data for individual countries, weighted by GDP in U.S. dollars at market exchange rates as a share of total group GDP.

Table 1. Real GDP Growth, 1997-2005
(In percent)

	1997-2001	2002	2003	2004	2005
SADC	**2.2**	**3.7**	**2.3**	**3.4**	**4.4**
Angola	4.8	14.4	3.4	11.2	15.5
Congo, Dem. Rep. of	-4.1	3.5	5.6	6.3	7.0
Malawi	1.6	1.0	4.4	3.6	4.0
Mauritius	5.5	4.3	2.7	4.4	4.8
Mozambique	9.2	7.4	7.1	8.4	6.8
Seychelles	3.9	0.3	-5.1	-2.0	1.0
Tanzania	4.4	7.2	7.1	6.3	6.5
Zambia	2.4	3.3	5.1	3.5	4.5
Zimbabwe	-2.5	-11.1	-9.3	-5.2	1.8
SACU	**2.5**	**3.5**	**2.0**	**2.7**	**3.3**
Botswana	6.2	3.9	5.4	4.5	3.7
Lesotho	1.4	3.7	3.2	3.0	3.4
Namibia	3.4	2.5	3.7	3.5	3.6
South Africa	2.3	3.6	1.9	2.6	3.3
Swaziland	2.9	3.6	2.2	1.5	1.3
COMESA	**2.2**	**2.5**	**1.5**	**5.7**	**6.3**
Angola	4.8	14.4	3.4	11.2	15.5
Burundi	1.0	4.5	-0.5	5.4	5.7
Comoros	2.4	2.3	2.1	1.8	3.5
Congo, Dem. Rep. of	-4.1	3.5	5.6	6.3	7.0
Ethiopia	4.5	1.6	-3.9	11.6	5.7
Kenya	1.2	1.0	1.6	2.3	3.6
Madagascar	4.6	-12.7	9.8	5.3	7.0
Malawi	1.6	1.0	4.4	3.6	4.0
Mauritius	5.5	4.3	2.7	4.4	4.8
Namibia	3.4	2.5	3.7	3.5	3.6
Rwanda	8.6	9.4	0.9	6.0	6.0
Seychelles	3.9	0.3	-5.1	-2.0	1.0
Swaziland	2.9	3.6	2.2	1.5	1.3
Uganda	5.5	6.8	4.7	5.7	6.0
Zambia	2.4	3.3	5.1	3.5	4.5
Zimbabwe	-2.5	-11.1	-9.3	-5.2	1.8
EAC	**3.5**	**4.8**	**4.1**	**4.6**	**5.3**
Kenya	1.2	1.0	1.6	2.3	3.6
Tanzania	4.4	7.2	7.1	6.3	6.5
Uganda	5.5	6.8	4.7	5.7	6.0
ECOWAS	**3.3**	**2.5**	**6.9**	**4.1**	**5.3**
Cape Verde	8.0	4.9	5.3	5.5	6.0
WAEMU	**3.5**	**1.9**	**3.5**	**3.7**	**4.8**
Benin	5.1	6.0	4.8	3.0	5.0
Burkina Faso	5.5	4.6	8.0	4.8	5.3
Côte d'Ivoire	2.0	-1.6	-2.8	1.7	4.3
Guinea-Bissau	-1.1	-7.2	0.6	1.0	3.4
Mali	5.1	4.3	6.0	4.5	5.6
Niger	3.7	3.0	5.3	4.1	4.1
Senegal	4.3	1.1	6.5	6.0	5.8
Togo	0.5	4.2	2.7	3.0	2.8
WAMZ	**3.2**	**2.8**	**8.5**	**4.2**	**5.5**
Gambia, The	5.8	-3.2	6.7	7.1	5.0
Ghana	4.2	4.5	5.2	5.2	5.0
Guinea	4.0	4.2	1.2	2.6	3.8
Nigeria	2.7	1.5	10.7	4.0	5.9
Sierra Leone	-0.9	26.8	9.4	7.2	7.0
CEMAC	**7.7**	**7.9**	**6.2**	**10.5**	**17.5**
Cameroon	4.8	6.5	4.5	4.8	5.1
Central African Republic	3.4	-0.6	-7.5	2.3	4.4
Chad	4.2	10.5	9.7	30.8	12.0
Congo, Rep. of	2.4	5.4	0.8	4.0	9.2
Equatorial Guinea	37.4	18.0	14.7	13.6	48.1
Gabon	0.1	0.0	2.8	1.5	0.7
São Tomé & Príncipe	2.6	4.1	4.5	6.5	6.5
Sub-Saharan Africa	**3.0**	**3.4**	**3.5**	**4.5**	**5.7**
Excluding Nigeria and South Africa	**3.6**	**3.8**	**3.3**	**6.0**	**7.4**

Table 2. Real Per Capita GDP, 1997-2005
(In U.S. dollars, at 1990 prices, using 1990 exchange rates)

	1997-2001	2002	2003	2004	2005
SADC	**968.3**	**984.7**	**984.0**	**995.5**	**1017.5**
Angola	836.0	939.2	943.9	1020.0	1144.4
Congo, Dem. Rep. of	111.8	96.8	99.3	102.5	106.4
Malawi	231.2	218.0	223.1	226.5	231.0
Mauritius	3379.3	3809.2	3880.3	4008.2	4168.1
Mozambique	261.4	305.6	319.3	337.7	352.2
Seychelles	6955.2	7000.9	6565.1	6357.5	6344.9
Tanzania	187.5	206.9	217.2	225.9	235.5
Zambia	353.9	367.3	377.0	381.1	388.9
Zimbabwe	837.3	687.8	625.3	594.6	605.5
SACU	**2871.5**	**2963.6**	**2963.3**	**2989.3**	**3032.9**
Botswana	3794.1	4313.4	4539.6	4751.3	4946.8
Lesotho	411.2	415.3	420.6	425.1	431.5
Namibia	2284.8	2274.1	2290.3	2301.9	2315.3
South Africa	3027.4	3116.3	3107.3	3130.2	3174.1
Swaziland	1207.1	1244.2	1258.7	1266.4	1272.9
COMESA	**323.3**	**320.3**	**316.2**	**325.6**	**338.5**
Angola	836.0	939.2	943.9	1020.0	1144.4
Burundi	150.1	151.5	147.7	152.6	158.2
Comoros	524.6	517.1	513.9	509.4	513.4
Congo, Dem. Rep. of	111.8	96.8	99.3	102.5	106.4
Ethiopia	179.0	186.3	174.1	189.0	194.3
Kenya	344.8	332.8	332.0	333.8	340.5
Madagascar	234.0	206.7	220.5	225.0	233.8
Malawi	231.2	218.0	223.1	226.5	231.0
Mauritius	3379.3	3809.2	3880.3	4008.2	4168.1
Namibia	2284.8	2274.1	2290.3	2301.9	2315.3
Rwanda	300.4	343.4	336.6	347.3	358.1
Seychelles	6955.2	7000.9	6565.1	6357.5	6344.9
Swaziland	1207.1	1244.2	1258.7	1266.4	1272.9
Uganda	361.4	389.0	393.9	402.5	412.5
Zambia	353.9	367.3	377.0	381.1	388.9
Zimbabwe	837.3	687.8	625.3	594.6	605.5
EAC	**287.8**	**298.9**	**304.3**	**310.8**	**319.8**
Kenya	344.8	332.8	332.0	333.8	340.5
Tanzania	187.5	206.9	217.2	225.9	235.5
Uganda	361.4	389.0	393.9	402.5	412.5
ECOWAS	**404.9**	**406.0**	**420.5**	**425.5**	**436.2**
Cape Verde	1261.9	1432.7	1481.6	1535.3	1598.0
WAEMU	**552.2**	**547.0**	**547.1**	**551.7**	**562.6**
Benin	457.1	492.3	488.2	489.2	499.8
Burkina Faso	466.3	496.6	523.2	534.9	549.3
Côte d'Ivoire	860.2	783.3	737.2	725.5	732.8
Guinea-Bissau	244.0	210.2	206.3	203.3	205.1
Mali	364.4	391.9	406.0	414.7	428.1
Niger	284.6	284.8	291.0	293.8	296.7
Senegal	823.9	846.1	876.9	904.0	930.1
Togo	394.7	374.2	372.6	372.3	371.1
WAMZ	**339.5**	**343.6**	**364.2**	**369.4**	**379.8**
Gambia, The	325.5	322.3	335.3	349.9	358.3
Ghana	551.4	579.5	594.7	610.0	624.6
Guinea	478.5	491.7	483.8	482.2	486.3
Nigeria	306.3	305.1	328.8	332.8	343.2
Sierra Leone	91.6	121.2	129.2	135.0	140.8
CEMAC	**887.6**	**914.0**	**925.7**	**961.8**	**1007.5**
Cameroon	823.8	873.5	888.0	905.3	925.5
Central African Republic	434.6	423.3	384.0	385.2	394.4
Chad	305.3	336.6	360.3	459.6	502.3
Congo, Rep. of	1104.8	1146.9	1123.0	1135.1	1204.2
Equatorial Guinea	735.3	1277.9	1437.5	1601.6	2324.7
Gabon	6265.6	5655.8	5672.1	5617.2	5516.1
São Tomé & Príncipe	465.9	480.3	489.7	508.8	528.7
Sub-Saharan Africa	**578.3**	**585.0**	**589.3**	**598.6**	**613.3**
Excluding Nigeria and South Africa	**412.1**	**418.2**	**419.4**	**430.7**	**445.6**

Table 3. Growth in Real Per Capita GDP, 1997-2005
(In percent)

	1997-2001	2002	2003	2004	2005
SADC	**0.2**	**1.4**	**-0.1**	**1.2**	**2.2**
Angola	1.9	11.1	0.5	8.1	12.2
Congo, Dem. Rep. of	-6.7	0.5	2.5	3.2	3.9
Malawi	-0.6	-1.1	2.3	1.5	2.0
Mauritius	4.6	3.1	1.9	3.3	4.0
Mozambique	7.0	4.9	4.5	5.8	4.3
Seychelles	2.6	0.8	-6.2	-3.2	-0.2
Tanzania	1.9	5.1	5.0	4.0	4.3
Zambia	0.2	0.8	2.6	1.1	2.1
Zimbabwe	-2.1	-10.9	-9.1	-4.9	1.8
SACU	**0.5**	**1.5**	**0.0**	**0.9**	**1.5**
Botswana	4.8	3.4	5.2	4.7	4.1
Lesotho	-0.6	1.7	1.3	1.1	1.5
Namibia	0.3	-0.5	0.7	0.5	0.6
South Africa	0.3	1.5	-0.3	0.7	1.4
Swaziland	0.5	2.4	1.2	0.6	0.5
COMESA	**-0.2**	**-0.1**	**-1.3**	**3.0**	**4.0**
Angola	1.9	11.1	0.5	8.1	12.2
Burundi	-0.5	2.4	-2.5	3.3	3.6
Comoros	-0.3	-0.3	-0.6	-0.9	0.8
Congo, Dem. Rep. of	-6.7	0.5	2.5	3.2	3.9
Ethiopia	1.5	-1.1	-6.5	8.5	2.8
Kenya	-1.0	-0.8	-0.2	0.6	2.0
Madagascar	1.5	-15.2	6.7	2.1	3.9
Malawi	-0.6	-1.1	2.3	1.5	2.0
Mauritius	4.6	3.1	1.9	3.3	4.0
Namibia	0.3	-0.5	0.7	0.5	0.6
Rwanda	1.7	6.2	-2.0	3.2	3.1
Seychelles	2.6	0.8	-6.2	-3.2	-0.2
Swaziland	0.5	2.4	1.2	0.6	0.5
Uganda	2.0	3.3	1.2	2.2	2.5
Zambia	0.2	0.8	2.6	1.1	2.1
Zimbabwe	-2.1	-10.9	-9.1	-4.9	1.8
EAC	**0.7**	**2.2**	**1.8**	**2.2**	**2.9**
Kenya	-1.0	-0.8	-0.2	0.6	2.0
Tanzania	1.9	5.1	5.0	4.0	4.3
Uganda	2.0	3.3	1.2	2.2	2.5
ECOWAS	**0.5**	**-0.6**	**3.6**	**1.2**	**2.5**
Cape Verde	5.7	3.1	3.4	3.6	4.1
WAEMU	**0.7**	**-1.2**	**0.0**	**0.8**	**2.0**
Benin	2.2	3.1	-0.8	0.2	2.2
Burkina Faso	2.9	2.0	5.4	2.2	2.7
Côte d'Ivoire	-0.8	-4.7	-5.9	-1.6	1.0
Guinea-Bissau	-3.0	-10.7	-1.8	-1.5	0.9
Mali	2.6	1.9	3.6	2.1	3.2
Niger	0.4	-0.1	2.2	1.0	1.0
Senegal	1.9	-1.2	3.6	3.1	2.9
Togo	-2.5	1.0	-0.4	-0.1	-0.3
WAMZ	**0.3**	**-0.2**	**6.0**	**1.4**	**2.8**
Gambia, The	2.2	-5.7	4.0	4.4	2.4
Ghana	1.6	1.9	2.6	2.6	2.4
Guinea	1.5	1.3	-1.6	-0.3	0.8
Nigeria	-0.1	-1.2	7.7	1.2	3.1
Sierra Leone	-3.4	23.6	6.6	4.5	4.3
CEMAC	**0.8**	**1.8**	**1.3**	**3.9**	**4.8**
Cameroon	1.9	2.2	1.7	1.9	2.2
Central African Republic	1.4	-2.5	-9.3	0.3	2.4
Chad	1.0	7.8	7.0	27.6	9.3
Congo, Rep. of	-0.5	2.4	-2.1	1.1	6.1
Equatorial Guinea	34.7	15.7	12.5	11.4	45.1
Gabon	-2.4	-2.4	0.3	-1.0	-1.8
São Tomé & Príncipe	0.2	1.6	2.0	3.9	3.9
Sub-Saharan Africa	**0.2**	**0.6**	**0.7**	**1.6**	**2.5**
Excluding Nigeria and South Africa	**0.7**	**0.7**	**0.3**	**2.7**	**3.5**

