Global economic activity grew marginally in 2017, mainly due to divergence in economic performance in various regions. Aggregate growth for Advanced Economies, Emerging Market and Developing Economies (EMDE) have slightly improve relative to their 2016 growth. In 2018, all the regions are expected to record moderate economic growth in 2018.

The upward movement of global oil and commodity prices have been at the centre of most economic discussions. As a result, spill-over and contagion effects have been felt throughout the world. This has resulted in, among other things, a slight improvement in current account and fiscal balances for most countries. Inflation in some countries remained below central banksô targets including those in the MEFMI region. This region also witnessed a mixed bag of economic factors, which pulled in opposite directions as presented in section 3 of this document.

More details on these economic activities and developments are presented in this edition of the MEFMI Macroeconomic Bulletin. It begins by assessing the performance of the global and Sub-Saharan Africa (SSA) economies and their outlook, followed by an analysis of the MEFMI region. An analysis of the South African economy and its implications on the MEFMI region is also discussed, closely followed by individual MEFMI member countriesô economic performances. The Bulletin also presents an annex with various useful statistics such as macroeconomic indicators, global competitiveness index, ease of doing business and the corruption perception index.

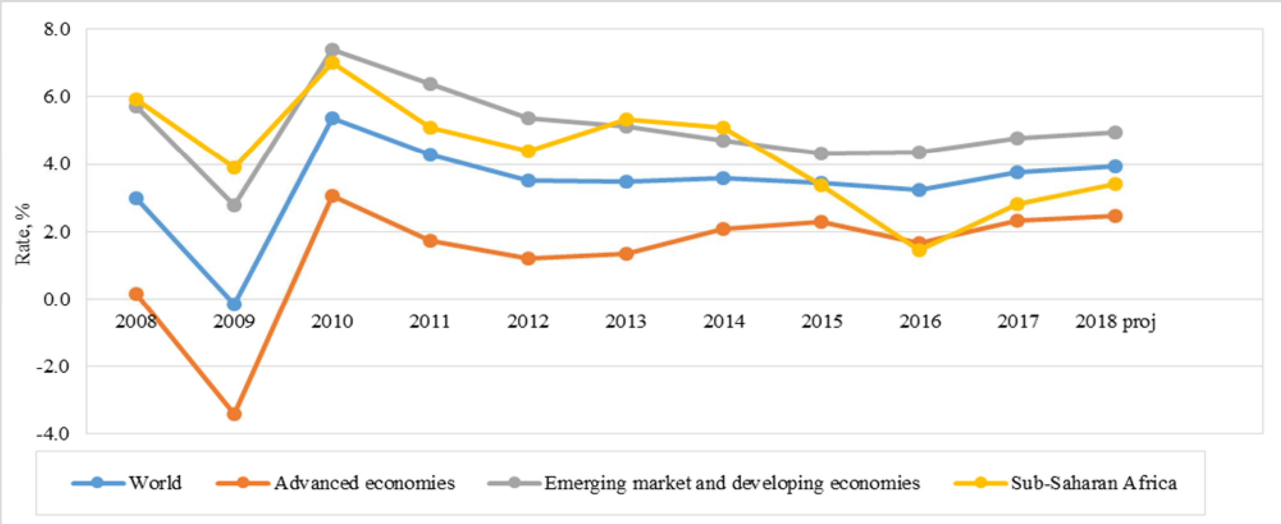
## 1. Global Economic Developments

The April 2017 World Economic Outlook (WEO) indicates that global economic activity strengthened by 0.5 percentage points to 3.8 percent in 2017. This upswing is linked to a pick-up in global trade, investment recovery in Advanced Economies and continued strong growth in emerging Asia. Upswings in emerging Europe and signs of recovery in several commodity exporters are also associated with this improved performance. In both 2018 and 2019, the WEO projects global growth at 3.9 percent on account of favourable market sentiments, accommodative financial conditions, and the domestic as well as international repercussions of expansionary fiscal policy in the United States.

An analysis of economic performance in different country groups shows how each contributed to the improved global economic activity in 2017. For instance, the 2.3 percent growth in Advanced Economies during this period can be explained entirely by gross fixed capital formation and an acceleration in stock building which led to the pickup in investment spending. The accommodative monetary policy, stronger balance sheets, and an improved outlook also helped release pent-up demand for capital goods. Advanced Economies are projected to record a 2.5 percent growth in 2018 as a result of accommodative monetary policy and the gradual fading of crisis-related drags which have been pivotal in helping advanced economies attain above potential growth and reduce unemployment.

Economic growth in EMDE grew by 4.8 percent in 2017 compared to the 2016 growth of 4.4 percent. This growth was primarily driven by an acceleration in private consumption. However, an in-depth look within the EMDE group presents a mixed picture. For example, growth in China and India was due to increase in trade and strong private consumption, respectively while investment growth slowed. Higher fixed investment drove growth upwards in most commodity-exporting countries that were previously affected by commodity price downturn such as Angola, Brazil, Ecuador, Nigeria and Russia. Growth in other EMDEs is expected to be mostly driven by higher fixed investment growth, supported by stronger private consumption. Favourable market sentiments, accommodative financial conditions are expected to propel EMDEs to increase by 0.1 percentage point in 2018. The slight recovery in commodity prices is also expected to allow conditions in commodity exporters, particularly those in the SSA region, to gradually improve. The SSA region is therefore expected to grow by 3.4 percent in 2018 compared to 2.8 percent realised in 2017.

Figure 1: Actual and Real GDP Growth Rates in Various Regions, 2008-2018




*Source, IMF, World Economic Outlook, April 2018*

Despite this improvement in global growth, the current economic picture is not assured. There exists some risks to growth that are broadly balanced over the next short-term. These include the financial vulnerabilities that could give way to rapid tightening of global financial conditions, denting confidence and growth. The support to growth that comes from procyclical policies, may also need to be reversed. Furthermore, a shift toward inward-looking policies that harm international trade and a worsening of geopolitical tensions and strife may weigh down on the prospects of positive economic growth.

## 2. Economic Developments in Sub-Saharan Africa

This region witnessed a modest growth upturn in 2017 and this is expected to continue into 2018. Average growth in 2017 reached 2.8 percent is expected to be 3.4 percent in 2018. Supportive external environment, including stronger global growth, higher commodity prices and improved market access played a key role in boosting growth. Inflation pressures in the region have also reduced while exchange rate systems have been more flexible. However, despite this reduction, fiscal consolidation across the region has been mixed and vulnerabilities are showing signs of increases. These global developments, combined with some internal policy frameworks have also led to an improvement in external positions.

Even though the region is expected to enjoy some recovery, economic performance has not been uniform. For instance, Burkina Faso, Cote dô Ivore, Ethiopia, Ghana, Guinea, Rwanda, Senegal and Tanzania are continuing to record average growths of 6 percent and this is expected to continue into the medium term. Some countries such as Burundi, Democratic Republic of Congo and South Sudan are facing internal conflicts which are expected to negatively impact economic prospects. These conflicts have increased humanitarian costs and results into negative spill overs for neighbouring countries. Furthermore, the main economic drivers of the regions, i.e. South Africa and Nigeria have been stuck on low gear, therefore slowing down higher growth prospects in the region.

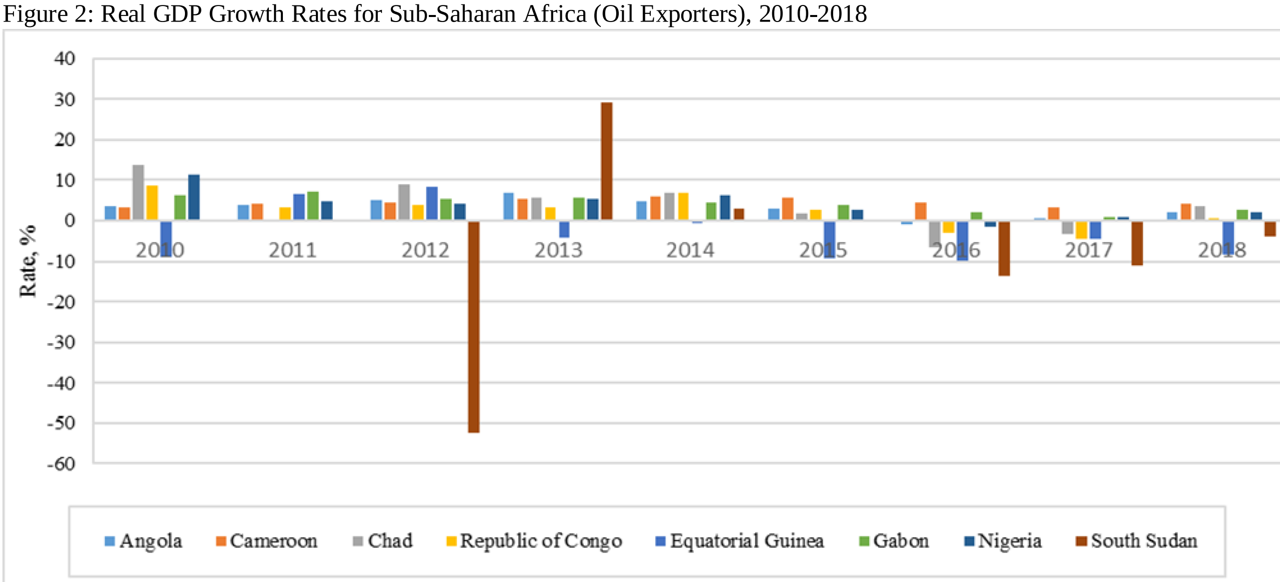
Further analysis shows that, oil exporting economies are dealing with the legacy of the recent price reductions. Most of these nations are faced with growth rates that are well below past trends and some have experienced rising debt levels. For these countries, there is, therefore need to adjust fiscal positions and propel economic diversification strategies, take advantage of current trends in global commodity prices while intensifying measures to increase non-oil revenue. This is expected to go a long in ensuring that economic growth rates recorded in the past are realised. Figure 2 presents real GDP growth rates for oil exporters.

Non-oil exporting SSA countries grew by 5.7 percent in 2017. Some of the countries that registered robust economic activity in this sub region include Cote dôIvore and Senegal, on the backdrop of public investment and strong agricultural production. However, there is no guarantee on how long the effect of this pick up will last. Therefore, these countries should focus on transferring growth momentum from public to the private sector and reduce fiscal imbalances to lower vulnerabilities that could threaten the achievement of sustainable growth over the medium term.

Despite these developments, the region is still faced with some challenges such as debt vulnerabilities which have built up. This has mainly been heightened in some cases by negative growth in Chad, Republic of Congo, Equatorial Guinea, currency depreciations in Gambia and Sierra Leone as well as reporting of undisclosed debt in Republic of Congo and Mozambique, amongst others. The region is also facing challenges of rising non-performing loans which threaten economic recovery. In the outlook, the regionȏs intraregional linkages are expected to steadily gain strength through trade, remittances and banking channels which might improve growth.

Despite this outlook, some external and internal risks to growth are also prevalent in several countries. On the external side, expected monetary policy normalisation in advance economies could tighten financing conditions, particularly where public debt levels are high. With respect to internal risks, political uncertainty, security challenges and upcoming elections in several countries may weigh heavily on economic outlook. In order to reduce and/or mitigate the impact of these risks, the region should consider polices that will ensure macroeconomic stability, enhance revenue mobilisation to reduce debt vulnerabilities and build fiscal space as well as reinvigorate private investment.

Figure 2: Real GDP Growth Rates for Sub-Saharan Africa (Oil Exporters), 2010-2018




*Source, IMF, World Economic Outlook, April 2018*

## 3. Economic Developments in the MEFMI Region

### 3.1. Real Gross Domestic Product

Similar to the SSA region, the MEFMI region is also prone to contagion effects arising from performances in other economic regions. A mixed bag of economic factors pulling in opposite directions, therefore played a key role in shaping the regionȏs performance in 2017. These include improved global commodity prices, which benefited most countries, mainly driven by natural resources. Other factors include the benefits accrued from declining oil prices which have seen increased disposable income and lower domestic energy prices. This is mostly observed in the eastern part of the region, particularly in Kenya, Tanzania, Rwanda and Uganda. This sub-category recorded growth rates above 5 percent. This is expected to further boost private consumption and investment in the region. On the downside, the region was faced with deteriorating fiscal positions, which reduced fiscal space for some countries. This suggests that domestic revenue mobilisation efforts have generally fallen short of rising expenditure requirements. Country-specific challenges relating to rising poverty and inequality levels are, in many cases, important contributing factors that weigh on medium-term growth, limit employment opportunities for the working-age population, and prevent the benefits of growth from spreading.

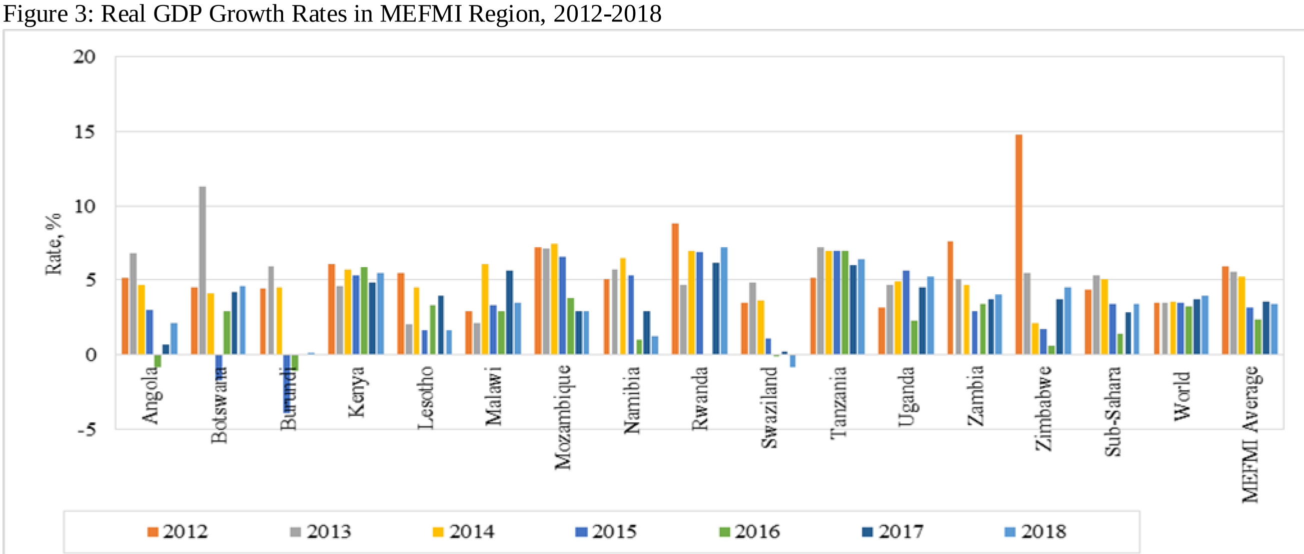
The region is also facing effects of the recent natural disasters such as droughts and floods. This has reduced productivity in the agriculture industry for some countries. Other fragile states such as Burundi and Zimbabwe are still battling with volatile macroeconomic conditions. Overall, these shocks (macroeconomic and non-macroeconomic) are expected to continue to exert pressure on domestic economies.

