04/2025

Sub-Saharan Africa

MACRO POVERTY OUTLOOK

Country-by-country Analysis and Projections for the Developing World

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1818 H Street NW, Washington DC 20433

Telephone: 202-473-1000

Internet: www.worldbank.org

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South Sudan
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Tanzania
Togo
Uganda
Zambia
Zimbabwe

Sub-Saharan Africa

This outlook reflects information available as of April 10, 2025.

ANGOLA

Population[1] million	Poverty[2] millions living on less than $2.15/day
37.9	**9.7**
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
61.9	**86.7**
GDP[5] current US$, billion	**GDP per capita[6]** current US$
96.7	**2551.3**

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2018 (2017 PPPs). 3/ 2022. 4/ 2022. 5/ 2024. 6/ 2024.

Angola's economy grew strongly in 2024, driven by non-oil activities. Lower oil prices are projected to weigh on short-term growth. Limited infrastructure and human capital continue to constrain growth potential. With subdued employment and income growth, the poverty rate is projected to reach 36 percent. High risks, notably on the fiscal side, result from oil dependency and increased global uncertainty from recent trade policy shifts.

Key conditions and challenges

From 2002 to 2014, Angola experienced strong oil-led growth. With the lack of economic diversification, the drop in oil prices from 2014 to 2016 led to a five-year recession, worsened by the COVID-19 pandemic. Although the country has returned to growth since 2021, supported by sound policies and a favorable environment, Angola's economy remains undiversified, with oil accounting for about 30 percent of GDP.

The oil-based growth model failed to reduce poverty sustainably. In 2018, about one-third of Angolans lived below the international poverty line ($2.15/day). Inequality is also high, with a Gini index of 0.51 and human capital is low, with an index of 0.36. Job opportunities in the formal sector are scarce, disproportionally affecting young people and women. National estimates indicate that the unemployment rate has remained above 30 percent for several years, and about 80 percent of jobs are informal.

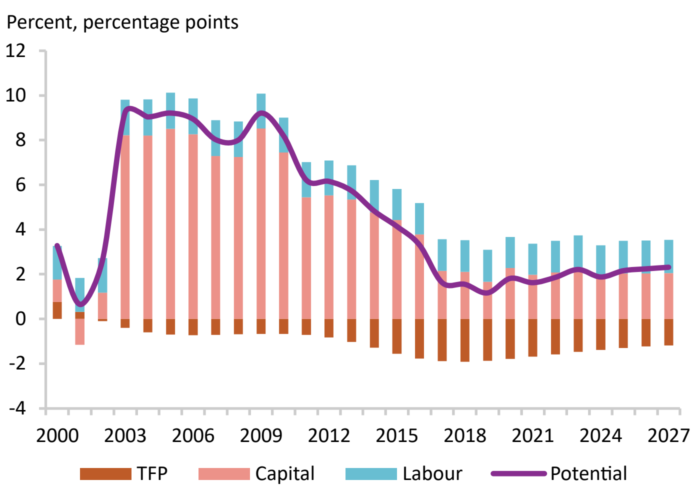
The macro-institutional framework hinders private sector growth and job creation due to weak rule of law. Fiscal expansion during the oil boom translated in rising debt, crowding out spending on infrastructure and human capital, and undermining productivity growth. Poor public expenditure efficiency did not support the economy and fiscal policy remained procyclical. Angola is also vulnerable to climate shocks.

Transforming the economy to create jobs is key to unleashing the country's potential, boosting productivity, reducing poverty, and strengthening economic resilience. The development of the Lobito Corridor would accelerate economic diversification and promote regional integration, provided it is supported by comprehensive structural reforms.

Recent developments

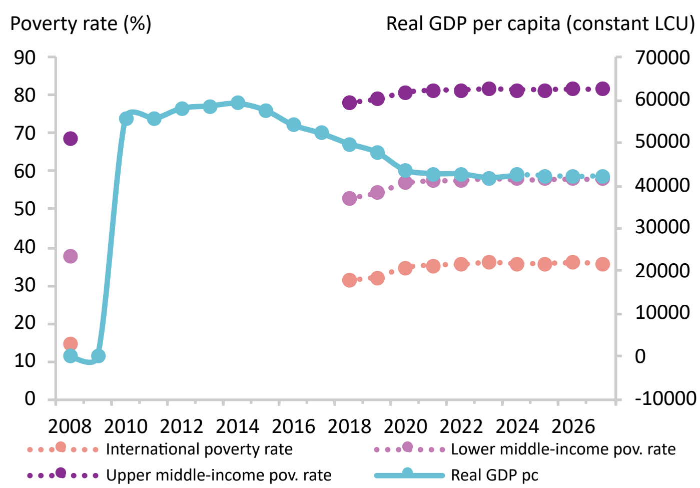
Real GDP grew by 4.4 percent in 2024, the largest expansion since 2015. It was driven by commerce and transport services, diamonds extraction, the oil industry, and fishing. The labor market remained

FIGURE 1 / Contribution to potential GDP growth



Source: World Bank staff estimates.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

stable, with national estimates showing a slight increase in the unemployment rate from 30 percent in Q3 2022 to 30.8 percent in Q3 2024, while the labor force participation rate saw a modest increase from 89.4 percent to 89.7 percent.

Inflation surged to 27.5 percent in 2024, driven by a rise in food costs and diesel price. The central bank responded by raising the main interest rate to 19.5 percent (+1.5 percentage points). The growth of the credit to the private sector stagnated at 0.3 percent in real terms.

The current account surplus rose to 6.7 percent of GDP supported by lower fuel imports and slightly higher oil exports. The services and primary income account deficits improved due to lower oil-related services expenses and lower interest payment on external debt. Gross international reserves increased to US$15.7 billion in 2024, covering about 8.3 months of imports. The Kwanza depreciated by 10 percent against the US dollar in 2024 compared to 65 percent in 2023. The real exchange rate appreciated by 16.7 percent.

Public finances deteriorated slightly compared to 2023. Total revenue is estimated at 21.5 percent of GDP in 2024 from 21.1 percent, mainly due to higher oil revenue. Non-interest expenditure is estimated to have increased to 16.9 percent of GDP from 13.7 percent, driven by higher payroll and goods and services expenses, slightly offset by a reduction in subsidies and public investment. The non-oil primary deficit increased to 7.8 percent from 6.3 percent. The fiscal balance shifted from a surplus of 1.3 percent to a deficit of 1.5 percent of GDP. Public debt fell to 70.9 percent of GDP, down from 89 percent in 2023 due to higher nominal GDP growth.

Outlook

Growth is projected to slow to 2.7 percent in 2025 as lower global oil prices than projected in the budget are expected to translate in reduced fiscal spending. Medium-term growth is projected around 2.9 percent annually, driven by the non-oil sector. Given the growing working age population, the unemployment rate is expected to remain high.

The central bank is expected to keep monetary policy tight. Inflation is projected to slow but will remain high, averaging 18.7 percent over 2025-2027, driven by the fuel subsidy reform, including a 50 percent diesel price hike in March 2025. Subdued employment and income growth are expected to hinder poverty reduction. The poverty rate is forecasted to reach about 36 percent by 2027, highlighting the need for strong social safety nets and increased investment in human capital.

The current account surplus is expected to decline due to reduced oil exports. Gross international reserves are expected to remain comfortable. However, high debt service costs over the next two years will continue to weigh on the foreign exchange market.

The approaching political cycle presents risks for fiscal consolidation. The fiscal deficit is projected to deteriorate to around 2.2 percent of GDP in the medium term, with public debt projected at around 72.4 percent of GDP.

The outlook remains highly uncertain due to trade policy shifts. In particular, the impact of commodity price decline may compound the potential effects of trade uncertainty.

Recent history and projections

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices[1]	3.0	1.0	4.4	2.7	2.6	3.2
Private consumption	4.0	3.1	6.2	7.3	4.4	4.0
Government consumption	8.4	-36.7	-1.9	2.8	3.1	3.9
Gross fixed capital investment	8.5	-5.3	7.2	3.7	3.8	3.9
Exports, goods and services	3.3	-6.2	5.0	-5.2	-2.8	0.2
Imports, goods and services	26.1	-6.8	-6.2	5.4	2.7	2.7
Real GDP growth, at constant factor prices	3.1	0.6	4.4	2.7	2.6	3.2
Agriculture	3.9	2.7	4.3	4.6	5.0	5.0
Industry	1.8	-1.0	4.5	1.1	0.2	2.0
Services	4.2	1.8	4.4	3.8	4.4	3.9
Employment rate (% of working-age population, 15 years+)	64.6	64.7	65.1	65.1	65.1	65.1
Inflation (consumer price index)	21.4	13.6	28.2	25.0	18.0	12.2
Current account balance (% of GDP)	10.4	4.6	6.7	1.0	2.0	2.4
Net foreign direct investment inflow (% of GDP)	-5.9	-2.4	-1.8	-1.3	-0.9	-0.8
Fiscal balance (% of GDP)	6.5	1.3	-1.5	-2.1	-2.2	-2.2
Revenues (% of GDP)	27.7	21.1	21.5	22.3	21.7	21.7
Debt (% of GDP)	69.5	88.7	70.9	72.2	74.4	72.4
Primary balance (% of GDP)	10.6	7.2	4.4	3.0	2.7	2.6
International poverty rate ($2.15 in 2017 PPP)[2,3]	35.4	35.9	35.6	35.7	35.8	35.7
Lower middle-income poverty rate ($3.65 in 2017 PPP)[2,3]	57.7	58.3	57.9	58.0	58.1	58.0
Upper middle-income poverty rate ($6.85 in 2017 PPP)[2,3]	81.4	81.6	81.4	81.5	81.6	81.5
GHG emissions growth (mtCO2e)	-0.8	-0.4	-0.1	0.0	0.0	9.8

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ This macro-framework is using the national accounts in base year 2002. New national account statistics with 2015 as base year are under preparation.
2/ Calculations based on 2018-IDREA. Projection using neutral distribution (2018) with pass-through = 0.7 (Low (0.7)) based on GDP per capita in constant LCU.
3/ Actual data: 2018. Nowcast: 2019-2024. Forecasts are from 2025 to 2027.

BENIN

Population[1] million **14.5**	Poverty[2] millions living on less than \$3.65/day **6.0**
Life expectancy at birth[3] years **60.0**	School enrollment[4] primary (% gross) **113.0**
GDP[5] current US\$, billion **21.6**	GDP per capita[6] current US\$ **1495.2**

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2021 (2017 PPPs). 3/ 2022. 4/ 2022. 5/ 2024. 6/ 2024.

In 2024, economic activity grew by 7.5 percent, boosted by strong performance across all sectors. Inflation fell to 1.2 percent and the lower middle-income poverty rate decreased by 2.8 percentage points to 38.5 percent. Benin met the 3 percent WAEMU fiscal deficit target and debt declined to 53.4 percent of GDP in 2024. Key risks include worsening security in the north and climate shocks amid rising global uncertainties.

Key conditions and challenges

The Benin economy adapted well to shocks, growing on average by 5.9 percent per year during 2020–2023, 3.7 percentage points above the Sub-Saharan Africa average. The resilience of Benin's economy is derived from ongoing diversification of the agricultural sector, development of agro-industries, tourism, and strong macroeconomic management. Improved fiscal space during 2017-19 allowed the government to implement countercyclical fiscal policy supporting the 2021–2026 government action plan. While the informal sector has served as a shock absorber, particularly during border closures, it also hinders productivity growth and revenue mobilization.

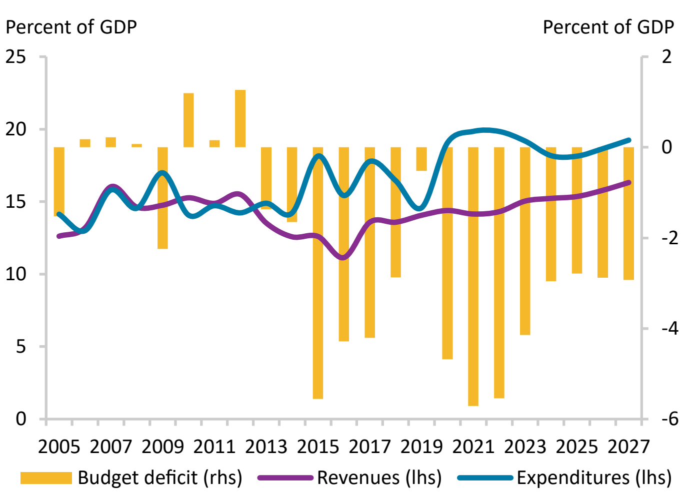
Despite increased revenue mobilization, a tax revenue to GDP ratio of 12.9 percent (in 2023) remains low compared to peers. High structural inequalities limit the poor's ability to benefit from growth. Amidst rising fragility in the north, boosting growth's impact on poverty reduction is crucial. Preserving macroeconomic gains while enhancing productivity and create more high-quality jobs is vital. Fiscal consolidation has reduced debt accumulation, but rebalancing its composition towards domestic debt is critical for debt sustainability, as external debt breaches high-risk thresholds in stress tests.

Recent developments

Despite persistent regional security challenges spreading across the northern part of Benin and trade uncertainties, GDP growth reached 7.5 percent in 2024 (4.9 percent per capita), up from 6.4 percent in 2023. The services sector, the major growth driver, was boosted by trade, tourism and other services. Port activities increased by 119 percent in December 2024, year-on-year due to rising exports (three-fold increase in tonnage) and recovering imports. Rising agro-industries along with strong agriculture output also supported growth. The construction sector remains dynamic with the development of the Glo-Djigbé Industrial Zone and PAG-2 projects. On the demand side, rising exports and private investment, bolstered growth. Private consumption also contributed, in line with subsiding inflation.

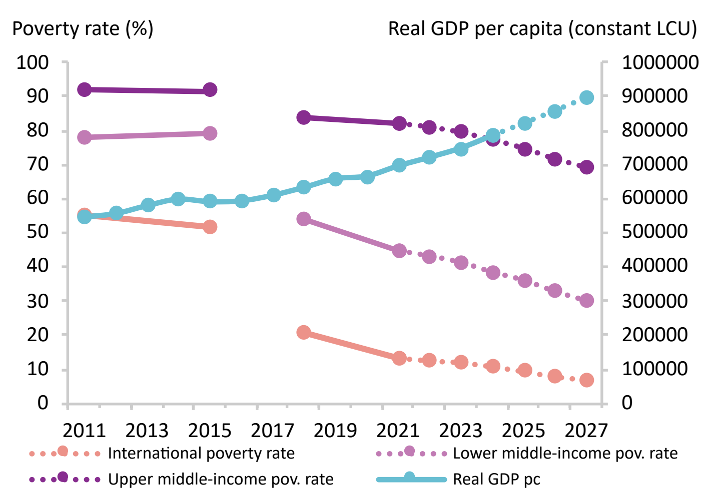
Inflation averaged 1.2 percent in 2024, down from 2.8 percent in 2023 due to moderating energy and transport prices. Food price inflation doubled to 0.8 percent in 2024 but remained below

FIGURE 1 / Fiscal conditions



Source: World Bank.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

headline inflation. The lower middle-income poverty rate ($3.65 in 2017 PPP) declined by 2.9 ppts to 38.4 percent in 2024, supported by dynamic economic activities and fall in inflation. The West African Economic and Monetary Union (WAEMU) inflation rate declined further in 2024 to 3.5 percent but remained above the 1–3 percent WAEMU target band. Regional foreign reserves increased from 3.5 months of imports in 2023 to 4.7 months in 2024, reflecting the resumption of international bond issuances, and IMF and World Bank disbursements. The Central Bank of West African States kept its policy interest rates unchanged throughout 2024 at 3.5 percent for liquidity calls and 5.5 percent for the marginal lending facility.

The fiscal deficit declined to 3.0 percent of GDP in 2024, driven by a 1.2 ppt of GDP decline in capital expenditures between 2023 and 2024 and a 0.3 ppt of GDP increase in tax revenues to 13.2 percent of GDP. Debt declined to 53.4 percent of GDP in 2024, though external debt continues to rise, accounting for 72.6 percent of total debt. Although financing conditions in the WAEMU market remain tight, successful issuances of US-dollar denominated Eurobonds in February 2024 (US$ 750 million) and January 2025 (US$ 500 million), and a Euro 500 million commercial loan, supporting the Government's Liability Management Operations, are expected to improve the debt profile. The proceeds also contributed to covering the financing needs and the current account deficit (CAD), which narrowed to 7.0 percent of GDP due to rising exports of cotton, and agro-processed products. Credit to the non-financial private sector and to the public sector moderated. Net non-performing loans increased from 1.2 percent at end-2023 to 1.9 percent at end-2024 with the provisioning rate falling by 20.6 ppts to 54.7 percent.

Outlook

Economic growth is expected to average 7.1 percent during 2025–2027. Secondary sector activity is projected to rise by 9.1 percent, supported by the final PAG2 projects, notably construction and agro-industries. Investments in transit services, and normalizing trade relations with neighbors, along with rising tourism and telecom sectors, will boost services. Agriculture is expected to grow by 6.2 percent, due to productivity enhancing reforms. Strong growth across sectors is anticipated to drive poverty reduction with the lower middle-income poverty rate expected to decline to 30.3 percent by 2027. Inflation is projected to rise to 1.5 percent but remaining below the WAEMU target. The average regional inflation rate is expected to align with the WAEMU target band from 2025 onwards, while regional reserves are projected to rise to 5.4 months of imports in 2025, supported by recovering exports, and lower Euro Area interest rates.

The fiscal deficit is projected to remain below the 3 percent of GDP WAEMU criteria over 2025–27, reducing debt accumulation. With the completion of key investment projects, rising exports, and tourism, the CAD is expected to narrow to 4.3 percent by 2027. The CAD will be financed by foreign direct investment (FDI) and external public debt (Eurobond and project loans). The outlook is tilted to the downside due to security challenges, and climate issues. Additionally, uncertainty in trade policy could impact investment and growth, slowing down the development of the industrial zone and the commencement of production by new export firms.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	6.3	6.4	7.5	7.2	7.1	7.0
Private consumption	5.8	6.0	5.0	3.9	4.0	4.1
Government consumption	3.5	0.5	1.1	15.7	8.3	10.1
Gross fixed capital investment	-8.0	15.8	10.6	10.1	9.9	9.6
Exports, goods and services	14.5	4.3	4.4	6.2	7.3	7.7
Imports, goods and services	-4.6	10.4	-0.8	4.1	3.1	4.6
Real GDP growth, at constant factor prices	6.0	6.3	7.5	7.2	7.1	7.0
Agriculture	4.8	5.1	5.9	6.2	6.2	6.3
Industry	7.9	7.3	9.7	9.5	9.1	8.8
Services	6.0	6.6	7.5	7.0	6.8	6.8
Employment rate (% of working-age population, 15 years+)	61.5	61.8	61.8	61.8	61.8	61.8
Inflation (consumer price index)	1.4	2.8	1.2	1.5	1.5	1.5
Current account balance (% of GDP)	-5.7	-8.2	-7.0	-6.1	-4.9	-4.3
Net foreign direct investment inflow (% of GDP)	1.9	2.2	2.0	1.9	1.8	1.9
Fiscal balance (% of GDP)	-5.5	-4.1	-3.0	-2.9	-2.9	-2.9
Revenues (% of GDP)	14.3	15.0	15.0	15.3	15.5	15.9
Debt (% of GDP)	54.2	54.5	53.4	51.3	49.7	48.3
Primary balance (% of GDP)	-3.9	-2.6	-1.2	-1.2	-1.2	-1.3
International poverty rate ($2.15 in 2017 PPP)[1,2]	12.6	12.1	10.9	9.5	8.0	7.1
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	43.2	41.3	38.5	36.2	33.0	30.3
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	81.2	79.5	77.3	74.8	71.6	69.0
GHG emissions growth (mtCO2e)	-4.0	-2.0	0.6	1.9	2.3	2.4

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2021-EHCVM. Actual data: 2021. Nowcast: 2022-2024. Forecasts are from 2025 to 2027.
2/ Projections using microsimulation methodology.

BOTSWANA

Population[1] million	Poverty[2] millions living on less than $2.15/day
2.5	0.3
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
65.9	96.9
GDP[5] current US$, billion	**GDP per capita[6]** current US$
17.1	6789.1

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2015 (2017 PPPs). 3/ 2022. 4/ 2022. 5/ 2024. 6/ 2024.

Botswana's GDP contracted by 3.0 percent in 2024, primarily due to the weak global diamond market. The fiscal deficit is set to reach 9.2 percent of GDP amid eroded fiscal buffers. GDP growth is projected at 0.6 percent in 2025, driven by a gradual recovery in the diamond market and infrastructure investment. Risks are substantial on both the international and domestic fronts. Poverty is projected at 14 percent at the $2.15 international poverty line.

Key conditions and challenges

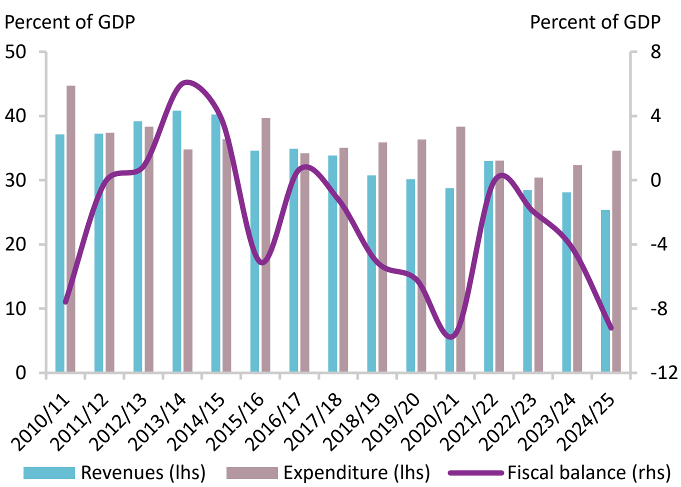
Botswana's historical economic success has been largely associated with the discovery of diamonds in the 1960s, which transformed the nation, providing a solid foundation for growth and development. Effective, prudent, and transparent policies contributed to political stability, low levels of corruption, and strong fiscal discipline. Significant investments led to the modernization of the country's infrastructure, while the allocation of public resources toward education and healthcare contributed to improvements in human capital. Poverty declined from 29.1 percent in 2002/03 to 15.4 percent in 2015/16 based on the $2.15 per day international poverty line (IPL), using 2017 purchasing power parity (PPP) prices. Despite these achievements, Botswana's limited economic diversification creates significant challenges that intensified in 2024. Weaknesses in global diamond markets, have posed risks to the country's fiscal and external positions, and more frequent climate shocks have impacted the agriculture sector, affecting rural livelihoods.

As diamonds currently provide almost 90 percent of Botswana's export revenues, economic diversification beyond diamonds would mitigate risks. Reforms are needed to enhance connectivity to enlarge markets, improve the business environment, attract investment, promote fiscal efficiency and stimulate innovation. Improving agricultural resilience and sustainability is also essential as this sector employs about 9.6 percent of the labor force (or 18 percent when subsistence farmers are included). Addressing high poverty and income inequality through job creation is critical for long-term stability. Strengthening regional integration and trade partnerships can open opportunities for Botswana's exports.

Recent developments

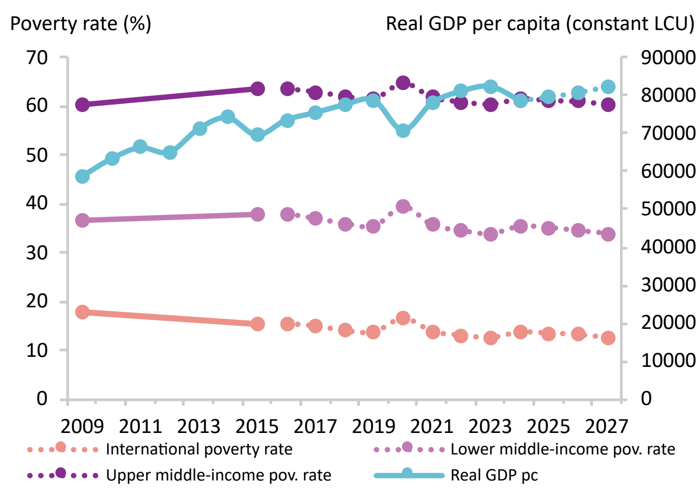
Due to a sharp contraction in the global demand for diamonds, the economy contracted by 3.0 percent in 2024, in contrast to 3.2 percent growth in 2023.Mining contracted by 24.1 percent whilst the value of diamond inventories reached about US$2 billion in December 2024, the highest since the 2008 Global Financial Crisis. In February 2025, Botswana renewed its deal with De Beers covering the allocation of rough diamonds from Debswana for sale, and the establishment of the Diamonds for Development Fund to support economic diversification. That is expected to provide some stability and predictability to the diamond sector, although the recent contraction in diamond markets is believed to be structural rather

FIGURE 1 / The Fiscal position has deteriorated



Sources: Ministry of Finance and World Bank staff estimates.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

than just cyclical. The unemployment rate increased to 27.6 percent (2024Q1), and poverty is projected to increase to 13.7 percent in 2024 under the $2.15 poverty line (2017 PPP).

Headline inflation averaged 2.8 percent in 2024, below the 3-6 percent objective range, and the policy rate, at 1.9 percent, remains significantly below the average among SACU countries. In December 2024, the Primary Reserve Requirement (PRR) was reduced from 2.5 percent to 0 percent to encourage credit expansion by banks.

Foreign exchange reserves decreased from US$4.8 million in November 2023 to US$3.9 million in November 2024, but remain adequate, at 7.2 months of import cover. The current account deficit is estimated at 4.2 percent of GDP in 2024.

The fiscal deficit in FY24/25 is estimated at 9.2 percent of GDP, as expenditure has surged by 7.5 percent of GDP over the last two years, and diamond revenues have disappointed (down by 50.7 percent in 2024/25), albeit partially offset by higher SACU revenues. The gross debt ratio peaked at about 35.3 percent of GDP, and domestic debt increased from 8.7 percent in 2019 to 18 percent of GDP in 2024. The level of public debt remains below the 40 percent limit, but the Government Investment Account, an important fiscal buffer, has been nearly depleted.

Outlook

Real GDP growth is projected to rebound to 0.6 percent in 2025, and converge to around 4.0 percent in the medium term. The growth projection in 2025 is underpinned by the weak prospects in the global diamond markets, an increase in copper production, and additional power generation from the new IPP contracts under the renewable energy drive. Poverty is projected to remain high at 14 percent (around 358,000 people) in 2025 based on the $2.15 per day IPL (2017 PPP) given negative GDP per capita growth and the low labor intensity of the sources of growth.

The fiscal deficit in FY25/26 is projected to narrow to 8.5 percent of GDP, and to decline gradually thereafter. Public debt ratio is projected to rise to 39.7 percent of GDP in 2025, just below the 40 percent debt ceiling. Unless fiscal deficits are reduced, there is a risk that the debt limit may be breached. The government plans to improve fiscal efficiency including through targeted tax policy adjustments, better screening, selection and management of projects, and improvement of procurement processes.

Inflation is projected to remain within the Central Bank's objective range. But risks are tilted to the upside, exacerbated by geopolitical tensions and potential hikes in energy prices.

The outlook remains uncertain and depends largely on the diamond market's trajectory, which may be affected by a slowdown in major trade partners, volatile commodity prices, and changes in advanced economies' trade policies. Other risks to the recovery include climate-related disruptions in agriculture, and worsening fiscal pressures. Inadequate structural reforms may undermine Botswana's capacity to reduce poverty and inequality and withstand future shocks.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices[1]	5.6	3.2	-3.0	0.6	4.2	3.8
Private consumption	3.0	5.6	1.9	2.9	3.2	3.0
Government consumption	2.5	4.8	7.3	2.3	1.2	1.4
Gross fixed capital investment	0.3	4.2	16.4	-10.8	1.2	1.2
Exports, goods and services	-5.4	-12.4	-10.4	-26.6	16.6	9.9
Imports, goods and services	-11.7	-7.1	12.3	-25.0	6.5	3.1
Real GDP growth, at constant factor prices	5.9	2.8	-3.0	0.6	4.2	3.8
Agriculture	1.2	1.8	-0.3	3.1	1.4	1.4
Industry	7.7	2.3	-13.5	20.9	2.8	2.9
Services	5.0	3.2	3.6	-10.3	5.3	4.5
Inflation (consumer price index)	12.2	5.1	2.8	4.0	5.0	5.0
Current account balance (% of GDP)	-1.2	-0.6	-4.2	-3.9	-3.0	-2.4
Net foreign direct investment inflow (% of GDP)	2.9	3.4	0.7	0.6	0.6	0.5
Fiscal balance (% of GDP)[2]	-1.9	-4.2	-9.2	-8.5	-7.8	-7.2
Revenues (% of GDP)	28.5	28.1	25.5	24.9	24.8	24.6
Debt (% of GDP)[3]	20.4	22.5	35.3	39.7	38.9	37.8
Primary balance (% of GDP)[2]	-1.2	-3.2	-8.2	-7.0	-6.0	-5.1
International poverty rate ($2.15 in 2017 PPP)[4,5]	13.2	12.7	13.7	14.0	13.5	13.0
Lower middle-income poverty rate ($3.65 in 2017 PPP)[4,5]	34.5	33.9	35.4	35.8	35.0	34.2
Upper middle-income poverty rate ($6.85 in 2017 PPP)[4,5]	60.9	60.4	61.5	61.9	61.1	60.8
GHG emissions growth (mtCO2e)	0.2	-1.1	-4.1	0.3	1.5	2.0

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ The projections presented in this report reflect revised diamond production volumes. The updated figures are based on the most recent production data and industry assessments available at the time of publication.
2/ Fiscal balances are reported in fiscal years (April 1st -March 31st).
3/ Refers to Public and Publicly Guaranteed debt.
4/ Calculations based on 2015-BMTHS. Actual data: 2015/16. Nowcast: 2017-2024. Forecasts are from 2025 to 2027.
5/ Projection using neutral distribution (2015) with pass-through = 0.7 (Low (0.7)) based on GDP per capita in constant LCU.

BURKINA FASO

In 2024, GDP growth is estimated at 4.9 percent (2.5 percent per capita), driven by services and agriculture. This led to a lower extreme poverty rate at 23.2 percent, despite inflation at 4.2 percent. Growth is projected to be lower in 2025 and gradually strengthen to 5.0 percent by 2027 assuming continued improvement in security conditions. This outlook is subject to downside risks from security threats, climate shocks, debt roll-over, and financial sector challenges.

Population[1] million **23.5**	Poverty[2] millions living on less than $2.15/day **5.6**
Life expectancy at birth[3] years **59.8**	School enrollment[4] primary (% gross) **72.3**
GDP[5] current US$, billion **24.2**	GDP per capita[6] current US$ **1027.1**

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2021 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

Key conditions and challenges

Burkina Faso's economy remains undiversified and vulnerable to insecurity, climate, and commodity shocks. The economic landscape is dominated by low-productivity services; rain-fed agriculture, which is highly sensitive to weather conditions; and gold mining, which represents 80 percent of exports and attracts most of inward FDI. Export diversification is constrained by weak productivity, and low human capital, leaving the country vulnerable to shifts in international trade policy.

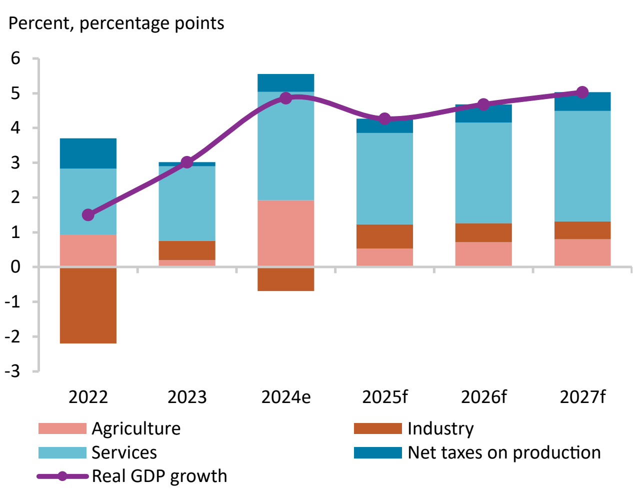
The security crisis continues to hinder economic growth, impacting particularly rural areas and the mining sector, despite some improvement in 2024. Fatalities, as recorded by the Armed Conflict Location and Event Data (ACLED) decreased by 12 percent, and incidents dropped by 26 percent, compared to 2023, which saw a peak in violence. This led to improved access to agricultural lands and enabled the reopening of some mines after two years of suspension. Nevertheless, industrial gold output has further declined. Additionally, donor support is expected to remain low in the medium term.

On January 29, 2025, Burkina Faso formally exited Economic Community of West African States (ECOWAS) along with Mali and Niger, following a joint withdrawal announcement in January 2024 and unsuccessful mediation efforts. The three countries, forming the Confederation of Sahel States (AES), have replaced the ECOWAS passport with their own unified passport. However, Burkinabe citizens and businesses retain access to key ECOWAS membership benefits, including the free movement of people and goods, pending further decisions. The authorities have reiterated Burkina Faso's intention to remain in the West African Economic and Monetary Union (WAEMU).

Recent developments

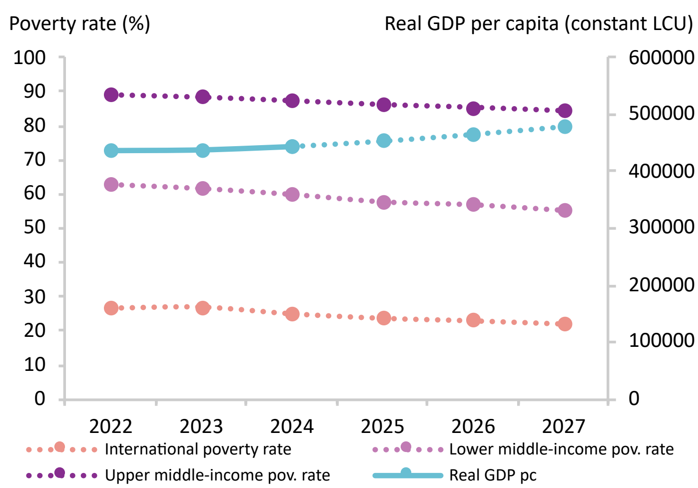
GDP growth increased to 4.9 percent in 2024 (2.5 percent per capita). On the supply side, services remained the key growth driver, contributing 3.1 percentage points (pp) to overall GDP growth. This was partly due to strong growth in public administration services, which account for 22 percent of the economy. Services growth was also supported by improved security, which spurred retail, trade, and repair services.

FIGURE 1 / Real GDP growth and supply-side contributions to real GDP growth



Sources: National Bureau of Statistics and World Bank staff estimates.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

Agriculture contributed 1.9 pp to GDP growth in 2024, supported by favorable weather, expanded cultivated areas, rapid lowland development boosting rice production, improved land access in some conflict-affected areas, and more effective government support, including timely provision of improved seeds, fertilizers, and free plowing services. In contrast, the secondary sector subtracted from growth, due to a drop in gold production caused by insecurity (e.g., closure of the Boungou mine).

