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The following conventions are used in this publication:

- In tables, a blank cell indicates “not applicable" and ellipsis points (. . .) indicate “not available,” and 0 or 0.0 indicates "zero" or "negligible." Minor discrepancies between sums of constituent figures and totals are due to rounding.
- An en dash (–) between years or months (for example, 2005–06 or January–June) indicates the years or months covered, including the beginning and ending years or months; a slash or virgule (/) between years or months (for example, 2005/06) indicates a fiscal or financial year, as does the abbreviation FY (for example, FY2006).
- “Billion” means a thousand million; “trillion” means a thousand billion.
- “Basis points” refer to hundredths of 1 percentage point (for example, 25 basis points are equivalent to ¼ of 1 percentage point).

Preface

This report was prepared in the Policy Wing of the African Department of the International Monetary Fund, under the direction of Benedicte Vibe Christensen, Deputy Director. Research was coordinated by Andrew Berg and Calvin McDonald, with contributions from Paulo Drummond, Jan Gottschalk and Ulrich Jacoby; and Corinne Delechat, Dimitry Gershenson, Alejandro Hajdenberg, Emmanuel Hife, Stella Kaendera, Armine Khachatryan, Stanislaw Maliszewski, Kirsty Mason, Wayne Mitchell, Gillian Nkhata, Catherine Pattillo, Robert Sharer, Amadou Sy, Charalambos Tsangarides, Smita Wagh, and Felipe Zanna. Gustavo Ramirez and Saeed Mahyoub prepared the charts and statistical tables, Elizabeth Miranda and Anne Grant provided editorial assistance, and Emma Morgan was responsible for document production, with assistance from Natasha Minges. Marina Primorac of the IMF's External Relations Department copyedited the manuscript and coordinated production of the printed publication.

The report benefited from comments from staff in the African and other departments of the IMF. Opinions expressed in this report are those of the authors and do not necessarily represent the views of the IMF or its Executive Board. The report is based on data available as of October 1, 2007.

Abbreviations

BOAD	West African Development Bank
CEMAC	Central African Economic and Monetary Community
COMESA	Common Market of Eastern and Southern Africa
DMS	Debt Management Strategy (Uganda)
DSA	Debt Sustainability Analysis
EAC-15	East African Community
FDI	Foreign direct investment
HIPC	Heavily indebted poor countries
MAMS	World Bank's Maquette for MDG Simulations
MDG	Millennium Development Goal
MDRI	Multilateral Debt Relief Initiative
MGDS	Malawi Growth and Development Strategy
ODA	Official development assistance
PFM	Public financial management
PPP	Purchasing power parity
PRSP	Poverty Reduction Strategy Paper
PSIA	Poverty and Social Impact Analysis
SADC	Southern African Development Community
URA	Uganda Revenue Authority
VAT	Value-added tax
WAEMU	West African Economic and Monetary Union
WTO	World Trade Organization

Executive Summary

In recent years, sub-Saharan Africa has been experiencing its strongest growth and lowest inflation in over 30 years. Growth in sub-Saharan Africa should reach 6 percent in 2007 and 6¾ percent in 2008, both slightly lower than projected in the April *Regional Economic Outlook: Sub-Saharan Africa* but up from about 5½ percent in 2006 (Chapter 1). The economic expansion is strongest in oil exporters but cuts across all country groups. On the external front, it reflects strong demand for commodities, increased capital inflows, and debt relief. Internally, continued progress in stabilizing economies and implementing reforms in most countries has helped sustain rising investment and productivity. Inflation (excluding Zimbabwe) should average 7½ percent in 2007—with inflation in 32 out of 44 countries in single digits—and fall to 6¾ percent in 2008.

Can the growth momentum be sustained? In the past, because of weak institutions and volatile terms of trade and other shocks, growth episodes in sub-Saharan Africa have generally been shorter than in other regions and often ended with a dramatic collapse in output. In the current expansion, many countries have benefited from improved terms of trade, but there are also signs that macroeconomic and policy conditions continue to improve, which should help sustain growth. Many other sub-Saharan African countries have sustained growth for several years despite stable or declining terms of trade. These countries are reaping the benefits of economic reforms and improved macroeconomic policies, as well as a decline in armed conflicts and political instability. As a result, investment has increased, economic growth has strengthened, and income volatility has fallen. Sustaining the current expansion and reducing poverty ultimately depend on each country's ability to pursue structural and institutional reforms to increase productivity, boost resilience to shocks, and attract private investment.

Having successfully stabilized their economies, many sub-Saharan African countries have been increasingly reorienting fiscal policies toward promoting economic growth and poverty reduction. Chapter 2 provides an overview and discusses the experiences of five countries in creating and using this fiscal space to accelerate progress toward meeting the Millennium Development Goals. These experiences suggest some lessons that are salient for other sub-Saharan African countries. First, domestic revenue mobilization has clear advantages as a source of fiscal space for countries where the revenue share in GDP is low, but the required institutional reforms take time to implement and should therefore be given priority. Second, improving the efficiency of expenditures is key, but many countries still have a large reform agenda. Third, the possible adverse impact of aid inflows on external competitiveness can be mitigated by frontloading productivity-enhancing expenditures. Fourth, more needs to be done to anchor fiscal policy decisions in a medium-term framework; only a few countries have sophisticated frameworks that provide a link to government objectives and include detailed costing of sector-specific programs while accounting for the recurrent cost implications.

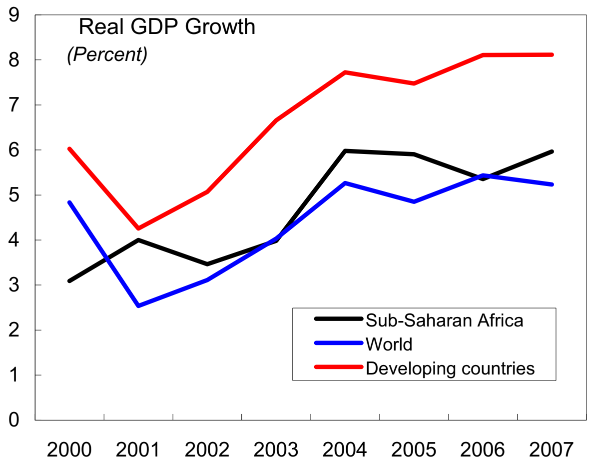
I. Overview

Main Developments and Outlook for 2007

Growth should reach 6 percent in 2007 (Table 1.1 and Figure 1.1), slightly lower than projected in the April *Regional Economic Outlook: Sub-Saharan Africa* but up from 5½ percent in 2006.[1] The expansion partly reflects rising production in oil exporters and strong domestic investment in oil importers, fueled by continued progress with macroeconomic stability and reforms in most countries. The region also benefited from the external environment, including solid demand for commodities, increased capital inflows, and debt relief.

Figure 1.1. A Comparison of Growth

Sub-Saharan Africa growth is robust.



Sources: IMF, *World Economic Outlook;* and IMF, African Department database.

The external environment continues to be favorable. Demand for sub-Saharan African exports is robust, nonfuel commodity prices are still growing at double digits, and fuel prices are projected to continue rising this year. Sub-Saharan Africa's terms of trade have improved by 26 percent in the past three years.

The economic expansion is strongest in oil exporters but cuts across country groups (Box 1.1 and Figure 1.2).

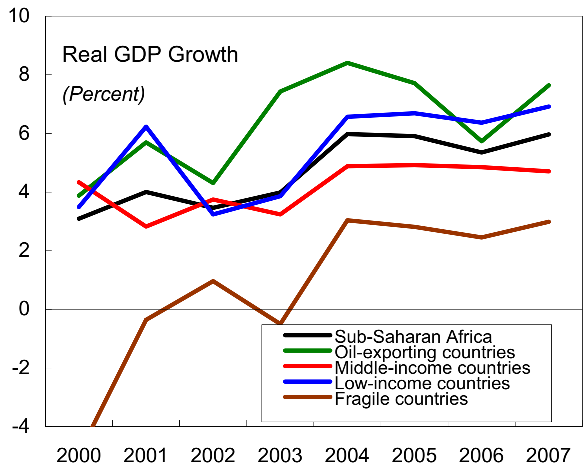
- Oil exporters should see growth accelerate to 7½ percent in 2007, led by Angola and Equatorial Guinea, where new oil fields have come on stream. In Nigeria, civil unrest in the Niger Delta is disrupting on-shore oil output, though that is being partly offset by new off-shore production. Among oil exporters, oil revenues are spurring domestic demand and growth in the non-oil sector.

- Middle-income countries should again grow by 4¾ percent this year, driven by South Africa, where both public and private investment should rise.

- Low-income countries are expected to increase growth somewhat to about 7 percent in 2007, fueled by agriculture and construction.

Figure 1.2. Growth in Sub-Saharan Africa

The expansion cuts across country groups.



Sources: IMF, *World Economic Outlook;* and IMF, African Department database.

Note: This chapter was prepared by Andrew Berg, Paulo Drummond, and Ulrich Jacoby.

[1] Excluding Zimbabwe, growth in 2007 should be 6.2 percent. Hereafter, and except where specifically noted, all indicators and figures in this chapter exclude Zimbabwe.

Table 1.1. Sub-Saharan Africa: Selected Indicators, 2003–08 [1]

	2003	2004	2005	2006	Current Projections 2007	Current Projections 2008
			Percentage change			
Real GDP	4.3	6.2	6.1	5.5	6.2	6.9
Of which: Oil exporters[2]	7.4	8.4	7.7	5.7	7.6	10.6
Non-oil exporters	3.3	5.4	5.4	5.2	5.4	5.4
Real non-oil GDP	3.8	5.9	6.0	6.7	7.6	7.1
Consumer prices (average)	9.7	6.1	8.1	7.3	7.5	6.8
Of which: Oil exporters	18.7	13.7	14.1	8.2	6.1	6.7
Non-oil exporters	7.5	4.2	6.6	7.1	7.9	6.8
Per capita GDP	2.3	4.2	4.2	3.5	4.2	4.9
			Percent of GDP			
Exports of goods and services	34.2	35.6	38.4	40.5	40.4	40.8
Imports of goods and services	33.5	34.2	34.8	36.4	38.8	37.9
Gross domestic saving	19.7	21.4	23.3	25.4	23.3	24.7
Gross domestic investment	19.3	19.9	19.7	21.1	21.8	21.8
Fiscal balance (including grants)	-2.2	-0.2	1.7	5.0	0.8	1.9
Of which: Grants	1.1	0.9	0.8	0.7	0.8	0.7
Current account (including grants)	-2.4	-1.6	-0.3	0.6	-2.6	-1.4
Of which: Oil exporters	-4.2	2.5	8.8	13.0	3.6	7.0
Non-oil exporters	-1.8	-3.1	-4.0	-5.2	-5.6	-6.0
Terms of trade (percent change)	1.1	3.8	8.6	12.2	0.7	2.2
Of which: Oil exporters	4.0	14.4	32.5	17.4	1.3	4.7
Non-oil exporters	0.1	0.5	-1.9	7.1	-0.3	-2.2
Reserves (in months of imports)	3.4	4.2	4.7	5.6	5.7	6.4
Memorandum items:						
Oil price (U.S. dollars per barrel)	28.9	37.8	53.4	64.3	68.5	75.0
Advanced country import growth (in percent)	4.1	9.3	6.1	7.4	4.3	5.0
Real GDP growth in other regions						
Sub-Saharan Africa (including Zimbabwe)	4.0	6.0	5.9	5.4	6.0	6.7
Sub-Saharan Africa (WEO definition)[3]	4.2	5.9	6.0	5.7	6.1	6.8
Developing Asia	8.3	8.8	9.2	9.8	9.8	8.8
Middle East	6.6	5.6	5.4	5.6	5.9	5.9
Commonwealth of Independent States	7.9	8.4	6.6	7.7	7.8	7.0

Sources: IMF, African Department database; and World Economic Outlook (WEO) database.

Note: Data as of October 1, 2007. Arithmetic average of data for individual countries, weighted by GDP.

[1] Excludes Zimbabwe, unless otherwise indicated. See Appendix Table A1 for the list of sub-Saharan African countries.

[2] Consists of Angola, Cameroon, Chad, Republic of Congo, Equatorial Guinea, Gabon, and Nigeria.

[3] Includes the countries listed in Appendix Table A1 plus Djibouti, Mauritania, and Sudan.

Box 1.1. Typology of Countries

This *Regional Economic Outlook: Sub-Saharan Africa* organizes 44 countries into four nonoverlapping groups: oil exporters, and non-oil-exporting middle-income, low-income, and fragile countries (see the Appendix for a list).

- The 7 oil exporters are countries where net oil exports make up 30 percent or more of total exports. Except for Angola and Nigeria, all belong to the CFA franc zone. Oil exporters are classified as such even if they would otherwise qualify for another group.
- The 8 middle-income countries are not oil exporters and have per capita income higher than $905, according to 2006 GNI per capita as calculated by the World Bank.
- The 15 low-income countries are not oil exporters and have per capita income equal to or lower than $905 and a score higher than 3.2 on the Country Policy and Institutional Performance Assessment of the World Bank, following the classification in the 2007 *Global Monitoring Report.*
- The other 14 countries are categorized as fragile.

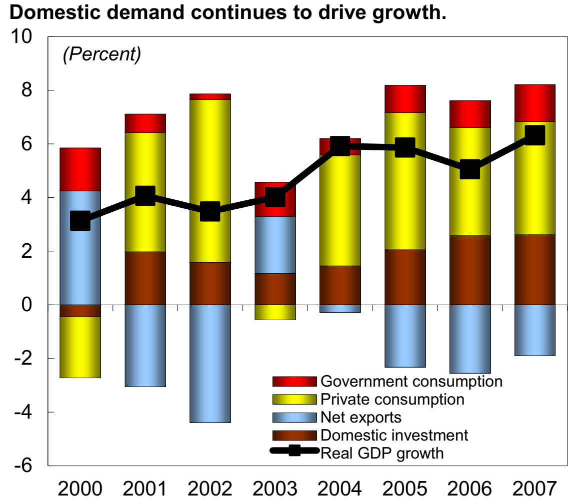
- Fragile countries are expected to grow at over 5 percent, faster than in 2006. Sierra Leone, Liberia, and the Democratic Republic of Congo are benefiting from buoyant agricultural output and rising exports. But weak policies and institutions and the risks of conflict and political instability weigh heavily on many countries. In Zimbabwe, economic activity is likely to contract by at least 6 percent in 2007 as macroeconomic imbalances worsen and the government intensifies price controls to suppress inflation.

Domestic demand continues to drive the expansion in sub-Saharan Africa, with a strong contribution of investment reflecting the favorable economic outlook and better policies (Figure 1.3). Domestic investment is set to reach close to 22 percent of GDP, an all-time high for the region; it is particularly strong in the middle- and low-income country groups. The pick-up of growth in 2007 over 2006 is based on higher government consumption in some countries thanks to higher oil revenues and debt relief, and a greater contribution from net exports, reflecting rising oil shipments.

This year's growth follows on several good years. The external environment has been broadly supportive. In addition, over the past decade many countries have been reforming their economies and strengthening macroeconomic policies. Improvements in public financial management, trade policy, and the business environment have helped support growth in a number of sub-Saharan African countries.[2] Moreover, armed conflicts and political instability have become less frequent. As a

Figure 1.3. Contribution to GDP Growth in Sub-Saharan Africa

Domestic demand continues to drive growth.



Source: IMF, African Department database.

[2] The increase in the pace of reforms in recent years to encourage businesses in Africa is reported in the World Bank's *Doing Business 2008* (World Bank, 2007a).

result, investment has increased, economic growth has strengthened, and income volatility has fallen to near-30-year lows. Real per capita GDP growth averaged 3½ percent over 2003–06 and is expected to reach 4¼ percent in 2007, up from about 1 percent in 1997–2002 (Figure 1.4). All country groups are contributing, though fragile states are lagging behind.

Sustaining growth is a challenge. In the past, growth episodes have generally been shorter in sub-Saharan Africa than in other regions and more often ended with large output collapses.[3] Historically, terms of trade changes have been significant drivers of growth in Africa (Box 1.2). What is the role of terms of trade in the current expansion?

- Middle-income, low-income, and fragile countries have all grown in recent years despite stable or declining terms of trade (Figure 1.5 and Box 1.2). In these countries, rising investment and productivity have underpinned growth, likely reflecting efficiency gains from structural reforms and improvements in the business climate and macroeconomic policies.

- However, in oil exporters as a group (and, more generally, net commodity exporters) more favorable terms of trade are supporting growth. For them, the efficient use of new resources is critical, underscored by sound public financial management (PFM) and good governance.

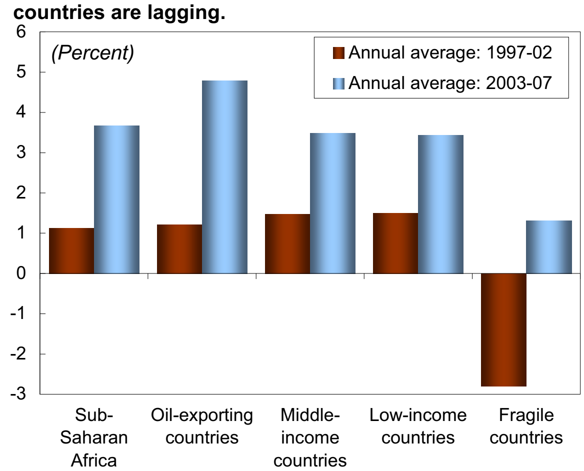
Sustaining the current expansion ultimately rests on each country's ability to use higher income to accelerate socioeconomic development. This, in turn, requires continued structural and institutional reforms to increase productivity, boost resilience to shocks, and create conditions that attract private investment to noncommodity sectors.

Despite sustained increases in commodity prices, average inflation has stayed in the 6–9 percent range for the first time in decades (Figure 1.6). Annual average inflation is projected to be 7½ percent in 2007, broadly unchanged from 2006.

- In oil-exporting countries average inflation is expected to fall further, partly reflecting stabilization gains in both Angola and Nigeria.

Figure 1.4. Real Per Capita GDP Growth in Sub-Saharan Africa

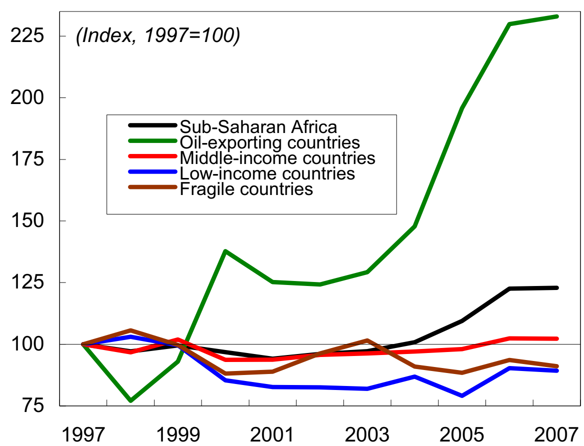
Per capita income is generally improving, but fragile countries are lagging.



Source: IMF, African Department database.

Figure 1.5. Terms of Trade in Sub-Saharan Africa

Terms of trade have improved for oil exporters.

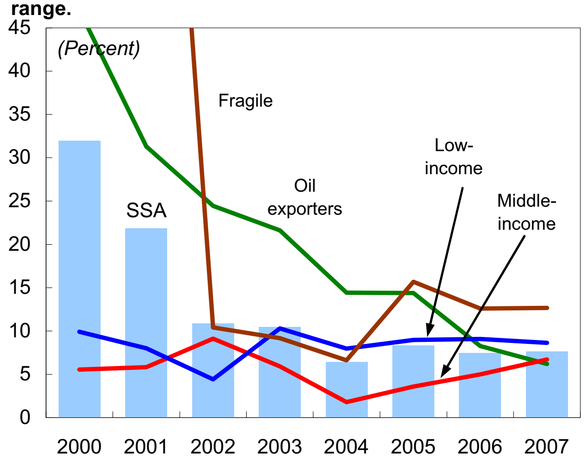


Sources: IMF, *World Economic Outlook;* and IMF, African Department database.

[3] See Berg and others (2007).

Figure 1.6. Inflation in Sub-Saharan Africa

Only fragile countries saw inflation above the 6–9 percent range.



Sources: IMF, *World Economic Outlook;* and IMF, African Department database.

- Inflation in middle-income countries will likely accelerate to 6¾ percent this year, 1¾ percent higher than in 2006. In South Africa, higher food and energy prices pushed inflation slightly above the upper limit of the target band (3–6 percent) in the first half of the year; the Reserve Bank responded by adjusting the repo rate.

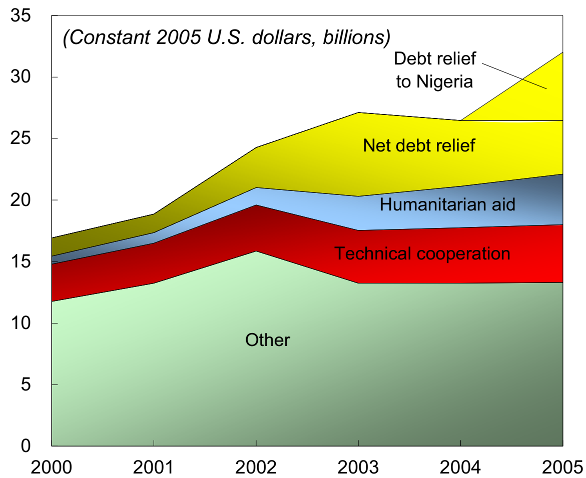
- In most low-income countries, despite strong domestic demand, inflationary pressures are expected to ease further for a host of reasons: a more bountiful food supply; monetary policies that have helped check inflation expectations and the effects of higher oil prices; rising capital inflows that led to nominal exchange rate appreciation in some countries; and low bank financing of the budget deficit in most countries.

- In fragile countries, average inflation remains high and there are large differences between countries. Inflation is above 10 percent in six countries (Democratic Republic of Congo, Eritrea, Guinea, Liberia, São Tomé and Príncipe, and Sierra Leone). Hyperinflation in Zimbabwe is fueled by rapidly deteriorating economic conditions and shortages of basic goods.

Official grants to sub-Saharan Africa will likely increase only slightly; emerging creditors (not included in official aid data) have increased their financial assistance to the region (Figure 1.7 and Box 1.3). Grants to all of sub-Saharan Africa, excluding Nigeria and South Africa, are projected to be close to 3 percent of GDP, with a slight rise for the low-income countries, particularly Ethiopia, Mozambique, and Rwanda.[4] Official development assistance (ODA) flows from OECD countries to sub-Saharan Africa (excluding debt relief to Nigeria in 2005) have been broadly flat since 2003. Meanwhile, emerging creditors, particularly China, are stepping up assistance to the area, generally in the form of project assistance and export credits.[5]

Figure 1.7. Components of Official Development Assistance to Sub-Saharan Africa

Net flows have been flat since 2003.



Source: OECD, DAC-ODA. Data as of October 1, 2007.

[4] Multilateral Debt Relief Initiative (MDRI) relief should be classified as grants and a reduction of scheduled debt service, though this may not be reflected in the grant data shown in Table SA20. Classification in the fiscal and external accounts varies depending on each country's accounting system, accrual or cash budgeting, and the arrangements between central bank accounts and the budget for transfer of IMF MDRI relief.
[5] See IMF (2007b), Box 4.1 on China's financial relations with Africa.

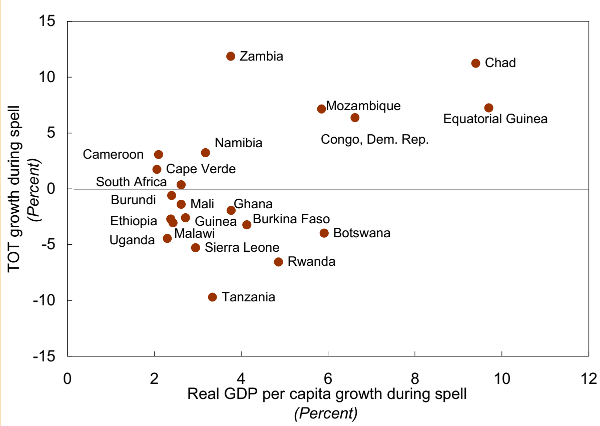
Box 1.2. Terms of Trade and Current Growth Episodes in Sub-Saharan Africa

To what extent have stronger terms of trade contributed to the current expansion in sub-Saharan Africa? Perhaps surprisingly little: most African countries currently enjoying prolonged growth spells have not had positive terms of trade shocks.

Growth in Africa, as elsewhere, depends on a complex set of factors, including sound economic policy, openness to trade, strong institutions, and good public services.[1] Historically, changes in the terms of trade have been important determinants of growth in Africa (Deaton, 1999). In the short to medium term, higher export prices induce supply (increases in investment and output) and demand (increases in income) effects. Terms of trade improvements since the second half of the 1990s have, correspondingly, contributed to the growth recovery in sub-Saharan Africa, with some evidence that resource booms can account for much of the growth in resource-rich countries (Collier and Goderis, 2007). However, the longer-term effects of terms of trade and resource booms are less clearly positive. Positive terms of trade shocks may have positive short-term effects on output but adverse ones in the long term (Collier and Goderis, 2007). Similarly, positive terms of trade shocks are more strongly correlated with shorter-lived expansions than with sustained growth episodes, suggesting that terms-of-trade-induced booms may be less likely to last (Hausmann, Pritchett, and Rodrik, 2004).

What about the current expansions? Using the methodology of Berg, Ostry, and Zettelmeyer (2007), we identify breaks in growth and the resulting ”growth spells”—periods with at least 5 years of annual per capita growth above 2 percent—in sub-Saharan Africa for 1980 to the present. There have been 17 completed spells since 1980 and 21 sub-Saharan African countries are currently enjoying growth spells. Both completed and ongoing spells are only weakly associated with positive terms of trade shocks. In particular, most ongoing growth spells are taking place despite negative terms of trade changes since the growth spell began (figure). This is not to say that terms of trade changes do not matter for growth, but rather that other factors are more important for most countries currently enjoying sustained growth.

Ongoing Growth Spells and Terms of Trade Growth During Spells



Note: This box was prepared by Charalambos Tsangarides.

[1]IMF (2005) reviews the determinants of growth in Africa and the pickup in the last decade.

Box 1.3. Aid to Sub-Saharan Africa: Where Do We Stand on Gleneagles?

Early estimates suggest that the doubling of aid to sub-Saharan Africa pledged at the G-8 summit at Gleneagles in 2005 is not on track. Debt relief grants, a major component of aid to the region in recent years, are likely to taper off. Debt relief has freed up substantial resources for investment and social spending (IMF, 2006, Box 1.4), but as these grants decline, other types of aid will have to be increased. In fact, bilateral aid, excluding debt relief grants, has generally been static. If aid to the region is to meet the US$50 billion target set for 2010, donors must consistently increase net disbursements, excluding debt relief grants, by more than 15 percent every year. However, current country-by-country projections indicate that aid through 2010 will grow by only 8 percent a year (IMF, African Department database, 2007).

Translating increases in aid budgets into actual disbursements is always challenging: disbursements may be conditioned on commitments by recipient countries to implement specific reforms, or recipient countries may have limited administrative capacity to plan for and spend higher aid. Only half of the 20 countries that committed to develop a long-term education plan at the First African Ministerial Conference on Financing for Development in May 2006 have shown any progress (Janneh, 2007). But even countries like Ghana and Tanzania that have actionable development strategies and systems to implement them have seen aid level off in the last two years (World Bank, 2007b).

Changing modalities and a new aid architecture may improve the outlook in sub-Saharan Africa. While donors participating in the OECD's Development Assistance Committee will continue to be a major source of development finance, the importance of nontraditional donors is growing, because they provide support not only through development assistance but also through bilateral trade, preferential credits, and foreign direct investment. The increasing role of global private aid funds and the proliferation of types of donors may help offset shortfalls of aid from traditional donors, but they carry their own challenges, including for macroeconomic management and donor coordination.

There is also a shift from project-based toward program-based aid that should increase alignment of aid with country systems. Finally, further progress in aid harmonization and alignment, more focus on result-oriented frameworks, and better aid predictability can make aid more effective.

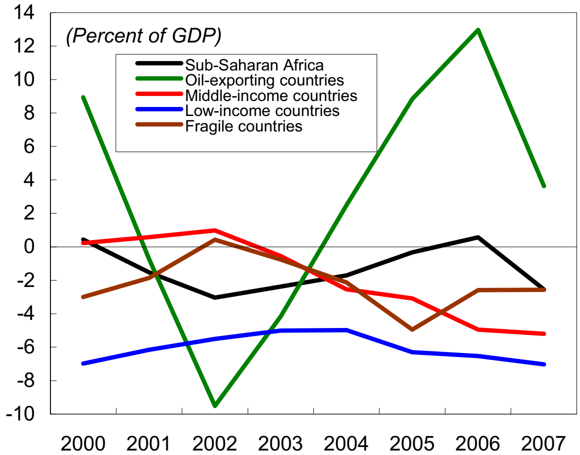
Note: This box was prepared by Felipe Zanna, Smita Wagh, Armine Khachatryan, and Emmanuel Hife.

Reversing the previous trend, sub-Saharan Africa's current account deficit should widen in 2007 to about 2½ percent of GDP (Figure 1.8). This mainly reflects rising domestic demand, which is only partly offset by a rebound in the volume of exports and a further modest improvement in the terms of trade (Figures 1.9 and 1.10):

- The current account surplus of sub-Saharan African oil exporters is set to decline to 3½ percent of GDP in 2007; surpluses will be smaller in Angola and Nigeria, as oil exports in percent of GDP decline and imports are expected to grow owing to investment in infrastructure.
- The current account deficit of middle-income countries should hold broadly steady at about 5 percent of GDP. In South Africa, higher imports to satisfy domestic demand are expected to be roughly balanced by strong exports.
- In low-income countries the current account deficit is likely to widen slightly to

Figure 1.8. Sub-Saharan Africa's External Current Account Balance

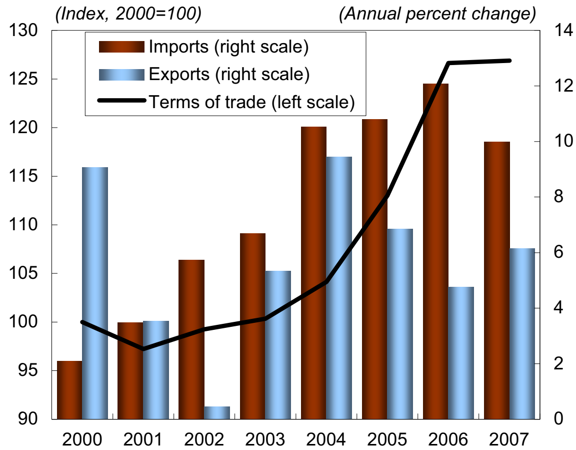
The current account deficit is widening.



Sources: IMF, *World Economic Outlook;* and IMF, African Department database.

Figure 1.9. Trade Volume and Terms of Trade in Sub-Saharan Africa

Import volume growth outpaces export growth.



Sources: IMF, *World Economic Outlook;* and IMF, African Department database.

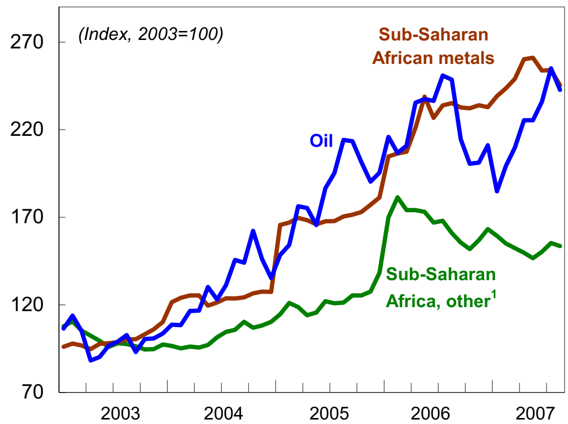
7 percent of GDP. Rising imports are being financed through export growth, some increase in capital inflows, and slightly higher grants. In Burkina Faso, Mozambique, Niger, and Tanzania, relatively rapid growth in investment is fueling higher imports, raising the deficit by more than 1 percent of GDP. In Madagascar, imports related to huge foreign direct investment in mining will more than double the deficit, to 20 percent of GDP.

- In fragile countries, the deficit should widen slightly to 3¼ percent of GDP. In Zimbabwe, exports and imports are both collapsing, with the current account deficit falling to under 1 percent as external finance is withdrawn.

Private capital inflows have risen rapidly in recent years, particularly to South Africa and Nigeria, reflecting the favorable global environment and foreign investment in natural resource production (Box 1.4). Net foreign direct investment (FDI)—the largest source of private capital inflows into sub-Saharan Africa—should reach about US$18 billion this year. Portfolio flows have also been an important source of inflows. Since mid-2005 private foreign investors have been acquiring government debt in local currencies, particularly in Botswana, Kenya, Malawi, and Nigeria.

Figure 1.10. Sub-Saharan African Commodity Prices

Commodity prices are still high.



Sources: IMF, Commodity Prices; and UN Comtrade.

[1] Composite of cocoa, coffee, sugar, tea, and wood, weighted by Sub-Saharan Africa exports.

Rising capital inflows and generally small current account deficits have allowed sub-Saharan African countries as a group to increase foreign reserves and pay down external debt.

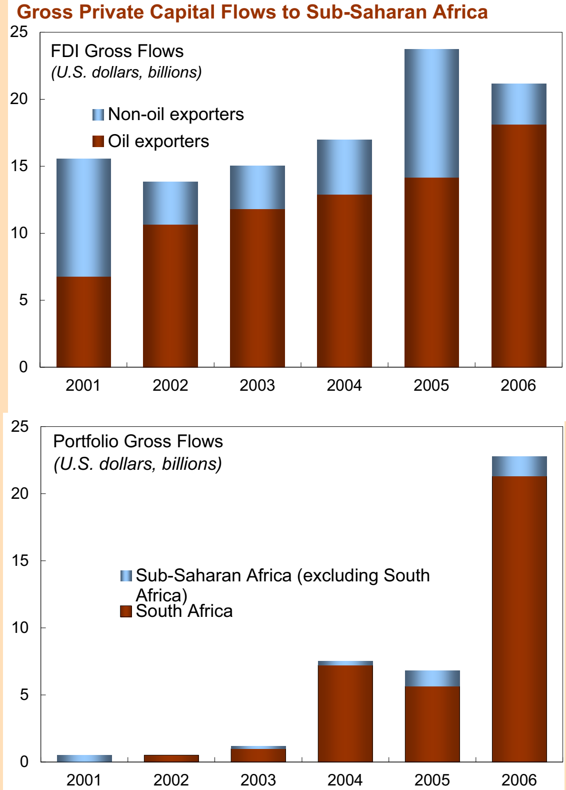
Box 1.4. Private Capital Flows to Sub-Saharan Africa

Although private capital flows to sub-Saharan Africa are still dwarfed by those to regions such as Asia, they have tripled since 2003. Nigeria and South Africa attract the bulk of these inflows, accounting for about two-thirds of total flows in 2006. However, foreign investments in the bond and equity markets of a few other countries are on the rise.

In 2006, total gross private flows amounted to about US$45 billion, almost 6 percent of GDP, compared with about US$9 billion in 2000.[1] This surge reflects improved domestic fundamentals in recipient countries as well as the favorable global economic environment.

Nevertheless, FDI inflows continue to be directed mainly to extractive industries; an estimated 70 percent of the direct investment flows to sub-Saharan Africa in 2006 went to oil exporters Angola, Equatorial Guinea, and Nigeria (figure). South Africa is the recipient of by far the most private portfolio flows, which have shot up to almost half of total gross private capital flows to the region (figure).

Gross Private Capital Flows to Sub-Saharan Africa



Source: IMF, African Department database.

An interesting recent development is the rise (admittedly from a very low base) in portfolio flows to a small group of countries, notably Cameroon, Ghana, Uganda, and Zambia, attracted by improved risk ratings and higher yields.[2] There is also evidence of foreign investments in bond and equity markets in Botswana, Kenya, Malawi, and Nigeria. These flows are still generally small, both absolutely and in relation to GDP, but they have become important in some countries. For example, in 2006 they represented about 3 percent of GDP for Cameroon and 2 percent for Malawi.

The projected decline in total gross private capital inflows in 2007 is the result of a reduction in portfolio flows to South Africa after a record increase in 2006. FDI in non-oil exporters and portfolio flows to sub-Saharan Africa (excluding South Africa) will increase slowly. The impact of recent market turbulence on sub-Saharan Africa has so far been limited but highlights the uncertainties.

The rising private inflows underscore the importance of proper financial system regulation, monitoring, and supervision (IMF, 2007b, Chapter 5). In general, the benefits of greater international financial integration accrue to those countries with strong domestic financial systems and institutions.

Note: This box was prepared by Gillian Nkhata and Corinne Delechat.

[1] Although the measures of private capital flows used here suffer from the poor quality of portfolio flow estimates reported in the World Economic Outlook database, they are broadly consistent with other data sources and are the most comprehensive measure available.

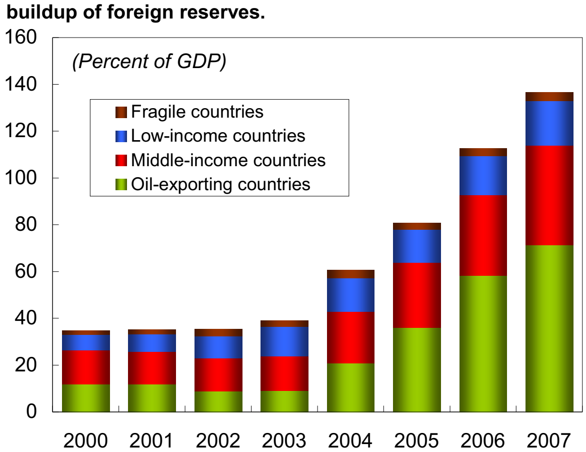
[2] See IMF (2006), Box 1.1.