Table 4. Consumer Prices, 1997-2005
(In annual average percent change)

	1997-2001	2002	2003	2004	2005
SADC	**20.8**	**17.2**	**16.3**	**11.7**	**13.0**
Angola	211.0	108.9	98.3	56.1	16.5
Congo, Dem. Rep. of	284.1	25.3	12.8	5.0	5.0
Malawi	28.1	14.9	9.6	19.9	20.0
Mauritius	6.2	6.4	5.0	3.9	4.0
Mozambique	6.3	16.8	13.5	12.9	7.8
Seychelles	4.4	0.2	7.0	5.0	4.0
Tanzania	9.8	4.6	4.5	4.3	4.0
Zambia	24.7	22.2	21.5	18.5	17.4
Zimbabwe	48.3	140.0	431.7	350.0	450.0
SACU	**6.5**	**9.2**	**5.8**	**2.8**	**5.7**
Botswana	7.8	5.5	4.7	4.5	4.5
Lesotho	7.6	11.2	7.6	6.0	5.5
Namibia	8.4	11.3	7.2	5.2	6.4
South Africa	6.4	9.2	5.8	2.6	5.7
Swaziland	7.7	11.9	7.3	4.9	7.7
COMESA	**41.3**	**23.7**	**34.0**	**26.7**	**22.5**
Angola	211.0	108.9	98.3	56.1	16.5
Burundi	16.1	-1.3	10.7	9.1	7.6
Comoros	4.6	3.3	4.5	3.5	3.5
Congo, Dem. Rep. of	284.1	25.3	12.8	5.0	5.0
Ethiopia	0.6	-7.2	15.1	9.6	5.4
Kenya	8.0	2.0	9.8	8.1	4.0
Madagascar	7.3	16.2	-1.1	10.5	5.0
Malawi	28.1	14.9	9.6	19.9	20.0
Mauritius	6.2	6.4	5.0	3.9	4.0
Namibia	8.4	11.3	7.2	5.2	6.4
Rwanda	4.7	2.0	7.4	6.9	4.0
Seychelles	4.4	0.2	7.0	5.0	4.0
Swaziland	7.7	11.9	7.3	4.9	7.7
Uganda	2.9	5.7	5.1	3.5	3.5
Zambia	24.7	22.2	21.5	18.5	17.4
Zimbabwe	48.3	140.0	431.7	350.0	450.0
EAC	**6.5**	**4.0**	**6.6**	**5.3**	**3.8**
Kenya	8.0	2.0	9.8	8.1	4.0
Tanzania	9.8	4.6	4.5	4.3	4.0
Uganda	2.9	5.7	5.1	3.5	3.5
ECOWAS	**8.9**	**9.3**	**11.4**	**10.1**	**7.5**
Cape Verde	3.6	1.8	1.2	1.0	2.0
WAEMU	**2.6**	**3.0**	**1.0**	**1.6**	**2.3**
Benin	3.6	2.4	1.5	2.6	3.0
Burkina Faso	2.2	2.3	2.0	1.9	2.0
Côte d'Ivoire	3.3	3.1	3.3	1.5	2.0
Guinea-Bissau	13.4	3.3	3.0	3.0	3.0
Mali	1.3	5.0	-1.3	2.6	3.0
Niger	2.4	2.7	-1.6	0.4	2.0
Senegal	1.5	2.3	0.0	0.8	2.2
Togo	2.4	3.1	-0.9	2.5	2.5
WAMZ	**12.1**	**12.5**	**16.7**	**14.4**	**10.1**
Gambia, The	2.7	8.6	17.0	14.5	6.2
Ghana	22.6	14.8	26.7	10.8	6.0
Guinea	4.7	3.0	12.9	16.6	13.8
Nigeria	10.0	13.7	14.4	15.8	11.4
Sierra Leone	17.3	-3.7	8.2	12.4	4.7
CEMAC	**2.7**	**5.4**	**2.1**	**1.4**	**3.2**
Cameroon	2.3	6.3	0.6	0.8	1.9
Central African Republic	1.1	2.3	4.2	0.8	2.5
Chad	3.5	5.2	-1.8	-5.0	3.0
Congo, Rep. of	3.8	3.1	1.2	2.0	2.0
Equatorial Guinea	5.3	8.8	7.6	8.0	6.0
Gabon	1.6	0.2	2.1	2.0	2.0
São Tomé & Príncipe	29.0	10.1	9.8	13.3	14.5
Sub-Saharan Africa	**14.7**	**12.4**	**13.3**	**10.1**	**9.9**
Excluding Nigeria and South Africa	**23.2**	**14.7**	**19.5**	**15.1**	**12.8**

Table 5. Total Investment, 1997-2005
(In percent of GDP)

	1997-2001	2002	2003	2004	2005
SADC	**17.3**	**15.0**	**16.9**	**16.8**	**17.4**
Angola	23.2	13.3	12.8	11.5	12.1
Congo, Dem. Rep. of	15.8	9.0	12.2	18.6	24.7
Malawi	10.2	9.8	9.9	11.0	11.5
Mauritius	26.3	21.8	23.9	23.5	25.2
Mozambique	31.6	30.3	28.4	24.5	28.0
Seychelles	32.1	28.3	19.0	18.3	20.4
Tanzania	16.2	19.1	18.6	19.2	19.7
Zambia	17.4	23.0	26.0	23.3	21.4
Zimbabwe	13.6	2.1	1.9	3.1	3.1
SACU	**16.7**	**16.5**	**17.4**	**17.1**	**17.3**
Botswana	29.0	24.1	25.0	26.1	27.1
Lesotho	45.7	37.6	34.1	31.4	28.6
Namibia	22.4	17.2	22.7	22.8	24.6
South Africa	15.8	15.9	16.8	16.4	16.5
Swaziland	21.2	18.0	19.4	19.1	18.6
COMESA	**18.1**	**12.3**	**15.7**	**16.7**	**18.2**
Angola	23.2	13.3	12.8	11.5	12.1
Burundi	8.4	8.6	16.2	12.6	10.2
Comoros	12.5	12.8	12.2	11.9	11.8
Congo, Dem. Rep. of	15.8	9.0	12.2	18.6	24.7
Ethiopia	16.9	20.4	20.5	20.6	20.3
Kenya	16.4	13.6	14.6	16.5	18.9
Madagascar	20.5	16.0	20.5	20.3	21.6
Malawi	10.2	9.8	9.9	11.0	11.5
Mauritius	26.3	21.8	23.9	23.5	25.2
Namibia	22.4	17.2	22.7	22.8	24.6
Rwanda	16.4	16.9	18.4	21.2	22.3
Seychelles	32.1	28.3	19.0	18.3	20.4
Swaziland	21.2	18.0	19.4	19.1	18.6
Uganda	17.0	17.1	18.6	19.9	21.0
Zambia	17.4	23.0	26.0	23.3	21.4
Zimbabwe	13.6	2.1	1.9	3.1	3.1
EAC	**16.5**	**16.3**	**16.8**	**18.1**	**19.6**
Kenya	16.4	13.6	14.6	16.5	18.9
Tanzania	16.2	19.1	18.6	19.2	19.7
Uganda	17.0	17.1	18.6	19.9	21.0
ECOWAS	**20.1**	**20.9**	**19.9**	**19.2**	**20.4**
Cape Verde	20.8	21.5	18.2	18.3	18.4
WAEMU	**15.8**	**14.3**	**15.7**	**15.9**	**17.1**
Benin	18.2	17.8	18.2	17.6	18.5
Burkina Faso	20.2	18.0	18.3	20.0	20.3
Côte d'Ivoire	12.5	10.4	10.2	9.6	12.0
Guinea-Bissau	15.1	8.9	11.1	15.3	17.9
Mali	21.9	18.6	23.4	21.4	21.3
Niger	11.4	14.2	14.2	16.1	15.9
Senegal	18.5	16.7	20.7	22.2	23.2
Togo	14.3	13.2	14.5	13.3	13.0
WAMZ	**22.5**	**24.3**	**22.0**	**20.9**	**22.2**
Gambia, The	19.0	21.6	20.0	22.2	24.9
Ghana	24.0	19.7	23.2	23.1	23.8
Guinea	20.8	13.1	9.9	10.6	11.6
Nigeria	22.9	26.1	22.8	21.3	22.6
Sierra Leone	3.4	9.5	17.0	17.4	18.5
CEMAC	**23.3**	**24.7**	**23.1**	**20.0**	**18.2**
Cameroon	17.3	18.3	17.0	17.6	18.0
Central African Republic	9.6	9.0	6.0	6.7	8.7
Chad	23.5	62.5	55.7	27.4	20.1
Congo, Rep. of	24.8	23.3	22.9	22.9	22.7
Equatorial Guinea	73.1	28.8	25.5	13.7	9.0
Gabon	28.4	24.4	23.9	25.4	25.5
São Tomé & Príncipe	39.3	32.8	30.4	45.5	58.5
Sub-Saharan Africa	**18.4**	**17.4**	**18.2**	**17.9**	**18.5**
Excluding Nigeria and South Africa	**19.4**	**15.9**	**18.1**	**18.1**	**18.9**

Table 6. Domestic Saving, 1997-2005
(In percent of GDP)