The current account deficit (CAD) narrowed to 6.4 percent of GDP, due to a sharp rise in gold prices that outpaced the production drop. Inflation rose to 4.2 percent, driven by insecurity and logistical constraints, coupled with price speculation due to a late start of the rainy season. Despite the higher inflation, strong growth in agriculture and services led the projected extreme poverty rate to fall by 3 pp to 23.2 percent. Poverty reduction was broad-based but stronger in rural areas as food price inflation matters less for farmers.

WAEMU inflation fell to 3.5 percent in 2024 but remained above the target band of 1–3 percent. Regional foreign reserves increased from 3.5 months of imports in 2023 to 4.7 months in 2024, reflecting the resumption of international bond issuances, IMF, and World Bank disbursements. The Central Bank of West African States maintained its policy rates at 3.5 percent for liquidity calls and 5.5 percent for the marginal lending facility.

The fiscal deficit improved to 5.6 percent of GDP, driven by lower expenditure on public wages (-0.4 pp) and subsidies (-0.3 pp) amid robust revenue mobilization. The deficit was predominantly financed by domestic borrowing from the regional market, where Burkina faced a significant surge in interest rates exceeding 9 percent for 12-month bills. While debt roll-over is high, the risk of debt distress remains moderate.

Outlook

Following a year of above average agricultural output growth, GDP growth is projected to be lower in 2025 at 4.3 percent and gradually rise to 5.0 percent by 2027, assuming sustained security improvements, average climate conditions, and a stable policy environment. Gold production is projected at 56 tons in 2025, 64 tons in 2026, and 65 tons in 2027, boosting exports and reducing the CAD. The exit from ECOWAS is expected to have limited economic impact. Shifts in international trade policy impact Burkina Faso mainly indirectly through changes in gold and oil prices.

The government remains committed to fiscal consolidation, but expenditure needs will remain high. Public debt as a share of GDP is anticipated to slowly trend downward. The regional inflation rate is expected to align with the WAEMU target band from 2025 onwards (including for Burkina Faso), while regional reserves are projected to rise to 5.4 months of imports in 2025, supported by recovering exports and lower Euro Area interest rates.

Moderate growth projections and expected lower inflation should contribute to continuing poverty reductions of about 1 percentage point per year. With high population growth, the decrease in the number of poor is very limited, with more than 5.5 million Burkinabes expected to remain poor.

Downside risks to the outlook include a reversal of security gains, climate shocks, debt roll-over, financial sector challenges, and adverse international dynamics. On the upside, reforms to improve the investment climate for private sector companies, especially in energy, could lift the growth potential.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	1.5	3.0	4.9	4.3	4.7	5.0
Private consumption	4.4	5.0	5.8	4.4	6.1	6.3
Government consumption	5.2	4.5	11.6	5.3	2.4	3.6
Gross fixed capital investment	4.2	8.9	8.7	4.8	2.8	2.3
Exports, goods and services	-2.8	-2.2	-3.1	2.0	2.6	2.7
Imports, goods and services	8.2	9.0	7.5	4.2	3.5	3.3
Real GDP growth, at constant factor prices	0.7	3.3	4.9	4.3	4.7	5.0
Agriculture	5.5	1.1	11.0	2.9	3.9	4.4
Industry	-8.0	2.2	-2.8	3.0	2.4	2.3
Services	4.2	4.6	6.6	5.5	6.0	6.5
Inflation (consumer price index)	14.1	0.7	4.2	3.0	2.5	2.0
Current account balance (% of GDP)	-7.2	-8.0	-6.4	-5.8	-5.3	-4.9
Net foreign direct investment inflow (% of GDP)	3.4	1.9	1.2	1.1	1.0	0.9
Fiscal balance (% of GDP)	-10.3	-6.5	-5.6	-4.7	-3.8	-3.6
Revenues (% of GDP)	20.9	21.4	21.4	21.3	21.4	21.3
Debt (% of GDP)	56.4	54.0	54.9	54.4	53.7	52.7
Primary balance (% of GDP)	-8.3	-4.2	-3.6	-2.7	-1.6	-1.2
International poverty rate ($2.15 in 2017 PPP)[1,2]	26.4	26.2	23.2	21.4	19.8	19.1
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	62.5	61.3	58.0	55.7	54.3	52.8
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	88.9	88.2	86.5	85.0	84.0	83.1
GHG emissions growth (mtCO2e)	3.5	3.9	4.1	4.1	4.1	4.1

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2021-EHCVM. Actual data: 2021. Nowcast: 2022-2024. Forecasts are from 2025 to 2027.
2/ Projections using microsimulation methodology.

BURUNDI

Real GDP growth reached 3.5 percent in 2024, up from 2.7 percent in 2023, supported by agriculture and government spending but weighed down by severe fuel shortages. Poverty incidence remains among the highest globally, at nearly 63 percent in 2024, while double-digit inflation, triple-digit forex premium, regional tensions, and global economic slowdown weigh on growth.

Population[1] million **14.0**	Poverty[2] millions living on less than $2.15/day **7.8**
Life expectancy at birth[3] years **62.0**	School enrollment[4] primary (% gross) **105.2**
GDP[5] current US$, billion **3.6**	GDP per capita[6] current US$ **254.5**

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2020 (2017 PPPs). 3/ 2022. 4/ 2020. 5/ 2024. 6/ 2024.

Key conditions and challenges

Burundi's economy remains fragile, constrained by weak fundamentals, rapid population growth, soil erosion, and weak governance. Over 85 percent of the labor force is engaged in agriculture, primarily in low-productivity subsistence farming. Key traditional exports, such as coffee and tea, face declining volumes. Although Burundi has significant deposits of energy transition minerals, the mining sector remains underdeveloped due mainly to inadequate infrastructure, limiting its contribution to 0.5 percent of GDP.

Structural Balance of Payments (BOP) deficits compound these challenges. Foreign direct investment (FDI) remains negligible, and grants, which averaged 20–25 percent of GDP before the 2015 political crisis, has since dropped to 4.1 percent. In 2024, export earnings covered only 25 percent of imports, far below the Sub-Saharan Africa average.

Since the crisis, macroeconomic imbalances have persisted, including large fiscal and external deficits, an overvalued official exchange rate fueling a parallel forex market, and fiscal dominance over monetary policy. Rising domestic debt and low investment in infrastructure and human capital have exacerbated social vulnerabilities.

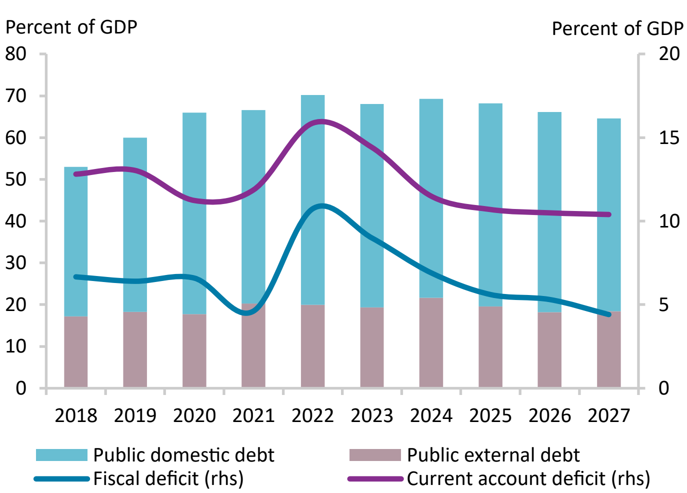
Poverty remains widespread, with 63 percent of the population living on less than $2.15 per day (2017 PPP) in 2024. Education and healthcare outcomes remain weak; fewer than half of children complete primary school, gross secondary enrolment is just 46 percent, and chronic malnutrition affects 56 percent of children under five.

Strengthening governance and infrastructure, including transportation and digital technologies is critical to boosting private sector, attracting FDI, and unlocking growth and export-driving sectors such as mining and agro-industry. Equally, critical are measures to restore macroeconomic stability, including unifying exchange rates and consolidating public finances.

Recent developments

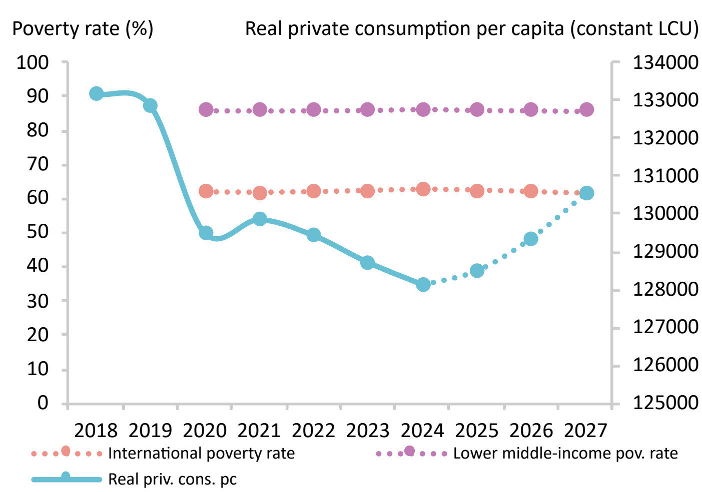
Official estimates indicate real GDP growth of 3.3 percent (y-o-y) in Q3 2024, following 5.8 percent in Q1 and 4.2 percent in

FIGURE 1 / Public debt, fiscal and current account deficits



Sources: Official statistics and World Bank staff estimation.

FIGURE 2 / Actual and projected poverty rates and real private consumption per capita



Source: World Bank. Notes: See footnotes in table on the next page.

Q2. Annual growth is estimated at 3.5 percent, up from 2.7 percent in 2023. On the supply side, growth was driven by services (4.2 percent), notably public administration—which accounts for 39 percent of GDP in 2023, and a rebound in agriculture (3.7 percent, up from 1.5 percent in 2023), supported by favorable weather. Industrial activity expanded by just 1.0 percent (down from 3.4 percent in 2023), weighed down by fuel shortages and foreign exchange constraints, though a recovery began in Q2-Q3 with the commissioning of three power plants. On the demand side, growth was supported by public (+4.4 percent) and private (+2.2 percent) consumption.

Annual inflation averaged 20.2 percent in 2024, down from 27.1 percent in 2023, but disinflation stalled mid-year, as deficit monetization intensified. Inflation fell to its lowest point in May 2024, at 12.1 percent (y-o-y), but rose to 39.7 percent by February 2025, driven by rising food, transport, and utility costs amid fuel shortages and widening forex parallel market premium. Rising food inflation disproportionately affects low-income households, threatening poverty reduction prospects.

The fiscal deficit narrowed to 6.9 percent of GDP in 2024 (from 9.3 percent in 2023), driven by improved revenue collection, but was financed primarily through costly domestic borrowing, including Central Bank advances. Public debt rose to 69.3 percent of GDP (up from 68.4 percent).

The current account deficit (CAD) narrowed to 11.5 percent of GDP as import growth slowed and exports edged up, though trade credits remained the primary financing source. By February 2025, international reserves covered only 1.6 months of imports, while the forex premium was 156 percent (from 59 percent a year earlier).

Outlook

Despite persistent BOP strains and global uncertainty, growth is projected to stabilize at 3.5 percent in 2025. A rebound in coffee exports—driven by governance and pricing reforms—is expected to support agricultural output, while manufacturing will benefit from a new hydropower plant coming online by mid-2025. Medium-term growth is projected to average 3.8 percent in 2026–27, supported by agriculture, manufacturing, and public spending.

Inflationary pressures are expected to intensify, fueled by rising monetary financing, a widening exchange rate premium, and global uncertainties. Average inflation is projected to nearly double to 39.1 percent in 2025, before moderating to 27.9 percent over 2026–27. High inflation will continue to weigh on household welfare, with per capita consumption growth averaging 0.8 percent in 2026–27 and poverty remaining at 62 percent.

The fiscal deficit is expected to narrow to 5.6 percent of GDP in 2025 and to 4.4 percent by 2027, driven by improved revenue performance and spending-driven fiscal consolidation. Public debt, while high, is projected to decline gradually, reaching 64.6 percent by 2027. The CAD is forecasted to remain elevated, averaging 10.7 percent of GDP over 2025-27 as mining exports expand and forex constraints lessen.

Unlocking growth and improving living standards will require sustained structural reforms, particularly on exchange rate alignment and attracting FDI and concessional financing. While downside risks include fiscal slippages and a trade-driven global slowdown, upside potential includes favorable commodity price shocks—especially gold amid global uncertainty—and near-term gains from the planned Musongati nickel railway, contingent on effective use of local content.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	1.8	2.7	3.5	3.5	3.7	4.0
Private consumption	2.4	2.2	2.2	2.7	3.0	3.3
Government consumption	5.9	5.4	4.4	5.2	5.2	6.0
Gross fixed capital investment	4.0	4.0	3.7	4.6	4.4	5.7
Exports, goods and services	5.8	2.9	1.0	7.0	7.8	8.2
Imports, goods and services	7.0	4.2	1.4	4.5	4.8	5.7
Real GDP growth, at constant factor prices	1.8	2.7	3.5	3.5	3.7	4.0
Agriculture	-0.8	1.5	3.7	3.7	3.8	4.2
Industry	3.2	3.4	1.0	2.5	3.2	3.5
Services	3.1	3.1	4.2	3.6	3.7	4.0
Inflation (consumer price index)	18.8	27.1	20.2	39.1	31.3	24.5
Current account balance (% of GDP)	-15.9	-14.4	-11.5	-10.8	-10.7	-10.7
Net foreign direct investment inflow (% of GDP)	0.3	0.0	0.0	0.0	-0.1	-0.1
Fiscal balance (% of GDP)	-10.7	-9.3	-6.9	-5.6	-5.3	-4.4
Revenues (% of GDP)	22.8	24.9	23.8	25.0	25.2	26.1
Debt (% of GDP)	70.2	68.4	69.3	68.2	66.1	64.6
Primary balance (% of GDP)	-8.2	-6.9	-4.8	-3.2	-2.6	-1.6
International poverty rate ($2.15 in 2017 PPP)[1,2]	62.1	62.4	62.7	62.5	62.1	61.7
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	86.2	86.2	86.4	86.2	86.2	86.0
GHG emissions growth (mtCO2e)	2.6	2.4	2.6	2.9	2.3	2.1

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2020-EICVMB. Actual data: 2020. Nowcast: 2021-2024. Forecasts are from 2025 to 2027.
2/ Projection using neutral distribution (2020) with pass-through = 0.87 (Med (0.87)) based on private consumption per capita in constant LCU.

CABO VERDE

Population[1] thousand	Poverty[2] thousands living on less than $3.65/day
524.9	99.1
Life expectancy at birth[3] years	School enrollment[4] primary (% gross)
74.7	96.4
GDP[5] current US$, billion	GDP per capita[6] current US$
2.8	5269.8

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2015 (2017 PPPs). 3/ 2022. 4/ 2021. 5/ 2024. 6/ 2024.

Growth remains tourism-driven and reached an estimated 7.3 percent in 2024. Strong growth in services, the recovery in agriculture, and low inflation are expected to have reduced poverty to 14.4 percent in 2024. However, the outlook faces downside risks from the uncertainty around global trade policy shifts—which could weaken tourism demand and disrupt global supply chains—and limited progress with SOE reforms.

Key conditions and challenges

Cabo Verde has made significant progress since independence, but structural challenges remain—including poor connectivity and infrastructure gaps, which contribute to high costs of essential services like electricity. The economy has been heavily reliant on all-inclusive tourism offerings, which along with a strong state presence and limited linkages between foreign direct investment (FDI) sectors and the broader economy, has limited diversification efforts. Poverty is higher in rural areas, with significant heterogeneity in living conditions across islands. Recent shocks, such as the pandemic and soaring inflation in 2022 have further exposed the economy's vulnerabilities. Additionally, Cabo Verde grapples with high public debt, partly due to debt-financed fiscal policies after the 2008/09 Global Financial Crisis and support to underperforming state-owned enterprises (SOEs) through on-lending and guarantees.

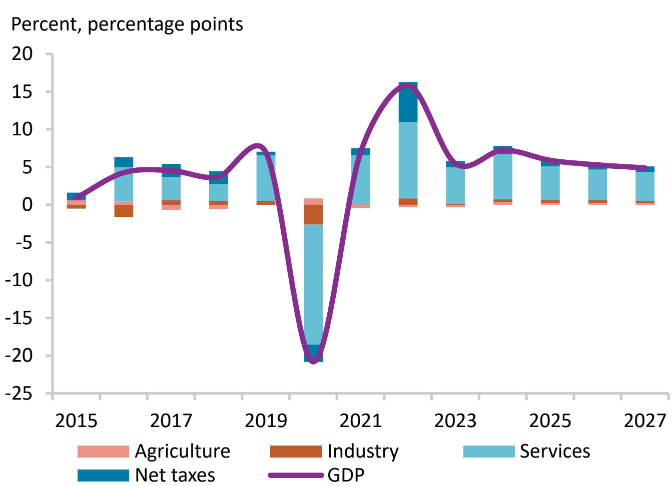
Fiscal and structural reforms are essential to build resilience against external shocks, boost private sector productivity, reduce transport costs, and promote sustainable, inclusive growth—ultimately unlocking Cabo Verde's potential and ensuring long-term economic stability.

Recent developments

Tourism remains the mainstay of the economy. Growth reached an estimated 7.3 percent in 2024, driven by strengthening in tourism activity and a gradual recovery in agricultural activity after years of drought. Tourist arrivals neared 1.2 million (+16.5 percent y/y) and, while still a small share, there has been an increase in tourists outside the all-inclusive offering. Services accounted for nearly 70 percent of output (5.4pp of growth), with hotels and transport representing a large share. Service exports (+27.2 percent y/y) and private consumption (+6.3 percent y/y) remain key drivers of growth.

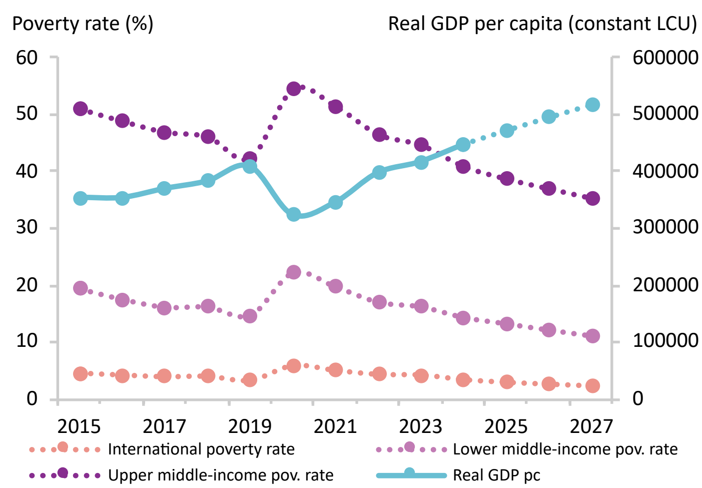
Lower energy and food prices put average headline inflation at 1 percent, down from 3.7 percent in 2023. At an average 1 percent, food inflation was significantly lower than previous years (15.7 percent in 2022, 8.9 percent in 2023). Strong growth in services, the recovery of agriculture, the moderation of inflation, and sustained remittances, contributed to reducing poverty

FIGURE 1 / Real GDP growth and sectoral contributions to real GDP growth



Sources: INE and World Bank estimates.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

(US$3.65 per day PPP 2017 line) by 1.8 percentage points, reaching 14.4 percent in 2024, down from 16.2 percent in 2023.

Strong tourism performance put the current account (CA) at a surplus of 3.7 percent of GDP in 2024 (2.5 percent deficit in 2023). Tourism earnings (over 70 percent service export earnings) surged, underscoring the sector's critical role in supporting external balances. A six percent increase in remittances, a key source of foreign exchange, further enhanced external stability. The CA improvement has masked a weaker financial account—as the interest rate differential with the Eurozone led to outflows from financial institutions. Despite this, at EUR 736 million at end-2024, gross international reserves remain adequate, covering 5.9 months of imports.

The fiscal deficit widened to 1.1 percent of GDP in 2024 (0.3 percent in 2023) driven by higher public investment, local elections spending and expanded social programs. Revenues remained relatively stable at 24.7 percent of GDP, supported by stronger than expected tax revenues. This, along with strong GDP growth, lowered central government debt by 6.2pp to 110.2 percent of GDP (117.7 percent including SOEs' guaranteed debt). Despite this, the fiscal position continues to be subject to risks from support to SOEs, rigid expenditures and elevated debt servicing costs.

Outlook

Growth is projected at 5.9 percent in 2025 as low-cost airline operators settle into the market, and will trend towards its potential of around 5 percent over the medium-term, supported by improved public sector efficiency and efforts to crowd-in private investment. Lower oil prices will contribute to keeping inflation low in 2025, and in line with the Euro-area over the medium-term (2 percent). Under these favorable conditions, poverty is projected to continue declining, reaching 13.3 percent in 2025 and falling to 11.2 percent by 2027, equivalent to lifting approximately 7,000 Cabo Verdeans out of poverty (compared to 2024).

The accelerated implementation of public investments will off-set the potential benefit of lower oil and commodity import prices, with the current account deficit (CAD) peaking at 2.3 percent of GDP by 2026. Gross international reserves will remain stable at 5.5 months of imports, enough to support the currency peg.

Increased public investments and continued roll-out of wage-bill reforms will widen the fiscal deficit to 1.5 percent of GDP in 2025. Despite this, sustained efforts to enhance tax collection, added proceeds from SOE restructuring and commitment to contain expenditures will reduce the deficit to 0.6 percent of GDP by 2027, with a primary surplus of 1.1 percent. This should allow public debt—excluding SOEs' guaranteed debt—to decline to 93.9 percent of GDP by 2027.

Ongoing global uncertainties—including the escalation of trade policy changes—pose risks to the outlook. For example, subdued global growth and reduced partner engagement could negatively impact tourism demand, foreign investment and remittances—all vital to the economy. Political pressures ahead of the 2026 elections may impact the pace of reforms, while climate change and natural hazards pose long-term challenges.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	15.8	5.5	7.3	5.9	5.3	4.9
Private consumption	13.7	6.6	6.3	6.2	6.1	5.2
Government consumption	-2.8	2.5	2.3	8.1	2.6	5.4
Gross fixed capital investment	-10.3	-12.9	1.5	4.0	7.8	3.2
Exports, goods and services	78.9	-6.1	23.9	5.0	5.1	6.7
Imports, goods and services	18.2	-8.7	10.0	5.8	6.1	6.2
Real GDP growth, at constant factor prices	12.4	5.4	7.3	5.9	5.3	4.9
Agriculture	-6.6	-7.1	8.1	5.7	5.7	4.6
Industry	7.5	1.3	3.2	3.2	3.3	3.1
Services	14.7	6.9	7.9	6.3	5.6	5.2
Inflation (consumer price index)	7.9	3.7	1.0	1.8	2.0	2.0
Current account balance (% of GDP)	-3.5	-2.5	3.7	-1.4	-2.3	-1.6
Net foreign direct investment inflow (% of GDP)	4.6	6.0	3.3	3.0	2.9	2.9
Fiscal balance (% of GDP)	-4.0	-0.3	-1.1	-1.5	-1.3	-0.6
Revenues (% of GDP)	22.6	25.1	24.7	26.7	25.2	24.6
Debt (% of GDP)	126.7	116.4	110.2	104.6	99.3	93.9
Primary balance (% of GDP)	-1.8	2.0	1.3	0.5	1.1	1.1
International poverty rate ($2.15 in 2017 PPP)[1,2]	4.3	4.2	3.5	3.0	2.7	2.4
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	17.0	16.2	14.4	13.3	12.1	11.2
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	46.5	44.6	41.2	38.7	37.0	35.5
GHG emissions growth (mtCO2e)	0.6	4.3	4.0	4.3	4.4	0.0

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2015-IDRF. Actual data: 2015. Nowcast: 2016-2024. Forecasts are from 2025 to 2027.
2/ Projections using microsimulation methodology.

CAMEROON

Cameroon's economy grew 3.7 percent in 2024, but poverty rose to 23.3 percent due to persistent job scarcity. Fiscal consolidation cut the deficit to 0.4 percent of GDP and reduced debt to 41.7 percent of GDP. Medium-term growth is supported by better power supply and public investment, but risks from uncertain international aid, markets, and upcoming elections threaten growth, trade, and inflation despite only moderate projected impacts.

Population[1] million **29.4**	Poverty[2] millions living on less than $3.65/day **12.6**
Life expectancy at birth[3] years **61.0**	School enrollment[4] primary (% gross) **112.6**
GDP[5] current US$, billion **53.1**	GDP per capita[6] current US$ **1806.1**

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2021 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

Key conditions and challenges

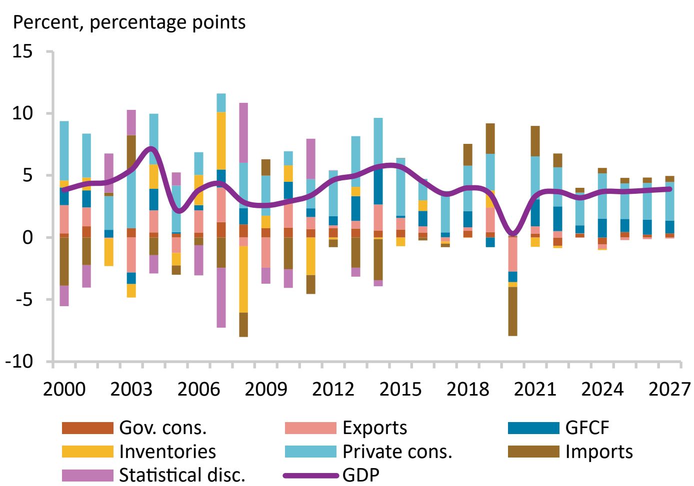
Cameroon's economy has shown resilience in the face of external shocks, but multiple structural weaknesses hinder its potential. With infrastructural deficiencies, underdevelopment of the financial system, and overlapping crises between 2020 and 2023, per capita incomes stagnated, and GDP growth averaged 2.6 percent, far below the target of 6.6 percent set out in the National Development Strategy (NDS30). Labor force participation fell from 79.1 to 64.3 percent between 2005 and 2021. Cameroon needs a major rethink of its growth model, emphasizing private sector participation, redefining the state's role in the economy, and addressing the root causes of low labor productivity.

The number of people living under the international poverty line ($2.15 in 2017 PPP) is estimated to have increased from 6.2 to over 6.9 million between 2021 and 2024. Low economic growth combined with rapid population growth and insufficient job creation explains the lack of progress in poverty reduction. Previously, between 2014 and 2021, the poverty incidence in urban areas had nearly doubled, and the number of urban poor more than doubled, reshaping the poverty landscape. Rising conflict, affecting now nine out of ten regions, and natural disasters have propelled rural-urban migration, increasing pressure on urban areas for jobs and services. These vulnerabilities may intensify during this election year.

Recent developments

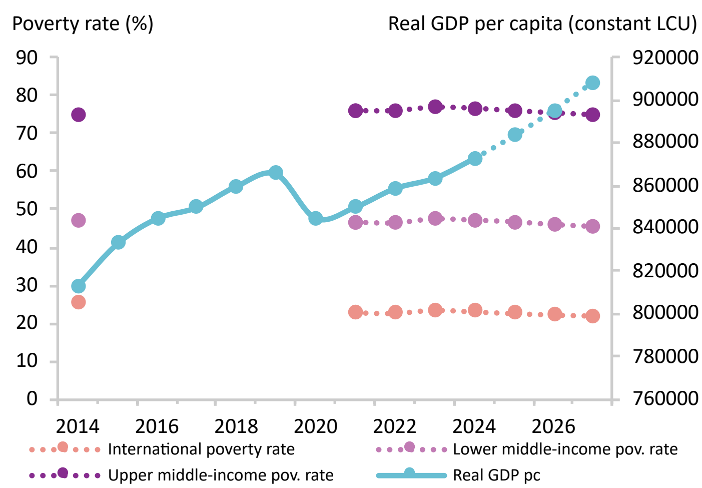
Cameroon's real GDP grew by 3.7 percent in 2024. Cocoa and cotton exports rose thanks to higher yields and prices and improved power supply, aiding commodity processing and industrial growth. Though oil production slowed, the current account deficit fell from 4.1 to 3.1 percent of GDP between 2023 and 2024, thanks to higher agricultural exports and lower imports. Public investment and private consumption fueled growth on the demand side. Average inflation dropped from 7.4 percent to 4.5 percent by year-end, owing to declining food and transportation sub-components and government price controls. Monetary policy remained tight to bolster the region's external position and curb inflation below the 3.0 percent target. However, fiscal pressures from other Central African Economic and Monetary Community (CEMAC)

FIGURE 1 / Real GDP growth and contributions to real GDP growth



Source: World Bank.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

countries affected CEMAC's net foreign assets, delaying the IMF program review for Cameroon.

Continued fiscal adjustment brought the fiscal deficit down from 0.7 percent to 0.4 percent of GDP in 2024. Revenue measures like tax administration digitalization and tax base broadening have accompanied measures to streamline current expenditures in goods and services and fuel subsidies. As a result, non-oil revenue to GDP ratio increased from 13.7 percent to 13.9 percent while current expenditures declined from 13.9 percent of GDP to 12.6 percent of GDP between 2023 and 2024. The primary balance remained positive and doubled, reducing public debt further to 41.7 percent of GDP by end-September 2024 against 43.0 percent at the end of 2023. Cameroon's public debt is sustainable but faces high risk of distress due to the debt service-to-public revenue and debt service-to-export revenue ratios breaching the thresholds.

To compensate for inflationary pressures, tax breaks for sectors like agriculture were introduced and the minimum wage and public sector salaries were raised. The minimum wage for public employees covered by the Labor Code increased from CFA 36,270 to CFA 41,875; the agricultural minimum wage increased to CFA 45,000; and the non-agricultural minimum wage increased to CFA 60,000. Since close to 90 percent of the workforce is in the informal sector, these measures are expected to have a limited impact on most of the workforce and on poverty, although they could slow down job creation.

Outlook

Real GDP growth is projected at 3.8 percent on average in 2025-2027, driven by higher power supply, and the scaled-up public investment program supported by higher tax revenues. Inflation is anticipated to reach the 3 percent target by 2027. The fiscal deficit would remain around 1.1 percent of GDP in the medium term, allowing the debt to GDP ratio to further decrease. The projected increase in tax revenue will not fully counterbalance falling oil revenues (induced by depleting oil fields), while current expenditures are expected to continue being streamlined. The current account deficit will remain at around 4.3 percent of GDP over the medium term, reflecting the decline in oil production, the mixed effect of the government industrial policies, and higher imports needed for the scaled-up public investment.

Real per capita growth is projected to be insufficient to alleviate poverty over the next three years. As a result, an additional 125,937 people are expected to fall into extreme poverty, bringing the total to over 7 million by 2027. This outlook remains vulnerable to several risks, including: (i) uncertainty and shifts in the global aid, trade, investment, and commodity and financial markets context, (ii) a continued security crisis, (iii) lower-than-expected budget support from external donors, (iv) ongoing energy supply shortages, and (v) potential tensions surrounding the presidential elections in October 2025.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	3.7	3.2	3.7	3.7	3.8	3.9
Private consumption	4.3	3.5	4.9	3.8	3.9	4.1
Government consumption	-5.7	2.9	-5.1	4.5	2.4	3.3
Gross fixed capital investment	10.5	3.2	7.5	5.0	5.7	4.9
Exports, goods and services	3.2	0.1	-2.4	-1.4	-0.9	-0.6
Imports, goods and services	5.3	1.9	2.1	2.2	2.2	2.4
Real GDP growth, at constant factor prices	3.6	3.1	4.0	3.7	3.8	3.9
Agriculture	3.4	2.2	3.9	3.6	3.4	3.4
Industry	3.3	2.3	1.6	2.7	3.0	3.2
Services	3.8	3.8	5.2	4.2	4.3	4.4
Inflation (consumer price index)	6.3	7.4	4.5	3.7	3.2	3.0
Current account balance (% of GDP)	-3.3	-4.1	-3.1	-4.0	-4.3	-4.3
Fiscal balance (% of GDP)	-1.1	-0.7	-0.4	-1.0	-1.0	-1.2
Revenues (% of GDP)	16.3	16.6	15.8	15.4	15.6	15.5
Debt (% of GDP)	43.7	43.0	41.7	39.2	38.7	36.9
Primary balance (% of GDP)	-0.3	0.3	0.6	0.2	0.2	0.1
International poverty rate ($2.15 in 2017 PPP)[1,2]	22.8	23.6	23.3	23.0	22.7	22.3
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	46.5	47.6	47.5	47.1	46.5	45.9
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	76.0	76.8	76.7	76.1	75.8	75.3
GHG emissions growth (mtCO2e)	0.4	0.9	2.2	2.5	2.1	0.3

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2021-ECAM-V. Actual data: 2021. Nowcast: 2022-2024. Forecasts are from 2025 to 2027.
2/ Projections using microsimulation methodology.

CENTRAL AFRICAN REPUBLIC

Population[1] million	Poverty[2] millions living on less than $2.15/day
5.9	3.4
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
54.5	110.7
GDP[5] current US$, billion	**GDP per capita[6]** current US$
2.8	481.7

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2021 (2017 PPPs). 3/ 2022. 4/ 2017. 5/ 2024. 6/ 2024.

Economic growth increased moderately to 1.5 percent in 2024, hampered by limited access to energy and essential services. This leaves 65.3 percent of households living in extreme poverty. Concerns for 2025, an election year, include a fragile liquidity situation and dwindling global flows of aid, especially humanitarian assistance and social sector support, will create further hardship for most of the population exposed to poverty.

Key conditions and challenges

As a result of weak institutions and high levels of instability, the Central African Republic (CAR) continues to be plagued by extreme poverty despite its natural wealth. Since the 2012 civil war, per capita income has dropped by a third and currently around two-thirds of the population lives on less than US$2.15-a-day (2017 PPP). Chronic fuel shortages due to reduced imports by river (structurally 80-85 percent of fuel imports) have hurt economic activity and government revenues in recent years, with some easing in late 2024. Weak revenue mobilization, social sector spending pressures, and a freeze in donor budget support have strained public finances. CAR is at high risk of debt distress, and liquidity risks threaten its ability to pay civil service salaries and essential services.