- Foreign reserves for all of sub-Saharan Africa are expected to reach an all-time high of US$137 billion in 2007, raising import coverage to 5.7 months (Box 1.5 and Figure 1.11). This reflects insufficient initial reserve holdings, the increasing openness of sub-Saharan African economies, and a policy choice to build precautionary levels to insure against balance of payment risks. The value of this insurance was manifest when oil prices rose sharply in 2003 and oil importers managed to preserve growth, in part by drawing down reserves (IMF, 2006). Over the past 10 years, fast reserve accumulation by oil exporters (about US$50 billion) and steady accumulation by South Africa (about US$20 billion) have been notable. Other sub-Saharan African countries have kept reserves roughly stable as a share of imports.

- Sub-Saharan Africa's external debt is projected to fall to 11 percent of GDP in 2007, a three-decade low, thanks to rapid growth, comprehensive debt relief, and debt repayment by Angola, Malawi, Nigeria, and others. Debt relief was delivered through the enhanced Heavily Indebted Poor Countries (HIPC) Initiative and the MDRI. So far the IMF has contributed MDRI debt relief of US$3 billion to 17 countries in sub-Saharan Africa (most recently, in March 2007, São Tomé and Príncipe). Eight more could qualify once they reach the HIPC completion point.[6] Though debt ratios have been declining in all groups, they remain high in many countries, in particular fragile ones (Figure 1.12).

Figure 1.11. International Reserves in Sub-Saharan Africa

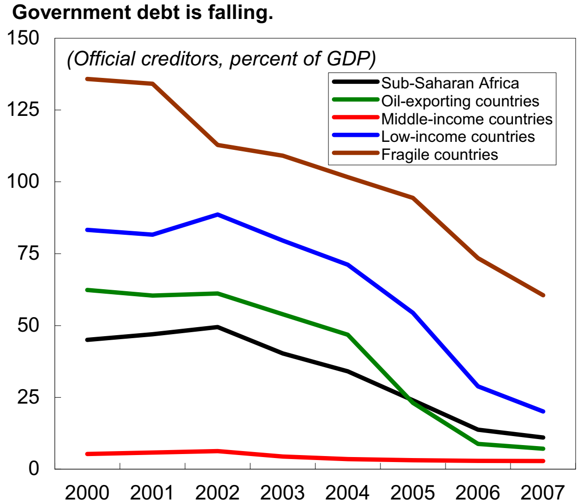
Large inflows and high commodity prices have allowed the buildup of foreign reserves.



Sources: IMF, *World Economic Outlook;* and IMF, African Department database.

Figure 1.12. External Debt in Sub-Saharan Africa

Government debt is falling.



Sources: IMF, *World Economic Outlook;* and IMF, African Department database.

Macroeconomic Policy Issues

Monetary and exchange rate policies

Monetary developments have generally reflected the rise in trade and capital flows in the sub-Saharan African region:

- Foreign asset accumulation has fueled growth in money stocks, particularly in oil exporters and middle-income countries (Figure 1.13).

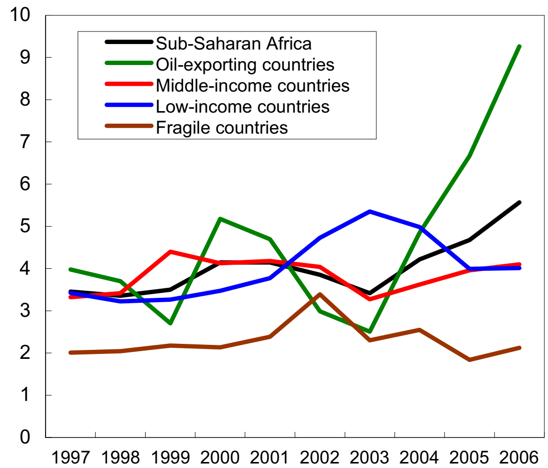
[6] Burundi, Central African Republic, Chad, Democratic Republic of the Congo, The Gambia, Guinea, Guinea-Bissau, and Republic of Congo. Another five sub-Saharan African countries (Comoros, Côte d'Ivoire, Eritrea, Liberia, and Togo) have met the income and indebtedness criteria of the enhanced HIPC Initiative (based on 2004 data) and may be considered for debt relief.

Box 1.5. Foreign Exchange Reserve Adequacy in Africa

Reserve adequacy needs to be viewed in the broader context of macroeconomic policies. A specific level of reserves may be adequate when there are alternative sources of financing or adjustment can be quickly attained. But the same level may not be adequate if there are no alternative financing sources, no exchange rate instrument, or a reluctance or inability to correct a current account deficit. There are also a number of economic fundamentals, besides international reserves, that can increase the frequency or amplify the impact of adverse shocks, rendering a country crisis-prone. Among these are lack of export diversification; risky short-term financing; stock imbalances owing to maturity, currency, and interest rate mismatches; aid volatility; and high leverage in both public and private sector balance sheets. The reserve indicators considered here are therefore useful for operational purposes but should be considered indicative rather than definitive.

Current account–based measures—gross official reserves in months of imports—are particularly useful for sub-Saharan African countries, indicating how rapidly a country would need to adjust to a shock. At the end of 2006, reserves on average covered 5.6 months of imports, up from 3.8 months in 1997–2002, though levels varied widely (figure).

Sub-Saharan Africa: International Reserves Coverage
(Months of imports)



Sources: IMF, World Economic Outlook; and IMF, African Department database.

For the few sub-Saharan African countries that are subject to potential capital outflows, capital account–based measures of reserve adequacy are also important. At the end of 2006, reserves covered close to five times short-term external debt, and over 100 percent of broad money. The ratio of reserves to short-term debt is especially relevant for countries with risks related to short-term financing. For middle-income sub-Saharan African countries, foreign reserves cover twice these countries' short-term external debt.

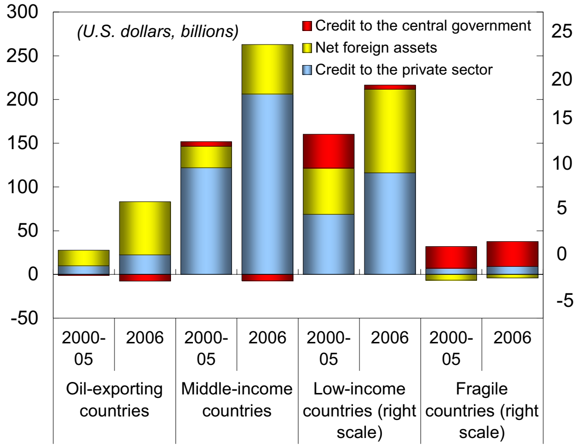
A complementary approach to assessing reserve adequacy estimates the insurance value of reserves, weighing the benefits of consumption smoothing against the cost of holding reserves. Reserve adequacy would depend on a country's vulnerability to shocks, the magnitude of likely shocks, and the opportunity cost of holding reserves.[1] A preliminary analysis using the Jeanne-Rancière model supports the observation that most sub-Saharan African countries carry reserves consistent with the expected output costs of large (i.e., greater than 10 percent) terms of trade shocks. However, the few exceptions are cause for concern, particularly because sub-Saharan African countries may be subject to a combination of shocks, including abrupt changes in aid flows (see Eifert and Gelb, 2005).

Note: This box was prepared by Paulo Drummond.

[1] See Jeanne and Rancière (2006); Becker and others (2007); and Hauner (2005). We calibrate the Jeanne-Rancière model using sample estimates for the 44 sub-Saharan African countries for 1980 through 2006. In this period, terms of trade shocks greater than 10 percent occurred about 5 percent of the time, causing output losses of 3.7 percent of GDP in the following year.

Figure 1.13. Counterparts to Money Supply in Sub-Saharan Africa

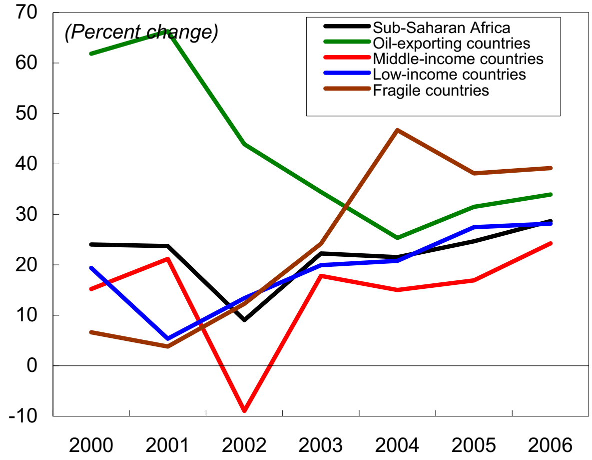
Foreign asset accumulation fueled growth in money stocks.



Source: IMF, *International Financial Statistics.*

Figure 1.14. Credit to the Private Sector in Sub-Saharan Africa

Credit is growing fast from low levels.



Sources: IMF, *International Financial Statistics;* and IMF, *World Economic Outlook.*

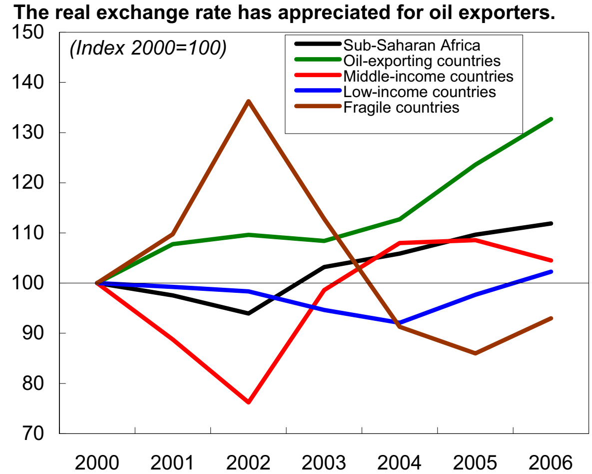
- Growing liquidity has stimulated credit growth of more than 20 percent in all groups (Figure 1.14).

- Real exchange rates have appreciated in many countries, especially oil exporters. (Figure 1.15).

Countries with a fixed exchange rate have continued to enjoy the stability and credibility benefits of a strong nominal anchor, but they face important challenges. Given the exchange rate target, inflation partly reflects underlying trends in the real exchange rate. However, monetary policy needs to play a supportive role, coordinating with fiscal policy to provide an environment conducive to growth while avoiding excessive inflation and managing capital inflows and terms of trade shocks. Countries that peg to the appreciating euro (including Cape Verde and Comoros) have thereby imported downward price pressure. Real exchange rates have been appreciating substantially, especially in the Economic and Monetary Council of Central Africa (CEMAC), where oil exporters predominate (Figure 1.16). This partly reflects appreciation pressures arising from the oil boom, notably an expansionary non-oil fiscal stance in the face of supply constraints. They have risen much less in the West African Economic and Monetary Union (WAEMU). In this context, the key objectives are the following:

Figure 1.15. Real Effective Exchange Rates in Sub-Saharan Africa

The real exchange rate has appreciated for oil exporters.

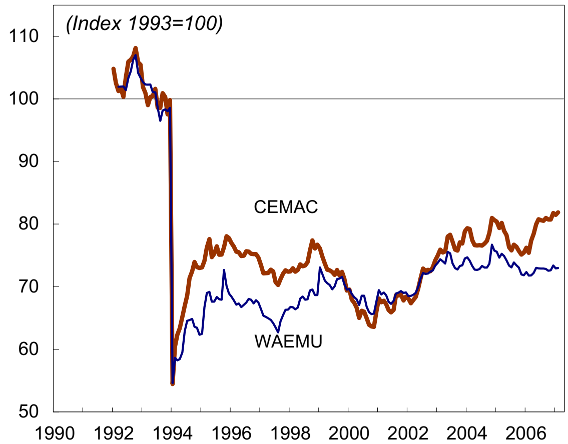


Sources: IMF, *Information Notice System;* and *World Economic Outlook.*

- *Manage liquidity given its possible inflationary implications.* Central banks in the CFA franc zone have not been pursuing an active monetary policy, relying mostly on differentiated reserve requirements and adjusting official interest rates only sparingly. While high liquidity is partly structural, caused by limited opportunities for banks to expand assets faster, there is always the potential for high liquidity to feed inflationary pressures.

Figure 1.16. Real Effective Exchange Rates in the CEMAC and the WAEMU

Appreciation in the CEMAC has been greater than in the WAEMU.



Source: IMF, *Information Notice System.*

- *Cope with rising foreign exchange inflows.* Inflows in recent years have been driving appreciation of real exchange rates in many CFA franc zone countries, particularly oil exporters. In the CEMAC, real exchange rate appreciation and broad money growth have been much stronger than in the WAEMU, but private sector credit has grown much less.

- *Coordinate monetary with fiscal policy.* Rising inflows have helped raise investment and growth, but in some countries they have also put pressure on prices and the real exchange rate. While policy responses can vary, it is important for fiscal and monetary authorities to coordinate actions. In currency unions, fiscal policy has even greater responsibility for safeguarding macroeconomic stability, making it even more important that there is a mechanism to coordinate national fiscal policies with regional monetary policy. Fiscal restraint is one way to mitigate real appreciation and reduce vulnerability to a sudden stop or reversal of the inflows or the terms of trade; without it monetary policy can do little to stem inflation over the medium term.

- *Preserve competitiveness.* Against the backdrop of a recent loss of price competitiveness in the WAEMU and the CEMAC, preserving competitiveness will require both supportive fiscal policy and reforms to address long-standing structural obstacles, such as inadequate infrastructure, deterrents to doing business, and low productivity. Recent progress in some member countries is encouraging, but overall a more concentrated effort is needed.

For countries with a flexible exchange rate, reserve accumulation has often limited exchange rate volatility. The following cases are illustrative:

- In South Africa, a flexible exchange rate policy is part of the Reserve Bank's inflation targeting regime, along with a declared policy of buying foreign exchange to build up reserves when the currency is strong. Tracking inflows, gross foreign reserves have risen gradually, and the nominal exchange rate has fluctuated without a defined trend. Continued inflation pressures led the Reserve Bank to resume its monetary tightening in mid-2007.

- In Nigeria, the central bank pursues a money targeting regime while maintaining a stable exchange rate. Foreign reserve accumulation beyond the level of fiscal savings has helped stabilize the official exchange rate against the dollar since 2004, and inflation has been in the single digits since last year.

- In Kenya, the central bank holds to both a managed float and a reserve money target. Both nominal and real exchange rates have appreciated in the past two years, with the authorities intervening at times to alleviate appreciation pressures.

The real effective exchange rate has been appreciating for many countries with a flexible exchange rate, especially oil exporters and low-income countries (Figure 1.17). After depreciating in the early 2000s, real exchange rates reversed course as inflows surged and commodity prices rose. For sub-Saharan Africa as a whole, the median real exchange rate is broadly in line with its 1995–2007 average, but the distribution is widening (Figure 1.18).

Countries in sub-Saharan Africa have continued to strengthen their financial systems. The macroeconomic and political environment in most countries has improved significantly and regulatory frameworks generally have been strengthened, though the scope and pace of reforms have varied. Reflecting these developments, banking systems in much of the region are exhibiting greater stability (with a few exceptions). The range of financial services is increasing and banks in selected countries are expanding their cross-border operations. The nonbanking sector, particularly microfinance and the pension industry, is growing rapidly, albeit from a low base.

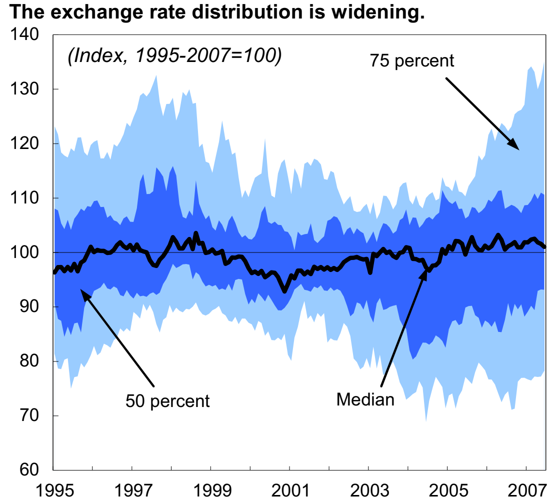
Fiscal policy

Revenues have increased in recent years but are expected to fall in 2007, reflecting declines in Nigeria and Angola (Figure 1.19). Fiscal revenues exceeded 26 percent of GDP in 2006, up 4 percentage points on average since 2002.

Spending increases have generally been directed to investment but also have gone to current spending on health and education (Figures 1.20 and 1.21). Spending, mainly on capital outlays, has picked up in most low-income and fragile countries. Middle-income countries are also spending more to address infrastructure bottlenecks and social needs.

Figure 1.18. Real Effective Exchange Rates in Sub-Saharan Africa

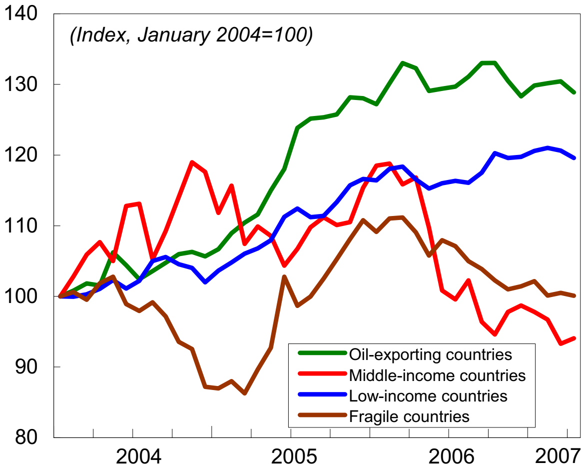
The exchange rate distribution is widening.



Source: IMF, *Information Notice System.*

Figure 1.17. Real Effective Exchange Rates in Sub-Saharan African Countries with a Floating Regime

Reserve accumulation has limited currency appreciation in several countries.

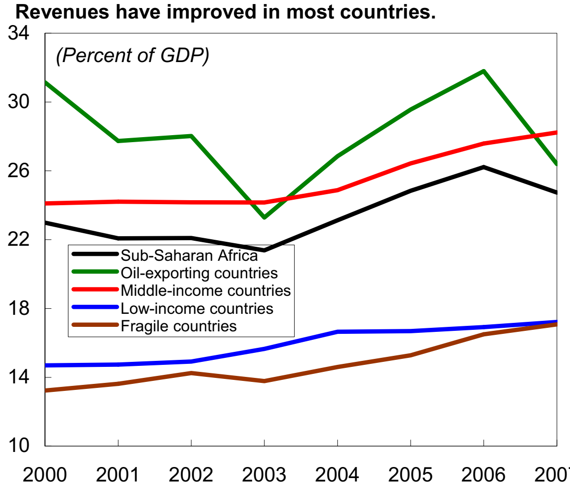


Source: IMF, *Information Notice System.*

Note: The oil-exporting countries are Angola and Nigeria. The middle-income countries are Mauritius and South Africa.

Figure 1.19. Central Government Revenues in Sub-Saharan Africa

Revenues have improved in most countries.



Sources: IMF, *World Economic Outlook;* and IMF African Department database.

Figure 1.20. Central Government Primary Spending in Sub-Saharan Africa

Primary spending is stable, except in middle-income countries. . .

. . . and capital outlays are rising in most countries.

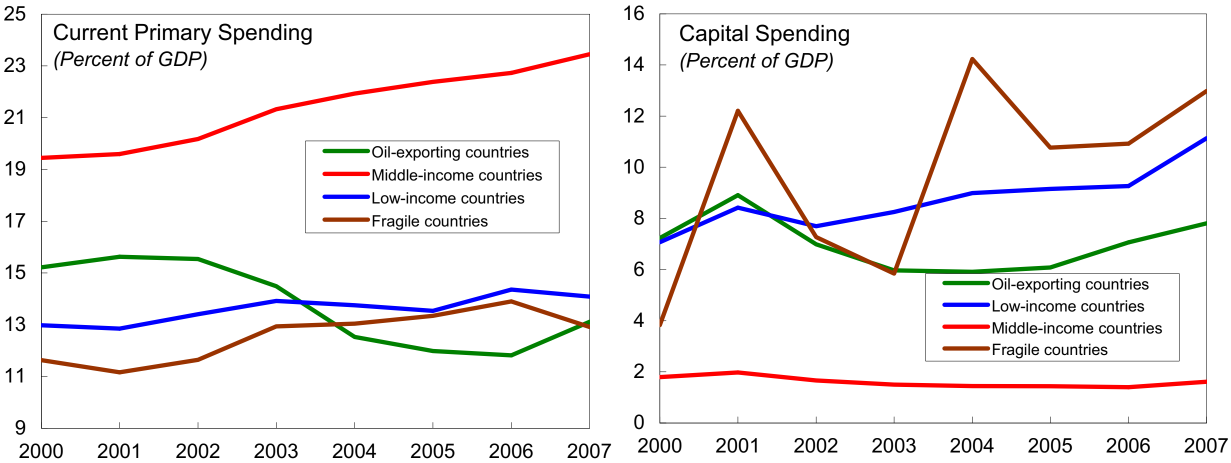
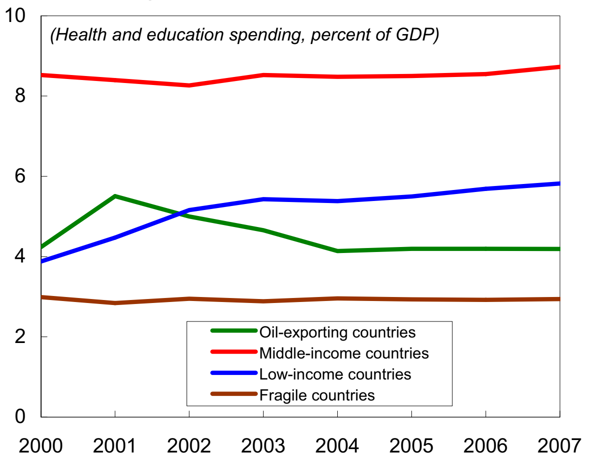


Figure 1.21. Central Government Social Spending in Sub-Saharan Africa

Social spending has been sustained across countries.



Sources: IMF, *World Economic Outlook;* and IMF, African Department database.

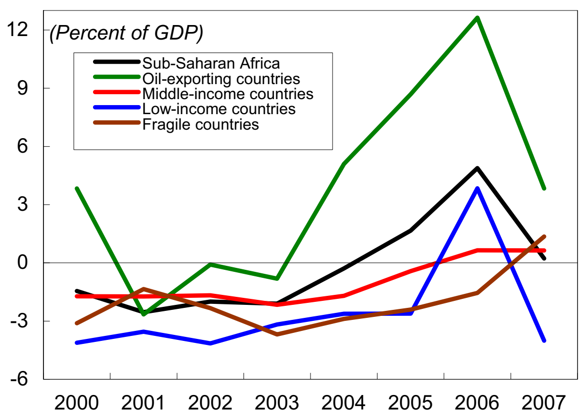
A small budget surplus is expected for all of sub-Saharan Africa in 2007 (Figure 1.22).

- Oil exporters are expected to post a substantially smaller fiscal surplus of 3¾ percent of GDP. Although oil exporters have scaled up spending on social and infrastructure projects, they are still saving some of the windfall from higher oil revenue, unlike in previous oil booms. However, the ratio of their non-oil primary deficit to non-oil GDP is rising (Table SA2), making budgets more vulnerable to fluctuations in oil prices.[7]

In middle-income countries the fiscal surplus is set to remain stable at about ½ percent of GDP. South Africa has an emerging surplus; its tax revenues reflect buoyant demand and more efficient tax collection.

Figure 1.22. Central Government Balance in Sub-Saharan Africa

The overall fiscal balance for all sub-Saharan Africa is a small surplus.



Sources: IMF, *World Economic Outlook;* and IMF, African Department database.

[7] See IMF (2007b) for an assessment of longer-term fiscal sustainability in oil exporters.

- In contrast, the fiscal position of low-income countries is expected to swing to a deficit of 4 percent of GDP in 2007 as grants drop by close to 7 percentage points of GDP. The 2006 surplus was based on significant MDRI debt relief for Burkina Faso, Madagascar, Mali, Niger, and Zambia.[8] The deficit should be financed mainly through external borrowing (Figure 1.23). Because Ghana and Senegal are working harder to raise revenues, their deficits will decline.

- Grants amounting to close to 5 percent of GDP are expected to give fragile countries a surplus of about 1½ percent of GDP this year. But Eritrea and Guinea Bissau, which spend far more than others in the group, are likely to see deficits in the double digits even after grants.

Addressing pressing development needs while preserving fiscal discipline will be the primary challenge for fiscal policy. Policymakers will need to coordinate fiscal and monetary policy, improve PFM, boost tax systems, and strengthen governance and institutions. Priorities differ by country:

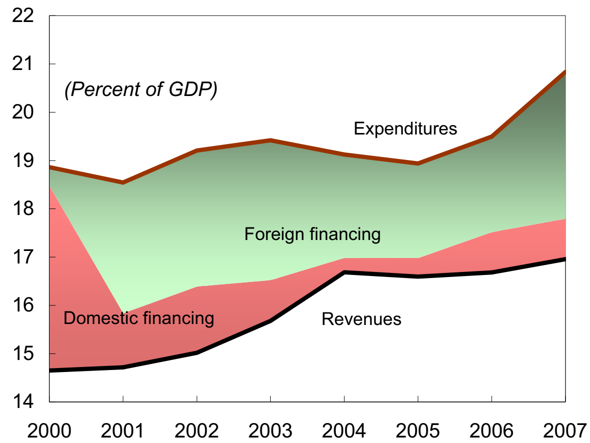
- In most countries, but particularly oil exporters, the challenge will be to manage the scaling up of public spending and identify ways to ensure that the economy can absorb higher spending effectively. Key macroeconomic concerns are to avoid destabilizing the economy and to minimize the risks of loss of competitiveness.

- Middle- and low-income countries must make the most of their fiscal resources and efficiently invest in infrastructure to tackle bottlenecks, improve PFM, and better target social spending.

- Fragile countries must improve administrative capacity, limit nonconcessional borrowing, and firm up fiscal controls—especially of off-budget spending.

Figure 1.23. Low-Income Sub-Saharan African Countries: Government Financing of Fiscal Deficits

Deficits have been financed mainly by foreign resources.



Sources: IMF, *World Economic Outlook;* and IMF, African Department database.

Prospects for 2008

Global growth is projected to be 4¾ percent in 2008. Advanced economies should enjoy robust growth, helping to sustain demand for sub-Saharan African exports. Inflationary pressures are expected to stay well contained. Terms of trade for the region as a whole, meanwhile, should fall slightly as oil prices increase further by just under 10 percent; nonfuel commodity prices are expected to slip from their peak this year.

GDP growth in sub-Saharan Africa (including Zimbabwe) should accelerate to 6¾ percent, underpinned by oil production from new facilities coming on stream in Angola and Equatorial Guinea. In middle- and low-income countries, robust demand for nonfuel commodity exports and a promise of good harvests are expected to sustain growth. Buoyed by a continued recovery in investment, growth in fragile countries is

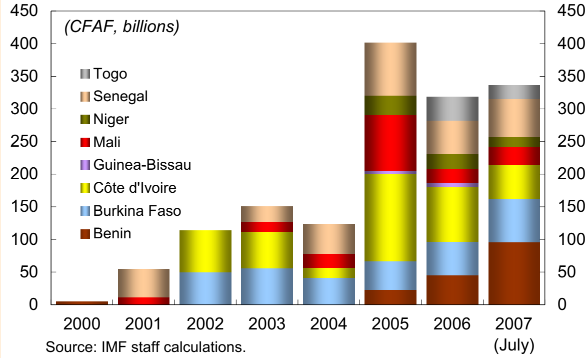
[8] As discussed in footnote 4, the grant data in the fiscal accounts may differ from the grant data in Table SA20.

Box 1.6. The Local Currency Debt Market in the West African Economic and Monetary Union

The local currency debt market in the West African Economic and Monetary Union (WAEMU) is growing rapidly. Total annual gross issuance of publicly traded debt (public, private, and from regional institutions) has grown more than tenfold since 2000; in 2006 it reached CFAF 383 billion. As of mid-2007, total outstanding debt stood at CFAF 905 billion (about US$2 billion, 3.5 percent of GDP)—much lower than in South Africa (47 percent of GDP) but comparable to Russia (3 percent).[1] As is typical, government debt accounts for most of the local debt market.

The elimination of central bank financing of the government has been the main catalyst for the growth of the local debt market. Starting in 1998, central bank financing to national treasuries was gradually phased out and national treasuries are now turning to market financing of deficits. The development of the treasury bills market has also helped reduce excess liquidity in the system, offering commercial banks a more profitable use for excess reserves.

WAEMU: Treasury Bills and Government Bonds Gross Issuance



Source: IMF staff calculations.

Treasury bills account for most of the securities issued, but the share of government bonds has been rising since 2005. Treasury bill issues grew from zero in 2000 to about CFAF 200 billion in 2006. Maturities typically range from 3 to 12 months, but the most popular are the 3- and 6-month bills. Bond issues, on the other hand, increased from CFAF 5 billion in 2000 to about CFAF 120 billion in 2006 and CFAF 265 billion as of July 2007. Bond tenors range from 3 to 5 years. In this new market, credit differentiation among issuers is limited and supply and demand are key determinants of yields. Cross-border within-WAEMU transactions are common, especially for countries with smaller banking systems.

Banks and institutional investors are the largest investors in treasury bills. Because they have had so much excess liquidity, banks now have an appetite for government securities so they can earn interest at relatively short-term maturities (reserves at the central banks are not remunerated). In addition, interest on such instruments is typically tax-exempt, and treasury bills carry a zero risk weight in the calculation of capital adequacy ratios, are tradable in all eight WAEMU countries, and can in principle be used to obtain liquidity at the central bank if necessary. Although growing rapidly, government securities still generally represent only a small share of banking assets. Insurance companies in the WAEMU are also allowed to invest in treasury bills.

Since 2002, the International Development Association, Multilateral Investment Guarantee Agency, and African Development Bank have provided financial and technical assistance to develop the regional financial market by (1) increasing the role of the West African Development Bank (BOAD) as a benchmark issuer; (2) raising medium- to long-term funding for public infrastructure projects; (3) creating risk mitigation instruments to raise private funding for infrastructure projects; and (4) improving regulation, training and public education, and tax harmonization in WAEMU institutions.

A new segment for issuers that are not WAEMU residents, the “Kola Bond Market,” started with a CFAF 22 billion ($44.6 million) 5-year bond that was issued by the International Finance Corporation at the end of 2006. The AAA-rated bond has a 4.75 percent coupon, was issued at par, and was placed mainly with institutional investors within the WAEMU. More than 30 percent were sold to investors

Box 1.6 *(concluded)*

outside the WAEMU. The proceeds will be used to support long-term local-currency financing for local companies. Among the developmental objectives of the issue were (1) supporting regional integration and capital markets in West Africa; (2) introducing international best practices in bond documentation, syndication, and selling techniques; (3) reinforcing credit differentiation and rationalizing market regulations; and (4) offering investors an alternative instrument in local currency of AAA quality.

Note: This box was prepared by Amadou Sy.

[1]Estimates for Russia and South Africa are from the Bank for International Settlements.

expected to be above the regional average for the first time in years.

Inflation is expected to decline to 6¾ percent for the region as a whole as Angola and the Democratic Republic of Congo stabilize further, food supplies improve, and macroeconomic policies generally hold firm. Only in Ethiopia, Eritrea, Guinea, Sao Tomé and Príncipe, Sierra Leone, and Seychelles is inflation expected to be in the double digits. Zimbabwe remains an exception.

The overall fiscal balance for sub-Saharan Africa is projected to be a surplus of close to 2 percent of GDP. As oil prices rise, the fiscal surplus for oil exporters should widen; changes in the fiscal position of most other countries are expected to be modest. Revenues are expected to rebound close to recent highs.

The current account deficit of sub-Saharan Africa should be smaller, with healthy export growth for the region as a whole. Oil exporters would record a bigger current account surplus as oil prices rise again. Meanwhile, the current account deficits of fragile and low-income countries are likely to widen moderately with higher oil prices, declining prices for nonfuel commodities, and fewer grants.

There are external and internal risks to the sub-Saharan African outlook. The former emanate from the global economy, the latter mainly from weak policy implementation and the potential for security and political shocks. The two may join forces: as in the past in sub-Saharan Africa, good times may not lead to sustained growth, and unsound domestic policies would increase that threat. Among specific risks are the following:

- *An unexpected slowdown in the global economy.* Estimates for 1981–2006 suggest growth correlations of about 40 percent with the EU-15 and about 20 percent with the United States. While historically the co-movement of growth with Asia has been weak, this is changing with rapid growth in trade and financial linkages, in particular with emerging Asia. A slowdown in China, for example, would have a direct impact on global commodity demand and prices.

- *An unexpectedly large decline in nonfuel commodity prices.* An average price shock of 10 percent—equivalent to about two standard deviations of terms of trade changes for oil-importing countries for 1981–2006—could reduce sub-Saharan African output by roughly 1.5 percent.[9]

- *Unexpectedly high oil prices.* For oil importers, this would worsen the current account and the net foreign asset position. It would also reduce domestic demand by decreasing disposable income and corporate profitability. A permanent increase in real oil prices of US$10 a barrel could bring about an output decline of up to ½ percent in industrial countries (somewhat less for developing economies).

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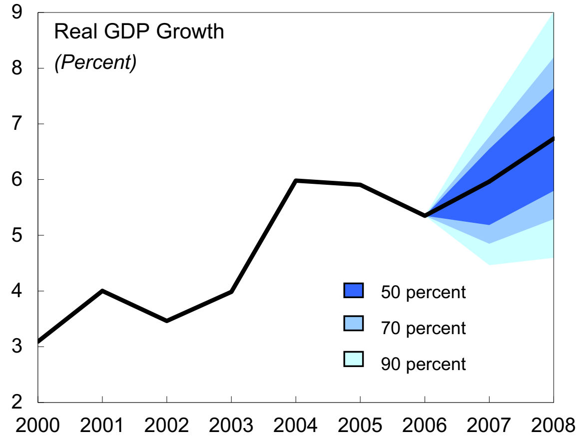
[9]Deaton (1999).

- *Greater credit discrimination and risk repricing.* A few countries in sub-Saharan Africa have experienced strong portfolio inflows in recent years, and about a third of expected private flows next year are portfolio flows. A reversal of these flows would reduce external financing and hurt growth. So far, African markets have shown little reaction to the recent turbulence in global financial markets, with the notable exception of South Africa. However, this may change. Moreover, the repricing of risk might make it more difficult for African countries to raise funds in global markets or to privatize.

- *Political and security risks, such as the crisis in the Darfur region of Sudan, conflicts in Ethiopia and Somalia, political divisions in Côte d'Ivoire and Guinea, and fragilities in the Democratic Republic of Congo.* The effect of conflict is exacerbated by refugee movements in Chad and the Central African Republic. Severe floods and outbreaks of disease continue in Eastern Africa, particularly in Ethiopia, Kenya, and Uganda. The instability in Zimbabwe is having adverse regional consequences as traditional trade patterns are disrupted and Zimbabweans move to neighboring countries for work.

To illustrate the uncertainties and risks to the central growth forecast for sub-Saharan Africa, Figure 1.24 provides confidence intervals based on the WEO assessment of global risks. The intervals incorporate the historical dependence of African growth on world growth as well as historical African growth volatility. The confidence intervals suggest there is about a one-in-five chance that in 2008 growth in sub-Saharan Africa will fall to less than 5¼ percent.

Figure 1.24. Growth Prospects in Sub-Saharan Africa[1]



Sources: IMF, *World Economic Outlook;* and IMF, African Department database.
[1] Including Zimbabwe.

Medium-Term Policy Challenges

A growing number of countries are enjoying robust growth and many have made headway on structural reforms. Growth is expected to stay strong and average per capita income to improve again. Policymakers in some African countries are seizing the opportunity offered by vigorous global growth and buoyant commodity markets to pursue reform.

Yet only a few sub-Saharan African countries seem well-positioned to halve poverty by 2015. With sustained per capita growth, extreme poverty rates for the whole of sub-Saharan Africa (41 percent of the population in 2004) should fall gradually.[10] While a handful of countries seem well-positioned to meet the income poverty goal, most sub-Saharan African countries, especially fragile states, have a tremendous distance to go. In several countries it is difficult even to assess progress toward the Millennium Development Goals (MDGs) because statistics are so poor.

African policymakers will need to intensify efforts to reduce poverty faster and make progress toward the other MDGs. There are several priorities:

- *Consolidate stabilization gains and reduce vulnerabilities.* Fragile countries need to continue to take advantage of the current favorable environment to achieve stabilization and debt sustainability and in

[10] Using survey data from a sample of 19 low-income countries, the *2007 Global Monitoring Report* estimates that 1 percent GDP growth was associated with a 1.3 percent decline in extreme poverty in low-income countries. Extreme poverty is the share of the population living on less than $1 a day.

some cases accumulate reserves. Oil exporters and other resource-rich countries need to consider appropriate fiscal policy in light of the possibly temporary nature of natural resource booms. In general, countries in the region need to preserve hard-won gains on inflation, and keep debt sustainable, by giving careful attention to domestic debt levels. They will also need to coordinate fiscal and monetary policy to manage natural resource revenues and aid scaling up without undue negative consequences on interest rates, the real exchange rate, and the private sector, and address possible consequences of volatility.