	1997-2001	2002	2003	2004	2005
SADC	**14.6**	**15.3**	**15.5**	**15.0**	**15.3**
Angola	7.9	11.9	7.9	20.8	26.6
Congo, Dem. Rep. of	11.0	6.2	12.9	15.7	18.8
Malawi	3.7	-1.6	1.8	1.0	2.9
Mauritius	25.9	27.2	26.5	26.1	27.7
Mozambique	13.5	9.1	13.7	15.1	14.7
Seychelles	16.1	6.8	14.6	16.2	18.2
Tanzania	7.2	15.1	16.1	13.8	13.4
Zambia	1.8	5.7	11.9	11.8	9.8
Zimbabwe	6.8	-0.5	-2.6	-4.0	-7.8
SACU	**16.2**	**17.3**	**17.0**	**15.5**	**15.4**
Botswana	40.9	41.6	41.0	36.9	36.1
Lesotho	23.7	20.6	23.0	25.1	22.1
Namibia	26.8	20.9	26.7	28.3	28.2
South Africa	15.1	16.5	15.9	14.3	14.4
Swaziland	17.4	14.1	15.3	13.2	12.4
COMESA	**11.9**	**11.0**	**12.4**	**15.1**	**14.8**
Angola	7.9	11.9	7.9	20.8	26.6
Burundi	0.3	2.5	9.1	-2.6	-7.5
Comoros	8.1	10.3	7.5	8.8	11.2
Congo, Dem. Rep. of	11.0	6.2	12.9	15.7	18.8
Ethiopia	12.7	14.7	15.8	16.6	11.6
Kenya	12.8	13.5	12.1	8.8	10.6
Madagascar	15.4	10.0	15.5	19.7	23.3
Malawi	3.7	-1.6	1.8	1.0	2.9
Mauritius	25.9	27.2	26.5	26.1	27.7
Namibia	26.8	20.9	26.7	28.3	28.2
Rwanda	8.8	10.2	10.0	23.3	18.0
Seychelles	16.1	6.8	14.6	16.2	18.2
Swaziland	17.4	14.1	15.3	13.2	12.4
Uganda	11.9	11.1	12.7	18.7	15.7
Zambia	1.8	5.7	11.9	11.8	9.8
Zimbabwe	6.8	-0.5	-2.6	-4.0	-7.8
EAC	**11.2**	**13.0**	**13.3**	**13.9**	**13.3**
Kenya	12.8	13.5	12.1	8.8	10.6
Tanzania	7.2	15.1	16.1	13.8	13.4
Uganda	11.9	11.1	12.7	18.7	15.7
ECOWAS	**16.7**	**14.1**	**17.3**	**18.5**	**19.2**
Cape Verde	10.5	9.6	9.3	9.5	9.8
WAEMU	**10.1**	**11.5**	**12.6**	**11.1**	**12.8**
Benin	11.1	8.9	9.7	9.2	9.4
Burkina Faso	10.1	8.9	11.5	11.8	12.6
Côte d'Ivoire	10.7	16.6	13.8	9.5	13.4
Guinea-Bissau	2.2	-1.8	7.7	13.1	13.1
Mali	13.7	15.6	19.4	16.5	14.1
Niger	5.1	7.6	8.0	8.2	9.5
Senegal	13.5	10.8	14.3	14.8	16.6
Togo	2.6	2.4	6.2	5.0	7.7
WAMZ	**19.9**	**15.4**	**19.6**	**22.0**	**22.2**
Gambia, The	16.5	16.1	14.8	16.1	18.0
Ghana	15.1	20.2	24.9	23.5	23.3
Guinea	14.2	8.9	6.6	7.8	8.8
Nigeria	23.0	15.0	20.0	24.2	24.3
Sierra Leone	-2.9	1.1	7.3	5.9	10.6
CEMAC	**17.4**	**15.7**	**13.3**	**17.0**	**17.6**
Cameroon	14.2	11.3	14.5	15.4	15.7
Central African Republic	6.4	6.1	0.9	3.8	6.4
Chad	5.7	10.7	15.4	8.9	9.6
Congo, Rep. of	15.6	23.0	22.8	24.2	24.3
Equatorial Guinea	28.7	21.4	0.0	18.6	20.1
Gabon	35.5	29.6	33.5	37.0	36.4
São Tomé & Príncipe	19.6	10.6	12.3	0.0	-4.3
Sub-Saharan Africa	**15.0**	**14.7**	**15.6**	**16.0**	**16.2**
Excluding Nigeria and South Africa	**13.1**	**13.2**	**14.3**	**15.7**	**15.8**

Table 7. Overall Fiscal Balance, Including Grants, 1997-2005
(In percent of GDP)

	1997-2001	2002	2003	2004	2005
SADC	**-3.2**	**-2.5**	**-2.5**	**-3.3**	**-2.9**
Angola	-14.1	-9.3	-6.4	-5.4	0.9
Congo, Dem. Rep. of	-5.0	-2.7	-4.7	-4.7	-5.2
Malawi	-5.8	-8.3	-5.3	-12.7	-6.4
Mauritius	-4.8	-6.0	-6.0	-5.5	-4.7
Mozambique	-3.8	-8.2	-4.5	-3.8	-3.5
Seychelles	-10.4	-18.7	2.0	7.9	9.8
Tanzania	-1.0	-1.0	-1.4	-2.8	-5.0
Zambia	-4.4	-5.1	-6.0	-3.2	-3.2
Zimbabwe	-9.4	-3.9	-0.2	-9.7	-10.8
SACU	**-2.2**	**-1.1**	**-2.0**	**-2.7**	**-2.9**
Botswana	4.9	2.9	1.6	1.8	1.2
Lesotho	-3.8	-4.2	0.7	2.4	-1.5
Namibia	-3.1	-3.0	-3.6	-2.1	-2.0
South Africa	-2.4	-1.2	-2.1	-3.0	-3.1
Swaziland	-0.5	-4.3	-6.3	-6.6	-6.8
COMESA	**-5.4**	**-5.2**	**-4.3**	**-4.4**	**-3.0**
Angola	-14.1	-9.3	-6.4	-5.4	0.9
Burundi	-4.8	-1.4	-6.3	18.3	8.1
Comoros	-2.3	-5.2	-4.1	-0.3	0.2
Congo, Dem. Rep. of	-5.0	-2.7	-4.7	-4.7	-5.2
Ethiopia	-6.8	-9.3	-8.4	-4.8	-6.7
Kenya	-1.1	-3.4	-2.3	-3.9	-3.9
Madagascar	-3.6	-5.5	-4.2	-3.3	-3.9
Malawi	-5.8	-8.3	-5.3	-12.7	-6.4
Mauritius	-4.8	-6.0	-6.0	-5.5	-4.7
Namibia	-3.1	-3.0	-3.6	-2.1	-2.0
Rwanda	-2.0	-1.9	-2.5	-2.2	-0.6
Seychelles	-10.4	-18.7	2.0	7.9	9.8
Swaziland	-0.5	-4.3	-6.3	-6.6	-6.8
Uganda	-2.9	-4.6	-3.9	-1.6	-3.8
Zambia	-4.4	-5.1	-6.0	-3.2	-3.2
Zimbabwe	-9.4	-3.9	-0.2	-9.7	-10.8
EAC	**-1.5**	**-2.9**	**-2.3**	**-3.0**	**-4.2**
Kenya	-1.1	-3.4	-2.3	-3.9	-3.9
Tanzania	-1.0	-1.0	-1.4	-2.8	-5.0
Uganda	-2.9	-4.6	-3.9	-1.6	-3.8
ECOWAS	**-2.6**	**-4.1**	**-1.7**	**2.7**	**3.9**
Cape Verde	-10.6	-2.6	-3.3	-4.6	-3.8
WAEMU	**-1.9**	**-2.0**	**-2.2**	**-2.2**	**-1.4**
Benin	0.2	-2.4	-2.6	-2.1	-2.9
Burkina Faso	-3.2	-4.8	-2.9	-4.6	-1.4
Côte d'Ivoire	-1.5	-1.5	-2.5	-0.3	0.4
Guinea-Bissau	-12.4	-12.0	-13.9	-14.7	-12.1
Mali	-2.9	-4.3	-1.6	-4.6	-5.3
Niger	-3.6	-2.8	-2.7	-4.5	-3.6
Senegal	-0.6	0.4	-1.4	-2.1	-0.9
Togo	-2.9	-0.4	1.3	0.0	0.3
WAMZ	**-3.2**	**-5.2**	**-1.4**	**5.2**	**6.7**
Gambia, The	-5.5	-4.6	-4.7	-3.6	-4.1
Ghana	-8.4	-5.0	-3.5	-1.2	0.3
Guinea	-2.8	-4.4	-5.1	-2.5	-2.3
Nigeria	-2.4	-5.2	-0.7	6.7	8.3
Sierra Leone	-9.0	-8.3	-7.6	-5.9	-5.4
CEMAC	**-0.9**	**1.0**	**4.2**	**6.1**	**10.2**
Cameroon	-0.4	1.6	2.0	1.9	2.1
Central African Republic	-0.9	-1.2	-3.1	-1.0	-0.5
Chad	-5.2	-5.4	-5.8	-2.7	-1.1
Congo, Rep. of	-6.9	-8.1	0.4	5.1	8.1
Equatorial Guinea	4.9	12.4	23.3	28.5	40.3
Gabon	0.7	3.5	7.4	8.2	9.8
São Tomé & Príncipe	-24.0	-11.4	-13.5	-17.2	-21.3
Sub-Saharan Africa	**-2.9**	**-2.9**	**-1.9**	**-0.9**	**0.0**
Excluding Nigeria and South Africa	**-3.5**	**-3.4**	**-2.1**	**-1.6**	**-0.2**

Table 8. Overall Fiscal Balance, Excluding Grants, 1997-2005
(In percent of GDP)

	1997-2001	2002	2003	2004	2005
SADC	**-3.9**	**-3.2**	**-3.3**	**-4.2**	**-4.0**
Angola	-16.8	-9.3	-7.2	-5.4	-0.4
Congo, Dem. Rep. of	-5.0	-3.1	-6.7	-10.6	-15.2
Malawi	-12.3	-14.3	-14.1	-22.8	-15.7
Mauritius	-5.0	-6.3	-6.3	-5.9	-5.1
Mozambique	-14.1	-19.9	-15.1	-13.1	-11.6
Seychelles	-10.9	-18.7	1.8	7.9	9.8
Tanzania	-4.5	-5.1	-7.2	-9.2	-11.5
Zambia	-10.7	-13.4	-12.9	-8.6	-9.8
Zimbabwe	-10.5	-3.9	-0.3	-9.7	-11.2
SACU	**-2.3**	**-1.2**	**-2.1**	**-2.8**	**-3.0**
Botswana	4.5	2.5	1.0	1.3	0.6
Lesotho	-6.4	-8.1	-1.4	0.1	-3.7
Namibia	-3.3	-3.1	-3.8	-2.3	-2.3
South Africa	-2.5	-1.2	-2.1	-3.0	-3.1
Swaziland	-1.3	-5.5	-8.1	-8.6	-8.7
COMESA	**-7.9**	**-7.0**	**-7.3**	**-8.1**	**-6.8**
Angola	-16.8	-9.3	-7.2	-5.4	-0.4
Burundi	-7.1	-5.7	-14.2	4.3	7.3
Comoros	-8.4	-9.6	-6.4	-3.8	-3.3
Congo, Dem. Rep. of	-5.0	-3.1	-6.7	-10.6	-15.2
Ethiopia	-10.3	-14.0	-16.4	-12.6	-12.5
Kenya	-2.2	-4.2	-4.3	-6.9	-6.9
Madagascar	-7.6	-7.7	-9.3	-11.2	-9.7
Malawi	-12.3	-14.3	-14.1	-22.8	-15.7
Mauritius	-5.0	-6.3	-6.3	-5.9	-5.1
Namibia	-3.3	-3.1	-3.8	-2.3	-2.3
Rwanda	-9.1	-9.1	-10.5	-14.8	-12.4
Seychelles	-10.9	-18.7	1.8	7.9	9.8
Swaziland	-1.3	-5.5	-8.1	-8.6	-8.7
Uganda	-8.1	-10.6	-10.1	-10.3	-10.0
Zambia	-10.7	-13.4	-12.9	-8.6	-9.8
Zimbabwe	-10.5	-3.9	-0.3	-9.7	-11.2
EAC	**-4.5**	**-6.0**	**-6.6**	**-8.4**	**-9.1**
Kenya	-2.2	-4.2	-4.3	-6.9	-6.9
Tanzania	-4.5	-5.1	-7.2	-9.2	-11.5
Uganda	-8.1	-10.6	-10.1	-10.3	-10.0
ECOWAS	**-4.0**	**-5.2**	**-3.0**	**1.5**	**2.7**
Cape Verde	-19.3	-11.1	-8.7	-10.3	-9.1
WAEMU	**-4.3**	**-4.1**	**-4.4**	**-4.3**	**-3.9**
Benin	-2.9	-3.5	-4.6	-5.5	-5.2
Burkina Faso	-10.0	-10.0	-8.3	-9.4	-8.9
Côte d'Ivoire	-2.0	-2.0	-2.9	-0.3	-0.1
Guinea-Bissau	-22.2	-18.1	-21.6	-28.7	-22.4
Mali	-7.6	-8.0	-6.0	-8.1	-8.1
Niger	-8.3	-7.7	-7.5	-8.3	-7.0
Senegal	-2.9	-1.6	-3.5	-4.2	-3.6
Togo	-3.8	-0.8	0.8	-0.7	-0.6
WAMZ	**-3.9**	**-5.9**	**-2.3**	**4.4**	**6.0**
Gambia, The	-7.3	-9.1	-7.2	-5.7	-6.7
Ghana	-11.3	-8.1	-8.2	-5.5	-3.2
Guinea	-5.6	-6.2	-7.9	-4.0	-4.0
Nigeria	-2.4	-5.2	-0.7	6.7	8.3
Sierra Leone	-13.4	-16.5	-20.4	-17.7	-13.7
CEMAC	**-1.6**	**0.6**	**3.8**	**5.9**	**9.9**
Cameroon	-0.6	1.3	1.4	1.7	1.8
Central African Republic	-7.0	-5.0	-4.6	-2.6	-2.6
Chad	-7.9	-6.2	-6.3	-2.7	-1.1
Congo, Rep. of	-7.2	-8.3	-0.1	4.9	7.7
Equatorial Guinea	4.5	12.4	23.3	28.5	40.3
Gabon	0.7	3.4	7.4	8.0	9.6
São Tomé & Príncipe	-49.6	-38.5	-38.1	-36.4	-40.8
Sub-Saharan Africa	**-4.0**	**-4.0**	**-3.2**	**-2.3**	**-1.4**
Excluding Nigeria and South Africa	**-6.0**	**-5.4**	**-4.9**	**-4.6**	**-3.2**