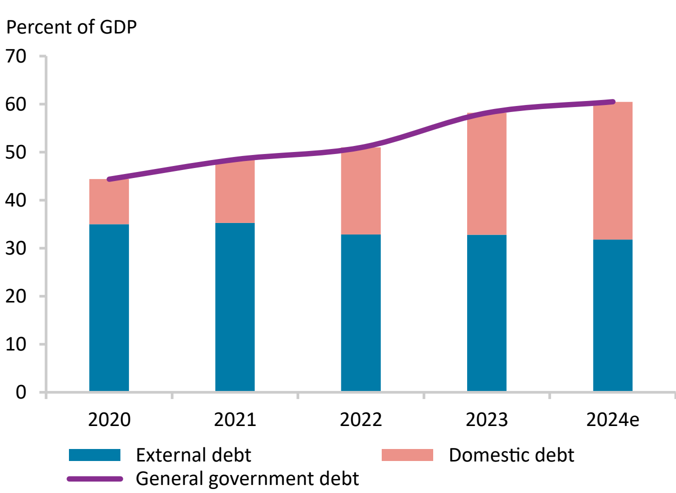
Recent developments

Economic growth is estimated to have increased from 0.7 percent in 2023 to 1.5 percent in 2024 on account of increased fuel and electricity supply. Key sectors, including agro-processing (e.g., breweries), telecom, and retail, showed signs of recovery while food agriculture (e.g., cassava) remained steady. The telecom sector recovery was driven by increased cell phone activity, 3G network expansion, and 4G license sales in late 2024 and early 2025, along with increased mobile money use. Public sector expansion was enabled by external financing.

Despite a slight recovery and boost in consumption in late 2024, inflation is estimated to be historically low at 1.5 percent for the year. After keeping the policy rate at 5 percent for two years, the Bank of Central African States (BEAC) lowered it to 4.5 percent in March 2025. CAR's banking sector remains underdeveloped, with only four commercial banks and limited financial services.Bank balance sheets expanded by 14.4 percent, driven by increased loans, deposits, and cash surpluses. The non-performing loans (NPL) ratio improved to 12.7 percent in 2024 from 16.4 percent in 2023.

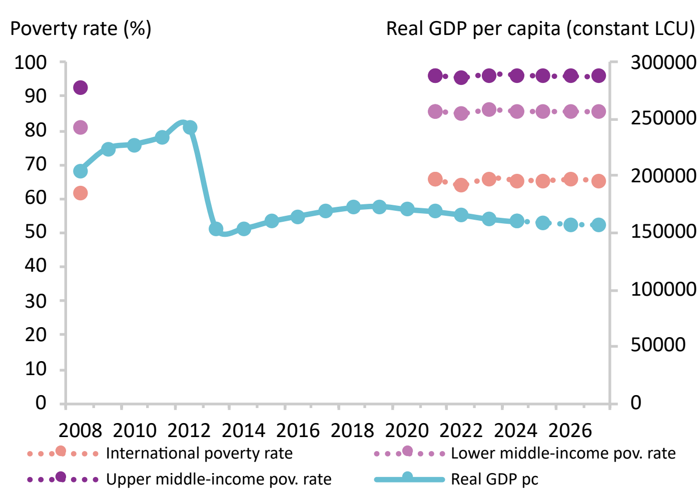
The fiscal deficit is estimated to have risen to 4.9 percent in 2024 from 3.5 percent in 2023 due to increased spending on goods and services and transfers, including to foreign missions, overseas

FIGURE 1 / The dynamic and composition of public debt in recent years



Source: World Bank.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

health services, and equipment for local armed forces, offsetting minimal domestic capital spending and sustained DRM efforts. CAR's public and publicly guaranteed (PPG) debt is estimated to have reached 60.7 percent of GDP in 2024, up from 58.2 percent in the 2023 with domestic/regional debt having risen to 28.8 percent of GDP mainly due to bond issuance towards the end of 2024 to compensate for delays in the disbursement of the Extended Credit Facility program under the third review.

The current account deficit remained at approximately 9.0 percent of GDP, driven by increased energy and equipment imports, coupled with reduced gold and diamond exports, due to temporal reduction in gold output and diamond pricing. These minerals, along with timber, are key to the export portfolio. Although gold prices surged by 22.9 percent to US$2,387.7 per troy ounce in 2024 and CAR resumed official diamond exports under the Kimberley Process after an 11-year embargo, gold production declined due to security issues in mining zones, and diamonds faced competition from synthetic alternatives. Structural challenges include mineral smuggling, low competitiveness, and weak global value chain integration.

Extreme poverty remains widespread. In 2024, around 65.3 percent of the population—3.9 million people—were estimated to live with less than US$2.15 (2017 PPP) per person per day. Spatial disparities are stark and extreme poverty incidence in rural areas reaches 76.1 percent, compared to 49.8 percent in other urban areas and 20.2 percent in Bangui.

Outlook

Real GDP growth is projected to reach 2.1 percent in 2025 and 2.5 percent in 2026-27, still below the 3.1 percent population growth rate. This remains contingent on policy adjustments to further improve the fuel supply. A 30,000-ton diesel donation from Russian Federation may temporarily boost private activities in 2025, with potential fiscal benefits if managed well. Poverty is expected to remain around 65-66 percent due to weak growth and declining per capita income. Moreover, the halt of USAID's support to CAR of about US$110 million as of early 2025 could push up to 133 thousand more people into extreme poverty.

The fiscal deficit is projected to narrow to 2.3 percent of GDP in 2025 and 1.5 percent in 2026-27, dependent on donor grants, DRM, and PFM reforms. Public debt should stabilize at 57.3 percent of GDP by 2027, with domestic debt at 26.9 percent. The current account balance may improve with increased gold and sawn wood production but will still face deficits due to energy, equipment, and food expenditures. Enhancing energy production and access is crucial for attracting investments key tradable sectors. Inflation is expected to stabilize below 3.0 percent by 2027, conditional on energy price moderation.

Reduced global flows of aid, especially humanitarian assistance and social sector support, will create further hardship for the large share of the country's population already living in extreme poverty. The changing trade, investment, and financial and commodity markets context is projected to have moderate immediate impacts on growth and trade due to CAR's very limited exports, including to the US.

Downside risks prevail. Elections could cause fiscal slippages and stability risks. The shifting global economic context carries significant risks for CAR's economic recovery, especially if aid flows remain limited or further decline, uncertainty in trade policy persists, and the cost of borrowing remains elevated or further increases. Risks also arise from rearrangements in the global security architecture to CAR's very fragile emergence from conflict.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	0.5	0.7	1.5	2.1	2.2	2.8
Private consumption	0.0	1.2	2.1	1.2	2.3	2.9
Government consumption	-8.2	3.5	11.2	-6.4	2.0	2.1
Gross fixed capital investment	-4.5	-2.7	5.3	4.8	1.9	4.2
Exports, goods and services	2.6	9.0	5.5	13.8	6.7	4.1
Imports, goods and services	-5.5	5.5	9.9	4.0	4.9	4.3
Real GDP growth, at constant factor prices	1.0	0.7	1.6	2.1	2.2	2.9
Agriculture	2.2	2.3	1.7	1.9	2.2	2.3
Industry	-3.9	-0.5	0.9	1.2	1.3	1.4
Services	2.4	0.1	1.8	2.7	2.5	4.0
Employment rate (% of working-age population, 15 years+)	66.0	66.2	66.2	66.2	66.2	66.2
Inflation (consumer price index)	5.6	3.0	1.5	2.7	3.3	2.8
Current account balance (% of GDP)	-12.9	-9.3	-9.0	-8.5	-8.1	-7.6
Fiscal balance (% of GDP)	-5.3	-3.6	-4.9	-2.3	-1.3	-1.8
Revenues (% of GDP)	12.3	14.5	14.6	16.2	17.0	16.5
Debt (% of GDP)	51.0	58.2	60.5	59.5	58.6	57.3
Primary balance (% of GDP)	-4.9	-3.0	-4.7	-2.1	-1.0	-1.5
International poverty rate ($2.15 in 2017 PPP)[1,2]	64.0	65.9	65.3	65.2	65.5	65.3
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	84.8	86.1	85.6	85.5	85.5	85.4
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	95.7	96.4	96.2	96.0	96.0	95.8
GHG emissions growth (mtCO2e)	-0.3	-0.3	-0.4	-0.3	-0.2	-0.2

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2021-EHCVM. Actual data: 2021. Nowcast: 2022-2024. Forecasts are from 2025 to 2027.
2/ Projections using microsimulation methodology.

CHAD

Population[1] million	Poverty[2] millions living on less than $2.15/day
20.3	5.7
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
53.0	91.8
GDP[5] current US$, billion	**GDP per capita[6]** current US$
20.8	1023.3

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2022 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

In 2024, GDP growth is estimated at 3.7 percent (-1.4 percent per capita), driven by the non-oil sector. Demand pressures, floods, and fuel price adjustments pushed inflation to 5.7 percent. Hence, the poverty rate has risen to 39.4 percent. Growth is projected to rise gradually, supported by an expansion in non-oil activities. The outlook is subject to downside risks, including lower oil prices compounded by global trade policy uncertainties, climate shocks, and heightened insecurity.

Key conditions and challenges

Chad's economic growth has been volatile and weak, reflecting its dependence on the oil sector. The oil sector accounts for 15 percent of Chad's economic output, 41 percent of fiscal revenues, and 76 percent of exports.

Chad is also highly susceptible to climate variability and natural disasters. Agriculture accounts for 40 percent of output and provides a livelihood for a significant portion of the population. In recent years, repeated episodes of droughts and floods have impaired agricultural production and, combined with conflict and displacement, led to chronic food insecurity. During July-October 2024, torrential rains flooded over 217,000 houses, destroyed 432,000 hectares of crops, killed thousands of livestock, and adversely impacted 1.5 million people. As of December 2024, 2.4 million people (14 percent of the population) were acutely food insecure, up by 400,000 from the previous year.

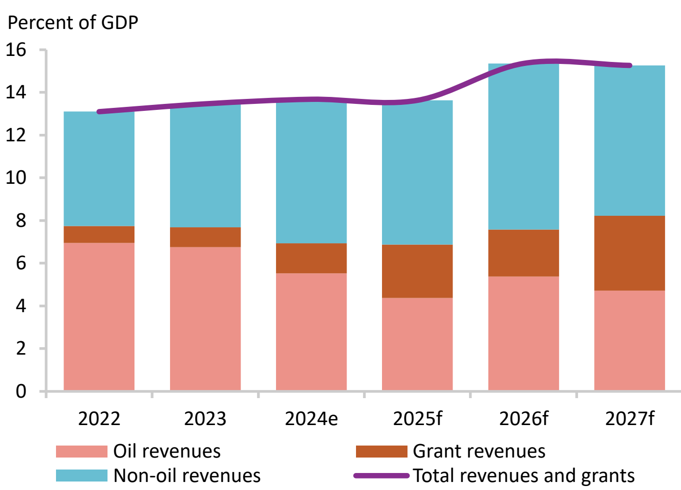
Chad's most recent political transition was completed with the declaration of President Deby as the winner of the 2024 presidential election and the conclusion of the parliamentary, regional, and local elections. However, Chad continues to be adversely affected by conflicts and violent groups in neighboring countries, which can strain stability and public finances. In 2024, military spending surged by 19.1 percent above the initial budget, reaching 23.5 percent of spending. According to UNHCR, Chad was hosting over 1.3 million refugees (mostly Sudanese from the war in Sudan) as of February 2025.

Recent developments

Chad's economy is estimated to have grown by 3.7 percent in 2024 (-1.4 percent per capita due to the large influx of refugees), driven mainly by the non-oil sector (+4.6 percent), while the oil sector growth was modest (+1.4 percent), reflecting a 4.2 percent increase in oil production.

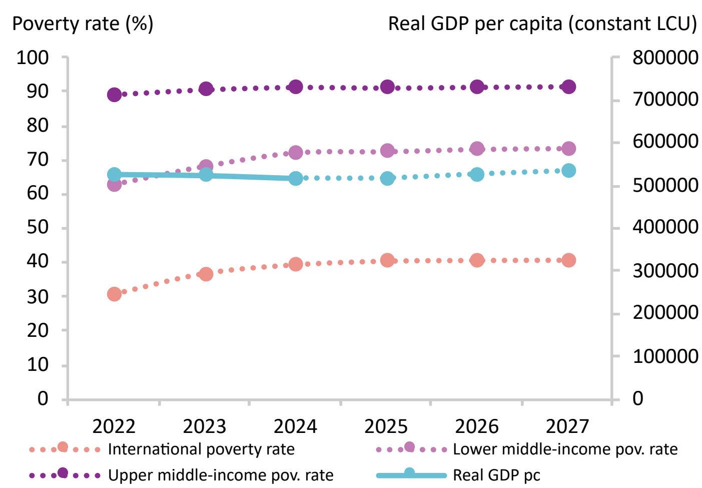
On the supply side, services are estimated to have contributed 3.0 pp to growth, followed by the non-oil industry with 0.8 pp. Agriculture contributed negatively (-0.2 pp) due to severe floods. Refugee-driven private consumption was the main demand driver,

FIGURE 1 / Oil revenues, non-oil revenues, and grants



Source: World Bank.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

contributing 3.0 pp, followed by public consumption, boosted by spending on wages and elections.

The current account deficit (CAD) is estimated to have risen to 1.8 percent of GDP in 2024 reflecting increased investment income transferred abroad and a deteriorating goods and services balance.

The food demand pressures led to higher prices, while floods caused food supply shortages. These factors collectively drove inflation to 5.7 percent in 2024. Food and transportation prices rose by 8.5 percent, and 15 percent, respectively, over the year. The poverty rate is estimated to have increased by 2.6 pp to 39.4 percent in 2024, with a total of 7.9 million people living in extreme poverty.

The Bank of Central African States (BEAC) sought to contain inflationary pressures and support the exchange rate regime. It lowered its main policy rate from 5.00 percent to 4.50 percent at the end of March 2025, marking its first cut since 2023, while liquidity injections, which had been suspended for more than a year, resumed. The Central African Economic and Monetary Community (CEMAC)'s external reserves fell to 4.4 months of import cover at end-2024, below the 5-month target.

Chad’s fiscal deficit is estimated at 1.9 percent of GDP in 2024. Total revenues reached 13.7 percent of GDP, driven by an 18.5 percent increase in non-oil revenues. Government spending is estimated to have risen sharply to 15.6 percent of GDP due to increased expenditures on elections, military equipment, and flood management. As a result, the non-oil primary balance remained in deficit at 7.4 percent of GDP. Public debt slightly increased to 33.3 percent of GDP.

Outlook

GDP growth is projected at 3.5 percent (0.03 percent per capita) in 2025, supported by a further expansion in non-oil activity, particularly by services and agriculture. Over the medium term, GDP growth is expected to accelerate due to the expected rebound in oil production, increased public investment, and private consumption.

Following a peak at 3.8 percent of GDP in 2025, the fiscal deficit is expected to improve to 2.6 percent of GDP by 2027, owing to continued efforts to mobilize non-oil revenues and contain non-priority spending. Public debt is projected to stabilize. Amid lower oil prices due to the shifts in international trade policy, the CAD is projected to deteriorate to 4.1 percent of GDP in 2025. The inflation rate is projected to gradually converge to the BEAC target of 3 percent by 2027.

Flood damages and crop losses are expected to lead to a drop in production and household incomes, and as a result, the extreme poverty rate is expected to increase by 1.0 pp to 40.4 percent in 2025, which translates into an additional 0.48 million people in extreme poverty. Amid continued security restrictions, low social protection coverage, and the ongoing Sudan crisis, extreme poverty is projected to reach 40.6 percent in 2026.

Downside risks to the outlook include a further decline in oil prices, regional conflicts, global trade policy uncertainties and natural catastrophes. The suspension of specific bilateral aid may affect external financing and assistance to Sudanese refugees. The proactive implementation of the National Development Plan presents an upside risk to the outlook.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	13.0	4.1	3.7	3.5	4.5	4.4
Private consumption	4.7	4.2	4.5	4.6	4.7	4.9
Government consumption	8.5	2.5	20.6	5.9	1.5	2.0
Gross fixed capital investment	0.9	28.0	1.1	5.7	6.8	6.8
Exports, goods and services	47.7	-7.4	0.2	0.9	6.8	2.6
Imports, goods and services	6.8	7.1	7.3	7.1	7.5	4.2
Real GDP growth, at constant factor prices	3.6	4.1	3.7	3.5	4.5	4.4
Agriculture	4.1	1.8	-0.5	2.4	2.6	3.1
Industry	2.4	6.7	4.4	-0.2	8.2	3.5
Services	4.1	4.9	8.0	7.6	3.9	6.4
Employment rate (% of working-age population, 15 years+)	59.6	59.3	57.7	59.7	59.7	59.7
Inflation (consumer price index)	5.8	4.1	5.7	4.6	3.5	3.0
Current account balance (% of GDP)	9.4	-0.7	-1.8	-4.1	-2.3	-1.4
Fiscal balance (% of GDP)	2.9	-0.5	-1.9	-3.8	-2.4	-2.6
Revenues (% of GDP)[1]	13.1	13.5	13.7	13.6	15.4	15.3
Debt (% of GDP)	29.9	29.9	33.3	32.3	32.5	33.1
Primary balance (% of GDP)	3.3	0.2	-1.2	-3.1	-1.7	-2.0
International poverty rate ($2.15 in 2017 PPP)[2,3]	30.8	36.8	39.4	40.4	40.6	40.7
Lower middle-income poverty rate ($3.65 in 2017 PPP)[2,3]	62.8	68.3	72.3	72.7	73.4	73.6
Upper middle-income poverty rate ($6.85 in 2017 PPP)[2,3]	88.8	90.6	91.5	91.2	91.5	91.7
GHG emissions growth (mtCO2e)	2.1	2.1	2.0	2.1	1.9	2.0

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ 2024 data includes one-off non-oil, non-tax revenues, such as windfalls from the increase in the fuel price and dividends from the Société de raffinage de N'Djamena.
2/ Calculations based on 2022-EHCVM. Actual data: 2022. Nowcast: 2023-2024. Forecasts are from 2025 to 2027.
3/ Projections using microsimulation methodology.

COMOROS

Population[1] million	Poverty[2] millions living on less than $2.15/day
0.9	0.1
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
63.7	94.7
GDP[5] current US$, billion	**GDP per capita[6]** current US$
1.4	1596.6

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2014 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

Economic growth increased to 3.4 percent in 2024, but the fiscal deficit widened significantly. Poverty remained high at 38 percent. Growth is projected to rise to 4 percent by 2027, as higher tourism revenues from hosting an international sporting event are expected to boost private consumption. Enhancing revenue mobilization and managing contingent liabilities remain critical reform priorities.

Key conditions and challenges

Comoros faces significant structural challenges, leading to low economic growth and stagnating income per capita over the past decades. Weak institutions, a small domestic market, and geographic remoteness have hindered broader economic progress, contributing to persistent poverty and causing Comoros to lag other small island nations. From 2001 to 2022, GDP per capita increased by only US$367 (constant 2017 PPP US$), one of the lowest rises among peer nations. The economy relies heavily on private sector consumption, particularly from grands mariages, which are large traditional weddings, often financed by years of household savings, that drive household spending but do little to foster sustainable growth.

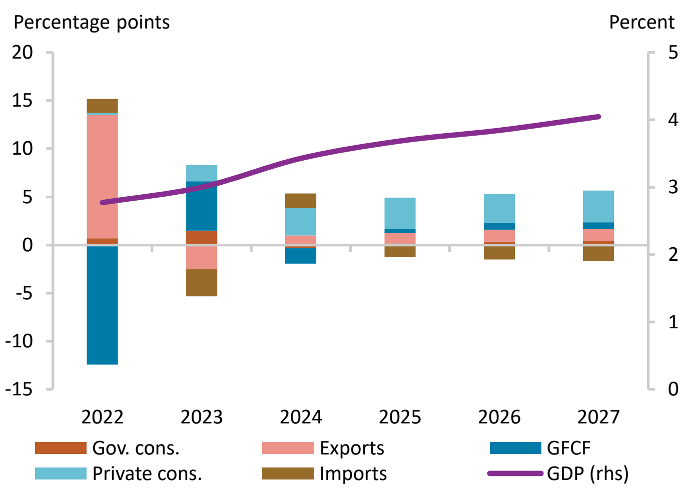
Political economy factors have shaped Comoros' economic trajectory, contributing to growth volatility over the past 40 years. Despite improved political stability in the last two decades, economic progress remains sluggish, constrained by several structural challenges. State-owned enterprises (SOEs) dominate key sectors, limiting competition and stifling the development of the small private sector. Low human capital and productivity further hamper economic progress, while limited access to finance curtails entrepreneurship and business growth. Additionally, the dominance of traditional systems and informal power structures weakens state institutions, compounding governance issues and impeding effective policy implementation.

The relatively slow pace of reforms to promote economic transformation and private sector development have hindered growth and kept poverty at 38 percent ($3.65/day, 2017 PPP) for a decade. Low revenue collection, owing to tax exemptions and administrative inefficiencies, undermines fiscal sustainability, while high risk of debt distress limits funding access. Climate risks like cyclones and rising sea levels further disrupt economic activity, exacerbate poverty, and threaten development.

Recent developments

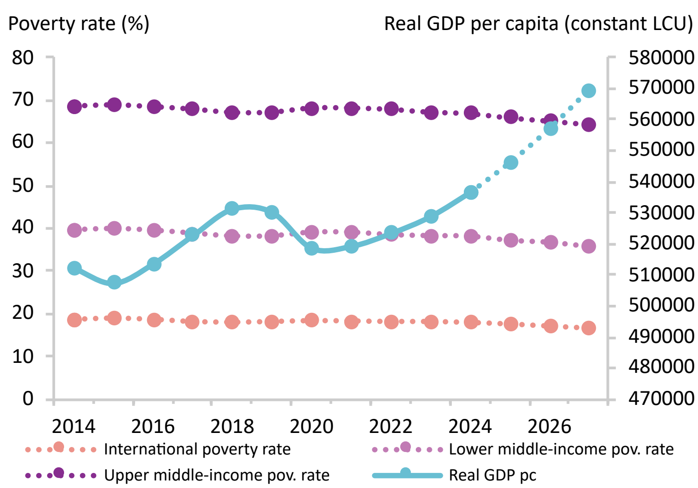
Growth increased to 3.4 percent in 2024, up from 3 percent in 2023. The services sector remained the main driver of

FIGURE 1 / Real GDP growth and contributions to real GDP growth



Sources: World Bank, IMF, and Government of Comoros calculations.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

growth, while industry, though the fastest growing sector at 3.8 percent, had limited impact due to its small share in GDP. Growth in the construction sector was fueled by ongoing public investments in the Galawa Hotel and El-Maarouf Hospital projects. On the demand side, private consumption was supported by lower inflation, which averaged 5 percent in 2024, but a widening trade deficit partly offset these gains and weighed on overall growth.

The fiscal deficit widened from 1.3 to 3.9 percent of GDP in 2024, due to higher spending, with 1.5 percent of GDP financed domestically. Total revenue, including grants, stayed constant at 16.6 percent of GDP. Customs revenues rose by 0.3 percent of GDP, but corporate income and consumption tax revenues fell by 0.1 and 0.3 percent of GDP, respectively, highlighting the urgent need for a strategy to mitigate upcoming WTO-related customs losses. On the expenditure side, lower-than-expected current spending was outweighed by higher-than-planned capital expenditures. Total expenditures rose from 17.8 to 20.5 percent of GDP. Public debt remains sustainable, despite increasing to 36.8 percent of GDP in 2024.

Domestic credit remained stable at 24.4 percent of GDP in 2024, but its composition shifted toward the public sector. Private sector credit growth slowed to 1.6 percent, while credit to the public sector surged by 8.2 percent in 2024. This reflects the rising fiscal deficit, with increased public borrowing absorbing liquidity. Vulnerabilities in the financial sector stem from a high level of nonperforming loans (17 percent of total loans) and declining provision rates.

The current account deficit widened from 2.6 to 3.2 percent of GDP in 2024, as goods exports fell by 5 percent. Imports remained stable, while remittance inflows grew 5.4 percent in nominal terms but declined as a share of GDP.

Outlook

Growth is expected to reach 4 percent in 2027, for only the third time since 2010. Private consumption is expected to remain strong in the medium-term, as inflation converges to 3 percent. Public investments under Plan Comores Emergent 2030 and preparations for the 2027 Indian Ocean Island Games, which Comoros will host, will expand supply capacity, paving the way for a tourism surge in 2027. However, an expected deterioration in the terms of trade could weigh on the outlook. Poverty is expected to fall to 36 percent by 2027.

Hosting the Games offers a chance to advance Comoros' tourism ambitions, but limited fiscal space and high debt risks require strategic planning to prevent wasteful spending. Capital investment must be carefully managed, prioritizing transparency, sustainability, and long-term benefits. To ease fiscal pressure and improve debt sustainability, Comoros should boost domestic revenue and control spending by cutting tax exemptions, restructuring SOE liabilities, increasing procurement transparency, and enhancing public investment management.

The current account deficit is expected to expand in 2025 due to the importation of six generators, valued at 0.3 percent of GDP, to reinforce energy infrastructure amid severe power cuts. Service exports are projected to grow, as tourism surges for the Games; however, gains may be offset by rising goods imports. External imbalances, alongside fiscal pressures, could exacerbate vulnerabilities.

Downside risks to the outlook include materializing contingent liabilities, climate-related disasters and heightened global uncertainty from US reciprocal tariffs that affect Comoros through indirect channels, such as commodity prices, remittances, supply chains, exchange rates, and investment.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	2.8	3.0	3.4	3.7	3.8	4.0
Private consumption	0.2	1.9	3.2	3.7	3.4	3.8
Government consumption	5.4	11.6	-2.3	1.3	2.8	3.2
Gross fixed capital investment	-62.2	69.8	-13.3	4.3	7.1	6.6
Exports, goods and services	100.8	-10.1	4.6	4.9	5.5	5.5
Imports, goods and services	-4.0	8.2	-4.3	3.7	4.5	5.0
Real GDP growth, at constant factor prices	2.6	3.0	3.4	3.7	3.8	4.0
Agriculture	-2.6	4.1	3.3	3.7	3.5	3.4
Industry	13.4	3.0	3.8	3.0	2.9	3.3
Services	3.0	2.5	3.4	3.8	4.1	4.4
Inflation (consumer price index)	12.4	8.5	5.0	4.0	3.3	3.0
Current account balance (% of GDP)	-0.6	-2.6	-3.2	-4.0	-4.6	-5.0
Fiscal balance (% of GDP)	-3.9	-1.3	-3.9	-3.7	-3.3	-3.1
Revenues (% of GDP)	14.1	16.5	16.6	16.3	16.6	16.7
Debt (% of GDP)	34.1	34.8	36.8	37.6	38.0	37.8
Primary balance (% of GDP)	-3.7	-0.9	-3.5	-3.3	-2.9	-2.6
International poverty rate ($2.15 in 2017 PPP)[1,2]	18.1	18.1	17.9	17.6	17.0	16.5
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	38.4	38.2	38.1	37.2	36.7	35.8
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	67.8	67.2	66.9	65.9	65.2	64.4
GHG emissions growth (mtCO2e)	2.0	1.3	1.8	1.6	1.7	1.6

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2015-EESIC. Actual data: 2014. Nowcast: 2015-2024. Forecasts are from 2025 to 2027.
2/ Projection using neutral distribution (2014) with pass-through = 0.87 (Med (0.87)) based on GDP per capita in constant LCU.

DEMOCRATIC REP. OF CONGO

Population[1] million	Poverty[2] millions living on less than $2.15/day
109.3	75.8
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
59.7	119.9
GDP[5] current US$, billion	**GDP per capita[6]** current US$
77.7	710.9

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2020 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

The DRC's economy slowed down in 2024 but remained resilient. Positive terms-of-trade, strong export earnings, and FDI inflows contributed to building up foreign reserves, stabilizing the Congolese franc, and lowering inflation rates. However, escalating conflict in the East has increased security costs and strained the fiscal situation. While growth prospects are favorable, economic growth has yet to translate into significant poverty reduction.

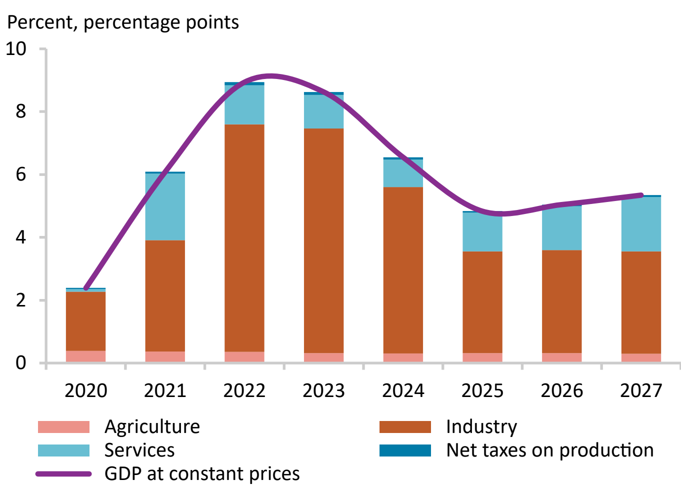
Key conditions and challenges

The Democratic Republic of Congo (DRC) has faced decades of insecurity in its eastern region. Mineral-rich areas have become battlegrounds for armed groups, creating an illicit economy of natural resource exploitation. The situation worsened with the loss of control over North Kivu and South Kivu, causing an estimated US$900 million decline in government revenue. This turmoil affects 14 percent of DRC's population, leading to significant human rights violations and a surge in internally displaced persons (IDPs), with over 400,000 new IDPs in January 2025 alone, adding to the existing 4.6 million in the Kivu. The conflict exacerbates challenges like widespread extreme poverty and poor service delivery. Weak governance, resource exploitation by armed factions, and high socioeconomic vulnerability contribute to ongoing violence and economic difficulties, hindering sustainable development and poverty reduction. The current escalation, mainly in North Kivu and South Kivu, increases the fiscal impact of the government's response and could undermine the administration's reform agenda and economic stability. The economy was set to benefit from structural reforms supported by the IMF Extended Credit Facility, Resilience and Sustainability Facility, and the World Bank's Development Policy Financing. These programs aim to enhance macroeconomic stability, financial management, public administration, business climate, governance, and transparency. However, volatile security and high dependence on extractive industries expose the DRC to fluctuating global commodity prices and demand, impacting growth and fiscal revenue. Addressing challenges in DRC requires significant national and international engagement to strengthen governance, bolster conflict resolution, and restore security and state authority.

Recent developments

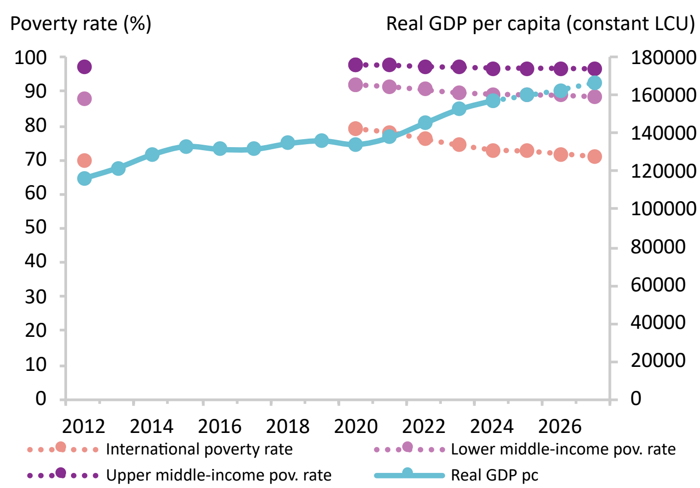
The economy showed resilience, growing by 6.5 percent in 2024, moderating from 8.6 percent in 2023. Growth was driven by the extractive industry, which increased by 12.8 percent. Copper and cobalt production, key exports, rose by 12.1 percent and 30.1 percent in 2024, respectively, due to increased domestic production from the Kamoa-Kakula mining project. Non-mining sectors grew

FIGURE 1 / Real GDP growth and sectoral contributions to real GDP growth



Sources: Democratic Republic of Congo Statistical Authorities and World Bank.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

by 3.2 percent, supported by construction and services. Poverty remained high at 72.9 percent in 2024, highlighting the difficulty of converting resource-driven growth into broad-based improvements in living standards.

The current account deficit (CAD) narrowed to 3.4 percent of GDP in 2024 (from 6.3 percent in 2023) due to increased mining exports, despite high infrastructure costs and income payments to foreign investors. Foreign direct investment (FDI) and external financing boosted foreign reserves to 2.5 months of imports at end-2024, limiting exchange rate fluctuations. The CDF depreciated by 8.7 percent at the end of 2024, leading to a drop in inflation to 11.3 percent. The central bank (BCC) pursued a tight monetary policy, raising its primary rate from 8.25 percent to 25 percent over three years.

Despite increased revenue from mining exports and tax collection, high security costs and wages widened the fiscal deficit to 2.0 percent of GDP in 2024 (from 1.7 percent in 2023). Total expenditures rose slightly to 16.8 percent of GDP. Military spending remained at 2.0 percent of GDP, while capital spending rose to 3.9 percent (from 3.7 percent in 2023). Higher domestic revenue at 14.4 percent of GDP in 2024 (from 13.8 percent in 2023) partially offset the increase in expenditure, with the balance covered by domestic and external concessional borrowing. Public debt remained low at 22.1 percent of GDP, with a moderate risk of distress.

Outlook

GDP growth is expected to slow to 5.1 percent in 2025-27 as mining production expansion decelerates. The government suspended cobalt exports for four months starting February 2025 to address oversupply. With cobalt production closely tied to copper's, this may cause storage challenges and higher costs for mining companies. Non-mining sectors will gradually support growth, reaching 5.9 percent by 2027 (from 3.8 percent in 2025), driven by construction and infrastructure. Growth is fueled by private investment and exports. However, it is difficult to gauge the full impact of recent measures as policy shifts may continue to unfold. The CAD is expected to widen to 4.2 percent of GDP in 2025 due to the cobalt export ban but will narrow to 3.5 percent by 2027 with rising copper export earnings. FDI and external financing will uplift reserves, expected to cover three months of imports by 2027. A strong external position and absence of BCC's financing of the budget deficit will support a stable currency and contain inflation to the medium-term target of 7 percent.

High public-sector wage bills and security costs will keep spending levels high, worsening the fiscal deficit to 3.8 percent of GDP in 2025 before decreasing to 1.9 percent by 2027 due to expenditure control and tax administration measures. Defense spending could rise above 2.5 percent of GDP in 2025 (from 2 percent in 2024), potentially impacting social expenditures and poverty reduction. The government is amending the 2025 budget due to fiscal pressures from the ongoing conflict.