- *Continue to work to provide better health and education services, and to improve infrastructure.* Inadequate public infrastructure, including energy supply, has emerged as a critical bottleneck in many countries. While several countries are doing better at formulating budgets and controlling spending, all must use fiscal space efficiently. Fragile states must build the basics of effective PFM, including functioning budgets and other basic institutions. Other countries need to continue to improve their PFM in order to plan for—and benefit from—scaled-up aid, capital inflows, and more resource revenues. They must also sustain adequate public revenue with an equitable tax system (see Chapter 2).

- *Unleash the private sector, reduce the cost of doing business, and boost productivity.* Entrepreneurs in many sub-Saharan African countries must struggle not only with worse infrastructure but also more regulatory obstacles than in any other region of the world. The World Bank's *Doing Business in 2008* report ranked 178 countries on ease of doing business; the average sub-Saharan African country rank was 135. About half of sub-Saharan African countries implemented at least one positive reform in 2006–07. Ghana has made progress on reforming its property administration and procedures for business regulation; Kenya, its licensing requirements; and Mozambique, its commercial code.

- *Overcome financing constraints.* Many countries are liberalizing interest rates, rehabilitating banks, and modernizing banking. But much more must be done if a domestic pool of savings and efficient financial systems are to foster private investment. Priorities are to increase business and household access to formal bank financing; eliminate distortions in monetary and fiscal policy that discourage bank lending; reduce reliance on unremunerated reserve requirements as a monetary tool (this acts as a tax on banks and discourages financial intermediation); build domestic debt markets; and increase integration to increase competition and exploit economies of scale.

- *Expand trade and markets.* The share of sub-Saharan Africa in global trade declined from about 4 percent in 1970 to about 2 percent in 2007. To reverse this decline, African countries must not only gain greater market access but also reduce trade barriers on a nondiscriminatory basis, streamline regional trade arrangements, and improve regional infrastructure and customs administration.

Meanwhile, donors must do more to coordinate their actions and deliver on commitments. Aid can open fiscal space in countries that will use it well. While there has been some progress in designing, coordinating, and delivering aid, the scaling up needed to help countries meet their goals has yet to materialize. Traditional donors will have to step up their commitments quickly to reach the Gleneagles targets. Nontraditional donors should ensure that their assistance is consistent with the priorities of the recipient government, as reflected in its Poverty Reduction Strategy Paper (PRSP).

II. The Creation of Fiscal Space for Priority Spending: Case Studies in Sub-Saharan Africa

Many sub-Saharan African countries have been successful in their progress toward stabilizing their economies, thereby easing constraints on fiscal policy. The success in macroeconomic stabilization is reflected in strong growth, single-digit inflation, sustainable external current accounts, and high reserves, as outlined in Chapter 1 (Table 1.1). Debt relief has substantially improved debt sustainability. The G-7 countries have also promised to scale up aid to sub-Saharan Africa. Consequently, there is now less need to gear fiscal policy toward addressing macroeconomic imbalances.

Numerous governments are already reorienting their fiscal policies toward growth and poverty reduction. Revenue reforms have sought to expand tax bases while reducing rates to encourage private sector investment and consumption. Public spending is being geared toward strengthening social safety nets and improving education and health care services.

In the new environment, donors and nongovernmental organizations are now debating the role of "fiscal space" to help sub-Saharan African countries make greater progress toward the MDGs. The immediate question is how much room the easing of macroeconomic and debt burden constraints provides in the short run for fiscal expansion. However, there is a broader debate about which medium-term fiscal strategy best recognizes the spending needs of these countries while respecting macroeconomic and fiscal sustainability constraints.[11] Respecting these constraints is important to avoid a repetition of past cycles of unsustainable spending programs, high inflation, and borrowing.

What is meant by fiscal space? As defined by Heller (2005, p. 3), fiscal space is "the availability of budgetary room that allows a government to provide resources for a desired purpose without any prejudice to the sustainability of a government's financial position." The issues that arise in creating and using fiscal space are not new; governments have always had to judge how much scope there is to increase expenditure and how to finance and sustain their operations over time. However, the concept of fiscal space brings fiscal policy choices and their trade-offs into sharper focus by linking them to the availability of resources and by embedding fiscal policy in a medium-term context to ensure fiscal sustainability.

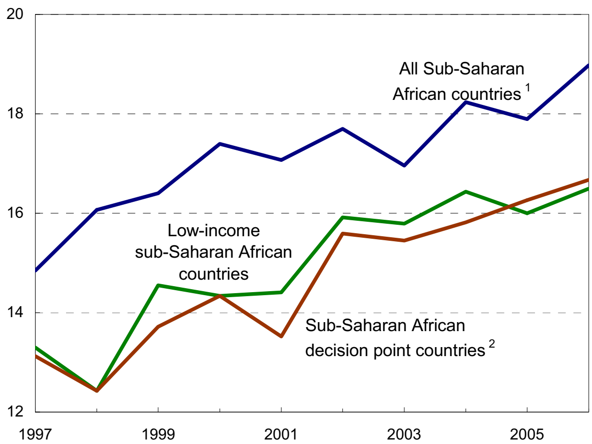
There are many sources and uses of fiscal space. Countries can (1) mobilize domestic revenue; (2) borrow from domestic and external sources; (3) secure external grants; (4) reprioritize expenditures; and (5) make spending more efficient. While fiscal space is often used to increase spending, it can also be used for other purposes, such as repaying debt.

In sub-Saharan Africa, the mobilization of domestic revenue, complemented by higher grant inflows, has been a significant source of fiscal space (Figures 2.1 and 2.2). This space has been used to increase expenditures, including for health and education (Figure 2.3). In the last five years many countries have also used fiscal space to reduce deficits and thus lower borrowing requirements and make their debt more sustainable (Figure 2.4).

Note: This chapter was prepared by Jan Gottschalk and Calvin McDonald.

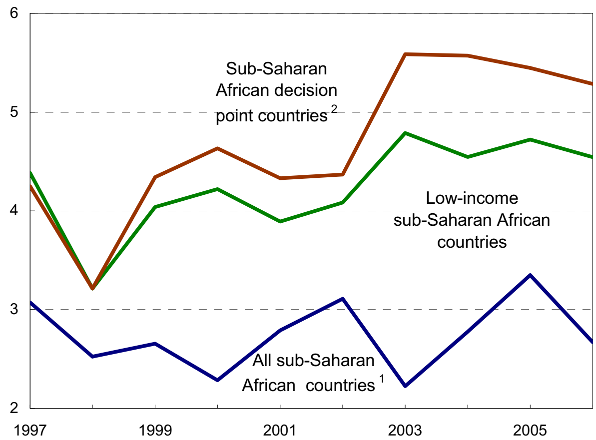
[11] Fiscal sustainability refers to the continuous capacity of the government to finance its desired expenditure programs, service its debt obligations, and ensure its solvency.

Figure 2.1. Median Revenue-to-GDP Ratio for Selected Groups of African Countries



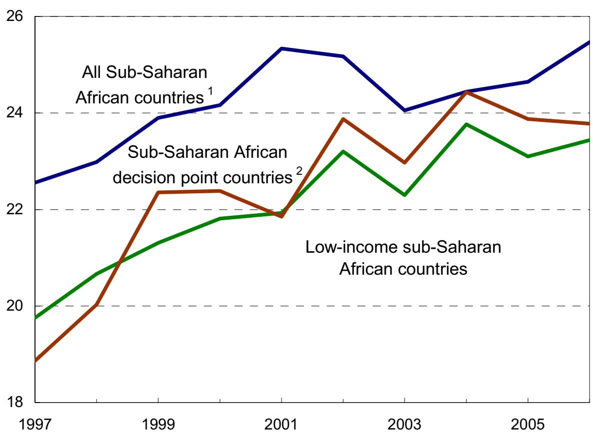
Source: IMF staff estimates.
[1] Excluding South Africa.
[2] Countries that have reached the decision point for the enhanced HIPC Initiative.

Figure 2.2. Median Grants-to-GDP Ratio for Selected Groups of African Countries



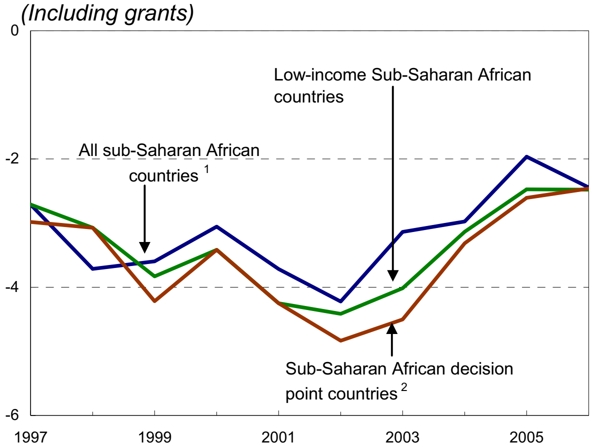
Source: IMF staff estimates.
[1] Excluding South Africa.
[2] Countries that have reached the decision point for the enhanced HIPC Initiative.

Figure 2.3. Median Expenditures-to-GDP Ratio for Selected Groups of African Countries



Source: IMF staff estimates.
[1] Excluding South Africa.
[2] Countries that have reached the decision point for the enhanced HIPC Initiative

Figure 2.4. Median Overall Deficit–to-GDP Ratio for Selected Groups of African Countries
(Including grants)



Source: IMF staff estimates.
[1] Excluding South Africa.
[2] Countries that have reached the decision point for the enhanced HIPC Initiative.

The experiences of Ghana, Malawi, Rwanda, Tanzania, and Uganda demonstrate how fiscal space applies to diverse circumstances, challenges, and trade-offs. A notion that often underlies the debate on fiscal space is that managing the macroeconomic and fiscal implications of scaled-up aid inflows is becoming the main challenge for sub-Saharan African low-income countries, but the five countries considered here suggest that the range of challenges is much wider. For example, at least two of the five must deal with declining rather than increasing aid inflows. On the other hand, the build-up of unsustainable debt that has been an issue in the past does not seem to be a problem for the countries considered here. Most have reduced their fiscal deficits, which lowers borrowing requirements, and have integrated debt sustainability analysis (DSA) into their policymaking.

The five countries chosen mirror the experience in sub-Saharan Africa. They have created substantial fiscal space over the past 10 years, mostly by mobilizing domestic revenue as well as attracting external grants, and have increased expenditures, particularly on poverty reduction (Table 2.1). Yet there are substantial differences among them:

- Ghana, Tanzania, and Uganda have all been successful in maintaining macroeconomic stability and are far along in their reform efforts, but aid inflows to Ghana and Uganda will possibly decline. In response, Uganda intends to raise domestic revenues—something also central to Tanzania's fiscal strategy—and Ghana is considering external borrowing on nonconcessional terms. Reprioritizing and enhancing the efficiency of expenditures will also be important.

- Rwanda, which has significantly increased its domestic revenues in recent years, intends to finance its medium-term development strategy mostly through scaled-up aid, especially grants.

- Malawi's economy is not yet stabilized and it must reduce its domestic debt burden. Freeing up fiscal space by lowering domestic interest payments, while simultaneously protecting social spending and increasing public investment, is a major priority.

The experience of these countries suggests a few lessons that are salient for other sub-Saharan African countries:

- Domestic revenue mobilization has clear advantages as a source of fiscal space for countries whose revenue share in GDP is low, but the required institutional reforms are typically difficult and time-consuming to implement.

Table 2.1. Fiscal Space Indicators for Selected Countries, Changes, 2000–06

(Percent of GDP)

	Ghana	Malawi[1]	Rwanda	Tanzania	Uganda[2]
Source of fiscal space	11.0	3.3	8.3	7.8	-3.0
Domestic contribution	3.4	-1.1	5.3	3.7	0.2
Revenues	3.9	1.5	5.4	2.8	1.8
Domestic interest payments[3]	2.8	2.7	-0.3	0.2	-0.5
Domestic financing (net)	-3.2	-5.3	0.2	0.7	-1.1
External contribution	7.5	4.4	3.0	4.0	-3.3
Grants	3.1	2.8	2.5	1.5	-1.3
External financing (net)[4]	4.4	1.6	0.4	2.5	-2.0
Use of fiscal space	11.0	3.3	8.3	7.8	-3.0
Wages	4.4	0.5	-0.7	0.2	0.7
Other current spending	3.6	4.0	6.3	8.1	0.7
Development expenditures	3.1	-1.2	2.7	-0.4	-4.4
Memorandum item:					
Pro-poor spending[5]	5.9	3.8	6.7	6.8	1.6

Source: IMF staff calculations.

[1] Change in 2004–06, when substantial fiscal and macroeconomic consolidation took place.

[2] Change over 2001–06. Development expenditures include net lending and repayment of domestic arrears.

[3] A positive number indicates domestic interest savings.

[4] Net of amortization and interest payments.

[5] Note that changes in pro-poor spending can result from changes in the definition of these expenditures.

- Improving the efficiency of expenditures also depends on substantial institution-building; there has been progress, but a large reform agenda remains for many countries.

- Some countries are formulating strategies to mitigate the impact of aid inflows on external competitiveness by frontloading productivity-enhancing expenditures; such an approach is preferable to monetary policy interventions that attempt to prevent a real appreciation of the currency, especially since some real appreciation is desirable to stimulate the production of nontradable goods and services.

- More needs to be done to anchor fiscal policy decisions in a medium-term framework; only a few countries have sophisticated frameworks that provide a link to government objectives—e.g., PRSP priorities—and include detailed costing of sector-specific programs while accounting for recurrent cost implications.

Experience with Sources of Fiscal Space

Increasing domestic revenue is a major part of the fiscal strategy for Tanzania, Uganda, and Rwanda. At the outset, the revenue-to-GDP ratio was relatively low for all three countries—less than 15 percent of GDP.[12] The revenue effort in these countries is underpinned by reform of tax administration and policies:

- *Tax administration reform* usually focuses on functions rather than types of tax. It emphasizes upgrading skill and audit techniques, creating large-taxpayer units, and amending the laws related to control and compliance. However, building the necessary institutions takes considerable time.

- *Tax policy measures* are typically directed to simplifying the tax system and broadening the base, for example by introducing value-added taxes (VATs). A potentially regressive tax like the VAT can have an adverse social impact, but this can be offset, for example, through selective and limited exemptions, such as those on basic food items. A tax policy Poverty and Social Impact Analysis (PSIA) is a useful tool to assess these implications (see Box 2.1).

Collecting more revenue lessens dependence on donors (an important factor for Uganda's authorities) and avoids Dutch disease effects from external inflows (see below). However, it implies that resources the private sector might otherwise use to support consumption and investment are reallocated to the public sector. The benefits of the public spending this affords must be balanced against the loss to the private sector. Moreover, taxes often have distortionary effects, even though policy measures that broaden the tax base can make the tax system more efficient. Limited monetization and the prevalence of subsistence agriculture in many sub-Saharan African countries affect how much tax collections can add to fiscal space.

Domestic borrowing as a source of fiscal space has significant drawbacks and should only be undertaken carefully with due regard for long-term fiscal sustainability. Like higher taxes, it takes resources from the private sector, potentially crowding out private investment. It is often very expensive, with interest rates far exceeding those on concessional external loans. Also, the scarcity of private domestic savings that is common in very poor countries means that substantial recourse to domestic borrowing can precipitate sharp increases in interest rates, causing a sizable fiscal burden. This happened in Malawi, which is now attempting through fiscal consolidation to lower domestic debt

[12] According to Heller (2005), raising the tax share to at least 15 percent should be a minimum objective for many countries. Such a target may be ambitious, though, for countries emerging from conflict or those with a large subsistence sector.

Box 2.1. The Poverty and Social Impact of Increasing Fiscal Space through Revenue Collection

Though collecting more taxes can expand fiscal space, the distributional consequences of such a policy can undermine progress toward the MDGs. Good tax policy is guided by the general principles of neutrality, equity, simplicity, and efficiency (Tanzi and Zee, 2001). The possibility that taxation may increase income inequality generally declines as the ratio of direct to indirect taxes increases (Chu, Davoodi, and Gupta, 2000).

A tax policy Poverty and Social Impact Analysis (PSIA) conducted in Uganda showed that a 1 percent increase in VAT would be mildly regressive and would not significantly increase revenue. Increasing excise taxes on petroleum products was distributionally neutral, and allocating the revenue to a social safety net would protect the poor against future VAT increases.

Tanzania simplified local government taxation and abolished both the flat rate development levy and nuisance taxes, which made the system more progressive: the tax burden on richer households increased by 14 percent and the burden on poorer households fell by about 33 percent.

Though income distribution in industrial countries has been improved through taxation and transfers, these mechanisms have not been as effective in developing countries. This is largely due to poor targeting of expenditures and the low share devoted to social areas (Gupta, 2003). In Uganda, mitigation measures were designed to promote health and education, to improve both investment in human capital for growth and the welfare of the population. In Tanzania, the increased disposable income of the poor gave them more flexibility in purchasing goods and services. However, while there was no overall gain in revenue in urban areas, rural councils lost revenue and became more reliant on central government transfers.

Strengthening the social contract between citizens and government is critical to good taxation policy (World Bank, 2006; Moore and Schneider, 2004). It increases transparency and makes clear the links between taxes paid and services delivered. The Tanzanian PSIA, which included consultations with both citizens and businesses, identified a tolerance for increasing progressive taxation, specifically property taxes, to fund public social services like education.

Note: This box was prepared by Kirsty Mason.

to reduce its interest payments, thus freeing up fiscal space for the future.

Debt relief in many sub-Saharan African countries has opened fiscal space for external borrowing. The concessional external loans that are available to many low-income countries are less expensive than domestic borrowing and easier to mobilize than domestic revenue. Unlike revenues or domestic borrowing, these loans provide foreign exchange to finance the importing of investment and consumption goods, thereby facilitating a widening of the current account deficit, which increases the resource envelope available to the economy. Nevertheless, due regard has to be paid to debt sustainability. In Ghana the government is considering borrowing externally on nonconcessional terms to fund an investment program for which aid financing has not materialized. To mitigate the debt sustainability risks, Ghana's plans have been incorporated into a DSA, and keeping debt sustainable is a fiscal anchor, as it also is for Rwanda.

Grants, like external borrowing, mobilize external resources but avoid the debt service burden and debt sustainability risks associated with borrowing. They are, however, typically more difficult to obtain than loans. Except for debt relief grants, the timing and magnitude of such disbursements can be uncertain, making medium-term fiscal planning more difficult. In Rwanda, for example, the authorities intend to finance the country's medium-term development strategy mostly with grants, but they have yet to receive firm commitments. Debt service savings as a result of HIPC Initiative and MDRI debt relief grants have been substantial (Table 2.2), but the savings will decline over time, which puts a premium on the predictability of regular grants.

Table 2.2. Debt Service–to-GDP Ratios for Selected Countries, 2000–06

	2000 Est.	2002 Est.	2004 Est.	2005 Est.	2006 Proj.	Change 2000–06
Ghana	10.8	4.3	2.2	1.5	0.7	-10.1
Malawi	5.9	2.9	3.6	3.3	3.7	-2.2
Rwanda	2.1	0.9	1.0	0.8	0.2	-1.9
Tanzania	1.7	1.0	1.7	1.4	0.2	-1.5
Uganda	1.8	1.1	1.5	1.4	0.7	-1.1

Sources: Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI)—Status of Implementation, August 21, 2006.

Reliance on grants and external borrowing may cause the real exchange rate to appreciate. This is in part simply the converse of the benefit they bring. With imports meeting part of domestic demand for tradable goods, it is often desirable to reallocate production factors from the tradable to the nontradable sector to meet the demand for services (like those of teachers or nurses) that arises from scaled-up expenditures. To bring about such a reallocation, a real appreciation is often required. The disadvantage is that an appreciation tends to undermine competitiveness, particularly in export sectors. There is a potential cost (Dutch disease) if exporting plays a special role in promoting productivity growth, which should be balanced against the benefits of aid-financed spending.[13] Rwanda's development strategy is to address these concerns by investing in capacity-building and infrastructure; that should enhance economic productivity and increase the amount of aid that can be absorbed without jeopardizing competitiveness.

Reprioritizing expenditures, which creates fiscal space by reducing spending in lower-priority areas, is a policy option when there is little room to increase resources generally. In both Uganda and Ghana, plans to mobilize resources through taxes and external borrowing will only keep the resource envelope steady as donor support declines. This means that to accomplish the public investment programs both countries envision, they must reduce spending on lower-priority programs. The situation is similar in Malawi, where resources are projected to be relatively flat for the foreseeable future. In Rwanda, reduced military and other low-priority spending has created space for priority spending.

Making current spending more efficient is inherently desirable and avoids many of the drawbacks of other sources of fiscal space, but the institutional reforms required take time, in part because they often have political and distributional implications. Periodic tracking surveys and public expenditure reviews like those recently undertaken in Malawi can help identify potential efficiency gains. These surveys often reveal "ghost workers," excessive administrative costs, and other kinds of inefficiencies. That is why many countries make strengthening PFM a priority. Tanzania has been particularly successful in this respect; its PFM system received the highest rating of that in 26 HIPC countries. Civil service reform can also make delivery of public services more efficient, something Ghana and Rwanda are planning. A more efficient public sector can also unlock additional donor support, as it has done in Tanzania.

Experience with the Use of Fiscal Space

Fiscal space is often used to increase poverty-reducing public spending. This has been observed in all five countries. As for nonexpenditure uses of fiscal space, reducing dependence on donors over time and easing exchange rate appreciation pressures because of external inflows have been important considerations for Rwanda and Uganda.

Trade-offs among government priorities must be taken into account when creating and using fiscal space. For example, many governments are

[13] For a detailed discussion, see Berg and others (2007).

committed to reaching the MDGs but their absorptive capacity limits the amount of external aid they can effectively deploy. Policymakers consequently have to prioritize MDG objectives; they may have to choose, for example, between infrastructure spending to promote growth and social spending to advance non-income-related human development. A useful tool for assessing the relationship between MDG objectives and the macroeconomic impact of scaled-up aid is the World Bank's Maquette for MDG Simulations (MAMS) model. This is a general equilibrium model that links sectoral spending plans to growth and real exchange rate movements; it incorporates macroeconomic feedback effects and absorptive capacity constraints. Applied recently to Ghana, it showed that a significant scaling-up of external finance and improvements in the efficiency of spending would be necessary to meet the MDGs, and productivity would have to be higher to mitigate Dutch disease effects.

Planning for the Medium Term in Theory and Practice

Decisions about the use of fiscal space are best made over the medium term to ensure that consequences for macroeconomic stability and fiscal sustainability are explicitly taken into account. Different medium-term frameworks have different complexities:

- Medium-term fiscal frameworks integrate projection of macroeconomic variables with programming of fiscal policy aggregates, typically over 5 to 20 years. This is the most basic approach to medium-term analysis and is implemented by most countries, often as part of their DSAs. Even at the aggregate level, it is possible to model both the effect of public investment on growth and the effect of growth on future revenues to capture the interdependence among uses and sources of fiscal space.

- Medium-term budgetary frameworks and medium-term expenditure frameworks extend this approach to the sectoral level. Once the total spending budget has been set by a medium-term fiscal framework, a medium-term budgetary framework can be used to allocate spending by sector, informed, for example, by PRSP priorities and sectoral analysis. A medium-term expenditure framework extends the analysis further with detailed costing of specific sector programs, setting priorities within sectors, and accounting for recurrent cost implications.

In practice, implementing fully fledged medium-term expenditure frameworks is so challenging that only a few countries have done so. Uganda has moved the farthest; Tanzania, Ghana, and Rwanda have made good progress. Part of the challenge is setting up detailed sectoral plans and then costing them, which calls for substantial capacity in line ministries. Integrating medium-term expenditure frameworks into the annual budget process to ensure that medium-term expenditure framework allocations are reflected in actual budgets is also difficult because it often requires fundamental changes to the budget process.

Country Case Studies

Ghana: Fiscal Space through Nonconcessional Borrowing[14]

Ghana needs fiscal space to finance public investment to raise its growth potential and help it meet the objectives of the Ghana Growth and Poverty Reduction Strategy and the MDGs. The country should meet the poverty MDG goal well before 2015, but preliminary results from the MAMS show that, though it may deliver on some other MDGs, it will fall short on others unless there is a major scaling up of external resources. In 2006 the government developed an ambitious public investment plan for upgrading infrastructure—energy, utilities, and transport. When the plan was

[14] This section was prepared by Catherine Pattillo.

incorporated into the macroeconomic framework, the resulting resource gap was about 3 percent of GDP for 2007–11. The government tried unsuccessfully to secure additional donor resources to finance the gap.

Because aid has not increased, the investment plan was pared down to top-priority high-return projects, and the government decided to access the international capital markets. A capital markets committee appointed to vet the projects drew up a financing plan based on savings from capital budget reprioritizations, domestic borrowing, public-private partnerships, and nonconcessional borrowing. Current plans are for nonconcessional borrowing of about US$700 million over the next three years (equivalent to 1.4 percent of GDP annually).

Nonconcessional borrowing will not open up significant new fiscal space, but it will allow Ghana to maintain historically average levels of external financing. Total donor support—budget grants and project and program loans—peaked at about 9 percent of GDP in 2004 but has since fallen; donor commitments suggest that concessional flows should be about 7 percent of GDP a year through 2009 (Table 2.3). Thus, nonconcessional borrowing would restore external financing to the historical average of 8–9 percent of GDP (Figure 2.5). Total government expenditure ratios are expected to hold steady after 2007.

There is limited if any scope to increase fiscal space through other sources. Ghana tried unsuccessfully, and continues to try, to garner additional aid from emerging creditors like China and India. To mobilize more domestic revenue, Ghana has in the last decade introduced a VAT, reformed the petroleum tax, and rationalized the income tax; its tax revenue–to-GDP ratio is now above the average for sub-Saharan African countries. Although there are plans to streamline tax administration and broaden the income tax base, large increases in the domestic revenue–to-GDP ratio are neither feasible nor desirable. As the authorities intended, domestic debt has been reduced in recent years. While there is substantial investor interest in longer-term government bonds—a recent oversubscribed 5-year bond was largely taken up by foreign investors—the scope for further domestic borrowing would need to be carefully evaluated after the sustainability of public debt is analyzed.

Keeping debt sustainable is an important policy goal

Table 2.3. Ghana: Sources and Uses of Fiscal Space

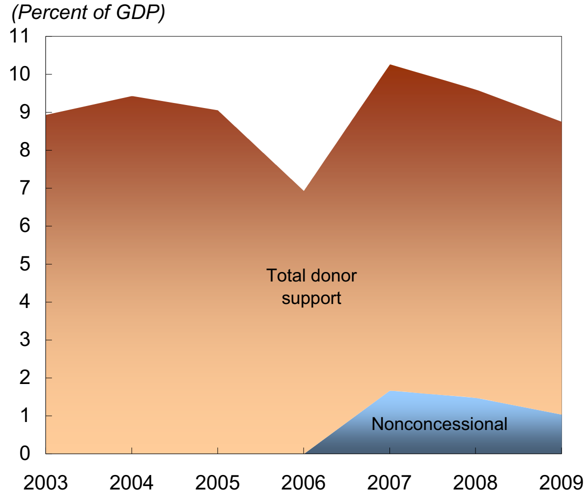
(Percent of GDP)

	2004–06 Average	2007 Proj.	2008 Proj.	2009 Proj.	2010 Proj.	2011 Proj.	Change 2007–11
Source of fiscal space	29.5	31.7	29.1	29.3	29.0	29.1	-2.6
Domestic contribution	21.5	21.4	21.2	22.1	21.7	22.6	1.1
Revenues	23.1	22.2	22.4	22.4	22.5	22.7	0.5
Domestic interest payments	-2.8	-2.0	-1.9	-1.7	-1.6	-1.5	0.6
Domestic financing (net)	1.3	1.2	0.7	1.4	0.7	1.3	0.1
External contribution	8.0	10.3	7.9	7.2	7.3	6.5	-3.8
Grants	5.6	5.1	3.4	3.5	3.5	3.4	-1.6
External financing (net)	2.3	5.3	4.5	3.6	3.8	3.1	-2.1
Use of fiscal space	29.5	31.7	29.1	29.3	29.0	29.1	-2.6
Wages	8.9	9.4	9.4	9.4	9.4	9.4	0.0
Other current spending	8.3	8.7	7.2	7.2	7.1	7.3	-1.4
Development expenditures	12.2	13.6	12.6	12.7	12.5	12.4	-1.2
Memorandum item:							
Pro-poor spending	8.9	10.4	10.6	10.6	10.6	10.6	0.2

Source: IMF staff calculations.

for the authorities, following massive HIPC and MDRI debt relief. The government is committed to making external borrowing decisions in the context of the DSA and moving toward using total debt (external and domestic) as a new fiscal anchor. The most recent joint IMF–World Bank DSA[15] shows that even after incorporating the planned nonconcessional borrowing, the risks to Ghana's debt sustainability are moderate, and even close to low. Alternative scenarios with lower growth and higher borrowing showed higher risks, however, so it will be important for the authorities to choose quality projects and keep refining their policies to spur exports and growth. Recognizing the challenges of nonconcessional borrowing, the authorities also realize they must strengthen the institutional framework for selecting projects and managing debt; a value-for-money unit is being established, and the IMF is providing technical assistance on debt management.

Figure 2.5. Ghana: Total Official External Financing, 2005–09
(Percent of GDP)



Sources: Ghanaian authorities; and IMF staff estimates.

Ensuring that resources from all sources are used efficiently to help accelerate growth could create more fiscal space. Initiatives such as the value-for-money unit and public expenditure tracking surveys with continuing PFM and civil service reforms will undoubtedly help make public spending more efficient. Improvements in fiscal reporting, treasury reform, and deployment of a new computerized payroll management system are already yielding tangible results. These efficiencies, with projected higher growth, could open up fiscal space.

Ghana faces a number of challenges in its strategy to accelerate growth and meet the MDGs. Maintaining macroeconomic stability and avoiding overheating will be a priority. This may require a more active role for monetary policy at a time of high fiscal spending. The authorities' strategy is initially public sector led, starting with large infrastructure projects to remove supply bottlenecks. While this is fitting, it will be important to avoid crowding out of the private sector by involving it in public-private partnerships, continuing measures to improve the business environment, investing in human resources, and strengthening economic governance. Another challenge will be to assess trade-offs between different mixes of infrastructure and social sector spending. The World Bank's MAMS model is a useful tool for MDG costing and assessing these trade-offs and the macroeconomic impact of scaled-up aid or other resources to meet the MDGs. Simulations for Ghana suggest that the poverty and other key MDGs could be met by a combination of large scaling-up of external resources and improvements in efficiency in the use of these resources, but that further productivity growth would be needed to mitigate potential Dutch disease pressures.

Malawi—Macroeconomic Stabilization and the Creation of Fiscal Space[16]

Malawi's fiscal space shrank in 1999/2000 and 2003/04 as the macroeconomic situation rapidly deteriorated, driven by fiscal excess and external shocks.[17] Fiscal slippages occurred principally because budgets were not carefully prepared and executed, parastatals were repeatedly bailed out, and there were external weather shocks. As a result of poor fiscal management, some external budgetary

[15] See IMF (2007a).

[16] This section was prepared by Stanislaw Maliszewski.

[17] The fiscal year runs from July to June.

support was withdrawn. When the government resorted to domestic financing, interest rates and inflation both rose. This set up a vicious cycle of ever-greater recourse to domestic financing, rising interest rates, widening fiscal deficits, and worsening public debt dynamics. By 2003/04, domestic debt had increased to 18 percent of GDP from 6½ percent in 1999/2000, and the interest on it was equivalent to 6½ percent of GDP (nearly one-third of primary government expenditures). External financing dropped to 3½ percent of GDP in 2002/03 from 10 percent in 1999/2000. Fiscal space shrank to 23½ percent of GDP in 2003/04 from 27 percent in 1999/2000.

In mid-2004 the authorities embarked on an ambitious, and so far successful, program to restore macroeconomic stability. Fiscal discipline became stricter and fiscal performance improved, despite a severe food crisis in 2005. As a result, domestic financing needs decreased, bringing about a reduction in the domestic debt ratio (from 18 percent of GDP in 2003/04 to 14½ percent in 2005/06), inflation, and real interest rates.

Macroeconomic stabilization expanded fiscal space by lowering the interest rate bill and helping to mobilize external support. Interest payments on domestic debt declined by 2 percentage points of GDP between 2003/04 and 2005/06. The restoration of macroeconomic stability, as well as an adverse weather shock in 2005/06, encouraged donor support, which increased by 4½ percentage points of GDP. Exogenous factors—a rebound in tobacco production in 2004 and bumper crops in 2006—provided additional support by boosting economic activity and revenues. As a result, despite significantly less domestic borrowing (by 5½ percent of GDP) fiscal space expanded by over 3 percentage points of GDP, and pro-poor expenditures grew by the same amount (Table 2.4). Malawi reached the HIPC completion point in August 2006 and has since qualified for the MDRI.

Nevertheless, macroeconomic vulnerabilities persist. The real interest rate on government borrowing—estimated at over 7 percent—is high; given the still-high level of domestic debt, interest payments constitute a sizable part of the national budget. Although the nominal exchange rate has recently been fairly stable against the U.S. dollar, gross foreign exchange reserves at the Reserve Bank of Malawi were only 1½ months of imports at year-end 2006, so the country may be vulnerable to external shocks.

In the Malawi Growth and Development Strategy (MGDS), the medium-term fiscal goal is to maintain fiscal discipline and balance development and social spending. One objective is to gradually bring down the domestic debt–to-GDP ratio. The expenditure envelope in the MGDS is also shaped by the projected stable revenue-to-GDP ratio and the slightly declining (albeit from a high level) grants-to-GDP ratio. The authorities plan to improve intersectoral allocation of resources by balancing progrowth expenditures (agriculture and food security, irrigation and water development, transport infrastructure development, energy generation and supply, rural development) and social spending (prevention and management of nutrition disorders and of HIV and AIDS). Better budget and payroll management and intrasectoral spending efficiency can also effectively create fiscal space. The recent World Bank Public Expenditure Review identifies sizable potential efficiency gains in spending on education, health, nutrition, and infrastructure.

The major fiscal adjustment envisaged would help Malawi reduce its domestic debt. It would lessen vulnerabilities, create more fiscal space as the interest bill is lowered, and facilitate private sector development. Though the strategy requires Malawi to postpone some development and social spending, it appears optimal:

- Lower debt would shield the authorities from external shocks. Given the shallow domestic financial market and limited access to foreign borrowing, the government would have trouble mobilizing financing if

Table 2.4. Malawi: Sources and Uses of Fiscal Space

(Percent of GDP)

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	Change 2004–06
Source of fiscal space	26.9	29.1	25.4	22.5	23.3	24.8	26.6	3.3
Domestic contribution	16.7	17.0	20.0	18.9	15.4	14.8	14.2	-1.1
Revenues	16.9	18.8	17.0	14.4	16.4	18.2	17.9	1.5
Domestic interest payments	-2.3	-3.0	-3.9	-4.0	-6.6	-5.3	-3.9	2.7
Domestic financing (net)	2.1	1.2	6.9	8.5	5.6	1.9	0.2	-5.3
External contribution	10.2	12.1	5.4	3.6	7.9	10.0	12.4	4.4
Grants	5.4	7.2	4.6	4.1	7.7	7.3	10.6	2.8
External financing (net)	4.8	4.9	0.8	-0.5	0.2	2.7	1.8	1.6
Use of fiscal space	26.9	29.1	25.4	22.5	23.3	24.8	26.6	3.3
Wages	4.7	5.2	6.8	5.0	4.7	5.5	5.3	0.5
Other current spending	11.7	13.8	11.4	12.2	10.5	11.4	14.5	4.0
Development expenditures	10.4	10.1	7.2	5.4	8.0	8.0	6.8	-1.2
Memorandum item:								
Pro-poor spending		3.3	5.4	4.0	4.4	6.5	8.1	3.8

Source: IMF staff calculations.

there were a weather or external financing shock. Reducing debt would allow it to build a buffer by facilitating accumulation of foreign reserves.

- The reduction in net government borrowing may further reduce interest rates by lowering the risk premium. Sustaining macroeconomic stability would also be a positive signal to donors, ensuring a more predictable aid flow.
- Measured scaling up of expenditures may help to improve their quality. The World Bank Public Expenditure Review finds that improving the quality of public spending is critical to accelerate growth and progress toward the MDGs.
- Lower interest rates are likely to crowd in private sector investments.

Improving efficiency by strengthening PFM is also a priority. Malawi has been systematically improving budget execution and management generally. The government recently prepared a comprehensive PFM action plan that ties together and (importantly) prioritizes PFM needs. Current reforms aim to improve the budget process so that the government can reliably implement its fiscal policies. The next step in improving PFM involves more effective strategic budgeting, to which attention is now turning.

Rwanda: Creating Fiscal Space for Priority Spending[18]

In 2000–06 Rwanda successfully created fiscal space (9.1 percent of GDP) by doing the following:

- Increasing the revenue-to-GDP ratio from 9.7 percent to 15.1 percent by changing tax policy and improving tax administration, particularly by opening the large taxpayer office.
- Curtailing nonpriority expenditures, such as military spending (1.2 percent of GDP), and reallocating and increasing resources to peacekeeping efforts in Sudan and to essential services. The latter includes

[18] This section was prepared by Stella Kaendera and Wayne Mitchell.