Taking some of these developments into consideration, policy priorities in the region should be towards the strengthening of short-term economic activity which will provide an opportunity to start rebuilding fiscal buffers where needed. The region should also allow for more policy focus on other medium- and long-term priorities aimed at boosting potential growth, reducing inequality, strengthening financial resilience, and coping with the effects of climate change. For countries characterised by low fiscal space, there is need to gradually strengthen fiscal buffers and ensure that consolidation proceeds hand-in-hand with a shift in budget composition toward areas that lift potential output growth, while also remaining mindful of reducing inequality and improving the welfare of the most vulnerable. This will assist in way in ensuring that sovereign debt ratios remain sustainable.

Countries with fiscal space should consider raising their potential outputs and productivity by enhancing workforce skills, including in the area of digital literacy. There is also need to improve infrastructure where needed and boost labour force participation in order to enhance growth.

In view of this, the MEFMI region is estimated, on average, to have grown by 3.5 percent in 2017 compared to 2.9 percent in 2016. This growth is in line with growth from the SSA region which is supported by improvement in commodity prices and growth in private consumption. Figure 3 presents actual and projected real GDP growth rates for MEFMI Member Countries from 2012 to 2018. It also shows a comparison between the MEFMI region, Sub-Saharan Africa and global economic performance.

Figure 3: Real GDP Growth Rates in MEFMI Region, 2012-2018



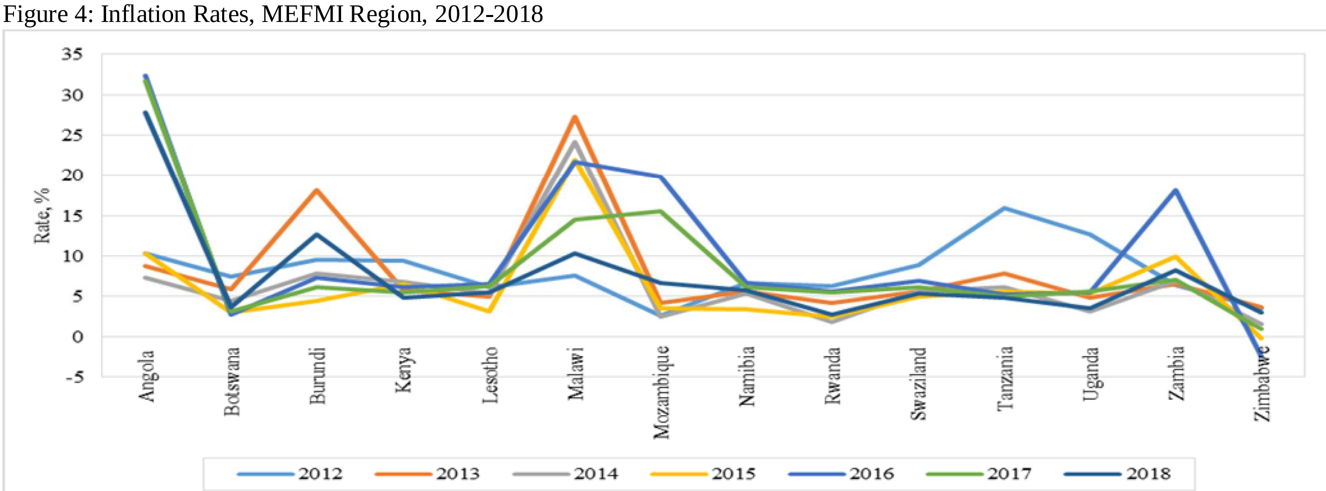

*Source: Member Countries Data Base (Accessed through member states focal persons) and IMF World Economic Outlook, April 2018*

The region is also faced with other challenges which directly affect economic performance. These include the competitiveness, ease of doing business and corruption. Annex 2-1 shows how competitive the region is. The data shows that Rwanda, Botswana, Namibia and Kenya were ranked below 100. This implies that most of the MEFMI economies are less competitive globally. It presents an opportunity for countries to adopt the latest technologies and produce products that can compete globally. With respect to the ease of doing business, Annex 2-2 indicates that, in 2018, only four (4) countries in the region, namely Rwanda (56), Kenya (80), Botswana (81), and Zambia (85) have ranked below 100, indicating the ease of opening a business; getting electricity, registering property and access to credit, just to list a few requirements. This indicates the extent of foreign direct investment losses, which the region could be benefiting from if all the various forms of red tape are reduced. The supply challenges of water and electricity have also been a disadvantage to the region. On corruption and economic crime, out of 180 surveyed countries in the world, only two (2) countries in the MEFMI region (Botswana and Rwanda) were ranked below 50 while four (4) countries (Namibia, Lesotho, Swaziland and Zambia) were ranked below 100 and the rest were ranked above 100. This indicates the severity of corruption in the region, which deprives it of the potential growth it could achieve. Furthermore, large-scale corruption and weak governance can also undermine confidence and popular support for reforms, taking a toll on economic activity.

## 3.2. Price Developments

Generally, prices in the MEFMI region have receded 2017, largely reflecting declines in food prices and policy tightening by oil exporters. In this regard, average annual inflation for the region fell from 9.1 percent in 2016 to 8.3 percent in 2017 (Figure 4). In addition, monetary policy had an impact in containing inflation in hard hit oil exporting countries like Angola. In this connection, the policy was tight for most of 2017, as reserve money contracted throughout the year, in step with the decline in net international prices. Monetary policy also remained tight in other countries facing high or accelerating inflation like Kenya. However, monetary policy has been accommodative where economic activity has been reducing, including countries that have experienced drought related inflation spikes like Rwanda, Tanzanian and Uganda. Furthermore, exchange rate depreciations have also contributed to reducing inflation pressures and enabled a more accommodative policy stance in countries like Zambia. Going forward, it is anticipated that in the medium term, on average, inflation will remain below most central bank targets.

Figure 4: Inflation Rates, MEFMI Region, 2012-2018




*Source: IMF and Member Countries Data Base (Accessed through member states focal persons), IMF World Economic Outlook, April 2018*

### 3.2.1. Food and Other Commodity Prices

Commodity markets play an important role in most economies, particularly those that are natural resource driven. The development and performance of the commodity markets, therefore remains under observation for most of these economies as it dominates most of their real sector performance, current accounts and fiscal positions. Therefore, any price movement will have an immediate effect on the external and fiscal positions of these countries. After maintaining a downward trend from 2014 until mid-2016, commodity prices recorded slight increases for the remaining 2017 period. This improvement has led to a terms of trade boost for most of the countries in the region. Both fuel[1] and metal prices[2] also registered gains during the same period as shown in Figure 5. Metal prices indexes are expected to stabilise in 2018, following an upward spike in 2017, as a correction in iron ore prices is offset by increased prices in other base metals.

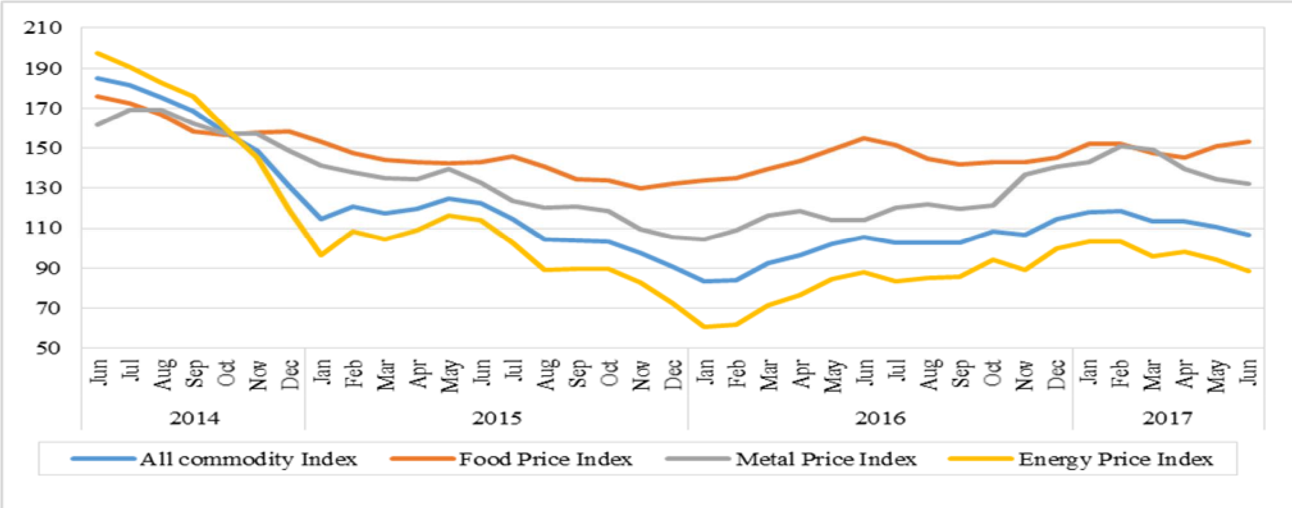
With respect to energy, their prices are recovering in response to steady demand and falling stocks. However, much of the recovery will depend on whether oil producers seek to extend production cuts. Food prices[3] continue to mirror the movement in fuel prices.

This trend signifies the importance and impact of fuel, as an input on agricultural production and other industries. Overall, these market trends are expected to continue stabilising and recover in the short to medium-term.

[1] Includes crude oil, petroleum, natural gas and coal prices.
[2] Includes copper, aluminium, iron ore, tin, nickel, lead and uranium.
[3] Includes cereal, vegetable oil, sugar, bananas and oranges.

.

Figure 5: Selected Commodity Price Indices (2005=100)



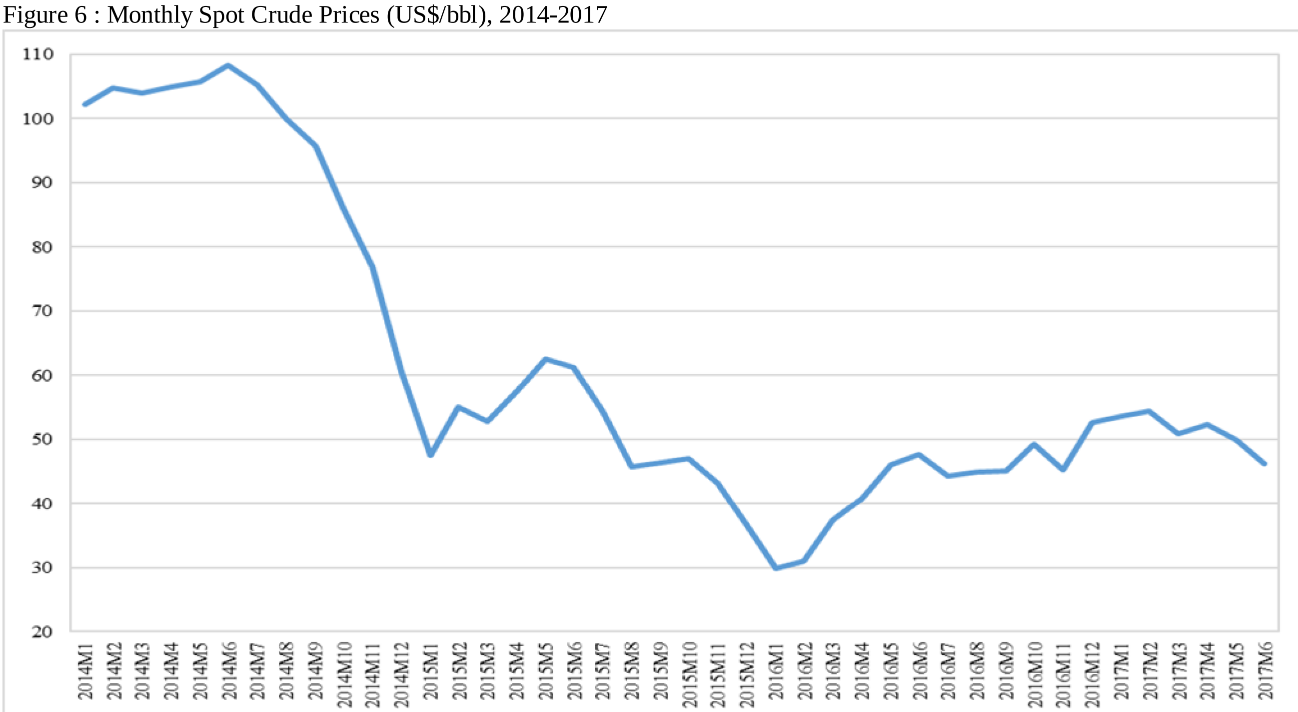

*Source: IMF Commodity Price System, 2017*

### 3.2.2. Oil Prices

Oil prices have sharply trended downwards from mid-2014 to early 2015. The effect of this drop was two-fold for the MEFMI region. On the positive side, it reduced expenditure for oil importing countries, while the negative effect was realised by oil exporting nations like Angola, who recorded low economic growth. However, following this abrupt decline, oil prices have stabilised around US$50 a barrel up to mid-2017. (Figure 6). Much of this stabilisation was brought about by the declining inventories as a result of strong global demand, increased compliance among the OPEC and non-OPEC producerǿs agreement, and stable U.S.A shale oil production.

However, slight upward movements in oil prices have been witnessed since the second quarter of 2016 until the first quarter of 2017. This is expected to add pressure on cost push inflation. Despite these movements, most oil exporting nations, particularly in SSA region, are still recovering from the after effects of price slumps. In the outlook, oil prices are expected to continue to stabilise and producer become more cautious of oversupply.

Figure 6 : Monthly Spot Crude Prices (US$/bbl), 2014-2017



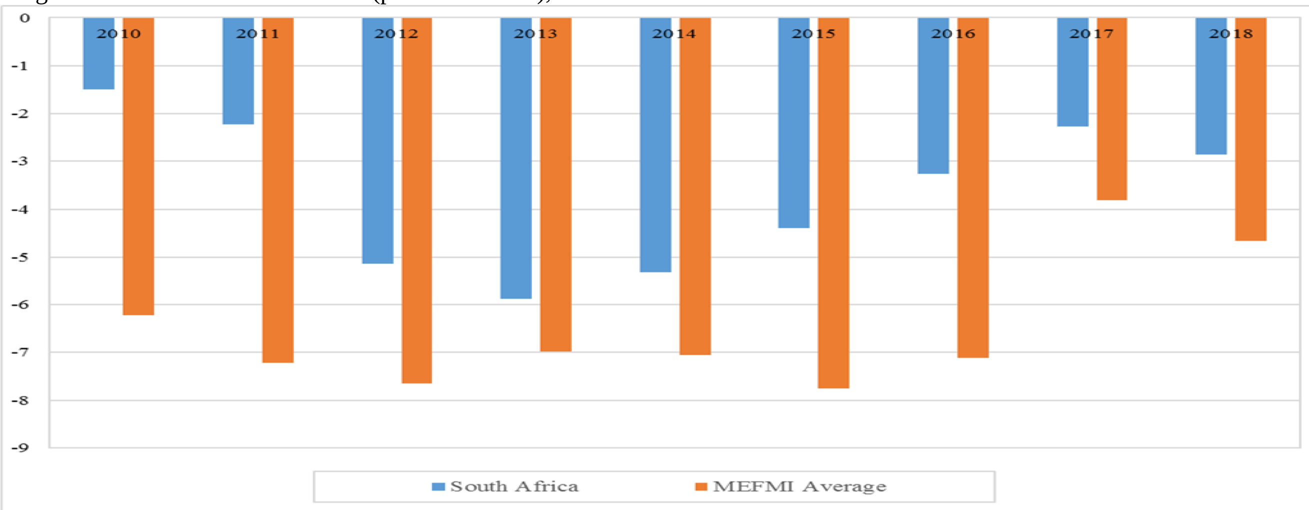

*Source: IMF Commodity Price System, 2018*

## 3.3. External Sector Performances of the MEFMI Region

The ratio of current account balance to GDP for the MEFMI region, has to a large extent, been driven by the trade balance and remittances. A common characteristic among most economies in the region is that they are commodity exporters. In addition, oil has a significant share in their import basket. As a result, as previously mentioned, the slight improvement in prices of most commodities has improved their current account balances. For instance, the current account balance as a percent of GDP marginally improved on average, from -3.3 percent in 2016 to -2.3 percent in 2017. (Figure 7). This growth is associated with weak import growth, stronger commodity exports, lower non-oil imports, import compression and a temporary increase in SACU receipts, for the BNLS[4] countries. However, if the slight decline (due to lower demand) in commodities witnessed during the second quarter on 2017 is to prevail, then the current account balance is expected to be pulled down by deteriorating terms of trade, reductions in current transfers and income payments. Going forward, in line with Annex 2 of this report, there is need to improve competitiveness and increase efforts aimed at addressing corruption and economic crime, which continues to undermine business and consumer confidence in the region. The region should continue with its current efforts of improving the ease of doing business in order to reap the benefits of all economic activities. Furthermore, the speed of implementing policies aimed at economic diversification need to be intensified in order to minimise exposure to external vulnerabilities caused by fluctuations in the performance of extractive industries. The implementation of all these measures may result in the improvement of the external position in the region.