Extreme poverty is projected to decrease to 71.8 percent by 2026 given favorable economic prospects. Stronger poverty reduction will require using natural resource revenues for pro-poor investments. Risks are tilted to the downside, as the impact of commodity price declines may compound the potential effects of trade uncertainty and continued conflict in the east, and persistent health outbreaks (mpox) would further strain public spending.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	8.9	8.6	6.5	4.8	5.0	5.3
Private consumption	3.1	3.5	3.7	3.8	3.9	4.0
Government consumption	22.2	-12.9	9.1	9.2	5.0	4.5
Gross fixed capital investment	27.7	98.0	11.3	5.5	5.6	6.0
Exports, goods and services	18.9	15.7	12.9	4.6	5.4	6.0
Imports, goods and services	24.9	85.6	11.6	5.2	5.2	5.6
Real GDP growth, at constant factor prices	8.9	8.6	6.5	4.8	5.0	5.3
Agriculture	2.4	2.2	2.3	2.5	2.5	2.5
Industry	15.7	14.6	10.2	6.0	6.1	6.0
Services	3.3	3.0	2.6	3.8	4.3	5.4
Employment rate (% of working-age population, 15 years+)	62.7	62.8	62.8	62.8	62.8	62.8
Inflation (consumer price index)	9.3	19.9	17.7	8.9	7.5	7.0
Current account balance (% of GDP)	-4.9	-6.3	-3.4	-4.2	-4.0	-3.5
Fiscal balance (% of GDP)	-0.9	-1.7	-2.0	-3.8	-2.4	-1.9
Revenues (% of GDP)	16.6	15.1	15.0	14.5	15.9	16.5
Debt (% of GDP)	21.8	24.3	22.1	26.0	25.3	24.2
Primary balance (% of GDP)	-0.5	-1.3	-1.6	-3.5	-1.8	-1.3
International poverty rate ($2.15 in 2017 PPP)[1,2]	76.0	74.3	72.9	72.5	71.8	70.9
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	90.6	89.7	89.3	89.1	89.0	88.5
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	97.2	97.0	96.8	96.8	96.7	96.6
GHG emissions growth (mtCO2e)	0.2	0.2	0.1	0.1	0.1	0.2

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2020-EGI-ODD. Actual data: 2020. Nowcast: 2021-2024. Forecasts are from 2025 to 2027.
2/ Projection using neutral distribution (2020) with pass-through = 0.87 (Med (0.87)) based on GDP per capita in constant LCU.

This outlook reflects information available as of April 10, 2025.

REPUBLIC OF CONGO

Population[1] million	Poverty[2] millions living on less than $3.65/day
6.2	2.7
Life expectancy at birth[3] years	School enrollment[4] primary (% gross)
63.1	89.0
GDP[5] current US$, billion	GDP per capita[6] current US$
15.7	2509.0

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2011 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

Income per capita modestly increased in 2024 for the first time since 2015. Poverty is thus estimated to be stable. Tax reforms drove an estimated budget surplus of 2.0 percent of GDP in 2024. Modest growth (2.8 percent) is expected in 2025, held back by global trade policy uncertainty, anticipated decline in oil prices, and tightened international financial conditions.

Key conditions and challenges

Between 2015 and 2023, the Republic of Congo's real GDP shrank annually on average by -1.9 percent, resulting in a 32.3 percent decline in GDP per capita. The 2014-16 oil price collapse and the COVID-19 pandemic led to a prolonged recession and an increase in extreme poverty from 33.5 percent in 2015 to 46.6 percent in 2022.

The debt-to-GDP ratio peaked at 103.5 percent in 2020 but decreased to 93.5 percent in 2024 due to rising oil prices, improved debt management, and restructuring agreements. Persistent liquidity pressures prompted the government to implement the National Treasury Optimization Program (NTOP) to reprofile CFA 2,314 billion of regional debt. However, Congo remains in debt distress due to persistent accumulation of external arrears.

The economy's reliance on oil revenues and structural weaknesses in non-oil sectors expose it to oil price volatility and hinder long-term growth. Boosting long-term growth requires diversification of national assets, investment in human and physical capital, balanced exploitation of natural resources, and a strengthened institutional and business environment.

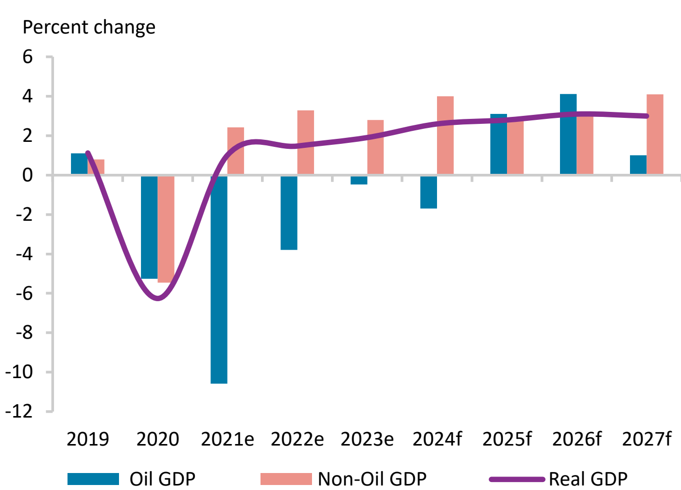
Recent developments

In 2024, the Republic of Congo experienced modest growth of 2.6 percent, driven by a 3.9 percent increase in the non-oil sectors, despite a 1.7 percent decline in oil production due to technical issues. This allowed the country to register its first increase in GDP per capita (0.3 percent) since 2015. The poverty rate has remained relatively flat (from 46.8 percent to 46.7 percent).

Revenue losses from lower oil prices and production have been offset by increased non-oil tax revenues. However, the fiscal surplus has decreased due to higher social expenditures, wage bills, interest payments, and public investments. The debt-to-GDP ratio improved from 96 percent in 2023 to 93.5 percent in 2024.

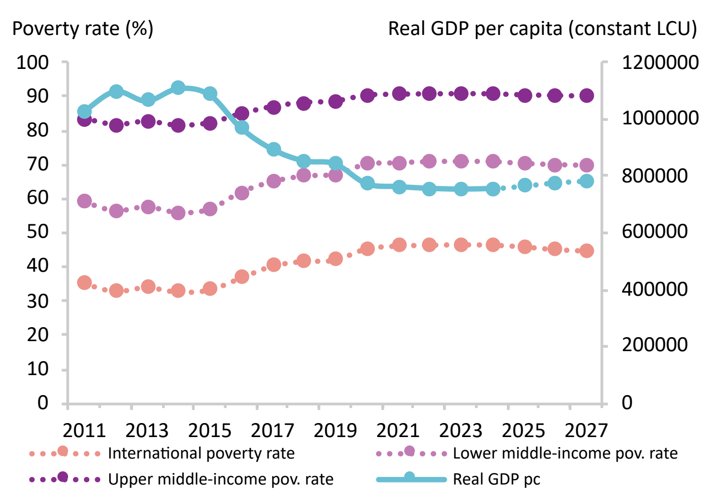
The current account surplus decreased from 8.6 percent of GDP in 2023 to 4.0 percent in 2024 due to a decline in exports. In the

FIGURE 1 / Real GDP growth



Source: World Bank.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

second half of 2024, the government faced significant debt service obligations coming due in the regional market which led to substantial liquidity pressures. These pressures led to the accumulation of both external and internal arrears, impeding the execution of essential expenditures, such as social services and the payment of certain salaries. To mitigate these fiscal challenges, the government implemented the NTOP, reprofiling 40 percent of domestic debt (FCFA 935.6 billion) and thereby extending average maturity from 2.3 to 6.4 years. The banking sector remains liquid but vulnerable to non-performing loans at 18.2 percent of total loans.

Inflation decreased from 4.3 to 3.8 percent between 2023 and 2024 but remained above the BEAC target of 3 percent. To boost growth in CEMAC countries, the BEAC reduced its policy rate from 5 to 4.5 percent in March 2025.

Outlook

The Congolese economy is projected to grow by 2.8 percent in 2025 and 3.1 percent on average during 2026-2027, slightly reducing poverty by 0.2 in 2025, driven by modest growth in both the oil and non-oil sectors. Uncertainties in global trade policy, declining oil prices, and tightening international financial conditions are expected to dampen private investment, particularly in the non-oil sector. Despite early-year investments in the oil sector, reduced global demand and lower oil prices are projected to decrease export revenues and constrain production.

Despite progress in mobilizing non-oil revenues, significant fiscal consolidation will be required in 2025 due to the sharp decline in oil revenues and tighter financing conditions. This will entail reductions in public investment (by 1 percent of GDP), current transfers (by 0.8 percent of GDP), and expenditures on goods and services (by 0.2 percent of GDP). This would result in a budget surplus of 2.7 percent of GDP and a decrease in public debt to 89.6 percent of GDP in 2025.

Due to the projected decline in oil prices, the current account is expected to record a deficit (3.1 percent of GDP) since 2016. This deficit is driven by a significant drop in export revenues that the anticipated decrease in the import bill will not offset.

Inflationary pressures are expected to further decrease, and inflation should reach the CEMAC convergence criterion of 3 percent over 2026-2027.

Following three payment delays on the regional market in 2024 and the NTOP, banks showed lower appetite for Congolese public securities. Between December 2023 and December 2024, the subscription rate for Treasury Bills in the regional market dropped sharply from 73 percent to 12.74 percent, and for Treasury Bonds from 36 percent to 14 percent. However, the average subscription rate has recently shown improvement, with Treasury Bills and Treasury Bonds increasing from 12.74 percent in December 2024 to 30.70 percent in January 2025, and further to 67.78 percent in March 2025. Nonetheless, investors are demonstrating a stronger preference for short-term maturities. To rebuild investors' confidence in treasury securities, the government has committed to implementing debt and cash management reforms.

The Congolese economy faces significant risks from tightening international financial conditions, declining oil prices, and reduced global demand. It is difficult to gauge the full impact of recent measures as global policy shifts and uncertainty may continue to unfold. Continued monitoring and proactive policy measures are essential to support sustainable growth and fiscal stability.

Recent history and projections	2022	2023e	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	1.5	1.9	2.6	2.8	3.1	3.0
Private consumption	5.0	4.9	6.5	5.1	3.5	3.6
Government consumption	-5.0	0.6	0.5	-6.5	3.2	4.1
Gross fixed capital investment	10.0	8.6	5.6	3.0	3.1	3.8
Exports, goods and services	-0.7	1.0	-0.5	3.0	3.9	1.7
Imports, goods and services	5.9	8.9	5.0	2.0	4.6	2.8
Real GDP growth, at constant factor prices	1.5	1.9	2.5	2.7	3.2	3.1
Agriculture	3.0	2.8	4.2	2.3	3.3	3.4
Industry	-0.6	0.7	0.3	3.0	3.7	2.2
Services	4.4	3.4	4.3	2.9	3.1	4.2
Employment rate (% of working-age population, 15 years+)	53.9	54.4	54.4	54.4	54.4	52.7
Inflation (consumer price index)	3.0	4.3	3.8	3.8	3.0	3.0
Current account balance (% of GDP)	15.4	8.6	4.0	-3.1	1.3	1.7
Net foreign direct investment inflow (% of GDP)	7.9	9.5	5.0	5.5	5.5	5.3
Fiscal balance (% of GDP)	7.9	3.6	2.0	2.7	3.4	3.6
Revenues (% of GDP)	28.6	24.3	25.2	23.9	25.2	26.4
Debt (% of GDP)	86.6	96.0	93.5	89.6	83.2	79.3
Primary balance (% of GDP)	10.2	6.4	5.6	6.5	6.1	6.2
International poverty rate ($2.15 in 2017 PPP)[1,2]	46.6	46.8	46.7	46.5	46.1	45.5
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	70.9	71.0	70.9	70.7	70.3	70.1
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	90.7	90.8	90.7	90.7	90.4	90.4
GHG emissions growth (mtCO2e)	2.8	2.5	2.3	1.4	1.2	0.6

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2011-ECOM. Actual data: 2011. Nowcast: 2012-2024. Forecasts are from 2025 to 2027.
2/ Projection using neutral distribution (2011) with pass-through = 0.87 (Med (0.87)) based on GDP per capita in constant LCU.

CÔTE D'IVOIRE

Population[1] million	Poverty[2] millions living on less than $3.65/day
31.9	11.4
Life expectancy at birth[3] years	School enrollment[4] primary (% gross)
63.5	101.7
GDP[5] current US$, billion	GDP per capita[6] current US$
87.2	2729.1

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2021 (2017 PPPs). 3/ 2021. 4/ 2023. 5/ 2024. 6/ 2024.

Growth remained strong at 6 percent in 2024 thanks to fiscal management and better terms of trade, bolstering investor confidence. Lower middle-income poverty decreased from 38.9 to 37.1 percent. Trade uncertainties will affect 2025. Structural reforms under the new Development Plan and rising extractive production should support productivity-led growth and quality job creation in the medium-run.

Key conditions and challenges

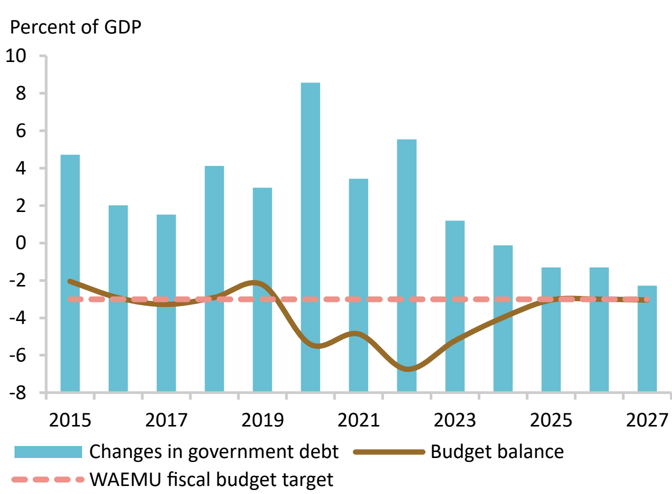
The Ivorian economy remained resilient against global and regional crises, achieving 6.6 percent real growth (4.0 percent per capita) over 2021–2023. However, poverty at the lower middle-income poverty line varied around 38.4–38.9 percent during this period, indicating limited growth impact on poverty. To halve poverty and attain upper- middle-income status by 2030, amidst global and climatic uncertainties, the country needs to focus on productivity-led growth that creates quality jobs through deeper structural reforms, skilling the workforce, increasing foreign direct investment (FDI), and enhancing fiscal space driven by revenue collection. Strong economic management and prospects, and growing hydrocarbon and extractive production have improved investor confidence, leading to upgraded risk ratings by major rating agencies. Nevertheless, significant headwinds including trade tensions, uncertainties related to global trade and the October 2025 elections, regional insecurity, renewed inflationary pressures, and climate change, pose risks to market confidence, supply chains, external and fiscal sustainability, and financial stability.

Recent developments

Economic growth should slow to 6 percent in 2024 from 6.5 percent in 2023, reflecting weaker construction activity and subdued agricultural recovery. Improved farmgate prices and the diminishing effects of El Niño boosted the yields of cocoa and cottonseed, while outputs of cashew and banana declined. Industry momentum decelerated as buoyant hydrocarbon and gold were partly countered by the construction decline. Service growth was primarily driven by telecommunications and transportation. On the demand side, private consumption and investment drove growth. Declining inflation, higher cocoa farmgate prices and increased employment supported domestic demand. Public investment and consumption contributed 0.5 ppts to growth in 2024, as in 2023, reflecting continued fiscal consolidation. External trade contributed -1.1 ppts, as imports outpaced exports.

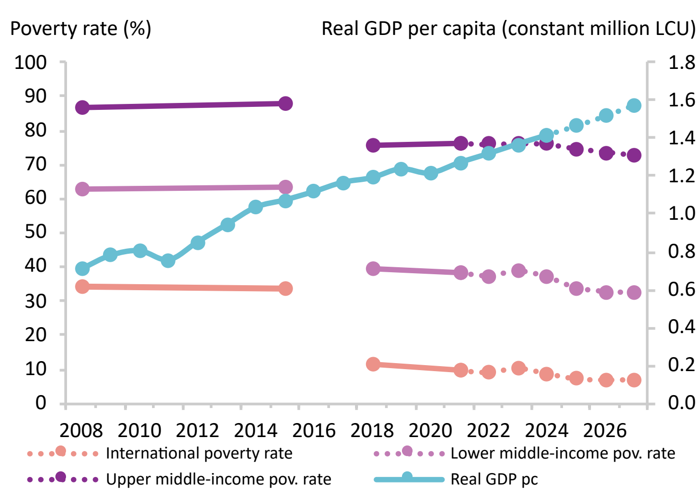
Despite increased energy tariffs, inflation decreased to 3.5 percent in 2024 from 4.4 percent in 2023, reflecting tightened monetary policy, softening commodity and food prices. The West African Economic and Monetary Union (WAEMU) inflation rate declined further in 2024 to 3.5 percent but remained above the 1–3 percent WAEMU

FIGURE 1 / Budget balance and change in public debt



Source: World Bank.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

target band. Regional foreign reserves increased from 3.5 months of imports in 2023 to 4.7 months in 2024, reflecting the resumption of international bond issuances, IMF and World Bank disbursements, and improved terms of trade in Cote d'Ivoire, the main regional contributor to WAEMU reserves. The Central Bank of West African States kept its policy interest rates unchanged throughout 2024 at 3.5 percent for liquidity calls and 5.5 percent for the marginal lending facility.

The fiscal deficit is set to decrease from 5.2 percent of GDP in 2023 to 4 percent in 2024, thanks to revenue-based fiscal consolidation and some expenditure measures. Revenues rose 0.4 ppts to 16.5 percent of GDP in 2024, although the tax-to-GDP growth fell short of its target by 0.3 ppt. This led to a 0.4 ppts-cut in capital expenditure and reduced security spending. Financing needs were met through regional market borrowing (one-third) and external borrowing (two-thirds), increasing public debt to 59.6 percent of GDP from 58.5 percent in 2023. The current account deficit (CAD) is set to narrow significantly, from 8.2 percent of GDP in 2023 to 4.5 percent in 2024, driven by stronger terms of trade (+19.1 percent) and an improved fiscal stance.

Outlook

Despite persistent global economic uncertainties, and Cote d'Ivoire's commodity export exposure to trade uncertainty, growth should remain strong though moderate to 5.8 percent in 2025 and average 6.3 percent in 2026–2027. The forthcoming development plan aims to deepen structural reforms, improve human capital and skills, and enhance the efficiency of public investment. This should attract more FDI and boost the domestic private sector, improve trade competitiveness, and develop agricultural value chains. Sustained investments in transport and digital infrastructure investments will foster productivity-led, quality job-creating and more inclusive growth in the medium term. Additionally, a thriving extractive exploitation could significantly enhance prospects, further boost investor confidence, and ease financing conditions.

The new Medium-Term Revenue Strategy aims to mobilize domestic revenue to reduce the fiscal deficit to the 3 percent regional target by 2025. It also aims to stabilize debt at 58 percent of GDP and allow for sustained prioritization of social and infrastructure spending. Improved terms of trade and private sector-led export diversification should boost the trade balance and narrow the CAD. The regional inflation rate is expected to align with the WAEMU target band from 2025 onwards, while regional reserves are projected to rise to 5.4 months of imports in 2025, supported by recovering exports, and lower Euro Area interest rates.

In 2025, subdued inflation and strong nominal growth in the agricultural sector, driven by higher export prices, should further reduce poverty from 37.1 percent in 2024 to 34.0 percent in 2025 (at $3.65/day, 2017 PPPs). However, poverty reduction is set to moderate in 2025–2027, averaging a 0.7 percentage point decrease as agricultural nominal growth abates. Risks to the outlook remain tilted to the downside. Downside risks to growth from global trade uncertainty arise through the commodity price and investment channels. Climate change threatens agriculture, while regional insecurity and election related-uncertainty risk weakening market sentiment, and tightening financing conditions.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	6.4	6.5	6.0	5.8	6.1	6.4
Private consumption	4.6	5.5	6.3	6.0	5.5	5.7
Government consumption	4.0	3.9	3.1	2.3	-0.4	-1.4
Gross fixed capital investment	13.2	8.5	10.5	7.0	10.9	10.5
Exports, goods and services	11.9	4.8	0.2	3.9	7.5	9.1
Imports, goods and services	21.1	7.7	4.0	4.0	8.4	8.9
Real GDP growth, at constant factor prices	6.1	6.4	6.0	5.8	6.1	6.4
Agriculture	5.9	-2.1	3.5	5.1	2.0	3.2
Industry	12.0	18.5	2.8	6.5	7.0	10.7
Services	3.7	3.8	8.4	5.7	6.9	5.2
Employment rate (% of working-age population, 15 years+)	63.7	63.7	63.7	63.7	63.7	61.8
Inflation (consumer price index)	5.2	4.4	3.5	3.0	2.6	2.3
Current account balance (% of GDP)	-7.6	-8.2	-4.5	-4.1	-3.9	-4.0
Net foreign direct investment inflow (% of GDP)	2.0	2.5	3.8	3.7	3.2	3.0
Fiscal balance (% of GDP)	-6.7	-5.2	-4.0	-3.0	-3.0	-3.0
Revenues (% of GDP)	15.1	16.1	16.5	17.1	17.4	18.1
Debt (% of GDP)	57.3	58.5	59.6	58.6	57.1	55.8
Primary balance (% of GDP)	-4.6	-2.7	-1.3	-0.3	-0.4	-0.4
International poverty rate ($2.15 in 2017 PPP)[1,2]	9.2	10.5	8.8	7.2	6.8	7.0
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	37.4	38.9	37.1	34.0	33.0	32.6
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	76.0	76.3	76.1	74.7	73.7	72.7
GHG emissions growth (mtCO2e)	1.7	0.4	0.2	0.3	0.8	1.0

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2021-EHCVM. Actual data: 2021. Nowcast: 2022-2024. Forecasts are from 2025 to 2027.
2/ Projections using microsimulation methodology.

EQUATORIAL GUINEA

Population[1] million	Poverty[2] millions living on less than $6.85/day
1.9	1.0
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
61.2	107.8
GDP[5] current US$, billion	**GDP per capita[6]** current US$
12.8	6786.7

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2022 (2017 PPPs). 3/ 2022. 4/ 2022. 5/ 2024. 6/ 2024.

The economy grew by an estimated 1.6 percent in 2024, driven by a rebound in the hydrocarbon sector. Poverty is estimated to have increased on account of sluggish growth in agriculture and services, along with rising food prices. Fiscal and external balances improved thanks to increased export earnings. GDP is projected to contract over the medium term. A sharper-than-expected decline in oil production and prices represents the main risk to the outlook.

Key conditions and challenges

Equatorial Guinea has experienced a prolonged recession over much of the past decade amid a shrinking hydrocarbon sector, declining investment, and a series of external and domestic shocks. In 2023, gross national income per capita was estimated at US$5,240, which was 58 percent below its peak level in 2008. In 2022, 54.8 percent of the population lived on less than $6.85 per person per day (in 2017 PPP). Despite high levels of urbanization, about 24 percent of the population lacked access to electricity, 32.4 percent lacked access to piped water or a water well, and 20.3 percent lacked adequate sanitation. The education system underperforms, suffering from overcrowding and high repetition rates, resulting in primary and secondary net enrollment rates of 82 and 59 percent, respectively.

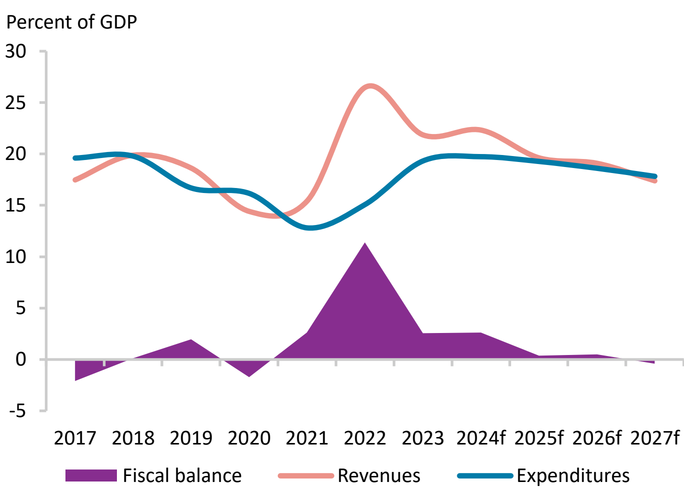
Strong reforms are needed to diversify the growth drivers and productive assets. These include improving domestic revenue mobilization and the efficiency of public spending, strengthening the business environment, and investing in human capital. Recent reforms are encouraging, including a decree establishing a treasury single account, a new draft procurement law, a revised tax law, and a Presidential decree with measures to support the sustainability of the economy and public finances.

Recent developments

Following a contraction by 5.1 percent in 2023, the Equatoguinean economy is estimated to have modestly recovered in 2024. GDP is estimated to have grown by 1.6 percent, driven by a rebound in the hydrocarbon sector, offsetting sluggish growth registered in agriculture (0.4 percent) and services (0.04 percent) sectors.

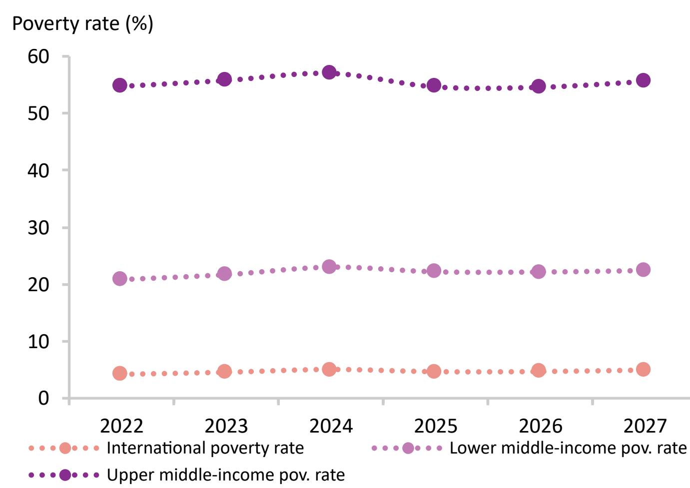
Fiscal revenues exceeded anticipated levels by 0.5 percent in 2024H1 while expenditure execution reached 98 percent by end-June 2024. A 6.4 percent increase in hydrocarbon production in 2024H2 (thanks to repairs and the connection of wells at the Zafiro platform) raised the fiscal balance to an estimated 2.6 percent of GDP. Meanwhile, the non-oil fiscal deficit widened slightly from 23.3 to 23.4 percent of non-oil GDP between 2023

FIGURE 1 / Public finances



Sources: National authorities and World Bank.

FIGURE 2 / Actual and projected poverty rates



Source: World Bank. Notes: See footnotes in table on the next page.

and 2024. The current account deficit is estimated to have narrowed to 0.9 percent of GDP thanks to an increase in hydrocarbon export earnings.

The debt-to-GDP ratio declined to 31.3 percent in 2024. The government has recently negotiated arrears settlements with banks and construction companies over a period of 10 years. As a result, the ratio of non-performing loans to total loans decreased to 30 percent by July 2024 from 32.5 percent in end-2023 and is expected to continue declining. After keeping the policy rate at 5 percent for two years, the Bank of Central African States lowered it to 4.5 percent in March 2025. Still, overall inflation increased from 2.4 to 3.4 percent between 2023 and 2024, mainly on account of higher food inflation (4.1 percent).

Sluggish growth in agriculture and services, along with soaring food prices, did not boost job creation and earnings enough to maintain living standards, leading to a 1.2 percentage point rise in poverty.

Outlook

Another recession is expected in 2025 with a forecasted growth of -3.1 percent as hydrocarbon production decreases and oil prices fall amid the shifting international trade, investment, and financial and commodity markets context. Aside from their impact on economic growth, lower projected oil prices and a tighter global financial environment will also have adverse impacts on the country's fiscal and trade balances and investment. Without significant progress in diversification and structural reforms, the decline of the hydrocarbon sector and lower oil prices will continue to undermine the Equatoguinean economy. Growth could reach 0.6 percent in 2026, following an expected rebound in the gas sector, before contracting again in 2027. Between 2024 and 2027, poverty is expected to decline from 57.0 percent to 55.8 percent, following an expansion in the labor-intensive agriculture and service sectors.

Despite fiscal consolidation, the fiscal balance is projected to decrease in 2025-2027, as spending cuts fail to offset declining hydrocarbon revenues due to the anticipated drop in oil prices and production. The current account balance is projected to deteriorate to an average of 2.5 percent of GDP over 2025-2027 due to declining export earnings. The impact of commodity price declines may compound the potential effects of global trade uncertainty.

Downside risks to the outlook include a stronger decline in hydrocarbon production or prices; heightened global economic uncertainty and trade policy shifts which can impact exports and potentially deter investment and increase food prices and insecurity; tighter global financial conditions; and lower demand from main trading partners (China and the European Union). It is difficult to gauge the full impact of recent events as global policy shifts may continue to unfold.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	3.2	-5.1	1.6	-3.1	0.6	-1.1
Private consumption	3.9	4.4	-5.0	1.9	2.0	1.8
Government consumption	7.0	5.7	1.0	-7.5	1.3	-0.4
Gross fixed capital investment	7.6	11.1	0.0	-9.0	1.7	-3.0
Exports, goods and services	5.7	-28.9	6.9	-2.9	0.6	-1.9
Imports, goods and services	11.2	-25.5	-1.8	-0.4	3.8	2.6
Real GDP growth, at constant factor prices	2.9	-4.7	1.6	-3.1	0.6	-1.1
Agriculture	6.9	2.4	0.4	3.2	2.0	2.1
Industry	1.8	-12.9	2.9	-10.6	0.5	-2.6
Services	4.4	7.6	0.0	6.2	0.7	0.3
Inflation (consumer price index)	4.9	2.4	3.4	2.9	2.6	2.1
Current account balance (% of GDP)	-0.9	-1.5	-0.9	-2.5	-2.1	-2.8
Net foreign direct investment inflow (% of GDP)	4.9	1.2	1.0	0.8	0.6	0.6
Fiscal balance (% of GDP)	11.4	2.5	2.6	0.4	0.5	-0.4
Revenues (% of GDP)	26.5	21.9	22.3	19.6	19.1	17.4
Debt (% of GDP)	33.4	36.9	31.3	31.5	29.4	27.8
Primary balance (% of GDP)	12.5	3.6	3.7	1.5	1.5	0.5
International poverty rate ($2.15 in 2017 PPP)[1,2]	4.2	4.5	5.0	4.7	4.8	4.9
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	20.8	21.6	22.9	22.2	22.3	22.6
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	54.8	55.8	57.0	54.8	54.8	55.8
GHG emissions growth (mtCO2e)	1.9	-5.4	1.5	-3.1	0.2	-0.7

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2022-ENH2. Actual data: 2022. Nowcast: 2023-2024. Forecasts are from 2025 to 2027.
2/ Projections using microsimulation methodology.

ERITREA

Growth in 2024 was supported by strong mining activity and lower inflation as a result of moderation of global fuel and food prices. Increased government spending and investment to develop the Colluli potash mine is expected to support growth of around 3.5 percent in the near term. Downside risks to the outlook include production delays at the Colluli mine, volatility in global commodity prices, geopolitical and regional tensions, and climate vulnerabilities.

Population[1] million **3.5**	Poverty **..**
Life expectancy at birth[2] years **66.6**	School enrollment[3] primary (% gross) **83.0**
GDP[4] current US$, billion **2.9**	GDP per capita[5] current US$ **822.0**

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2022. 3/ 2022. 4/ 2024. 5/ 2024.

Key conditions and challenges

Eritrea is a subsistence agriculture economy that relies on the mining industry (mainly zinc and gold) for foreign exchange. About 70 percent of the population lives in rural areas, relying on rainfed farming, livestock, and fisheries. Frequent weather shocks due to climate change impact economic activity and livelihoods.

With the lifting of UN sanctions in November 2018 Eritrea emerged from a decade of international isolation, a period during which it relied on domestic sources of growth. Competition is limited by state-owned enterprises' dominance and widespread government restrictions. Zinc, copper, and gold account for more than 90 percent of exports, making the economy susceptible to fluctuations in metal prices and external demand from China, which accounts for over 50 percent of total exports. Fiscal dominance and the underdeveloped financial sector have rendered monetary policy under a fixed exchange rate ineffective, weakening economic fundamentals.

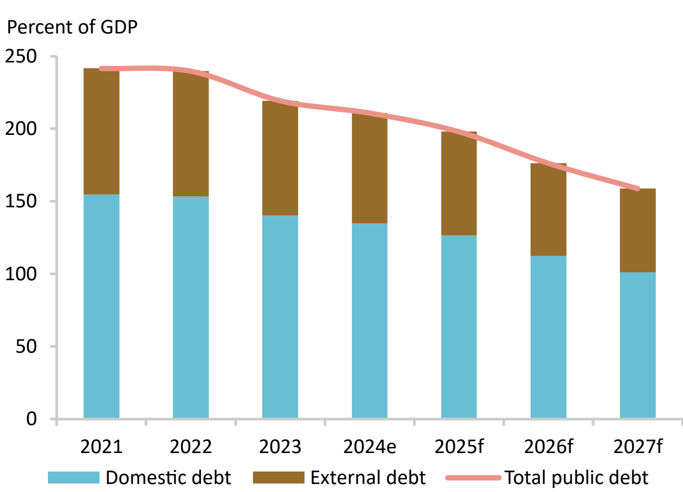
Despite vast mineral and commodity wealth the development of the mining sector is constrained by under-developed infrastructure (including roads and key ports), that present both operational and logistical constraints. Furthermore, the absence of a competition law framework discourages foreign capital inflows, as do strict import restrictions. The latter also limit foreign currency demand amid low reserves. Informal cross-border trade has improved since the conflict in northern Ethiopia ended.

The capacity to produce data remains severely constrained. National accounts data are limited to unofficial GDP estimates by the Ministry of Finance, which are not, however, endorsed by the government. Inflation estimates cover only Asmara, the capital city, and full balance of payment accounts are not being produced. Poverty statistics have not been produced for over a decade.

Recent developments

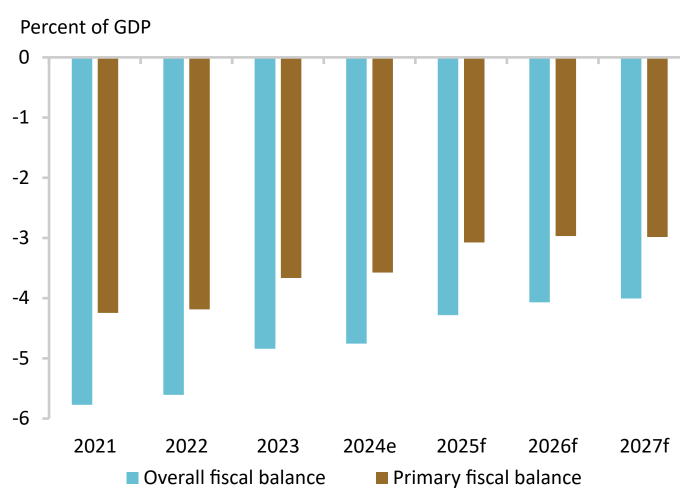
Real GDP growth is estimated to have increased to 2.9 percent in 2024, mainly supported by strong copper and gold mining output and the moderation in global food and fuel prices which supported a rise in private consumption. Meanwhile, inflation continued its downward trend falling to 4.1 percent in 2024.

FIGURE 1 / Evolution of total public debt



Sources: Ministry of Finance, Planning and Economic Development, IMF, and World Bank staff estimates.

FIGURE 2 / Primary and overall fiscal balances



Sources: Ministry of Finance, Planning and Economic Development, IMF, and World Bank staff estimates.

This outlook reflects information available as of April 10, 2025.