Table 2.5. Rwanda: Sources and Uses of Fiscal Space
(Percent of GDP)

	2000	2001	2002	2003	2004	2005	2006	Change 2000–06
Source of fiscal space	18.5	20.3	22.1	22.9	25.4	27.6	26.8	8.3
Domestic contribution	7.9	7.3	11.9	13.3	9.7	11.5	13.2	5.3
Revenues	9.7	11.4	12.3	13.5	13.9	15.1	15.1	5.4
Domestic interest payments	-0.3	-0.2	-0.3	-0.4	-0.4	-0.4	-0.6	-0.3
Domestic financing (net)	-1.6	-4.0	-0.2	0.2	-3.8	-3.3	-1.3	0.2
External contribution	10.6	13.0	10.2	9.5	15.7	16.1	13.6	3.0
Grants	9.7	8.2	7.2	8.1	11.9	14.1	12.2	2.5
External financing (net)	1.0	4.8	3.1	1.5	3.8	2.1	1.4	0.4
Use of fiscal space	18.5	20.3	22.1	22.9	25.4	27.6	26.8	8.3
Wages	5.2	5.2	4.9	4.9	4.6	4.3	4.5	-0.7
Other current spending	7.4	8.5	12.2	12.4	12.3	13.2	13.7	6.3
Development expenditures	6.0	6.6	4.9	5.6	8.5	10.1	8.6	2.7
Memorandum item:								
Pro-poor spending	4.0	5.3	6.2	6.9	7.5	10.0	10.7	6.7

Source: IMF staff calculations.

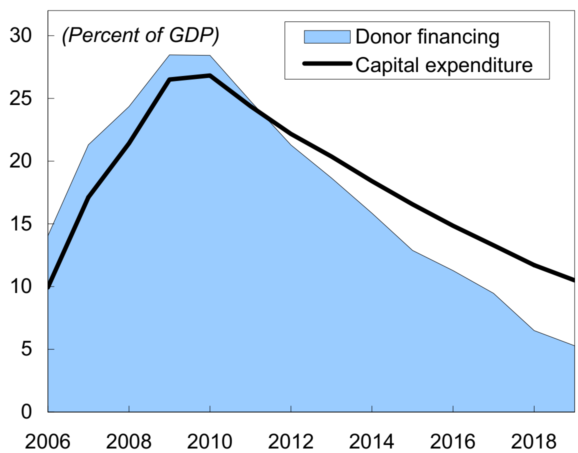
demobilization of rebel soldiers, supporting genocide survivors, prison food supplies, and rehabilitation.

The result was a near-threefold increase in pro-poor spending, from 4 percent of GDP in 2000 to 11 percent of GDP in 2006, and a better alignment of nonpriority spending toward supporting social services (Table 2.5). Because Rwanda still needs more fiscal space to address its severe infrastructure gap, increase agricultural yields, and advance toward the MDGs, the authorities plan to do the following:

- Utilize external financing in the short to medium term, because there is limited scope for a higher tax effort in the short term (Figure 2.6a). Prospects for a scaling up of aid through grants are encouraging; however, the timing and magnitude are uncertain. To maintain debt sustainability—Rwanda is currently rated at high risk of debt distress by the joint Bank-Fund debt sustainability framework—financing should come mostly in the form of grants.
- Gradually increase the revenue effort over the long term (Figure 2.6b). The authorities expect the tax base to widen as the economy grows and becomes increasingly monetized. This would be important for Rwanda to finance its own development and reduce its dependence on aid to cover current spending.
- Reform the civil service and PFM. The authorities recognize that such efforts are important to address capacity constraints, particularly in local government, improve efficiency, and ensure that funds are used for their intended purposes.

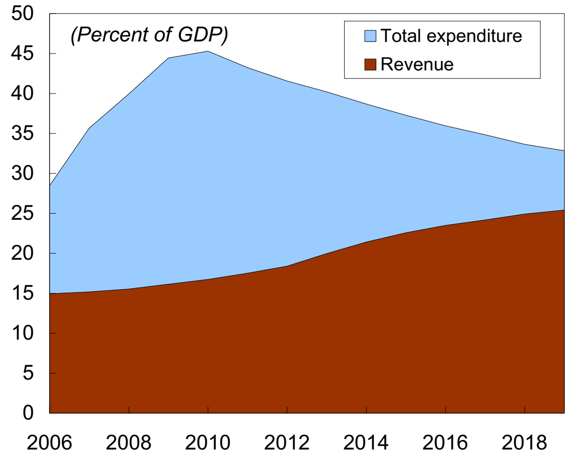
The main challenge is to formulate an expenditure program that is consistent with Rwanda's growth and MDG objectives while keeping the economy stable. Depending on the government's spending and absorption decisions, pressure on the real exchange rate may emerge. An effective response will require close coordination of fiscal, monetary,

Figure 2.6a. Rwanda: Aid and Capital Expenditure
Scaled-up aid would initially finance large infrastructure projects and some recurrent spending . . .



Source: IMF staff calculations.

Figure 2.6b. Rwanda: Government Revenue and Expenditure
. . . **but an increase in revenue will eventually replace aid.**



Source: IMF staff calculations.

and exchange rate policies. To deal with these pressures, Rwanda would need to do the following:

- Gradually increase demand for domestic goods and services to minimize inflationary pressures, and raise the absorption of spending by increasing the import content of expenditures. This could be achieved by front-loading public capital (import-intensive) spending to address the infrastructure gap and induce a supply response in the economy. Over the long term, public investment would gradually decline to make room for higher recurrent social spending.

- Sterilize domestic spending using foreign exchange sales to raise absorption rather than issuing domestic debt, which could crowd out private investment.

- Enhance the productivity of the export sector to offset the impact of an exchange rate appreciation on competitiveness.

- Strengthen institutions and management capacity to improve the sequencing of reforms and the coordination of sectoral policies to improve efficiency, e.g., by enhancing coordination with donors in terms of increased predictability, harmonization, and alignment of aid; and strengthening coordination with other stakeholders in reviewing and adjusting development objectives.

Tanzania: Mobilizing Revenue and Donor Assistance[19]

Fiscal space in Tanzania has increased from both domestic revenue mobilization and more external aid. The donor assistance is a response to Tanzania's wide-ranging reform program and its prudent macroeconomic policies. At the core of these reforms were modernization of the tax system, in line with Tanzania's shift to a market-oriented economy, and strengthening of revenue administration and PFM institutions. Both were completed with substantial technical assistance from the IMF. Since 1999/2000 (fiscal year July–June), Tanzania's successful policies enabled the authorities to increase spending from 17.9 percent of GDP to more than 25 percent in 2005/06 while GDP was growing on average by 6 percent a year (Table 2.6).

More domestic revenue has been mobilized because revenue administration was reformed and a modern

[19] This section was prepared by Robert Sharer and Alejandro Hajdenberg.

tax system adopted. The Tanzania Revenue Authority was created in 1996; subsequent reforms have been guided by two successive five-year business plans. Major tax administration achievements have been the creation and consolidation of the large-taxpayers department and organization of the domestic revenue department, created by merging the VAT and income tax departments. The merger was accompanied by organizational improvements, strengthened audit capacity, and enhanced and integrated information systems. In customs, operational processes and policies are being modernized. The result is more revenue collected and impediments to trade removed. Tanzania's new tax system is based on a limited number of taxes, each with a relatively broad base. A new Income Tax Act was passed in 2004; the act streamlined allowances, introduced self-assessments, and rationalized small taxpayer administration. In 2005 the VAT registration threshold was doubled and its administration simplified. These reform efforts have paid off; revenues have surged, especially in the past three years. They exceeded 16 percent of GDP in 2006/07.

Tanzania's PFM has also improved. Reforms have put resources to more efficient use, freeing up public funds and also signaling the country's commitment to reform, which invigorated donor support. The government in 1998 launched the Public Financial Management Reform Program to make financial management more effective with better use of public resources and clearer accountability. Since then, significant progress has been made in budget formulation, execution, and monitoring: a medium-term expenditure framework has been adopted, an integrated financial management system has been deployed across the public sector, and a single treasury account has been introduced. Using the government's Strategic Budget Allocation System in formulating budgets has helped align spending appropriations with Tanzania's poverty reduction priorities. A review by IMF and World Bank staff in 2004 found that Tanzania had the highest ranking on the quality of public expenditure management systems of 26 HIPC countries, though there is still scope for improvement.

In support of these reforms, donors have substantially increased their assistance to Tanzania. Concessional external financing and grants combined have increased since 1999/2000 from

Table 2.6. Tanzania: Sources and Uses of Fiscal Space

(Percent of GDP)

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	Change 2000–06
Source of fiscal space	17.2	15.6	15.8	18.9	21.2	24.0	25.0	7.8
Domestic contribution	11.9	11.4	10.8	11.2	11.8	13.8	15.6	3.7
Revenues	11.3	12.0	11.8	12.1	12.7	13.3	14.0	2.8
Domestic interest payments	-1.2	-1.0	-0.7	-0.6	-0.6	-0.7	-0.9	0.2
Domestic financing (net)	1.8	0.4	-0.3	-0.4	-0.3	1.1	2.5	0.7
External contribution	5.4	4.2	5.1	7.7	9.5	10.2	9.4	4.0
Grants	4.5	3.7	4.4	6.2	6.0	7.7	6.0	1.5
External financing (net)	0.9	0.5	0.7	1.6	3.4	2.6	3.4	2.5
Use of fiscal space	17.2	15.6	15.8	18.9	21.2	24.0	25.0	7.8
Wages	4.2	4.0	3.9	4.0	4.0	4.1	4.3	0.2
Other current spending	6.3	7.8	8.7	10.0	11.6	12.7	14.4	8.1
Development expenditures	6.7	3.8	3.3	5.0	5.6	7.1	6.3	-0.4
Memorandum item:								
Pro-poor spending	6.0	6.4	8.6	9.5	9.6	12.6	12.8	6.8

Source: IMF staff calculations.

6 percent of GDP to a projected 11.3 percent in 2007/08. Foreign-financed spending is now more effective because aid has increasingly been channeled through the PFM system, either as untied budget support or in funds for sector-specific activities. Moreover, Tanzania has adopted initiatives to better coordinate donor support.

Donors also helped create fiscal space through substantial debt relief. At the HIPC completion point, reached in 2001, Tanzania's debt in net present value terms fell by 54 percent (not counting additional bilateral relief), restoring the country to debt sustainability. On flow terms, the debt service savings represented on average about 1 percent of GDP a year for 1999/2000–2005/06. More recently, MDRI relief has equaled over 1 percent of GDP a year for 2006/07–2007/08.

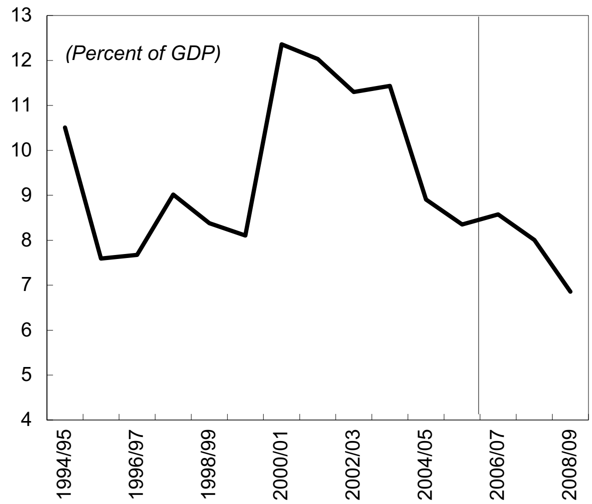
The expanded resources have produced a steady rise in government spending. This is at the core of Tanzania's poverty reduction strategy, articulated most recently in the MKUKUTA (Tanzania's PRSP): public spending on MKUKUTA priorities reached an estimated 12¾ percent of GDP in 2005/06, up from about 6 percent in 1999/2000.[20]

Because of the brisk growth in domestic revenue and donor support, the government had almost no recourse to domestic financing of the budget and there was no crowding out of private sector activity.[21] As a result, credit to the private sector grew amply; thus, the rise in antipoverty spending did not jeopardize Tanzania's gains from reducing inflation to the low single digits (down from about 30 percent before the reform program took hold).

Uganda: Creating Fiscal Space through Strengthened Revenue Administration[22]

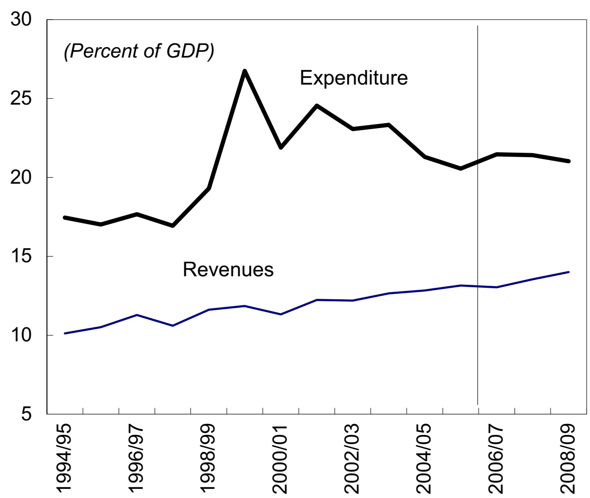
In Uganda, continued good economic performance hinges on improving the country's infrastructure, access to education, and health care. Uganda's landlocked status, inadequate road and railway infrastructure, and insufficient supply of electricity drive up production costs and undermine competitiveness. The country also faces a shortage of technical skills to support a growing economy.

Figure 2.7. Uganda: Net Donor Inflows



Source: IMF staff estimates and projections.

Figure 2.8. Uganda: Government Expenditure and Revenue



Source: IMF staff estimates and projections.

[20] The methodology to account for priority spending was modified in the 2005/06 when MKUKUTA was put in place.
[21] Except for 2005/06, when a severe drought created a number of emergency outages.
[22] This section was prepared by Dmitry Gershenson.

In recent years, substantial donor assistance has expanded the fiscal space. Donors have financed almost half of Uganda's spending, providing the resources needed for development (Table 2.7). HIPC and, later, MDRI relief helped keep Uganda's debt sustainable (the debt-to-GDP ratio is now 14 percent).

That source of fiscal space is drying up, even as the need for fiscal space to finance development remains acute. New donor commitments have not kept pace with Uganda's needs. Moreover, the government wants to further reduce Uganda's dependence on donor assistance to alleviate the pressure on the exchange rate stemming from sales of foreign exchange for sterilization and to encourage private sector–led growth. At the same time, public investment in infrastructure, education, and health remains essential, since private investment is still minimal.

The main plan for creating fiscal space is to increase the revenue-to-GDP ratio through better tax administration. At 13 percent of GDP, Uganda's revenue is low compared with both other countries in the region and the sub-Saharan African average. Given the narrow tax base, however, raising tax rates further is not a viable option. Accordingly, the Uganda Revenue Authority (URA) plans to use administrative improvements and productivity gains to increase tax collection to about 16 percent of GDP over the next five years (see Box 2.2). Reprioritizing spending and making it more efficient will further expand the fiscal space.

- *Reprioritization.* The medium-term budget framework identifies rural development (enhanced extension, financial, and marketing services for farmers); education (information technology); and infrastructure (road and electricity projects) as priorities.

Table 2.7. Uganda: Sources and Uses of Fiscal Space

(Percent of GDP)

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	Change 2001–06
Source of fiscal space	21.7	21.9	21.5	20.4	19.6	18.7	-3.0
Domestic contribution	10.6	10.8	11.0	9.7	11.3	10.9	0.2
Revenues	11.3	12.2	12.2	12.7	12.8	13.2	1.8
Domestic interest payments	-0.6	-0.9	-1.0	-1.5	-1.1	-1.1	-0.5
Domestic financing (net)	-0.1	-0.5	-0.2	-1.5	-0.5	-1.2	-1.1
External contribution	11.0	11.1	10.4	10.7	8.3	7.8	-3.3
Grants	7.9	7.0	6.5	9.0	7.9	6.6	-1.3
External financing (net)	3.2	4.1	3.9	1.7	0.4	1.2	-2.0
Use of fiscal space	21.7	21.9	21.5	20.4	19.6	18.7	-3.0
Wages	4.4	5.4	5.2	5.2	5.1	5.0	0.7
Other current spending	5.8	7.1	6.7	7.0	6.4	6.5	0.7
Development expenditures	9.4	9.6	9.4	8.3	7.8	7.2	-2.2
Other[1]	2.1	-0.1	0.2	0.0	0.2	-0.1	-2.2
Memorandum item:							
Pro-poor spending	4.2	5.8	5.5	5.5	5.1	5.0	1.6

Source: IMF, staff calculations.

[1]Includes net lending and repayment of domestic arrears.

Box 2.2. Reforms at the Uganda Revenue Authority

The Uganda Revenue Authority (URA) was established in 1992 as a semiautonomous agency. By 2004 it had succeeded in raising the revenue-to-GDP ratio from 7 to 12 percent, but progress had been slowed by insufficient attention to large taxpayers, inadequate computerization, and perceived corruption.

Starting in 2004, reforms at the URA have been reinforcing governance and management and overhauling its negative public image, launching the large taxpayer office, and computerizing. The reforms paid off; the revenue-to-GDP ratio rose to 13 percent despite an acute electricity crisis. Raising the revenue-to-GDP ratio further, to the current target of 16 percent, will require (1) adopting modern revenue administration methods, especially as related to taxpayer registration; centralizing data on taxpayers and transactions; more frequent compliance audits, and sharing information with other countries in the region about incoming trade; and (2) firming up the tax regime for small and medium-sized taxpayers.

- *Efficiency*. Uganda's PFM system has met 9 of the 16 benchmarks in the Bank-Fund review of HIPC countries conducted in 2004, but it is plagued by underbudgeting and excessive reliance on supplementary budgets. This has led to unintended shifts in expenditure composition and to accumulation of arrears. The government aims to strengthen its monitoring and evaluation functions and improve service delivery. The latter is particularly important because limited capacity to undertake public investment projects—rather than availability of financing—is often the binding constraint.

Uganda's new Debt Management Strategy (DMS) addresses the intertemporal aspect of fiscal space. The strategy outlines the principles for external and domestic borrowing, including borrowing only on concessional terms and only for budget support and essential infrastructure (electricity, transportation, and water) projects; it also sets strict limits on loan guarantees. The DMS is also designed to improve expenditure management and avoid arrears, which can shrink fiscal space.

Several factors complicate the task of creating and maintaining fiscal space in Uganda. Capacity to collect taxes is constrained by the structure of the economy, which is highly informal and in which the share of agriculture in GDP is 40 percent. In the next few years, the government will also have to spend about ½ percent of GDP annually to subsidize electricity generation. Recently announced investment incentives (tax breaks for exporters) are not projected to be overly expensive (about 0.1 percent of GDP annually) but could give rise to loopholes that undermine tax collection efforts. Further expansion of the fiscal space in Uganda will be possible once the electricity crisis is resolved and the shares of service and manufacturing sectors in GDP rise.

Appendix

Table A1. Categorization of Sub-Saharan African Countries

Oil-Exporting Countries	Middle-Income Countries	Low-Income Countries	Fragile Countries
Angola	Botswana	Benin	Burundi
Cameroon	Cape Verde	Burkina Faso	Central African Rep.
Chad	Lesotho	Ethiopia	Comoros
Congo, Republic of	Mauritius	Ghana	Congo, Dem. Rep. of
Equatorial Guinea	Namibia	Kenya	Côte d'Ivoire
Gabon	Seychelles	Madagascar	Eritrea
Nigeria	South Africa	Malawi	Gambia, The
	Swaziland	Mali	Guinea
		Mozambique	Guinea-Bissau
		Niger	Liberia
		Rwanda	São Tomé and Príncipe
		Senegal	Sierra Leone
		Tanzania	Togo
		Uganda	Zimbabwe
		Zambia	

Table A2. Non-Oil Primary Fiscal Deficits, 2002–07

(Percent of non-oil GDP)

	2002	2003	2004	2005	2006	2007
Angola	83.3	69.9	61.1	60.9	50.3	52.6
Cameroon	0.5	0.5	2.7	0.0	–30.3	1.6
Chad	5.3	6.7	8.9	8.8	17.5	24.0
Republic of Congo	39.7	28.2	28.6	30.9	53.1	47.7
Equatorial Guinea	41.2	47.5	81.7	83.2	92.2	75.0
Gabon	16.7	8.9	9.1	17.5	18.0	11.6
Nigeria	21.1	34.6	36.4	42.8	45.5	41.8
Average (unweighted)	29.7	28.0	32.6	34.9	35.2	36.3

Source: IMF African Department database.
Note: (–) denotes surplus.

Statistical Appendix

Estimates and projections used in this report are based on data provided by IMF country desks as of October 1, 2007. Projections are IMF staff estimates. The database covers 44 countries of the IMF's African Department; Eritrea, Liberia, and Zimbabwe are not included in aggregate groupings because of data limitations. The rest of the data are consistent with those underlying the October 2007 *World Economic Outlook* (WEO). While data follow established international statistical methodologies to the extent possible, variable choice may be determined by country-specific definitions. The coverage and definitions of data for different countries are therefore not always comparable. Moreover, many countries are not yet able to compile high-quality data.

Sub-Saharan Africa: Country Groupings[1]

Resource-Intensive		Non-Resource-Intensive	
Oil	Non-oil	Coastal	Landlocked
Angola	Botswwana	Benin *	Burkina Faso *
Cameroon *	Côte d'Ivoire	Cape Verde	Burundi
Chad	Guinea	Comoros	Central African Republic
Congo, Rep. of	Namibia	Gambia	Congo, Dem. Rep. Of
Equatorial Guinea	São Tomé and Príncipe	Ghana *	Ethiopia *
Gabon	Sierra Leone *	Guinea-Bissau	Lesotho
Nigeria	Zambia *	Kenya	Malawi *
		Madagascar *	Mali *
		Mauritius	Niger *
		Mozambique *	Rwanda *
		Senegal *	Swaziland
		Seychelles	Uganda *
		South Africa	Zimbabwe
		Tanzania *	
		Togo	

Note: Asterisk (*) marks countries that have reached the completion point under the enhanced HIPC Initiative and have qualified for MDRI relief.

[1] These groupings follow Collier and O'Connell (2006), who show that the effect of being resource-rich is independent of location and thus classify all sub-Saharan African economies by both endowment and location. A country is classified as resource-rich if primary commodity rents exceed 10 percent of GDP (South Africa is not classified as resource-intensive, using this criterion). In terms of location, countries are classified by whether they have ocean access (coastal) or are landlocked.

Data and Conventions

For Tables SA1–2, SA7, SA21, and SA22, country group composites are calculated as the arithmetic average of data for individual countries, weighted by GDP valued at purchasing power parity (PPP) as a share of the total group GDP. The source of PPP weights is the WEO database.

For Tables SA3–4, SA6, SA8–12, SA14–20, and SA23–25, country group composites are calculated as the arithmetic average of data for individual countries, weighted by GDP in U.S. dollars at market exchange rates as a share of total group GDP.

For Table SA5, country group composites are calculated as the geometric average of data for individual countries, weighted by GDP valued at PPP as a share of the total group GDP. The source of PPP weights is the WEO database.

For Table SA13, country group composites are calculated as the geometric average of data for individual countries, weighted by GDP in U.S. dollars at market exchange rates as a share of total group GDP.

WAEMU is the West African Economic and Monetary Union. CEMAC is the Central African Economic and Monetary Community. EAC-5 is the East African Community. SADC is the Southern African Development Community.[23] COMESA is the Common Market of Eastern and Southern Africa.

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[23] Historical data for EAC-5 include Rwanda and Burundi, which joined in 2007.

Table SA1. Real GDP Growth
(Percent)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**3.8**	**7.4**	**8.4**	**7.7**	**5.7**	**7.6**	**10.6**
Excluding Nigeria	**5.4**	**4.5**	**11.4**	**8.2**	**6.0**	**10.6**	**12.5**
Angola	4.9	3.3	11.2	20.6	18.6	23.1	27.2
Cameroon	4.5	4.0	3.7	2.0	3.8	3.8	5.3
Chad	5.2	14.7	33.6	7.9	0.5	1.5	4.1
Congo, Rep. of	2.7	0.8	3.5	7.8	6.1	3.7	7.3
Equatorial Guinea	44.8	11.6	31.7	6.7	-5.2	10.1	8.1
Gabon	0.0	2.4	1.1	3.0	1.2	4.8	4.2
Nigeria	2.5	10.7	6.0	7.2	5.6	4.3	8.0
Middle-income countries	**2.9**	**3.2**	**4.9**	**4.9**	**4.8**	**4.7**	**4.2**
Excluding South Africa	**5.2**	**4.2**	**5.2**	**3.6**	**3.8**	**4.7**	**4.8**
Botswana	7.8	6.2	6.3	3.8	2.6	5.0	5.2
Cape Verde	7.8	4.7	4.4	5.8	6.5	6.9	7.5
Lesotho	1.6	2.7	4.2	2.9	7.2	4.9	5.2
Mauritius	5.0	3.8	4.7	3.1	3.5	4.7	4.7
Namibia	3.9	3.5	6.6	4.2	4.6	4.8	4.6
Seychelles	3.3	-5.9	-2.9	1.2	5.3	6.1	5.9
South Africa	2.7	3.1	4.8	5.1	5.0	4.7	4.2
Swaziland	2.9	2.9	2.1	2.3	2.1	1.0	1.0
Low-income countries	**4.3**	**3.9**	**6.6**	**6.7**	**6.4**	**6.9**	**7.0**
Benin	5.1	3.9	3.1	2.9	3.8	4.0	5.3
Burkina Faso	5.7	8.0	4.6	7.1	5.9	6.0	6.1
Ethiopia	3.4	-3.5	13.1	10.2	9.0	10.5	9.6
Ghana	4.3	5.2	5.6	5.9	6.2	6.3	6.9
Kenya	1.9	2.8	4.6	5.8	6.1	6.4	6.5
Madagascar	1.7	9.8	5.3	4.6	4.9	6.5	7.3
Malawi	1.6	4.2	5.0	2.3	7.9	5.5	5.2
Mali	5.0	7.2	2.4	6.1	5.3	5.2	4.8
Mozambique	9.1	7.9	7.5	6.2	8.5	7.0	7.0
Niger	3.6	4.5	-0.8	7.4	5.2	5.6	5.4
Rwanda	8.7	0.9	4.0	6.0	5.3	4.5	4.6
Senegal	4.0	6.7	5.8	5.3	2.1	5.1	5.7
Tanzania	4.9	5.7	6.7	6.7	6.2	7.1	7.5
Uganda	5.7	4.4	5.7	6.7	5.4	6.2	6.5
Zambia	2.6	5.1	5.4	5.2	5.9	6.0	6.2
Fragile countries	**0.5**	**3.1**	**5.4**	**5.3**	**4.4**	**5.2**	**7.7**
Including Zimbabwe	**-0.5**	**-0.5**	**3.0**	**2.8**	**2.5**	**3.0**	**5.5**
Burundi	1.6	-1.2	4.8	0.9	5.1	3.5	5.8
Central African Republic	2.7	-7.6	1.3	2.2	3.8	4.0	4.3
Comoros	2.7	2.5	-0.2	4.2	1.2	1.0	3.0
Congo, Dem. Rep. of	-2.8	5.8	6.6	6.5	5.1	6.5	8.4
Côte d'Ivoire	1.0	-1.7	1.6	1.8	0.9	1.7	3.8
Eritrea	1.1	3.9	2.0	4.8	2.0	1.3	1.3
Gambia, The	4.3	6.9	7.0	5.1	6.5	7.0	6.0
Guinea	4.2	1.2	2.7	3.3	2.2	1.5	5.1
Guinea-Bissau	-2.1	-0.6	2.2	3.2	2.7	2.5	2.1
Liberia	...	-31.3	2.6	5.3	7.8	9.4	10.4
São Tomé and Príncipe	3.5	6.8	4.8	5.4	7.0	6.0	6.0
Sierra Leone	3.8	9.5	7.4	7.3	7.4	7.4	7.0
Togo	0.1	5.2	2.3	1.2	2.0	2.9	3.5
Zimbabwe	-2.7	-10.4	-3.8	-5.3	-4.8	-6.2	-4.5
Sub-Saharan Africa	**3.3**	**4.3**	**6.2**	**6.1**	**5.5**	**6.2**	**6.9**
Including Zimbabwe	3.1	4.0	6.0	5.9	5.4	6.0	6.7
Excluding Nigeria and South Africa	4.1	3.9	7.4	6.5	5.8	7.4	8.2
Oil-importing countries	**3.1**	**3.3**	**5.4**	**5.4**	**5.2**	**5.4**	**5.4**
Excluding South Africa	3.5	3.6	5.9	5.7	5.4	6.0	6.5
CFA franc zone	5.1	5.0	8.4	4.7	2.3	4.8	5.6
WAEMU	3.3	4.3	3.1	4.7	3.5	4.5	5.3
CEMAC	7.5	5.9	14.6	4.6	1.0	5.3	6.0
EAC-5	4.8	4.0	5.9	6.8	6.5	7.0	7.3
SADC	2.9	3.8	5.5	6.0	5.9	6.4	6.6
SACU	2.9	3.2	4.9	5.0	4.9	4.7	4.2
COMESA	2.8	2.6	7.6	8.4	7.9	9.7	10.7
Resource-intensive countries	**4.2**	**6.8**	**8.1**	**7.3**	**5.6**	**7.3**	**10.2**
Oil	3.8	7.4	8.4	7.7	5.7	7.6	10.6
Non-oil	6.1	4.0	6.7	5.6	4.7	5.7	7.8
Non-resource-intensive countries	**3.0**	**3.4**	**5.5**	**5.6**	**5.4**	**5.6**	**5.4**
Coastal	3.0	3.7	4.9	5.1	5.1	5.2	4.9
Landlocked	2.9	2.3	7.1	7.1	6.4	7.1	7.3
MDRI	4.9	4.3	6.9	6.8	6.7	7.3	7.5
Fixed exchange rate regime	5.1	4.8	7.6	4.3	2.6	4.6	5.2
Floating exchange rate regime	2.9	4.2	5.8	6.5	6.1	6.4	7.2

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.

Table SA2. Real Non-Oil GDP Growth
(Percent)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**7.6**	**4.7**	**7.0**	**7.1**	**10.6**	**13.6**	**11.4**
Excluding Nigeria	**9.9**	**5.2**	**6.9**	**5.6**	**12.1**	**18.5**	**15.1**
Angola	7.9	7.8	10.0	1.0	29.8	32.4	25.5
Cameroon	5.2	4.9	4.9	2.9	3.5	4.4	5.2
Chad	4.6	6.0	2.1	11.0	4.4	3.6	4.3
Congo, Rep. of	2.8	5.4	5.0	5.4	5.8	6.5	6.5
Equatorial Guinea	28.5	11.7	20.0	23.1	12.1	43.2	30.6
Gabon	2.4	0.9	1.8	4.3	4.9	6.0	4.7
Nigeria	4.4	4.4	7.4	8.6	9.4	8.0	7.0
Middle-income countries	**2.9**	**3.2**	**4.9**	**4.9**	**4.8**	**4.7**	**4.2**
Excluding South Africa	**5.2**	**4.2**	**5.2**	**3.6**	**3.8**	**4.7**	**4.8**
Botswana	7.8	6.2	6.3	3.8	2.6	5.0	5.2
Cape Verde	7.8	4.7	4.4	5.8	6.5	6.9	7.5
Lesotho	1.8	2.7	4.2	2.9	7.2	4.9	5.2
Mauritius	5.0	3.8	4.7	3.1	3.5	4.7	4.7
Namibia	3.9	3.5	6.6	4.2	4.6	4.8	4.6
Seychelles	3.3	-5.9	-2.9	1.2	5.3	6.1	5.9
South Africa	2.7	3.1	4.8	5.1	5.0	4.7	4.2
Swaziland	2.9	2.9	2.1	2.3	2.1	1.0	1.0
Low-income countries	**4.3**	**4.2**	**6.6**	**6.7**	**6.4**	**6.9**	**7.0**
Benin	5.1	3.9	3.1	2.9	3.8	4.0	5.3
Burkina Faso	5.7	8.0	4.6	7.1	5.9	6.0	6.1
Ethiopia	3.4	-3.5	13.1	10.2	9.0	10.5	9.6
Ghana	4.3	5.2	5.6	5.9	6.2	6.3	6.9
Kenya	1.9	2.8	4.6	5.8	6.1	6.4	6.5
Madagascar	1.7	9.8	5.3	4.6	4.9	6.5	7.3
Malawi	1.6	4.2	5.0	2.3	7.9	5.5	5.2
Mali	5.0	7.2	2.2	6.4	6.7	5.8	5.3
Mozambique	9.1	7.9	7.5	6.2	8.5	7.0	7.0
Niger	3.6	15.4	-0.8	7.4	5.2	5.6	5.4
Rwanda	8.7	0.9	4.0	6.0	5.3	4.5	4.6
Senegal	4.0	6.7	5.8	5.3	2.1	5.1	5.7
Tanzania	4.9	5.7	6.7	6.7	6.2	7.1	7.5
Uganda	5.7	4.4	5.7	6.7	5.4	6.2	6.5
Zambia	2.6	5.1	5.4	5.2	5.9	6.0	6.2
Fragile countries	**0.5**	**3.0**	**5.3**	**5.1**	**4.2**	**5.4**	**7.5**
Including Zimbabwe	**-0.5**	**-0.6**	**3.0**	**2.7**	**2.3**	**3.1**	**5.3**
Burundi	1.6	-1.2	4.8	0.9	5.1	3.5	5.8
Central African Republic	2.7	-7.6	1.3	2.2	3.8	4.0	4.3
Comoros	2.7	2.5	-0.2	4.2	1.2	3.0	4.5
Congo, Dem. Rep. of	-2.8	5.8	6.6	6.5	5.1	6.5	8.4
Côte d'Ivoire	0.9	-2.2	1.6	1.2	0.2	2.2	3.1
Eritrea	1.1	3.9	2.0	4.8	2.0	1.3	1.3
Gambia, The	4.3	6.9	7.0	5.1	6.5	7.0	6.0
Guinea	4.2	1.2	2.7	3.3	2.2	1.5	5.1
Guinea-Bissau	0.1	-0.6	2.2	3.2	2.7	2.5	2.1
Liberia	...	-31.3	2.6	5.3	7.8	9.4	10.4
São Tomé and Príncipe	3.6	6.8	4.8	5.4	7.0	6.0	6.0
Sierra Leone	3.8	9.5	7.4	7.3	7.4	7.4	7.0
Togo	0.1	5.2	2.3	1.2	2.0	2.9	3.5
Zimbabwe	-2.7	-10.4	-3.8	-5.3	-4.8	-6.2	-4.5
Sub-Saharan Africa	**4.5**	**3.8**	**5.9**	**6.0**	**6.7**	**7.6**	**7.1**
Including Zimbabwe	4.3	3.4	5.6	5.8	6.5	7.4	6.9
Excluding Nigeria and South Africa	5.4	4.3	6.3	5.9	7.2	9.3	8.8
Oil-importing countries	**3.1**	**3.4**	**5.4**	**5.4**	**5.2**	**5.4**	**5.4**
Excluding South Africa	3.5	3.8	5.9	5.7	5.4	6.1	6.5
CFA franc zone	6.5	5.2	5.1	6.9	4.6	9.2	8.5
WAEMU	3.3	5.3	3.0	4.6	3.5	4.7	5.2
CEMAC	11.0	5.2	7.5	9.5	5.9	14.5	12.3
EAC-5	4.8	4.0	5.9	6.8	6.5	7.0	7.3
SADC	3.0	4.0	5.4	4.9	6.6	7.1	6.5
SACU	2.9	3.2	4.9	5.0	4.9	4.7	4.2
COMESA	3.1	3.1	7.5	5.8	9.5	11.3	10.4
Resource-intensive countries	**7.3**	**4.5**	**6.9**	**6.8**	**9.6**	**12.3**	**10.8**
Oil	7.6	4.7	7.0	7.1	10.6	13.6	11.4
Non-oil	6.0	3.7	6.7	5.3	4.4	5.9	7.5
Non-resource-intensive countries	**3.0**	**3.6**	**5.5**	**5.6**	**5.5**	**5.6**	**5.5**
Coastal	3.0	3.7	4.9	5.1	5.1	5.2	4.9
Landlocked	2.9	2.9	7.1	7.2	6.5	7.1	7.3
MDRI	5.5	4.8	7.0	6.9	6.7	7.3	7.5
Fixed exchange rate regime	5.9	4.9	5.0	6.0	4.3	7.8	7.3
Floating exchange rate regime	3.2	3.5	6.0	5.9	7.1	7.4	6.9

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.