[4] BNLS in this document is an acronym for Botswana, Namibia, Lesotho and Swaziland.

Figure 7: Current Account Balance (percent of GDP), 2010-2018




*Sources: MEFMI Member Countries and IMF Database, 2018*

### 3.2.1. Exchange Rate Developments

Table 1 presents international and regional currencies against the US Dollar. The table shows that in 2017, the US Dollar depreciated against most major international and regional currencies. This reflects, among other factors, that economic conditions in the USA were worse than those in most regions. Furthermore, some unfavourable economic conditions in various countries have made buying domestic currencies a less attractive proposition for investors.

Table 1: International US Dollar Cross Rates (Mid-Market Rates As of end December of each Year)

| | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** |
|---|---|---|---|---|---|---|---|---|---|
| US Dollar /Euro | 1.4 | 1.3 | 1.3 | 1.3 | 1.4 | 1.2 | 1.1 | 1.1 | 0.8 |
| US Dollar/British Pound | 1.6 | 1.6 | 1.6 | 1.6 | 1.7 | 1.6 | 1.5 | 1.3 | 0.7 |
| US Dollar/Japanese Yen | 93.1 | 81.1 | 77.1 | 86.6 | 105.3 | 119.8 | 122.0 | 116.6 | 112.7 |
| US Dollar/Chinese Yuan | 6.8 | 6.6 | 6.3 | 6.2 | 6.1 | 6.2 | 6.5 | 6.9 | 6.5 |
| US Dollar/Rand | 7.4 | 6.6 | 8.1 | 8.5 | 10.5 | 11.6 | 15.0 | 13.6 | 12.4 |
| US Dollar/Angolan Kwanza | 89.4 | 92.4 | 94.9 | 95.8 | 97.6 | 102.9 | 135.0 | 165.1 | 165.9 |
| US Dollar/Botswana Pula | 6.7 | 6.5 | 7.5 | 7.8 | 8.7 | 9.5 | 11.0 | 10.7 | 9.9 |
| US Dollar/Burundi Franc | 1215.0 | 1207.0 | 1282.0 | 1537.9 | 1550.0 | 1563.6 | 1560.5 | 1675.1 | 1760.9 |
| US Dollar/Kenyan Shillings | 75.9 | 80.7 | 85.0 | 86.1 | 86.5 | 90.5 | 102.3 | 100.2 | 103.1 |
| US Dollar/Basotho Loti | 7.4 | 6.6 | 8.1 | 8.5 | 10.5 | 11.6 | 15.0 | 13.6 | 12.4 |
| US Dollar/Malawian Kwacha | 145.2 | 150.8 | 164.7 | 330.5 | 427.9 | 486.3 | 636.5 | 726.1 | 730.0 |
| US Dollar/Mozambican Meticais | 30.6 | 32.2 | 26.5 | 29.9 | 29.9 | 34.0 | 48.0 | 71.0 | 58.9 |
| US Dollar/Namibian $ | 7.4 | 6.6 | 8.1 | 8.5 | 10.5 | 11.6 | 15.0 | 13.6 | 12.4 |
| US Dollar/Rwandan Franc | 571.2 | 594.5 | 604.1 | 631.4 | 670.1 | 694.4 | 747.4 | 819.8 | 845.0 |
| US Dollar/Swazi Emalangeni | 7.4 | 6.6 | 8.1 | 8.5 | 10.5 | 11.6 | 15.0 | 13.6 | 12.4 |
| US Dollar/Tanzanian Shillings | 1330.0 | 1480.0 | 1590.0 | 1578.5 | 1591.5 | 2150.0 | 2174.5 | 2181.0 | 2238.0 |
| US Dollar/Ugandan Shillings | 1899.7 | 2308.3 | 2490.9 | 2685.9 | 2527.9 | 2773.1 | 3377.0 | 3610.5 | 3643.3 |
| US Dollar/Zambian Kwacha | 5.0 | 4.8 | 5.1 | 5.1 | 5.5 | 6.4 | 10.8 | 9.8 | 9.9 |
| Zimbabwe US Dollar[5] | -- | -- | -- | -- | -- | -- | -- | -- | -- |

*Source: Web Sites of Central Banks in the MEFMI Region - Historical Series of Exchange Rates & Bloomberg*

[5] Zimbabwe adopted the multicurrency system in 2009, which comprise of the South African **rand,** Botswana **pula**, **Pound sterling**, Indian **rupee**, **Euro**, Japanese **yen**, **Australian dollar**, Chinese **yuan**, and the United States **dollar**.

Analysis of the MEFMI region indicates that as at end 2017, the US Dollar had strengthened against all member statesô currencies except for the BNLS countries and Mozambique. The biggest losses were witnessed in the Eastern part of the regions such as Burundi, Rwanda and Tanzania. Countries which belong to the current Common Monetary Area (Lesotho, Namibia and Swaziland) with South Africa, on the other hand, experienced minor currency appreciations, mainly due to the contagion effect of the appreciation of the South African Rand against the US Dollar. Zambia had the least depreciation while Mozambique recorded the most appreciation during this period. Exchange rate policies in Angola have shifted towards more flexibility. This has seen the Kwanza remain stable in 2017.

## 3.3. Public Debt Developments in the MEFMI Region

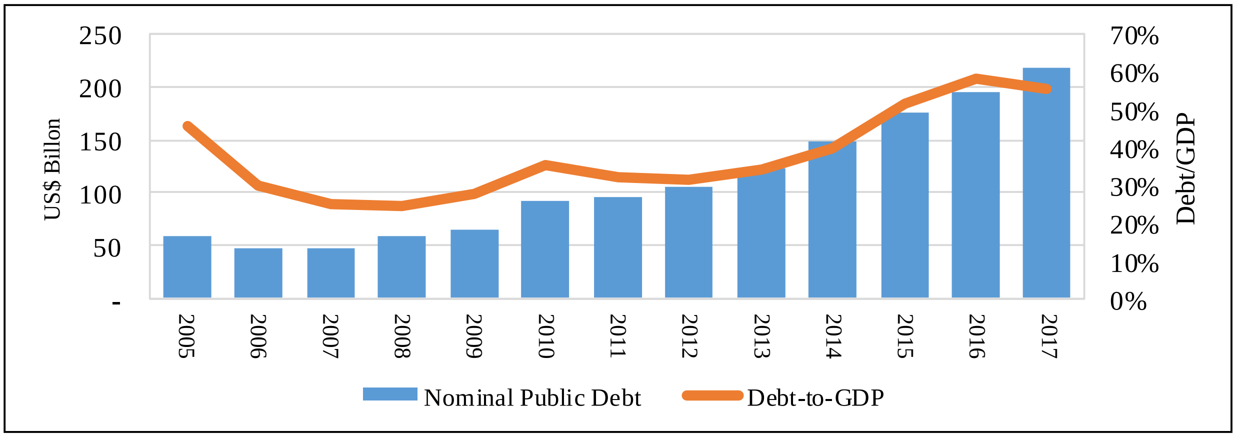
### 3.3.1. Trends in Public Debt

Over the last decade, the stock of public debt has risen substantially across the SSA region. Between 2008 and 2017, nominal outstanding debt tripled from about US$264 billion (or 24 percent of GDP) to around US$794 billion (or 46 percent of GDP). The evolution of public debt indicators in the MEFMI region mirrors that of the SSA region, with outstanding debt stock increasing from US$58 billion (or 24 percent of GDP) to about US$218 billion (or 55 percent of GDP), as highlighted in Figure 8. The debt build-up in the MEFMI region has been broad-based, but slightly larger among commodity exporters. Among the 7 commodity[6] exporters, debt rose, from already elevated levels, by at least 200 percent (or by at least 40 percent of GDP) in Angola, Mozambique and Zambia during the period between 2008 and 2017 (Figure 9). While average debt levels drifted upwards among diversified exporters[7], the increase over the period has remained modest compared to commodity exporters. The pace of debt accumulation was somewhat smaller in a handful of countries, particularly Burundi and Lesotho, where debt stocks increased by 16 percent and 22 percent, respectively, but decreased in relation to GDP.

[6]

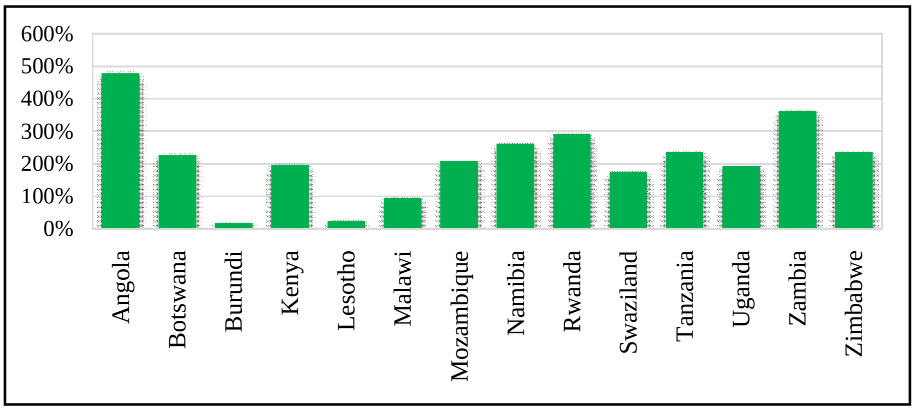
[7] Kenya, Uganda, Tanzania, Uganda and Rwanda

Figure 8: Public Debt in MEFMI Member States, US$ billion and percent of GDP, 2005-2017




*Source: IMF World Economic Outlook, April 2018*

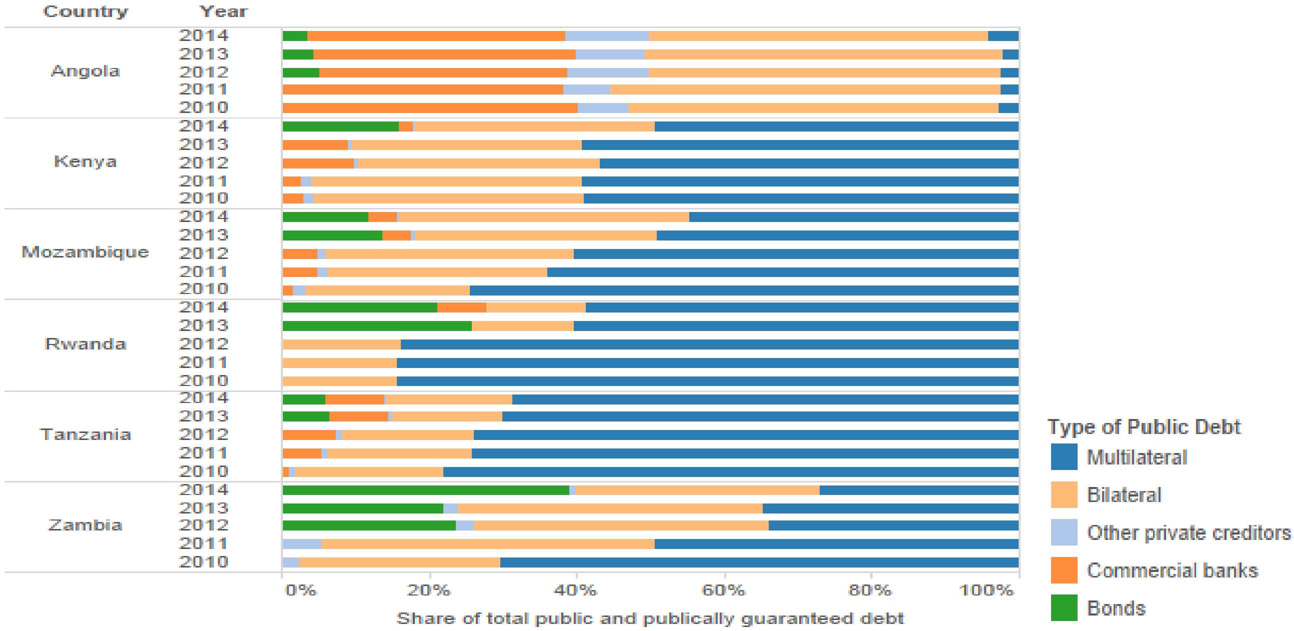
Figure 9: Increase in Public Debt (%): 2008 - 2017




*Source: IMF World Economic Outlook, April 2018*

There has also been a significant shift in the composition of public debt from concessional towards semi-concessional and commercial sources of financing over the period 2008 and 2017. Figure 10 shows the change in creditor composition between 2010 and 2014 for Angola, Kenya, Mozambique, Rwanda Tanzania and Zambia. Market-based external debt has emerged as a new source of financing for some countries in the region, particularly for Kenya, Namibia and Zambia. Public debt is increasingly held by non-Paris Club official bilateral creditors and foreign commercial creditors, while the deepening of domestic financial markets in some countries has allowed governments to more actively tap into domestic debt markets. Reliance on commercial debt has translated into higher debt servicing costs and risks, while new challenges may arise when the need for debt resolution arise. Changes in the external environment, particularly a potential pick up in global interest rates due to normalization of monetary policies in advanced economies, may affect those countries seeking funding from international capital markets. For these countries, active public debt management is required to manage re-pricing and rollover risks.

Figure 10: Public Debt by Creditor Category (%)




*Source: World Bank*

Debt accumulation has also been rapid in the non-HIPC member countries, particularly Angola and Kenya. Kenyaǿs public debt was estimated at US$44.25 billion (53.5 percent of GDP) as at end-2017 compared to US$12.3 billion (38.4 percent of GDP) in 2007. Angolaǿs public debt increased from US$9.7 billion in 2007 (16.4 percent of GDP) to US$56.4 billion in 2014 and was estimated to have increased further to US$81 billion (79.1 percent of GDP) as at end-2017 (WEO, Jan. 2018).

### 3.3.2. Drivers of Public Debt Accumulation

The key drivers of debt accumulation over the period from 2012 to 2017 have been adverse exogenous shocks (falling commodity prices) and widening fiscal deficits, with exchange rate depreciation playing a key role in a handful of cases. In the diversified exporters, sustained large fiscal primary deficits have been the main driver of debt increases over the years. Larger fiscal deficits reflect increases in public investment in countries such as Kenya and Rwanda, with their strategy of scaling-up public investment through external borrowing. In Zimbabwe, larger deficit reflected weaker fiscal revenue due to liquidity challenges.