Eritrea continued to maintain a large current account surplus which improved in 2024 supported by strong increase in global metal prices amid tight import and capital controls. International gold prices rose 23 percent to multi decade highs amid global risk aversion and geo-political risk, contributing to higher export revenues. Higher zinc and copper prices resulted in strong mining export revenues as well as higher government revenues. Public debt was estimated at around 211 percent of GDP at end-2024, of which nearly 80 percent is owed to domestic banks. The country is in debt distress, and as of May 2024, Eritrea was at a pre-decision point in the Highly Indebted Poor Countries (HIPC) list.

Following an engagement hiatus in 2020, Eritrea has begun to re-engage with international development partners and revitalize some bilateral relations since 2023.The African Development Bank has been supporting several projects including the building of a 30-MW solar photovoltaic power plant in Dekemhare, which is scheduled to be completed in 2027. China is Eritrea's principal commercial partner dominating the mining and infrastructure sector as well as being a major trading partner. In early 2023, the Chinese company Sichuan Road and Bridge Group acquired a 50 percent stake in the Colluli potash mine—one of the largest and most easy-to-exploit deposits in the world. Once it becomes operational (expected by end-2026), it could contribute up to 10 percent of GDP value added.

Outlook

GDP growth is projected to increase to 3.2–3.5 percent in the near-medium termas domestic demand is boosted by construction of the Colluli mine. As global food prices continue to ease, average inflation is expected to decrease further and stabilize around 4 percent in the near term.The current account surplus is expected to remain large at around 14 percent of GDP in 2025, helped by robust mining sector performance amid tight import controls. However, the current uncertainly in global trade policy could hurt export prospects although operationalizing of the Colluli project might play an offsetting role in later years. Gradual fiscal consolidation and higher mining sector receipts should support a narrowing of the fiscal deficit over the medium term.Once Colluli mining commences it is expected to generate annual revenues of US$200mn. The economic recovery is expected to support a reduction in the public debt-to-GDP ratio. The poverty rate is not expected to decline significantly in the coming years, however. Significant improvements in the agricultural sector and increased productive employment in urban areas are critical to addressing the widespread deprivation in the country.

Significant downside risks include weaker than-expected global or Chinese demand for commodity exports, volatility in metals and minerals prices, production delays at the Colluli mine, spillovers from the Sudan conflict, and recent escalation in tensions with Ethiopia. Climate vulnerabilities could intensify in the coming years, increasing an already high risk of food insecurity. Eritrea's re-engagement with the international community could help to significantly reduce external arrears and provide much-needed financing to build essential infrastructure over the medium term. This would help reduce the risks associated with climate change and foster the development of the private and financial sectors, which could enhance job creation and promote inclusive growth.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	2.5	2.6	2.9	3.1	3.4	3.5
Private consumption	3.6	4.0	2.1	2.3	2.2	2.2
Government consumption	5.7	3.7	1.9	2.0	3.4	4.1
Gross fixed capital investment	13.1	22.7	4.2	4.0	3.7	4.2
Exports, goods and services	9.2	5.1	3.2	3.5	3.3	3.0
Imports, goods and services	11.0	5.3	4.2	4.3	4.3	4.4
Real GDP growth, at constant factor prices	2.5	2.6	2.9	3.1	3.4	3.5
Agriculture	1.6	3.5	3.6	3.2	3.2	3.2
Industry	3.2	2.9	3.3	3.3	3.1	3.1
Services	1.3	1.5	1.6	2.4	4.0	4.7
Inflation (consumer price index)	7.4	6.4	4.1	3.9	4.0	4.0
Current account balance (% of GDP)	13.0	14.1	14.5	13.9	14.0	14.7
Net foreign direct investment inflow (% of GDP)	1.3	1.2	1.2	1.3	1.3	1.0
Fiscal balance (% of GDP)	-5.6	-4.8	-4.8	-4.3	-4.1	-4.0
Revenues (% of GDP)	27.0	27.6	26.6	26.9	27.7	28.2
Debt (% of GDP)	239.8	219.4	211.8	202.4	190.8	177.2
Primary balance (% of GDP)	-4.2	-3.7	-3.6	-3.1	-2.9	-2.8
GHG emissions growth (mtCO2e)	0.7	0.8	1.3	1.3	1.4	1.3

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.

This outlook reflects information available as of April 10, 2025.

ESWATINI

Real GDP is projected to grow by 5.0 percent in 2025, driven by public and private sector investment. Inflation is expected to rise to 5.6 percent because of higher electricity and water tariffs and anticipated public wage increases. The budget deficit is projected to increase to 3.5 percent of GDP in 2025 because of expenditure pressures and lower SACU revenues. The poverty rate is projected to hover around 52 percent, using the poverty line for lower-middle-income countries.

Population[1] million	Poverty[2] millions living on less than $3.65/day
1.2	0.7
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
56.4	113.5
GDP[5] current US$, billion	**GDP per capita[6]** current US$
5.1	4097.2

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2016 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

Key conditions and challenges

Eswatini's long-term growth has been low and volatile, averaging less than 2 percent annually, constrained by structural factors such as a weak business environment, overdependence on Southern African Customs Union (SACU) revenues, as well as vulnerability to climate shocks. Overall, Eswatini's growth performance was significantly lower than the average of 4.6 percent among lower-middle-income countries.

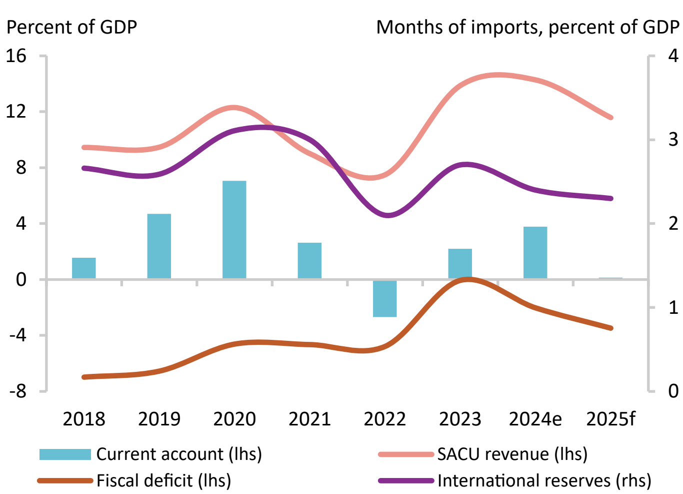
Sustainable development necessitates shifting to a private-led economic growth model, by addressing structural challenges to the business climate, strengthening public financial management to improve the efficiency and effectiveness of public spending. The public financial management system faces weaknesses in budget preparation and execution, commitment controls, and public procurement processes. These inefficiencies have resulted in underspending on capital investments and the accumulation of arrears to the private sector, with the stock of arrears rising from 2.4 percent of GDP in 2023 to 2.7 percent in 2024. Addressing PFM related challenges requires adequate implementation of the 2017 PFM Act and full implementation of an Integrated Financial Management Information System.

With economic growth both modest and not inclusive, progress in poverty reduction has been limited. About 53.5 percent of the population live below the lower-middle-income poverty line of $3.65 per day (2017 PPP). The unemployment rate surged from 23 percent in 2016 to 35 percent in 2023, and job opportunities are concentrated in the informal sector. Eswatini's economy remains one of the most unequal in the world, with a Gini coefficient of 54.6 in 2016.

Recent developments

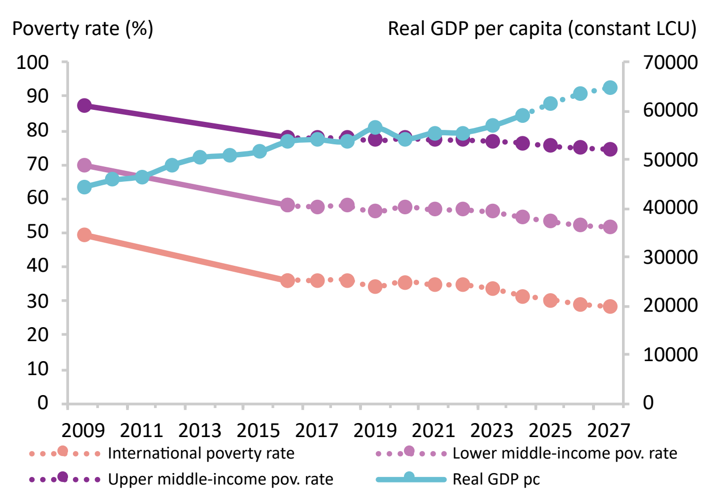
Economic growth increased to 4.8 percent in 2024, from 3.4 percent in 2023, as most sectors performed well. Growth in the agriculture sector benefitted in particularly from an increase in sugar production, while manufacturing, especially soft drink concentrates and sugar, benefited from higher external demand. Mining production expanded because of increased coal output. Stroger external demand led to a 13 percent rise in exports, while higher SACU revenues supported domestic demand.

FIGURE 1 / SACU revenues and macroeconomic variables



Sources: Eswatini Ministry of Finance and World Bank staff projections.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

Inflation slowed from 5.0 percent in 2023 to 4.0 percent in 2024, as global inflationary pressures eased. Food inflation eased from 12.8 percent to 3.9 percent, but food insecurity remains a challenge, with 25 percent of the population estimated to be food insecure. The Central Bank lowered the interest rate by 50 basis points to 7.00 percent between September and November 2024, following South Africa's policy rate trend.

The fiscal situation deteriorated in FY 2024/25, with the fiscal deficit widening to 2 percent of GDP in 2024/25, up from 0.1 percent in 2023/24 despite an increase in SACU revenues. Public expenditure increased as the government relaxed the hiring freeze, and as capital spending and interest payments rose. Public debt grew to 41 percent of GDP by the end of 2024 and government arrears with the private sector increased. Higher expenditure arrears partly reflect continued deficiencies in cash flow management and commitment controls.

The current account surplus rose from 2.2 percent in 2023 to 3.8 percent of GDP in 2024, benefitting from higher SACU revenues and key commodity exports, which more than compensated for the increase in imports. Nevertheless, international reserves declined to 2.4 months of import cover in 2024 as the government used reserves to pay its external obligations.

Outlook

Real GDP growth is projected to increase to 5.0 percent in 2025 driven by public and private sector investments, including in a series of large projects such as the Mkhondvo–Ngwavuma Water project. However, growth is expected to slow gradually in the medium term, to reach about 2.8 percent in 2027 once these investments are completed. Growth is expected to be broad-based, with finance, information and communication technology (ICT), transportation, wholesale, and trade expected to record higher growth. Mining and quarrying are expected to continue expanding in 2025-2026, supported by double-digit growth in coal production. Higher electricity and water tariffs and demand-pulled inflation linked to the expected public sector wage increases are expected to contribute to inflation of 5.6 percent in 2025.

The fiscal deficit is projected to increase to 3.5 percent in 2025 and 4.5 percent in 2026 as SACU transfers are expected to fall by 20 percent in nominal terms in 2025. A higher wage bill and capital expenditure are expected to contribute to the widening of the fiscal deficit in 2025-26. Fiscal consolidation is expected to resume in 2027, bringing the fiscal deficit down to about 2.7 percent of GDP, benefitting from public financial and investment management reforms. Public debt is expected to peak at 42.6 percent of GDP in 2027. The current account surplus is expected to decline as SACU revenues decline while higher capital spending from planned construction activities will result in higher imports.

There are significant risks to this outlook, linked to both global and domestic developments. Downside risks to the outlook include heightened global trade uncertainties that impact Eswatini through both direct and indirect channels, including fluctuations in commodity prices, remittances, exchange rates, investment, and weaker growth in its main trading partners. Domestically, volatile SACU revenues and weak control over current spending remain key fiscal risks. The suspension of funding from the United States Agency for International Development could threaten the delivery of health services, while delays in private and public construction projects would dampen growth prospects. Given this outlook amidst persistently limited job creation, poverty is projected to remain high at around 52 percent, using the poverty line for lower-middle-income countries.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	1.1	3.4	4.8	5.0	4.0	2.8
Private consumption	5.8	5.1	5.3	5.1	5.5	4.6
Government consumption	-3.2	5.3	5.4	6.5	5.7	4.1
Gross fixed capital investment	-11.9	10.3	3.4	11.9	7.2	3.3
Exports, goods and services	-4.2	9.2	13.0	5.8	4.7	4.2
Imports, goods and services	2.2	12.9	10.0	8.7	8.3	7.0
Real GDP growth, at constant factor prices	0.9	3.3	4.8	5.0	4.0	2.8
Agriculture	3.0	-7.9	6.2	4.4	4.6	5.0
Industry	0.2	0.5	8.4	5.7	6.4	4.0
Services	1.2	6.5	2.4	4.6	2.3	1.7
Employment rate (% of working-age population, 15 years+)	30.6	32.8	32.8	32.8	32.8	32.8
Inflation (consumer price index)	4.8	5.0	4.0	5.6	5.0	4.5
Current account balance (% of GDP)	-2.7	2.2	3.8	0.1	0.4	0.4
Net foreign direct investment inflow (% of GDP)	0.7	1.1	1.3	0.9	1.5	1.2
Fiscal balance (% of GDP)	-4.8	-0.1	-2.0	-3.5	-4.5	-2.7
Revenues (% of GDP)	26.0	31.7	31.0	29.2	25.4	26.4
Debt (% of GDP)	40.5	40.0	40.9	40.6	42.3	42.6
Primary balance (% of GDP)	-2.5	2.8	0.7	-1.1	-1.2	0.3
International poverty rate ($2.15 in 2017 PPP)[1,2]	34.6	33.4	31.5	30.3	29.2	28.5
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	56.8	56.2	54.8	53.5	52.6	52.1
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	77.4	77.0	76.5	75.5	75.0	74.7
GHG emissions growth (mtCO2e)	0.7	0.8	2.9	5.1	5.1	2.7

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2016-HIES. Actual data: 2016. Nowcast: 2017-2024. Forecasts are from 2025 to 2027.
2/ Projection using neutral distribution (2016) with pass-through = 0.87 (Med (0.87)) based on GDP per capita in constant LCU.

This outlook reflects information available as of April 10, 2025.

ETHIOPIA

Population[1] million **132.1**	Poverty[2] millions living on less than $2.15/day **39.0**
Life expectancy at birth[3] years **65.6**	School enrollment[4] primary (% gross) **84.5**
GDP[5] current US$, billion **221.6**	GDP per capita[6] current US$ **1677.8**

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2021 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

Macroeconomic reforms initiated in mid-2024 have reduced exchange rate spreads and inflation. Reforms to modernize monetary policy, mobilize revenues, and enhance safety nets are ongoing. Sustaining reforms and easing barriers to private investment and job creation are crucial for external sustainability, inclusive growth, and mitigating social risks amid humanitarian needs.

Key conditions and challenges

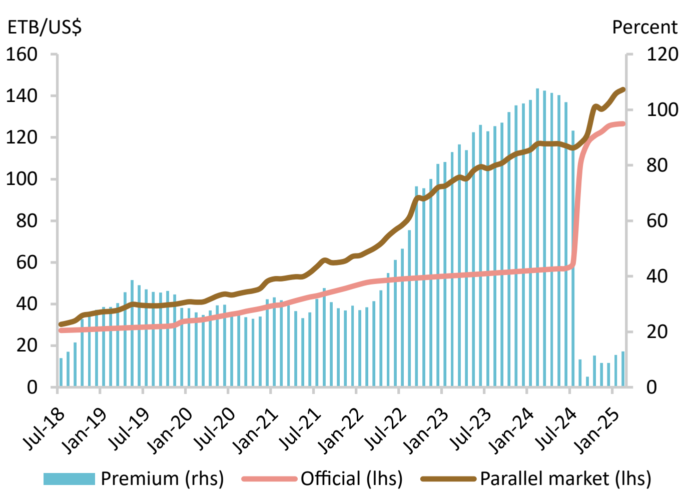
Ethiopia's state-led development model improved infrastructure and living standards but relied on an overvalued currency, unsustainable debt, and restrictive regulations that hindered private investment. This weakened competitiveness, fueled inflation, and failed to generate enough jobs for two million new job seekers annually. Poverty increased from 27 percent to 32 percent between 2016 and 2021 ($2.15/day), human capital remained low, and agriculture still employs 70 percent of the workforce. Limited global trade integration and budget constraints further reduced social and capital spending. Multiple crises, including COVID-19, the Ukraine war, the Tigray conflict, and droughts, exacerbated economic imbalances, culminating in a debt default in late 2023. Double-digit inflation worsened living standards, while the Tigray conflict displaced over three million people, creating a $20 billion humanitarian and reconstruction need. About 15 million people still rely on food aid.

To stabilize the economy, the government launched macroeconomic reforms in July 2024, targeting a market-determined exchange rate, easing current account restrictions, and adopting a new interest rate-based monetary policy. These reforms, backed by the IMF, World Bank, and proposed G-20 debt relief, helped narrow the official-parallel exchange rate spread from over 100 percent to low teens, although it has widened recently reaching 20 percent by end-March 2025. Market inefficiencies, including high foreign exchange (FX) fees, incentivize continued use of the parallel market. Sustained reforms are essential for translating macroeconomic improvements into better livelihoods, higher earnings, productive jobs, and improved public services.

Recent developments

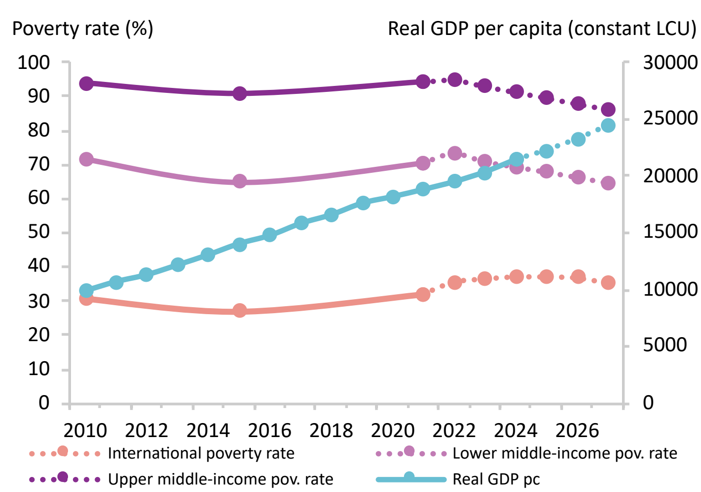
Ethiopia's GDP growth was 8.1 percent in FY2023/24, driven by strong harvests, increased mining, and higher electricity generation activity. Following the July 2024 exchange rate reform, goods exports doubled year-on-year (yoy) in H1 FY25, with coffee shifting to export markets and gold moving from informal to official channels. Remittances also grew by 23 percent. Tight monetary conditions, including caps on bank lending growth (initially 14 percent, later loosened to 18 percent),

FIGURE 1 / Nominal exchange rate of Ethiopian Birr (ETB)



Source: National Bank of Ethiopia.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

helped contain domestic and FX demand. Gradual fuel price adjustments and government imports of essential goods mitigated inflationary pressures, bringing inflation down from 19 percent yoy in July to 15 percent in February. Real interest rates turned positive despite the monetary policy rate remaining unchanged at 15 percent. The balance of payments and current account improved in H1 FY25 due to stronger exports, remittances, International Financial Institutions (IFI) disbursements, and modest foreign direct investment (FDI) growth. Service exports remained flat, primarily reflecting stable Ethiopian Airlines revenue, while electricity exports tripled, supported by growing data-center and crypto-mining demand.

To ease reform impacts, a supplementary budget in November introduced spending measures worth 1.5 percent of GDP, including a 20 percent increase in safety net benefits, overdue increase in public sector salaries, and temporary fuel and fertilizer subsidies. Tax revenues surged by 81 percent yoy in H1 FY25, driven by VAT reforms that eliminated exemptions and standardized the tax base across federal and regional jurisdictions. Trade valuation adjustments from the exchange rate reform also boosted revenues. Additionally, a four-year electricity tariff adjustment was launched to improve cost recovery, attract private investment, and expand energy access.

Household economic sentiment remained negative in 2024 due to past economic shocks. While inflation did not spike post-FX reform as initially feared, persistent inflation has eroded real incomes, pushing poverty to an estimated 37 percent by 2025. The government's reform agenda aims to reverse this trend by fostering private-sector employment, integrating smallholder farmers into markets, and strengthening safety nets to protect vulnerable populations.

Outlook

Near-term growth will be constrained by tight monetary policy, security challenges, and exchange rate uncertainty. However, GDP growth is projected to rebound in the medium term, supported by debt relief and reforms that enhance investor confidence, productivity, and exports. Inflation will remain high as fuel and fertilizer subsidies are phased out but is expected to ease to single digits with improved supply capacity and reduced localized conflicts. Despite higher export revenues, pent-up import demand will widen the current account deficit to over 3 percent of GDP in FY25 before stabilizing at 2 percent as external competitiveness strengthens. The overall impact of recent tariff measures on the current account is likely to be neutral, with weaker demand for Ethiopian exports offset by lower import prices (especially fuel). Relatively higher US tariffs on Ethiopia's major export competitors could help improve the competitiveness of Ethiopian coffee, textile, and leather exports in the US and revive supplier relationships previously affected by Ethiopia's suspension from the Africa Growth Opportunities Act (AGOA).Further tax reforms (if implemented effectively) and IFI disbursements will help reverse declining real public spending. Poverty is expected to decline gradually, reaching 35 percent by 2027, but significant investment is needed to improve human capital, enhance resilience, and boost agricultural production.

The outlook is predicated on reforms to sustain hard won exchange rate and macro stability and deeper structural reforms to increase financial intermediation, ease constraints to private sector investment, exports and trading and tax reforms to ensure fair and predictable revenue mobilization. Key risks include weaker forex inflows, unforeseen fiscal burdens, reform delays, and social unrest, particularly in fragile rural areas.

Recent history and projections	2021/22	2022/23	2023/24e	2024/25f	2025/26f	2026/27f
Real GDP growth, at constant market prices	6.4	7.2	8.1	6.4	6.5	7.2
Private consumption	4.5	6.1	7.1	5.2	6.1	6.7
Government consumption	1.5	-16.0	-5.8	31.3	5.8	0.8
Gross fixed capital investment	11.0	11.2	13.8	5.1	8.2	9.5
Exports, goods and services	11.7	-0.8	4.5	11.2	2.4	3.6
Imports, goods and services	10.8	-4.1	13.0	9.9	8.1	8.1
Real GDP growth, at constant factor prices	6.4	7.2	8.1	6.4	6.5	7.2
Agriculture	6.0	6.3	7.0	6.2	5.9	5.8
Industry	4.8	6.9	9.2	5.2	7.1	7.3
Services	7.9	8.0	8.3	7.5	6.7	8.2
Employment rate (% of working-age population, 15 years+)	77.5	77.6	77.8	78.0	78.4	78.9
Inflation (consumer price index)	33.7	32.6	26.7	20.7	16.9	10.6
Current account balance (% of GDP)	-4.0	-2.8	-2.8	-3.2	-3.2	-2.8
Fiscal balance (% of GDP)	-4.2	-2.7	-2.0	-1.7	-2.0	-1.9
Revenues (% of GDP)	8.2	7.9	7.5	9.8	10.3	11.3
Debt (% of GDP)	30.8	25.3	22.6	28.4	29.5	30.3
Primary balance (% of GDP)	-3.6	-2.1	-1.5	-1.1	-0.9	-0.5
International poverty rate ($2.15 in 2017 PPP)[1,2]	35.7	36.6	37.3	37.3	37.0	35.4
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	73.1	70.8	69.3	67.9	66.4	64.8
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	95.0	93.1	91.3	89.6	87.8	86.1
GHG emissions growth (mtCO2e)	1.6	3.8	3.7	3.3	3.1	2.9

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise. Growth projections reflect limited available information, and are subject to revision as better data becomes available.
1/ Calculations based on 2021-HCES. Actual data: 2021. Nowcast: 2022-2024. Forecasts are from 2025 to 2027.
2/ Projections using microsimulation methodology.

GABON

Growth accelerated to an estimated 2.9 percent in 2024, supported by oil, mining, wood industries, and public works. Higher growth is needed to reduce poverty. Meanwhile, expansionary fiscal policies are adding to debt sustainability risks. The projected decline in oil prices will aggravate fiscal challenges. A return to constitutional order, strong fiscal consolidation, and prioritized social and productive investments are key for growth and poverty reduction.

Population[1] million	Poverty[2] millions living on less than $6.85/day
2.5	0.7
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
65.7	99.9
GDP[5] current US$, billion	**GDP per capita[6]** current US$
20.9	8238.4

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2017 (2017 PPPs). 3/ 2022. 4/ 2021. 5/ 2024. 6/ 2024.

Key conditions and challenges

Gabon's political transition crossed key milestones with a new Constitution and Electoral Code approved, and presidential elections in April 2025. An orderly return to constitutional order is vital for social cohesion and growth. Gabon's rich forests, minerals, and young population are key growth factors. To benefit from these, the Transition's Development Plan aims to develop agriculture, mining, fisheries, support small and medium enterprises, and expand social housing and public services.

Yet, challenges remain significant. Unemployment is high at 20 percent and poverty affects a third of the population. While most poor are urban, rural poverty is compounded by low access to basic services. Major infrastructural, institutional, and human capital gaps remain, and the country has recently been facing frequent power cuts.

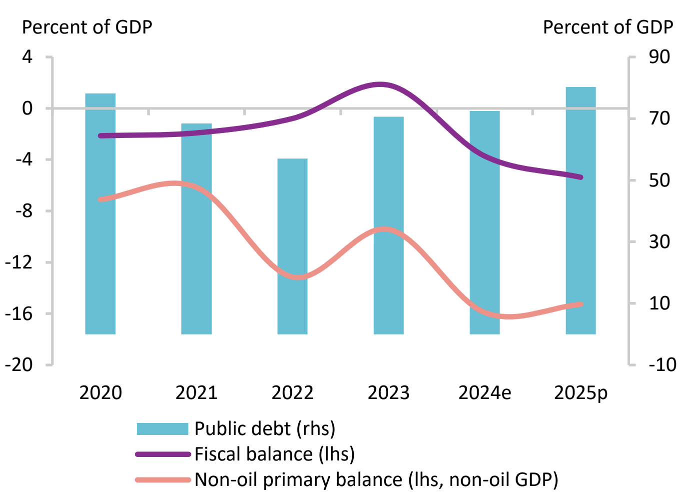
Despite initiatives to strengthen transparency, scant information on financing sources of large investments raise concerns about a deteriorating fiscal and financial position. Fitch's downgrade of Gabon in January 2025 and worsening debt sustainability risks reported by the IMF debt sustainability analysis in mid-2024 suggest the need for major adjustments. These developments reduced the country's regional borrowing capacity and increased debt pressures, constraining the fiscal space needed to meet rising social demands during the transition. To alleviate liquidity pressures, Gabon conducted a two-stage early repurchase of its June 2025 Eurobond, with the second stage involving a costly private placement in February. Ensuring transparent, sustainable public finances, and improving infrastructure and business climate is crucial for growth and job creation.

Recent developments

GDP grew by an estimated 2.9 percent in 2024. Oil output grew by 1.9 percent amid lower OPEC+ restrictions and exploitation of new oilfields, while manganese production recovered from railway disruptions in 2023, and the wood industry was bolstered by sustained Chinese and European demand. Large public works benefited construction and services. While higher public spending in 2024 boosted imports, the current account surplus remained high at 30.7 percent of GDP, thanks to robust commodity exports.

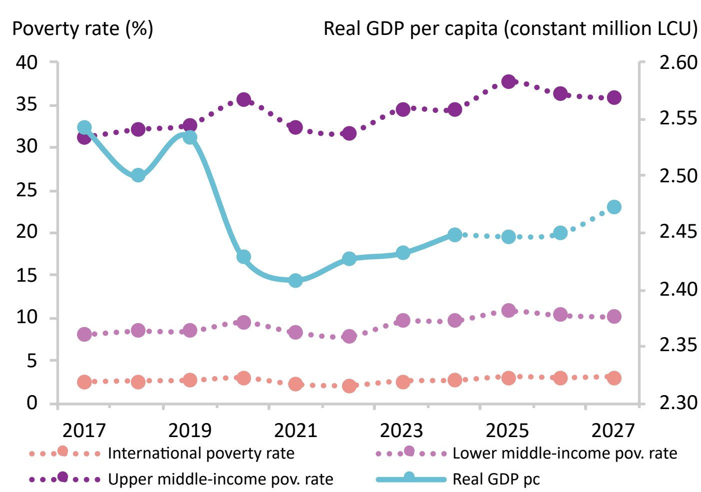
Tax collection measures, including digitalization of tax filing and of the Northern-border customs office, were countered by a

FIGURE 1 / Fiscal position and public debt



Sources: National authorities and World Bank staff calculations.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

3.1-percent oil price drop in 2024 which slashed oil revenues by 4 percent. Meanwhile, public spending increased by 24 percent due to large public works, reintroduction of fuel subsidies for industries, higher transfers, and constitutional referendum costs. The overall balance dipped from a 1.8 percent surplus in 2023 to an estimated -3.7 percent deficit in 2024. The non-oil primary balance plummeted to an estimated -15.9 percent of non-oil GDP, whereas the public debt stood above the Central African Economic and Monetary Community convergence criteria at 72.5 percent of GDP, due to higher spending and accumulation of arrears.

Inflation receded over 2024, with monthly inflation at 0.9 percent in December, reflecting stronger price controls, stabilizing global prices, and a restrictive monetary policy, as Bank of Central African States (BEAC) kept the policy rate at five percent from March 2023 to March 2025, when it was lowered to 4.5 percent. Despite tight monetary policy and high bank exposure to state borrowing, credit to firms increased by an estimated 8.5 percent in 2024. Non-performing loans remained low.

Recent growth remains insufficient to reduce poverty. Historically, poverty had been rising, but moderate growth helped stabilize poverty between 2023 and 2024. In 2024, about 34.6 percent of Gabon's population was living on less than $6.85 per day (in 2017 PPP). However, due to population growth, the absolute number of people living in poverty increased by 20,000, to nearly 880,000 people in 2024.

Outlook

Growth is projected at around 2.4 percent in 2025-27, as uncertainty in the post-electoral period declines and expanding manganese, timber, palm oil and rubber industries compensate for a decline in oil. The recent start of iron ore production at Belinga, one of Africa's largest deposits, should boost the mining sector. Higher mineral, wood, rubber and oil palm exports, coupled with lower imports due to more constrained public spending, should maintain high current account surpluses.

Domestic revenue mobilization efforts would gradually expand tax collection, but declining oil production and prices would shrink revenues, compromising public investments in view of rigid recurrent expenditures. Moreover, elections could raise spending pressures in 2025. The fiscal deficit is projected at around 4.9 percent of GDP in 2025-27, keeping debt sustainability risks high. A tight monetary policy by BEAC should keep inflation under control. The limited investment outlook would impact the services sector, employing two-thirds of the workforce, pushing poverty up by 3.2 percentage points to 37.8 percent (about 980,000 people) in 2025.

The changing global trade, investment, financial and commodity markets context dims Gabon's growth, trade, and fiscal outlook. Lower oil prices due to reduced demand from advanced economies and increased supply will reduce oil revenues, further raising fiscal deficits. Tighter global financial conditions could slow down investment in the extractive sectors and add to the current liquidity challenges. Gabon's borrowing capacity is limited due to banks' sovereign exposure, exacerbated by the recent Central African Banking Commission risk weight increase. Challenges in mobilizing financing could result in further accumulation of arrears or cuts in capital expenditures, affecting growth. To address development needs while securing a viable fiscal path, Gabon needs strong fiscal consolidation, with efficient, prioritized spending on human and natural capital, and targeted poverty alleviation.

Recent history and projections	2022	2023	2024	2025f	2026f	2027f
Real GDP growth, at constant market prices	3.0	2.4	2.9	2.1	2.2	3.0
Private consumption	-0.3	2.1	2.6	-0.8	2.1	4.4
Government consumption	3.8	1.5	4.5	4.8	0.3	-0.4
Gross fixed capital investment	8.4	6.2	6.9	-4.3	-2.0	-1.9
Exports, goods and services	12.9	-2.5	4.0	0.0	-1.5	-0.5
Imports, goods and services	12.5	1.3	6.8	-5.1	-4.1	-3.5
Real GDP growth, at constant factor prices	3.5	2.5	2.7	2.1	2.2	3.0
Agriculture	9.7	-2.0	-1.3	7.3	6.6	5.0
Industry	3.4	3.8	0.3	1.4	3.9	2.5
Services	2.4	2.6	5.0	1.5	0.4	2.9
Inflation (consumer price index)	4.3	3.7	2.4	2.3	2.2	2.3
Current account balance (% of GDP)	34.4	28.5	30.7	17.9	22.4	24.0
Net foreign direct investment inflow (% of GDP)	1.6	1.8	1.6	1.6	1.2	1.0
Fiscal balance (% of GDP)	-0.8	1.8	-3.7	-5.4	-4.7	-4.6
Revenues (% of GDP)	21.1	24.6	23.7	24.3	23.0	22.4
Debt (% of GDP)	57.0	70.6	72.5	80.2	82.6	86.1
Primary balance (% of GDP)	1.8	4.8	-0.6	-1.8	-0.9	-0.7
International poverty rate ($2.15 in 2017 PPP)[1,2]	2.0	2.6	2.6	3.1	2.9	3.1
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	7.9	9.6	9.7	10.9	10.4	10.2
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	31.8	34.5	34.6	37.8	36.3	35.8
GHG emissions growth (mtCO2e)	-1.8	-2.5	-1.0	-0.4	1.2	1.7

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2017-EGEP. Actual data: 2017. Nowcast: 2018-2024. Forecasts are from 2025 to 2027.
2/ Projections using microsimulation methodology.

THE GAMBIA

Growth accelerated to an estimated 5.7 percent in 2024, mainly driven by agriculture and services. Inflation decreased to 11.7 percent. Extreme poverty incidence declined to 16.7 percent in 2024. Growth is projected to expand by 5.6 percent in 2025, supported by all sectors. Debt vulnerabilities, balance of payment pressures, and global geopolitical tensions and spillovers of the global trade environment cloud the outlook.

Population[1] million	Poverty[2] millions living on less than $2.15/day
2.8	0.4
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
62.9	93.7
GDP[5] current US$, billion	**GDP per capita[6]** current US$
2.5	908.5

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2020 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

Key conditions and challenges

The Gambia has gained economic growth momentum since its democratic transition in 2017, with economic activity expanding by 5.0 percent on annual average over 2017–2024, higher than the 2.8 percent annual average over 1990–2016.

The Gambia, however, still faces structural constraints that hinder the transformation of its economy. These include persistent governance and institutional challenges, low economic diversification, poor infrastructure supply, limited human capital development and weak business environment, all of which hampered productivity growth and private sector development.