Table SA3. Real Per Capita GDP Growth
(Percent)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**1.2**	**4.6**	**5.8**	**5.2**	**3.3**	**5.0**	**7.9**
Excluding Nigeria	**2.9**	**1.7**	**8.9**	**5.7**	**3.5**	**8.0**	**9.9**
Angola	1.9	0.4	8.0	17.2	15.2	19.6	23.6
Cameroon	1.5	1.2	0.9	-0.7	0.9	1.0	2.4
Chad	2.6	4.8	30.4	5.3	-2.0	-1.0	1.6
Congo, Rep. of	-0.1	-2.0	0.6	4.7	3.1	0.8	4.3
Equatorial Guinea	35.1	8.4	28.0	3.7	-7.9	7.0	5.0
Gabon	-2.4	-0.1	-1.4	0.5	-1.3	2.3	1.7
Nigeria	-0.3	7.7	3.2	4.6	3.1	1.8	5.4
Middle-income countries	**1.5**	**2.2**	**3.9**	**4.0**	**3.6**	**3.7**	**3.3**
Excluding South Africa	**3.6**	**3.1**	**4.4**	**2.9**	**3.2**	**4.2**	**4.4**
Botswana	6.6	6.0	6.4	4.2	3.3	5.8	6.2
Cape Verde	5.4	2.8	2.5	3.8	4.5	4.9	5.5
Lesotho	0.0	0.4	2.3	1.0	5.2	3.0	3.3
Mauritius	3.9	2.8	3.8	2.2	2.7	3.9	3.9
Namibia	1.5	2.1	5.3	3.0	3.8	3.9	3.8
Seychelles	2.8	-7.7	-3.7	1.1	3.4	6.1	6.3
South Africa	1.2	2.1	3.8	4.1	3.7	3.7	3.1
Swaziland	0.2	0.5	-0.1	0.4	0.3	-0.6	-0.3
Low-income countries	**1.5**	**1.3**	**3.9**	**4.0**	**3.7**	**4.3**	**4.4**
Benin	1.7	2.0	0.1	0.0	0.8	0.8	2.0
Burkina Faso	2.9	4.6	1.4	4.6	3.5	3.6	3.7
Ethiopia	0.4	-6.1	10.1	7.2	6.0	7.5	6.8
Ghana	1.7	2.6	3.0	3.2	3.6	3.7	4.2
Kenya	-0.3	0.7	2.6	3.8	4.3	4.6	4.7
Madagascar	-1.2	6.7	2.4	1.7	2.1	3.6	4.4
Malawi	-1.1	1.9	2.8	0.3	5.7	3.4	3.1
Mali	2.5	4.8	0.1	3.7	2.9	2.8	2.5
Mozambique	6.8	5.9	5.6	3.7	6.1	4.6	4.6
Niger	0.3	1.3	-3.8	4.2	2.0	2.5	2.2
Rwanda	2.9	-0.7	2.5	4.2	3.4	2.7	2.8
Senegal	1.4	4.2	3.3	2.8	-0.3	2.7	3.2
Tanzania	2.4	3.6	4.4	4.4	4.3	5.0	5.4
Uganda	2.5	0.9	2.1	3.0	1.8	2.5	2.8
Zambia	0.3	2.7	2.9	2.7	3.5	3.5	3.7
Fragile countries	**-2.8**	**-0.4**	**2.1**	**1.8**	**1.1**	**1.9**	**4.3**
Including Zimbabwe	**-2.6**	**-3.3**	**0.7**	**0.1**	**-0.1**	**0.3**	**...**
Burundi	-0.7	-4.0	2.8	-1.1	3.1	1.5	3.8
Central African Republic	0.8	-9.4	-0.7	0.2	1.7	2.0	2.2
Comoros	0.7	0.4	-2.3	2.1	-0.8	-1.1	0.9
Congo, Dem. Rep. of	-5.0	2.8	3.5	3.3	2.0	3.4	5.3
Côte d'Ivoire	-1.3	-3.2	0.1	0.0	-0.6	0.2	2.2
Eritrea	-1.6	1.3	-0.5	2.3	-0.4	-1.1	-1.0
Gambia, The	0.9	4.2	4.3	2.5	3.8	4.3	3.3
Guinea	1.5	-2.4	0.2	0.2	-0.8	-1.4	2.0
Guinea-Bissau	-6.5	-3.6	-0.8	0.2	-0.3	-0.4	-0.8
Liberia	...	-32.2	0.8	2.4	3.7	4.4	5.0
São Tomé and Príncipe	2.2	4.4	2.4	3.0	4.9	3.9	3.9
Sierra Leone	1.1	6.7	4.6	4.5	4.7	4.7	4.3
Togo	-3.1	2.4	-0.3	-1.3	-0.5	0.4	0.9
Zimbabwe	-2.4	-11.3	-3.6	-5.3	-4.8	-6.2	...
Sub-Saharan Africa	**1.1**	**2.3**	**4.2**	**4.2**	**3.5**	**4.2**	**4.9**
Including Zimbabwe	1.0	2.0	4.1	4.0	3.3	4.0	...
Excluding Nigeria and South Africa	1.4	1.3	4.8	4.0	3.3	4.8	5.7
Oil-importing countries	**1.1**	**1.6**	**3.6**	**3.7**	**3.4**	**3.7**	**3.7**
Excluding South Africa	0.9	1.2	3.5	3.3	3.1	3.7	4.2
CFA franc zone	2.0	2.0	5.6	2.0	-0.3	2.1	2.9
WAEMU	0.4	1.8	0.5	2.1	1.0	1.9	2.7
CEMAC	4.2	2.2	11.6	1.8	-1.7	2.4	3.1
EAC-5	1.5	1.2	3.1	3.9	3.7	4.1	4.5
SADC	1.2	2.4	4.1	4.6	4.3	5.0	5.1
SACU	1.4	2.2	3.9	4.0	3.6	3.7	3.3
COMESA	0.1	0.0	4.9	5.7	5.2	7.0	8.0
Resource-intensive countries	**1.4**	**4.0**	**5.6**	**4.8**	**3.1**	**4.8**	**7.5**
Oil	1.2	4.6	5.8	5.2	3.3	5.0	7.9
Non-oil	2.4	1.1	4.3	3.0	2.5	3.5	5.7
Non-resource-intensive countries	**1.0**	**1.7**	**3.7**	**3.9**	**3.5**	**3.8**	**3.7**
Coastal	1.3	2.3	3.5	3.8	3.5	3.7	3.5
Landlocked	0.0	-0.5	4.1	4.2	3.5	4.2	4.4
MDRI	1.8	1.5	4.0	3.8	3.7	4.3	4.5
Fixed exchange rate regime	2.3	2.2	5.3	2.1	0.5	2.5	3.1
Floating exchange rate regime	0.9	2.3	4.0	4.6	4.1	4.5	5.2

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.

Table SA4. Real Per Capita GDP
(U.S. dollars, at 2000 prices, using 2000 exchange rates)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**451**	**482**	**504**	**531**	**552**	**578**	**625**
Excluding Nigeria	**748**	**789**	**840**	**893**	**937**	**1,018**	**1,136**
Angola	700	766	828	970	1,117	1,336	1,651
Cameroon	649	673	679	674	680	687	703
Chad	197	224	293	308	302	299	304
Congo, Rep. of	1,109	1,114	1,120	1,173	1,210	1,219	1,271
Equatorial Guinea	1,497	2,506	3,208	3,328	3,066	3,281	3,446
Gabon	4,475	4,097	4,040	4,061	4,009	4,100	4,170
Nigeria	355	382	394	412	424	432	455
Middle-income countries	**2,825**	**3,027**	**3,143**	**3,266**	**3,382**	**3,506**	**3,619**
Excluding South Africa	**2,039**	**2,251**	**2,339**	**2,395**	**2,456**	**2,547**	**2,644**
Botswana	3,787	4,582	4,876	5,080	5,246	5,552	5,895
Cape Verde	1,195	1,375	1,409	1,463	1,529	1,604	1,692
Lesotho	385	381	390	394	415	427	441
Mauritius	3,584	3,978	4,130	4,220	4,333	4,501	4,675
Namibia	1,805	1,944	2,048	2,110	2,190	2,276	2,362
Seychelles	7,669	7,118	6,854	6,931	7,164	7,598	8,078
South Africa	2,971	3,174	3,295	3,431	3,557	3,688	3,804
Swaziland	1,377	1,383	1,382	1,387	1,391	1,384	1,379
Low-income countries	**243**	**255**	**263**	**273**	**283**	**294**	**307**
Benin	374	394	394	394	397	401	409
Burkina Faso	231	254	257	269	278	288	299
Ethiopia	125	120	132	142	150	162	173
Ghana	269	287	296	305	316	328	342
Kenya	413	413	424	440	459	480	502
Madagascar	231	223	228	232	237	245	256
Malawi	151	144	148	148	157	162	167
Mali	252	281	281	292	300	308	316
Mozambique	214	261	276	286	304	318	332
Niger	174	176	169	176	180	184	188
Rwanda	233	241	247	258	266	274	281
Senegal	446	474	490	504	502	516	532
Tanzania	271	304	318	332	346	364	383
Uganda	239	257	263	270	275	282	290
Zambia	315	334	343	353	365	378	392
Fragile countries	**232**	**216**	**218**	**219**	**219**	**221**	**227**
Including Zimbabwe	**284**	**252**	**250**	**248**	**245**	**243**	**...**
Burundi	111	104	107	105	109	110	114
Central African Republic	253	225	223	223	227	232	237
Comoros	374	380	371	379	376	372	375
Congo, Dem. Rep. of	92	85	88	91	93	96	101
Côte d'Ivoire	639	574	575	575	571	572	585
Eritrea	175	165	164	168	167	166	164
Gambia, The	235	243	254	260	270	282	291
Guinea	388	388	389	389	386	381	388
Guinea-Bissau	165	134	133	133	132	132	131
Liberia	...	118	119	122	126	132	138
São Tomé and Príncipe	542	631	646	665	698	725	753
Sierra Leone	151	202	212	221	232	243	253
Togo	245	228	227	224	223	224	226
Zimbabwe	720	577	556	527	502	471	...
Sub-Saharan Africa	**526**	**545**	**562**	**581**	**598**	**618**	**644**
Including Zimbabwe	530	546	562	580	597	615	...
Excluding Nigeria and South Africa	323	335	347	360	371	388	411
Oil-importing countries	**555**	**570**	**585**	**601**	**617**	**634**	**651**
Excluding South Africa	279	286	294	302	310	320	331
CFA franc zone	466	473	486	493	494	502	516
WAEMU	361	357	358	363	365	371	380
CEMAC	709	735	775	787	783	797	820
EAC-5	292	307	316	327	339	353	368
SADC	899	942	972	1,007	1,044	1,086	1,133
SACU	2,814	3,013	3,130	3,254	3,371	3,494	3,606
COMESA	257	261	272	287	303	325	353
Resource-intensive countries	**487**	**513**	**533**	**556**	**574**	**597**	**638**
Oil	451	482	504	531	552	578	625
Non-oil	626	637	651	658	664	675	694
Non-resource-intensive countries	**548**	**563**	**578**	**595**	**612**	**629**	**646**
Coastal	966	1,007	1,037	1,068	1,101	1,135	1,166
Landlocked	162	164	169	176	182	189	196
MDRI	245	261	269	277	286	296	308
Fixed exchange rate regime	549	564	580	589	591	602	618
Floating exchange rate regime	521	541	558	580	600	621	649

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.

Table SA5. Consumer Prices
(Annual average percent change)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**22.9**	**18.7**	**13.7**	**14.1**	**8.2**	**6.1**	**6.7**
Excluding Nigeria	**43.8**	**25.3**	**12.0**	**9.8**	**8.1**	**7.1**	**5.9**
Angola	193.9	98.3	43.6	23.0	13.3	11.9	8.9
Cameroon	3.5	0.6	0.3	2.0	5.1	2.0	2.7
Chad	3.8	-1.8	-5.4	7.9	7.9	3.0	3.0
Congo, Rep. of	3.7	1.5	3.6	2.5	4.8	7.0	5.0
Equatorial Guinea	5.4	7.3	4.2	5.7	4.5	6.1	5.7
Gabon	1.4	2.1	0.4	0.0	4.0	5.5	3.0
Nigeria	10.6	14.0	15.0	17.8	8.3	5.3	7.4
Middle-income countries	**6.9**	**5.9**	**1.8**	**3.6**	**5.0**	**6.7**	**6.3**
Excluding South Africa	**7.4**	**6.7**	**4.9**	**5.1**	**7.3**	**7.3**	**6.6**
Botswana	7.7	9.2	7.0	8.6	11.6	7.0	7.0
Cape Verde	3.4	1.2	-1.9	0.4	5.4	2.5	2.3
Lesotho	8.4	7.3	5.0	3.4	6.1	6.6	6.4
Mauritius	6.1	3.9	4.7	4.9	5.5	10.7	7.5
Namibia	8.9	7.2	4.1	2.3	5.1	6.3	5.9
Seychelles	3.7	3.3	3.9	0.9	-0.4	4.4	12.9
South Africa	6.8	5.8	1.4	3.4	4.7	6.6	6.2
Swaziland	8.0	7.4	3.4	4.8	5.3	6.8	6.3
Low-income countries	**7.1**	**9.9**	**7.8**	**8.9**	**9.0**	**8.5**	**7.4**
Benin	3.4	1.5	0.9	5.4	3.8	3.0	2.8
Burkina Faso	2.2	2.0	-0.4	6.4	2.4	0.5	2.0
Ethiopia	-0.7	15.1	8.6	6.8	12.3	17.8	15.9
Ghana	21.6	26.7	12.6	15.1	10.9	9.4	8.8
Kenya	7.0	9.8	11.6	10.3	14.5	6.9	7.2
Madagascar	8.8	-1.1	14.0	18.4	10.8	10.1	6.9
Malawi	25.9	9.6	11.6	12.3	9.0	7.0	6.0
Mali	2.0	-1.3	-3.1	6.4	1.9	2.5	2.5
Mozambique	8.4	13.5	12.6	6.4	13.2	6.4	5.7
Niger	2.5	-1.8	0.4	7.8	0.1	0.0	2.0
Rwanda	4.2	7.4	12.0	9.2	8.8	8.2	5.0
Senegal	1.6	0.0	0.5	1.7	2.1	5.4	2.9
Tanzania	8.9	4.4	4.1	4.4	7.3	5.6	5.0
Uganda	3.7	5.7	5.0	8.0	6.6	7.5	5.1
Zambia	24.3	21.4	18.0	18.3	9.1	11.3	5.7
Fragile countries	**51.6**	**8.6**	**5.8**	**15.3**	**11.9**	**12.0**	**7.4**
Including Zimbabwe	**52.1**	**48.9**	**42.2**	**41.1**	**66.5**	**147.1**	**...**
Burundi	13.2	10.7	8.0	13.6	2.7	5.3	5.7
Central African Republic	1.3	4.4	-2.2	2.9	6.7	3.1	2.3
Comoros	3.1	3.7	4.5	3.0	3.4	3.0	3.0
Congo, Dem. Rep. of	240.9	12.8	4.0	21.4	13.2	17.5	8.8
Côte d'Ivoire	3.2	3.3	1.5	3.9	2.5	2.5	3.0
Eritrea	12.2	22.7	25.1	12.5	17.3	22.7	25.2
Gambia, The	3.6	17.0	14.2	3.2	1.4	5.0	4.5
Guinea	4.4	12.9	17.5	31.4	34.7	23.4	13.8
Guinea-Bissau	11.7	-3.5	0.8	3.4	2.0	3.0	2.6
Liberia	...	10.3	3.6	6.9	7.2	11.2	9.0
São Tomé and Príncipe	25.5	9.9	13.8	17.2	23.6	16.6	11.4
Sierra Leone	13.8	7.5	14.2	12.1	9.5	10.8	10.2
Togo	2.5	-0.9	0.4	6.8	2.2	3.2	3.0
Zimbabwe	61.7	365.0	350.0	237.8	1,016.7	16,170.2	...
Sub-Saharan Africa	**13.4**	**9.7**	**6.1**	**8.1**	**7.3**	**7.5**	**6.8**
Including Zimbabwe	14.6	13.6	9.5	10.6	11.9	16.5	...
Excluding Nigeria and South Africa	19.9	11.8	7.9	9.8	9.2	8.7	7.0
Oil-importing countries	**11.3**	**7.5**	**4.2**	**6.6**	**7.1**	**7.9**	**6.8**
Excluding South Africa	16.0	9.2	7.0	9.8	9.4	9.1	7.3
CFA franc zone	2.9	1.3	0.2	4.4	3.6	3.1	3.1
WAEMU	2.7	0.8	0.2	4.9	2.2	2.6	2.6
CEMAC	3.3	2.1	0.3	3.7	5.4	3.8	3.7
EAC-5	6.3	7.1	7.6	8.2	9.2	6.9	5.7
SADC	19.0	9.7	4.7	6.2	6.5	7.8	6.6
SACU	6.9	6.0	1.7	3.6	5.0	6.6	6.3
COMESA	36.4	17.6	11.7	12.2	10.7	11.7	8.9
Resource-intensive countries	**18.1**	**15.9**	**12.2**	**13.5**	**9.2**	**7.0**	**6.8**
Oil	22.9	18.7	13.7	14.1	8.2	6.1	6.7
Non-oil	7.4	9.1	8.4	11.7	11.9	9.5	7.1
Non-resource-intensive countries	**11.7**	**7.4**	**3.8**	**6.1**	**6.6**	**7.8**	**6.7**
Coastal	7.6	7.0	3.4	5.0	6.0	6.8	6.2
Landlocked	27.3	8.7	5.1	9.8	8.6	10.9	8.4
MDRI	6.8	9.0	6.7	8.1	8.1	8.1	7.0
Fixed exchange rate regime	3.9	2.6	1.2	4.5	4.4	3.8	3.8
Floating exchange rate regime	15.6	11.3	7.2	9.0	8.0	8.4	7.4

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.

Table SA6. Total Investment
(Percent of GDP)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**23.6**	**23.4**	**21.1**	**19.4**	**20.1**	**20.8**	**20.3**
Excluding Nigeria	**23.4**	**22.8**	**19.2**	**17.0**	**18.0**	**18.3**	**17.4**
Angola	21.5	12.7	9.1	8.1	11.3	11.0	10.9
Cameroon	18.3	17.5	18.9	18.1	18.0	18.9	20.6
Chad	27.8	55.6	25.8	21.4	21.2	21.6	19.6
Congo, Rep. of	24.8	26.1	22.5	21.6	23.0	28.6	27.3
Equatorial Guinea	69.9	58.3	44.5	37.7	40.6	47.4	45.9
Gabon	27.7	23.9	24.5	22.7	23.1	25.0	25.2
Nigeria	23.6	23.9	22.5	21.2	21.8	23.1	23.2
Middle-income countries	**17.5**	**17.9**	**19.8**	**19.7**	**21.9**	**22.1**	**22.2**
Excluding South Africa	**29.3**	**30.9**	**29.6**	**27.5**	**26.1**	**28.5**	**30.3**
Botswana	35.1	39.8	38.6	30.7	26.7	29.3	33.1
Cape Verde	34.6	31.0	37.4	37.3	40.1	44.6	49.4
Lesotho	46.2	33.2	31.4	27.4	24.3	26.2	28.9
Mauritius	25.6	24.9	22.8	23.4	22.5	24.1	24.1
Namibia	22.0	29.8	26.4	28.3	29.4	31.9	32.9
Seychelles	31.4	10.4	12.7	30.2	32.7	44.3	39.3
South Africa	15.9	16.1	18.5	18.8	21.4	21.4	21.2
Swaziland	19.8	18.0	18.4	18.0	17.2	17.2	16.1
Low-income countries	**18.0**	**20.4**	**21.7**	**22.5**	**23.6**	**25.0**	**25.7**
Benin	19.2	19.6	19.0	19.6	18.1	21.7	22.2
Burkina Faso	23.9	21.1	22.5	22.4	22.8	23.0	22.8
Ethiopia	17.1	21.6	21.4	20.5	19.8	22.2	21.2
Ghana	23.3	22.9	28.4	29.0	30.2	31.6	31.1
Kenya	13.4	13.1	15.2	18.1	21.8	20.1	21.9
Madagascar	15.1	17.9	24.3	22.5	24.8	30.2	35.5
Malawi	14.4	20.6	25.3	21.5	21.8	26.8	26.8
Mali	21.4	21.1	21.7	22.3	22.4	22.7	23.2
Mozambique	28.5	27.4	22.6	21.5	24.9	28.8	28.9
Niger	11.9	16.3	14.6	23.1	21.5	23.0	24.7
Rwanda	16.5	18.4	20.5	22.6	21.4	23.8	22.6
Senegal	18.8	25.9	26.6	29.8	29.2	32.6	32.4
Tanzania	16.7	21.2	21.0	22.2	23.3	24.9	25.2
Uganda	18.5	20.5	22.3	21.1	23.1	24.2	26.2
Zambia	18.2	25.6	24.3	23.5	23.5	25.0	25.0
Fragile countries	**13.2**	**10.7**	**11.3**	**11.6**	**11.7**	**12.4**	**14.6**
Including Zimbabwe	**11.6**	**4.3**	**10.5**	**10.8**	**11.9**	**13.8**	**...**
Burundi	6.3	10.6	13.3	10.8	16.3	18.1	18.5
Central African Republic	9.5	6.0	6.1	8.8	8.9	9.6	10.0
Comoros	11.9	10.3	9.4	9.3	9.8	13.7	15.8
Congo, Dem. Rep. of	14.6	12.2	12.8	13.9	13.4	14.7	16.3
Côte d'Ivoire	12.1	10.1	10.8	9.7	9.7	9.7	12.2
Eritrea	29.0	25.3	21.4	19.0	18.1	19.8	19.7
Gambia, The	20.0	19.2	27.4	26.0	26.0	28.0	27.5
Guinea	18.1	10.2	11.4	14.1	13.7	15.0	18.5
Guinea-Bissau	14.5	12.6	13.2	14.6	12.2	15.6	16.0
Liberia	...	...	...	...	...	...	...
São Tomé and Príncipe[1]	...	...	...	...	...	...	...
Sierra Leone	6.2	13.9	10.7	17.4	15.5	17.2	19.4
Togo	12.0	10.8	11.1	11.8	13.0	13.1	15.1
Zimbabwe	11.5	-13.0	5.1	4.4	13.8	17.5	...
Sub-Saharan Africa	**18.6**	**19.3**	**19.9**	**19.7**	**21.1**	**21.8**	**21.8**
Including Zimbabwe	18.1	18.5	19.8	19.6	21.0	21.7	...
Excluding Nigeria and South Africa	19.6	20.7	20.5	20.0	20.5	21.5	21.7
Oil-importing countries	**17.2**	**17.9**	**19.5**	**19.8**	**21.5**	**22.2**	**22.6**
Excluding South Africa	18.6	20.1	20.9	21.2	21.7	23.2	24.3
CFA franc zone	19.4	21.4	20.6	20.6	21.0	22.8	23.6
WAEMU	16.1	16.9	17.5	18.5	18.3	19.6	20.7
CEMAC	23.8	26.8	24.0	22.7	23.5	26.1	26.4
EAC-5	15.4	17.2	18.5	20.0	22.4	22.2	23.5
SADC	17.6	17.9	19.1	18.7	20.6	20.7	20.4
SACU	17.1	17.6	19.6	19.5	21.8	21.9	22.0
COMESA	17.5	17.7	17.5	17.1	18.3	18.6	18.4
Resource-intensive countries	**22.3**	**22.9**	**21.1**	**19.5**	**19.9**	**20.7**	**20.6**
Oil	23.6	23.4	21.1	19.4	20.1	20.8	20.3
Non-oil	19.3	21.5	21.3	20.0	19.3	20.2	22.4
Non-resource-intensive countries	**16.9**	**17.4**	**19.3**	**19.8**	**21.8**	**22.4**	**22.6**
Coastal	16.7	17.2	19.2	19.7	22.2	22.6	22.8
Landlocked	17.8	19.0	19.8	20.0	19.9	21.5	21.9
MDRI	18.8	21.1	22.2	22.5	23.0	25.0	25.7
Fixed exchange rate regime	21.6	23.6	22.8	22.1	22.0	24.1	25.1
Floating exchange rate regime	17.9	18.1	19.2	19.1	20.9	21.2	21.1

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.
[1] São Tomé and Príncipe is not included in the aggregate grouping because of data limitations.

Table SA7. Domestic Saving
(Percent of GDP)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**29.0**	**31.1**	**36.6**	**42.2**	**45.1**	**39.2**	**41.5**
Excluding Nigeria	**28.7**	**29.8**	**33.4**	**41.7**	**46.6**	**41.8**	**44.3**
Angola	24.3	19.2	25.1	37.9	47.2	40.2	44.3
Cameroon	19.1	17.8	18.5	16.2	17.3	16.2	17.0
Chad	-5.3	20.9	18.8	30.5	35.7	37.4	33.4
Congo, Rep. of	45.0	52.7	48.0	57.7	64.3	58.3	59.8
Equatorial Guinea	63.0	78.7	83.0	86.9	84.9	84.3	83.0
Gabon	48.7	48.1	54.7	62.1	59.1	55.4	57.6
Nigeria	29.0	32.1	39.2	42.6	43.9	36.9	38.6
Middle-income countries	**19.4**	**19.8**	**19.4**	**19.0**	**19.2**	**19.0**	**18.9**
Excluding South Africa	**25.2**	**29.9**	**29.3**	**28.9**	**29.8**	**30.0**	**29.9**
Botswana	48.0	48.9	49.9	51.8	54.2	54.8	53.7
Cape Verde	-5.3	-6.5	-1.5	4.3	4.9	6.7	9.1
Lesotho	-23.4	-20.0	-16.3	-21.9	-22.8	-22.9	-17.3
Mauritius	24.4	25.8	23.3	19.0	15.6	14.3	14.7
Namibia	13.8	23.2	22.3	24.7	29.5	33.0	31.2
Seychelles	19.4	21.5	14.7	3.8	10.2	-0.9	8.9
South Africa	18.6	18.4	18.1	17.8	18.0	17.8	17.7
Swaziland	5.0	19.9	16.8	13.9	12.0	10.1	8.5
Low-income countries	**7.2**	**9.0**	**9.8**	**8.9**	**11.2**	**10.6**	**10.4**
Benin	7.1	6.7	6.7	9.5	7.1	10.8	11.9
Burkina Faso	9.5	7.9	8.9	7.8	9.3	8.5	9.2
Ethiopia	6.6	3.6	5.4	2.6	5.2	-0.8	-0.1
Ghana	6.4	10.9	7.3	3.4	4.7	7.7	6.6
Kenya	6.0	6.2	7.5	9.2	9.5	6.9	6.6
Madagascar	8.3	8.9	9.4	8.4	13.7	8.5	10.7
Malawi	2.2	3.9	7.1	-5.2	-1.8	6.9	7.8
Mali	13.4	14.0	13.5	13.7	19.4	18.5	19.2
Mozambique	9.6	10.6	13.2	10.8	18.8	20.9	19.5
Niger	3.9	6.3	3.6	8.5	8.8	8.1	10.9
Rwanda	-0.5	-0.8	2.2	2.3	1.8	1.4	1.4
Senegal	11.1	13.8	14.0	14.2	10.9	14.1	14.7
Tanzania	6.8	14.5	13.6	11.7	10.2	10.2	9.9
Uganda	7.0	5.9	8.7	7.2	8.6	9.8	9.5
Zambia	6.8	13.1	19.8	20.3	32.1	33.1	29.4
Fragile countries	**15.0**	**12.8**	**11.7**	**9.2**	**10.2**	**9.7**	**10.5**
Including Zimbabwe	**11.9**	**3.6**	**9.7**	**7.3**	**10.4**	**11.7**	**...**
Burundi	-4.4	-8.7	-11.0	-17.4	-21.1	-20.0	-12.7
Central African Republic	4.8	1.7	0.1	0.2	1.9	3.0	2.9
Comoros	-7.2	-5.8	-10.6	-12.9	-14.0	-11.4	-8.0
Congo, Dem. Rep. of	15.5	10.0	8.8	2.2	3.0	5.3	5.0
Côte d'Ivoire	21.2	21.0	20.0	17.2	20.1	18.1	19.2
Eritrea	-30.0	-65.7	-57.1	-30.2	-19.0	-15.3	-4.0
Gambia, The	11.0	6.3	-5.5	-10.8	-2.3	-7.6	-5.7
Guinea	14.6	7.8	7.1	10.9	9.1	6.9	7.4
Guinea-Bissau	-7.8	-1.6	-3.0	-3.1	-18.6	-4.8	-1.0
Liberia	...	...	...	...	...	...	...
São Tomé and Príncipe[1]	...	...	...	...	...	...	...
Sierra Leone	-3.9	-3.7	-0.4	4.3	5.7	5.7	4.4
Togo	-1.0	-3.1	-3.9	-5.0	-6.6	-8.0	-6.3
Zimbabwe	9.0	-21.1	-3.7	-6.7	11.2	17.1	...
Sub-Saharan Africa	**18.4**	**19.7**	**21.4**	**23.3**	**25.4**	**23.3**	**24.7**
Including Zimbabwe	17.8	18.7	21.2	23.1	25.3	23.2	...
Excluding Nigeria and South Africa	15.1	17.1	18.8	21.1	24.6	22.8	24.8
Oil-importing countries	**15.3**	**16.0**	**16.2**	**15.5**	**16.2**	**15.7**	**15.6**
Excluding South Africa	11.6	13.1	13.5	12.2	13.8	13.1	13.1
CFA franc zone	20.4	22.6	24.2	27.8	29.5	27.9	28.9
WAEMU	13.7	13.7	13.2	12.6	13.5	13.5	14.6
CEMAC	29.2	33.6	36.5	43.0	44.9	42.4	43.2
EAC-5	5.8	8.0	9.0	8.7	8.5	7.5	7.4
SADC	18.1	18.6	19.0	19.6	22.1	21.7	23.1
SACU	19.3	19.7	19.4	19.1	19.4	19.3	19.1
COMESA	11.0	11.6	14.2	17.2	23.4	21.0	24.6
Resource-intensive countries	**27.2**	**29.5**	**33.9**	**38.9**	**42.2**	**37.4**	**39.3**
Oil	29.0	31.1	36.6	42.2	45.1	39.2	41.5
Non-oil	22.6	24.8	25.6	26.1	30.1	29.3	28.6
Non-resource-intensive countries	**14.3**	**14.8**	**15.0**	**14.2**	**14.5**	**14.0**	**14.0**
Coastal	15.7	16.3	16.3	15.8	15.9	15.5	15.5
Landlocked	7.0	6.4	7.1	4.5	6.1	5.5	6.0
MDRI	9.0	10.7	11.5	9.9	12.3	12.1	12.0
Fixed exchange rate regime	21.3	24.2	25.5	28.4	30.1	28.9	29.7
Floating exchange rate regime	17.7	18.6	20.4	22.1	24.3	22.1	23.6

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.
[1] São Tomé and Príncipe is not included in the aggregate grouping because of data limitations.

Table SA8. Overall Fiscal Balance, Including Grants
(Central government; percent of GDP)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**-3.1**	**-0.8**	**5.1**	**8.7**	**12.6**	**3.8**	**7.4**
Excluding Nigeria	**-4.2**	**-0.2**	**1.9**	**7.9**	**17.8**	**5.5**	**6.9**
Angola	-13.0	-6.4	-0.5	7.3	14.8	2.2	6.1
Cameroon	-0.8	1.2	-0.5	3.5	32.4	4.2	3.1
Chad	-5.1	-6.3	-3.0	-0.4	2.4	3.5	-8.8
Congo, Rep. of	-7.1	0.4	3.6	15.6	17.2	9.9	15.2
Equatorial Guinea	5.5	11.7	12.5	19.7	23.5	22.7	20.9
Gabon	1.2	7.4	8.3	8.6	9.2	9.8	10.8
Nigeria	-2.1	-1.3	7.7	9.3	8.4	2.3	7.9
Middle-income countries	**-2.3**	**-2.2**	**-1.7**	**-0.4**	**0.6**	**0.6**	**0.0**
Excluding South Africa	**-2.6**	**-3.5**	**-2.1**	**1.1**	**3.2**	**0.1**	**-0.6**
Botswana	1.4	-1.0	0.9	6.8	11.1	3.5	3.8
Cape Verde	-10.6	-4.3	-3.8	-6.4	-5.2	-3.4	-3.2
Lesotho	-3.5	-0.4	5.6	4.8	13.4	7.7	6.3
Mauritius	-5.1	-6.2	-5.3	-5.0	-5.4	-4.3	-4.1
Namibia	-3.3	-6.5	-4.4	-1.4	-0.1	-0.4	-3.4
Seychelles	-12.3	0.6	-0.8	2.3	-7.1	-5.8	-9.2
South Africa	-2.2	-2.0	-1.7	-0.6	0.4	0.7	0.1
Swaziland	-1.3	-2.8	-4.6	-1.6	0.5	-2.0	-3.7
Low-income countries	**-3.3**	**-3.2**	**-2.6**	**-2.6**	**3.8**	**-4.0**	**-3.8**
Benin	-0.2	-1.9	-1.0	-2.5	-0.2	-2.0	-1.8
Burkina Faso [1]	-3.5	-2.9	-4.3	-4.9	16.1	-6.3	-5.7
Ethiopia	-5.9	-7.0	-3.2	-4.7	-4.4	-4.3	-3.8
Ghana	-7.8	-3.3	-3.1	-1.7	-7.0	-6.3	-5.8
Kenya	-1.3	-1.7	-0.1	-1.7	-2.6	-3.0	-3.8
Madagascar	-4.2	-4.8	-5.7	-4.3	37.5	-5.8	-4.4
Malawi	-6.2	-4.7	-4.8	-1.1	-1.7	-3.8	-0.8
Mali [1]	-3.4	-1.3	-2.6	-3.2	31.2	-3.6	-4.3
Mozambique	-4.2	-4.1	-4.3	-2.1	-1.3	-4.5	-3.3
Niger [1]	-3.5	-2.8	-3.6	-2.0	40.9	-3.6	-2.5
Rwanda	-2.0	-2.5	-0.2	0.7	-0.5	-2.0	-1.3
Senegal	-0.5	-1.6	-2.9	-3.2	-6.1	-4.8	-4.5
Tanzania	-1.0	-1.4	-3.0	-3.2	-5.2	-4.1	-4.0
Uganda	-3.4	-4.3	-1.7	-0.6	-0.8	-2.6	-3.6
Zambia [1]	-4.5	-6.0	-2.9	-2.7	19.7	-2.7	-2.0
Fragile countries	**-2.9**	**-3.7**	**-2.9**	**-2.4**	**-1.6**	**1.4**	**1.5**
Including Zimbabwe	**-4.2**	**-2.8**	**-3.5**	**-2.8**	**-2.3**	**-5.9**	**...**
Burundi	-4.2	-6.2	-4.9	-5.1	-1.7	0.7	86.6
Central African Republic	-1.0	-3.1	-2.2	-4.5	7.1	2.5	0.7
Comoros	-3.1	-3.4	-1.7	0.1	-2.6	-2.0	-2.4
Congo, Dem. Rep. of	-4.6	-4.7	-4.9	-3.6	-1.2	-0.1	-0.2
Côte d'Ivoire	-1.4	-2.9	-1.7	-1.7	-1.8	0.3	-0.2
Eritrea	-34.4	-16.7	-19.5	-17.8	-17.0	-18.1	-18.4
Gambia, The	-5.4	-4.7	-5.7	-8.6	-6.3	1.8	-1.8
Guinea	-3.1	-6.2	-4.9	-1.5	-2.1	1.0	-1.2
Guinea-Bissau	-11.1	-12.9	-15.0	-11.9	-9.8	-17.3	-9.9
Liberia	...	0.9	0.0	0.0	4.8	1.2	-0.7
São Tomé and Príncipe	-15.1	-7.3	-11.9	26.1	-12.6	124.9	9.3
Sierra Leone [1]	-8.9	-6.7	-3.5	-2.7	-2.7	23.7	-4.3
Togo	-2.5	2.4	1.0	-2.4	-2.8	-2.5	-2.6
Zimbabwe	-7.7	-0.2	-7.6	-6.0	-7.3	-24.6	...
Sub-Saharan Africa	**-2.7**	**-2.2**	**-0.2**	**1.7**	**5.0**	**0.8**	**1.9**
Including Zimbabwe	-2.8	-2.1	-0.3	1.7	4.9	0.2	...
Excluding Nigeria and South Africa	-3.2	-2.6	-1.4	1.0	7.7	0.2	1.1
Oil-importing countries	**-2.6**	**-2.6**	**-2.0**	**-1.2**	**1.4**	**-0.7**	**-1.0**
Excluding South Africa	-3.1	-3.3	-2.6	-2.0	2.7	-2.4	-2.4
CFA franc zone	-1.4	-0.1	0.2	2.6	13.6	3.1	2.7
WAEMU	-1.9	-2.2	-2.4	-2.8	6.8	-2.7	-2.7
CEMAC	-0.9	2.5	3.0	7.9	20.0	9.0	8.0
EAC-5	-1.7	-2.2	-1.4	-1.9	-2.8	-3.1	-2.1
SADC	-2.8	-2.6	-1.9	0.0	3.2	0.4	0.8
SACU	-2.1	-2.0	-1.6	-0.3	0.8	0.8	0.2
COMESA	-4.8	-4.8	-2.4	0.2	6.5	-1.1	1.3
Resource-intensive countries	**-2.6**	**-1.6**	**3.4**	**7.0**	**11.3**	**3.4**	**6.1**
Oil	-3.1	-0.8	5.1	8.7	12.6	3.8	7.4
Non-oil	-1.9	-3.7	-2.0	0.2	5.8	1.3	-0.3
Non-resource-intensive countries	**-2.7**	**-2.4**	**-2.1**	**-1.4**	**0.8**	**-1.0**	**-1.1**
Coastal	-2.5	-2.2	-1.9	-1.1	-0.1	-0.6	-1.1
Landlocked	-4.1	-4.1	-3.1	-2.7	6.5	-2.8	-1.5
MDRI	-3.4	-2.8	-2.7	-1.9	9.0	-2.7	-2.8
Fixed exchange rate regime	-1.5	-0.6	-0.1	2.6	12.0	2.8	2.2
Floating exchange rate regime	-2.9	-2.6	-0.2	1.5	3.3	0.3	1.9

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.
[1] The fiscal balance of a number of countries has been particulary distorted by MDRI relief in 2006/07. If MDRI relief had been provided on a flow basis, the fiscal balance in percent of GDP for 2006 would have been -5.0 percent for Burkina Faso, -5.1 percent for Madagascar, -3.4 percent for Mali, -3.7 percent for Niger , and -2.7 percent for Zambia; and, in 2007, -0.3 percent for Sierrra Leone.