In commodity exporters, the commodity price shock in 2014 had a major impact on debt dynamics, contributing to sluggish growth and higher fiscal deficits. In Zambia, sluggish copper price contributed to real exchange rate depreciation, which further raised debt burdens. In Mozambique, the key drivers of debt accumulation include disclosure of unreported debt and the depreciation that ensued the disclosure.

### 3.3.3. Outlook for Debt Sustainability

Recent debt sustainability assessments show a gradual weakening of medium-term debt outlook for countries in the MEFMI region, although risk ratings have changed in relatively few cases (Figure 11). Since end-2008, three (3) countriesô risk of debt distress were downgraded (Angola, Mozambique and Zambia), two (2) improved (Rwanda and Lesotho) while nine (9) remained the same although safety margins have eroded. Mozambiqueǿs risk rating moved from low to distress, while Angola and Zambia shifted from moderate and low to high respectively. By end 2017, five (5) countries faced significant debt challenges, two of which were already in debt distress. Countries such as Botswana, Kenya, Tanzania, Uganda and Swaziland have maintained low risk ratings, although their debt burden indicators have increased significantly in the past decade. Estimates by IMF show that the recent pace of debt accumulation will continue in the medium to long-term, consistent with countriesô commitments to mobilise adequate resources needed to support achievement of national, continental and global development goals. The policy challenge, going forward, is to take advantage of the growing menu of financing modalities while controlling fiscal risks and maintaining debt sustainability. While countries in low and moderate risk of debt distress have some room to scale-up public investment through borrowing, it is important that proceeds are used to finance investment projects with credibly high economic rates of return.

Figure 11: Evolution of Risk of External Debt Distress[8]

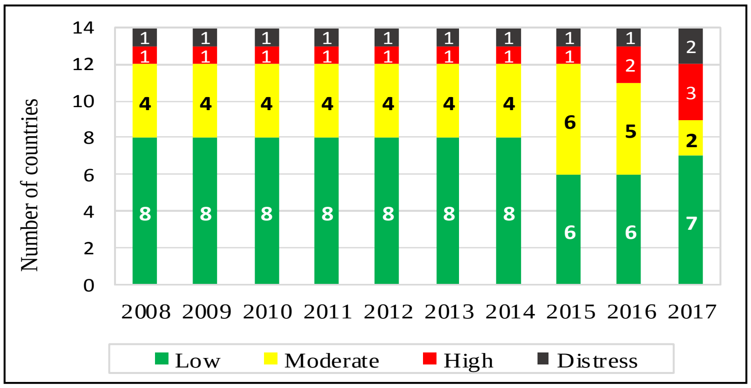



Table 2: Evolution of Risk of Debt Distress by Country

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Angola | Moderate | Moderate | Moderate | Moderate | Moderate | Moderate | Low | Moderate | High | High |
| Botswana | Low | Low | Low | Low | Low | Low | Low | Low | Low | Low |
| Burundi | High | High | High | High | High | High | High | High | High | High |
| Kenya | Low | Low | Low | Low | Low | Low | Low | Low | Low | Low |
| Lesotho | Moderate | Moderate | Moderate | Moderate | Moderate | Moderate | Moderate | Moderate | Moderate | Low |
| Malawi | Moderate | Moderate | Moderate | Moderate | Moderate | Moderate | Moderate | Moderate | Moderate | Moderate |
| Mozambique | Low | Low | Low | Low | Low | Moderate | Moderate | Moderate | Moderate | Distress |
| Namibia | Low | Low | Low | Low | Low | Low | Moderate | Moderate | Moderate | Moderate |
| Rwanda | Moderate | Moderate | Moderate | Moderate | Moderate | Low | Low | Low | Low | Low |
| Swaziland | Low | Low | Low | Low | Low | Low | Low | Low | Low | Low |
| Tanzania | Low | Low | Low | Low | Low | Low | Low | Low | Low | Low |
| Uganda | Low | Low | Low | Low | Low | Low | Low | Low | Low | Low |
| Zambia | Low | Low | Low | Low | Low | Low | Low | Moderate | Moderate | High |
| Zimbabwe | Distress | Distress | Distress | Distress | Distress | Distress | Distress | Distress | Distress | Distress |

*Source: IMF Country Debt Sustainability Reports, 2008 - 2018*

[8] Country-specific risk ratings are shown in Figure 13. For Market Access countries (Angola, Botswana, Namibia, and Swaziland, the ratings are based on the heat map).

## 3. South Africa Economic Developments and its Implications to the MEFMI Region

South Africa remains an important trading partner for most countries in the MEFMI region. For example, some of the MEFMI member countries (Botswana, Lesotho, Namibia and Swaziland) belong to a trading block[9] with South Africa. Therefore, South Africaôs economic performance has spill over effects for the region. Economic activity is estimated to be on a re bound following a short recession in early 2017. Even though this is improvement is not broad based, National Treasury of South Africa estimates the economy to grow by 1 percent in 2017 and project a 1.5 percent growth in 2018. This growth is attributed to higher commodity prices and stronger growth among South Africaôs trading partners. In addition, the increasing levels of business and consumer confidence are also associated with some of the positive growth prospects. Going forward, the impact of the recent land reform policy on economic performance will need to be watched carefully.

With regard to fiscal performance, government deficit is deficit is projected to narrow from an estimated 4.3 per cent of GDP in 2017/18 to 3.5 per cent in 2020/21. However, although net debt is projected to stabilise at 53.2 per cent in 2023/24, debt continues to rise over the medium term, as a result of debt-service costs. Risks to fiscal outlook

[9] The Southern African Customs Union (SACU) is the oldest customs union in the world with five countries in Southern Africa, namely Botswana, Lesotho, Namibia, South Africa and Swaziland

# 4. MEFMI Region - Individual Country Performances

## Angola

In 2017, macroeconomic conditions in Angola where driven, mostly by the performance of the oil sector. The sector constitutes over 90 percent of exports, roughly 50 percent of fiscal revenues and constitutes over 30 percent of GDP. Angola remained in the recession initiated in 2016, registering a negative growth of 2.58 percent and 2.50 percent in 2016 and 2017, respectively, due to international oil price. The increase in oil prices has not been enough to rescue Angolan economy from recession. Nevertheless, real GDP is expected to improved from - 2.50 percent to around 2.35 percent in 2018 due to the better performance of oil sector (6.11 percent), Trade (4.26 percent) and construction (3.10 percent).

Inflation stood at 26.26 percent, having decreased by 15.69 percentage points compared to 2016 (41.95 percent).

The behaviour of inflation throughout the year may be related to the positive effect of monetary and exchange policies, especially the increase in the sale of foreign currency to food importers since the second half of 2016, in order to ensure the supply of goods, the relative stability of the exchange market and the contraction of monetary aggregates. For 2018 it is expected an inflation rate of 23 percent.

The current account balance as improved in 2017, reflecting the improvement of trade balance Preliminary data for the year 2017 point to a global deficit of 5.28% of GDP, which represents a worse performance compared to 2016 (3.8 percent of GDP), but slightly in line with the projected deficit in the Government Budget (5.77 percent of GDP).

## Botswana

The revised GDP data released by Statistics Botswana in March 2018, shows that the Botswana economy recorded a positive growth of 2.4 percent in 2017 compared to a substantial growth rate of 4.3 percent recorded in 2016. The slowdown in 2017 was attributed to the weak performance of the Mining sector which plummeted by 11.2 percent compared to a negative growth of 3.5 percent in 2016, reflecting the impact of lower commodity demand in the global markets, particularly in the diamond markets. However, the domestic economic outlook remains positive in the medium term, for both the mining sector and non-mining sectors. Mining sector performance is expected to benefit from the recovery in the global economy, while that of non-mining sectors reflects the impact of Governmentôs interventions in terms of policies and strategies to diversify the countryôs sources of growth.

In October 2017, the Bank rate was reduced from 5.5 percent to 5.0 percent, which was maintained for 2018, and consequently the prime lending rate of commercial banks decreased from 7 percent to 6.5 percent. Global inflation was subdued in 2017, mainly due to restrained global demand, slow wage growth and the impact of globalisation and enhanced international trade. However, the increase in commodity prices (especially crude oil prices) contributed to the modest increase in Botswanaôs inflation. The average inflation rate was 3.3 percent in 2017 as opposed to 2.8 percent realized in 2016. This implies that consumers paid on average 3.3 percent more for the goods and services in the Consumer Price Index (CPI) basket in 2017 compared to 2016. Inflation is forecast to be within the 3 ï 6 percent objective range in the medium term. Risks to the outlook relate to any substantial upward adjustment in administered prices and Government levies and/or taxes, as well as any increase in international oil and food prices beyond current forecasts. However, there are downside risks associated with modest global economic activity and the potential decline in commodity prices.

In 2017, the current account balance recorded a surplus of P22.2 billion, compared to a surplus of P23.4 billion in 2016.The surplus was mainly a result of revenue inflows from the SACU, which increased by 31.5 percent from P12.4 billion in 2016 to P16.3 billion in 2017. The current account balance as a percent of GDP averaged 11 percent from 2012 to 2017. A combination of demand for diamonds, relatively favourable international prices for diamonds and SACU revenues are supporting higher current account receipts. The Standard and Poorôs Global Ratings (April, 2018) recently indicated that Botswana is expected to maintain current account surpluses close to 10 percent of GDP over the period 2018 to 2021.

The lower surplus in 2017 was largely a result of the anticipated decrease of 4.2 percent in total exports of goods. Conversely, imports were expected to increase by around 5.0 percent in 2017, mainly due to larger imports of food, fuel, chemicals, rubber products, as well as of diamonds for aggregation purposes. The overall balance of payments is forecast to be a surplus of P297 million in 2017, compared to a provisional surplus of P2.8 billion for 2016. Meanwhile, the level of foreign exchange reserves decreased by 4.0 percent from P76.8 billion in December 2016 to P73.7 billion in December 2017. At this level, the foreign exchange reserves were equivalent to 16.1 months of imports of goods and services.

The Pula basket of currencies is regularly reviewed in order to maintain a stable and competitive Real Effective Exchange Rate (REER). In February, 2018 the Bank of Botswana released a Monetary Policy Statement (MPS), which reflected the review of the Pula basket of currencies that was undertaken in November, 2017. The Pula basket weights were maintained at 45 percent South African rand and 55 percent SDR for 2018, while a modest downward rate of crawl of 0.3 percent per annum from an upward rate of 0.26 percent, was adopted for the Nominal Effective Exchange Rate (NEER), effective 1st January, 2018. These exchange rate developments are at the backdrop of the projected inflation that is close to the lower end of the Bankôs medium-term inflation objective, but slightly higher than the trading partner countriesô forecast average inflation. However, the effect of external price developments on domestic inflation, through imported inflation and changes in the exchange rate, is expected to be modest in the medium-term.

Botswana continues to be rated annually by major sovereign credit rating agencies of Standard and Poorôs and Moodyôs Investor Service, as part of its effort to maintain a competitive economy. Such ratings entail the assessment of the countryôs various macroeconomic policies and indicators, with a view to determining the countryôs economic fundamentals. In this regard, it is pleasing to note that, both rating agencies maintained Botswanaôs ñAò investment grade rating, (i.e., A-/A-2 by Standard & Poorôs and A2 by Moodyôs Investors), during 2017. Standard & Poorôs even revised Botswanaôs economic outlook from a negative status to stable, reflecting the countryôs track record on prudent economic management. Such assessments are critical for giving investors an objective view of the domestic business environment, and will in turn attract foreign direct investment.

## Burundi

In 2017, the economy situation in remained volatile due to a number of factors such as political uncertainty and economic sanctions from the European Union. The country also faced some challenges such as a depletion of foreign reserves and high cost of imported goods. This weighed down on private consumption and overall aggregate demand. Even though the countryôs main exports .i.e. coffee and tea are likely to improve on the backdrop of slight increases in commodity prices, the improvement is likely to eroded by legacy of the internal recessions. In this regard, economic growth in Burundi was recorded at 0 percent and this growth is expected to prevail in 2018.

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The economic sanctions weighed heavily of public finances. The country has now recorded deficits estimates at 8 percent of GDP in 2017. Furthermore, since the available limited resources are geared towards maintaining order, with public spending providing only minimum support for growth, deficits are anticipated to widen to 9 percent of GDP in 2018. The external position is expected to deteriorate slightly due to high imports compared to exports. Therefore, the ratio of the current account balance as a percent of GDP was recorded at 12 percent in 2017 and reach 13.2 percent in 2018.

## Kenya

In 2017, economic performance continued to be positive despite development surrounding elections and severe drought. In real terms, the economy is estimated to have grown by 4.8 percent mainly due to public investment spending and solid non-agriculture sector performance. With respect to inflation, it declined to below the mid-point of the authoritiesô target range, reflecting a substantial decline in food inflation and appropriate monetary policies. The external current account deficit is estimated to have increased to 6.4 percent of GDP in 2017 compared to 5.2 percent in 2016 as a result of higher imports, including fuel. The exchange rate has remained stable and foreign exchange reserves have risen to US$7.1 billion as of end-January 2018 and are sufficient to withstand any potential near-term external shocks. In the outlook, the economy is expected to grow by 5.5 percent in 2018. However, the country might face some headwinds arising from weak credit growth.

## Lesotho

Much of economic activity is subject to some spill overs from the South African economic performance. This linkage has direct impact on remittances that accrue to Lesotho. In addition, the reliance on the exports basket that is largely skewed towards diamonds, textiles, and water increases the macroeconomic volatility for the country. Domestic growth is expected to be around 3 percent in the 2017/18 financial year. The textile manufacturing sector is mainly attributed to this growth. The strong recovery of the agriculture sector, after the 2015/2016 drought is believed to have contributed to the growth of the textile sector. In the medium term growth is anticipated to be driven by mining and construction related to the Lesotho Highlands Water Project Phase II. On the fiscal side, government adopted expansionary fiscal policies influenced largely by SACU revenue windfalls.

Lesothoös year-on-year consumer inflation rate registered 5.7 per cent in December 2017. This compares with 5.3 percent recorded in the same period of 2016. The upward pressure emanated mainly from food and transport categories of the consumer price index. On the Balance of Payments side, the economy witnessed a narrowing current account deficit during the third quarter of 2017. In this regard, the current account deficit narrowed to 3.1 per cent of GDP from a 7.9 percent of GDP in the second quarter. This improvement was mainly due a rise in exports during the quarter.

Risks to the domestic growth outlook are centered on a fragile political environment, prospects of the South African economy and pressures on fiscal position.

## Malawi

Malawi has gone through troubled economic conditions in recent years. The inflation rate was persistently high while exchange rate was volatile and economic growth was wobbly. However, recently, the economy is on a recovery path. Real GDP in 2017 is anticipated to improve to 5.1 percent from the 2.7 percent that was realised in 2016. This growth is on the backdrop of normal harvesting season and a more stable macroeconomic environment which includes exchange rate stability and low inflation rate Going forward, despite the stable macroeconomic environment, the economy is expected to slow down to 4.0 percent. This slowdown is mainly due to risks such as the impact of dry spells and the fall army worms which have affected several districts in the country.