Table 9. Government Revenue, Excluding Grants, 1997-2005
(In percent of GDP)

	1997-2001	2002	2003	2004	2005
SADC	**24.1**	**24.6**	**25.0**	**25.1**	**25.3**
Angola	42.6	40.5	37.5	32.0	32.4
Congo, Dem. Rep. of	5.4	7.9	7.7	9.3	10.6
Malawi	17.2	18.1	22.3	19.4	21.5
Mauritius	19.5	18.2	20.4	20.4	19.3
Mozambique	12.3	14.2	14.3	14.6	15.0
Seychelles	44.7	39.9	49.9	50.1	49.6
Tanzania	11.2	11.0	11.4	12.2	12.9
Zambia	19.0	17.9	17.9	18.7	18.6
Zimbabwe	26.5	25.2	23.7	25.0	26.6
SACU	**25.0**	**25.7**	**25.9**	**26.2**	**26.2**
Botswana	42.9	48.4	52.2	53.7	53.2
Lesotho	42.8	39.2	40.3	45.0	42.1
Namibia	32.4	31.9	33.0	33.3	31.6
South Africa	23.9	24.3	24.4	24.5	24.7
Swaziland	28.5	25.7	26.0	26.4	26.2
COMESA	**21.9**	**22.2**	**22.1**	**22.3**	**22.7**
Angola	42.6	40.5	37.5	32.0	32.4
Burundi	17.2	20.3	21.1	35.9	35.4
Comoros	11.8	13.8	12.6	13.0	12.7
Congo, Dem. Rep. of	5.4	7.9	7.7	9.3	10.6
Ethiopia	18.2	20.0	19.5	18.6	18.4
Kenya	24.6	21.0	21.2	22.2	22.8
Madagascar	10.8	8.0	10.3	12.0	12.2
Malawi	17.2	18.1	22.3	19.4	21.5
Mauritius	19.5	18.2	20.4	20.4	19.3
Namibia	32.4	31.9	33.0	33.3	31.6
Rwanda	10.4	12.3	13.5	13.4	13.7
Seychelles	44.7	39.9	49.9	50.1	49.6
Swaziland	28.5	25.7	26.0	26.4	26.2
Uganda	10.1	10.6	10.8	11.5	11.8
Zambia	19.0	17.9	17.9	18.7	18.6
Zimbabwe	26.5	25.2	23.7	25.0	26.6
EAC	**16.5**	**15.2**	**15.7**	**16.6**	**17.1**
Kenya	24.6	21.0	21.2	22.2	22.8
Tanzania	11.2	11.0	11.4	12.2	12.9
Uganda	10.1	10.6	10.8	11.5	11.8
ECOWAS	**18.0**	**19.1**	**19.1**	**21.6**	**21.8**
Cape Verde	20.2	22.1	20.9	22.4	22.8
WAEMU	**15.5**	**16.0**	**16.5**	**16.5**	**16.7**
Benin	15.7	16.9	17.0	15.8	16.0
Burkina Faso	11.8	11.4	12.2	12.9	13.6
Côte d'Ivoire	17.5	17.5	18.3	17.8	18.0
Guinea-Bissau	14.8	15.3	15.6	14.5	14.2
Mali	13.2	15.2	15.7	16.4	16.5
Niger	8.9	10.6	9.9	10.3	10.9
Senegal	17.2	19.1	19.3	20.2	20.2
Togo	13.5	12.3	14.5	13.5	13.4
WAMZ	**19.1**	**20.6**	**20.4**	**24.2**	**24.4**
Gambia, The	17.8	16.3	15.7	20.1	19.7
Ghana	17.6	18.0	20.8	23.1	23.2
Guinea	11.1	12.0	10.5	10.8	11.4
Nigeria	19.8	21.8	21.2	25.2	25.5
Sierra Leone	8.9	12.1	11.8	12.4	13.2
CEMAC	**21.5**	**22.8**	**23.0**	**23.6**	**26.6**
Cameroon	17.1	19.2	18.2	18.3	18.3
Central African Republic	8.9	10.8	7.7	8.7	9.1
Chad	10.6	13.7	16.3	14.4	16.7
Congo, Rep. of	26.9	27.2	29.1	31.0	34.0
Equatorial Guinea	21.8	27.4	33.8	36.2	45.5
Gabon	32.7	31.5	29.8	30.9	32.1
São Tomé & Príncipe	19.5	23.3	25.8	26.3	27.7
Sub-Saharan Africa	**21.8**	**22.1**	**22.5**	**23.4**	**23.8**
Excluding Nigeria and South Africa	**20.0**	**20.8**	**21.3**	**21.9**	**22.6**

Table 10. Government Expenditure, 1997-2005
(In percent of GDP)

	1997-2001	2002	2003	2004	2005
SADC	**28.0**	**27.8**	**28.3**	**29.3**	**29.2**
Angola	59.4	49.8	44.7	37.4	32.7
Congo, Dem. Rep. of	10.5	11.0	14.4	19.9	25.8
Malawi	29.5	32.4	36.5	42.2	37.2
Mauritius	24.5	24.5	26.7	26.4	24.4
Mozambique	26.4	34.1	29.4	27.7	26.5
Seychelles	55.6	58.7	48.1	42.2	39.8
Tanzania	15.6	16.1	18.6	21.4	24.4
Zambia	29.6	31.3	30.9	27.3	28.4
Zimbabwe	36.9	29.2	24.0	34.7	37.9
SACU	**27.2**	**26.9**	**28.0**	**29.0**	**29.2**
Botswana	38.4	45.9	51.2	52.4	52.6
Lesotho	49.2	47.3	41.7	44.9	45.8
Namibia	35.7	35.0	36.8	35.5	33.9
South Africa	26.4	25.5	26.5	27.5	27.8
Swaziland	29.8	31.2	34.0	35.0	34.9
COMESA	**29.8**	**29.2**	**29.5**	**30.4**	**29.5**
Angola	59.4	49.8	44.7	37.4	32.7
Burundi	24.3	25.9	35.3	31.6	28.1
Comoros	20.2	23.4	19.0	16.8	15.9
Congo, Dem. Rep. of	10.5	11.0	14.4	19.9	25.8
Ethiopia	28.5	34.0	35.9	31.2	31.0
Kenya	26.8	25.2	25.6	29.1	29.7
Madagascar	18.3	15.7	19.6	23.2	21.9
Malawi	29.5	32.4	36.5	42.2	37.2
Mauritius	24.5	24.5	26.7	26.4	24.4
Namibia	35.7	35.0	36.8	35.5	33.9
Rwanda	19.6	21.3	24.1	28.2	26.1
Seychelles	55.6	58.7	48.1	42.2	39.8
Swaziland	29.8	31.2	34.0	35.0	34.9
Uganda	18.2	21.2	21.0	21.8	21.8
Zambia	29.6	31.3	30.9	27.3	28.4
Zimbabwe	36.9	29.2	24.0	34.7	37.9
EAC	**20.9**	**21.2**	**22.2**	**25.0**	**26.2**
Kenya	26.8	25.2	25.6	29.1	29.7
Tanzania	15.6	16.1	18.6	21.4	24.4
Uganda	18.2	21.2	21.0	21.8	21.8
ECOWAS	**22.0**	**24.3**	**22.1**	**20.1**	**19.2**
Cape Verde	39.5	33.1	29.6	32.7	31.9
WAEMU	**19.8**	**20.1**	**20.9**	**20.8**	**20.6**
Benin	18.6	20.4	21.6	21.3	21.2
Burkina Faso	21.8	21.3	20.5	22.3	22.4
Côte d'Ivoire	19.6	19.5	21.2	18.1	18.1
Guinea-Bissau	37.0	33.4	37.1	43.2	36.7
Mali	20.8	23.2	21.7	24.5	24.6
Niger	17.2	18.4	17.4	18.6	17.9
Senegal	20.1	20.7	22.8	24.4	23.8
Togo	17.4	13.1	13.7	14.2	14.0
WAMZ	**23.0**	**26.5**	**22.7**	**19.8**	**18.4**
Gambia, The	25.2	25.4	22.9	25.8	26.4
Ghana	28.8	26.1	29.0	28.6	26.3
Guinea	16.7	18.3	18.3	14.9	15.4
Nigeria	22.2	27.0	21.9	18.5	17.2
Sierra Leone	22.3	28.6	32.2	30.2	26.9
CEMAC	**23.1**	**22.2**	**19.2**	**17.7**	**16.7**
Cameroon	17.8	17.8	16.8	16.5	16.5
Central African Republic	15.9	15.8	12.3	11.3	11.7
Chad	18.5	19.8	22.5	17.1	17.8
Congo, Rep. of	34.1	35.5	29.3	26.1	26.4
Equatorial Guinea	17.4	15.0	10.5	7.7	5.2
Gabon	31.9	28.1	22.4	22.8	22.5
São Tomé & Príncipe	69.1	61.8	63.9	62.7	68.5
Sub-Saharan Africa	**25.8**	**26.1**	**25.7**	**25.7**	**25.3**
Excluding Nigeria and South Africa	**26.1**	**26.3**	**26.3**	**26.5**	**25.8**

Table 11. Broad Money Growth, 1997-2005
(In percent)