Table SA9. Overall Fiscal Balance, Excluding Grants
(Central government; percent of GDP)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**-3.4**	**-1.2**	**4.9**	**8.5**	**10.2**	**3.6**	**7.2**
Excluding Nigeria	**-5.2**	**-1.2**	**1.4**	**7.4**	**12.3**	**5.0**	**6.6**
Angola	-15.0	-7.2	-1.0	7.1	14.8	2.1	6.0
Cameroon	-1.0	0.7	-0.8	3.0	4.6	2.9	2.1
Chad	-10.5	-14.0	-6.0	-3.7	0.5	0.9	-11.2
Congo, Rep. of	-7.4	-0.1	3.3	15.4	17.1	9.2	14.5
Equatorial Guinea	5.2	11.7	12.5	19.7	23.5	22.7	20.9
Gabon	1.2	7.4	8.2	8.6	9.2	9.7	10.7
Nigeria	-2.1	-1.3	7.7	9.3	8.4	2.3	7.9
Middle-income countries	**-2.4**	**-2.2**	**-1.8**	**-0.5**	**0.6**	**0.6**	**-0.1**
Excluding South Africa	**-3.3**	**-4.1**	**-2.9**	**0.4**	**2.5**	**-0.6**	**-1.6**
Botswana	1.0	-1.2	0.3	6.5	10.5	3.0	3.4
Cape Verde	-19.2	-9.8	-12.7	-12.8	-11.1	-9.7	-8.7
Lesotho	-6.5	-3.1	3.0	2.7	12.3	6.3	1.7
Mauritius	-5.2	-6.5	-5.7	-5.3	-5.6	-4.5	-5.3
Namibia	-3.4	-6.6	-4.5	-1.4	-0.2	-0.7	-3.8
Seychelles	-12.8	0.6	-1.0	1.0	-8.8	-6.7	-10.8
South Africa	-2.2	-2.0	-1.7	-0.6	0.4	0.7	0.1
Swaziland	-2.2	-3.8	-5.4	-2.6	0.0	-2.5	-4.2
Low-income countries	**-7.1**	**-8.1**	**-7.7**	**-7.6**	**-8.2**	**-9.1**	**-8.5**
Benin	-2.8	-3.7	-3.7	-4.6	-2.5	-4.5	-4.2
Burkina Faso	-10.2	-8.3	-8.6	-9.3	-10.8	-11.6	-10.5
Ethiopia	-9.0	-13.6	-8.1	-9.4	-8.5	-10.3	-10.0
Ghana	-10.7	-8.0	-9.5	-6.9	-12.2	-11.4	-9.2
Kenya	-2.2	-3.6	-1.3	-3.0	-3.7	-4.1	-5.1
Madagascar	-7.9	-9.9	-13.9	-10.1	-10.5	-10.6	-7.9
Malawi	-12.2	-12.6	-15.1	-12.8	-14.2	-15.3	-12.4
Mali	-7.9	-5.7	-6.6	-7.3	-8.6	-8.9	-8.3
Mozambique	-14.4	-13.6	-11.8	-8.5	-11.1	-15.9	-14.0
Niger	-8.2	-7.7	-9.4	-9.6	-5.8	-11.6	-10.1
Rwanda	-9.1	-10.5	-12.3	-13.4	-13.0	-15.4	-15.2
Senegal	-2.6	-3.5	-5.0	-4.9	-7.7	-7.0	-6.2
Tanzania	-4.6	-7.2	-8.6	-10.4	-10.9	-11.8	-11.6
Uganda	-9.3	-10.9	-10.7	-8.5	-7.4	-8.5	-7.9
Zambia	-11.1	-13.0	-8.4	-8.3	-5.9	-7.5	-6.4
Fragile countries	**-4.0**	**-5.4**	**-4.8**	**-5.1**	**-5.0**	**-3.4**	**-3.8**
Including Zimbabwe	**-5.2**	**-4.0**	**-5.2**	**-5.2**	**-5.3**	**-9.3**	**...**
Burundi	-6.9	-13.8	-19.7	-16.8	-19.7	-23.5	-20.0
Central African Republic	-1.0	-3.1	-2.2	-4.5	7.1	2.5	0.7
Comoros	-9.0	-5.7	-4.5	-4.2	-7.6	-10.9	-11.7
Congo, Dem. Rep. of	-4.7	-6.7	-6.8	-8.8	-9.4	-4.6	-5.7
Côte d'Ivoire	-2.0	-3.5	-2.6	-2.8	-2.4	-1.0	-1.3
Eritrea	-46.7	-38.5	-37.2	-34.5	-26.5	-27.4	-24.9
Gambia, The	-7.6	-7.2	-10.2	-10.3	-8.0	-6.6	-6.7
Guinea	-5.7	-8.9	-5.9	-2.1	-3.5	-1.6	-2.4
Guinea-Bissau	-21.4	-23.3	-32.2	-24.6	-21.7	-25.2	-17.8
Liberia	...	0.2	-0.3	0.0	4.6	1.0	-0.7
São Tomé and Príncipe	-35.7	-26.6	-31.0	8.9	-28.7	-0.4	-2.1
Sierra Leone	-13.9	-14.4	-12.4	-12.8	-11.0	-12.7	-12.6
Togo	-3.4	1.9	0.2	-3.6	-4.2	-5.4	-5.8
Zimbabwe	-8.4	-0.4	-7.7	-6.0	-7.3	-24.6	...
Sub-Saharan Africa	**-3.8**	**-3.5**	**-1.4**	**0.5**	**1.6**	**-0.7**	**0.6**
Including Zimbabwe	-3.9	-3.4	-1.5	0.5	1.5	-1.2	...
Excluding Nigeria and South Africa	-5.7	-5.5	-4.2	-1.8	0.0	-2.9	-1.7
Oil-importing countries	**-4.0**	**-4.2**	**-3.6**	**-2.8**	**-2.4**	**-2.7**	**-3.0**
Excluding South Africa	-5.9	-6.9	-6.3	-5.8	-6.0	-6.9	-6.7
CFA franc zone	-3.0	-1.8	-1.4	1.0	2.3	1.1	0.9
WAEMU	-4.3	-4.5	-4.8	-5.4	-5.6	-5.9	-5.4
CEMAC	-1.5	1.5	2.5	7.3	10.0	8.1	7.3
EAC-5	-4.8	-6.6	-6.2	-7.0	-7.1	-7.6	-8.0
SADC	-3.6	-3.5	-2.7	-0.9	1.0	-0.6	-0.1
SACU	-2.2	-2.1	-1.7	-0.3	0.8	0.8	0.1
COMESA	-7.3	-8.0	-5.5	-2.9	0.4	-3.7	-1.5
Resource-intensive countries	**-3.4**	**-2.3**	**2.8**	**6.4**	**8.1**	**2.6**	**5.7**
Oil	-3.4	-1.2	4.9	8.5	10.2	3.6	7.2
Non-oil	-3.5	-5.4	-3.6	-1.5	-0.5	-1.8	-2.1
Non-resource-intensive countries	**-4.0**	**-4.0**	**-3.6**	**-2.9**	**-2.6**	**-2.8**	**-3.1**
Coastal	-3.3	-3.2	-2.8	-2.0	-1.7	-1.7	-2.1
Landlocked	-8.0	-9.1	-8.4	-8.6	-7.9	-8.9	-8.7
MDRI	-7.2	-7.6	-7.6	-6.8	-7.2	-8.4	-7.7
Fixed exchange rate regime	-3.0	-2.1	-1.5	1.2	2.8	0.9	0.6
Floating exchange rate regime	-4.0	-3.8	-1.4	0.4	1.3	-1.0	0.6

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.

Table SA10. Government Revenue, Excluding Grants
(Percent of GDP)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**23.6**	**23.3**	**26.9**	**29.6**	**31.8**	**26.4**	**29.3**
Excluding Nigeria	**26.6**	**26.3**	**27.1**	**31.4**	**37.5**	**31.9**	**33.1**
Angola	42.4	37.2	37.5	40.4	46.4	34.4	36.1
Cameroon	14.6	16.1	15.2	17.3	18.9	18.2	18.5
Chad	7.8	7.8	8.5	9.3	16.8	24.0	14.7
Congo, Rep. of	26.9	29.7	30.0	38.6	44.7	38.2	40.5
Equatorial Guinea	22.5	27.3	31.9	37.9	45.7	48.1	47.0
Gabon	32.5	30.1	30.8	31.3	31.7	31.0	30.3
Nigeria	21.4	21.0	26.7	28.1	27.1	21.4	25.5
Middle-income countries	**24.4**	**24.2**	**24.9**	**26.4**	**27.6**	**28.2**	**28.1**
Excluding South Africa	**31.5**	**31.1**	**31.7**	**33.3**	**35.4**	**33.9**	**32.4**
Botswana	39.2	38.2	37.4	39.4	41.5	38.1	36.6
Cape Verde	20.6	21.3	22.8	23.6	25.1	25.6	25.7
Lesotho	43.1	42.2	46.7	48.7	58.4	56.6	54.0
Mauritius	19.4	20.1	19.9	19.8	19.9	18.9	18.9
Namibia	32.1	29.2	30.2	32.7	34.9	36.5	33.4
Seychelles	42.1	47.2	50.0	50.2	52.5	48.3	47.9
South Africa	23.5	23.2	24.0	25.6	26.7	27.6	27.6
Swaziland	28.7	26.1	30.7	32.1	35.7	36.0	33.7
Low-income countries	**14.9**	**15.6**	**16.6**	**16.7**	**16.9**	**17.2**	**17.8**
Benin	15.2	17.0	16.4	16.5	16.8	17.2	18.1
Burkina Faso	12.1	12.1	12.8	12.3	12.5	13.4	13.9
Ethiopia	15.1	16.2	17.0	15.8	16.9	17.3	18.3
Ghana	17.7	20.8	23.8	23.8	21.6	22.3	22.4
Kenya	20.2	19.7	21.2	20.8	20.9	20.0	21.6
Madagascar	10.2	10.3	12.0	10.9	11.2	10.9	11.4
Malawi	16.3	16.0	16.8	18.5	17.4	18.2	18.8
Mali	13.9	16.4	17.4	17.9	17.1	17.4	17.6
Mozambique	12.1	12.9	12.6	13.6	14.0	14.5	15.0
Niger	9.2	10.2	11.4	10.8	13.1	11.9	13.1
Rwanda	10.7	13.5	13.9	15.1	14.8	14.8	15.1
Senegal	16.5	18.1	18.3	19.3	20.0	20.6	20.2
Tanzania	11.2	11.4	11.8	12.5	13.3	14.8	15.2
Uganda	11.5	12.2	12.7	12.8	13.2	13.0	13.4
Zambia	18.8	18.0	18.2	17.4	16.8	17.7	17.9
Fragile countries	**13.7**	**13.8**	**14.6**	**15.3**	**16.5**	**17.1**	**17.4**
Including Zimbabwe	**16.3**	**16.8**	**17.1**	**18.7**	**21.1**	**23.6**	**...**
Burundi	17.7	21.1	20.1	20.0	18.8	20.2	20.0
Central African Republic	14.9	9.2	11.4	12.2	21.2	16.5	14.4
Comoros	12.9	15.8	15.6	15.7	13.6	15.2	15.4
Congo, Dem. Rep. of	5.8	7.7	9.5	11.6	13.2	14.4	14.9
Côte d'Ivoire	17.7	16.8	17.5	17.1	18.2	19.5	19.6
Eritrea	31.9	36.4	27.5	29.6	28.3	28.4	27.2
Gambia, The	17.6	15.7	20.9	19.7	21.2	22.0	21.0
Guinea	11.3	10.5	10.5	13.1	14.1	13.3	14.2
Guinea-Bissau	15.0	15.2	17.2	17.6	19.5	15.2	20.9
Liberia	...	11.1	14.8	14.5	18.8	24.7	24.3
São Tomé and Príncipe	16.6	15.2	16.8	64.7	21.2	39.2	35.7
Sierra Leone	9.4	12.4	12.3	11.9	11.8	12.8	13.3
Togo	13.6	17.0	16.8	15.7	16.9	16.2	17.0
Zimbabwe	24.0	24.9	33.8	43.7	51.3	40.3	...
Sub-Saharan Africa	**21.3**	**21.4**	**23.1**	**24.8**	**26.2**	**24.7**	**25.9**
Including Zimbabwe	21.3	21.5	23.2	25.0	26.4	25.1	...
Excluding Nigeria and South Africa	19.0	19.8	21.0	22.8	25.5	23.7	24.7
Oil-importing countries	**20.5**	**20.7**	**21.8**	**22.9**	**23.6**	**23.9**	**24.1**
Excluding South Africa	17.1	17.8	18.8	19.1	19.6	19.5	19.8
CFA franc zone	17.5	18.0	18.7	20.7	23.3	23.2	23.1
WAEMU	15.5	16.0	16.5	16.4	17.2	17.7	18.0
CEMAC	20.1	20.6	21.2	24.9	29.3	28.7	28.1
EAC-5	15.2	15.5	16.3	16.5	17.0	17.1	18.1
SADC	23.3	23.2	24.3	26.1	28.1	27.4	28.0
SACU	24.5	24.2	24.9	26.5	27.7	28.4	28.3
COMESA	20.3	21.0	22.9	24.7	28.0	24.4	26.4
Resource-intensive countries	**23.6**	**23.1**	**26.0**	**28.5**	**30.4**	**26.0**	**28.4**
Oil	23.6	23.3	26.9	29.6	31.8	26.4	29.3
Non-oil	22.9	22.7	23.2	24.2	24.5	24.4	24.0
Non-resource-intensive countries	**20.1**	**20.5**	**21.7**	**22.7**	**23.5**	**23.9**	**24.1**
Coastal	21.4	21.5	22.6	23.8	24.6	25.1	25.3
Landlocked	13.5	14.5	15.8	16.1	17.1	17.1	17.4
MDRI	13.8	15.0	15.6	16.0	16.4	16.7	17.1
Fixed exchange rate regime	21.1	21.3	22.0	23.8	26.3	25.9	25.4
Floating exchange rate regime	21.4	21.4	23.4	25.1	26.2	24.5	26.0

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.

Table SA11. Government Expenditure
(Central government; percent of GDP)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**27.1**	**24.5**	**22.0**	**21.1**	**21.6**	**22.8**	**22.0**
Excluding Nigeria	**31.8**	**27.5**	**25.7**	**24.0**	**25.2**	**26.9**	**26.5**
Angola	57.4	44.3	38.5	33.3	31.6	32.3	30.1
Cameroon	15.6	15.4	16.0	14.4	14.2	15.2	16.4
Chad	18.3	21.9	14.4	13.1	16.3	23.1	25.9
Congo, Rep. of	34.3	29.8	26.7	23.2	27.6	29.0	26.0
Equatorial Guinea	17.3	15.6	19.3	18.2	22.2	25.4	26.1
Gabon	31.3	22.8	22.6	22.8	22.5	21.2	19.6
Nigeria	23.6	22.3	19.0	18.9	18.7	19.0	17.6
Middle-income countries	**26.7**	**26.4**	**26.7**	**26.9**	**27.0**	**27.7**	**28.2**
Excluding South Africa	**34.8**	**35.1**	**34.6**	**32.8**	**32.9**	**34.5**	**34.0**
Botswana	38.2	39.4	37.1	32.9	31.0	35.2	33.3
Cape Verde	39.9	31.1	35.6	36.4	36.2	35.3	34.3
Lesotho	49.5	45.3	43.7	45.9	46.2	50.3	52.3
Mauritius	24.6	26.6	25.6	25.1	25.5	23.5	24.2
Namibia	35.5	35.9	34.7	34.1	35.1	37.2	37.2
Seychelles	54.9	46.6	51.0	49.2	61.2	55.0	58.7
South Africa	25.7	25.2	25.7	26.2	26.3	26.9	27.5
Swaziland	31.0	29.9	36.1	34.7	35.7	38.5	37.9
Low-income countries	**22.0**	**23.7**	**24.3**	**24.2**	**25.1**	**26.3**	**26.3**
Benin	18.0	20.6	20.1	21.1	19.3	21.6	22.2
Burkina Faso	22.3	20.4	21.4	21.7	23.3	25.0	24.4
Ethiopia	24.1	29.7	25.1	25.2	25.4	27.7	28.3
Ghana	28.4	28.8	33.3	30.7	33.8	33.7	31.6
Kenya	22.3	23.4	22.5	23.7	24.6	24.0	26.8
Madagascar	18.1	20.2	26.0	21.0	21.8	21.5	19.4
Malawi	28.5	28.6	31.9	31.3	31.7	33.5	31.1
Mali	21.8	22.1	24.0	25.2	25.7	26.3	25.9
Mozambique	26.5	26.5	24.5	22.1	25.1	30.5	29.0
Niger	17.4	18.0	20.8	20.4	19.0	23.5	23.2
Rwanda	19.8	24.1	26.1	28.5	27.8	30.1	30.2
Senegal	19.1	21.6	23.3	24.2	27.7	27.7	26.4
Tanzania	15.7	18.6	20.4	22.9	24.2	26.5	26.8
Uganda	20.8	23.1	23.3	21.3	20.6	21.4	21.4
Zambia	29.9	30.9	26.6	25.7	22.7	25.2	24.3
Fragile countries	**17.8**	**19.2**	**19.4**	**20.4**	**21.5**	**20.4**	**21.2**
Including Zimbabwe	**21.5**	**20.8**	**22.2**	**23.9**	**26.4**	**32.8**	**...**
Burundi	24.6	34.9	39.8	36.8	38.5	43.7	39.9
Central African Republic	15.9	12.3	13.5	16.7	14.1	14.0	13.7
Comoros	21.9	21.5	20.1	19.9	21.2	26.1	27.1
Congo, Dem. Rep. of	10.5	14.4	16.3	20.4	22.6	19.0	20.6
Côte d'Ivoire	19.7	20.4	20.1	19.9	20.6	20.5	20.9
Eritrea	78.6	74.9	64.7	64.1	54.8	55.7	52.1
Gambia, The	25.2	22.9	31.1	30.0	29.2	28.7	27.8
Guinea	17.0	19.4	16.4	15.2	17.6	15.0	16.6
Guinea-Bissau	36.4	38.5	49.4	42.2	41.3	40.4	38.7
Liberia	...	10.9	15.1	14.5	14.2	23.7	25.0
São Tomé and Príncipe	52.3	41.9	47.8	55.8	49.9	39.6	37.8
Sierra Leone	23.4	26.7	24.8	24.6	22.8	25.5	25.9
Togo	17.0	15.1	16.6	19.3	21.1	21.6	22.8
Zimbabwe	32.4	25.3	41.5	49.6	58.6	64.9	...
Sub-Saharan Africa	**25.1**	**24.8**	**24.5**	**24.3**	**24.6**	**25.4**	**25.3**
Including Zimbabwe	25.2	24.9	24.7	24.5	24.9	26.2	...
Excluding Nigeria and South Africa	24.7	25.3	25.2	24.6	25.5	26.6	26.5
Oil-importing countries	**24.4**	**25.0**	**25.4**	**25.7**	**26.0**	**26.7**	**27.0**
Excluding South Africa	23.0	24.6	25.1	24.9	25.6	26.4	26.4
CFA franc zone	20.5	19.9	20.1	19.7	21.0	22.1	22.2
WAEMU	19.8	20.5	21.4	21.8	22.8	23.6	23.5
CEMAC	21.6	19.0	18.7	17.6	19.3	20.6	20.9
EAC-5	20.0	22.1	22.5	23.5	24.1	24.8	26.1
SADC	26.9	26.8	27.0	27.0	27.1	28.0	28.1
SACU	26.6	26.3	26.6	26.9	26.9	27.7	28.2
COMESA	27.6	29.0	28.4	27.6	27.5	28.1	28.0
Resource-intensive countries	**26.9**	**25.5**	**23.2**	**22.0**	**22.3**	**23.4**	**22.7**
Oil	27.1	24.5	22.0	21.1	21.6	22.8	22.0
Non-oil	26.4	28.2	26.8	25.7	25.0	26.3	26.0
Non-resource-intensive countries	**24.2**	**24.5**	**25.3**	**25.7**	**26.1**	**26.7**	**27.2**
Coastal	24.7	24.7	25.4	25.8	26.3	26.8	27.3
Landlocked	21.4	23.6	24.2	24.7	25.0	26.0	26.1
MDRI	21.0	22.5	23.3	22.9	23.6	25.2	24.8
Fixed exchange rate regime	24.1	23.5	23.6	22.7	23.6	24.9	24.8
Floating exchange rate regime	25.3	25.2	24.8	24.7	24.9	25.5	25.4

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.

Table SA12. Broad Money
(Percent of GDP)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**18.9**	**21.9**	**19.9**	**17.9**	**21.2**	**22.1**	**21.4**
Excluding Nigeria	**15.1**	**16.0**	**15.2**	**14.8**	**16.8**	**18.3**	**17.7**
Angola	19.4	17.3	16.4	16.2	19.0	19.0	17.9
Cameroon	14.1	17.7	18.1	17.6	17.9	18.1	18.2
Chad	12.0	11.5	8.1	7.3	9.0	20.1	17.3
Congo, Rep. of	14.3	14.0	13.6	14.3	15.7	21.1	20.5
Equatorial Guinea	6.4	9.0	8.0	7.0	7.1	8.8	9.9
Gabon	14.0	15.5	16.1	17.1	18.9	21.1	21.1
Nigeria	21.5	26.4	23.6	20.3	24.8	25.5	25.2
Middle-income countries	**57.3**	**62.1**	**63.5**	**69.1**	**75.8**	**81.5**	**86.6**
Excluding South Africa	**45.6**	**47.1**	**47.8**	**48.2**	**55.5**	**57.5**	**58.6**
Botswana	25.6	28.4	28.8	27.5	39.7	43.1	43.1
Cape Verde	67.9	71.5	76.6	81.9	85.9	84.7	84.9
Lesotho	31.3	29.2	27.8	28.6	34.7	34.7	34.7
Mauritius	77.6	83.6	84.9	88.8	91.3	90.9	91.0
Namibia	38.6	40.3	43.7	45.0	52.7	54.0	58.4
Seychelles	90.6	110.8	125.0	123.1	117.8	112.4	116.8
South Africa	58.8	64.1	65.4	71.5	78.1	84.3	89.8
Swaziland	23.6	20.6	21.3	20.9	21.1	24.2	26.8
Low-income countries	**25.3**	**29.2**	**29.0**	**28.3**	**30.1**	**30.3**	**31.5**
Benin	28.0	29.4	26.5	29.8	32.4	31.8	31.8
Burkina Faso	21.9	27.1	23.1	20.3	21.0	21.0	21.0
Ethiopia	35.5	44.3	41.4	41.1	41.1	41.7	42.3
Ghana	25.9	32.0	33.4	31.3	35.7	36.6	38.1
Kenya	38.3	39.5	39.8	38.6	39.8	36.1	38.3
Madagascar	21.3	21.9	21.6	18.3	19.5	20.8	22.8
Malawi	15.1	14.9	16.0	15.4	14.2	14.7	14.8
Mali	22.1	30.5	29.4	29.7	28.8	29.7	29.8
Mozambique	24.5	28.3	25.6	27.6	27.7	28.3	28.9
Niger	8.3	12.7	15.2	14.2	15.4	16.1	17.3
Rwanda	17.0	18.5	17.8	18.3	17.7	20.2	20.4
Senegal	23.4	32.1	34.1	34.0	36.5	39.4	41.9
Tanzania	18.1	20.7	21.0	23.0	26.8	28.7	30.8
Uganda	15.0	20.2	19.6	18.5	19.0	19.7	20.6
Zambia	20.5	21.8	22.4	18.0	21.5	19.6	20.0
Fragile countries	**17.9**	**18.2**	**20.0**	**20.4**	**21.6**	**21.4**	**21.4**
Including Zimbabwe	**23.3**	**29.2**	**23.0**	**28.1**	**34.7**	**129.8**	**...**
Burundi	19.8	27.0	27.7	29.7	29.6	31.6	30.9
Central African Republic	16.5	13.9	16.0	17.8	15.8	16.1	16.1
Comoros	20.5	22.4	20.7	20.0	20.2	21.9	22.2
Congo, Dem. Rep. of	6.0	5.9	8.3	8.1	10.1	9.3	10.0
Côte d'Ivoire	23.7	22.1	23.7	24.1	25.0	25.3	25.3
Eritrea	126.2	141.8	127.1	124.3	118.7	118.0	115.5
Gambia, The	34.0	45.8	45.1	46.6	54.4	52.6	52.6
Guinea	10.7	15.1	16.6	17.2	19.9	19.1	18.4
Guinea-Bissau	38.7	22.0	30.5	33.0	34.3	39.2	37.3
Liberia	...	15.2	18.7	21.2	23.4	24.9	25.3
São Tomé and Príncipe	18.3	29.7	27.9	36.4	39.5	38.5	38.5
Sierra Leone	16.5	20.5	19.6	21.5	21.7	21.5	21.7
Togo	24.6	27.6	31.0	28.9	33.9	35.2	33.9
Zimbabwe	36.6	58.7	43.8	84.8	121.0	410.1	...
Sub-Saharan Africa	**38.2**	**42.0**	**42.8**	**43.4**	**46.3**	**48.2**	**49.2**
Including Zimbabwe	38.2	42.4	42.8	43.8	47.0	56.0	...
Excluding Nigeria and South Africa	24.3	26.6	26.3	25.5	27.2	27.7	27.5
Oil-importing countries	**43.7**	**48.5**	**50.7**	**54.1**	**58.2**	**60.9**	**64.3**
Excluding South Africa	26.6	29.8	30.3	30.1	32.3	32.4	33.4
CFA franc zone	18.8	21.1	20.8	20.1	21.1	23.1	23.2
WAEMU	22.7	25.8	26.3	26.3	27.6	28.5	29.0
CEMAC	13.6	15.3	14.6	14.1	14.8	17.6	17.4
EAC-5	26.1	29.0	29.0	28.9	31.0	30.3	32.0
SADC	49.4	53.4	54.9	58.2	61.9	64.7	65.9
SACU	56.4	61.2	62.7	68.4	75.3	81.2	86.4
COMESA	29.7	31.4	31.0	29.0	29.5	28.5	27.7
Resource-intensive countries	**20.3**	**22.8**	**21.5**	**19.6**	**22.9**	**23.7**	**23.1**
Oil	18.9	21.9	19.9	17.9	21.2	22.1	21.4
Non-oil	23.7	25.1	26.7	26.2	30.5	30.8	31.4
Non-resource-intensive countries	**46.3**	**51.6**	**53.7**	**57.4**	**61.6**	**64.6**	**68.3**
Coastal	51.3	56.5	58.5	63.0	68.1	71.8	76.1
Landlocked	20.0	24.1	23.7	23.4	23.9	24.6	25.3
MDRI	21.1	25.5	25.3	24.9	26.5	27.3	28.2
Fixed exchange rate regime	21.9	24.1	24.1	23.4	25.6	27.5	27.8
Floating exchange rate regime	42.3	46.7	47.6	48.3	51.2	52.9	53.8

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.

Table SA13. Broad Money Growth
(Percent)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**36.9**	**22.8**	**18.3**	**23.7**	**38.5**	**17.6**	**16.0**
Excluding Nigeria	**51.3**	**21.1**	**24.0**	**34.4**	**36.7**	**25.7**	**17.5**
Angola	252.1	67.5	49.8	59.7	59.6	28.8	23.0
Cameroon	16.2	-0.9	7.3	4.2	9.3	7.5	8.3
Chad	7.5	-3.1	3.3	19.7	32.3	111.9	-14.9
Congo, Rep. of	10.9	-2.4	17.4	37.2	37.7	14.1	11.9
Equatorial Guinea	36.3	56.7	33.5	34.7	14.1	28.3	29.8
Gabon	7.7	-0.3	11.8	27.6	21.0	13.2	9.6
Nigeria	28.0	24.1	14.0	16.0	39.9	10.7	14.5
Middle-income countries	**13.9**	**12.9**	**13.1**	**19.4**	**23.7**	**21.2**	**17.8**
Excluding South Africa	**14.8**	**13.3**	**13.1**	**10.4**	**34.5**	**17.6**	**14.4**
Botswana	21.8	17.6	13.9	10.6	67.4	23.5	11.5
Cape Verde	8.0	8.6	10.5	15.5	17.5	11.8	11.6
Lesotho	8.7	6.0	3.3	9.1	35.4	11.4	12.9
Mauritius	12.2	12.5	12.7	13.1	11.2	14.0	12.8
Namibia	13.0	9.6	16.2	9.7	29.8	13.7	19.7
Seychelles	15.4	6.0	14.0	1.7	3.0	5.6	24.3
South Africa	13.8	12.9	13.1	20.5	22.5	21.7	18.2
Swaziland	10.9	14.1	10.4	5.9	9.1	22.7	18.5
Low-income countries	**15.0**	**22.0**	**12.6**	**12.4**	**21.9**	**16.6**	**16.0**
Benin	13.3	6.6	-6.7	21.8	16.3	5.2	8.4
Burkina Faso	5.2	54.0	-7.2	-3.8	10.2	6.9	9.3
Ethiopia	8.9	14.7	10.9	19.6	17.4	28.9	25.5
Ghana	37.7	38.1	25.9	14.3	38.8	21.1	21.3
Kenya	6.1	11.5	13.4	9.1	17.1	11.2	11.2
Madagascar	14.3	6.3	18.4	4.6	24.6	24.6	25.3
Malawi	31.1	29.3	29.8	14.3	17.4	18.3	13.6
Mali	12.4	25.5	-2.4	9.5	7.2	11.8	8.0
Mozambique	28.2	18.7	5.9	27.1	23.4	16.2	15.4
Niger	6.5	42.2	20.3	6.6	16.2	14.0	13.0
Rwanda	14.2	15.2	12.1	16.7	11.2	28.1	10.9
Senegal	10.3	31.5	12.9	7.4	12.7	18.2	16.0
Tanzania	14.3	22.7	18.0	25.5	31.6	21.0	21.0
Uganda	18.9	23.3	9.0	8.7	16.4	20.5	15.6
Zambia	32.0	23.4	30.2	0.4	45.1	6.0	12.4
Fragile countries	**33.2**	**-2.1**	**23.1**	**15.3**	**22.7**	**9.8**	**12.2**
Including Zimbabwe	**51.4**	**53.1**	**39.3**	**41.1**	**70.9**	**510.8**	**...**
Burundi	15.8	23.3	16.7	26.0	8.5	17.4	9.3
Central African Republic	-2.7	-8.0	14.2	16.5	-4.2	8.9	6.9
Comoros	11.4	-1.1	-6.3	3.1	4.2	15.0	9.2
Congo, Dem. Rep. of	225.5	48.3	60.0	25.9	48.8	14.8	24.2
Côte d'Ivoire	10.2	-26.6	9.5	7.4	10.3	4.8	7.5
Eritrea	26.8	12.9	11.4	11.9	15.3	22.1	24.8
Gambia, The	22.5	43.4	18.3	13.1	26.2	8.0	10.5
Guinea	14.9	35.3	37.0	37.2	59.4	16.6	15.1
Guinea-Bissau	34.7	-65.3	44.0	20.6	5.3	21.6	0.8
Liberia	...	8.3	49.3	35.7	34.4	33.6	20.1
São Tomé and Príncipe	36.6	43.9	7.4	45.9	39.3	25.0	17.6
Sierra Leone	28.8	26.2	18.9	32.8	20.9	17.6	19.7
Togo	3.3	11.4	18.3	1.4	22.1	9.0	1.6
Zimbabwe	74.3	413.5	222.6	520.0	1,416.6	51,656.2	...
Sub-Saharan Africa	**20.3**	**16.1**	**15.0**	**19.0**	**27.8**	**18.4**	**16.5**
Including Zimbabwe	23.1	20.5	16.1	20.5	30.5	34.8	...
Excluding Nigeria and South Africa	24.4	16.6	17.2	18.7	27.9	18.8	16.0
Oil-importing countries	**15.9**	**13.9**	**13.8**	**17.1**	**23.1**	**18.8**	**16.8**
Excluding South Africa	18.5	15.2	14.8	12.6	23.9	15.4	15.1
CFA franc zone	10.8	3.7	8.9	13.2	15.1	15.4	9.7
WAEMU	9.3	4.3	6.2	7.2	11.8	9.3	9.6
CEMAC	12.8	3.1	12.1	19.4	18.3	21.9	9.8
EAC-5	11.6	17.3	13.9	14.2	20.1	16.1	14.3
SADC	22.7	17.1	16.7	22.3	28.9	21.7	18.9
SACU	14.0	13.0	13.1	19.6	24.1	21.5	17.9
COMESA	38.7	25.1	24.9	23.1	33.8	20.8	19.4
Resource-intensive countries	**30.3**	**16.2**	**17.9**	**20.7**	**37.6**	**16.4**	**15.3**
Oil	36.9	22.8	18.3	23.7	38.5	17.6	16.0
Non-oil	15.6	-0.6	16.7	9.9	34.0	11.1	11.7
Non-resource-intensive countries	**16.0**	**16.0**	**13.5**	**18.0**	**21.8**	**19.8**	**17.4**
Coastal	14.0	14.2	13.3	18.9	22.4	20.0	17.5
Landlocked	27.6	27.1	14.3	12.6	18.3	18.5	16.9
MDRI	17.0	20.0	11.7	11.9	20.9	16.4	15.8
Fixed exchange rate regime	11.7	5.6	9.7	12.5	19.5	16.0	10.6
Floating exchange rate regime	22.6	19.0	16.3	20.6	29.8	19.0	17.8

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.