Headline Inflation decelerated to an average of 7.7 percent during the fourth quarter of 2017 from an average rate of 9.3 percent in the preceding quarter. The annual growth rate of broad money supply (M2) accelerated to 19.7 percent at the end of fourth quarter compared with 15.2 percent recorded at the end of fourth quarter of 2016. The overall balance of payments, registered a surplus of US$17.0 million during the 2017 fourth quarter from a surplus of US$59.2 million in the previous quarter and a surplus of US$3.0 million in the corresponding quarter of 2016

## Mozambique

In 2018, GDP is expected to grow around 3.0 percent for the Mozambique economy, after a preliminary level of 3.7 percent in 2017. This growth is mainly explained by the boost in external demand associated to the positive trend in the international prices of the main export commodities such as aluminium and mineral coal. Apart from that, the present dynamics in the mining sector could also result in a positive spillover effect in other sectors such as transport and commerce, which combined with a good prediction of agriculture production could overlap the loose momentum in other sectors such as manufacturing, construction, tourism and public administration due to weak domestic demand.

On the other side, for 2018 is expected that average annual inflation will continue to slow down ending the year below double digit (6.7 percent) after 15.1 percent in 2017. This expected reduction in inflation can be explained by the sluggish domestic demand reflecting the effect of a prudent monetary policy, mixed with efforts of fiscal consolidation, as well as the stability of Metical against the main trading partnerös currencies and the increased supply of food products produced domestically. The stability in the domestic currency is favoured by the improvement in the current account balance which leads to an increase in net international reserves.

## Namibia

The Namibian economy contracted marginally by 0.8 percent in 2017, compared to a mild growth rate of 0.7 percent in 2016, mainly due to a decline in the construction and wholesale and retail trade sectors. The contraction was largely reflected in the construction and wholesale and retail trade sectors, coupled with slower growth in the manufacturing, electricity and water, transport and communication and public sectors. On the contrary, the mining and agriculture sectors sustained activity in the primary industry during 2017. This was mainly driven by increased real value added in the diamond and uranium mining subsectors, as well as livestock and crop farming in the agriculture sector. Going forward, growth is projected to improve steadily to 1.4 percent in 2018, mainly supported by good prospects in the mining sector, particularly uranium as well as in the agricultural sector. However, the performance of uranium mining is clouded by uncertainty, around the recovery in the uranium price.

Namibiaøs inflation moderated during 2017, pulled lower by a sharp decline in food and non-alcoholic beverages. The inflation rate moderated, on average to 6.2 percent in 2017, from 6.7 percent recorded in 2016. The slowdown was mainly driven by a decline in the inflation of food and non-alcoholic beverages partly as a result of the good rainfall experienced during the year, compared to the previous year. On the other hand, inflation for the housing and transport categories accelerated on average during the 2017.

Compared to the previous fiscal year, the Central Governmentøs budget deficit is estimated to narrow during the 2017/18 fiscal year. The Central Government budget deficit was estimated at 5.4 percent in 2017/18 compared to 6.9 percent registered during the preceding fiscal year. Higher SACU receipts and improved revenue collection in terms of personal income tax as well as corporate tax compared to the previous year, contributed to the decline in the deficit.

The current account deficit narrowed significantly during 2017, largely as a result of a steep decrease in the import bill, coupled with higher SACU receipts. The external current account recorded a deficit of N$3.9 billion in 2017, significantly lower than the N$23.0 billion deficit recorded in 2016. This development had reduced the current account deficit as a percentage of GDP from 14.3 percent in 2017 to 2.3 percent in 2017.

## Rwanda

Following a slowdown in 2016, economic activity recovered in 2017 on the backdrop of agriculture and services. The improvement saw the economy recording 6.1 percent in real terms compared to 5.9 percent in 2016. The country also recorded high rights of inflation in early 2017, but this has since receded as due as food supplies have recovered from the drought. In this regard, inflation remained below the central bankøs 5 percent medium term target. In the outlook, the country is expected to return to historical average growth rates of 7 ï 7.5 percent due to massive investments in public infrastructure and interventions promoting structural transformation and diversified exports. Growth in exports outpaced that of imports, partly reflecting the impact of exchange rate adjustment and structural policies. Therefore, the trade deficit narrowed and improved the current account from 14.9 percent of GDP in 2016 to 8.8 percent in 2017. However, inflation is expected to increase slightly in 2018 as economic growth accelerates. Despite these economic developments achievements, similar to other SSA countries, the economy remains vulnerable to external shocks and fiscal risks. Economic policy should be geared towards building foreign exchange reserve buffers to enhance resilience while working to identify and mitigate potential fiscal risks. In addition, domestic resource mobilisation should remain at the top of the countyøs economic objectives in order to finance developments.

## Swaziland

The real GDP of the Kingdom of Eswatini is estimated to have increased by 1.9 percent in 2017.The improvement in economic performance is primarily a result of better output in the tertiary sector, which grew more than expected. Economic growth is expected to be weaker at 1.3 per cent in 2018, before picking up in the medium-term. In line with global, regional developments and the slowdown in the increase of food prices, which was associated with the drought that occurred in 2016, inflation has decelerated to 6.2 per cent in 2017 largely reflecting inflation developments to the neighbouring South Africa. The inflation rate for 2018 is projected to average 5.4 per cent.

Public debt has been on a steady increase over the years and the levels have remained below 35 per cent of GDP. The ratio of total expenditure to GDP is currently slightly above 30 per cent of GDP as it was 31.6 per cent in 2017, being a slight increase from 31.0 realised in 2016. The slight increase was as a result of drawdowns on foreign loans as well as a depreciation of the local currency against the USD and other major currencies in which the countryȏs liabilities are denominated. After the loss of the eligibility to trade under Africa Growth Opportunity Act (AGOA), which had minimal effect on growth and exports, Eswatini re-gained its trade benefit under AGOA in 2017. Higher gains from the re-admission of the country to AGOA are expected in the medium-term as exports under AGOA are expected to be slow in 2018. Exports are expected to suffer some loss as the local currency gains strength against major currencies hence eroding the demand for the countryȏs exports; and thus putting pressure on the rate of output growth. On a more positive note, the local currency appreciation to the US dollar will cause the US Dollar denominated debt repayments made by government to international agencies to become cheaper.

With no new official statistics, unemployment in Eswatini stands at 28 per cent (Labour Force Survey 2013/14). In the fight against the HIV/AIDS epidemic, the Kingdom has demonstrated significant progress. New HIV infections have been reduced by almost half and the national HIV prevalence among adults is at 27 per cent (Swaziland HIV Incidence Measurement Survey (SHIMS2)).

## Tanzania

Real economic growth in Tanzania remained strong at 7.0 percent for three years in a row. Real GDP is estimated to grow by 7.1 percent in 2017, slightly above 7.0 percent in 2016. Headline inflation remained moderate, averaging at 5.3 percent compared with 5.2 percent in the preceding year, largely driven by food inflation. Fiscal operations were characterized by improved revenue collections coupled with streamlined expenditure and shortfall in foreign financing. In 2016/17, revenue collection by the Government was 15.6 percent of GDP compared with 14.3 percent in 2015/16, while total expenditure was 17.7 percent of GDP, slightly below 18.3 percent in 2015/16. The overall fiscal deficitð excluding grants was 2.1 percent of GDP compared with 4.0 percent of GDP in the preceding year. Current account balance improved to a deficit of 4.7 percent of GDP in 2016 from a deficit of 8.4 percent of GDP in 2015, mainly on account of a contraction in capital and intermediate goods import bill. Gross official foreign reserves amounted to USD 5,906.2 million at the end December 2017 compared with USD 4,325.6 million at the end of December 2016. The reserves were sufficient to cover 6.0 months of projected import of goods and services, excluding imports financed by foreign direct investment.

## Uganda

The Ugandan economy continues to show signs of recovery in FY 2017/18. Real GDP estimates for the first quarter of FY 2017/18 indicated that the economy grew by 1.3 percent, which though lower than 2.5 percent in Q4 2016/17, is closer to the average growth for the entire 2016/17 of 1.6 percent. The economy is projected to grow at 5.2 percent in FY2017/18 and is projected to accelerate further to 6.3 percent over the medium to long term, supported by supported by favourable weather conditions expected to boost the agricultural sector, stimulatory monetary policy, improvement in public investment management and growth in the global economy. Export performance improved, with the value of exports increasing by 11.2 percent in quarter ended December 2017, and imports rose by 9.9 percent. Inflation slowed down in February 2018 mainly on account of significant moderation of domestic food crop prices. Depreciation of the shilling continued into February 2018, mainly driven by elevated dollar demand coming mainly from offshore players, oil, manufacturing and telecommunications sectors, coupled with short dollar position covering by some banks. The Bank of Uganda (BOU) maintained a neutral and more accommodative monetary policy stance in February 2018 to further boost growth in private sector credit (PSC) and to strengthen economic growth momentum.

The fiscal stance in the medium-term fiscal framework is focused on maintaining macroeconomic stability to support inclusive growth, employment and sustainable wealth creation in FY 2018/19. However, downside risks to the projected economic outlook include the crowding out of private financing and investment by the large government borrowing aggravated by the weak structural conditions (low returns to public capital and poor execution of investments). In the short-to medium-term, Ugandaôs Balance of Payments is likely to remain fragile as the import bill rises on account of continued pickup in economic activity and increasing oil prices.

## Zambia

The economy continued to register positive growth in 2017, with real GDP growth estimated at 4.1 percent compared to 3.8 percent in 2016, on account of strong performance in agriculture, manufacturing, accommodation and food services, transportation and storage, and electricity supply. However, some sectors such as information and communications technology, arts and entertainment, and water supply contracted, while for other sectors growth slowed down. In terms of contribution to the 4.1 percent growth, agriculture, forestry and fishing had the highest contribution accounting for 1.21 percentage points, followed by construction and education which accounted for 0.7 and 0.5 percentage points, respectively.

The challenges to economic growth in 2017 included the subdued credit to the private sector due to crowding out effects associated with high fiscal deficits and public debt. High lending rates as well as rising non-performing loans were also a constraint to credit growth to the private sector.

Monetary policy formulation and implementation continued to focus on maintaining inflation in single digits with an end-year target of 9.0 percent. Monetary policy stance for 2017 was also intended to support economic growth and promote financial system stability. With inflation trending downwards since March 2016 following the significant tightening of monetary policy in November 2015 and the relatively tight stance maintained throughout 2016, the Bank of Zambia pursued an accommodative monetary policy in 2017. The Bank of Zambia Policy Rate was successively cut four times in 2017 to end the year at 10.25 percent from 15.5 percent in 2016 while the statutory reserve ratio (SRR) was lowered to 8.0 percent by end of 2017 from 18.0 percent in 2016. The SRR was reduced to provide a firm basis for the Policy Rate as a key signal for monetary policy implementation. Inflation remained in single digit levels and ended the year at 6.1 percent from 7.5 percent in 2016. The fall in inflation mainly reflected the relative stability of the Kwacha against the U.S. dollar which contributed to the moderation of prices of imported food items and increased supply of essential food items. However, the upward adjustments in both fuel prices and electricity tariffs dampened the decline in inflation.

The accommodative monetary policy stance assisted in reducing vulnerabilities in the financial system in 2017, although credit growth to the private enterprises remained subdued due to the slow reduction in interest rates, high non-performing loans and a high appetite for risk-free lending to Government. The average nominal commercial banksô lending rates declined by 4.8 percentage points to 24.6 percent in December 2017 from 29.4 percent in December 2016. Yield rates on Government securities continued to trend downwards with the weighted average composite yield rate for Treasury bills falling by 8.6 percentage points to a period average of 16.6 percent from 25.2 percent in 2016. The composite bond yield rate also decreased to a period average of 18.8 percent from 25.8 percent in 2016. This was largely on account of eased liquidity conditions.

The Kwacha was relatively stable against the major foreign currencies, appreciating by 7.5 percent against the US dollar to an average of K9.5349/US$ in 2017 from K10.3122/US$ in 2016. The Kwacha was supported by relatively higher copper prices, renewed non-resident investorsô appetite for Government securities and exporter-led foreign currency conversions, particularly by mining companies, to meet domestic obligations.

Broad money (M3) expanded by 21.4 percent to K54.1 billion against a contraction of 5.7 percent in 2016. The growth in broad money was mainly on account of an expansion in domestic credit, mainly to Government. Domestic credit expanded by 26.3 percent to K61.8 billion in 2017 compared to 2.8 percent in 2016 driven by an increase in lending to Government which contributed 23.1 percentage points to overall annual credit growth. Excluding lending to Government, domestic credit grew by 5.9 percent in 2017 against a contraction of 9.4 percent in 2016. The increase in credit to the non-government sector was partly attributed to a pick-up in risk appetite and demand for loans following the easing of monetary policy.

Commercial banksô lending by industry was dominated by credit to the agriculture, food and fisheries, wholesale and retail trade and electricity, gas and water industries, as well as lending to households. Foreign currency denominated credit expanded by 20.9 percent while the Kwacha denominated credit contracted further by 5.7 percent. Corporates preferred to borrow in foreign currency at relatively lower rates than Kwacha denominated loans whose rates remained elevated.

Preliminary data indicate that the fiscal deficit for 2017, at 6.1 percent of GDP (on a cash basis), was within the budget target of 7 percent of GDP. This largely reflected lower spending on grants and other payments, use of goods and services, and social benefits. The fiscal pressures therefore constrained spending towards growth sectors of the economy. The current account deficit rose to US $1,006.4 million, representing 4.5 percent of GDP, from US $953.8 million (4.9 percent of GDP) mainly due to lower net primary income. Nevertheless, notable improvements were registered in the balance on goods and the secondary income.

The level of gross international reserves (GIR) declined to US $2.1 billion, equivalent to 2.9 months of imports cover, as at end-December 2017 from US $2.4 billion in 2016. The payments for external debt service mainly accounted for the decline in reserves. The decline in GIR was moderated by the Bank of Zambia net foreign exchange purchases from the market amounting to US $402.6 million.

## Zimbabwe

The economy is estimated to have grown by 3.7% in 2017, largely driven by strong positive growth in agriculture; mining; electricity; and water; distribution; hotels and restaurants; and transport and communication. Agriculture output benefitted from favourable rains received during the 2016/2017 agriculture season. Annual headline inflation moved into positive territory closing the year 2017 at 3.5 percent, up from -0.9 percent in December 2016.

The current account deficit narrowed from US$591 million in 2016 to US$266 million in 2017. The improvement in the current account position was largely due to the improved trade balance, resulting from a combination of improved export performance and import compression measures.

The economy is expected to post higher real GDP growth in the outlook period, on account of renewed hope and confidence as the new Government has ushered in a new economic order. The new dispensation is aggressively promoting both domestic and foreign investment, through the creation of a conducive business environment.