	1997-2001	2002	2003	2004	2005
SADC	**23.9**	**35.7**	**23.6**	**17.9**	**14.7**
Angola	270.9	158.1	67.5	37.7	32.2
Congo, Dem. Rep. of	264.6	25.7	32.7	28.7	12.3
Malawi	27.8	23.4	26.4	45.0	15.0
Mauritius	12.3	13.0	11.7	9.6	9.0
Mozambique	29.4	21.5	18.7	15.0	16.5
Seychelles	16.9	13.1	0.4	-12.6	-15.1
Tanzania	10.7	21.3	16.9	20.2	24.2
Zambia	32.1	31.5	23.4	18.2	19.0
Zimbabwe	48.3	164.8	413.5	252.8	452.8
SACU	**13.6**	**15.9**	**13.0**	**12.0**	**9.7**
Botswana	25.4	-1.1	25.9	8.4	8.1
Lesotho	10.3	2.7	5.3	9.1	8.6
Namibia	10.7	6.9	20.7	16.1	10.0
South Africa	13.3	17.2	12.3	12.1	9.8
Swaziland	10.4	13.1	14.1	8.9	10.5
COMESA	**42.2**	**57.6**	**45.6**	**28.3**	**22.5**
Angola	270.9	158.1	67.5	37.7	32.2
Burundi	14.6	29.8	23.9	18.3	14.5
Comoros	13.1	9.4	-0.4	5.0	5.9
Congo, Dem. Rep. of	264.6	25.7	32.7	28.7	12.3
Ethiopia	9.1	12.3	10.4	22.1	11.3
Kenya	2.8	8.8	12.7	7.6	9.4
Madagascar	17.8	6.3	11.2	3.0	14.9
Malawi	27.8	23.4	26.4	45.0	15.0
Mauritius	12.3	13.0	11.7	9.6	9.0
Namibia	10.7	6.9	20.7	16.1	10.0
Rwanda	14.7	11.4	15.2	11.9	10.4
Seychelles	16.9	13.1	0.4	-12.6	-15.1
Swaziland	10.4	13.1	14.1	8.9	10.5
Uganda	18.4	21.6	23.3	15.5	12.6
Zambia	32.1	31.5	23.4	18.2	19.0
Zimbabwe	48.3	164.8	413.5	252.8	452.8
EAC	**9.1**	**15.9**	**16.4**	**13.3**	**14.9**
Kenya	2.8	8.8	12.7	7.6	9.4
Tanzania	10.7	21.3	16.9	20.2	24.2
Uganda	18.4	21.6	23.3	15.5	12.6
ECOWAS	**22.8**	**21.3**	**17.6**	**13.4**	**12.8**
Cape Verde	10.2	14.3	8.6	5.8	8.7
WAEMU	**8.0**	**15.7**	**3.3**	**8.0**	**7.5**
Benin	16.7	-3.8	0.2	5.2	8.2
Burkina Faso	5.7	2.9	16.3	8.3	7.5
Côte d'Ivoire	6.0	30.8	-6.6	5.4	2.7
Guinea-Bissau	36.9	24.1	13.6	4.9	37.6
Mali	9.1	28.4	21.3	9.5	18.9
Niger	7.2	-0.4	-13.4	34.7	13.2
Senegal	10.9	8.3	11.2	6.1	7.4
Togo	3.9	-2.0	20.9	-1.6	5.7
WAMZ	**31.7**	**24.3**	**26.0**	**16.4**	**15.7**
Gambia, The	19.8	35.3	43.4	20.0	10.5
Ghana	35.3	49.6	38.1	19.2	13.0
Guinea	14.1	19.2	35.3	20.0	17.6
Nigeria	33.5	21.6	24.1	16.0	16.2
Sierra Leone	28.5	30.1	23.9	13.9	10.3
CEMAC	**10.7**	**22.0**	**3.3**	**5.8**	**9.3**
Cameroon	13.6	29.5	-0.9	10.9	7.2
Central African Republic	-2.3	-4.3	-8.0	5.8	7.0
Chad	4.1	24.2	-3.1	10.6	18.6
Congo, Rep. of	10.5	13.1	-2.4	6.4	6.9
Equatorial Guinea	32.6	53.7	57.1	-7.3	14.7
Gabon	7.8	7.3	-0.3	1.1	4.6
São Tomé & Príncipe	31.5	54.0	50.3	11.7	1.6
Sub-Saharan Africa	**21.3**	**28.1**	**19.6**	**15.2**	**13.4**
Excluding Nigeria and South Africa	**25.7**	**37.5**	**24.8**	**17.5**	**15.6**

Table 12. Exports of Goods and Services, 1997-2005
(In percent of GDP)

	1997-2001	2002	2003	2004	2005
SADC	**31.0**	**33.7**	**32.0**	**32.5**	**32.5**
Angola	74.7	79.1	70.3	68.5	69.4
Congo, Dem. Rep. of	22.2	21.2	25.2	24.1	23.9
Malawi	27.5	25.4	26.8	28.0	26.8
Mauritius	60.5	60.9	58.8	56.9	52.4
Mozambique	18.5	29.4	28.5	30.6	29.4
Seychelles	70.9	77.7	79.3	81.9	79.6
Tanzania	14.5	15.2	16.7	17.8	16.8
Zambia	29.0	28.6	30.8	31.3	33.8
Zimbabwe	33.9	7.3	16.1	22.5	41.5
SACU	**29.2**	**35.7**	**30.1**	**29.2**	**28.5**
Botswana	55.0	51.3	47.1	42.2	41.5
Lesotho	30.8	52.9	47.3	45.4	45.0
Namibia	45.0	43.6	37.6	36.6	35.7
South Africa	27.3	34.0	28.3	27.7	26.9
Swaziland	79.6	90.8	83.9	83.5	82.9
COMESA	**33.8**	**28.6**	**34.3**	**37.7**	**39.6**
Angola	74.7	79.1	70.3	68.5	69.4
Burundi	8.0	6.2	9.7	9.3	6.6
Comoros	15.0	17.9	17.2	17.8	16.3
Congo, Dem. Rep. of	22.2	21.2	25.2	24.1	23.9
Ethiopia	15.2	16.2	17.1	16.9	15.4
Kenya	26.2	26.6	26.8	27.5	28.0
Madagascar	25.5	16.0	21.5	28.4	30.5
Malawi	27.5	25.4	26.8	28.0	26.8
Mauritius	60.5	60.9	58.8	56.9	52.4
Namibia	45.0	43.6	37.6	36.6	35.7
Rwanda	7.4	7.7	7.5	8.0	8.8
Seychelles	70.9	77.7	79.3	81.9	79.6
Swaziland	79.6	90.8	83.9	83.5	82.9
Uganda	10.7	10.3	11.1	12.5	12.3
Zambia	29.0	28.6	30.8	31.3	33.8
Zimbabwe	33.9	7.3	16.1	22.5	41.5
EAC	**18.4**	**18.9**	**19.9**	**21.0**	**20.8**
Kenya	26.2	26.6	26.8	27.5	28.0
Tanzania	14.5	15.2	16.7	17.8	16.8
Uganda	10.7	10.3	11.1	12.5	12.3
ECOWAS	**36.8**	**37.0**	**41.4**	**43.3**	**43.3**
Cape Verde	25.5	30.5	33.2	34.6	35.9
WAEMU	**29.6**	**33.0**	**31.0**	**29.4**	**29.5**
Benin	15.9	13.8	14.1	13.7	13.7
Burkina Faso	9.9	9.0	9.1	9.5	10.1
Côte d'Ivoire	40.4	48.7	46.0	42.1	42.2
Guinea-Bissau	24.1	29.9	28.5	28.2	28.5
Mali	24.2	31.9	26.1	27.0	25.9
Niger	17.0	15.9	16.0	15.8	17.1
Senegal	30.3	30.6	29.6	29.2	28.9
Togo	28.9	33.6	38.7	42.5	44.4
WAMZ	**40.5**	**39.0**	**46.9**	**50.5**	**50.4**
Gambia, The	45.1	46.1	46.5	48.2	47.6
Ghana	38.5	42.5	40.7	38.6	37.6
Guinea	22.4	24.5	22.0	24.1	24.6
Nigeria	43.1	40.0	49.9	54.0	53.9
Sierra Leone	15.4	16.4	20.0	23.3	26.9
CEMAC	**44.1**	**46.0**	**45.2**	**51.7**	**54.3**
Cameroon	27.8	27.4	25.5	25.0	24.0
Central African Republic	19.9	15.5	11.1	13.5	14.3
Chad	17.2	12.2	20.6	53.2	56.4
Congo, Rep. of	76.9	80.7	77.6	82.6	82.2
Equatorial Guinea	102.8	104.7	100.7	99.8	101.4
Gabon	59.3	56.0	57.0	64.5	63.5
São Tomé & Príncipe	33.2	36.5	38.3	38.2	42.0
Sub-Saharan Africa	**32.1**	**33.9**	**34.4**	**36.0**	**36.3**
Excluding Nigeria and South Africa	**33.4**	**32.2**	**34.8**	**37.2**	**38.4**

Table 13. Imports of Goods and Services, 1997-2005
(In percent of GDP)

	1997-2001	2002	2003	2004	2005
SADC	**30.9**	**32.5**	**31.9**	**32.2**	**32.1**
Angola	74.1	65.6	63.7	50.0	46.2
Congo, Dem. Rep. of	20.7	26.1	31.7	35.9	40.6
Malawi	38.9	43.7	42.2	43.6	40.6
Mauritius	62.7	56.8	57.6	55.2	53.2
Mozambique	36.9	49.5	43.6	35.4	37.7
Seychelles	84.3	84.1	77.9	75.9	73.3
Tanzania	25.3	22.6	23.5	27.8	27.6
Zambia	40.0	42.0	41.6	39.7	42.3
Zimbabwe	35.3	10.7	23.5	34.2	58.4
SACU	**27.4**	**32.4**	**28.7**	**29.2**	**28.6**
Botswana	45.9	40.4	36.8	36.4	36.8
Lesotho	96.8	109.2	95.0	93.0	89.6
Namibia	54.2	50.2	45.8	45.5	44.8
South Africa	24.8	30.2	26.6	27.1	26.6
Swaziland	96.4	99.7	93.6	94.9	94.4
COMESA	**40.2**	**32.9**	**40.8**	**42.1**	**42.7**
Angola	74.1	65.6	63.7	50.0	46.2
Burundi	18.6	23.4	30.1	35.0	33.4
Comoros	34.2	32.1	30.5	28.1	26.4
Congo, Dem. Rep. of	20.7	26.1	31.7	35.9	40.6
Ethiopia	27.8	34.1	36.5	36.3	33.4
Kenya	34.3	30.3	32.5	36.3	38.1
Madagascar	32.3	22.6	31.6	43.3	41.7
Malawi	38.9	43.7	42.2	43.6	40.6
Mauritius	62.7	56.8	57.6	55.2	53.2
Namibia	54.2	50.2	45.8	45.5	44.8
Rwanda	24.4	24.5	27.6	29.9	30.1
Seychelles	84.3	84.1	77.9	75.9	73.3
Swaziland	96.4	99.7	93.6	94.9	94.4
Uganda	20.6	23.0	23.7	25.1	26.2
Zambia	40.0	42.0	41.6	39.7	42.3
Zimbabwe	35.3	10.7	23.5	34.2	58.4
EAC	**27.7**	**26.0**	**27.5**	**31.1**	**32.0**
Kenya	34.3	30.3	32.5	36.3	38.1
Tanzania	25.3	22.6	23.5	27.8	27.6
Uganda	20.6	23.0	23.7	25.1	26.2
ECOWAS	**36.6**	**38.5**	**38.3**	**37.5**	**38.1**
Cape Verde	59.9	66.9	65.6	67.5	67.8
WAEMU	**32.9**	**32.5**	**31.5**	**33.0**	**32.6**
Benin	28.2	26.9	26.8	25.9	25.8
Burkina Faso	24.5	21.4	20.5	21.1	21.5
Côte d'Ivoire	32.8	31.9	33.2	33.5	32.9
Guinea-Bissau	46.3	51.4	43.7	45.2	45.6
Mali	33.9	32.0	30.5	31.3	31.2
Niger	24.9	24.7	25.2	26.3	26.3
Senegal	37.6	41.7	34.0	41.1	40.2
Togo	48.3	52.0	54.8	57.2	56.8
WAMZ	**38.6**	**41.5**	**41.8**	**39.8**	**41.0**
Gambia, The	52.5	57.1	56.6	57.8	56.3
Ghana	56.3	54.9	52.7	51.3	50.8
Guinea	26.5	28.4	24.6	25.9	26.8
Nigeria	37.0	40.3	41.0	38.4	39.9
Sierra Leone	27.2	35.8	41.5	47.3	45.6
CEMAC	**38.2**	**40.8**	**37.0**	**33.8**	**30.9**
Cameroon	25.6	28.9	25.4	25.0	24.7
Central African Republic	24.8	20.3	17.1	17.9	18.3
Chad	37.2	64.2	52.6	37.0	28.4
Congo, Rep. of	57.8	54.0	53.1	57.2	56.7
Equatorial Guinea	133.1	74.5	65.3	35.7	24.6
Gabon	37.9	36.3	34.6	37.3	38.1
São Tomé & Príncipe	84.6	81.8	76.9	99.6	123.9
Sub-Saharan Africa	**32.5**	**34.3**	**33.9**	**34.0**	**33.9**
Excluding Nigeria and South Africa	**38.4**	**35.2**	**38.0**	**38.3**	**38.0**