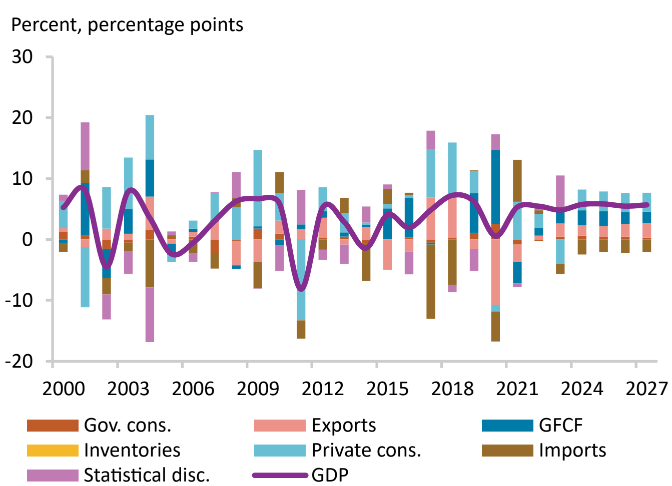
These constraints add to downside risks from high dependence on imports, putting persistent pressure on the balance of payments, and heightened fiscal vulnerabilities, including high public debt, low domestic revenue collection and weak performance of State-Owned Enterprises (SOEs), alongside exacerbated climate shocks.

Profound deficits in human capital endowments, weak attachment to formal labor markets, the high prevalence of low-productivity jobs, and exposure to shocks, including climate events, meant that in 2020, an estimated 17.2 percent of the population lived in extreme poverty (measured at the international poverty line of $2.15 per day PPP 2017). A National Development Plan 2023–2027 is being implemented to address these challenges, but limited capacity and fiscal space restrict progress.

Recent developments

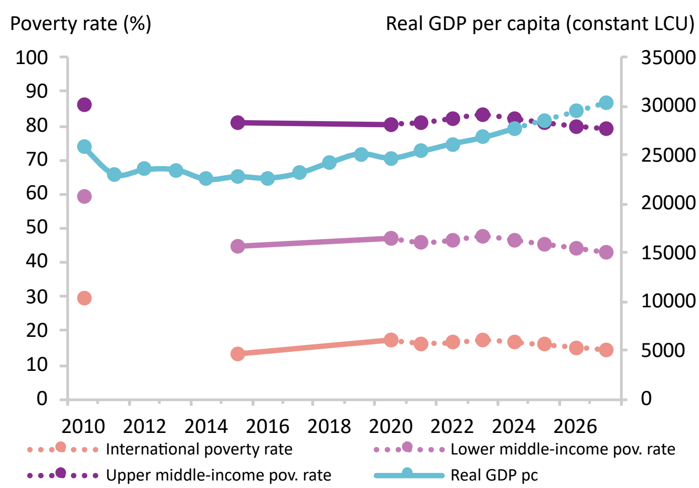
Growth accelerated to an estimated 5.7 percent (3.4 percent per capita) in 2024, driven mainly by agriculture and services which benefited from fertilizer support, high-yielding seeds and increased tourism. Industry slowed following the completion of major infrastructure projects related to the Organization of Islamic Cooperation (OIC) Summit. Robust private investment and consumption, supported by remittances, and public consumption driven by the hosting of the OIC Summit, boosted growth on the demand side. Inflation moderated to 11.7 percent in 2024 as energy and food prices slowed. Higher labor incomes—driven by a successful harvest, public construction works, and a recovery of tourism—and soaring remittances supported household consumption and contributed to better

FIGURE 1 / Real GDP growth and demand side contribution to real GDP growth



Sources: The Gambian authorities and World Bank estimates.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

household living standards. In combination with lower inflation, extreme poverty is estimated to have declined to 16.7 percent in 2024, from 17.3 percent in 2023.

The fiscal deficit decreased to an estimated 3.5 percent of GDP in 2024, as increased domestic revenue and decreased capital spending offset higher interest payments and current transfers. Public debt continued to decline to an estimated 70.6 percent of GDP in 2024. Nevertheless, The Gambia remains at high risk of debt distress.

The current account deficit (CAD) increased to an estimated 5.7 percent of GDP in 2024, reflecting large OIC event-related imports. The Central Bank has maintained a tight monetary stance, keeping its policy rate at 17 percent in November 2024, unchanged since August 2023. International reserves, while remaining at comfortable levels, are estimated to have declined to 4.7 months of imports in 2024, from 4.9 months in 2023, as the currency depreciated by 7.2 percent in nominal terms over the same period. The banking industry remains stable and financially sound, despite elevated non-performing loans.

Outlook

Growth is projected to average 5.5 percent (3.3 percent per capita) in 2025–2027, driven by all sectors, despite a deceleration in services as tourism is expected to slow down due to global economic uncertainty, alongside capital spending-based fiscal consolidation in 2026. On the demand side, growth is expected to be driven by private and public investment, and private consumption supported by robust remittances, albeit dependent on the pace of growth in advanced economies. Inflation is projected to return to single digits in 2025, and average 6.8 percent over 2025–2027, reflecting domestic monetary tightening and easing global commodity prices.

Rising economic activity, higher remittances, and declining inflation are expected to improve household welfare. Consequently, poverty is projected to continue declining, reaching 15.9 percent in 2025 and falling to 14.4 percent by 2027, lifting around 35,000 Gambians out of extreme poverty (compared to 2024). Nonetheless, structural impediments to poverty reduction remain. Investments in better access to health and education facilities and stronger private sector-led growth with higher productivity jobs will be critical for future inclusive growth.

The CAD is set to deteriorate to 5.9 percent of GDP in 2025 due to lower service exports and remittances, while narrowing in the medium term assuming an improved global trade environment. The fiscal deficit is projected to narrow to 1.2 percent of GDP over 2025–2027, supported by spending control efforts, including shifting to program-based budgeting and rationalization of subsidized agencies, alongside domestic revenue mobilization reforms, including tax policy enhancement with a review of the investment code to reduce tax expenditures, enhanced tax compliance, and digitization of tax administration. This will allow public debt to decrease from 70.6 percent of GDP in 2024 to below 60 percent on average in 2025–27. Nevertheless, The Gambia is expected to remain at high risk of debt distress. The end of the debt-service deferrals in 2024 represents a fiscal risk in the short to medium term.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	5.5	4.8	5.7	5.6	5.3	5.5
Private consumption	2.6	-4.7	4.4	4.2	4.1	4.1
Government consumption	-2.6	5.8	7.1	4.2	5.8	3.7
Gross fixed capital investment	3.6	7.6	7.1	6.8	5.4	5.2
Exports, goods and services	8.8	28.0	18.4	17.0	17.0	17.4
Imports, goods and services	-1.8	4.8	7.2	6.0	6.3	5.7
Real GDP growth, at constant factor prices	5.5	4.8	5.7	5.6	5.3	5.5
Agriculture	7.5	2.4	4.0	4.2	5.5	5.2
Industry	3.8	10.1	2.5	5.8	5.0	7.2
Services	5.2	4.0	7.7	6.2	5.2	5.0
Employment rate (% of working-age population, 15 years+)	58.5	58.5	58.5	58.5	58.5	56.6
Inflation (consumer price index)	11.5	16.9	11.7	9.0	6.5	5.0
Current account balance (% of GDP)	-4.2	-5.5	-5.7	-5.9	-3.6	-2.1
Fiscal balance (% of GDP)	-5.8	-3.8	-3.5	-1.4	-1.4	-0.8
Revenues (% of GDP)	19.2	20.7	21.1	23.0	22.8	22.7
Debt (% of GDP)	84.0	76.9	70.6	64.8	59.6	55.9
Primary balance (% of GDP)	-3.6	-1.7	-0.5	1.6	1.3	1.4
International poverty rate ($2.15 in 2017 PPP)[1,2]	16.5	17.3	16.7	15.9	15.2	14.4
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	46.4	47.6	46.5	45.3	44.1	42.9
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	82.2	83.3	82.2	81.0	80.0	79.2
GHG emissions growth (mtCO2e)	1.5	2.0	2.1	2.3	2.2	2.5

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2020-IHS. Actual data: 2020. Nowcast: 2021-2024. Forecasts are from 2025 to 2027.
2/ Projections using microsimulation methodology.

GHANA

Achieving stability will require significant efforts to enhance fiscal discipline, contain expenditures, expand revenue base, and complete debt restructuring. A tight monetary policy is also needed to reduce pressure on the Cedi, tackle stubborn inflation, and accumulate reserves. Mitigating adverse impacts of necessary reforms on the poorest will be important.

Population[1] million **34.4**	Poverty[2] millions living on less than $3.65/day **14.3**
Life expectancy at birth[3] years **63.9**	School enrollment[4] primary (% gross) **96.5**
GDP[5] current US$, billion **82.8**	GDP per capita[6] current US$ **2406.1**

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2016 (2017 PPPs). 3/ 2022. 4/ 2022. 5/ 2024. 6/ 2024.

Key conditions and challenges

Ghana has nearly completed a comprehensive debt restructuring. However, 2024, an election year, saw a reversal of fiscal gains with unbudgeted expenditures, accumulation of arrears, and lower revenue collection. Fiscal sustainability depends on critical fiscal discipline reforms, boosting domestic revenue, and addressing state-owned enterprise liabilities in the energy and cocoa sectors. These efforts are supported by an IMF Extended Credit Facility program, and the World Bank's programmatic Development Policy Operations.

Ghana had significantly reduced poverty before COVID-19, but has experienced subsequent reversals due to high inflation and slowing economic growth. The rising poverty trend halted in 2024 despite ongoing inflationary pressures, especially food prices. However, stubborn inflation still affects households' purchasing power, while slower growth and economic stabilization may jeopardize continued poverty reduction if adverse impacts on the poorest are not mitigated.

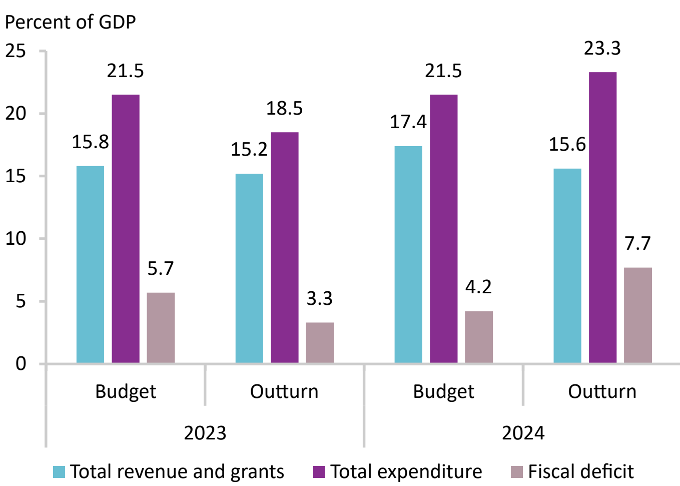
Faster growth will require a sustained record of macroeconomic stability, along with reforms to address energy sector liabilities, improve the business environment and export competitiveness, strengthen public sector management, and accelerate a transition to digital and climate change adaptation. Global headwinds will have a bearing on Ghana's economy, which heavily depends on global demand for commodities (oil, cocoa and gold) and benign financial conditions.

Recent developments

GDP growth accelerated to 5.7 percent in 2024, driven by recovery in industry (7.1 percent), led by mining and construction. Services, led by information and communications, finance and insurance, expanded by 6.1 percent. Agriculture grew by 2.8 percent, owing to improvements in livestock and crop production, despite a contraction in cocoa output. On the expenditure side, growth was bolstered by public and private consumption expansion and a rebound in investment spending.

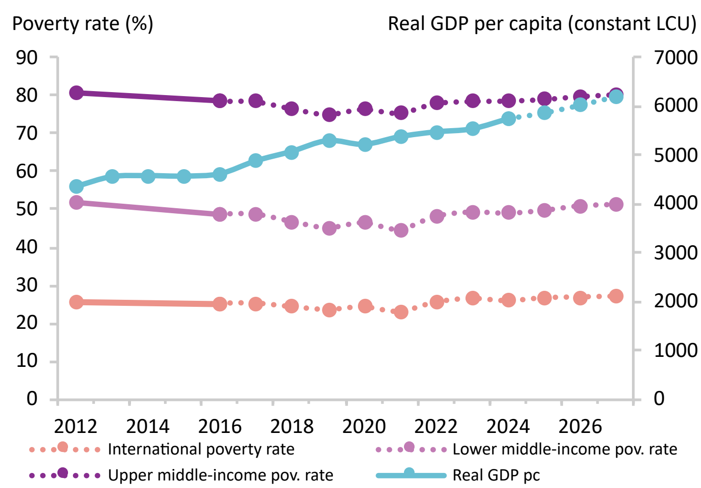
Monetary policy failed to tame persistent inflation, which accelerated in the second half of 2024 to 23.8 percent due to higher food prices. Despite an appreciation of the Cedi in the last quarter of 2024 due to central bank interventions, the currency depreciated

FIGURE 1 / Fiscal targets and outturn



Sources: Ministry of Finance and World Bank.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

by 19.0 percent against the US dollar y-o-y given high foreign exchange demand, and uncertainties surrounding bond restructuring uncertainties and elections.

The external sector achieved a current account surplus of 3.2 percent of GDP in 2024, driven by higher gold and crude oil exports and strong remittance inflows. Gross international reserves increased to US$6.4 billion (2.6 months of imports) from US$3.6 billion in 2023, owing to the over 3 billion worth of gold reserves accumulated under the Domestic Gold Purchase program.

The fiscal outturn for 2024 deteriorated, with primary and overall fiscal deficits exceeding targets at 3.7 percent and 7.7 percent of GDP, respectively, due to accumulating arrears and unbudgeted commitments (4.2 percent of GDP). Revenue and grants totaled 15.6 percent of GDP (below the 17.1 percent target), while expenditures (commitment basis) rose to 23.3 percent of GDP (versus a 20.7 percent target). Nevertheless, the public debt to GDP ratio declined to 70.5 percent due to the Eurobond haircut and strong GDP growth.

The banking sector remained stable in 2024, with assets growing by 33.8 percent. The capital adequacy ratio increased to 14 percent and 11.3 percent, with and without regulatory reliefs, respectively. However, some banks had significant capital shortfalls at the end of 2024, and the non-performing loans ratio remained high at 21.8 percent.

Improved growth in 2024, especially in services, and to a lesser extent in agriculture, benefited poorer households and paused the increase in poverty incidence. Poverty at the lower-middle-income poverty line (US$3.65/day, 2017 PPP) is estimated at 49.0 percent in 2024, a half percentage point decrease from the previous year. At the international extreme poverty line (US$2.15/day, 2017 PPP), poverty was 25.9 percent in 2024.

Outlook

Economic growth in 2025 is expected to moderate to 3.9 percent due to a larger fiscal adjustment, reduced momentum in the extractives sector, global shifts in trade policy, and elevated interest rates. Medium-term growth is anticipated to return to potential when the impact of fiscal stabilization fades, non-extractive sector performance improves, and PECAN oil fields production commences. Inflation is expected to subside with renewed fiscal consolidation and containment of the public wage bill, slowly returning to its target by 2027.

The overall fiscal deficit for 2025 is projected at 2.7 percent of GDP, with a primary surplus target of 1.5 percent, contingent on the government's ability to fully reverse the 2024 fiscal slippages and improvements in tax collection. Over the medium term, the government aims to broaden the tax base, improve tax compliance, and enhance expenditure controls.

Poverty is projected to increase again, reaching 51.4 percent (LMIC poverty line) and 27.0 percent (extreme poverty line) by 2027. While economic stabilization is a pre-condition for continued poverty reduction, compensating mechanisms and continued strengthening of social programs, such as LEAP (Livelihood Empowerment Against Poverty), will ensure the poorest are protected from any adverse consequences of fiscal measures, especially energy tariff increases.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	3.8	3.1	5.7	3.9	4.6	4.8
Private consumption	5.6	10.1	4.2	5.6	4.0	3.9
Government consumption	0.0	0.5	8.0	-5.9	10.9	9.5
Gross fixed capital investment	0.7	-29.2	13.9	3.5	3.9	5.2
Exports, goods and services	0.2	5.1	9.1	3.8	8.3	8.5
Imports, goods and services	1.4	-1.2	9.5	5.5	7.8	7.4
Real GDP growth, at constant factor prices	3.8	3.1	5.7	3.9	4.6	4.8
Agriculture	4.2	5.9	2.8	3.4	4.3	3.6
Industry	0.6	-1.7	7.1	2.4	3.2	4.3
Services	6.3	5.6	6.1	5.3	5.8	5.8
Employment rate (% of working-age population, 15 years+)	66.5	66.4	66.7	66.7	66.7	66.7
Inflation (consumer price index)	31.9	39.2	22.9	17.2	9.4	8.0
Current account balance (% of GDP)	-2.3	-2.3	3.2	1.6	1.3	0.8
Net foreign direct investment inflow (% of GDP)	2.0	1.6	2.1	2.6	2.8	2.9
Fiscal balance (% of GDP)	-11.8	-3.3	-7.7	-2.7	-2.0	-1.7
Revenues (% of GDP)	15.7	15.2	15.6	16.1	16.8	16.8
Debt (% of GDP)[1]	92.7	78.9	70.5	66.4	62.7	59.9
Primary balance (% of GDP)	-4.4	-0.3	-3.7	1.5	1.5	1.5
International poverty rate ($2.15 in 2017 PPP)[2,3]	25.5	26.4	25.9	26.6	26.8	27.0
Lower middle-income poverty rate ($3.65 in 2017 PPP)[2,3]	48.2	49.3	49.0	49.8	51.0	51.4
Upper middle-income poverty rate ($6.85 in 2017 PPP)[2,3]	77.9	78.5	78.6	79.0	79.8	80.3
GHG emissions growth (mtCO2e)	10.1	8.5	6.0	3.2	3.7	4.0

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Starting from 2022, public debt numbers include, in addition to central government debt, explicitly guaranteed (and certain implicitly guaranteed) SOE debt, cocobills issued by Cocobod, and reconciled domestic arrears to suppliers.
2/ Calculations based on 2016-GLSS-VII. Actual data: 2016. Nowcast: 2017-2024. Forecasts are from 2025 to 2027.
3/ Projections using microsimulation methodology.

GUINEA

Population[1] million	Poverty[2] millions living on less than $3.65/day
14.8	5.9
Life expectancy at birth[3] years	School enrollment[4] primary (% gross)
59.0	98.0
GDP[5] current US$, billion	GDP per capita[6] current US$
25.3	1715.9

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2018 (2017 PPPs). 3/ 2022. 4/ 2021. 5/ 2024. 6/ 2024.

In 2024, growth reached 5.7 percent, driven primarily by investment. The fiscal deficit increased to 3.0 percent of GDP, and inflation peaked at 9.3 percent. Despite a 3.1 percent rise in GDP per capita, poverty increased due to higher inflation and insufficient non-mining sector job creation. In 2025-27, growth is projected to accelerate to 8.9 percent but uncertainties related to global trade and commodity prices represent significant risks.

Key conditions and challenges

Growth was robust during 2019-24, averaging 5.2 percent (2.5 percent per capita), driven mainly by the mining industry but also by productivity gains in agriculture. However, weak mining linkages to non-mining sectors, headwinds from Dutch-Disease dynamics and external shocks limited job creation and poverty reduction. Indeed, over the same period, Guinea's international poverty rate (<$3.65-a-day in 2017 PPP) increased by 7.0 percentage points pushing 1.8 million additional people into poverty.

Guinea has abundant natural resources, a growing population, and a privileged geographic location. The Simandou iron ore project, with exports expected by 2026, has the potential to transform Guinea's economy and create jobs if appropriate reforms are implemented. However, this transformation is challenged as the ongoing mining boom and the associated appreciation of the real effective exchange rate hamper the competitiveness of non-mining sectors and diversification.

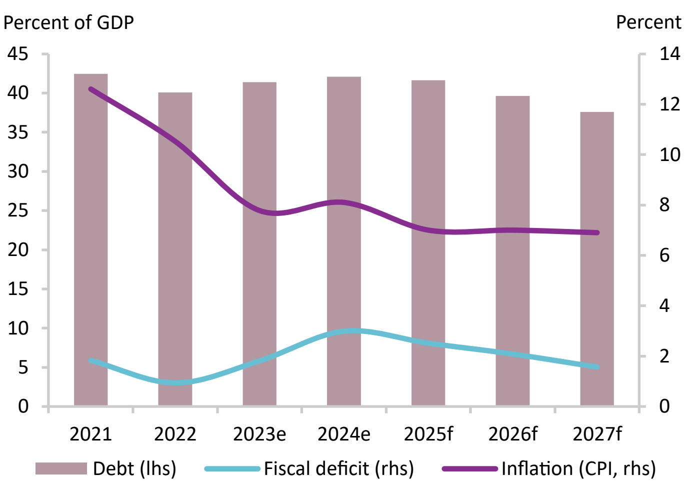
To maximize the impact of growth on job creation and poverty reduction, Guinea must address large infrastructure gaps, an underdeveloped financial sector, weak institutional capacity, low human capital levels, and significant gender gaps in education, opportunities, and earnings. Reforms are also needed to reduce inequitable subsidies and enhance public spending efficiency and revenue mobilization, particularly from mining, to create space for public investment that addresses structural inequalities.

Recent developments

Driven primarily by investment, the economy expanded by 5.7 percent in 2024 (3.1 percent per capita) from 5.5 percent in 2023, despite a fuel depot explosion in December 2023. The mining sector grew at 7.7 percent, fueled by increased investment and new production, while the non-mining sector grew by an estimated 5.1 percent. Despite increased revenues, higher capital spending and interest payments increased the fiscal deficit to an estimated 3.0 percent of GDP in 2024 from 1.8 percent in 2023, and debt increased to an estimated 42.1 percent of GDP from 41.4 percent in 2023.

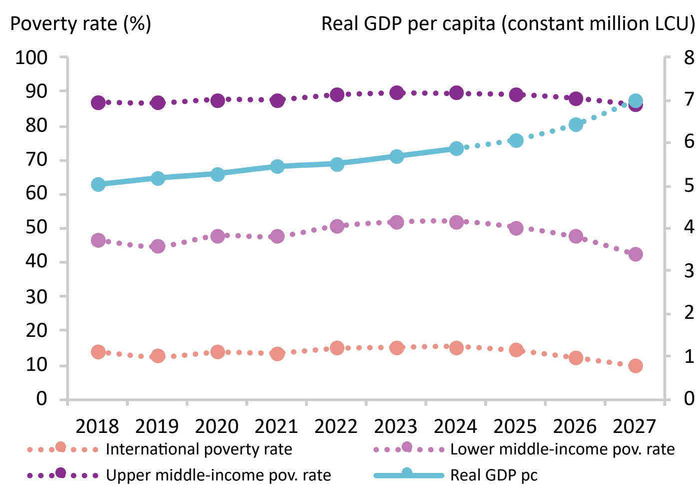
Annual inflation rose to 8.1 percent in 2024 from 7.8 percent in 2023 due to the temporary effects of the December 2023 fuel depot explosion, resulting in a 0.2 percentage point rise in poverty.

FIGURE 1 / Public debt, fiscal deficit, and inflation



Source: World Bank.
Notes: The inflation data in Figure 1 and the table on the next page refer to Conakry, Guinea's capital. Up until June 2023, Guinea's CPI was based solely on Conakry prices.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

However, as year-on-year inflation gradually declined from 9.3 percent in January 2024 to 6.1 percent in December 2024, the central bank lowered the key policy rate and reserve requirement ratio by 25 basis points to 10.75 percent and 12.75 percent, respectively in December 2024.

The current account deficit (CAD) is estimated to widen to 17.7 percent of GDP in 2024 due to a significant decline in the trade surplus, linked to FDI-related imports. The sharp increase in FDI-related imports and a higher fuel import bill contributed to reducing gross reserves to only 1.1 months of the following year's imports in December 2024.

Outlook

Despite global uncertainties, growth is expected to reach 6.5 percent in 2025 (3.9 percent per capita) and average 10.0 percent in 2026-27, driven mainly by a 19.4 percent average annual growth in the mining sector, largely due to the start of a new iron ore operation in 2026. Non-mining sector growth is expected to accelerate to 5.4 percent in 2025-27 bolstered by strong internal demand and higher public investment.

Inflation is projected to decline to an average of 7.0 percent in 2025-27, aided by lower transport and food inflation and prudent monetary policy. The poverty rate is projected to fall by an average of 3.5 percentage points per year over the same period. However, this significant projected poverty reduction is linked to the strong projected growth of mining, a sector that offers limited employment opportunities for the poor. As such, without ensuring that the mining boom translates to high growth of agriculture and other non-mining sectors, the expected substantial poverty reduction may not materialize.

The fiscal deficit is expected to decrease to 2.4 percent of GDP in 2025 and then gradually decline, averaging 1.8 percent in 2026-27, in line with continued prudent fiscal policies and additional revenues. Tax revenues are projected to increase gradually to 13.8 percent of GDP by 2027 from 13.0 percent in 2024, supported by new revenue from Simandou and tax administration reforms. Government spending is expected to exceed recent levels (except 2024), averaging 17.3 percent of GDP in 2025-27 to support infrastructure investments, while electricity subsidies are expected to gradually decline, driven by tariff adjustments and utility reforms. The debt-to-GDP ratio is projected to decline to 37.6 percent by 2027.

The CAD is projected to decrease to 2.7 percent of GDP by 2027 as import growth slows and Simandou exports begin, supporting an increase in reserves to cover 1.8 months of next year's imports by end-2026.

The full economic impacts of recent global trade policy uncertainty are dynamic and difficult to gauge. However, with gold representing 45 percent of Guinea's exports, and oil and agriculture representing about a third of total imports, the combined effect of commodity price changes, especially gold prices increases will be more significant than the direct trade impacts in 2025.

Downside risks include uncertainties in the timing of the political transition, which could lead to social instability and slow reform implementation. Uncertainties related to global trade, demand and commodity prices represent additional risks.Furthermore, adverse weather conditions could affect infrastructure and slow production. On the upside, a more rapid implementation of reforms could accelerate growth.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	4.0	5.5	5.7	6.5	8.8	11.3
Private consumption	3.9	4.0	4.3	4.7	4.8	5.0
Government consumption	-5.7	0.8	3.4	6.8	4.4	4.5
Gross fixed capital investment	1.9	63.6	45.6	30.0	-19.1	4.3
Exports, goods and services	-5.3	8.8	7.6	8.4	12.1	18.4
Imports, goods and services	-13.3	25.0	23.0	19.0	-7.0	8.5
Real GDP growth, at constant factor prices	4.3	5.5	5.7	6.5	8.8	11.3
Agriculture	6.0	5.7	5.6	6.1	6.3	6.7
Industry	5.7	7.8	7.1	8.7	14.7	20.4
Services	2.5	3.7	4.5	4.7	4.7	4.8
Inflation (consumer price index)	10.5	7.8	8.1	7.0	7.0	6.9
Current account balance (% of GDP)	-0.6	-11.3	-17.7	-14.3	-4.9	-2.7
Net foreign direct investment inflow (% of GDP)	12.6	16.2	16.7	15.8	7.9	6.0
Fiscal balance (% of GDP)	-0.9	-1.8	-3.0	-2.4	-2.0	-1.6
Revenues (% of GDP)	13.7	14.5	15.0	15.1	15.2	15.5
Debt (% of GDP)	40.1	41.4	42.1	41.3	39.5	37.6
Primary balance (% of GDP)	0.0	-1.3	-1.8	-1.3	-1.0	-0.5
International poverty rate ($2.15 in 2017 PPP)[1,2]	14.7	15.1	15.3	13.7	11.7	9.5
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	50.5	51.7	51.9	49.4	46.0	41.3
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	89.1	89.7	89.5	88.7	87.4	85.3
GHG emissions growth (mtCO2e)	3.0	3.1	3.1	3.2	3.7	4.1

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2018-EHCVM. Actual data: 2018. Nowcast: 2019-2024. Forecasts are from 2025 to 2027.
2/ Projections using microsimulation methodology.

GUINEA-BISSAU

Population[1] million	Poverty[2] millions living on less than $2.15/day
2.2	0.5
Life expectancy at birth[3] years	School enrollment[4] primary (% gross)
59.9	113.3
GDP[5] current US$, billion	GDP per capita[6] current US$
2.2	1014.0

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2021 (2017 PPPs). 3/ 2022. 4/ 2010. 5/ 2024. 6/ 2024.

Despite a disappointing cashew campaign, stronger services activity and higher private demand supported growth of 4.6 percent in 2024. Lower-than-expected revenue collection and grants accentuated fiscal pressures, increasing public debt. The weak cashew campaign in 2024 and high food prices led to a marginal increase of poverty to 27.8 percent. Risks to the outlook include the upcoming elections, climate and external shocks, including high global trade and growth uncertainty.

Key conditions and challenges

Guinea-Bissau's economy is heavily reliant on cashew production and exports, making it highly vulnerable to external and climate shocks. Cashew production is dispersed among smallholder farmers whose income supports overall economic activity. Poverty remains widespread—particularly in rural areas—and changes in household welfare are driven by agricultural incomes and food prices. Political uncertainty remains a perennial challenge.

Growth is mainly driven by private consumption and agriculture. The enabling environment for private sector-led growth is weak due to poor infrastructure, low levels of human capital, and limited public services. Spending on health, education and infrastructure have increased but are largely donor financed given the limited fiscal space.

Recent developments

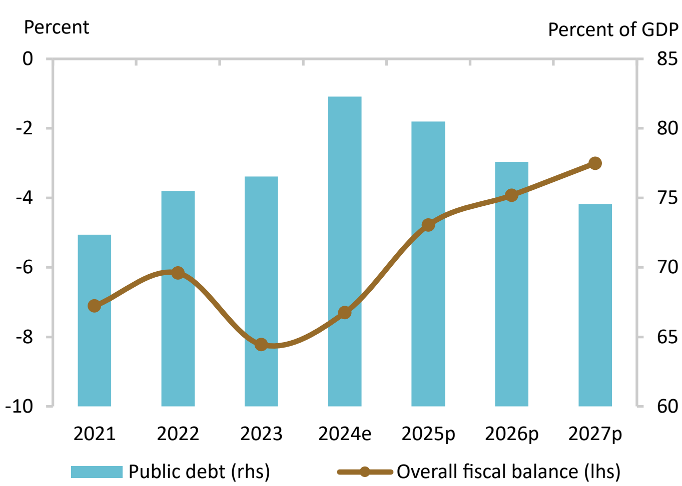
Output expanded by 4.6 percent in 2024 (2.3 percent per capita)—an increase from 2023 (4.4 percent) but lower than earlier projections (5 percent) due to poorer-than-expected cashew performance.

The service sector, especially hospitality and trade, and higher production of subsistence crops supported growth in 2024, while higher farmgate prices boosted private consumption. Private investment increased due to the construction sector, compensating for lower cashew exports. While headline inflation averaged 3.8 percent in 2024 (down from 7.2 percent in 2023), price pressures have picked up since June 2024 due to increasing domestic food prices. Extreme poverty incidence (measured at the international poverty line of US$2.15/day PPP 2017) is estimated at 27.8 percent in 2024, a marginal increase from 27.5 percent in 2023 due to a weak cashew campaign and high prices for staple food items—including rice.

The current account deficit (CAD) widened to 8.5 percent of GDP in 2024 (from 8.3 in 2023) reflecting lower international cashew prices and a reduction in export volumes. Despite lower international food prices, import value increased moderately reflecting higher domestic demand.

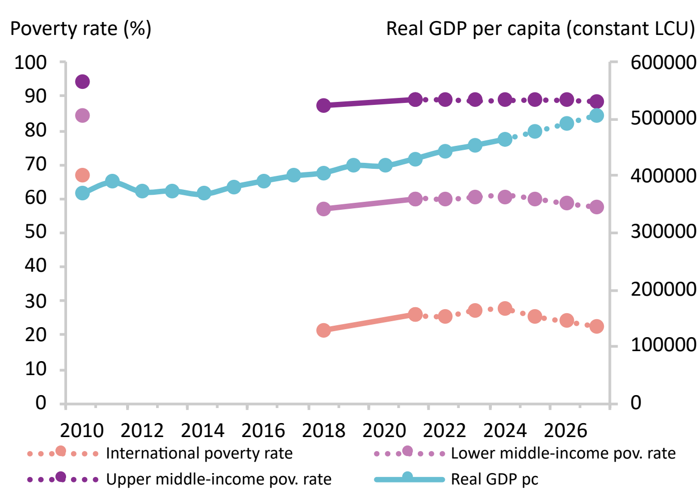
Better spending controls contributed to improve the fiscal deficit to 7.3 percent of GDP in 2024 (8.2 in 2023). However,

FIGURE 1 / Evolution of fiscal and debt indicators



Sources: Ministry of Finance and World Bank.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

this was higher than expected as tax collection fell significantly below target due to lower-than-expected revenue from cashew exports, lower tax revenues on income and imports. The higher fiscal deficit, lower budget support, and higher interest expenses contributed to significantly increase public debt to an estimated 82.3 percent of GDP at end-2024.

The West African Economic and Monetary Union (WAEMU) inflation rate declined further in 2024 to 3.5 percent but remained above the 1–3 percent WAEMU target band. Regional foreign reserves increased from 3.5 months of imports in 2023 to 4.7 months in 2024, reflecting the resumption of international bond issuances, IMF, and World Bank disbursements. The Central Bank of West African States kept its policy interest rates unchanged throughout 2024 at 3.5 percent for liquidity calls and 5.5 percent for the marginal lending facility.

Outlook

Growth is projected to reach 5.1 percent in 2025 (2.8 percent per capita), reflecting a good cashew campaign and increased producer prices, boosting private demand and activity in the service sector, while lower commodity prices will support the ongoing momentum in construction activity. Sustained activity in services – especially related to cashew trade – will keep growth at an average of 5.2 percent over the medium-term.

Lower oil and commodity import prices combined with increased exports in volume will compensate for the negative impact of lower cashew prices on exports, supporting the narrowing of the current account deficit to 6.5 percent of GDP in 2025 and 4.6 percent by 2027. Concessional loans and grants will remain the main financing sources for the CAD.

Higher revenue collection and continued spending discipline could lower the fiscal deficit and public debt to 3.3 percent and 74.6 percent of GDP, respectively, by 2027. The fiscal adjustment is highly dependent on effective implementation of revenue-enhancing reforms, strengthened expenditure controls, and increased grant financing.

The regional inflation rate is expected to align with the WAEMU target band from 2025 onwards, while regional reserves are projected to rise to 5.4 months of imports in 2025, supported by recovering exports, and lower Euro Area interest rates.

Higher cashew producer prices and lower food prices are expected to contribute to reducing poverty to 25.9 percent in 2025. Poverty reduction is anticipated to continue declining after 2025, with poverty reaching 24.6 percent in 2026 and 23. percent in 2027, equivalent to approximately 40,000 people leaving extreme poverty since 2024.