# 3. Annexes

## Annex 1: Macroeconomic Indicators in the MEFMI Region 2012-2018

| Indicators | Country | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 Estimates | 2018 Projections |
|---|---|---|---|---|---|---|---|---|
| Inflation Rates Consumer Prices-Annual Average | Angola | 9.0 | 7.7 | 7.5 | 143 | 41.9 | 26.3 | 28.7 |
| | Botswana | 7.5 | 5.9 | 4.4 | 3.1 | 2.8 | 3.3 | 3.7 |
| | Burundi | 18.2 | 7.9 | 4.4 | 5.6 | 5.5 | 16.6 | 12.7 |
| | Kenya | 9.4 | 5.7 | 6.9 | 6.6 | 6.3 | 8.0 | 4.8 |
| | Lesotho | 5.5 | 5.0 | 4.6 | 4.3 | 6.2 | 5.6 | 5.5 |
| | Malawi | 21.3 | 28.3 | 23.8 | 21.9 | 21.7 | 11.5 | 10.4 |
| | Mozambique | 10.4 | 2.1 | 4.2 | 2.3 | 2.4 | 5.6 | |
| | Namibia | 6.7 | 5.6 | 5.4 | 3.4 | 6.7 | 6.2 | 4.1 |
| | Rwanda | 6.3 | 4.2 | 1.8 | 2.5 | 5.7 | 4.8 | 2.8 |
| | Swaziland | 8.9 | 5.6 | 5.7 | 5.0 | 7.8 | 6.2 | 5.4 |
| | Tanzania | 16.0 | 7.9 | 6.1 | 5.6 | 5.2 | 5.3 | 5.0 |
| | Uganda | 12.7 | 4.9 | 3.1 | 5.4 | 5.5 | 5.6 | 3.6 |
| | Zambia | 6.4 | 6.6 | 7.0 | 10.0 | 18.2 | 7.1 | 6 to 8 |
| | Zimbabwe | 3.5 | 3.7 | 1.6 | -0.2 | -2.4 | 0.9 | 3 |
| | MEFMI Average | 9.9 | 7.4 | 6.5 | 14.9 | 9.1 | 8.3 | 7.7 |
| | South Africa | 5.6 | 5.8 | 6.1 | 4.6 | 6.3 | 5.3 | 5.3 |
| | Sub-Saharan Africa | 9.2 | 6.6 | 6.3 | 7.0 | 11.3 | 11.0 | 9.5 |
| | World | 4.1 | 3.7 | 3.2 | 2.8 | 2.8 | 3.0 | 3.5 |
| Nominal GDP (in US$ billions) | Angola | 128.1 | 136.7 | 145. 7 | 116.2 | 101.1 | 110.6 | 118.1 |
| | Botswana | 14.5 | 14.7 | 16.2 | 14.3 | 17.1 | 18.0 | 19.1 |
| | Burundi | 2.333 | 2.575 | 2.934 | 3.005 | 3.138 | 3.396 | 3.805 |
| | Kenya | 50.4 | 55.1 | 61.5 | 64.0 | 70.5 | 79.5 | 88.3 |
| | Lesotho | 2.7 | 2.5 | 2.6 | 2.4 | 2.4 | 2.8 | 2.9 |
| | Malawi | 6.0 | 5.4 | 6.1 | 6.4 | 5.5 | 6.2 | 6.7 |
| | Mozambique | 13.2 | 14.9 | 15.6 | 16.7 | 17.0 | 19.0 | |
| | Namibia | 10.6 | 12.2 | 13.8 | 15.0 | 16.6 | 17.6 | 18.1 |
| | Rwanda | 7.3 | 7.6 | 8.0 | 8.3 | 8.5 | 9.1 | 9.9 |
| | Swaziland | 4.8 | 4.6 | 4.4 | 4.0 | 3.7 | 4.4 | 4.8 |
| | Tanzania | 39.1 | 44.4 | 48.2 | 45.8 | 47.7 | 52.1 | |
| | Uganda | 24.5 | 25.8 | 28.7 | 27.9 | 25.3 | 26.3 | 27.6 |
| | Zambia | 23.7 | 24.9 | 26.8 | 26.6 | 20.9 | 20.1 | 21.1 |
| | Zimbabwe | 14.2 | 15.5 | 15.9 | 16.3 | 16.6 | 17.5 | 18.9 |
| | Total MEFMI | 340.5 | 366.5 | 250.2 | 366.5 | 355.6 | 385.7 | 337.9 |
| | South Africa | 396.3 | 366.8 | 350.9 | 317.7 | 295.7 | 349.3 | 370.9 |
| | Sub-Saharan Africa | 1540.4 | 1626.0 | 1696.9 | 1519.9 | 1418.5 | 1531.3 | 1651.6 |
| | World | 74535.4 | 76596.1 | 78663.2 | 74429.0 | 75485.0 | 79865.5 | 87504.6 |
| Real GDP Growth | Angola | 8.5 | 4.9 | 4.8 | 0.9 | -2.6 | -2.5 | 4.9 |
| | Botswana | 4.5 | 11.3 | 4.1 | -1.7 | 4.3 | 2.4 | 5.3 |
| | Burundi | 4.447 | 5.944 | 4.494 | -3.956 | -1.042 | 0.001 | 0.149 |
| | Kenya | 4.6 | 5.9 | 5.4 | 5.7 | 5.8 | 4.8 | 5.5 |
| | Lesotho | 4.9 | 2.2 | 3.0 | 2.5 | 3.1 | 3.1 | 1.7 |
| | Malawi | 1.9 | 5.2 | 5.7 | 3.0 | 2.3 | 4.0 | 3.5 |
| | Mozambique | 7.1 | 7.2 | 7.1 | 7.2 | 7.0 | 8.2 | |
| | Namibia | 5.1 | 5.6 | 6.4 | 6.1 | 0.7 | -0.8 | 1.4 |
| | Rwanda | 8.8 | 4.7 | 7.6 | 8.9 | 6.0 | 6.1 | 7.2 |
| | Swaziland | 4.7 | 6.4 | 1.9 | 0.4 | 1.4 | 1.9 | 1.3 |
| | Tanzania | 5.1 | 7.3 | 7.0 | 7.0 | 7.0 | 7.1 | |
| | Uganda | 2.2 | 4.7 | 4.5 | 5.6 | 2.3 | 4.5 | 5.2 |
| | Zambia | 7.6 | 5.1 | 4.7 | 2.9 | 3.8 | 4.1 | 5.0 |
| | Zimbabwe | 14.8 | 5.5 | 2.1 | 1.7 | 0.6 | 3.7 | 4.5 |
| | MEFMI Average | 5.8 | 6.1 | 5.0 | 3.0 | 3.0 | 3.5 | 3.7 |
| | South Africa | 2.2 | 2.5 | 1.8 | 1.3 | 0.6 | 1.3 | 1.5 |
| | Sub-Saharan Africa | 4.4 | 5.3 | 5.1 | 3.4 | 1.4 | 2.8 | 3.4 |
| | World | 3.5 | 3.5 | 3.6 | 3.5 | 3.2 | 3.8 | 3.9 |
| Population (in millions ) | Angola | 24.5 | 25.1 | 25.9 | 26.7 | 27.5 | 28.4 | 29.3 |
| | Botswana | 2.1 | 2.1 | 2.2 | 2.2 | 2,2 | 2.3 | 2.3 |
| | Burundi | 9.329 | 9.618 | 9.907 | 10.204 | 10.53 | 10.867 | 11.193 |
| | Kenya | 40.7 | 41.8 | 43.0 | 44.2 | 45.5 | 46.7 | 48.0 |
| | Lesotho | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 |
| | Malawi | 16.6 | 17.1 | 17.6 | 18.1 | 18.6 | 19.2 | 19.7 |
| | Mozambique | 23.0 | 23.7 | 24.4 | 25.0 | 25.7 | 27.8 | |
| | Namibia | 2.18 | 2.23 | 2.27 | 2.31 | 2.35 | 2.40 | 2.44 |
| | Rwanda | 10.5 | 10.7 | 11.0 | 11.3 | 11.6 | 11.8 | 12.1 |
| | Swaziland | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 |
| | Tanzania | 43.6 | 44.8 | 46.0 | 47.4 | 48.7 | 50.0 | |
| | Uganda | 32.5 | 33.5 | 34.5 | 35.5 | 36.6 | 37.7 | 38.8 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Zambia | 13.7 | 14.1 | 14.6 | 15.0 | 15.9 | 16.4 | 16.9 |
| | | Zimbabwe | 12.5 | 13.1 | 13.4 | 13.9 | 14.1 | 14.6 | 14.9 |
| | | MEFMI Region | 233.9 | 240.6 | 247.5 | 254.5 | 259.8 | 271.0 | 198.4 |
| | | South Africa | 52.3 | 53.1 | 53.9 | 54.8 | 55.6 | 56.5 | 57.4 |
| | | Sub-Saharan Africa | 800.1 | 830.3 | 851.9 | 873.7 | 895.8 | 918.3 | 941.2 |
| | | World | 6,916.00 | 7,000.00 | 7,081.25 | 7,162.50 | 7,243.75 | 7,325.00 | 7,403.400 |
| Per Capita GDP (in US$ ) | | Angola | 5 240.7 | 5 444.8 | 5 624.0 | 4353.7 | 3677.1 | 3 899.9 | 4 035.9 |
| | | Botswana | 5,311.6 | 5,931.4 | 6,786.8 | 6,682.2 | 7,685.2 | 7,990.8 | 7,990.8 |
| | | Burundi | 250.118 | 267.696 | 296.186 | 294.496 | 298.006 | 312.463 | 339.894 |
| | | Kenya | 1,238.9 | 1,318.8 | 1,431.3 | 1,447.9 | 1,551.7 | 1,701.6 | 1,837.7 |
| | | Lesotho | 1,396.6 | 1,314.7 | 1,385.1 | 1,220.3 | 1,262.0 | 1,425.3 | 1,499.1 |
| | | Malawi | 359.6 | 317.5 | 344.0 | 353.5 | 293.9 | 323.7 | 342.1 |
| | | Mozambique | 534.2 | 602.2 | 619.8 | 624.3 | 626.233 | 684.804 | |
| | | Namibia | 4,759. | 5,553.6 | 6,187.8 | 6,554.0 | 6,995.0 | 7,335.3 | 7,692.7 |
| | | Rwanda | 696.7 | 709.8 | 728.0 | 735.6 | 733.6 | 771.7 | 819.7 |
| | | Swaziland | 4,120 | 3,698 | 3,314 | 2,798 | 2,429 | 2,716 | 2,783 |
| | | Tanzania | 895.99 | 990.07 | 1,047.67 | 966.55 | 978.98 | 1,040.96 | |
| | | Uganda | 752.9 | 770.2 | 810.6 | 710.3 | 692.2 | 699.4 | 711.3 |
| | | Zambia | 1,550.4 | 1,516.9 | 1,497.4 | 1,344.9 | 1,314.8 | 1,407.5 | |
| | | Zimbabwe | 1090 | 1156 | 1164 | 1169 | 1167 | 1199 | 1269 |
| | | MEFMI Region | 22,886 | 24,126 | 25,586 | 29,238 | 29,689 | 27,560 | 25,190 |
| | | South Africa | 7574.4 | 6907.6 | 6508.8 | 5802.7 | 5316.0 | 6179.9 | 6459.2 |
| Private Consumption (in percent of GDP) | | Angola | 35.4 | 37.6 | 37.6 | 44.5 | 52.7 | 56.0 | é |
| | | Botswana | 52.0 | 52.0 | 46.9 | 52.0 | 47.3 | 48.5 | é |
| | | Burundi | é | é | é | é . | é | é | é |
| | | Kenya | | | | | | | |
| | | Lesotho | | | | | | | |
| | | Malawi | 71.5 | 71.9 | 77.5 | 73.7 | é | é | é |
| | | Mozambique | 77.9 | 75.3 | 70.0 | 67.8 | 71.5 | é | é |
| | | Namibia | | | | | | | |
| | | Rwanda | 79 | 78 | 76 | 75 | 78 | é | é |
| | | Swaziland | 79.1 | 76.4 | 75.0 | 72.8 | 74.5 | é | é |
| | | Tanzania | 66.2 | 68.8 | 63.9 | 60.3 | 61.5 | é | é |
| | | Uganda | 74.1 | 73.3 | 75.9 | 74.4 | é | é | é |
| | | Zambia | 55.7 | 56.5 | 54.0 | 51.6 | 48 | 49.3 | |
| | | Zimbabwe | 85 | 78 | 75 | 82 | 68 | 68 | 68 |
| Gross National Savings (in percent of GDP) | | Angola | 37.2 | 32.0 | 29.8 | 28.5 | 24.5 | é | é . |
| | | Botswana | 41.2 | 38.0 | 41.6 | 36.4 | | é | é |
| | | Burundi | -3.761 | -4.319 | -3.393 | -6.684 | -4.085 | -5.702 | -7.209 |
| | | Lesotho | 23.0 | 24.6 | 25.8 | 24.2 | 20.5 | 25.4 | 25.0 |
| | | Kenya | 13.1 | 11.3 | 12.0 | 10.9 | 9.8 | 10.6 | 12.0 |
| | | Malawi | 2.8 | 4.3 | 3.7 | 2.8 | -2.8 | 3.7 | 4.4 |
| | | Mozambique | -7.3 | -0.9 | 12.5 | 9.5 | 10.481 | 9.458 | |
| | | Namibia | 7.81 | 9.5 | 11.8 | 5.0 | -2.1 | 5.2 | é |
| | | Swaziland | | | | | | | |
| | | Rwanda | | | | | | | |
| | | Tanzania | 12.4 | 8.2 | 15.3 | 17.8 | 15.7 | | |
| | | Uganda | 21.7 | 20.2 | 17.9 | 18.1 | 20.9 | 20.4 | 20.8 |
| | | Zambia | 27.1 | 24.9 | 33.0 | 29.4 | 31.1 | 33.6 | |
| | | Zimbabwe | -3.5 | -4.7 | -3.1 | 1.9 | 8.9 | 15.6 | 10.6 |
| Government Finance | Government Revenue (percent of GDP) | Angola | 46.5 | 40.2 | 35.3 | 27.3 | 17.4 | 17.7 | 18.4 |
| | | Botswana (fy) | 37.1 | 37.3 | 37.8 | 31.8 | 32.8 | 30.8 | 31.6 |
| | | Burundi | 33.75 | 31.351 | 28.143 | 21.866 | 14.968 | 14.024 | 13.534 |
| | | Lesotho | 58.2 | 52.3 | 49.8 | 47.2 | 40.9 | 39.8 | 37.8 |
| | | Kenya | 19.1 | 19.7 | 19.8 | 19.2 | 18.8 | 18.7 | 19.0 |
| | | Malawi | 27.1 | 28.3 | 25.0 | 24.7 | 23.8 | 25.5 | 26.1 |
| | | Mozambique | 19.8 | 21.9 | 26.3 | 27.3 | 30.386 | 29.119 | |
| | | Namibia | 34.3 | 33.0 | 35.4 | 34.6 | 31.0 | 32.0 | 30.6 |
| | | Swaziland | 18.1 | 27.2 | 27.1 | 27.2 | 25.8 | 23.5 | |
| | | Rwanda | 23.2 | 25.5 | 24.2 | 24.6 | 23.5 | 22.9 | 23.4 |
| | | Tanzania | 12.6 | 12.8 | 13.5 | 12.9 | 14.3 | 15.6 | |
| | | Uganda | 13.6 | 12.7 | 13.5 | 14.8 | 14.9 | 15.8 | 16.1 |
| | | Zambia | 21.7 | 22.7 | 18.4 | 19.3 | 18.0 | 17.7 | |
| | | Zimbabwe | 26.7 | 28.0 | 27.7 | 26.6 | 28.1 | 24.7 | 26.8 |
| | Government Expenditure (percent of GDP) | Angola | 36.7 | 38.6 | 39.8 | 39.9 | 41.6 | 29.6 | 29.8 |
| | | Botswana (fy) | 36.3 | 31.8 | 34.2 | 36.5 | 32.2 | 32.1 | 33.4 |
| | | Burundi | 37.544 | 33.162 | 31.778 | 27.177 | 21.164 | 22.401 | 22.822 |
| | | Lesotho | 53.6 | 54.0 | 49.5 | 48.2 | 47.3 | 46.3 | 43.2 |
| | | Kenya | 24.2 | 25.4 | 27.2 | 27.3 | 27.2 | 27.2 | 26.5 |
| | | Malawi | 28.9 | 34.7 | 29.8 | 31.0 | 31.1 | 32.4 | 28.9 |
| | | Mozambique | 32.2 | 30.7 | 34.0 | 42.2 | 36.934 | 34.264 | |
| | | Namibia | 34.4 | 36.9 | 41.7 | 42.8 | 36.9 | 37.2 | 35.1 |