Table 14. Trade Balance, 1997-2005
(In percent of GDP)

	1997-2001	2002	2003	2004	2005
SADC	**2.4**	**3.7**	**2.2**	**2.5**	**2.5**
Angola	35.4	42.3	29.2	36.9	38.0
Congo, Dem. Rep. of	6.9	-0.3	-2.2	-6.4	-10.0
Malawi	-3.7	-10.5	-7.4	-7.4	-5.8
Mauritius	-8.3	-4.5	-5.6	-5.3	-7.0
Mozambique	-16.9	-18.7	-13.1	-3.6	-7.0
Seychelles	-31.5	-20.0	-14.0	-10.1	-9.5
Tanzania	-8.2	-7.1	-6.3	-8.7	-9.7
Zambia	-5.0	-6.9	-5.3	-3.2	-3.1
Zimbabwe	0.4	-2.4	-4.6	-7.3	-9.7
SACU	**2.5**	**4.0**	**2.0**	**0.8**	**0.5**
Botswana	13.1	14.4	13.5	9.0	7.9
Lesotho	-65.0	-53.5	-44.5	-44.7	-42.2
Namibia	-5.8	-6.9	-10.8	-11.4	-11.8
South Africa	2.9	4.4	2.3	1.1	0.9
Swaziland	-8.1	-6.7	-7.5	-9.0	-9.0
COMESA	**-1.2**	**-0.2**	**-2.1**	**0.2**	**1.3**
Angola	35.4	42.3	29.2	36.9	38.0
Burundi	-6.3	-11.6	-15.8	-20.8	-19.4
Comoros	-14.9	-11.3	-8.6	-6.9	-7.1
Congo, Dem. Rep. of	6.9	-0.3	-2.2	-6.4	-10.0
Ethiopia	-14.7	-20.5	-21.9	-23.0	-20.2
Kenya	-9.9	-7.4	-8.9	-11.4	-12.8
Madagascar	-3.1	-2.6	-4.6	-9.3	-6.3
Malawi	-3.7	-10.5	-7.4	-7.4	-5.8
Mauritius	-8.3	-4.5	-5.6	-5.3	-7.0
Namibia	-5.8	-6.9	-10.8	-11.4	-11.8
Rwanda	-9.3	-9.7	-10.7	-12.5	-12.3
Seychelles	-31.5	-20.0	-14.0	-10.1	-9.5
Swaziland	-8.1	-6.7	-7.5	-9.0	-9.0
Uganda	-6.7	-8.3	-9.1	-9.5	-10.7
Zambia	-5.0	-6.9	-5.3	-3.2	-3.1
Zimbabwe	0.4	-2.4	-4.6	-7.3	-9.7
EAC	**-8.5**	**-7.5**	**-8.1**	**-10.1**	**-11.3**
Kenya	-9.9	-7.4	-8.9	-11.4	-12.8
Tanzania	-8.2	-7.1	-6.3	-8.7	-9.7
Uganda	-6.7	-8.3	-9.1	-9.5	-10.7
ECOWAS	**7.0**	**5.5**	**9.8**	**12.3**	**11.6**
Cape Verde	-35.3	-38.0	-34.9	-35.6	-35.7
WAEMU	**1.6**	**5.0**	**3.6**	**1.8**	**2.1**
Benin	-10.5	-11.6	-11.1	-10.4	-10.3
Burkina Faso	-10.7	-9.3	-8.4	-8.5	-8.2
Côte d'Ivoire	14.0	23.7	21.9	17.7	18.0
Guinea-Bissau	-9.0	-8.3	-4.7	-5.5	-7.0
Mali	-0.5	5.7	2.3	2.4	1.4
Niger	-2.4	-4.2	-4.6	-5.9	-4.5
Senegal	-7.0	-10.8	-10.9	-11.3	-10.6
Togo	-15.4	-14.7	-12.8	-11.4	-9.5
WAMZ	**9.6**	**5.7**	**13.1**	**17.7**	**16.5**
Gambia, The	-15.2	-19.6	-17.0	-17.0	-15.6
Ghana	-15.9	-10.7	-10.3	-10.9	-11.3
Guinea	2.9	3.5	4.0	4.6	4.0
Nigeria	15.2	9.2	18.1	23.6	22.2
Sierra Leone	-4.8	-15.0	-15.1	-17.6	-12.6
CEMAC	**17.2**	**16.5**	**18.6**	**28.1**	**32.7**
Cameroon	4.8	0.8	1.8	2.4	1.6
Central African Republic	2.3	2.3	0.3	2.0	2.5
Chad	-6.5	-31.8	-14.2	28.4	36.2
Congo, Rep. of	47.2	51.1	48.5	51.0	50.9
Equatorial Guinea	14.7	53.5	54.6	76.7	86.7
Gabon	35.1	33.1	35.6	42.3	39.8
São Tomé & Príncipe	-37.1	-38.2	-34.3	-46.5	-59.1
Sub-Saharan Africa	**3.4**	**3.7**	**4.3**	**5.9**	**6.2**
Excluding Nigeria and South Africa	**0.4**	**1.8**	**1.7**	**4.1**	**5.4**

Table 15. Terms of Trade, 1997-2005
(In Index, 1990=100)

	1997-2001	2002	2003	2004	2005
SADC	**96.7**	**101.1**	**102.3**	**107.0**	**108.6**
Angola	102.7	116.3	123.6	163.0	179.3
Congo, Dem. Rep. of	137.1	152.2	131.5	124.7	123.2
Malawi	122.5	116.7	110.1	108.7	107.7
Mauritius	111.8	116.9	113.1	114.3	108.8
Mozambique	79.3	78.1	81.6	82.1	85.6
Seychelles	47.4	46.8	54.5	59.0	60.2
Tanzania	99.1	98.6	113.5	102.0	90.8
Zambia	63.2	54.5	57.0	62.8	62.6
Zimbabwe	113.2	108.2	106.4	106.1	108.6
SACU	**94.4**	**97.8**	**100.3**	**102.5**	**102.8**
Botswana	96.1	87.6	81.6	76.5	77.5
Lesotho	98.1	103.2	86.8	85.9	86.8
Namibia	93.5	117.4	90.2	83.8	82.4
South Africa	94.3	97.8	101.6	104.6	104.7
Swaziland	97.6	94.0	92.8	93.8	94.4
COMESA	**104.1**	**102.8**	**99.0**	**105.9**	**111.3**
Angola	102.7	116.3	123.6	163.0	179.3
Burundi	100.5	73.1	70.3	70.1	71.4
Comoros	68.0	144.7	269.1	269.1	233.6
Congo, Dem. Rep. of	137.1	152.2	131.5	124.7	123.2
Ethiopia	70.9	44.8	40.6	37.7	38.1
Kenya	132.0	120.1	117.9	108.9	112.3
Madagascar	101.7	90.0	88.4	81.4	86.6
Malawi	122.5	116.7	110.1	108.7	107.7
Mauritius	111.8	116.9	113.1	114.3	108.8
Namibia	93.5	117.4	90.2	83.8	82.4
Rwanda	126.0	104.0	87.4	78.6	84.1
Seychelles	47.4	46.8	54.5	59.0	60.2
Swaziland	97.6	94.0	92.8	93.8	94.4
Uganda	73.5	67.9	63.7	61.4	54.8
Zambia	63.2	54.5	57.0	62.8	62.6
Zimbabwe	113.2	108.2	106.4	106.1	108.6
EAC	**106.3**	**100.6**	**104.2**	**96.0**	**92.5**
Kenya	132.0	120.1	117.9	108.9	112.3
Tanzania	99.1	98.6	113.5	102.0	90.8
Uganda	73.5	67.9	63.7	61.4	54.8
ECOWAS	**97.3**	**104.8**	**108.0**	**118.9**	**119.0**
Cape Verde	37.5	37.0	36.8	36.6	36.7
WAEMU	**100.4**	**101.8**	**103.7**	**102.0**	**101.5**
Benin	84.0	73.3	78.4	88.2	86.6
Burkina Faso	97.6	84.0	84.0	83.7	84.1
Côte d'Ivoire	115.6	131.6	137.2	128.9	127.5
Guinea-Bissau	92.4	80.3	79.1	76.0	76.8
Mali	101.7	86.6	88.0	94.3	92.8
Niger	74.5	78.5	77.7	77.9	78.0
Senegal	94.7	92.4	91.8	90.1	91.8
Togo	59.5	58.6	62.4	71.1	72.5
WAMZ	**94.5**	**106.3**	**110.2**	**127.7**	**128.1**
Gambia, The	70.3	44.3	70.3	56.3	53.1
Ghana	106.8	99.1	113.8	105.8	109.4
Guinea	87.3	88.4	85.8	83.0	83.4
Nigeria	92.1	110.1	112.8	135.1	135.0
Sierra Leone	101.6	93.3	93.3	91.4	92.3
CEMAC	**100.5**	**114.0**	**125.0**	**151.3**	**147.8**
Cameroon	99.1	110.8	110.3	113.0	110.4
Central African Republic	83.1	70.3	86.5	79.7	79.8
Chad	168.0	194.3	254.9	338.6	313.5
Congo, Rep. of	111.3	161.9	169.1	187.4	176.1
Equatorial Guinea	94.3	97.3	98.6	157.4	154.0
Gabon	79.9	75.0	93.5	105.1	103.2
São Tomé & Príncipe	101.4	98.1	98.8	95.4	83.5
Sub-Saharan Africa	**97.6**	**101.8**	**104.2**	**111.6**	**112.4**
Excluding Nigeria and South Africa	**101.2**	**102.1**	**103.7**	**109.8**	**111.5**

Table 16. External Current Account, Including Grants, 1997-2005
(In percent of GDP)