Downside risks to the outlook stem from the political instability and uncertainty around the elections, fiscal slippages, the materialization of contingent liabilities, and climate and terms of trade shocks. Sustained implementation of recent trade policy shifts and accompanying weakening in global economic activity could translate into lower exports and decreasing remittances inflows, which would dampen the outlook.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	5.6	4.4	4.6	5.1	5.2	5.2
Private consumption	9.1	5.1	5.9	6.4	6.0	6.0
Government consumption	0.6	-0.9	6.1	0.6	0.5	0.5
Gross fixed capital investment	2.7	6.6	13.9	1.1	1.5	1.9
Exports, goods and services	-12.5	-3.0	-3.0	5.6	4.8	4.0
Imports, goods and services	10.6	-4.2	2.0	5.5	4.0	4.0
Real GDP growth, at constant factor prices	5.5	4.3	4.5	5.1	5.2	5.2
Agriculture	1.4	4.7	4.5	6.0	5.2	5.0
Industry	2.4	12.7	5.9	6.0	6.7	6.8
Services	9.8	1.4	4.1	4.0	4.6	4.7
Employment rate (% of working-age population, 15 years+)	54.1	54.2	54.2	54.2	54.1	54.1
Inflation (consumer price index)	7.9	7.2	3.8	3.0	2.8	2.5
Current account balance (% of GDP)	-8.0	-8.3	-8.5	-6.5	-5.7	-4.6
Fiscal balance (% of GDP)	-6.2	-8.2	-7.3	-4.8	-4.0	-3.3
Revenues (% of GDP)	14.3	13.1	13.6	15.1	15.3	15.5
Debt (% of GDP)	75.5	76.5	82.3	80.5	77.6	74.6
Primary balance (% of GDP)	-4.9	-5.9	-4.0	-1.8	-1.3	-0.8
International poverty rate ($2.15 in 2017 PPP)[1,2]	25.7	27.5	27.8	25.9	24.6	23.3
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	59.7	60.4	61.1	60.1	59.0	58.1
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	89.2	88.9	89.1	89.2	89.0	88.7
GHG emissions growth (mtCO2e)	0.9	1.8	1.4	1.1	1.0	1.6

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2021-EHCVM. Actual data: 2021. Nowcast: 2022-2024. Forecasts are from 2025 to 2027.
2/ Projections using microsimulation methodology.

KENYA

Population[1] million	Poverty[2] millions living on less than $2.15/day
56.4	19.2
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
62.1	78.8
GDP[5] current US$, billion	**GDP per capita[6]** current US$
124.5	2206.1

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2021 (2017 PPPs). 3/ 2022. 4/ 2019. 5/ 2024. 6/ 2024.

Despite improving macroeconomic indicators, Kenya's economy has slowed: real GDP growth is estimated at 4.5 percent in 2024, down from 5.6 percent in 2023 with poverty reducing slowly. A wide fiscal deficit and high levels of debt remain Kenya's main macroeconomic vulnerability, requiring urgent action. Medium-term priorities to create jobs and reduce poverty involve boosting productivity, exports, and climate resilience.

Key conditions and challenges

Kenya overcame a severe liquidity crunch in 2024: tighter monetary and fiscal commitments allowed the country to access international markets to roll over a US$2 billion Eurobond payment. Subsequently, economic conditions improved as the exchange rate stabilized and reserves increased. Coupled with global tailwinds, inflation came down. However, Kenya struggled to deliver on its fiscal policy commitments. The 2024 Finance Bill resulted in widespread protests, slowing fiscal consolidation. In addition, growth is slowing, a consequence of high real interest rates, floods in April 2024, and government crowding out the private sector through domestic borrowing and pending bills of ~3 percent of GDP.

Economic growth is not sufficiently inclusive, and its link to poverty reduction has weakened. While GDP per capita expanded by 43 percent during 2005-2022, the national poverty rate declined by only 7 percentage points over the same period to 40 percent. Climate shocks reduce agricultural productivity, while skilled workers have better jobs opportunities than less-skilled ones. Moreover, rural and particularly arid areas continue to lag in human capital development.

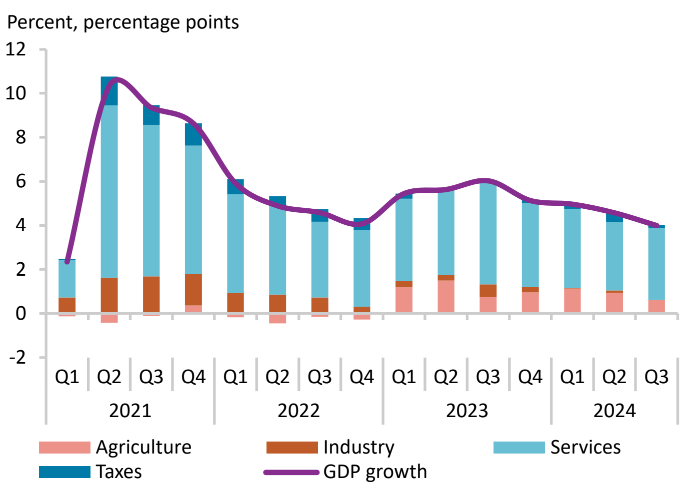
To accelerate sustained and inclusive growth that creates more and better jobs, it is critical for Kenya to ensure that past public investments, a key contributor to the high debt levels, yield a growth dividend, while removing distortions in the economy. This will help accelerate Kenya's productivity growth, estimated to be stagnant.

Recent developments

Kenya's GDP is estimated to have grown by 4.5 percent in 2024. The industry sector contracted by 0.2 percent in Q3-24, as construction fell by 2.0 percent. Manufacturing, however, helped the sector avoid a deeper slump, easing slightly compared to its Q3-23 rate (2.3 and 2.8 percent, respectively). Despite floods in April 2024, agriculture and services remain resilient. Favorable weather conditions have kept crop production strong, while lower inflation supported private consumption (Figure 1). The international poverty rate (US$2.15 a day) is expected to have dropped by half a percentage point from 35.1 percent in 2023 to 34.6 percent in 2024.

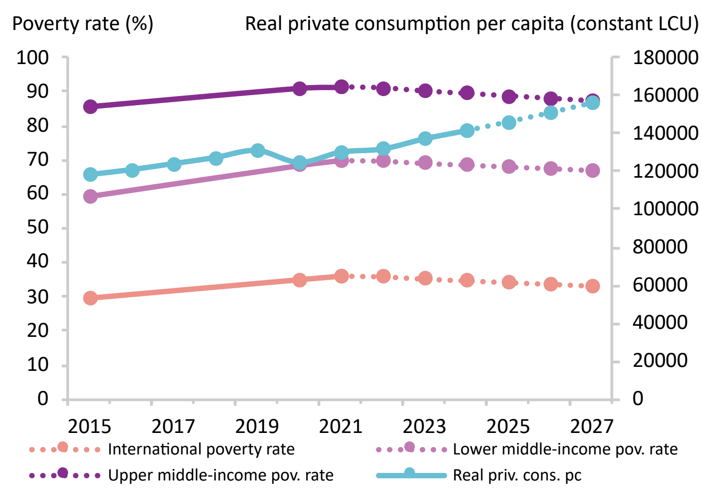
Tighter monetary policy helped tame inflation and limit capital outflows. Headline inflation stood at 3.5 percent in February 2025, down from 6.3 percent in February 2024 and below the Central

FIGURE 1 / Real GDP growth and sectoral contributions to real GDP growth



Sources: World Bank and Kenya National Bureau of Statistics.

FIGURE 2 / Actual and projected poverty rates and real private consumption per capita



Source: World Bank. Notes: See footnotes in table on the next page.

Bank of Kenya's (CBK) target mid-point of 5±2.5. Real credit growth to the private sector slowed to 3.3 percent year-on-year in December (from 8.3 percent in December 2023). With inflation easing, the CBK lowered its policy rate to 10.75 percent in February 2025, from a high of 13 percent in July 2024. Foreign exchange reserves rose to US$9,057 million (4.6 months of imports) by end-February, versus US$6,962 (3.7 months of imports) in February 2024 and above the CBK's statutory requirement. Exports of goods grew by 15.4 percent in 2024, mainly from agriculture and re-exports, while imports also recovered and grew by 9.9 percent. Moreover, remittances grew by 18 percent y/y in 2024. The current account deficit (CAD) reached 3.7 percent of GDP in the year.

Fiscal consolidation efforts continued during the first half of FY 2024/25; however, these were not enough to meet initial targets, and the fiscal deficit was revised upwards to 4.9 percent of GDP. As a share of GDP, public debt is estimated lower at 65.5 percent in FY2024/25 from 66.7 percent in 2023/24.

Outlook

Kenya's real GDP is expected to pick up gradually, reaching about 4.8 percent in 2025–27. Lower inflation and easing monetary conditions should support household and business incomes, driving private consumption and investment. Credit growth is set to accelerate under a more accommodative monetary policy. The CAD is expected to remain at 4.0 percent of GDP in the medium term, helped by a gradual recovery of exports as trade agreements, especially the AfCFTA, move forward. Currently, it is difficult to gauge the full impact of recent global trade measures as policy shifts may continue to unfold, with limited impacts through the export's channel to growth. The fiscal deficit is projected at 4.3 percent of GDP in FY 2025/26, lower than in the previous year, with a primary surplus of 1.6 percent. Without significant fiscal reforms, the target of achieving a present value of debt to GDP of 55 percent by 2029 could be missed.

Unless growth translates more efficiently to higher incomes for the poor, poverty is unlikely to decline rapidly. At current trends, the international poverty rate is projected to decline by half a percentage point to 34.0 percent in 2025.

There are significant risks to the outlook. Missing fiscal targets and delays in implementing reforms would further worsen Kenya's debt vulnerabilities, threaten macroeconomic stability, and slow private investment and jobs growth. Extreme weather events could harm agriculture and infrastructure, and increasing global geopolitical and trade policy risks could impact investment and growth. For the monetary authority, this could trigger a more delicate balance between easing inflation pressures and the risk of capital flight. On the upside, faster implementation of reforms and a better global environment could boost growth above expectations.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	4.9	5.6	4.5	4.5	4.9	5.0
Private consumption	3.3	6.2	5.2	5.3	5.3	5.5
Government consumption	8.1	3.5	2.0	1.5	1.9	3.4
Gross fixed capital investment	-0.8	1.9	2.1	3.9	5.8	6.0
Exports, goods and services	11.9	-4.5	5.5	6.2	8.4	8.6
Imports, goods and services	4.6	-3.1	2.5	4.7	5.8	7.2
Real GDP growth, at constant factor prices	4.5	5.4	4.5	4.5	4.9	5.0
Agriculture	-1.5	6.5	5.0	4.1	4.5	4.8
Industry	3.9	1.9	0.2	2.9	3.6	3.9
Services	6.6	6.2	5.6	5.1	5.4	5.4
Employment rate (% of working-age population, 15 years+)	63.4	63.2	63.4	63.6	63.6	63.7
Inflation (consumer price index)	7.6	7.7	4.5	5.0	5.0	5.0
Current account balance (% of GDP)	-5.2	-4.0	-3.7	-4.0	-4.0	-4.0
Net foreign direct investment inflow (% of GDP)	0.2	0.2	0.3	0.4	0.7	1.2
Fiscal balance (% of GDP)[1,2]	-5.7	-5.4	-5.1	-4.5	-3.6	-3.3
Revenues (% of GDP)	17.7	18.0	18.5	18.4	18.5	18.6
Debt (% of GDP)	76.2	69.9	68.1	65.8	62.9	59.9
Primary balance (% of GDP)	-0.6	0.1	0.8	1.6	1.9	1.8
International poverty rate ($2.15 in 2017 PPP)[3,4]	35.9	35.2	34.6	34.0	33.4	32.9
Lower middle-income poverty rate ($3.65 in 2017 PPP)[3,4]	69.9	69.2	68.7	68.2	67.7	67.1
Upper middle-income poverty rate ($6.85 in 2017 PPP)[3,4]	91.0	90.1	89.5	88.8	88.1	87.4
GHG emissions growth (mtCO2e)	-1.9	3.5	5.7	6.6	6.1	6.2

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Fiscal data are in fiscal years 2022= FY2022/23.
2/ Fiscal data from Kenya's National Treasury, revised per GFS 2014. Numbers may vary from official estimates due to GDP projection differences.
3/ Projection using point to point elasticity at regional level with pass-through = 0.7 based on private consumption per capita in constant LCU. Actual data: 2021. Nowcast: 2022-2024. Forecasts are from 2025 to 2027.
4/ Actual data: 2021. Nowcast: 2022-2024. Forecasts are from 2025 to 2027.

LESOTHO

Population[1] million	Poverty[2] millions living on less than $3.65/day
2.3	1.2
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
53.0	86.4
GDP[5] current US$, billion	**GDP per capita[6]** current US$
2.6	1102.6

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2017 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

Growth is projected at 1.5 percent in 2025, due to uncertainty in trade policy that could impact exports and investment. Highlands Water Project, higher water royalties and Southern African Customs Union revenues will moderate the slowdown. Without reforms and with weak private sector investment, the economy is expected to revert to its low growth and high unemployment trend. Consequently, the poverty rate will remain high at around 36 percent, using the international poverty line.

Key conditions and challenges

Growth has been low over the past decade, owing to structural weaknesses and external shocks. Expanding employment opportunities is key to reduce Lesotho's high unemployment rate, estimated at 22.5 percent in 2019, and to alleviate widespread poverty, as an estimated 36.3 percent of the population was living on less than $2.15 per day (2017 PPP) in 2024. Poverty is particularly severe in the rural highlands, where limited access to essential services and market opportunities exacerbates economic hardship.

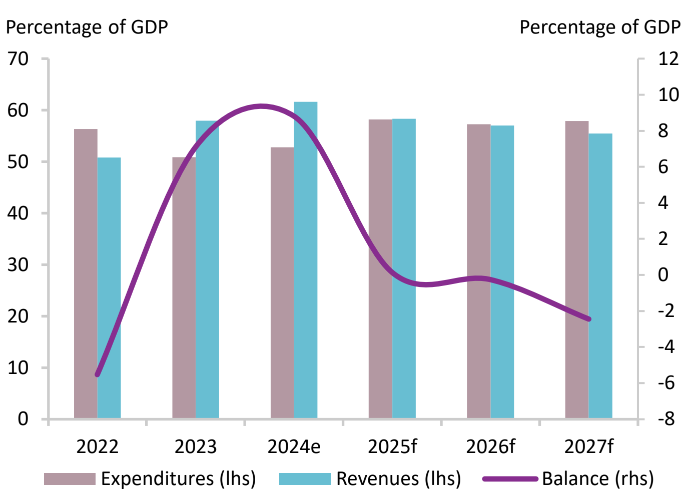
Limited dynamism of the private sector coupled with heightened uncertainty in trade policy have limited potential growth. Efficiency gains and private investment have remained low because of the dominant role of the public sector in the economy, complex and unclear business regulations, limited competition, and challenges in accessing credit and skilled labor. Despite substantial investment in education, learning performance is among the lowest in Southern Africa, with significant disparities across economic groups.

Weaknesses in fiscal policy management limit its effectiveness in spurring growth. Volatile Southern Africa Customs Union (SACU) revenues could be managed by implementing fiscal rules and establishing a stabilization fund. To increase the effectiveness of the use of public resources, Lesotho could contain the buildup in arrears and public sector wage growth. This would make room for higher capital spending to improve connectivity and reduce regional disparities. Better targeting in social programs and agriculture subsidies could improve the programs' effectiveness in reducing economic disparities and improving agriculture productivity. Enacting the Public Financial Management Act would upgrade public financial management and enhance macroeconomic coordination, budgeting processes, and execution rates. Improving public investment management is a priority for growth.

Recent developments

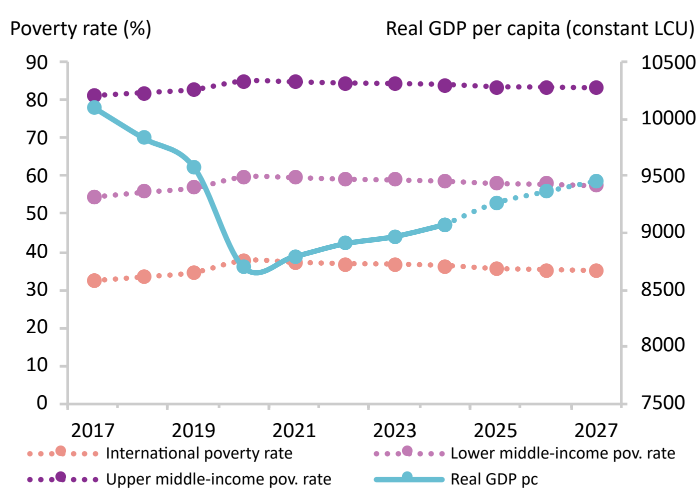
Growth increased by an estimated 2.3 percent in 2024, owing to public investment that also generated positive spillover effects in the local services industry. By contrast, export-oriented sectors like textiles, clothing, and mining underperformed due to weaker foreign demand and lower commodity prices. Inflation dropped to 4.1 percent in February 2025 from 5.2 percent in September 2023, owing to lower fuel and food prices and a stronger Rand,

FIGURE 1 / Fiscal surpluses in the medium-term



Sources: WDI and World Bank staff estimates.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

which reduced imported inflation. The Central Bank cut the policy rate by a cumulative 50 basis points from 7.75 percent in November 2024 to 7.25 percent in February 2025. It left the policy rate unchanged at its March seating.

In 2024, Lesotho reported a high fiscal surplus of 8.8 percent of GDP driven by increased Southern African Customs Union (SACU) revenues (from 14.4 percent in 2022 to 27.8 percent of GDP in 2024) and higher water royalties (from 3.7 percent in 2022 to 7.2 percent of GDP in 2024). Meanwhile, existing rigidities in capital spending and some restraint in recurrent spending public expenditures limited the increase in expenditure. Authorities used part of the budget surplus to clear 1.8 percent of GDP in arrears, bringing outstanding arrears to about 0.6 percent of GDP. Despite fiscal surpluses, public debt rose to 59 percent of GDP in 2024 as the government continued to borrow from both domestic and external markets.

The current account balance shifted from a deficit of 6.4 percent of GDP in 2023 to a surplus of 4.3 percent of GDP in 2024, supported by higher remittances, increased interest income and SACU revenue. The trade deficit also improved, driven by water exports.

Outlook

After declining to 1.5 percent in 2025, growth is projected to average 0.8 percent between 2026 and 2027. Uncertainty in trade policy, following the imposition of higher tariffs is expected to weigh on growth. Trade policy shifts affect Lesotho's exports, remittances, investment and growth. Phase II of the Lesotho Highlands Water Project (LHWP-II) is expected to provide some impetus to growth, albeit, with limited prospects beyond its timeframe under current policies and external conditions. Exports and private investment are expected to remain subdued and, consequently, employment growth is expected to insufficient to reduce the poverty rate that will remain high at 36 percent, using the international poverty line of US$2.15 per day.

Inflation is projected to rise but remain below 6 percent in the medium-term as the costs of imported goods and services are expected in response to trade policies shifts. Monetary policy will continue to align closely with regional market rates.

The current account balance is expected to return to a deficit over the medium term due to lower exports, particularly of textiles, lower remittances and lower SACU revenues. Completion of LHWP-II and increased water royalties are expected to contain the widening of the current account deficit in the medium-term.

Lower SACU revenues and higher US tariffs are expected to increase fiscal pressures in the medium-term.

Downside risks have intensified given recent developments in the global environment. Uncertainty in trade policy globally and bilateral aid flows could increase social tensions and increase spending pressures. Delays in the implementation of MCC Compact II would hinder growth, job creation and exports prospects. Failure to extend the African Growth and Opportunity Act could impact negatively textile exports, leading to an increase in unemployment. Domestic risks include political instability and fiscal mismanagement that could reduce fiscal buffers. Conversely, a bold reform program to improve fiscal policy management (including through the adoption of fiscal rules), ease business conditions, and facilitate trade and international investment could spur private investment, higher exports and job creation.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	2.4	1.8	2.3	1.5	0.9	0.6
Private consumption	9.1	3.8	3.8	3.9	3.9	3.7
Government consumption	2.4	2.2	13.5	21.2	7.8	7.1
Gross fixed capital investment	18.9	49.4	17.4	4.2	23.3	20.8
Exports, goods and services	36.7	2.2	2.2	-0.3	-0.6	-1.0
Imports, goods and services	22.5	10.3	10.8	11.2	9.8	9.3
Real GDP growth, at constant factor prices	2.3	1.8	2.3	1.5	0.9	0.6
Agriculture	12.5	2.4	1.5	1.5	1.7	1.8
Industry	5.0	5.0	5.3	3.2	2.8	2.0
Services	0.9	0.8	1.3	0.9	0.2	0.0
Employment rate (% of working-age population, 15 years+)	54.1	54.5	54.5	54.5	54.5	54.5
Inflation (consumer price index)	8.3	6.4	6.1	5.6	5.7	5.8
Current account balance (% of GDP)	-11.7	-6.4	4.4	-1.6	-4.8	-11.1
Net foreign direct investment inflow (% of GDP)	1.2	1.4	1.8	1.0	1.0	1.0
Fiscal balance (% of GDP)	-5.5	7.1	8.8	0.1	-0.3	-2.4
Revenues (% of GDP)	50.8	58.0	61.6	58.4	57.1	55.0
Debt (% of GDP)	57.3	55.1	59.2	58.9	57.1	53.9
Primary balance (% of GDP)	-4.2	8.2	10.0	1.3	1.0	-1.4
International poverty rate ($2.15 in 2017 PPP)[1,2]	36.7	36.6	36.3	36.1	36.2	36.4
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	59.3	59.1	58.7	58.6	58.6	58.9
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	84.5	84.3	84.1	83.8	83.8	84.1
GHG emissions growth (mtCO2e)	1.7	2.2	2.3	2.3	1.8	2.0

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2017-CMSHBS. Actual data: 2017. Nowcast: 2018-2024. Forecasts are from 2025 to 2027.
2/ Projection using neutral distribution (2017) with pass-through = 0.87 (Med (0.87)) based on GDP per capita in constant LCU.

LIBERIA

Population[1] million	Poverty[2] millions living on less than $2.15/day
5.6	**1.3**
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
61.1	**67.2**
GDP[5] current US$, billion	**GDP per capita[6]** current US$
4.8	**846.3**

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2016 (2017 PPPs). 3/ 2022. 4/ 2022. 5/ 2024. 6/ 2024.

Liberia's economy expanded by 4.8 percent in 2024, driven by mining, services, and agricultural recovery. Inflation remained controlled, and fiscal conditions improved. Uncertainties in global economy and aid landscape are expected to affect Liberia's economy. Structural constraints continue to hinder diversification, making better resource mobilization vital for investments and poverty reduction. Extreme poverty fell to 26.4 percent in 2024 and is projected to continue declining.

Key conditions and challenges

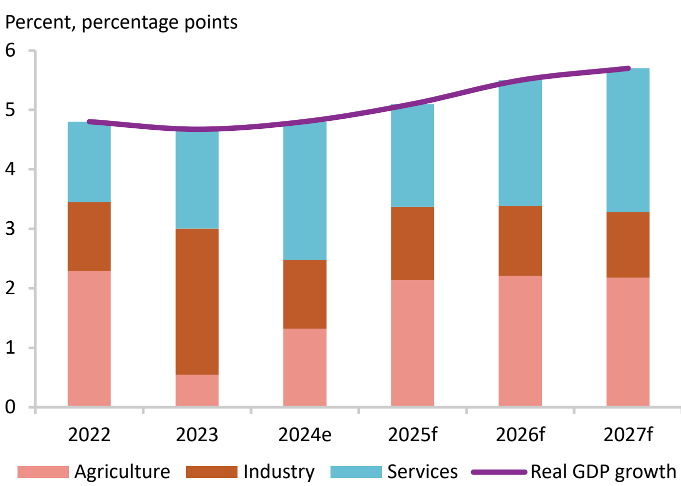
Liberia's commodity-driven growth model has failed to ensure sustained progress. Real per capita income rose 34 percent from 2004 to 2013 but declined 6.6 percent to US$716 by 2024. Structural constraints, poor infrastructure, and limited fiscal space hinder economic potential, while informal, low-productivity jobs dominate the labor market. Institutional weaknesses place Liberia in the bottom 25 percentile of governance rankings, and service delivery remains inadequate. Declining aid poses short-term challenges but strengthens incentives for reforms. Achieving inclusive growth requires maintaining macroeconomic stability, diversifying beyond mining towards activities better aligned with the labor demands, empowering the private sector, and implementing deep policy and institutional reforms. Long-term shifts in the aid landscape, coupled with a less favorable global environment, are likely to impact small open economies like Liberia, which are heavily reliant on global demand and favorable financial conditions.

Recent developments

Liberia's economy grew by 4.8 percent in 2024, fueled by mining, services, and agricultural recovery. The industrial sector expanded by 6.0 percent, driven by iron ore, gold mining, and construction, while services grew by 4.2 percent, boosted by finance, hospitality, trade, and transport. Agricultural output rose by 3.5 percent, up from 1.4 percent, reflecting higher rubber production. On the demand side, growth was driven by private consumption and increased gold and iron ore exports.

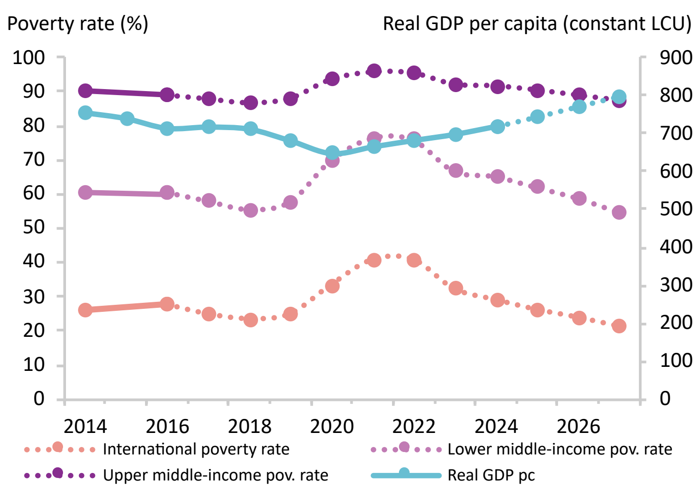
Headline inflation eased to 8.4 percent in 2024, down from 10.1 percent in 2023, driven by the Central Bank of Liberia's tight monetary policy, stable exchange rates, and lower food and fuel prices. The policy rate remained above inflation, holding at 20 percent for most of the year before dropping to 17 percent in the last quarter. The exchange rate depreciated by 8 percent on average, an improvement from 12 percent in 2023. Food inflation fell to 9.7 percent by December 2024, down from 26.9 percent a year earlier, while imported fuel saw disinflation of

FIGURE 1 / Real GDP growth and sectoral contributions to real GDP growth



Sources: Liberian authorities and World Bank staff estimates and projections.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

10.4 percent from a previous inflation of 13 percent. However, inflationary pressures started building at the end of 2024 and inflation reached 13.1 percent in February 2025, driven by rising costs in food, healthcare, and the restaurant sector.

Persistent economic challenges—slow growth, high inflation, limited job opportunities, and inadequate social protection—have significantly increased poverty. By 2022, the extreme poverty rate had climbed to 40.9 percent, up from 24.8 percent in 2019. However, more favorable economic conditions, particularly easing inflation have helped reverse this trend, with poverty declining to 26.4 percent in 2024. These estimates—based on the international poverty line of US$2.15 per person per day (2017 PPP)—use a new methodology that incorporates both economic growth and inflation.

Fiscal conditions improved, with the overall deficit shrinking to 2.7 percent of GDP from 7.1 percent in 2023, while the primary deficit declined to 1.5 percent from 6.1 percent. This improvement was largely due to a 4 percent of GDP reduction in public spending on goods and services and a modest 0.8 percent of GDP increase in domestic revenue. Public debt stood at 57 percent of GDP in 2024, slightly lower than 58.8 percent in 2023.

Liberia's current account deficit (CAD) remained high at 22.1 percent of GDP in 2024, though lower than 26.4 percent in 2023, reflecting a persistent gap between savings and investment. The trade deficit narrowed to 13.7 percent of GDP, down from 19 percent in 2023, thanks to a 4 percentage points increased in exports driven by gold and iron ore. The CAD is financed by capital and financial account inflows equivalent to 21.6 percent of GDP, comprising 10 percent from foreign direct investment, 8.7 percent from multilateral and private financing, and 3 percent from capital account inflows.

Outlook

Real GDP is expected to grow around 5 percent in 2025, driven by continued expansion in mining, especially gold, and improvements in agriculture and services. Medium-term growth will be supported by key reforms in energy, increased foreign direct investment in mining, and infrastructure development. Tightened monetary policy and a conservative fiscal stance are projected to curb inflation. Fiscal sustainability depends on successful implementation of consolidation measures, with fiscal deficit expected to average 2.6 percent of GDP from 2025 to 2027. Public debt is projected to decline to 54 percent of GDP by 2027. While external balances will remain high, they are expected to improve to 18 percent of GDP by 2027. Gross international reserves are projected to strengthen, covering three months of imports by 2027, up from two months in 2024.

Poverty is projected to decline, reaching 20.9 percent by 2027, driven by sustained economic growth and easing inflation. However, structural reforms remain crucial to foster inclusive growth and accelerate poverty reduction.

Significant risks could threaten this outlook. Weak governance, fiscal and monetary slippages, a sharper-than-expected decline in aid, volatility in commodity prices, ongoing shifts and heightened uncertainty in global trade policy could undermine macroeconomic stability, growth and poverty reduction.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	4.8	4.7	4.8	5.1	5.5	5.7
Private consumption	3.3	3.5	3.7	3.6	3.8	3.9
Government consumption	-5.7	0.0	-19.0	2.4	3.0	5.7
Gross fixed capital investment	9.4	36.2	3.4	2.5	8.1	7.8
Exports, goods and services	7.7	23.6	21.1	10.4	6.1	6.1
Imports, goods and services	3.1	25.1	6.9	4.5	4.0	4.0
Real GDP growth, at constant factor prices	4.8	4.7	4.3	4.8	5.4	5.8
Agriculture	5.9	1.4	3.5	5.8	5.9	5.8
Industry	6.7	13.9	6.0	6.3	6.0	5.6
Services	2.8	3.7	4.2	3.1	4.5	5.8
Employment rate (% of working-age population, 15 years+)	74.3	74.7	74.7	74.7	74.7	74.7
Inflation (consumer price index)	7.6	10.1	8.4	7.2	5.6	5.1
Current account balance (% of GDP)	-17.7	-26.4	-22.1	-19.9	-19.5	-18.0
Fiscal balance (% of GDP)	-5.3	-7.1	-2.7	-3.5	-2.3	-2.2
Revenues (% of GDP)	21.4	20.1	19.2	20.3	21.2	21.6
Debt (% of GDP)	53.9	58.8	57.2	57.0	56.1	54.7
Primary balance (% of GDP)	-4.4	-6.1	-1.5	-2.2	-0.9	-0.7
International poverty rate ($2.15 in 2017 PPP)[1,2]	40.9	27.5	26.4	25.2	23.2	20.9
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	76.0	61.4	61.4	58.9	56.7	53.7
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	95.5	90.0	90.0	89.3	88.0	86.7
GHG emissions growth (mtCO2e)	3.2	3.2	3.1	3.1	3.2	3.2

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2016-HIES. Actual data: 2016. Nowcast: 2017-2024. Forecasts are from 2025 to 2027.
2/ Projections using microsimulation methodology.

MADAGASCAR

Population[1] million	Poverty[2] millions living on less than $2.15/day
32.0	18.9
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
65.2	135.8
GDP[5] current US$, billion	**GDP per capita[6]** current US$
17.4	545.0

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2012 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

Economic growth remained at 4.2 percent in 2024 supported by tourism-related activities and telecommunications. Fiscal balance improved at the cost of limited social and capital spending. Growth is projected to average 4 percent in the medium term. The poverty rate is expected to slightly decline but remain high at around 79 percent. Global trade policy uncertainty, underperforming state-owned enterprises, and external shocks pose risks to investment and growth.

Key conditions and challenges

Average real incomes have declined over time, with GDP per capita falling from US$812 to US$456 between 1960 and 2024 (in constant 2015 US dollars). The poverty rate is amongst the highest worldwide. In 2024, 80 percent of the population lived below the new international poverty line of US$2.15 per day at 2017 PPP. While rural poverty remains a serious challenge, urban areas have experienced a significant deterioration over the past decade.

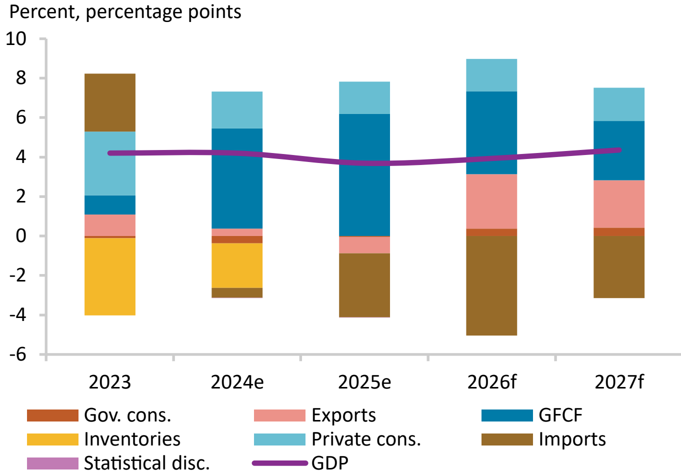
Despite an increase since the 2010s, when growth averaged 3 percent per year, current growth remains insufficient to support job creation and sustain poverty reduction, especially with a population growth of 2.4 percent per year. Growth is constrained by the predominance of low-productivity sectors (such as subsistence agriculture), poor infrastructure, and slow human capital accumulation. The situation is aggravated by low tax-to-GDP ratio (under 11 percent) limiting the provision of public goods. Commodity price volatility combined with the lack of export and market diversification, climate shocks, and elite capture have all hindered a faster and inclusive growth.

Reducing persistent poverty and promoting high and resilient growth requires improved governance, a conducive business environment, structural reforms in key sectors (particularly energy, mining, and telecommunications) and faster human and physical capital accumulation.

Recent developments

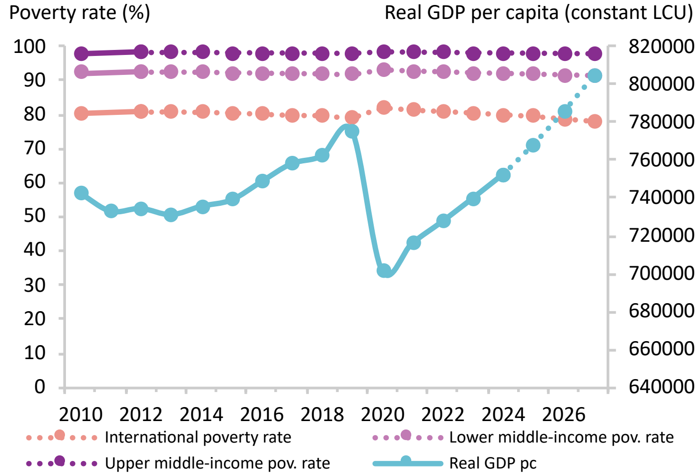
Economic growth is estimated at 4.2 percent in 2024 (1.7 percent in per capita terms). On the supply side, growth was driven by the services sector, especially tourism-related activities and telecommunications. Increased air traffic and the entry of new airlines boosted tourist arrivals, surpassing pre-pandemic levels for the first time in 2024. The introduction of a new telecom licensing regime fostered competition and growth. Meanwhile, labor-intensive sectors (such as agriculture, agrobusiness, and textiles) have struggled, due to lower global demand. On the demand side, growth was driven by private investment and private consumption. Inflation eased slightly in 2024 but remained high at 7.6 percent, driven by energy, housing, and apparels costs. To curtail inflation, the central bank

FIGURE 1 / Real GDP growth and demand-side contributions to real GDP growth



Sources: Ministry of Economy and Finances and World Bank estimate.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

increased the policy rates (deposit facility and marginal lending rates) by 50 basis points (bps) in August 2024, in addition to the cumulative increase of 90 bps since October 2022.