| | | Swaziland | 23.1 | 24.0 | 27.1 | 29.8 | 31.0 | 31.6 | |
| | | Rwanda | 25.7 | 26.8 | 28.3 | 27.4 | 25.8 | 25.4 | 25.3 |
| | | Tanzania | 18.9 | 19.2 | 18.6 | 17.1 | 18.3 | 17.7 | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Uganda | 16.6 | 16.7 | 18.2 | 19.4 | 19.9 | 18.9 | 21.4 |
| | | Zambia | 23.9 | 26.0 | 25.1 | 24.8 | 24.0 | 27.5 | |
| | | Zimbabwe | 26.5 | 28.1 | 29.6 | 27.6 | 29.3 | 33 | 30 |
| | Overall Fiscal Balance Excluding Grants (percent of GDP) | Angola | 6.6 | 0.3 | -6.6 | -3.3 | -4.5 | -5.3 | -3.0 |
| | | Botswana | 0.4 | 5.3 | 3.6 | -4.7 | 0.6 | -1.3 | -1.8 |
| | | Burundi | -3.794 | -1.811 | -3.635 | -5.311 | -6.196 | -8.377 | -9.288 |
| | | Lesotho | -10.5 | -14.3 | -8.5 | -2.6 | -1.5 | -3.6 | é |
| | | Kenya | -4.5 | -4.5 | -4.4 | -5.4 | -5.9 | é | é |
| | | Malawi | -8.0 | -6.3 | -11.5 | -7.0 | -5.3 | -4.8 | é |
| | | Mozambique | -12.5 | -8.9 | -7.9 | -14.8 | -5.39 | -9.2 | |
| | | Namibia | -0.0 | -3.6 | -6.1 | -8.1 | -6.7 | -5.2 | -4.5 |
| | | Swaziland | -5.0 | 3.2 | 0.04 | 2.6 | 5.3 | 8.2 | 8.6 |
| | | Rwanda | -2.5 | -1.3 | -4.0 | -2.8 | -2.3 | -2.5 | -2.0 |
| | | Tanzania | -6.2 | -6.5 | -5.0 | -4.3 | -4.0 | -2.1 | é |
| | | Uganda | -3.0 | -3.9 | -4.7 | -4.6 | -4.9 | -3.2 | -5.3 |
| | | Zambia | -7.3 | -7.3 | -6.5 | -6.0 | -6.0 | -6.1 | -6.1 |
| | | Zimbabwe | 0.2 | -0.1 | -1.8 | -1.0 | 7.4 | -10 | -4 |
| | Government Debt (percent of GDP) | Angola | é | é | é | 24.5 | 31.0 | é | é |
| | | Botswana | 26.2 | 23.5 | 22.4 | 23.7 | 21.1 | 20.4 | 19.0 |
| | | Burundi | 39.8 | 39.9 | 36.6 | 33.9 | 42.4 | 60.4 | 45.6 |
| | | Lesotho | | | | | | | |
| | | Kenya | | | | | | | |
| | | Malawi | | | | | | | |
| | | Mozambique | 36.0 | 43.0 | 49.0 | 73.4 | 102.1 | 84,0 | |
| | | Namibia | 24.4 | 24.2 | 24.7 | 38.6 | 39.5 | 41.7 | 45.3 |
| | | Swaziland | 11.9 | 14.4 | 13.9 | 14.7 | 18.8 | 21.6 | 20.8(Apr) |
| | | Rwanda | | | | | | | |
| | | Tanzania | 29.51 | 31.71 | 32.37 | 34.99 | 40.63 | 39.86 | é |
| | | Uganda | 24.6 | 27.7 | 30.8 | 33.5 | 37.2 | 38.9 | 41.5 |
| | | Zambia | 20.1 | 24.2 | 28.5 | 35.1 | 33.6 | 47.0 | - |
| | | Zimbabwe | 59.1 | 54.3 | 51.8 | 48.1 | | | |
| External Sector | Exports of Goods and Services (percent of GDP) | Angola | 56.1 | 50.9 | 41.8 | 29.9 | 27.8 | 31.7 | 33.9 |
| | | Botswana | 49.3 | 61.5 | 60.7 | 53.0 | 49.7 | 39.8 | é |
| | | Burundi | | | | | | | |
| | | Lesotho | | | | | | | |
| | | Kenya | | | | | | | |
| | | Malawi | | | | | | | |
| | | Mozambique | é | é | é | é | é | é | é |
| | | Namibia | 31.9 | 29.9 | 29.7 | 28.5 | 31.4 | 31.4 | é |
| | | Swaziland | 32.0 | 37.0 | 44.1 | 43.9 | 43.0 | é | é |
| | | Rwanda | | | | | | | |
| | | Tanzania | 15.1 | 11.8 | 10.8 | 11.6 | 11.9 | é | é |
| | | Uganda | 11.51 | 11.09 | 9.62 | 10.57 | 11.44 | 12.64 | é . |
| | | Zambia | 37.6 | 39.5 | 39.5 | 37.5 | 35.3 | 35.5 | |
| | | Zimbabwe | 34.5 | 30.9 | 28.5 | 27.9 | 28.7 | 32.2 | 31.7 |
| | Imports of Goods and Services (in percent of GDP) | Angola | 35.8 | 36.1 | 36.8 | 33.0 | 25.2 | 25.6 | 27.3 |
| | | Botswana | -61.4 | -61.0 | -54.0 | -54.5 | 43.2 | 33.9 | é |
| | | Burundi | | | | | | | |
| | | Kenya | | | | | | | |
| | | Lesotho | | | | | | | |
| | | Malawi | | | | | | | |
| | | Mozambique | é | é | é | é | é | é | é |
| | | Namibia | 44.5 | 50.1 | 52.0 | 55.2 | 59.8 | 56.3 | é |
| | | Rwanda | | | | | | | |
| | | Swaziland | 34.8 | 37.6 | 40.8 | 36.5 | 38.3 | é | é |
| | | Tanzania | 26.4 | 24.8 | 22.6 | 21.5 | 17.8 | é | é |
| | | Uganda | 21.54 | 19.51 | 18.01 | 19.63 | 17.33 | 19.06 | é |
| | | Zambia | 30.2 | 35.3 | 38.1 | 35.9 | 37.9 | 35.5 | |
| | | Zimbabwe | 67.2 | 63.8 | 57.7 | 52.8 | 45.4 | 45.7 | 46.6 |
| | Real Effective Exchange Rate (2010 =100) | Angola | 51.5 | 52.5 | 53.6 | 56.9 | 72.8 | 113.9 | |
| | | Botswana(2016 =100) | 99.8 | 100.1 | 100.1 | 100.7 | 100.3 | 100.4 | é |
| | | Burundi | é | é | ... | é | é | 128.8 | é |
| | | Kenya | 79.2 | 88.8 | 84.5 | 86.1 | 87.9 | é | é |
| | | Lesotho | é | é | é | é | é | é | é |
| | | Malawi | | | | | | | |
| | | Mozambique | é | é | 33.60 | 45.90 | 71.35 | 59.02 | é |
| | | Namibia | 112.4 | 105.8 | 102.1 | 100.0 | 97.8 | 102.9 | é |
| | | Rwanda | | | | | | | |
| | | Swaziland | 99.87 | 104.28 | 108.48 | 109.86 | 107.09 | 103.85 | |
| | | Tanzania | 92.18 | 88.06 | 85.20 | 98.61 | 99.20 | 97.35 | |
| | | Uganda | 98.2 | 96.5 | 94.8 | 105.4 | 104.9 | 109.5 | é |
| | | Zambia | 109.4 | 106.7 | 97.2 | 101.2 | 105.85 | 98.55 | - |
| | | Zimbabwe | 95.4 | 81.4 | 71.4 | 52.4 | 51.4 | 58.8 | |
| | External Current Acc | Angola | 10.8 | 6.0 | -2.6 | -8.9 | -3.0 | -0.9 | -1.2 |
| | | Botswana | -2.8 | 7.6 | 13.2 | 5.6 | 13.7 | 12.3 | é |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Burundi | -18.579 | -19.311 | -18.539 | -17.684 | -13.085 | -12.702 | -13.209 |
| | | Lesotho | -8.4 | -5.5 | -4.9 | -4.5 | -7.4 | -6.9 | -12.2 |
| | | Kenya | -8.4 | -8.8 | -10.4 | -6.7 | -5.2 | -6.4 | -6.2 |
| | | Malawi | -9.2 | -8.4 | -8.3 | -9.4 | -13.6 | -10.0 | -8.9 |
| | | Mozambique | 44.7 | -42.9 | -38.2 | -40.3 | -39.2 | -16.1 | -16.9 |
| | | Namibia | -19.3 | -20.1 | -23.0 | -26.4 | -23.8 | -13.7 | é |
| | | Swaziland | 12.2 | 14.8 | 15.4 | 14.4 | 12.6 | 12.2 | |
| | | Rwanda | | | | | 14.9 | 8.8 | |
| | | Tanzania | -11.0 | -12.3 | -10.4 | -8.4 | -4.7 | | |
| | | Uganda | -8.50 | -8.02 | -8.35 | -7.39 | -3.36 | -4.83 | é |
| | | Zambia | 3.4 | 4.2 | -1.3 | -1.7 | -5.7 | -3.7 | -3.7 |
| | | Zimbabwe | -15.0 | -19.0 | -16.1 | -11.0 | -4.2 | -1.8 | -1.5 |
| **Monetary Policy Indicators** | **Reserves (Months of Imports of Goods and Services)** | Angola | 8.4 | 7.8 | 6.2 | 7.7 | 11.4 | 7.6 | 6.4 |
| | | Botswana | 11.5 | 11.5 | 13.1 | 13.2 | 19.0 | 16.1 | |
| | | Burundi | | | | | | | |
| | | Lesotho | | | | | | | |
| | | Kenya | é | é | é | é | é | é | é |
| | | Malawi | | | | | | | |
| | | Mozambique | 7.5 | 6.3 | 4.7 | 4.8 | 4.7 | 3.8 | |
| | | Namibia | 3.1 | 2.8 | 2.0 | 3.1 | 3.2 | 4.6 | é |
| | | Swaziland | 2.9 | 3.9 | 3.6 | 3.8 | 3.6 | 3.5 | é |
| | | Rwanda | | | | | | | |
| | | Tanzania | 4.1 | 4.5 | 4.7 | 5.1 | 6.0 | 6.0 | |
| | | Uganda | 4.8 | 4.8 | 5.5 | 5.5 | 5.2 | 5.3 | … |
| | | Zambia | 3.0 | 3.3 | 3.1 | 4.3 | 3.6 | 2.9 | 3.0 |
| | | Zimbabwe | 0.6 | 0.7 | 0.5 | 0.6 | 0.6 | 0.6 | é |
| | **Central Bank Rate** | Angola | 3.9 | 3.4 | 3.6 | 6.4 | 13.4 | 18.6 | é |
| | | Botswana | 9.5 | 7.5 | 7.5 | 6.0 | 5.5 | 5.0 | |
| | | Burundi | | | | | | | |
| | | Lesotho | | | | | | | |
| | | Kenya | | | | | | | |
| | | Malawi | | | | | | | |
| | | Mozambique | 9.5 | 8.25 | 7.5 | 9.75 | 23.25 | 21 | é |
| | | Namibia | 6.00 | 5.50 | 6.00 | 6.50 | 7.00 | 6.75 | 6.75 (Apr 2018) |
| | | Swaziland | 5.25 | 5.0 | 5.13 | 5.54 | 6.75 | 7.25 | |
| | | Rwanda | | | | | | | |
| | | Tanzania | é | é | é | é | é | é | é |
| | | Uganda | 18.0 | 11.7 | 11.2 | 14.0 | 14.9 | 10.5 | é |
| | | Zambia | 9.25 | 9.75 | 12.5 | 15.5 | 15.5 | 10.25 | 9.75 |
| | | Zimbabwe | é | é | é | é | é | é | é |
| | **Average Deposit Rates** | Angola | 8.9 | 7.0 | 5.7 | 4.9 | 4.6 | 4.9 | |
| | | Botswana | 3.14 | 2.36 | 2.73 | 2.29 | 1.90 | 1.97 | |
| | | Burundi | é | é | é | é | é | | é |
| | | Kenya | | | | | | | |
| | | Lesotho | | | | | | | |
| | | Malawi | | | | | | | |
| | | Mozambique | 9.41 | 7.57 | 8.22 | 8.36 | 12.36 | 16.77 | |
| | | Namibia | 4.00 | 3.96 | 4.54 | 4.91 | 5.69 | 6.11 | é |
| | | Rwanda | | | | | | | |
| | | Swaziland | 3.08 | 2.97 | 3.11 | 3.54 | 4.68 | 5.03 | é |
| | | Tanzania | 8.38 | 8.94 | 8.44 | 8.89 | 9.19 | 10.08 | é |
| | | Uganda | 16.8 | 12.1 | 10.8 | 12.8 | 13.2 | 9.7 | é |
| | | Zambia | 5.0 | 4.9 | 4.4 | 6.5 | 8.4 | 5.1 | - |
| | | Zimbabwe | 9.1 | 12.0 | 12.0 | 12.0 | 8.6 | 8 | é |
| | **Average Lending Rates (Quarterly data are end of period actual rate)** | Angola | 17.7 | 15.9 | 13.1 | 13.7 | 14.8 | 13.1 | é |
| | | Botswana | 11.0 | 9.3 | 9.0 | 7.5 | 7.0 | 6.5 | é |
| | | Burundi | é | é | ... | é | é | é | é |
| | | Lesotho | | | | | | | |
| | | Kenya | | | | | | | |
| | | Malawi | | | | | | | |
| | | Mozambique | 23.6 | 22.2 | 20.1 | 20.8 | 18.7 | 23.6 | é |
| | | Namibia | 8.57 | 8.20 | 8.93 | 9.42 | 9.87 | 10.12 | é |
| | | Swaziland | 8.50 | 8.50 | 8.75 | 9.25 | 10.50 | 10.75 | é |
| | | Rwanda | | | | | | | |
| | | Tanzania | 15.56 | 15.86 | 16.29 | 16.10 | 15.96 | 17.70 | é |
| | | Uganda | 26.2 | 23.3 | 21.6 | 22.6 | 23.9 | 21.3 | é |
| | | Zambia | 25.8 | 19.1 | 18.7 | 21.1 | 28.1 | 24.6 | - |
| | | Zimbabwe | 23.5 | 22.5 | 20.5 | 20.4 | 11 | 11.23 | |
| Unemployment, total (percent of total labor force) (modeled ILO estimate) | | Angola | 26.0 | 25.0 | 24.2 | é | é | é | é |
| | | Botswana | é | 20.0 | é | é | 17.6 | é | é |
| | | Kenya | é | é | é | é | é | é | é |
| | | Burundi | é | é | é | é | é . | é | é |
| | | Lesotho | | | | | | | |
| | | Malawi | | | | | | | |
| | | Mozambique | 7.50 | 7.50 | 7.50 | 7.5 | é | é | é |
| | | Namibia | 27.4 | 29.6 | 27.9 | é | 34.0 | ... | é |
| | | Rwanda | é | é | é | é | é | é | é |
| | | Swaziland | 28.5 | 28.10 | 28.10 | 28.10 | 28.10 | 28.10 | é |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Tanzania | é | é | é | é | é | é | é |
| | Uganda | ... | ... | ... | ... | ... | ... | ... |
| | Zambia | 7.8 | 7.8 | 7.8 | 7.8 | 7.8 | 7.8 | - |
| | Zimbabwe | 10.7 | 11.1 | 10.7 | 11.3 | 11.3 | 11.3 | é |