	1997-2001	2002	2003	2004	2005
SADC	**-2.3**	**-0.8**	**-1.3**	**-1.3**	**-1.1**
Angola	-15.3	-1.4	-4.9	9.2	14.5
Congo, Dem. Rep. of	-4.8	-2.8	0.6	-3.0	-5.9
Malawi	-6.6	-7.0	-8.1	-10.0	-8.6
Mauritius	-0.4	5.4	2.6	2.6	0.5
Mozambique	-18.2	-21.2	-14.7	-9.3	-13.3
Seychelles	-15.6	-16.3	-2.8	1.0	2.1
Tanzania	-7.4	-3.8	-2.4	-5.2	-6.2
Zambia	-14.9	-15.4	-13.3	-10.8	-10.9
Zimbabwe	-2.9	-2.6	-4.4	-7.1	-10.9
SACU	**-0.4**	**1.0**	**-0.3**	**-1.5**	**-1.7**
Botswana	10.4	11.6	11.0	6.4	5.7
Lesotho	-22.0	-17.0	-11.1	-6.4	-6.5
Namibia	4.4	3.8	4.0	5.5	3.6
South Africa	-0.8	0.6	-0.8	-2.0	-2.1
Swaziland	-3.7	-3.9	-4.1	-6.0	-6.2
COMESA	**-5.4**	**-3.0**	**-3.8**	**-1.5**	**-1.1**
Angola	-15.3	-1.4	-4.9	9.2	14.5
Burundi	-6.6	-6.5	-6.2	-15.1	-17.7
Comoros	-6.9	-2.3	-4.5	-2.2	-0.1
Congo, Dem. Rep. of	-4.8	-2.8	0.6	-3.0	-5.9
Ethiopia	-4.2	-5.7	-4.7	-3.8	-8.5
Kenya	-3.6	0.0	-2.5	-7.7	-8.3
Madagascar	-5.1	-6.0	-6.0	-8.6	-7.2
Malawi	-6.6	-7.0	-8.1	-10.0	-8.6
Mauritius	-0.4	5.4	2.6	2.6	0.5
Namibia	4.4	3.8	4.0	5.5	3.6
Rwanda	-7.6	-6.7	-8.4	-6.8	-8.2
Seychelles	-15.6	-16.3	-2.8	1.0	2.1
Swaziland	-3.7	-3.9	-4.1	-6.0	-6.2
Uganda	-5.1	-6.0	-5.9	-1.2	-5.3
Zambia	-14.9	-15.4	-13.3	-10.8	-10.9
Zimbabwe	-2.9	-2.6	-4.4	-7.1	-10.9
EAC	**-5.2**	**-2.7**	**-3.2**	**-5.4**	**-6.9**
Kenya	-3.6	0.0	-2.5	-7.7	-8.3
Tanzania	-7.4	-3.8	-2.4	-5.2	-6.2
Uganda	-5.1	-6.0	-5.9	-1.2	-5.3
ECOWAS	**-2.7**	**-6.8**	**-2.6**	**-0.2**	**-0.7**
Cape Verde	-10.3	-12.0	-8.9	-8.9	-8.5
WAEMU	**-5.3**	**-2.0**	**-2.9**	**-4.7**	**-4.0**
Benin	-7.1	-9.0	-8.5	-8.4	-9.1
Burkina Faso	-10.3	-9.1	-6.8	-8.4	-7.0
Côte d'Ivoire	-1.7	6.1	3.6	-0.2	1.4
Guinea-Bissau	-13.9	-10.7	-3.5	-2.2	-4.8
Mali	-8.5	-3.1	-4.2	-5.0	-7.2
Niger	-6.3	-6.5	-6.2	-7.9	-6.4
Senegal	-5.0	-6.0	-6.4	-7.3	-6.6
Togo	-13.2	-14.3	-11.7	-8.6	-6.7
WAMZ	**-1.6**	**-9.2**	**-2.5**	**2.1**	**1.0**
Gambia, The	-2.5	-5.5	-5.2	-6.1	-6.8
Ghana	-8.9	0.5	1.7	0.3	-1.0
Guinea	-6.6	-4.3	-3.3	-2.9	-2.8
Nigeria	0.1	-10.9	-2.8	3.0	1.8
Sierra Leone	-9.1	-4.8	-7.6	-12.1	-9.4
CEMAC	**-4.1**	**-7.2**	**-2.9**	**1.5**	**5.7**
Cameroon	-3.1	-7.0	-2.5	-2.1	-2.3
Central African Republic	-3.2	-2.9	-5.2	-2.8	-2.2
Chad	-17.6	-51.5	-39.0	-18.3	-10.9
Congo, Rep. of	-9.2	-0.3	-0.1	1.6	1.6
Equatorial Guinea	-44.6	-7.2	-0.3	18.3	34.5
Gabon	7.0	5.2	9.6	11.6	10.9
São Tomé & Príncipe	-42.0	-44.8	-36.1	-59.9	-77.2
Sub-Saharan Africa	**-2.7**	**-3.2**	**-2.1**	**-1.1**	**-1.0**
Excluding Nigeria and South Africa	**-5.4**	**-3.4**	**-2.9**	**-1.8**	**-1.0**

Table 17. External Current Account, Excluding Grants, 1997-2005
(In percent of GDP)

	1997-2001	2002	2003	2004	2005
SADC	**-3.0**	**-1.7**	**-2.1**	**-2.2**	**-2.0**
Angola	-16.4	-1.7	-5.6	8.7	14.1
Congo, Dem. Rep. of	-8.7	-11.1	-8.6	-13.5	-18.7
Malawi	-13.6	-19.5	-17.0	-17.2	-15.0
Mauritius	-0.6	5.2	2.4	2.2	0.2
Mozambique	-24.6	-25.4	-20.1	-13.5	-16.4
Seychelles	-17.6	-18.2	-4.5	-0.4	0.6
Tanzania	-12.3	-8.2	-7.1	-10.7	-11.1
Zambia	-16.7	-18.0	-14.8	-11.5	-11.6
Zimbabwe	-3.9	-2.8	-4.8	-7.7	-12.8
SACU	**-0.4**	**0.9**	**-0.4**	**-1.7**	**-1.9**
Botswana	6.1	7.3	6.5	2.1	1.2
Lesotho	-38.8	-33.2	-25.5	-24.2	-20.9
Namibia	-7.2	-5.1	-6.3	-7.5	-7.3
South Africa	-0.1	1.1	-0.3	-1.5	-1.6
Swaziland	-12.6	-6.3	-7.0	-8.8	-9.0
COMESA	**-8.4**	**-5.7**	**-7.3**	**-5.5**	**-4.5**
Angola	-16.4	-1.7	-5.6	8.7	14.1
Burundi	-11.4	-18.6	-22.7	-28.3	-28.4
Comoros	-9.1	-5.2	-5.6	-2.9	-2.2
Congo, Dem. Rep. of	-8.7	-11.1	-8.6	-13.5	-18.7
Ethiopia	-8.5	-12.9	-12.8	-12.8	-12.4
Kenya	-3.9	0.0	-2.9	-7.7	-9.2
Madagascar	-6.1	-6.1	-8.6	-12.7	-9.4
Malawi	-13.6	-19.5	-17.0	-17.2	-15.0
Mauritius	-0.6	5.2	2.4	2.2	0.2
Namibia	-7.2	-5.1	-6.3	-7.5	-7.3
Rwanda	-16.8	-16.6	-19.8	-21.3	-20.8
Seychelles	-17.6	-18.2	-4.5	-0.4	0.6
Swaziland	-12.6	-6.3	-7.0	-8.8	-9.0
Uganda	-10.7	-12.0	-12.4	-10.7	-12.0
Zambia	-16.7	-18.0	-14.8	-11.5	-11.6
Zimbabwe	-3.9	-2.8	-4.8	-7.7	-12.8
EAC	**-8.3**	**-5.6**	**-6.4**	**-9.3**	**-10.4**
Kenya	-3.9	0.0	-2.9	-7.7	-9.2
Tanzania	-12.3	-8.2	-7.1	-10.7	-11.1
Uganda	-10.7	-12.0	-12.4	-10.7	-12.0
ECOWAS	**-3.7**	**-7.7**	**-3.7**	**-1.1**	**-1.5**
Cape Verde	-17.8	-17.6	-14.3	-14.6	-13.8
WAEMU	**-7.0**	**-3.4**	**-4.6**	**-5.8**	**-5.3**
Benin	-9.8	-11.1	-10.7	-10.1	-10.1
Burkina Faso	-13.3	-11.8	-10.9	-11.2	-10.6
Côte d'Ivoire	-2.2	5.8	3.3	-0.1	1.0
Guinea-Bissau	-26.4	-18.7	-12.2	-14.2	-12.9
Mali	-10.4	-4.4	-6.7	-5.8	-7.3
Niger	-8.8	-9.4	-9.5	-9.6	-8.1
Senegal	-7.2	-7.9	-8.3	-9.0	-8.4
Togo	-15.9	-15.5	-12.8	-9.9	-8.0
WAMZ	**-2.1**	**-9.9**	**-3.3**	**1.4**	**0.4**
Gambia, The	-9.9	-16.1	-14.6	-14.5	-15.3
Ghana	-12.2	-3.1	-3.5	-4.3	-4.8
Guinea	-7.9	-5.6	-4.0	-3.7	-3.8
Nigeria	0.3	-10.9	-2.8	3.0	1.9
Sierra Leone	-13.1	-12.1	-14.2	-18.5	-14.9
CEMAC	**-4.7**	**-7.7**	**-3.4**	**1.2**	**5.4**
Cameroon	-3.2	-7.3	-3.1	-2.3	-2.6
Central African Republic	-6.5	-5.3	-5.9	-4.4	-3.9
Chad	-20.5	-53.2	-40.8	-19.7	-11.5
Congo, Rep. of	-9.4	-0.5	-0.3	1.3	1.4
Equatorial Guinea	-44.8	-7.3	-0.3	18.3	34.5
Gabon	6.7	5.0	9.5	11.4	10.8
São Tomé & Príncipe	-59.2	-49.2	-42.5	-64.7	-82.2
Sub-Saharan Africa	**-3.7**	**-4.3**	**-3.2**	**-2.3**	**-2.0**
Excluding Nigeria and South Africa	**-8.2**	**-5.9**	**-5.9**	**-4.8**	**-3.6**

Table 18. Official Grants, 1997-2005
(In percent of GDP)

	1997-2001	2002	2003	2004	2005
SADC	**0.7**	**0.9**	**0.8**	**0.9**	**0.9**
Angola	1.2	0.3	0.7	0.5	0.4
Congo, Dem. Rep. of	3.8	8.4	9.2	10.5	12.8
Malawi	7.1	12.5	8.9	7.2	6.5
Mauritius	0.1	0.2	0.3	0.4	0.4
Mozambique	6.5	4.2	5.4	4.2	3.1
Seychelles	2.0	1.8	1.7	1.4	1.4
Tanzania	4.9	4.3	4.7	5.5	5.0
Zambia	1.8	2.5	1.5	0.6	0.7
Zimbabwe	1.0	0.2	0.4	0.6	1.9
SACU	**0.0**	**0.1**	**0.1**	**0.2**	**0.2**
Botswana	4.3	4.3	4.5	4.4	4.5
Lesotho	16.8	16.2	14.3	17.8	14.4
Namibia	11.6	8.8	10.3	13.0	10.9
South Africa	-0.6	-0.5	-0.5	-0.5	-0.5
Swaziland	8.9	2.4	2.8	2.9	2.8
COMESA	**3.0**	**2.7**	**3.5**	**4.0**	**3.4**
Angola	1.2	0.3	0.7	0.5	0.4
Burundi	4.8	12.1	16.5	13.2	10.7
Comoros	2.2	2.8	1.1	0.7	2.1
Congo, Dem. Rep. of	3.8	8.4	9.2	10.5	12.8
Ethiopia	4.3	7.1	8.1	9.0	4.0
Kenya	0.2	0.0	0.4	0.0	0.8
Madagascar	1.0	0.2	2.6	4.0	2.2
Malawi	7.1	12.5	8.9	7.2	6.5
Mauritius	0.1	0.2	0.3	0.4	0.4
Namibia	11.6	8.8	10.3	13.0	10.9
Rwanda	9.2	9.8	11.4	14.5	12.6
Seychelles	2.0	1.8	1.7	1.4	1.4
Swaziland	8.9	2.4	2.8	2.9	2.8
Uganda	5.5	6.0	6.5	9.5	6.6
Zambia	1.8	2.5	1.5	0.6	0.7
Zimbabwe	1.0	0.2	0.4	0.6	1.9
EAC	**3.1**	**2.9**	**3.2**	**3.9**	**3.5**
Kenya	0.2	0.0	0.4	0.0	0.8
Tanzania	4.9	4.3	4.7	5.5	5.0
Uganda	5.5	6.0	6.5	9.5	6.6
ECOWAS	**1.0**	**0.9**	**1.1**	**0.8**	**0.8**
Cape Verde	7.5	5.6	5.4	5.7	5.3
WAEMU	**1.7**	**1.4**	**1.7**	**1.1**	**1.2**
Benin	2.7	2.2	2.2	1.7	1.0
Burkina Faso	3.0	2.6	4.1	2.8	3.6
Côte d'Ivoire	0.5	0.3	0.2	-0.1	0.4
Guinea-Bissau	12.5	8.0	8.7	12.0	8.1
Mali	1.9	1.3	2.5	0.8	0.1
Niger	2.5	2.9	3.3	1.7	1.8
Senegal	2.2	1.9	1.9	1.6	1.8
Togo	2.7	1.2	1.1	1.4	1.3
WAMZ	**0.6**	**0.7**	**0.8**	**0.7**	**0.6**
Gambia, The	7.4	10.6	9.5	8.4	8.5
Ghana	3.2	3.6	5.2	4.6	3.8
Guinea	1.3	1.4	0.8	0.8	1.0
Nigeria	-0.1	0.0	0.0	0.0	0.0
Sierra Leone	4.0	7.4	6.6	6.3	5.5
CEMAC	**0.6**	**0.5**	**0.5**	**0.4**	**0.3**
Cameroon	0.1	0.3	0.5	0.1	0.2
Central African Republic	3.3	2.4	0.7	1.5	1.6
Chad	2.9	1.8	1.8	1.4	0.6
Congo, Rep. of	0.3	0.2	0.2	0.2	0.2
Equatorial Guinea	0.2	0.0	0.0	0.0	0.0
Gabon	0.3	0.2	0.0	0.2	0.1
São Tomé & Príncipe	17.1	4.4	6.3	4.8	5.1
Sub-Saharan Africa	**1.0**	**1.1**	**1.1**	**1.2**	**1.0**
Excluding Nigeria and South Africa	**2.8**	**2.5**	**3.0**	**3.0**	**2.6**