Table SA14. Claims on Nonfinancial Private Sector
(Percent of broad money)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**58.0**	**55.0**	**56.5**	**60.0**	**56.6**	**65.4**	**65.9**
Excluding Nigeria	**51.5**	**48.6**	**44.4**	**42.1**	**43.7**	**45.3**	**48.3**
Angola	21.1	32.2	35.2	34.7	42.0	45.2	47.3
Cameroon	60.3	61.0	56.9	59.7	55.7	55.8	58.7
Chad	50.2	53.8	49.3	48.4	45.7	20.9	27.0
Congo, Rep. of	53.5	28.2	25.1	18.6	14.9	14.6	14.4
Equatorial Guinea	62.0	33.2	30.3	33.6	40.6	48.7	59.3
Gabon	80.9	75.5	61.3	53.6	53.7	57.1	59.4
Nigeria	62.7	59.7	66.1	73.8	67.1	83.8	83.5
Middle-income countries	**104.1**	**100.4**	**101.7**	**101.4**	**102.9**	**103.4**	**104.5**
Excluding South Africa	**68.3**	**75.2**	**79.8**	**83.2**	**72.6**	**72.0**	**70.5**
Botswana	57.2	66.5	72.3	70.1	50.3	49.6	49.6
Cape Verde	47.3	50.9	50.3	47.5	47.1	48.7	49.8
Lesotho	57.3	23.8	25.7	31.3	26.3	26.3	26.3
Mauritius	70.5	68.5	65.2	65.8	67.3	67.2	69.5
Namibia	102.4	123.6	128.2	139.7	125.5	124.5	117.1
Seychelles	19.3	23.8	27.2	30.8	28.7	32.8	31.1
South Africa	108.7	103.7	104.4	103.5	106.3	107.0	108.3
Swaziland	59.2	75.7	89.3	101.8	98.0	98.0	94.2
Low-income countries	**51.2**	**45.7**	**48.9**	**54.6**	**56.6**	**59.4**	**61.4**
Benin	33.0	49.2	55.0	54.3	51.9	53.7	53.6
Burkina Faso	53.5	50.7	61.2	79.2	82.0	84.9	86.3
Ethiopia	49.5	34.3	34.5	45.7	50.6	51.6	50.6
Ghana	52.8	48.9	49.2	58.8	59.6	65.5	71.8
Kenya	71.0	58.9	64.6	65.4	63.6	65.9	65.5
Madagascar	43.3	40.2	46.5	55.0	52.1	49.2	49.9
Malawi	34.0	26.9	29.4	30.7	44.7	51.1	51.2
Mali	68.2	61.4	65.1	74.8	91.3	97.7	105.7
Mozambique	66.8	44.4	39.5	48.8	51.2	57.7	64.7
Niger	53.5	42.8	43.3	48.7	55.2	60.6	58.4
Rwanda	56.3	60.5	59.5	60.6	66.9	60.8	62.6
Senegal	71.4	61.3	59.3	68.7	63.5	58.9	55.9
Tanzania	24.7	29.9	37.1	37.3	38.5	43.0	49.6
Uganda	42.2	36.1	39.6	41.2	45.7	46.7	49.9
Zambia	50.0	33.7	38.4	45.2	46.2	51.9	55.3
Fragile countries	**50.6**	**47.8**	**46.2**	**45.3**	**44.1**	**46.2**	**...**
Including Zimbabwe	**60.0**	**57.8**	**48.4**	**43.7**	**42.8**	**53.9**	**...**
Burundi	94.2	94.2	85.0	61.5	70.8	67.3	64.6
Central African Republic	37.0	51.2	50.0	42.1	45.9	43.8	42.8
Comoros	42.4	36.1	35.0	33.5	29.4	26.6	28.1
Congo, Dem. Rep. of	14.6	16.1	19.3	24.0	25.9	29.9	28.9
Côte d'Ivoire	67.3	61.8	60.6	57.2	56.2	59.9	60.9
Eritrea	34.9	26.6	28.4	29.7	28.0	26.4	25.3
Gambia, The	38.0	43.0	30.9	32.2	32.2	32.2	32.1
Guinea	48.4	40.9	32.2	34.6	29.7	31.1	30.5
Guinea-Bissau	19.0	8.8	5.2	6.4	11.5	16.1	17.6
Liberia	...	63.6	56.7	47.1	47.9	41.5	42.1
São Tomé and Príncipe	21.3	27.6	56.9	55.4	58.7	57.0	...
Sierra Leone	15.9	20.3	24.5	21.7	21.3	21.6	21.4
Togo	63.0	62.2	54.9	60.6	49.9	48.1	52.0
Zimbabwe	84.1	84.8	63.9	31.4	34.2	73.8	...
Sub-Saharan Africa	**74.8**	**73.6**	**76.3**	**77.0**	**75.7**	**78.8**	**...**
Including Zimbabwe	74.8	73.9	76.2	76.7	75.4	78.7	...
Excluding Nigeria and South Africa	52.1	50.4	51.2	52.9	52.4	54.2	...
Oil-importing countries	**81.5**	**79.8**	**83.1**	**84.1**	**84.7**	**85.2**	**...**
Excluding South Africa	53.5	50.9	53.6	57.5	56.6	58.7	...
CFA franc zone	60.4	57.0	54.2	55.0	54.5	55.8	58.3
WAEMU	61.3	57.5	58.6	63.0	64.0	66.1	67.0
CEMAC	62.1	56.3	49.3	47.0	45.3	45.4	49.5
EAC-5	51.7	46.5	51.6	52.1	53.8	56.5	58.4
SADC	90.2	86.8	89.3	88.1	87.9	87.7	87.3
SACU	105.7	101.8	103.0	102.6	104.1	104.7	105.7
COMESA	50.8	47.3	50.4	52.1	53.0	54.4	54.2
Resource-intensive countries	**59.6**	**57.3**	**58.8**	**61.4**	**57.0**	**64.5**	**...**
Oil	58.0	55.0	56.5	60.0	56.6	65.4	65.9
Non-oil	63.7	63.9	66.0	66.8	58.9	60.6	...
Non-resource-intensive countries	**84.1**	**81.9**	**85.2**	**86.2**	**87.9**	**88.2**	**89.6**
Coastal	93.4	89.0	91.8	92.0	93.5	93.7	95.3
Landlocked	46.4	41.0	44.4	51.1	56.0	57.9	58.6
MDRI	49.4	45.6	47.4	53.2	54.8	57.2	59.9
Fixed exchange rate regime	62.4	61.0	60.2	61.3	58.0	58.8	60.4
Floating exchange rate regime	81.2	77.0	80.4	80.9	79.8	83.3	...

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.

Table SA15. Exports of Goods and Services
(Percent of GDP)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**46.4**	**51.1**	**55.7**	**60.2**	**60.7**	**57.1**	**56.9**
Excluding Nigeria	**51.9**	**52.9**	**57.4**	**65.7**	**65.6**	**62.2**	**63.4**
Angola	75.0	69.6	69.7	79.3	73.8	69.1	69.6
Cameroon	24.7	24.0	22.7	23.5	26.0	23.9	23.0
Chad	16.8	24.6	51.5	53.5	56.4	57.4	58.1
Congo, Rep. of	77.2	80.8	78.8	84.6	87.3	78.3	78.5
Equatorial Guinea	98.1	96.4	97.3	96.8	94.5	92.5	90.5
Gabon	58.3	55.2	62.2	67.6	65.9	62.8	63.3
Nigeria	42.7	49.7	54.4	55.9	56.6	52.4	50.4
Middle-income countries	**30.7**	**30.8**	**29.4**	**30.2**	**32.5**	**35.5**	**35.1**
Excluding South Africa	**53.5**	**50.8**	**51.4**	**53.5**	**55.8**	**57.6**	**55.6**
Botswana	49.7	44.3	45.2	50.8	50.3	53.0	48.6
Cape Verde	26.5	31.4	32.0	36.7	42.5	45.2	47.0
Lesotho	34.5	50.0	54.7	49.6	50.8	50.6	50.7
Mauritius	61.2	58.4	55.5	57.2	60.6	58.7	58.8
Namibia	45.0	37.2	41.0	40.9	46.6	49.2	46.2
Seychelles	72.1	95.1	97.8	99.2	111.0	138.5	171.5
South Africa	27.8	28.1	26.7	27.5	29.8	32.9	32.8
Swaziland	82.2	82.9	83.3	80.8	81.2	83.3	81.2
Low-income countries	**20.5**	**21.7**	**24.2**	**23.9**	**25.0**	**24.5**	**24.4**
Benin	14.9	13.7	14.3	13.0	10.8	11.7	12.9
Burkina Faso	10.1	8.6	10.7	10.0	11.9	10.6	11.1
Ethiopia	12.6	14.2	15.8	16.3	15.8	16.2	16.4
Ghana	39.2	40.7	39.3	36.1	38.6	35.7	36.5
Kenya	22.3	23.7	26.6	27.9	24.7	24.5	26.0
Madagascar	23.9	23.1	32.6	26.9	29.9	25.7	23.1
Malawi	25.5	19.5	20.6	19.6	18.8	18.8	16.7
Mali	25.6	26.0	24.6	25.6	30.6	28.3	26.7
Mozambique	19.8	28.2	31.0	31.7	37.3	38.1	34.9
Niger	16.8	15.7	17.9	16.3	15.3	14.9	16.4
Rwanda	7.4	8.3	10.3	10.6	11.9	11.6	11.3
Senegal	28.2	26.6	27.2	27.2	25.8	24.5	24.5
Tanzania	14.6	16.7	20.4	22.2	24.1	24.0	25.2
Uganda	11.8	12.0	14.2	13.8	14.4	15.6	15.6
Zambia	28.9	29.0	38.2	34.3	37.5	42.1	38.1
Fragile countries	**31.7**	**35.4**	**37.4**	**40.4**	**40.4**	**38.0**	**37.5**
Including Zimbabwe	**29.2**	**30.6**	**38.1**	**40.7**	**39.6**	**30.5**	**...**
Burundi	7.7	8.4	9.6	11.5	10.5	9.4	13.3
Central African Republic	19.2	12.9	12.8	12.4	13.9	14.4	14.2
Comoros	15.2	15.8	12.7	12.5	11.7	12.4	12.8
Congo, Dem. Rep. of	22.0	26.1	30.3	34.0	31.7	31.7	31.4
Côte d'Ivoire	42.2	45.8	48.6	51.1	51.3	48.7	47.1
Eritrea	14.9	9.6	10.1	6.5	5.2	4.4	3.7
Gambia, The	51.7	66.1	71.4	62.3	61.3	57.3	58.4
Guinea	22.9	22.3	21.0	28.3	34.9	25.5	27.1
Guinea-Bissau	25.1	30.0	30.9	32.3	22.9	29.5	30.1
Liberia	...	38.8	36.1	36.4	48.3	55.7	65.4
São Tomé and Príncipe	19.6	20.6	18.7	18.5	19.1	17.3	17.1
Sierra Leone	15.7	23.2	23.0	24.1	25.0	25.8	22.6
Togo	32.7	43.3	41.2	40.3	40.5	40.6	41.7
Zimbabwe	29.1	17.6	42.6	42.7	34.7	11.2	...
Sub-Saharan Africa	**31.9**	**34.2**	**35.6**	**38.4**	**40.5**	**40.4**	**40.8**
Including Zimbabwe	31.5	33.7	35.7	38.4	40.4	39.8	...
Excluding Nigeria and South Africa	32.7	34.8	38.4	42.0	43.3	41.9	43.3
Oil-importing countries	**27.7**	**28.6**	**28.7**	**29.3**	**31.0**	**32.3**	**32.0**
Excluding South Africa	27.7	29.2	31.5	31.8	32.5	31.6	31.1
CFA franc zone	35.1	36.2	40.0	43.5	44.9	41.7	41.5
WAEMU	30.1	30.3	31.5	31.9	32.2	30.4	30.0
CEMAC	41.7	43.6	49.5	55.1	57.0	53.1	53.2
EAC-5	16.7	18.4	21.3	22.2	21.6	21.8	22.9
SADC	31.2	32.0	31.9	34.4	37.2	39.8	40.7
SACU	29.6	29.7	28.5	29.4	31.6	34.6	34.2
COMESA	32.7	35.3	39.6	43.9	44.5	44.1	46.6
Resource-intensive countries	**44.5**	**48.0**	**52.4**	**56.9**	**57.8**	**55.0**	**54.6**
Oil	46.4	51.1	55.7	60.2	60.7	57.1	56.9
Non-oil	39.3	39.2	42.0	44.5	45.6	45.7	43.2
Non-resource-intensive countries	**26.2**	**27.2**	**27.0**	**27.5**	**29.1**	**30.7**	**30.7**
Coastal	27.6	28.3	27.7	28.3	30.3	32.2	32.3
Landlocked	18.6	20.5	22.7	22.4	22.7	22.2	21.9
MDRI	20.7	21.7	23.5	23.2	25.2	24.5	23.9
Fixed exchange rate regime	38.2	38.7	42.0	45.2	46.5	44.4	43.8
Floating exchange rate regime	30.4	33.0	34.0	36.8	39.1	39.5	40.1

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.

Table SA16. Imports of Goods and Services
(Percent of GDP)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**41.0**	**43.4**	**40.4**	**37.4**	**35.7**	**38.7**	**35.7**
Excluding Nigeria	**46.4**	**45.8**	**43.7**	**41.0**	**37.0**	**38.7**	**36.5**
Angola	72.2	63.1	53.7	49.4	37.9	39.9	36.2
Cameroon	23.2	23.4	25.0	25.4	26.7	26.6	26.6
Chad	50.3	59.3	58.5	44.3	41.9	41.6	44.3
Congo, Rep. of	57.1	54.2	53.3	48.4	45.9	48.7	46.0
Equatorial Guinea	105.1	76.1	58.8	47.6	50.2	55.6	53.3
Gabon	37.3	31.0	32.0	28.2	29.8	32.4	30.9
Nigeria	37.2	41.5	37.7	34.6	34.6	38.7	34.9
Middle-income countries	**28.9**	**28.8**	**29.9**	**31.1**	**35.4**	**38.7**	**38.7**
Excluding South Africa	**58.6**	**51.2**	**52.9**	**53.9**	**54.8**	**57.7**	**59.7**
Botswana	41.0	33.6	37.2	35.2	30.8	33.4	39.0
Cape Verde	61.2	67.4	69.5	64.7	71.1	76.3	80.5
Lesotho	100.6	103.2	102.4	99.0	97.8	99.7	96.9
Mauritius	62.3	57.4	55.0	61.6	67.4	68.5	68.1
Namibia	53.2	43.8	45.0	44.5	46.5	48.1	48.0
Seychelles	84.3	84.0	95.8	125.7	133.5	171.6	201.7
South Africa	25.1	25.8	27.0	28.4	33.2	36.6	36.3
Swaziland	97.0	80.9	84.9	84.8	86.3	90.5	88.8
Low-income countries	**31.1**	**32.4**	**35.6**	**37.2**	**38.1**	**38.5**	**39.0**
Benin	27.0	26.5	26.6	23.1	21.9	22.6	23.2
Burkina Faso	24.5	21.7	24.3	24.5	25.5	25.2	24.7
Ethiopia	23.6	29.2	33.4	38.4	41.7	39.2	37.7
Ghana	56.1	52.7	60.4	61.7	64.1	60.5	61.3
Kenya	28.0	28.2	32.6	35.2	34.7	35.0	38.1
Madagascar	30.7	32.1	47.5	41.1	41.0	47.3	47.9
Malawi	38.2	36.2	38.8	46.3	42.5	38.7	35.8
Mali	33.6	33.2	32.9	34.2	33.6	32.5	30.7
Mozambique	37.7	44.0	39.3	41.5	42.0	44.5	42.8
Niger	24.8	25.8	28.8	30.9	29.0	32.1	31.2
Rwanda	24.4	27.6	28.6	31.0	31.5	34.0	32.6
Senegal	36.2	38.7	39.9	42.7	44.2	42.9	42.2
Tanzania	24.7	23.5	26.2	30.4	36.5	38.2	39.8
Uganda	23.2	26.7	27.7	27.1	30.1	30.1	32.3
Zambia	40.4	41.5	42.6	37.4	29.0	34.0	33.6
Fragile countries	**30.1**	**33.4**	**37.1**	**43.0**	**42.0**	**40.9**	**41.7**
Including Zimbabwe	**28.3**	**30.0**	**38.9**	**44.3**	**41.4**	**32.7**	**...**
Burundi	18.3	27.7	33.9	39.7	48.0	47.5	44.5
Central African Republic	24.0	17.2	18.8	21.1	20.9	21.0	21.3
Comoros	34.3	31.8	32.6	34.7	35.6	36.1	36.4
Congo, Dem. Rep. of	21.2	28.4	34.4	45.7	42.0	41.1	42.7
Côte d'Ivoire	33.2	34.9	39.4	43.6	41.0	40.2	40.2
Eritrea	74.0	100.5	88.6	55.7	42.3	39.5	27.4
Gambia, The	60.7	79.0	104.3	99.1	89.6	93.0	91.6
Guinea	26.4	24.6	25.4	31.5	39.6	33.6	38.2
Guinea-Bissau	47.9	44.1	47.1	49.9	53.7	49.9	46.8
Liberia	...	50.2	81.7	95.6	122.3	131.9	147.9
São Tomé and Príncipe	50.3	53.1	52.7	56.6	82.8	72.9	72.1
Sierra Leone	28.4	40.8	34.2	37.2	34.8	37.3	37.6
Togo	45.6	57.3	56.2	57.2	60.1	61.7	63.1
Zimbabwe	29.4	20.7	51.3	53.7	37.3	11.6	...
Sub-Saharan Africa	**32.1**	**33.5**	**34.2**	**34.8**	**36.4**	**38.8**	**37.9**
Including Zimbabwe	31.7	33.2	34.3	34.9	36.4	38.2	...
Excluding Nigeria and South Africa	37.2	38.0	40.2	41.0	39.9	40.6	40.2
Oil-importing countries	**29.7**	**30.3**	**32.0**	**33.7**	**36.7**	**38.8**	**39.1**
Excluding South Africa	34.9	35.6	38.9	41.0	41.3	41.6	42.4
CFA franc zone	34.0	35.0	36.7	36.3	36.3	36.8	36.3
WAEMU	32.5	33.5	35.8	37.8	37.0	36.6	36.2
CEMAC	36.0	36.7	37.7	34.8	35.7	36.9	36.4
EAC-5	25.6	26.5	29.5	32.0	34.4	35.0	37.2
SADC	30.8	31.2	32.1	33.5	35.9	39.0	38.3
SACU	27.5	27.6	28.9	30.0	34.3	37.5	37.5
COMESA	38.8	40.6	42.8	43.9	40.1	41.1	39.9
Resource-intensive countries	**39.8**	**41.4**	**40.0**	**37.8**	**35.9**	**38.6**	**36.3**
Oil	41.0	43.4	40.4	37.4	35.7	38.7	35.7
Non-oil	37.1	35.7	38.6	39.7	36.7	38.0	39.4
Non-resource-intensive countries	**28.7**	**29.5**	**31.2**	**33.0**	**36.7**	**38.9**	**39.0**
Coastal	28.5	29.0	30.5	32.0	36.3	39.0	39.2
Landlocked	29.6	32.5	35.7	38.8	39.2	38.3	37.8
MDRI	30.4	31.8	34.4	35.8	37.0	37.4	37.4
Fixed exchange rate regime	38.6	37.8	39.9	39.3	39.1	39.9	40.0
Floating exchange rate regime	30.5	32.3	32.7	33.7	35.7	38.5	37.4

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.

Table SA17. Trade Balance
(Percent of GDP)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**18.1**	**19.6**	**27.4**	**33.8**	**33.7**	**27.3**	**30.2**
Excluding Nigeria	**23.0**	**22.5**	**30.6**	**41.0**	**41.7**	**36.5**	**39.3**
Angola	36.4	28.9	38.6	51.4	49.3	43.4	46.1
Cameroon	3.7	1.9	-0.4	0.2	2.0	0.2	-0.3
Chad	-17.9	-6.5	29.8	38.7	42.5	43.0	42.7
Congo, Rep. of	47.5	51.5	49.9	59.3	61.9	49.1	50.3
Equatorial Guinea	40.9	53.5	64.0	67.6	62.9	53.1	53.1
Gabon	34.7	35.2	41.9	49.4	46.5	41.8	43.1
Nigeria	14.6	17.5	24.9	28.2	27.1	18.9	21.0
Middle-income countries	**2.1**	**1.5**	**-0.4**	**-0.7**	**-2.3**	**-3.0**	**-3.8**
Excluding South Africa	**-5.1**	**-3.0**	**-3.0**	**-2.0**	**-0.9**	**-2.5**	**-7.0**
Botswana	11.8	10.8	8.5	15.4	18.5	18.8	9.1
Cape Verde	-35.5	-37.8	-41.0	-34.9	-42.0	-47.8	-51.8
Lesotho	-65.2	-49.8	-44.9	-46.1	-44.7	-46.1	-44.4
Mauritius	-7.7	-5.8	-6.3	-11.3	-13.2	-16.9	-17.0
Namibia	-5.9	-10.3	-5.1	-4.4	-0.8	-0.2	-3.4
Seychelles	-29.6	-13.0	-22.2	-41.4	-37.1	-51.4	-54.9
South Africa	3.0	2.1	-0.1	-0.5	-2.5	-3.0	-3.4
Swaziland	-5.6	5.4	5.9	2.8	3.4	1.3	-1.0
Low-income countries	**-8.7**	**-9.1**	**-10.5**	**-12.5**	**-12.4**	**-13.4**	**-14.2**
Benin	-10.4	-11.3	-11.0	-9.6	-10.2	-10.0	-9.2
Burkina Faso	-10.4	-8.9	-9.1	-9.9	-9.1	-9.5	-8.9
Ethiopia	-12.8	-17.1	-20.9	-24.5	-27.0	-24.8	-23.9
Ghana	-15.1	-10.3	-17.0	-23.7	-23.5	-24.0	-23.4
Kenya	-7.7	-7.7	-10.0	-11.2	-14.3	-14.8	-16.5
Madagascar	-3.1	-3.5	-10.1	-11.8	-9.8	-17.2	-19.0
Malawi	-4.8	-10.5	-11.8	-19.6	-17.4	-14.3	-13.9
Mali	0.6	-1.3	-2.4	-2.7	2.5	0.8	0.1
Mozambique	-16.9	-14.5	-9.0	-10.6	-6.3	-6.6	-8.3
Niger	-2.8	-5.2	-5.1	-8.8	-8.3	-11.4	-9.1
Rwanda	-9.3	-10.7	-9.7	-11.6	-11.7	-14.1	-13.7
Senegal	-7.6	-11.8	-12.3	-15.1	-18.0	-18.1	-17.9
Tanzania	-7.9	-6.3	-7.6	-9.0	-13.3	-16.0	-16.3
Uganda	-7.2	-10.0	-9.9	-9.6	-11.7	-10.6	-12.8
Zambia	-5.3	-7.0	-0.5	0.1	10.8	10.5	6.9
Fragile countries	**7.5**	**8.1**	**6.2**	**3.3**	**4.5**	**3.4**	**2.2**
Including Zimbabwe	**5.5**	**5.7**	**4.6**	**1.9**	**3.8**	**2.5**	**...**
Burundi	-7.3	-15.3	-15.2	-18.4	-19.9	-25.5	-19.8
Central African Republic	2.4	0.9	-1.6	-3.2	-1.8	-1.5	-1.9
Comoros	-15.3	-12.4	-17.1	-20.8	-21.6	-20.8	-20.8
Congo, Dem. Rep. of	6.1	2.1	0.9	-5.7	-4.9	-3.2	-4.5
Côte d'Ivoire	15.7	18.5	16.6	14.6	17.7	16.0	14.5
Eritrea	-55.4	-80.4	-70.7	-44.1	-33.4	-31.1	-20.6
Gambia, The	-14.1	-14.6	-39.1	-45.6	-40.0	-46.1	-47.4
Guinea	3.2	4.2	0.7	2.7	2.2	-1.9	-4.1
Guinea-Bissau	-9.7	-3.6	-2.7	-5.5	-19.3	-10.2	-7.1
Liberia	...	-4.9	-33.3	-43.8	-53.9	-54.3	-53.7
São Tomé and Príncipe	-23.2	-26.9	-29.9	-33.6	-54.0	-47.0	-46.6
Sierra Leone	-6.1	-14.8	-8.3	-12.1	-8.7	-10.0	-13.5
Togo	-10.2	-9.4	-13.0	-16.4	-19.3	-20.7	-21.4
Zimbabwe	1.1	-1.0	-6.5	-8.6	-0.9	0.0	...
Sub-Saharan Africa	**3.7**	**4.2**	**5.2**	**7.4**	**7.6**	**5.1**	**6.4**
Including Zimbabwe	3.6	4.0	5.1	7.3	7.5	5.0	...
Excluding Nigeria and South Africa	1.0	1.8	3.9	6.9	8.6	6.5	8.4
Oil-importing countries	**-0.6**	**-0.9**	**-2.5**	**-3.6**	**-4.7**	**-5.6**	**-6.5**
Excluding South Africa	-4.6	-4.6	-5.8	-7.8	-7.5	-8.8	-10.2
CFA franc zone	8.7	9.2	12.2	15.7	17.1	13.0	13.1
WAEMU	2.4	1.6	0.4	-1.5	-0.4	-1.7	-2.0
CEMAC	16.9	18.7	25.4	32.9	33.9	27.8	28.3
EAC-5	-7.7	-8.0	-9.3	-10.4	-13.5	-14.4	-15.6
SADC	2.7	2.2	1.6	3.2	3.6	3.4	5.0
SACU	2.7	1.9	0.0	-0.2	-1.8	-2.3	-3.1
COMESA	-0.8	-1.1	1.8	6.1	8.9	8.1	12.2
Resource-intensive countries	**15.2**	**16.4**	**22.5**	**28.5**	**29.6**	**24.3**	**26.3**
Oil	18.1	19.6	27.4	33.8	33.7	27.3	30.2
Non-oil	7.6	7.5	7.2	8.2	12.1	11.1	7.3
Non-resource-intensive countries	**-1.7**	**-2.0**	**-3.7**	**-5.0**	**-6.8**	**-7.7**	**-8.1**
Coastal	-0.6	-0.9	-2.8	-3.7	-5.8	-6.8	-7.3
Landlocked	-6.9	-8.4	-9.6	-12.5	-12.5	-12.3	-12.5
MDRI	-7.0	-7.7	-9.0	-10.8	-9.9	-11.1	-11.7
Fixed exchange rate regime	6.0	6.8	9.2	12.7	14.3	10.9	10.0
Floating exchange rate regime	3.1	3.5	4.1	6.1	6.0	3.8	5.7

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.

Table SA18. External Current Account, Including Grants
(Percent of GDP)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**-3.5**	**-4.2**	**2.5**	**8.8**	**13.0**	**3.6**	**7.0**
Excluding Nigeria	**-6.6**	**-6.1**	**-1.1**	**8.3**	**13.8**	**5.6**	**7.9**
Angola	-12.7	-5.2	3.5	16.8	23.3	7.6	10.7
Cameroon	-3.1	-1.8	-3.8	-3.3	-0.7	-1.5	-3.1
Chad	-31.0	-47.2	-12.0	-5.5	-6.3	-1.0	-3.1
Congo, Rep. of	-8.0	1.5	2.0	11.2	12.8	4.9	6.8
Equatorial Guinea	-33.9	-33.3	-21.9	-5.5	4.4	3.4	6.3
Gabon	7.0	9.5	11.2	20.2	19.7	15.2	16.7
Nigeria	-1.3	-2.7	5.3	9.3	12.2	1.8	6.0
Middle-income countries	**-0.2**	**-0.6**	**-2.5**	**-3.1**	**-5.0**	**-5.2**	**-5.4**
Excluding South Africa	**1.7**	**3.4**	**2.8**	**5.1**	**8.6**	**8.2**	**3.2**
Botswana	8.5	5.6	2.9	14.4	19.3	20.6	10.0
Cape Verde	-10.6	-11.1	-14.3	-3.4	-6.5	-12.6	-16.7
Lesotho	-21.6	-12.3	-5.5	-7.0	4.4	1.6	0.7
Mauritius	0.6	2.4	0.8	-3.5	-5.3	-8.8	-7.6
Namibia	4.6	5.1	9.5	7.2	15.0	18.5	12.8
Seychelles	-15.7	6.4	-0.3	-27.6	-23.2	-30.4	-32.4
South Africa	-0.5	-1.1	-3.2	-4.0	-6.5	-6.7	-6.4
Swaziland	-2.5	6.5	3.1	1.6	1.6	0.2	-1.1
Low-income countries	**-6.6**	**-5.0**	**-5.0**	**-6.3**	**-6.5**	**-7.0**	**-7.4**
Benin	-7.0	-8.3	-7.2	-6.2	-6.4	-6.3	-6.1
Burkina Faso	-9.8	-8.9	-10.4	-11.4	-10.3	-11.4	-10.9
Ethiopia	-3.7	-1.4	-4.2	-6.8	-10.4	-5.9	-3.0
Ghana	-7.4	1.7	-2.7	-7.0	-9.7	-9.7	-7.7
Kenya	-2.1	-0.2	0.1	-0.8	-2.4	-3.7	-5.1
Madagascar	-5.3	-4.9	-9.1	-10.9	-8.6	-19.7	-23.5
Malawi	-7.5	-7.2	-7.3	-11.6	-6.2	-3.0	-2.9
Mali	-7.5	-6.2	-8.4	-8.3	-4.9	-4.5	-4.7
Mozambique	-17.6	-15.1	-8.6	-10.7	-7.8	-9.1	-8.8
Niger	-6.3	-8.3	-7.8	-9.4	-8.6	-11.0	-10.8
Rwanda	-7.4	-7.8	-3.0	-3.2	-7.5	-7.3	-6.5
Senegal	-4.9	-6.1	-6.1	-7.8	-10.1	-9.6	-9.8
Tanzania	-7.2	-4.7	-3.9	-4.5	-8.6	-10.6	-10.8
Uganda	-6.1	-5.8	-1.2	-2.1	-4.1	-2.4	-6.3
Zambia	-15.0	-14.8	-11.8	-10.0	0.5	-0.5	-2.0
Fragile countries	**-2.8**	**0.0**	**-1.2**	**-4.1**	**-2.4**	**-3.2**	**-4.8**
Including Zimbabwe	**-2.6**	**-0.8**	**-2.1**	**-4.9**	**-2.6**	**-2.6**	**...**
Burundi	-4.7	-4.6	-8.1	-9.6	-12.0	-14.2	-11.4
Central African Republic	-2.5	-2.1	-1.8	-6.5	-3.8	-3.4	-4.3
Comoros	-5.3	-3.1	-2.9	-3.4	-5.6	-3.7	-4.8
Congo, Dem. Rep. of	-4.0	1.0	-2.4	-10.6	-7.5	-8.1	-10.9
Côte d'Ivoire	-0.4	2.1	1.6	0.2	3.0	2.6	1.3
Eritrea	-4.6	7.6	5.6	0.4	-2.1	-3.7	-1.9
Gambia, The	-3.3	-7.1	-11.0	-25.5	-19.8	-21.8	-18.6
Guinea	-5.6	-3.4	-5.8	-4.5	-5.9	-8.7	-12.0
Guinea-Bissau	-12.7	-2.8	3.1	-7.3	-12.2	-12.7	-5.0
Liberia	...	-14.1	-5.6	-9.4	-28.3	-24.3	-43.4
São Tomé and Príncipe	-15.9	-11.4	-13.8	-19.4	-45.9	-41.2	-42.0
Sierra Leone	-3.1	-4.8	-5.8	-7.1	-5.7	-6.7	-10.0
Togo	-6.9	-4.2	-3.0	-5.3	-6.0	-6.4	-6.3
Zimbabwe	-1.7	-2.9	-8.3	-11.2	-4.0	-0.9	...
Sub-Saharan Africa	**-2.6**	**-2.4**	**-1.6**	**-0.3**	**0.6**	**-2.6**	**-1.4**
Including Zimbabwe	-2.6	-2.4	-1.7	-0.3	0.6	-2.5	...
Excluding Nigeria and South Africa	-4.9	-3.4	-2.4	-0.3	2.2	-0.9	-0.4
Oil-importing countries	**-2.4**	**-1.8**	**-3.1**	**-4.0**	**-5.2**	**-5.6**	**-6.0**
Excluding South Africa	-4.6	-2.6	-2.9	-4.0	-3.5	-4.2	-5.5
CFA franc zone	-4.4	-4.9	-3.8	-1.5	0.5	-0.7	-0.7
WAEMU	-4.3	-3.7	-4.1	-5.3	-4.2	-4.6	-5.0
CEMAC	-4.6	-6.4	-3.5	2.2	5.1	3.2	3.5
EAC-5	-4.7	-3.1	-1.6	-2.4	-4.8	-5.5	-6.9
SADC	-2.0	-1.7	-2.6	-2.0	-1.7	-3.7	-3.0
SACU	-0.1	-0.6	-2.6	-3.0	-4.9	-5.0	-5.3
COMESA	-4.9	-2.5	-0.7	1.4	5.1	0.0	1.3
Resource-intensive countries	**-2.5**	**-3.0**	**2.0**	**7.5**	**11.7**	**4.1**	**6.2**
Oil	-3.5	-4.2	2.5	8.8	13.0	3.6	7.0
Non-oil	-0.6	0.5	0.3	2.2	6.5	6.3	2.4
Non-resource-intensive countries	**-2.6**	**-2.1**	**-3.5**	**-4.8**	**-6.7**	**-7.1**	**-7.0**
Coastal	-2.0	-1.7	-3.3	-4.4	-6.6	-7.3	-7.1
Landlocked	-6.0	-4.1	-4.7	-7.1	-6.9	-5.9	-6.3
MDRI	-6.9	-5.3	-5.7	-6.8	-6.4	-6.9	-7.3
Fixed exchange rate regime	-3.1	-3.1	-2.4	0.2	2.7	1.7	0.5
Floating exchange rate regime	-2.5	-2.2	-1.5	-0.4	0.1	-3.6	-1.8

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.

Table SA19. External Current Account, Excluding Grants
(Percent of GDP)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**-3.7**	**-4.3**	**2.4**	**8.7**	**13.0**	**3.6**	**7.0**
Excluding Nigeria	**-7.3**	**-6.7**	**-1.4**	**7.8**	**13.7**	**5.4**	**7.8**
Angola	-13.8	-5.9	3.4	16.7	23.7	7.9	11.0
Cameroon	-3.4	-2.4	-4.0	-3.8	-1.3	-2.7	-4.0
Chad	-33.7	-50.5	-15.2	-9.0	-8.6	-3.2	-5.2
Congo, Rep. of	-8.2	1.3	2.0	11.2	12.8	4.9	6.8
Equatorial Guinea	-35.5	-33.9	-22.3	-5.8	4.2	3.6	6.5
Gabon	6.8	10.2	11.9	20.2	19.7	15.1	16.6
Nigeria	-1.2	-2.6	5.4	9.3	12.3	1.9	6.1
Middle-income countries	**-0.3**	**-0.6**	**-2.5**	**-2.8**	**-4.8**	**-5.0**	**-5.2**
Excluding South Africa	**-3.8**	**-1.6**	**-3.7**	**-1.6**	**0.9**	**-0.8**	**-5.2**
Botswana	4.6	2.1	-2.4	7.9	13.2	13.0	2.5
Cape Verde	-17.8	-17.2	-20.0	-8.0	-10.8	-16.4	-19.3
Lesotho	-38.7	-27.8	-23.5	-27.3	-20.5	-25.6	-25.8
Mauritius	0.5	1.9	0.4	-3.6	-5.5	-9.0	-8.8
Namibia	-6.5	-4.7	-2.0	-3.6	1.2	2.2	-0.6
Seychelles	-17.6	4.9	-2.3	-30.9	-24.7	-36.1	-37.3
South Africa	0.1	-0.5	-2.4	-3.0	-5.4	-5.5	-5.2
Swaziland	-11.3	-1.1	-5.8	-5.8	-9.7	-12.5	-12.9
Low-income countries	**-9.9**	**-8.7**	**-8.8**	**-10.2**	**-9.8**	**-10.6**	**-10.8**
Benin	-9.8	-11.6	-10.4	-8.2	-8.9	-8.9	-8.4
Burkina Faso	-13.0	-13.1	-13.4	-14.6	-13.3	-14.6	-13.8
Ethiopia	-7.6	-8.8	-10.2	-13.4	-16.9	-13.4	-10.9
Ghana	-10.7	-3.5	-8.8	-12.3	-12.7	-13.0	-10.7
Kenya	-2.3	-0.6	0.1	-0.8	-2.7	-3.9	-5.2
Madagascar	-6.2	-7.5	-12.9	-12.2	-9.9	-20.4	-23.9
Malawi	-14.8	-12.5	-15.4	-21.5	-19.4	-15.4	-14.6
Mali	-9.3	-8.8	-10.4	-10.5	-6.8	-6.2	-5.9
Mozambique	-23.7	-19.9	-14.1	-15.8	-13.6	-17.9	-17.0
Niger	-8.9	-11.2	-10.3	-12.7	-9.6	-12.8	-14.0
Rwanda	-16.7	-19.2	-18.2	-19.4	-17.4	-20.1	-19.0
Senegal	-6.9	-7.9	-7.8	-9.2	-11.2	-11.5	-10.9
Tanzania	-11.8	-8.2	-7.5	-9.1	-12.6	-14.5	-14.6
Uganda	-12.8	-13.5	-11.0	-10.6	-9.9	-8.4	-10.8
Zambia	-16.9	-16.3	-12.2	-11.8	-0.6	-1.8	-3.3
Fragile countries	**-5.1**	**-2.6**	**-3.4**	**-6.3**	**-5.5**	**-6.5**	**-7.4**
Including Zimbabwe	**-4.4**	**-2.8**	**-4.1**	**-7.0**	**-5.4**	**-5.0**	**...**
Burundi	-11.5	-21.1	-25.5	-27.5	-35.7	-36.5	-28.7
Central African Republic	-6.1	-4.8	-5.7	-8.5	-7.0	-6.6	-7.1
Comoros	-7.6	-3.7	-4.1	-5.3	-7.6	-8.0	-8.5
Congo, Dem. Rep. of	-8.7	-6.3	-7.9	-16.1	-15.5	-13.2	-14.8
Côte d'Ivoire	-0.8	1.9	1.7	0.4	3.2	0.9	0.2
Eritrea	-16.4	-13.6	-11.6	-15.9	-11.3	-12.5	-8.0
Gambia, The	-12.6	-19.0	-23.6	-33.1	-24.6	-31.6	-29.4
Guinea	-6.8	-4.1	-6.0	-5.2	-6.7	-9.4	-12.3
Guinea-Bissau	-24.4	-12.0	-11.7	-16.7	-27.1	-16.2	-12.1
Liberia	...	-18.9	-46.7	-63.5	-65.9	-59.6	-66.1
São Tomé and Príncipe	-34.6	-33.4	-35.0	-39.4	-65.0	-55.8	-55.0
Sierra Leone	-10.8	-10.7	-13.1	-14.2	-11.1	-11.1	-14.3
Togo	-9.3	-4.8	-3.7	-6.5	-7.4	-9.2	-9.5
Zimbabwe	-2.6	-3.3	-8.9	-11.8	-5.0	-1.2	...
Sub-Saharan Africa	**-3.6**	**-3.4**	**-2.5**	**-1.0**	**-0.1**	**-3.4**	**-2.1**
Including Zimbabwe	-3.6	-3.4	-2.6	-1.1	-0.2	-3.4	...
Excluding Nigeria and South Africa	-7.7	-6.4	-5.4	-3.3	-0.5	-3.8	-2.9
Oil-importing countries	**-3.7**	**-3.1**	**-4.3**	**-5.1**	**-6.3**	**-6.8**	**-7.1**
Excluding South Africa	-7.9	-6.3	-6.9	-8.1	-7.4	-8.5	-9.4
CFA franc zone	-5.6	-6.1	-4.8	-2.6	-0.4	-2.2	-1.9
WAEMU	-6.0	-5.5	-5.6	-6.7	-5.4	-6.7	-6.7
CEMAC	-5.2	-7.0	-4.0	1.5	4.5	2.4	2.9
EAC-5	-8.2	-6.6	-5.6	-6.6	-8.1	-8.6	-9.7
SADC	-2.7	-2.3	-3.0	-2.3	-2.1	-4.1	-3.2
SACU	-0.2	-0.6	-2.5	-2.7	-4.7	-4.8	-4.9
COMESA	-8.2	-6.3	-4.4	-2.0	2.0	-2.9	-1.0
Resource-intensive countries	**-3.5**	**-3.8**	**1.1**	**6.7**	**11.1**	**3.2**	**5.5**
Oil	-3.7	-4.3	2.4	8.7	13.0	3.6	7.0
Non-oil	-3.5	-2.2	-2.8	-1.3	3.1	1.7	-1.6
Non-resource-intensive countries	**-3.7**	**-3.3**	**-4.4**	**-5.6**	**-7.4**	**-7.9**	**-7.7**
Coastal	-2.2	-2.0	-3.3	-4.2	-6.4	-7.0	-6.8
Landlocked	-11.2	-10.7	-11.2	-13.9	-13.7	-12.7	-12.6
MDRI	-10.3	-9.2	-9.6	-10.9	-9.8	-10.8	-10.9
Fixed exchange rate regime	-5.5	-5.4	-4.8	-2.3	0.2	-1.5	-2.3
Floating exchange rate regime	-3.1	-2.9	-2.0	-0.7	-0.2	-3.9	-2.1

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.