*Sources: Member States Central Banks, Ministries of Finance, Central Statistical Offices and IMF data base.*
*The darker shaded cell represents IMF data.*

## Annex 2: Other Useful Economic Indicators

### *Annex 2-1: Global Competitiveness Index, Global, Sub-Saharan Africa, and MEFMI Region*

| Country | | 2015/2016 | | 2016/2017 | | 2017/2018 | |
|---|---|---|---|---|---|---|---|
| | | Rank | Score/7.0 | Rank | Score/7.0 | Rank | Score/7.0 |
| **Global Ranking – Top 10** | | | | | | | |
| 1. | Switzerland | 1 | 5.76 | 1 | 5.81 | 1 | 5.86 |
| 2. | United States | 3 | 5.61 | 3 | 5.70 | 2 | 5.85 |
| 3. | Singapore | 2 | 5.68 | 2 | 5.72 | 3 | 5.71 |
| 4. | Netherlands | 5 | 5.50 | 4 | 5.57 | 4 | 5.66 |
| 5. | Germany | 4 | 5.53 | 5 | 5.57 | 5 | 5.65 |
| 6. | Hong Kong SAR | 7 | 5.46 | 9 | 5.48 | 6 | 5.53 |
| 7. | Sweden | 9 | 5.43 | 6 | 5.53 | 7 | 5.52 |
| 8. | United Kingdom | 10 | 5.43 | 7 | 5.49 | 8 | 5.51 |
| 9. | Japan | 6 | 5.47 | 8 | 5.48 | 9 | 5.49 |
| 10. | Finland | 8 | 5.45 | 10 | 5.44 | 10 | 5.49 |
| **Sub-Saharan Africa - Top 10** | | | | | | | |
| 1. | Mauritius | 46 | 4.43 | 45 | 4.49 | 45 | 4.52 |
| 2. | Rwanda | 58 | 4.29 | 52 | 4.41 | 58 | 4.35 |
| 3. | South Africa | 49 | 4.39 | 47 | 4.47 | 61 | 4.32 |
| 4. | Botswana | 71 | 4.19 | 64 | 4.29 | 63 | 4.30 |
| 5. | Namibia | 85 | 3.99 | 84 | 4.02 | 90 | 3.99 |
| 6. | Kenya | 99 | 3.85 | 96 | 3.90 | 91 | 3.98 |
| 7 | Senegal | 110 | 3.7 | 112 | 3.7 | 106 | 3.8 |
| 8. | Seychelles | 92 | 3.9 | 97 | 3.9- | 107- | 3.8 |
| 9. | Ethiopia | 109 | 3.75 | 109 | 3.77 | 108 | 3.78 |
| 10. | Cape Verde | 112 | 3.70 | 110 | 3.76 | 110 | 3.76 |
| **MEFMI Region - All** | | | | | | | |
| 1. | Rwanda | 58 | 4.29 | 52 | 4.41 | 58 | 4.35 |
| 2. | Botswana | 71 | 4.19 | 64 | 4.29 | 63 | 4.30 |
| 3. | Namibia | 85 | 3.99 | 84 | 4.02 | 90 | 3.99 |
| 4. | Kenya | 99 | 3.85 | 96 | 3.90 | 91 | 3.98 |
| 5. | Tanzania | 120 | 3.57 | 116 | 3.67 | 113 | 3.71 |
| 6. | Uganda | 115 | 3.66 | 113 | 3.69 | 114 | 3.70 |
| 7. | Zambia | 96 | 3.87 | 118 | 3.60 | | |
| 8. | Swaziland | 128 | 3.40 | - | - | 122 | 3.35 |
| 9. | Zimbabwe | 125 | 3.45 | 126 | 3.41 | 124 | 3.32 |
| 10 | Burundi | 136 | 3.11 | 135 | 3.06 | 129 | 3.21 |
| 11. | Lesotho | 113 | 3.70 | 120 | 3.57 | 131 | 3.20 |
| 12. | Malawi | 135 | 3.15 | 134 | 3.08 | 132 | 3.11 |
| 13. | Mozambique | 133 | 3.20 | 133 | 3.13 | 136 | 2.89 |
| 14. | Angola | -- | -- | - | - | | |

***Source**: 2017/2018 Global Competitiveness Index (GCI) Report*

*__Note__: The World Economic Forum's Global Competitiveness Index ranks 137 countries out of 114 indicators that capture concepts that matter for productivity and long-term prosperity. These indicators are grouped into 12 pillars namely, institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labour market efficiency, financial market development, technological readiness, market size, business sophistication, and innovation. Based on these, Switzerland is ranked top, with a score of 5.86, while the lowest is Yemen with the lowest score of 2.87. The highest for Sub-Saharan Africa is Mauritius (globally ranked at 45), with a score of 4.52. Rwanda is ranked high in the MEFMI Region, at 58 with a score of 4.35. Some of the countries excluded due to insufficient data are Barbados, Bolivia, Côte d'Ivoire, Gabon, and FYR Macedonia while Guinea, Haiti, Seychelles, and Swaziland have been reinstated. Altogether, the combined output of the economies covered in the GCI accounts for 98 percent of world GDP*

*Annex 2-2: Ease of Doing Business, Global, sub-Saharan Africa, and MEFMI Region, 2008-2018*

| Country | | 2008 | 2009 | 2010 | 20111 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Global Ranking – Top 10** | | | | | | | | | | | | |
| 1. | New Zealand | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 1 | 1 |
| 2. | Singapore | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 |
| 3. | Denmark | 5 | 5 | 6 | 6 | 5 | 5 | 5 | 4 | 3 | 3 | 3 |
| 4. | Hong Kong | 4 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 5 | 4 | 4 |
| 5. | Korea, Rep. | 22 | 23 | 19 | 16 | 8 | 8 | 7 | 5 | 4 | 5 | 5 |
| 6. | United States | 3 | 4 | 4 | 5 | 4 | 4 | 4 | 7 | 7 | 8 | 6 |
| 7. | United Kingdom | 6 | 6 | 5 | 4 | 7 | 7 | 10 | 8 | 6 | 7 | 7 |
| 8. | Norway | 9 | 10 | 10 | 8 | 6 | 6 | 9 | 6 | 9 | 6 | 8 |
| 9. | Georgia | 21 | 15 | 13 | 17 | 16 | 9 | 8 | 15 | 2424 | 16 | |
| 10. | Sweden | 17 | 18 | 9 | 14 | 14 | 14 | 9 | 9 | 8 | 9 | 10 |
| **Sub-Saharan Africa - Top 10** | | | | | | | | | | | | |
| 1. | Mauritius | 29 | 24 | 17 | 20 | 23 | 19 | 20 | 28 | 32 | 49 | 25 |
| 2. | Rwanda | 148 | 143 | 67 | 58 | 45 | 52 | 32 | 46 | 62 | 56 | 51 |
| 3. | Kenya | 72 | 84 | 95 | 106 | 109 | 122 | 129 | 129 | 108 | 92 | 80 |
| 4. | Botswana | 53 | 39 | 45 | 52 | 54 | 59 | 56 | 74 | 72 | 71 | 81 |
| 5. | South Africa | 35 | 32 | 34 | 34 | 35 | 39 | 41 | 43 | 63 | 74 | |
| 6. | Zambia | 101 | 99 | 90 | 76 | 84 | 94 | 83 | 111 | 97 | 98 | 85 |
| 7. | Seychelles | 90 | 105 | 111 | 109 | 103 | 77 | 80 | 104 | 95 | 93 | 95 |
| 8. | Lesotho | 119 | 128 | 130 | 138 | 143 | 136 | 136 | 151 | 114 | 100 | 104 |
| 9. | Namibia | 49 | 54 | 66 | 69 | 78 | 87 | 98 | 88 | 101 | 108 | 106 |
| 10. | Malawi | 131 | 131 | 132 | 133 | 145 | 157 | 171 | 144 | 141 | 133 | 110 |
| **MEFMI Region - All** | | | | | | | | | | | | |
| 1. | Rwanda | 148 | 143 | 67 | 58 | 45 | 52 | 32 | 46 | 62 | 56 | 51 |
| 2. | Kenya | 72 | 84 | 95 | 106 | 109 | 122 | 129 | 129 | 108 | 92 | 80 |
| 3. | Botswana | 53 | 39 | 45 | 52 | 54 | 59 | 56 | 74 | 72 | 71 | 81 |
| 4. | Zambia | 101 | 99 | 90 | 76 | 84 | 94 | 83 | 111 | 97 | 98 | 85 |
| 5. | Lesotho | 119 | 128 | 130 | 138 | 143 | 136 | 136 | 151 | 114 | 100 | 104 |
| 6. | Namibia | 49 | 54 | 66 | 69 | 78 | 87 | 98 | 88 | 101 | 100 | 106 |
| 7. | Malawi | 131 | 131 | 132 | 133 | 145 | 157 | 171 | 144 | 141 | 133 | 110 |
| 8. | Swaziland | 99 | 114 | 115 | 118 | 124 | 123 | 123 | 110 | 105 | 111 | 112 |
| 9. | Uganda | 107 | 106 | 112 | 122 | 123 | 120 | 132 | 135 | 122 | 115 | 122 |
| 10. | Tanzania | 124 | 126 | 131 | 128 | 127 | 134 | 145 | 140 | 139 | 132 | 137 |
| 11. | Mozambique | 139 | 140 | 135 | 126 | 139 | 146 | 139 | 128 | 133 | 137 | 138 |
| 12. | Zimbabwe | 154 | 160 | 159 | 157 | 171 | 172 | 170 | 153 | 155 | 161 | 159 |
| 13. | Burundi | 174 | 177 | 176 | 181 | 169 | 159 | 140 | 151 | 152 | 157 | 164 |
| 14. | Angola | 169 | 170 | 169 | 163 | 172 | 172 | 179 | 183 | 181 | 182 | 176 |

***Source***: *2018 Ease of Doing Business Index (EDBI) - The World Bank*

*Note:_The 2018 Doing Business Report investigates and ranks data for 190 economies on regulations that enhance business activity, and those that constrain it. The report measures aspects of regulation affecting 10 areas of the life of a business. These are starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency. A high ranking index means the regulatory environment is more conducive to the starting and operation of Businesses. Latest rankings indicates that, New Zealand is ranked top (1) while Somalia is ranked the lowest at 190. The highest for Sub-Saharan Africa is Mauritius (25) followed by Rwanda (41). The MEFMI Region is led by Rwanda and followed by Kenya (80).*

*Annex 2-3: Corruption Perception Index, Global, Sub-Saharan Africa and the MEFMI Region and the World 2015 - 2017*

| Country | | 2015 | | 2016 | | 2017 | |
|---|---|---|---|---|---|---|---|
| | | Rank | Score/100 | Rank | Score/100 | Rank | Score/100 |
| **Global Ranking – Top 10** | | | | | | | |
| 1. | New Zealand | 4 | 91 | 1 | 90 | 1 | 89 |
| 2. | Denmark | 1 | 91 | 1 | 90 | 2 | 88 |
| 3. | Finland | 2 | 89 | 3 | 89 | 3 | 85 |
| 4. | Norway | 5 | 86 | 6 | 85 | 3 | 85 |
| 5. | Switzerland | 7 | 86 | 5 | 86 | 3 | 85 |
| 6. | Singapore | 8 | 84 | 7 | 84 | 6 | 84 |
| 7. | Sweden | 3 | 87 | 4 | 88 | 6 | 84 |
| 8. | Canada | 9 | 81 | 9 | 82 | 8 | 82 |
| 9 | Luxembourg | 10 | 81 | 10 | 81 | 8 | 82 |
| 10. | Netherlands | 5 | 83 | 8 | 83 | 8 | 82 |
| **Sub-Saharan Africa - Top 10** | | | | | | | |
| 1. | Botswana | 28 | 63 | 35 | 60 | 34 | 61 |
| 2. | Seychelles | - | - | - | - | 36 | 60 |
| 3. | Cape Verde | 40 | 55 | 38 | 59 | 48 | 55 |
| 4. | Rwanda | 44 | 54 | 50 | 54 | 48 | 55 |
| 5. | Namibia | 45 | 53 | 53 | 52 | 53 | 51 |
| 6. | Mauritius | 45 | 53 | 50 | 54 | 54 | 50 |
| 7. | Sao Tome Principe | 66 | 42 | 62 | 46 | 64 | 46 |
| 8. | Senegal | 61 | 44 | 64 | 45 | 66 | 45 |
| 9. | South Africa | 61 | 44 | 64 | 45 | 71 | 43 |
| 10. | Burkina Faso | 76 | 38 | 72 | 42 | 74 | 42 |
| **MEFMI Region - All** | | | | | | | |
| 1. | Botswana | 28 | 63 | 35 | 60 | 34 | 61 |
| 2. | Rwanda | 44 | 54 | 50 | 54 | 48 | 55 |
| 3. | Namibia | 45 | 53 | 53 | 52 | 53 | 51 |
| 4. | Lesotho | 61 | 44 | 83 | 39 | 74 | 42 |
| 5. | Swaziland | - | - | - | - | 85 | 39 |
| 6. | Zambia | 76 | 38 | 87 | 38 | 96 | 37 |
| 7. | Tanzania | 117 | 30 | 116 | 32 | 103 | 36 |
| 8. | Malawi | 112 | 31 | 120 | 31 | 122 | 31 |
| 9. | Kenya | 139 | 25 | 145 | 26 | 143 | 28 |
| 10. | Uganda | 139 | 25 | 151 | 25 | 151 | 26 |
| 11.. | Mozambique | 112 | 31 | 142 | 27 | 153 | 25 |
| 12. | Burundi | 150 | 21 | 159 | 20 | 157 | 22 |
| 13. | Zimbabwe | 150 | 21 | 154 | 22 | 157 | 22 |
| 14. | Angola | 163 | 15 | 164 | 18 | 167 | 19 |

***Source****: 2017 Corruption Perception Index (CPI) Report-Transparency International (TI)*

***Note****: The Corruption Perception Index report ranks 180 countries/territories around the world according to the extent to which corruption is believed to exist. These countries/territories are ranked on a scale of zero to 100, with zero indicating high levels of corruption and 100 indicating low levels. Developed countries typically rank higher than developing nations due to stronger institutions and regulations. The highest score is for New Zealand, ranked top, with a score of 89 and while the lowest is Somalia, ranked 180 with a score of 9. The highest for Sub-Saharan Africa is Botswana, ranked 34th with a score of 61 followed by Seychelles in 36th place with 60. The MEFMI Region is led by Botswana, followed by Rwanda ranked 48th with a score of 55.*