Table 19. Total External Debt, 1997-2005
(In billions U.S. dollars)

	1997-2001	2002	2003	2004	2005
SADC	**88.2**	**79.5**	**85.4**	**87.1**	**89.3**
Angola	9.6	8.7	9.0	7.5	7.4
Congo, Dem. Rep. of	13.1	10.7	10.6	10.8	11.1
Malawi	2.6	2.8	2.9	2.9	2.9
Mauritius	1.2	1.0	1.0	1.1	1.1
Mozambique	4.8	5.0	5.3	5.4	5.7
Seychelles	0.3	0.6	0.6	0.6	0.5
Tanzania	7.4	5.5	6.1	6.2	6.4
Zambia	6.2	5.9	5.5	5.5	5.2
Zimbabwe	4.3	4.4	4.8	5.2	5.5
SACU	**38.8**	**35.0**	**39.6**	**42.0**	**43.6**
Botswana	1.1	1.3	1.3	1.4	1.5
Lesotho	0.6	0.6	0.6	0.6	0.6
Namibia	0.1	0.1	0.1	0.1	0.1
South Africa	36.6	32.7	37.1	39.4	40.8
Swaziland	0.3	0.4	0.5	0.5	0.6
COMESA	**59.8**	**56.0**	**57.9**	**58.0**	**59.7**
Angola	9.6	8.7	9.0	7.5	7.4
Burundi	1.1	1.2	1.3	1.2	1.3
Comoros	0.2	0.3	0.3	0.3	0.3
Congo, Dem. Rep. of	13.1	10.7	10.6	10.8	11.1
Ethiopia	6.2	5.3	5.7	6.0	6.4
Kenya	5.4	5.2	5.4	5.7	6.2
Madagascar	4.5	4.5	4.6	4.7	4.9
Malawi	2.6	2.8	2.9	2.9	2.9
Mauritius	1.2	1.0	1.0	1.1	1.1
Namibia	0.1	0.1	0.1	0.1	0.1
Rwanda	1.2	1.4	1.4	1.5	1.6
Seychelles	0.3	0.6	0.6	0.6	0.5
Swaziland	0.3	0.4	0.5	0.5	0.6
Uganda	3.5	3.7	4.3	4.4	4.6
Zambia	6.2	5.9	5.5	5.5	5.2
Zimbabwe	4.3	4.4	4.8	5.2	5.5
EAC	**16.4**	**14.3**	**15.7**	**16.3**	**17.1**
Kenya	5.4	5.2	5.4	5.7	6.2
Tanzania	7.4	5.5	6.1	6.2	6.4
Uganda	3.5	3.7	4.3	4.4	4.6
ECOWAS	**65.1**	**63.8**	**68.6**	**69.6**	**70.1**
Cape Verde	0.4	0.6	0.6	0.7	0.8
WAEMU	**24.7**	**21.8**	**24.2**	**25.8**	**26.4**
Benin	1.7	1.9	1.9	2.1	2.1
Burkina Faso	1.5	1.7	1.8	1.8	1.9
Côte d'Ivoire	11.6	9.1	10.6	11.6	12.1
Guinea-Bissau	0.8	0.8	0.9	0.9	0.9
Mali	2.7	1.6	1.6	1.5	1.5
Niger	1.7	1.8	1.6	1.7	1.7
Senegal	3.3	3.2	3.9	4.2	4.2
Togo	1.4	1.7	2.0	2.0	1.9
WAMZ	**40.4**	**42.0**	**44.4**	**43.8**	**43.7**
Gambia, The	0.5	0.6	0.6	0.6	0.6
Ghana	6.3	6.5	6.6	6.1	6.0
Guinea	3.3	3.0	3.4	3.2	3.1
Nigeria	29.2	31.0	32.8	32.7	32.5
Sierra Leone	0.8	0.4	0.4	0.5	0.7
CEMAC	**18.3**	**16.6**	**18.7**	**13.9**	**12.7**
Cameroon	7.9	5.4	6.0	5.9	5.0
Central African Republic	0.9	1.0	1.1	1.2	1.3
Chad	0.6	0.7	0.8	0.9	0.9
Congo, Rep. of	5.3	6.0	7.0	2.2	1.9
Equatorial Guinea	0.2	0.2	0.2	0.2	0.2
Gabon	3.4	3.3	3.6	3.5	3.4
São Tomé & Príncipe	0.3	0.3	0.3	0.3	0.3
Sub-Saharan Africa	**194.2**	**181.8**	**196.0**	**194.7**	**197.6**
Excluding Nigeria and South Africa	**128.4**	**118.1**	**126.0**	**122.6**	**124.3**

Table 20. Total External Debt, 1997-2005
(In percent of GDP)

	1997-2001	2002	2003	2004	2005
SADC	**47.7**	**44.3**	**37.3**	**34.4**	**32.8**
Angola	129.0	80.6	65.1	37.2	30.5
Congo, Dem. Rep. of	267.1	192.4	187.4	160.6	151.0
Malawi	139.7	149.0	165.8	157.5	148.3
Mauritius	26.7	21.8	19.3	17.8	17.1
Mozambique	129.7	140.2	121.7	101.8	98.7
Seychelles	51.4	80.3	79.3	81.9	72.9
Tanzania	86.9	55.9	59.5	58.6	52.4
Zambia	182.0	156.6	128.3	106.3	97.4
Zimbabwe	58.1	20.0	55.3	90.3	170.0
SACU	**27.3**	**30.0**	**22.7**	**22.0**	**21.3**
Botswana	21.9	23.6	17.8	16.1	16.5
Lesotho	71.2	71.0	47.0	43.2	42.8
Namibia	2.2	3.0	2.3	2.3	2.4
South Africa	28.0	30.7	23.2	22.6	21.8
Swaziland	21.7	31.9	28.2	26.4	27.8
COMESA	**90.6**	**65.4**	**70.8**	**64.1**	**61.4**
Angola	129.0	80.6	65.1	37.2	30.5
Burundi	143.0	190.8	214.2	184.8	179.2
Comoros	101.4	107.0	88.5	83.3	77.5
Congo, Dem. Rep. of	267.1	192.4	187.4	160.6	151.0
Ethiopia	96.2	88.0	85.8	74.0	73.0
Kenya	50.3	42.1	38.7	37.9	38.5
Madagascar	116.0	99.1	84.2	112.4	103.5
Malawi	139.7	149.0	165.8	157.5	148.3
Mauritius	26.7	21.8	19.3	17.8	17.1
Namibia	2.2	3.0	2.3	2.3	2.4
Rwanda	67.4	80.9	85.1	86.3	85.7
Seychelles	51.4	80.3	79.3	81.9	72.9
Swaziland	21.7	31.9	28.2	26.4	27.8
Uganda	53.2	54.1	60.6	58.8	57.6
Zambia	182.0	156.6	128.3	106.3	97.4
Zimbabwe	58.1	20.0	55.3	90.3	170.0
EAC	**62.8**	**49.6**	**50.5**	**49.2**	**47.4**
Kenya	50.3	42.1	38.7	37.9	38.5
Tanzania	86.9	55.9	59.5	58.6	52.4
Uganda	53.2	54.1	60.6	58.8	57.6
ECOWAS	**82.2**	**72.4**	**63.3**	**55.8**	**52.6**
Cape Verde	64.5	89.2	75.5	72.6	74.5
WAEMU	**88.5**	**72.9**	**64.8**	**60.5**	**58.2**
Benin	72.5	69.3	56.0	50.7	48.6
Burkina Faso	52.1	50.9	42.3	36.6	35.6
Côte d'Ivoire	99.7	77.8	75.5	74.0	73.0
Guinea-Bissau	382.2	410.9	360.7	341.4	332.1
Mali	95.6	48.7	35.5	30.2	27.3
Niger	85.7	80.7	57.4	51.2	49.6
Senegal	72.0	64.9	60.6	56.9	53.3
Togo	94.7	112.2	110.4	103.6	96.2
WAMZ	**79.2**	**72.2**	**62.6**	**53.3**	**49.7**
Gambia, The	118.9	149.6	161.3	143.6	135.6
Ghana	101.0	106.0	86.3	71.1	63.9
Guinea	97.3	94.9	92.7	91.4	86.8
Nigeria	74.6	66.0	57.1	48.3	45.0
Sierra Leone	114.1	37.5	42.8	52.6	59.0
CEMAC	**93.1**	**72.1**	**64.7**	**39.1**	**31.9**
Cameroon	88.6	55.1	48.2	40.6	32.6
Central African Republic	86.7	91.1	93.6	90.7	85.9
Chad	41.0	36.4	30.0	20.9	19.6
Congo, Rep. of	214.8	200.1	195.7	50.6	41.3
Equatorial Guinea	33.0	10.2	7.5	5.0	3.2
Gabon	71.4	65.6	59.1	51.3	50.2
São Tomé & Príncipe	625.6	501.1	459.1	405.9	433.5
Sub-Saharan Africa	**61.7**	**56.3**	**48.7**	**43.1**	**40.7**
Excluding Nigeria and South Africa	**89.2**	**69.7**	**68.2**	**58.6**	**54.9**

Table 21. Country Codes

Country Code	Country Name
AGO	Angola
BDI	Burundi
BEN	Benin
BFA	Burkina Faso
BWA	Botswana
CAF	Central African Republic
CIV	Côte d'Ivoire
CMR	Cameroon
COD	Congo, Dem. Rep. of
COG	Congo, Rep. of
COM	Comoros
CPV	Cape Verde
ERI	Eritrea
ETH	Ethiopia
GAB	Gabon
GHA	Ghana
GIN	Guinea
GMB	Gambia, The
GNB	Guinea-Bissau
GNQ	Equatorial Guinea
KEN	Kenya
LBR	Liberia
LSO	Lesotho
MDG	Madagascar
MLI	Mali
MOZ	Mozambique
MUS	Mauritius
MWI	Malawi
NAM	Namibia
NER	Niger
NGA	Nigeria
RWA	Rwanda
SEN	Senegal
SLE	Sierra Leone
STP	São Tomé and Príncipe
SWZ	Swaziland
SYC	Seychelles
TCD	Chad
TGO	Togo
TZA	Tanzania
UGA	Uganda
ZAF	South Africa
ZMB	Zambia
ZWE	Zimbabwe