Table SA20. Official Grants
(Percent of GDP)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**0.2**	**0.2**	**0.1**	**0.1**	**0.0**	**0.1**	**0.0**
Excluding Nigeria	**0.6**	**0.6**	**0.2**	**0.4**	**0.1**	**0.2**	**0.1**
Angola	1.0	0.7	0.0	0.1	-0.3	-0.3	-0.3
Cameroon	0.3	0.6	0.2	0.5	0.6	1.2	0.9
Chad	2.7	3.3	3.2	3.5	2.3	2.2	2.1
Congo, Rep. of	0.2	0.2	0.0	0.0	0.0	0.0	0.0
Equatorial Guinea	1.5	0.6	0.4	0.3	0.2	-0.2	-0.1
Gabon	0.2	-0.7	-0.7	0.0	0.0	0.1	0.1
Nigeria	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Middle-income countries	**0.1**	**0.1**	**0.0**	**-0.3**	**-0.2**	**-0.2**	**-0.3**
Excluding South Africa	**5.5**	**5.0**	**6.4**	**6.7**	**7.7**	**9.0**	**8.4**
Botswana	3.9	3.5	5.4	6.5	6.1	7.7	7.4
Cape Verde	7.2	6.0	5.7	4.6	4.3	3.8	2.6
Lesotho	17.1	15.5	18.0	20.3	24.9	27.2	26.5
Mauritius	0.1	0.5	0.4	0.2	0.2	0.2	1.2
Namibia	11.1	9.8	11.5	10.7	13.9	16.3	13.4
Seychelles	2.0	1.5	2.0	3.2	1.5	5.8	4.9
South Africa	-0.6	-0.6	-0.8	-1.1	-1.1	-1.3	-1.3
Swaziland	8.8	7.6	8.9	7.4	11.3	12.6	11.7
Low-income countries	**3.2**	**3.7**	**3.9**	**3.9**	**3.2**	**3.6**	**3.3**
Benin	2.7	3.2	3.2	2.0	2.5	2.6	2.3
Burkina Faso	3.2	4.2	3.0	3.2	3.0	3.2	2.9
Ethiopia	3.9	7.5	6.0	6.6	6.5	7.5	8.0
Ghana	3.3	5.2	6.1	5.3	3.0	3.3	3.0
Kenya	0.3	0.4	0.0	0.0	0.3	0.2	0.1
Madagascar	0.9	2.6	3.8	1.3	1.2	0.7	0.4
Malawi	7.3	5.3	8.1	9.9	13.3	12.4	11.7
Mali	1.8	2.6	2.0	2.2	1.9	1.7	1.2
Mozambique	6.0	4.9	5.5	5.2	5.9	8.8	8.3
Niger	2.6	2.9	2.5	3.3	1.0	1.8	3.2
Rwanda	9.3	11.4	15.2	16.2	9.9	12.8	12.5
Senegal	2.0	1.8	1.7	1.4	1.1	1.9	1.2
Tanzania	4.6	3.5	3.6	4.6	3.9	3.9	3.8
Uganda	6.7	7.7	9.8	8.5	5.8	6.0	4.4
Zambia	1.9	1.5	0.4	1.8	1.1	1.3	1.3
Fragile countries	**2.3**	**2.6**	**2.2**	**2.3**	**3.1**	**3.3**	**2.6**
Including Zimbabwe	**1.8**	**2.0**	**2.0**	**2.1**	**2.8**	**2.5**	**...**
Burundi	6.8	16.5	17.4	17.9	23.7	22.3	17.3
Central African Republic	3.6	2.6	3.9	2.0	3.2	3.1	2.8
Comoros	2.3	0.6	1.3	1.9	2.0	4.3	3.7
Congo, Dem. Rep. of	4.6	7.3	5.5	5.5	7.9	5.1	4.0
Côte d'Ivoire	0.4	0.3	-0.1	-0.1	-0.2	1.7	1.1
Eritrea	11.9	21.3	17.2	16.3	9.2	8.9	6.1
Gambia, The	9.2	11.9	12.7	7.6	4.7	9.8	10.8
Guinea	1.2	0.7	0.3	0.7	0.9	0.8	0.4
Guinea-Bissau	11.8	9.2	14.7	9.4	14.9	3.4	7.1
Liberia	...	4.8	41.1	54.1	37.6	35.3	22.6
São Tomé and Príncipe	18.7	22.0	21.2	19.9	19.1	14.6	13.0
Sierra Leone	7.7	5.9	7.3	7.1	5.4	4.4	4.3
Togo	2.4	0.6	0.8	1.2	1.4	2.8	3.2
Zimbabwe	0.8	0.36	0.5	0.6	1.1	0.4	...
Sub-Saharan Africa	**1.0**	**1.1**	**0.9**	**0.8**	**0.7**	**0.8**	**0.7**
Including Zimbabwe	1.0	1.0	0.9	0.8	0.7	0.8	...
Excluding Nigeria and South Africa	2.8	3.0	3.0	2.9	2.7	2.9	2.5
Oil-importing countries	1.3	**1.4**	**1.2**	**1.1**	**1.1**	**1.2**	**1.1**
Excluding South Africa	3.4	3.7	4.0	4.0	3.9	4.3	3.9
CFA franc zone	1.2	1.3	1.0	1.1	0.9	1.4	1.2
WAEMU	1.7	1.8	1.5	1.4	1.2	2.1	1.7
CEMAC	0.7	0.6	0.5	0.7	0.6	0.8	0.6
EAC-5	3.4	3.5	4.0	4.2	3.3	3.2	2.8
SADC	0.7	0.6	0.5	0.3	0.4	0.4	0.2
SACU	0.1	0.0	-0.1	-0.3	-0.2	-0.2	-0.3
COMESA	3.2	3.8	3.7	3.4	3.1	2.9	2.3
Resource-intensive countries	**1.0**	**0.8**	**0.8**	**0.8**	**0.7**	**0.9**	**0.7**
Oil	0.2	0.2	0.1	0.1	0.0	0.1	0.0
Non-oil	2.9	2.6	3.1	3.5	3.4	4.7	4.0
Non-resource-intensive countries	**1.0**	**1.2**	**1.0**	**0.8**	**0.8**	**0.8**	**0.7**
Coastal	0.3	0.3	0.0	-0.2	-0.3	-0.3	-0.3
Landlocked	5.2	6.5	6.6	6.8	6.8	6.8	6.3
MDRI	3.4	3.8	3.9	4.1	3.4	3.9	3.6
Fixed exchange rate regime	2.4	2.3	2.5	2.5	2.5	3.3	2.8
Floating exchange rate regime	0.7	0.7	0.5	0.4	0.3	0.3	0.2

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.

Table SA21. Real Effective Exchange Rates[1]
(Annual average; index, 2000 = 100)

	1997–2002	2003	2004	2005	2006
Oil-exporting countries	**113.1**	**108.4**	**112.7**	**123.6**	**132.7**
Excluding Nigeria	**103.3**	**112.5**	**118.7**	**123.6**	**133.2**
Angola	103.3	117.4	140.0	158.4	190.5
Cameroon	106.5	110.4	110.5	109.6	113.2
Chad	110.5	119.1	114.2	119.8	126.7
Congo, Rep. of	105.3	111.2	116.1	115.4	117.2
Equatorial Guinea	107.8	134.4	143.8	147.7	150.7
Gabon	104.7	104.7	105.0	102.6	104.8
Nigeria	131.6	104.9	107.8	124.1	133.1
Middle-income countries	**98.8**	**98.6**	**108.0**	**108.6**	**104.5**
Excluding South Africa	**98.1**	**106.4**	**108.0**	**106.1**	**104.0**
Botswana	99.3	115.0	110.2	107.1	104.0
Cape Verde	102.0	100.3	97.3	94.9	97.4
Lesotho	102.1	112.2	132.2	132.8	129.4
Mauritius	96.2	94.3	92.0	88.4	87.6
Namibia	97.7	104.6	111.9	112.7	109.8
Seychelles	98.7	100.9	94.2	92.1	88.4
South Africa	99.0	97.3	107.6	108.5	104.2
Swaziland	96.3	102.8	113.2	113.2	112.1
Low-income countries	**103.6**	**94.6**	**92.1**	**97.7**	**102.3**
Benin	104.0	115.1	117.9	120.5	121.9
Burkina Faso	105.8	112.2	111.5	114.8	115.1
Ethiopia	97.0	90.1	85.0	91.2	99.5
Ghana	125.4	100.5	99.4	109.5	115.9
Kenya	101.0	106.6	104.2	116.1	135.0
Madagascar	101.8	105.7	80.1	84.7	85.3
Malawi	106.4	80.3	73.3	75.2	73.3
Mali	107.3	109.9	106.6	109.8	108.3
Mozambique	96.1	79.7	83.5	85.2	85.6
Niger	105.1	108.2	108.8	113.3	110.5
Rwanda	102.1	72.6	69.6	75.2	79.0
Senegal	104.7	106.6	106.7	105.3	105.1
Tanzania	97.4	75.0	67.7	65.6	62.0
Uganda	107.1	81.9	84.6	88.6	87.8
Zambia	104.2	101.7	107.8	134.7	176.6
Fragile countries	**85.1**	**64.1**	**61.8**	**58.8**	**61.0**
Including Zimbabwe	**96.2**	**112.8**	**91.3**	**86.0**	**93.0**
Burundi	103.1	63.6	64.2	71.0	73.2
Central African Republic	104.8	123.3	122.2	122.3	129.2
Comoros	111.5	127.8	131.8	132.3	133.7
Congo, Dem. Rep. of	74.1	31.7	30.1	29.4	32.8
Cote d'Ivoire	104.0	115.0	116.5	116.4	115.9
Eritrea	94.7	95.0	83.6	108.6	121.7
Gambia, The	96.4	51.8	51.2	53.5	54.3
Guinea	105.5	88.2	83.1	65.5	58.8
Guinea-Bissau	102.2	107.2	108.9	106.9	108.0
Liberia	...	...	...	...	...
São Tomé and Príncipe	90.9	86.9	84.2	89.8	89.4
Sierra Leone	102.2	77.7	69.4	70.8	73.4
Togo	104.3	109.5	110.9	113.6	112.4
Zimbabwe	143.1	197.9	69.5	63.2	78.9
Sub-Saharan Africa	**100.5**	**98.3**	**102.4**	**106.3**	**108.1**
Including Zimbabwe	101.1	103.2	105.9	109.6	111.9
Excluding Nigeria and South Africa	98.5	94.8	94.3	97.5	102.0
Oil-importing countries	**97.9**	**95.3**	**99.2**	**101.1**	**101.0**
Excluding South Africa	97.6	90.8	88.8	91.5	94.8
CFA franc zone	105.6	113.5	114.4	115.7	117.2
WAEMU	105.1	111.9	112.2	113.8	113.2
CEMAC	106.3	115.7	117.1	118.2	122.1
EAC-5	101.9	89.5	87.8	92.3	96.1
SADC	95.0	94.2	101.2	102.7	102.0
SACU	98.9	98.5	108.3	109.0	104.8
COMESA	92.1	85.5	85.1	90.6	99.0
Resource-intensive countries	**110.5**	**107.1**	**110.4**	**118.7**	**126.2**
Oil	113.1	108.4	112.7	123.6	132.7
Non-oil	101.5	101.1	99.8	96.7	97.5
Non-resource-intensive countries	**97.5**	**94.2**	**98.5**	**100.8**	**100.6**
Coastal	100.3	98.8	105.2	107.1	105.3
Landlocked	91.1	79.0	77.4	80.4	84.2
MDRI	104.5	94.3	91.8	96.5	100.0
Fixed exchange rate regime	104.0	112.7	114.0	114.8	115.3
Floating exchange rate regime	99.8	95.2	99.8	104.2	106.2

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.
[1] An increase indicates appreciation.

Table SA22. Nominal Effective Exchange Rates[1]
(Annual average; index, 2000 = 100)

	1997–2002	2003	2004	2005	2006
Oil-exporting countries	**121.3**	**73.6**	**69.8**	**69.2**	**70.7**
Excluding Nigeria	**119.4**	**70.9**	**69.3**	**68.0**	**69.8**
Angola	782.3	10.8	9.0	8.4	9.2
Cameroon	103.8	108.6	110.8	110.1	110.3
Chad	104.2	109.3	113.2	112.8	113.3
Congo, Rep. of	104.6	112.8	116.6	116.2	115.8
Equatorial Guinea	106.4	114.0	119.8	119.6	120.2
Gabon	103.1	106.3	108.5	108.1	108.3
Nigeria	132.6	74.2	67.9	68.0	69.2
Middle-income countries	**100.8**	**91.1**	**103.0**	**104.6**	**102.6**
Excluding South Africa	**100.2**	**98.6**	**98.5**	**95.4**	**90.9**
Botswana	101.5	112.4	105.1	99.0	93.3
Cape Verde	100.1	104.4	105.9	105.3	105.3
Lesotho	105.8	92.0	105.8	106.4	100.1
Mauritius	97.8	86.7	82.9	76.8	71.4
Namibia	100.5	89.6	93.9	95.0	91.0
Seychelles	99.9	100.5	92.7	92.5	92.0
South Africa	100.9	89.8	103.1	105.3	103.6
Swaziland	100.0	98.5	109.5	110.6	112.3
Low-income countries	**106.4**	**83.6**	**78.9**	**78.6**	**78.1**
Benin	104.8	112.1	117.0	116.4	116.1
Burkina Faso	102.4	114.3	117.7	117.8	118.7
Ethiopia	100.5	90.3	84.9	84.0	83.3
Ghana	141.6	55.0	49.4	48.5	47.5
Kenya	105.0	97.5	87.8	91.4	96.0
Madagascar	105.8	92.8	63.9	57.9	54.0
Malawi	137.9	68.0	61.9	60.5	61.2
Mali	103.2	109.2	111.8	111.2	111.5
Mozambique	97.0	62.6	59.3	58.2	53.3
Niger	103.6	111.4	114.7	114.0	114.0
Rwanda	101.2	69.5	61.3	63.0	63.5
Senegal	102.7	109.1	111.5	111.2	111.4
Tanzania	102.1	73.8	65.8	63.0	57.0
Uganda	108.4	80.7	83.7	84.1	81.6
Zambia	120.1	70.8	69.0	78.6	107.6
Fragile countries	**141.1**	**36.1**	**32.6**	**26.9**	**25.1**
Including Zimbabwe	**135.1**	**37.9**	**26.1**	**18.7**	**14.1**
Burundi	115.6	61.4	56.9	57.5	59.7
Central African Republic	103.2	106.3	108.1	107.9	108.1
Comoros	103.5	112.3	113.3	113.4	115.3
Congo, Dem. Rep. of	438.3	3.6	3.2	2.6	2.7
Cote d'Ivoire	103.0	112.2	114.9	113.6	113.1
Eritrea	100.4	62.9	45.5	53.7	52.8
Gambia, The	94.9	42.3	37.5	39.1	39.3
Guinea	106.5	80.2	66.9	41.5	28.4
Guinea-Bissau	104.1	112.0	116.2	115.2	115.4
Liberia	...	63.1	62.2	57.9	55.5
São Tomé and Príncipe	103.1	72.6	63.7	59.4	49.4
Sierra Leone	120.0	78.4	62.7	58.3	56.5
Togo	102.0	115.8	120.5	120.0	119.8
Zimbabwe	142.2	18.1	1.0	0.3	0.0
Sub-Saharan Africa	**107.3**	**81.8**	**83.8**	**83.1**	**82.3**
Including Zimbabwe	108.0	80.7	80.9	79.3	77.2
Excluding Nigeria and South Africa	110.4	74.5	70.8	68.5	67.8
Oil-importing countries	**104.2**	**84.4**	**88.2**	**87.6**	**86.0**
Excluding South Africa	107.7	76.8	72.6	70.1	68.7
CFA franc zone	103.4	111.1	114.5	113.9	114.0
WAEMU	103.2	112.4	115.8	115.1	115.2
CEMAC	103.7	109.4	112.7	112.3	112.5
EAC-5	105.1	85.7	81.8	82.3	80.9
SADC	106.6	75.4	81.0	80.7	79.8
SACU	100.9	90.9	103.3	105.2	103.3
COMESA	118.0	57.5	53.0	51.4	52.5
Resource-intensive countries	**117.6**	**76.1**	**71.8**	**69.8**	**70.3**
Oil	121.3	73.6	69.8	69.2	70.7
Non-oil	106.2	88.6	81.4	71.6	66.6
Non-resource-intensive countries	**104.2**	**83.1**	**87.6**	**87.6**	**86.2**
Coastal	102.3	88.9	96.0	97.0	95.1
Landlocked	111.2	65.3	63.2	61.0	60.8
MDRI	106.9	83.5	79.4	78.6	77.6
Fixed exchange rate regime	102.8	109.1	111.9	111.0	110.2
Floating exchange rate regime	108.8	76.5	78.3	77.7	76.9

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.
[1] An increase indicates appreciation.

Table SA23. External Debt to Official Creditors
(Percent of GDP)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**67.9**	**54.0**	**46.8**	**23.1**	**8.8**	**7.1**	**5.9**
Excluding Nigeria	**73.3**	**55.1**	**46.3**	**28.9**	**16.3**	**12.1**	**9.5**
Angola	65.8	44.3	33.3	23.8	12.1	6.7	5.0
Cameroon	61.0	44.9	42.0	34.9	4.5	4.5	5.1
Chad	62.3	50.4	36.9	27.6	27.2	32.0	33.3
Congo, Rep. of	182.3	173.9	176.5	70.2	54.9	56.6	48.3
Equatorial Guinea	39.3	10.0	6.5	3.3	1.8	1.3	1.0
Gabon	69.0	58.3	40.3	29.4	33.9	28.0	21.4
Nigeria	64.2	53.1	47.1	18.7	2.6	2.6	2.3
Middle-income countries	**5.2**	**4.4**	**3.5**	**3.1**	**2.9**	**2.8**	**2.7**
Excluding South Africa	**17.6**	**14.8**	**13.3**	**11.8**	**11.2**	**11.2**	**11.2**
Botswana	9.8	5.3	4.5	3.9	3.5	3.4	3.2
Cape Verde	53.3	61.8	57.1	48.4	45.3	40.2	38.7
Lesotho	69.2	60.6	49.3	41.9	38.3	39.6	36.9
Mauritius	23.8	17.5	14.2	13.3	12.7	12.1	12.2
Namibia	3.1	5.4	5.4	5.6	6.0	6.0	6.7
Seychelles	24.2	34.8	39.6	44.9	34.3	42.1	50.2
South Africa	3.6	3.0	2.3	2.1	2.0	1.8	1.7
Swaziland	18.8	18.5	21.0	15.7	14.1	14.3	14.5
Low-income countries	**80.6**	**79.5**	**71.2**	**54.4**	**28.8**	**20.1**	**21.6**
Benin	68.5	54.4	49.7	47.7	22.1	21.7	21.8
Burkina Faso	53.4	41.6	20.1	20.8	9.0	34.5	42.6
Ethiopia	63.3	83.4	76.8	52.2	41.8	10.1	11.9
Ghana	112.9	109.9	95.8	59.2	22.3	23.6	25.3
Kenya	37.6	31.7	29.4	24.9	20.7	16.9	17.5
Madagascar	112.0	83.5	77.5	70.7	30.3	27.0	26.6
Malawi	185.8	478.7	450.4	416.0	143.2	94.7	96.1
Mali	97.6	63.8	66.8	63.2	26.5	27.3	29.2
Mozambique	99.2	82.8	71.2	30.4	24.8	28.1	29.7
Niger	85.5	69.9	58.8	52.3	14.4	17.7	19.3
Rwanda	70.3	93.4	91.7	70.1	14.6	14.7	15.7
Senegal	66.1	54.0	46.4	40.4	18.9	18.7	19.6
Tanzania	78.6	53.1	50.9	48.1	48.3	15.2	17.9
Uganda	58.2	63.1	63.2	44.4	41.4	13.9	15.6
Zambia	195.3	154.5	114.4	56.8	4.9	6.2	6.6
Fragile countries	**121.7**	**109.1**	**101.6**	**94.4**	**73.4**	**60.5**	**44.8**
Including Zimbabwe	**93.7**	**88.7**	**98.5**	**89.8**	**69.7**	**47.8**	**...**
Burundi	145.9	224.0	207.3	182.2	161.9	149.6	33.6
Central African Republic	83.1	89.5	85.8	84.8	70.3	65.4	61.3
Comoros	99.1	90.5	81.6	67.7	69.9	55.9	50.1
Congo, Dem. Rep. of	250.3	184.7	164.3	155.8	61.4	53.0	46.7
Côte d'Ivoire	71.8	69.7	67.9	58.0	60.6	53.6	31.3
Eritrea	43.0	92.7	94.3	64.3	54.5	46.8	39.8
Gambia, The	130.0	203.5	194.1	175.7	165.7	60.7	63.9
Guinea	96.9	92.9	83.5	98.1	99.7	63.4	62.9
Guinea-Bissau	381.5	386.9	378.7	332.0	322.4	286.1	266.9
Liberia	...	188.4	163.5	125.9	98.6	76.2	63.2
São Tomé and Príncipe	377.2	323.0	309.0	285.7	264.5	105.8	96.8
Sierra Leone	161.3	158.0	153.6	117.6	87.6	52.4	50.4
Togo	89.3	92.4	82.5	72.8	82.3	73.0	68.7
Zimbabwe	33.8	33.7	77.0	56.0	44.8	14.9	...
Sub-Saharan Africa	**45.6**	**40.3**	**34.0**	**24.0**	**13.8**	**11.0**	**9.8**
Including Zimbabwe	44.8	40.1	34.4	24.3	14.0	11.1	...
Excluding Nigeria and South Africa	78.7	70.4	61.9	47.2	28.5	21.5	18.9
Oil-importing countries	**39.6**	**35.7**	**29.7**	**24.4**	**16.1**	**12.9**	**12.0**
Excluding South Africa	80.3	75.1	67.5	55.1	34.5	26.3	24.5
CFA franc zone	75.7	63.1	56.5	42.9	29.6	28.9	24.4
WAEMU	75.4	64.5	58.3	51.9	38.0	37.9	31.4
CEMAC	76.6	61.5	54.4	33.9	21.6	19.7	17.5
EAC-5	57.7	50.4	48.6	40.7	34.4	18.1	17.4
SADC	28.1	24.2	19.0	15.8	8.8	6.6	6.2
SACU	4.4	3.7	2.9	2.6	2.4	2.3	2.2
COMESA	81.0	78.7	68.0	51.9	25.6	16.1	13.9
Resource-intensive countries	**68.9**	**56.2**	**48.8**	**27.2**	**13.5**	**11.1**	**8.3**
Oil	67.9	54.0	46.8	23.1	8.8	7.1	5.9
Non-oil	72.3	62.4	54.9	43.1	33.2	28.8	20.6
Non-resource-intensive countries	**35.3**	**32.2**	**26.5**	**22.2**	**14.0**	**10.9**	**10.9**
Coastal	22.6	18.6	14.9	12.0	8.9	7.4	7.6
Landlocked	101.4	109.9	99.1	83.8	43.5	30.3	29.3
MDRI	86.6	83.2	74.3	57.1	27.5	18.8	20.4
Fixed exchange rate regime	63.8	53.3	47.7	36.9	26.3	25.7	22.1
Floating exchange rate regime	41.1	36.8	30.6	20.9	10.9	7.7	7.2

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.

Table SA24. Terms of Trade
(Index, 2000 = 100)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**79.5**	**93.8**	**107.3**	**142.1**	**166.9**	**169.1**	**177.1**
Excluding Nigeria	**82.9**	**97.1**	**103.8**	**129.4**	**151.6**	**143.5**	**150.7**
Angola	70.7	80.8	97.6	126.4	152.2	147.9	157.7
Cameroon	92.0	102.1	99.9	116.9	132.9	125.0	122.1
Chad	108.6	138.2	126.9	162.5	203.0	187.0	178.3
Congo, Rep. of	79.2	111.1	116.3	132.2	146.5	115.3	122.4
Equatorial Guinea	78.1	93.6	103.4	139.6	164.1	152.0	155.4
Gabon	77.8	98.4	107.2	130.7	143.1	138.1	153.3
Nigeria	77.0	91.3	110.0	151.8	179.4	192.4	203.4
Middle-income countries	**103.5**	**102.8**	**103.6**	**104.7**	**109.2**	**109.1**	**107.8**
Excluding South Africa	**99.7**	**97.4**	**98.1**	**101.6**	**106.0**	**108.5**	**105.0**
Botswana	99.2	89.2	91.7	97.5	103.5	109.8	102.9
Cape Verde	91.1	96.7	105.4	125.6	123.4	122.7	130.1
Lesotho	99.9	114.0	113.1	106.6	106.6	105.5	104.0
Mauritius	103.9	100.1	97.1	93.0	90.9	90.9	92.5
Namibia	93.3	96.6	95.7	104.0	112.1	114.9	107.4
Seychelles	123.2	149.7	138.8	110.3	124.2	110.9	107.5
South Africa	104.0	103.5	104.3	105.0	109.6	109.2	108.1
Swaziland	99.3	99.1	110.0	118.5	123.8	127.5	127.5
Low-income countries	**108.0**	**96.0**	**101.7**	**92.7**	**105.8**	**104.6**	**100.3**
Benin	142.0	86.9	91.7	76.3	80.8	82.4	87.4
Burkina Faso	119.3	123.0	135.9	106.2	109.7	113.7	122.5
Ethiopia	127.9	81.6	72.0	77.3	81.7	83.1	80.1
Ghana	117.9	127.2	108.0	100.6	106.4	112.6	116.2
Kenya	102.0	84.0	78.2	72.6	70.4	65.3	64.2
Madagascar	102.7	113.5	95.7	60.6	57.1	57.9	58.3
Malawi	127.4	247.7	523.0	339.7	335.0	321.3	323.2
Mali	111.6	96.5	96.6	113.6	117.0	115.8	104.6
Mozambique	91.3	84.6	106.1	129.9	206.6	210.4	167.3
Niger	108.5	111.2	108.1	117.6	116.9	122.4	139.0
Rwanda	90.8	48.9	58.5	65.8	63.6	64.6	62.9
Senegal	100.9	101.0	97.6	95.2	99.7	105.0	106.2
Tanzania	86.5	65.3	60.0	53.9	47.2	48.6	49.5
Uganda	110.3	75.5	72.0	50.6	60.5	84.4	77.5
Zambia	105.8	99.3	132.4	143.1	216.7	209.6	184.2
Fragile countries	**113.8**	**123.3**	**105.7**	**103.3**	**111.3**	**113.2**	**109.7**
Including Zimbabwe	**109.5**	**115.3**	**103.2**	**100.3**	**106.3**	**103.4**	**84.6**
Burundi	103.6	78.4	100.4	111.5	101.5	98.5	94.3
Central African Republic	96.5	85.0	70.7	74.3	75.3	79.8	79.5
Comoros	93.7	294.6	189.0	108.8	107.4	107.2	107.0
Congo, Dem. Rep. of	104.8	124.6	129.0	143.6	152.3	149.6	134.2
Cote d'Ivoire	123.9	135.5	104.5	96.0	106.7	113.5	113.9
Eritrea	102.0	83.4	75.5	69.7	63.8	60.8	61.3
Gambia, The	98.4	118.9	76.9	64.1	62.3	57.5	61.1
Guinea	108.9	91.6	85.8	79.9	83.9	77.4	74.1
Guinea-Bissau	86.9	74.4	69.6	74.6	57.7	57.6	58.5
Liberia	...	...	...	...	...	...	...
São Tomé and Príncipe	61.2	64.6	42.2	38.3	32.1	34.7	34.4
Sierra Leone	113.4	100.4	95.7	86.1	81.3	82.0	81.2
Togo	105.0	121.4	104.8	97.8	95.2	100.6	100.7
Zimbabwe	100.7	93.6	86.7	79.0	73.4	77.9	76.7
Sub-Saharan Africa	**100.5**	**100.5**	**104.3**	**113.3**	**127.1**	**128.0**	**130.8**
Including Zimbabwe	100.5	100.4	104.1	113.0	126.6	126.9	122.9
Excluding Nigeria and South Africa	103.3	100.7	102.4	106.1	121.5	119.1	120.7
Oil-importing countries	**105.8**	**102.7**	**103.3**	**101.3**	**108.4**	**108.1**	**105.6**
Excluding South Africa	108.1	101.8	101.9	96.1	106.9	106.7	102.7
CFA franc zone	105.2	110.6	105.3	114.3	127.2	122.7	124.6
WAEMU	117.1	115.8	104.9	98.8	104.5	109.0	110.8
CEMAC	88.3	104.2	105.8	129.7	148.9	136.7	138.6
EAC-5	98.8	74.9	70.8	63.1	62.6	65.5	63.6
SADC	101.5	101.7	106.2	108.1	119.4	119.1	119.4
SACU	103.4	102.7	103.6	104.8	109.6	109.5	108.0
COMESA	103.6	96.6	106.4	106.1	123.9	121.2	124.8
Resource-intensive countries	**89.3**	**98.0**	**105.9**	**134.2**	**159.5**	**161.5**	**167.7**
Oil	79.5	93.8	107.3	142.1	166.9	169.1	177.1
Non-oil	111.0	109.7	101.8	103.5	128.4	127.9	120.7
Non-resource-intensive countries	**105.1**	**101.8**	**103.5**	**101.0**	**105.9**	**105.6**	**103.8**
Coastal	103.6	101.2	100.7	99.8	104.8	103.9	102.4
Landlocked	113.4	105.1	120.9	108.1	112.6	115.5	111.6
MDRI	106.9	99.1	105.3	99.6	115.8	115.3	110.2
Fixed exchange rate regime	103.8	108.4	104.2	112.3	124.0	121.1	121.7
Floating exchange rate regime	99.7	98.4	104.3	113.5	127.8	129.5	132.8

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.

Table SA25. Reserves
(Months of imports of goods and services)

	1997–2002	2003	2004	2005	2006	2007	2008
Oil-exporting countries	**3.9**	**2.5**	**4.8**	**6.7**	**9.3**	**9.1**	**11.1**
Excluding Nigeria	**1.0**	**1.2**	**1.9**	**3.0**	**5.5**	**5.7**	**6.9**
Angola	1.2	0.9	1.6	2.5	6.0	5.2	6.3
Cameroon	0.9	2.4	2.5	2.7	3.9	4.5	5.0
Chad	2.2	1.4	1.0	1.0	1.9	4.7	3.9
Congo, Rep. of	0.7	0.2	0.6	3.0	5.8	7.2	10.2
Equatorial Guinea	0.3	1.3	3.9	7.0	7.9	9.6	11.9
Gabon	0.7	1.3	2.3	3.3	4.4	5.0	5.8
Nigeria	6.4	3.6	7.6	10.0	12.6	12.3	15.6
Middle-income countries	**3.9**	**3.3**	**3.6**	**4.0**	**4.1**	**4.3**	**4.4**
Excluding South Africa	**9.7**	**8.5**	**7.3**	**7.0**	**8.4**	**9.0**	**9.1**
Botswana	30.7	23.0	18.6	20.4	29.6	31.9	28.8
Cape Verde	1.2	2.0	2.6	3.2	3.5	3.3	3.3
Lesotho	7.0	5.2	4.5	4.4	5.8	6.1	6.6
Mauritius	3.7	6.3	5.9	4.3	3.5	3.6	3.3
Namibia	1.9	2.0	1.6	1.4	1.8	1.8	1.8
Seychelles	0.9	1.4	0.6	0.7	1.3	0.6	0.7
South Africa	2.2	1.9	2.7	3.3	3.3	3.5	3.5
Swaziland	3.0	2.2	1.9	1.3	2.1	2.3	2.4
Low-income countries	**3.6**	**5.4**	**5.0**	**4.0**	**4.0**	**3.9**	**3.9**
Benin	7.6	9.1	7.1	7.7	10.1	9.1	8.5
Burkina Faso	5.3	9.7	6.5	3.8	4.2	5.5	4.9
Ethiopia	3.4	4.9	5.7	3.1	2.3	2.6	3.2
Ghana	1.5	4.1	3.7	3.2	3.3	3.2	3.2
Kenya	3.0	4.2	3.4	3.2	3.6	3.4	3.4
Madagascar	2.9	2.8	2.9	2.8	3.9	3.1	3.0
Malawi	3.4	1.7	1.5	1.4	0.6	1.3	1.9
Mali	5.1	7.8	6.4	5.5	5.6	5.6	5.9
Mozambique	5.8	5.3	5.9	4.5	4.4	4.2	4.2
Niger	1.9	4.6	3.7	2.9	5.1	4.3	4.4
Rwanda	5.2	5.6	7.2	7.3	6.4	5.0	5.2
Senegal	3.0	5.0	5.2	3.9	4.0	4.0	4.5
Tanzania	5.2	10.1	9.3	6.4	5.3	4.7	4.0
Uganda	6.9	7.8	8.3	6.8	6.1	5.7	5.0
Zambia	1.8	1.7	1.7	2.5	3.1	3.5	3.7
Fragile countries	**3.0**	**2.9**	**3.1**	**2.1**	**2.4**	**2.3**	**2.3**
Including Zimbabwe	**2.4**	**2.4**	**2.7**	**1.9**	**2.2**	**2.2**	**...**
Burundi	4.9	4.9	3.5	3.8	2.5	2.2	3.5
Central African Republic	7.0	7.8	7.2	5.8	4.1	4.2	4.4
Comoros	8.1	10.9	10.5	7.7	7.0	6.1	5.1
Congo, Dem. Rep. of	1.2	1.1	1.5	0.7	0.7	0.8	0.8
Cote d'Ivoire	3.0	3.3	3.3	2.2	2.6	2.5	2.5
Eritrea	1.4	0.5	0.8	0.9	0.8	0.8	1.1
Gambia, The	5.9	3.6	3.6	3.8	4.7	4.1	4.2
Guinea	2.7	1.9	1.4	1.8	1.8	1.5	1.9
Guinea-Bissau	6.5	3.8	6.9	6.4	5.4	7.6	7.3
Liberia	...	0.3	0.2	0.2	1.0	1.0	1.1
São Tomé and Príncipe	3.8	5.7	4.1	5.0	2.0	2.4	4.5
Sierra Leone	3.0	2.0	4.1	4.5	7.7	6.5	6.3
Togo	2.5	2.6	4.0	1.9	2.8	2.5	2.4
Zimbabwe	0.8	0.5	0.5	0.6	0.8	0.8	...
Sub-Saharan Africa	**3.8**	**3.4**	**4.2**	**4.7**	**5.6**	**5.7**	**6.4**
Including Zimbabwe	3.7	3.4	4.2	4.6	5.5	5.7	...
Excluding Nigeria and South Africa	4.0	4.3	4.2	3.9	4.9	5.0	5.4
Oil-importing countries	**3.7**	**3.9**	**4.0**	**3.8**	**3.9**	**4.0**	**4.1**
Excluding South Africa	5.0	5.6	5.2	4.3	4.6	4.6	4.6
CFA franc zone	2.4	3.4	3.5	3.5	4.5	5.2	5.8
WAEMU	3.6	5.1	4.7	3.4	4.0	4.0	4.0
CEMAC	1.0	1.6	2.3	3.6	5.0	6.3	7.6
EAC-5	4.5	6.5	6.1	4.9	4.6	4.2	3.9
SADC	3.6	3.2	3.5	3.7	4.2	4.3	4.6
SACU	4.0	3.1	3.6	4.0	4.2	4.4	4.5
COMESA	2.7	3.0	3.1	2.8	3.9	3.7	4.3
Resource-intensive countries	**5.2**	**3.5**	**5.2**	**6.5**	**8.9**	**8.9**	**10.6**
Oil	3.9	2.5	4.8	6.7	9.3	9.1	11.1
Non-oil	8.7	7.0	6.2	6.0	7.4	8.0	8.1
Non-resource-intensive countries	**2.9**	**3.4**	**3.6**	**3.5**	**3.5**	**3.5**	**3.6**
Coastal	2.6	3.0	3.4	3.5	3.5	3.6	3.6
Landlocked	4.3	5.0	4.7	3.4	3.3	3.5	3.6
MDRI	3.5	5.1	4.9	4.0	4.1	4.1	4.1
Fixed exchange rate regime	5.3	5.0	4.6	4.6	5.9	6.6	7.1
Floating exchange rate regime	3.3	2.9	4.1	4.7	5.5	5.5	6.2

Sources: IMF, African Department database, October 1, 2007; and World Economic Outlook (WEO) database, October 1, 2007.

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