The external position remained resilient, despite mounting pressures on the current account. The current account deficit (CAD) widened from 4.7 to 5 percent in 2024, due primarily to deteriorated merchandise trade driven by lower global demand and falling prices for major exports (such as vanilla, cloves, cobalt, and nickel). Goods imports also declined, though to a lesser extent. Meanwhile services trade improved. The CAD was mainly financed by foreign direct investment (FDI) and project grants, which helped bolster international reserves (equivalent of 6.3 months of imports at the end of 2024). After a slight appreciation against the US dollar in early 2024 (y/y), owing to external financing inflows, the ariary depreciated by 2.7 percent by end 2024.

The fiscal deficit narrowed to 3.3 percent of GDP in 2024, reflecting spending cuts rather than improved revenue. Total revenue and grants were estimated at 13.6 percent of GDP in 2024, with the tax-to-GDP ratio declining slightly to 10.8 percent due to weakened international trade, in a context of generous tax exemptions. Total expenditure declined to 16.9 percent of GDP in 2024. Transfers and subsidies remained high, crowding out investment and social spending, and risking further undermining productivity and medium-term growth. The debt-to-GDP ratio is estimated to slightly decline to 51.3 percent, while the risk of debt distress remains moderate.

Outlook

Growth is projected to average 4 percent over 2025–27, driven by mining and tourism-related services. Over the medium term, inflation is projected to average 8.1 percent due to the high cost of food. The monetary policy stance is expected to remain restrictive amid persistent inflation. Global trade policy uncertainties are expected to negatively affect the trade balance and contribute to a widening in the CAD to 6.4 percent of GDP in 2025 before declining over the medium term. The CAD is expected to be financed by increased FDI inflows related to mining. The international poverty rate is projected to slightly decrease to 78.7 percent by 2027.

The fiscal deficit is projected to stay around 4 percent of GDP. Uncertain global trade conditions and lower economic growth are expected to weigh on tax collection. However, the negative impact on revenue performance is expected to be mitigated by further reforms in rationalizing tax expenditures and improved tax administration. Ongoing reforms of the state-owned utility JIRAMA are likely to improve its financial performance and thus result in a gradual decline in fiscal transfers. Reforms supported by the IMF program are expected to help reduce the fiscal deficit, which is projected to be mainly financed by external borrowing. The public debt stock is expected to remain below 55 percent of GDP.

The outlook faces downside risks stemming from heightened trade policy uncertainty, underperforming state-owned enterprises, and external shocks, notably, commodity price volatility and adverse weather conditions.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	4.2	4.2	4.2	3.7	3.9	4.4
Private consumption	0.1	4.5	2.6	2.5	2.5	2.5
Government consumption	5.7	-1.1	-4.1	0.2	5.7	6.2
Gross fixed capital investment	4.4	3.3	17.5	18.4	10.9	7.4
Exports, goods and services	26.5	2.4	0.8	-1.9	6.6	5.7
Imports, goods and services	21.2	-4.7	0.9	6.0	8.9	5.3
Real GDP growth, at constant factor prices	3.9	4.2	4.2	3.7	3.9	4.4
Agriculture	2.0	5.3	4.8	2.5	2.8	3.4
Industry	9.3	1.8	3.2	1.0	1.5	2.5
Services	3.4	4.4	4.2	4.9	5.1	5.2
Employment rate (% of working-age population, 15 years+)	83.5	83.6	83.6	83.6	83.6	83.6
Inflation (consumer price index)	8.2	9.9	7.6	8.5	8.1	7.7
Current account balance (% of GDP)	-5.4	-4.7	-5.0	-6.4	-6.1	-5.8
Net foreign direct investment inflow (% of GDP)	2.1	2.2	2.8	3.5	2.3	2.4
Fiscal balance (% of GDP)	-5.5	-4.2	-3.3	-3.9	-4.2	-3.9
Revenues (% of GDP)	10.8	13.7	13.6	12.1	12.6	13.5
Debt (% of GDP)	50.0	52.7	51.3	53.3	54.2	54.6
Primary balance (% of GDP)	-4.9	-3.5	-2.6	-2.9	-3.2	-3.0
International poverty rate ($2.15 in 2017 PPP)[1,2]	81.0	80.5	80.0	79.7	79.4	78.7
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	92.6	92.3	92.1	91.9	91.8	91.6
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	98.2	98.1	98.1	98.0	98.0	97.9
GHG emissions growth (mtCO2e)	0.7	1.6	1.3	1.1	1.0	1.0

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2012-ENSOMD. Actual data: 2012. Nowcast: 2013-2024. Forecasts are from 2025 to 2027.
2/ Projection using neutral distribution (2012) with pass-through = 0.87 (Med (0.87)) based on GDP per capita in constant LCU.

MALAWI

Growth slowed to 1.8 percent in 2024 due to a severe drought and is projected at 2.0 percent for 2025 amid a weak recovery and continued foreign currency shortages. High inflation, driven by deficit financing and escalating food and utility costs, exacerbates poverty and food insecurity. 71.3 percent of Malawians are expected to be below the $2.15 per day poverty line in 2025.

Population[1] million	Poverty[2] millions living on less than $2.15/day
21.7	13.3
Life expectancy at birth[3] years	School enrollment[4] primary (% gross)
62.9	135.4
GDP[5] current US$, billion	GDP per capita[6] current US$
11.0	508.4

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2019 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

Key conditions and challenges

In the past three years, per capita income has declined as Malawi's economic growth lagged population growth. The period has seen widening fiscal and current account deficits, an unsustainable debt burden, increasing capital and price controls, and severe foreign exchange shortages, hindering economic stabilization efforts. Frequent climatic disasters and other exogenous shocks have exacerbated these challenges, making it difficult for poor households to build resilience.

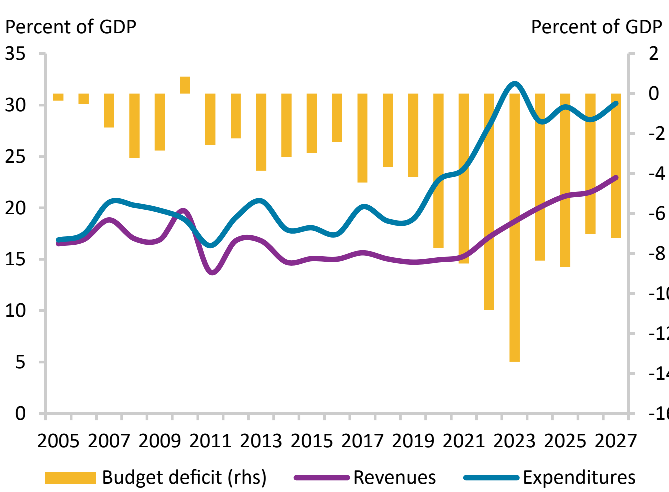
Despite attempts at stabilization, efforts to address rising fiscal and external imbalances have stalled, deepening macroeconomic challenges. Structural challenges are compounded by fiscal slippages financed by high-cost domestic debt, with debt service consuming over 56.0 percent of domestic revenue in 2024. The country remains in external debt distress and the debt-to-GDP ratio has reached 90.2 percent. While agreements to restructure official bilateral debt have been reached, progress on restructuring external commercial debt is advancing slowly. Quasi-fiscal activities, such as below-market sales of foreign exchange, have increased, posing fiscal risks. Official foreign-exchange reserves remain critically low, as inflows from official exports, foreign investment, remittances and grants have not kept pace with import demand. Consequently, foreign exchange is tightly rationed, and there is a growing spread between the official exchange rate and the parallel market rate.

Despite significant progress in reducing child mortality and fertility rates, hunger remains a critical concern due to successive weak harvests since 2022. This has hindered human capital development, with the rate of stunted children under five stagnant at 38.0 percent since 2015. Foreign exchange constraints have also limited imports to compensate for the food supply deficit.

Recent developments

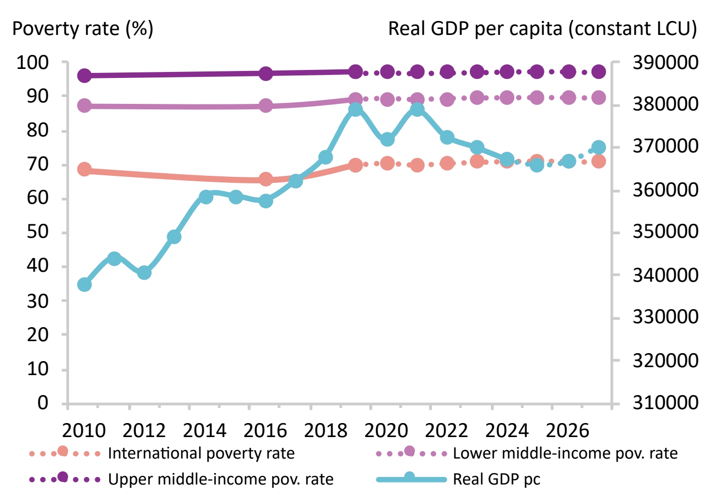
In 2024, Malawi's economy faced significant challenges, with real GDP growth slowing to 1.8 percent due to a severe drought and acute foreign exchange shortages. The poverty rate rose to 71.2 percent. The interplay of external sector imbalances, inflationary pressures, and fiscal constraints has deepened economic vulnerabilities, impeding recovery prospects.

FIGURE 1 / Actual and projected revenues, expenditures, and budget deficit



Source: World Bank staff estimates and projections.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

The external sector deteriorated sharply, with the current account deficit widening to 22.0 percent of GDP in 2024. Imports surged to 28.4 percent of GDP, far outpacing exports (10.1 percent of GDP). This imbalance severely strained official foreign exchange reserves, which have remained below one month of import cover for the past two years, exacerbating the country's vulnerability to shocks. Implementation of exchange rate reforms announced in November 2023 has stalled, leading to a widening spread between official and parallel rates and increasing distortions in the foreign exchange market.

Following a period of moderation in late 2024, inflationary pressures have reemerged, primarily driven by escalating food and utility costs, as well as depreciation of the parallel exchange rate, with the poorest households and those in urban areas hit hardest. Headline inflation remains high at 30.7 percent in February 2025, largely due to a sharp rise in food prices, disproportionally affecting the poorest households. The Reserve Bank of Malawi has maintained the monetary policy rate at 26.0 percent since February 2024. Concurrently, money supply growth remains elevated, reaching 37.8 percent in February 2025, driven in part by high deficit financing.

The fiscal deficit in 2024 remained high at 8.4 percent, driven by overly optimistic revenue projections and expenditure slippages. The primary deficit remains high at 1.4 percent of GDP.

Outlook

Real GDP is projected to grow modestly by 2.0 percent in 2025, which would not be sufficient to prevent a fourth consecutive contraction in per capita income. GDP growth will be driven by a modest recovery in the agricultural sector, which experienced negative growth in 2024 due to El Niño-induced drought conditions. Additionally, modest growth is anticipated in the industrial and services sectors. However, these sectors remain subdued due to the continued unavailability of foreign exchange, which is constraining the importation of production inputs. Real GDP growth is projected at 2.4 percent in 2026. This stagnation impedes efforts to reduce poverty.

The budget deficit is expected to widen to 8.7 percent of GDP in 2025, driven by election year spending and the need to absorb some critical expenditures previously financed by the United States government. Inflation is expected to remain above 30 percent due to a weaker agricultural recovery, the imposition of new import bans constraining supply, as well as continued high money supply growth. The real appreciation of the official exchange rate will continue to incentivize imports and discourage export growth, deepening external imbalances.

The number of people living in poverty is expected to increase in 2025 amidst this challenging economic environment and rising food insecurity, with an additional 417,000 people falling below the $2.15 per day threshold, bringing the total number of people living in poverty to 15.8 million.

The outlook is subject to significant downside risks, including potential fiscal slippages that could entrench macroeconomic instability. While direct and indirect effects of recent trade policy shifts have caused a downward shift in growth projections, continued uncertainty and weaker than expected global demand may further adversely affect Malawi's growth prospects. Failure to address external imbalances may further perpetuate input shortages. Upside risks include the potential unfreezing of US aid to Malawi, easing of trade restrictions, faster-than-expected development of mining mega-projects, and the rapid conclusion of debt-restructuring negotiations with commercial external creditors.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	0.9	1.9	1.8	2.0	2.4	3.2
Private consumption	0.6	3.8	4.7	4.8	5.6	5.6
Government consumption	-5.8	14.8	15.5	0.4	-1.9	2.5
Gross fixed capital investment	12.4	-14.3	-14.2	-11.6	-25.1	-33.8
Exports, goods and services	3.1	3.5	8.8	6.7	6.0	6.0
Imports, goods and services	3.9	3.9	9.6	6.3	3.9	3.9
Real GDP growth, at constant factor prices	1.1	1.7	1.8	2.0	2.4	3.2
Agriculture	0.9	0.7	-0.2	2.2	3.0	3.9
Industry	-0.7	2.5	2.1	2.2	2.2	2.7
Services	1.9	1.8	2.6	1.8	2.2	3.1
Inflation (consumer price index)	20.9	28.7	32.3	34.7	27.8	19.4
Current account balance (% of GDP)	-17.8	-17.8	-22.0	-21.9	-17.7	-17.1
Net foreign direct investment inflow (% of GDP)	1.7	1.6	1.1	1.0	1.3	1.2
Fiscal balance (% of GDP)	-10.8	-13.4	-8.4	-8.7	-7.1	-7.3
Revenues (% of GDP)	17.2	18.7	20.1	21.2	21.7	23.2
Debt (% of GDP)	76.7	90.3	90.2	81.9	78.8	64.9
Primary balance (% of GDP)	-6.1	-8.3	-1.4	-0.6	-1.2	-1.6
International poverty rate ($2.15 in 2017 PPP)[1,2]	70.6	70.9	71.2	71.3	71.2	70.9
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	89.3	89.4	89.5	89.5	89.5	89.4
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	97.4	97.4	97.4	97.5	97.4	97.4
GHG emissions growth (mtCO2e)	1.5	1.6	1.5	1.5	1.5	1.5

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2019-IHS-V. Actual data: 2019. Nowcast: 2020-2024. Forecasts are from 2025 to 2027.
2/ Projection using neutral distribution (2019) with pass-through = 0.7 (Low (0.7)) based on GDP per capita in constant LCU.

This outlook reflects information available as of April 10, 2025.

MALI

In 2024, GDP growth is estimated at 4.0 percent (1.0 percent per capita), driven by agriculture and services, while electricity shortages continued to hinder industrial production. Inflation averaged 3.2 percent. Growth is projected to slightly increase in 2025, supported by new lithium production and telecommunication investments. Poverty remains largely unchanged. The outlook is subject to downside risks from security concerns, climate shocks and debt roll-over.

Population[1] million **24.5**	Poverty[2] millions living on less than $2.15/day **4.7**
Life expectancy at birth[3] years **59.4**	School enrollment[4] primary (% gross) **74.4**
GDP[5] current US$, billion **22.0**	GDP per capita[6] current US$ **898.0**

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2021 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

Key conditions and challenges

Mali's economy remains undiversified and exposed to climate and commodity shocks. The economic landscape is dominated by low productivity services and rain-fed agriculture, while manufacturing is limited to agro-industries and cotton ginning. Gold and cotton dominate exports, with the mining sector receiving over half of inward foreign direct investment (FDI). Export diversification is constrained by Mali's landlocked position, low human capital, and weak productivity.

The security and energy crises continue to affect economic growth. Insecurity has limited access to rural areas and hindered economic activity. The secondary sector has been affected by electricity shortages since August 2023, caused by challenges in sector management and mounting debts to suppliers. Uncertainty around regional dynamics adds to these challenges.

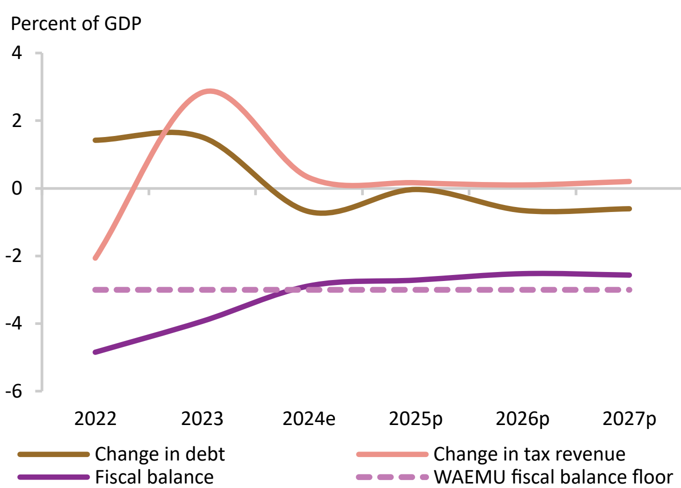
On January 29, 2025, Mali formally exited Economic Community of West African States (ECOWAS) along with Burkina Faso and Niger, following a joint withdrawal announcement of January 2024 and unsuccessful mediation efforts. The three countries, forming the Confederation of Sahel States (AES), have replaced the ECOWAS passport with their own unified passport. However, Malian citizens and businesses retain access to key ECOWAS membership benefits, including the free movement of people and goods, pending further decisions. The authorities have reiterated Mali's intention to remain in the West African Economic and Monetary Union (WAEMU).

Recent developments

GDP growth increased to 4.0 percent in 2024 (estimate), equivalent to 1 percent per capita, driven by services and agriculture. Services growth accelerated mainly due to investments in transport and communication network expansion and modernization. Agriculture benefited from productivity gains in cereal production as a result of agricultural intensification and the application of adapted cultivation techniques.

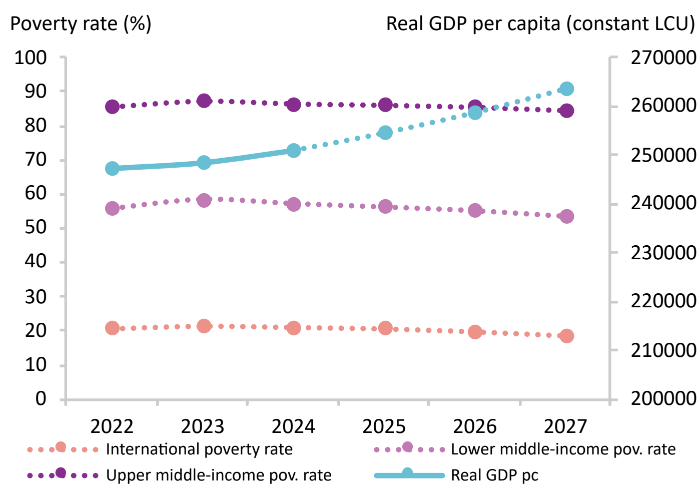
A drop in gold production from about 74,300 to 57,800 metric tons, caused by mine closures related to tax disputes, led the secondary sector to contract in 2024. Nevertheless, the current account deficit as a share of GDP narrowed from

FIGURE 1 / Budget balance and changes in tax revenue and debt



Sources: Government of Mali and World Bank staff estimates.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

7.2 to 6.3 percent, due to sustained cotton exports and a decline of oil and food imports.

Headline inflation rose to 3.2 percent in 2024, driven by floods, pests, and security challenges. Agricultural growth barely exceeding the rate of population growth led to poverty at the international poverty line remaining largely unchanged at 21 percent.

The WAEMU inflation rate fell to 3.5 percent in 2024 but remained above the 1–3 percent WAEMU target band. Regional foreign reserves increased from 3.5 months of imports in 2023 to 4.7 months in 2024, reflecting the resumption of international bond issuances, IMF, and World Bank disbursements. The Central Bank of West African States kept its policy interest rates at 3.5 percent for liquidity calls and 5.5 percent for the marginal lending facility.

The fiscal deficit narrowed to 2.9 percent of GDP in 2024, mainly due to delays in government recruitment programs, leading to a temporary fall in the public wage bill. Tax digitalization and customs measures supported the fiscal consolidation. The fiscal deficit is predominantly financed through domestic borrowing from the regional market, where Mali has faced a surge in interest rates, exceeding 9 percent for 12-month bills. Debt roll-over is high, which poses some risk, but current conditions support a moderate rating for debt distress.

Outlook

Real GDP growth is projected to average 4.8 percent over 2025–2026, supported by new lithium production, higher gold prices, agriculture, and telecommunication services. This assumes no changes in the security situation, some improvement in electricity supply and a stable policy environment.

The current account deficit is projected to improve in 2025, driven by lithium and cotton production and higher gold prices. The fiscal deficit is forecast to return slightly below the WAEMU ceiling of 3 percent of GDP in 2025 due to increased tax revenue from the extractive sector. The ECOWAS exit is not expected to have significant impacts on the economy or prices.

The regional inflation rate is expected to align with the WAEMU target band from 2025 onwards (including for Mali), while regional reserves are projected to rise to 5.4 months of imports in 2025, supported by recovering exports, and lower Euro Area interest rates.

Consistent with past trends, poverty in 2025 is projected to remain broadly unchanged, as gains from per capita GDP and agricultural growth are offset by rising food prices. In Menaka, Kidal, and Mopti, poverty is expected to rise sharply, driven by severe food price spikes linked to 2024 flood-related crop losses and restricted access due to insecurity. In some areas, famine conditions are likely to emerge.

Downside risks to the outlook include a persisting electricity crisis, rising insecurity and climatic shocks. Substantial financing needs and elevated borrowing costs could lead to reductions in growth-enhancing investments amid demands for security spending. Continued disputes with international mining firms and additional tax exemptions could affect tax revenues. On the upside, the sustainable resolution of the electricity crisis and improved regional relations could ease market uncertainty and support investment.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	3.5	3.5	4.0	4.8	4.8	4.7
Private consumption	4.0	3.9	4.0	4.0	4.1	4.1
Government consumption	7.6	16.7	-2.2	6.6	5.0	4.7
Gross fixed capital investment	1.0	-3.6	10.1	1.2	7.3	6.2
Exports, goods and services	18.1	-3.9	2.7	10.3	4.8	4.1
Imports, goods and services	0.7	2.3	3.9	5.0	5.1	4.1
Real GDP growth, at constant factor prices	4.3	3.4	4.0	4.8	4.8	4.7
Agriculture	2.4	2.3	4.5	4.7	4.7	4.8
Industry	3.7	2.0	-1.0	2.0	2.5	3.5
Services	5.8	4.9	5.6	5.9	5.7	5.0
Employment rate (% of working-age population, 15 years+)	64.6	64.8	64.8	64.8	64.8	64.8
Inflation (consumer price index)	9.7	2.1	3.2	2.6	2.3	1.9
Current account balance (% of GDP)	-7.0	-7.2	-6.3	-4.6	-4.0	-3.0
Net foreign direct investment inflow (% of GDP)	2.6	2.5	2.7	2.7	2.8	2.8
Fiscal balance (% of GDP)	-4.8	-3.9	-2.9	-2.7	-2.5	-2.6
Revenues (% of GDP)	19.8	23.6	23.8	24.3	24.0	24.0
Debt (% of GDP)	51.8	53.3	52.6	52.6	51.9	51.3
Primary balance (% of GDP)	-3.4	-2.2	-0.9	-1.0	-0.9	-1.0
International poverty rate ($2.15 in 2017 PPP)[1,2]	20.7	21.5	21.1	20.7	19.8	18.7
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	55.9	58.3	57.2	56.3	55.3	53.8
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	85.5	87.2	86.4	86.0	85.4	84.5
GHG emissions growth (mtCO2e)	4.6	3.0	4.0	4.9	5.4	5.5

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2021-EHCVM. Actual data: 2021. Nowcast: 2022-2024. Forecasts are from 2025 to 2027.
2/ Projections using microsimulation methodology.

MAURITANIA

Population[1] million	Poverty[2] millions living on less than $3.65/day
5.2	1.2
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
64.7	111.8
GDP[5] current US$, billion	**GDP per capita[6]** current US$
10.6	2053.7

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2019 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

Growth slowed to 5.2 percent in 2024 due to weaker public consumption and extractives production. Inflation eased and the fiscal deficit narrowed. Poverty incidence remained at 28.4 percent. Gas production should boost exports and revenues, but outlook risks include regional instability, climate shocks and weaker global demand due to trade policy uncertainty. Resilience-enhancing reforms and prudent fiscal policies are required to sustain growth and accelerate poverty reduction.

Key conditions and challenges

Despite an unfavorable global economic and geopolitical environment and recurrent climate shocks, Mauritania has maintained robust economic performance. Growth averaged 3.4 percent in 2020-2023, the fiscal deficit and the current account deficit (CAD) narrowed, while the risk of debt distress improved from high to moderate. However, structural weaknesses persist due to Mauritania's dependence on extractives, low investment implementation capacity, business environment challenges, climate vulnerability and repercussions of regional conflicts, including refugee inflows.

If well managed, Mauritania's natural resource wealth, including iron ore, gold, crude oil and copper, combined with the beginning of gas exports from the Greater Tortue Ahmeyim (GTA) project in late 2024, could accelerate growth, improving public finances and enabling investment that would support the transition to a higher, diversified growth path.

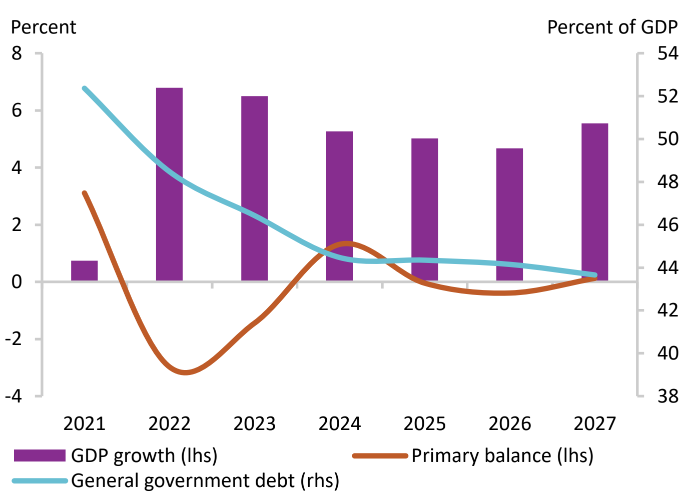
This momentum should catalyze a transition toward higher-value-added sectors, away from extractive-led growth to ensure long-term sustainability. Crucial reforms to enable this transition should focus on improving productivity, fostering economic diversification and promoting inclusive job creation at scale. Without addressing these challenges, Mauritania risks entrenching its overreliance on extractives, hindering its broader development.

Food price instability and low agricultural productivity affect mostly the poor, as food represents 58 percent of their consumption and over half of them rely on income from low-productivity agriculture activities.

Recent developments

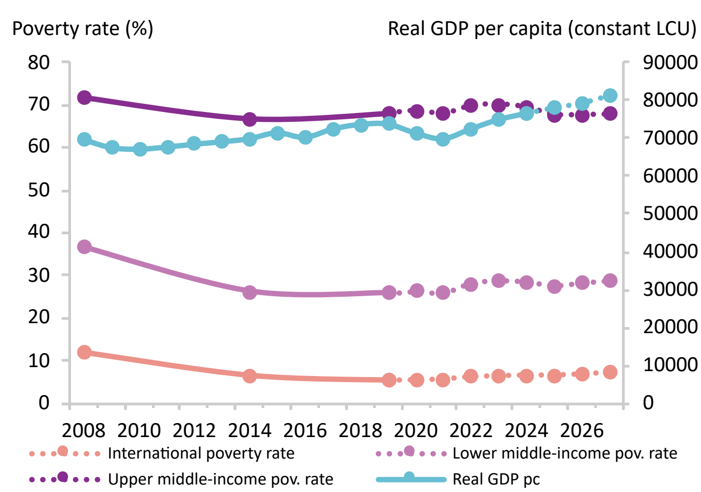
Economic growth moderated to 5.2 percent in 2024 (2.2 percent per capita), down from 6.5 percent in 2023 (3.4 percent per capita), as weaker public consumption and slower gold and iron ore production offset robust export performance and resilient private consumption. Inflation eased to 1.5 percent (y/y) in December 2024 compared to 1.6 percent (y/y) in 2023, driven by declining food and oil prices and supported by the Central Bank of Mauritania's (BCM) tight monetary policy stance. Throughout 2024, inflation remained within a 1.5-3 percent range, enabling the BCM to implement a

FIGURE 1 / Evolution of main macroeconomic indicators



Source: World Bank.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

50-basis-point reduction in the policy rate to 7.25 percent in October 2024, the first cut since 2022. With lower food inflation but limited growth in agriculture, poverty decreased slightly from 28.6 in 2023 to 28.4 in 2024 (measured at US$3.65 per day in PPP 2017).

Fiscal consolidation efforts yielded a narrowing of the fiscal deficit to 0.1 percent of GDP in 2024, compared to 2.4 percent in 2023, driven by higher revenue collection, reflecting tax measures in the telecommunications sector and increased withholding taxes from extractives, alongside controlled recurrent expenditures.

The debt-to-GDP ratio declined to 44.0 percent in 2024, supported by fiscal prudence, exchange rate stability, declining nominal external debt, and stronger nominal GDP growth, as Mauritania remains at moderate risk of debt distress according to the December 2024 WB-IMF Debt Sustainability Analysis.

The CAD narrowed in 2024 reaching 5.8 percent, driven by higher exports and lower hydrocarbons, capital goods and food imports. Foreign exchange reserves rose slightly, covering 6.4 months of imports. The BCM effectively managed excess liquidity through a new overnight deposit facility. The Ouguiya depreciated modestly by 0.8 percent against the US dollar, with reduced volatility, supported by the launch of a foreign exchange platform in late 2023.

Outlook

The medium-term outlook is dampened by uncertainty in the global economic environment. GDP growth should slow to 4.9 percent in 2025 due to declining gold and iron ore production and lower commodity prices, as reserves deplete in major mining sites. By 2027, gas production from GTA and rebounding iron ore production from new sites should support a growth recovery to 5.4 percent. Weak agricultural sector performance and rising inflation may result in a slight increase in poverty incidence to 28.6 percent by 2027, pushing an additional 137,000 people into poverty.

The fiscal deficit should grow to 1.4 percent of GDP in 2025, driven by increased capital spending, before resuming the fiscal consolidation path from 2026 onwards, supported by higher revenues. Public debt is projected to stabilize at 44.6 percent of GDP by 2027, creating fiscal space for priority investments in infrastructure and social programs. Inflation should decline slightly to 2.0 percent (y/y) in 2025, reflecting lower commodity prices, and average 3.5 percent in 2026-2027, driven by a more accommodative monetary policy.

The CAD should widen to 6.1 percent of GDP in 2025 due to lower iron ore and gold exports, as trade policy uncertainty may reduce global demand and lower prices. The CAD is expected to improve slightly in 2026-27 to an average of 5.8 percent of GDP, as global conditions stabilize and iron ore production resumes.

Downside risks to the outlook remain significant. Deteriorating security in the Sahel could trigger refugee inflows and deter foreign direct investment (FDI). Climate-related shocks threaten agricultural productivity and infrastructure, exacerbating poverty and balance-of-payments pressures. Escalating trade policy uncertainty could induce a sharper-than-expected global economic slowdown, which would slow exports, investment, and aid. However, lower food and oil prices can reduce inflation and stimulate consumption, while GTA gas production and structural reforms could crowd in FDI and stimulate growth.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	6.8	6.5	5.2	4.9	4.5	5.4
Private consumption	3.9	4.2	4.6	4.9	5.0	5.0
Government consumption	14.3	10.6	1.5	3.7	-2.0	4.1
Gross fixed capital investment	3.4	-15.3	6.4	2.6	9.3	1.8
Exports, goods and services	16.8	3.5	9.7	9.0	7.2	9.2
Imports, goods and services	15.3	-1.5	5.0	6.5	7.0	6.0
Real GDP growth, at constant factor prices	9.8	4.3	5.2	4.9	4.5	5.4
Agriculture	8.7	-1.0	1.5	1.6	1.6	1.6
Industry	12.5	5.8	3.0	6.3	5.7	6.4
Services	8.6	5.8	8.2	5.4	4.9	6.1
Inflation (consumer price index)	9.5	5.1	2.5	2.0	3.5	3.5
Current account balance (% of GDP)	-14.9	-9.1	-5.8	-6.1	-6.0	-5.5
Net foreign direct investment inflow (% of GDP)	-14.7	8.0	5.1	4.9	4.5	4.2
Fiscal balance (% of GDP)	-3.8	-2.4	-0.1	-1.4	-1.3	-1.0
Revenues (% of GDP)	24.7	22.5	24.0	24.7	25.2	26.2
Debt (% of GDP)	48.5	46.4	44.0	44.8	45.2	44.6
Primary balance (% of GDP)	-3.0	-1.4	0.9	-0.4	-0.2	0.1
International poverty rate ($2.15 in 2017 PPP)[1,2]	6.2	6.4	6.5	6.6	6.8	7.2
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	28.1	28.6	28.4	27.6	28.1	28.6
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	69.7	70.1	69.4	67.7	67.7	67.8
GHG emissions growth (mtCO2e)	2.2	2.6	2.4	2.5	2.6	2.5

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2019-EPCV. Actual data: 2019. Nowcast: 2020-2024. Forecasts are from 2025 to 2027.
2/ Projections using microsimulation methodology.

MAURITIUS

Population[1] million	Poverty[2] millions living on less than $6.85/day
1.3	0.2
Life expectancy at birth[3] years	School enrollment[4] primary (% gross)
73.5	110.9
GDP[5] current US$, billion	GDP per capita[6] current US$
14.8	11776.4

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2017 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

Economic growth is estimated at 4.7 percent in 2024, driven by the services sector, while inflation declined to 3.6 percent. Growth is forecasted to moderate to 3.2 percent in 2025, amidst higher US trade tariffs and modest public investment spending. The fiscal deficit is expected to ease to 5.4 percent of GDP, with public debt remaining elevated at 87.5 percent of GDP. Poverty is projected to decline to 7.2 percent by 2027.

Key conditions and challenges

Mauritius, an archipelagic country with a population of 1.3 million, has transformed from a low-income mono-crop producer of sugar cane to an upper-middle-income diversified economy – driven by tourism, fisheries, manufacturing, and financial services. Poverty is projected to have fallen to around 8 percent by 2025 (at the $6.85-a-day poverty line), after a considerable increase from 11 to 16 percent during COVID-19 in 2020.

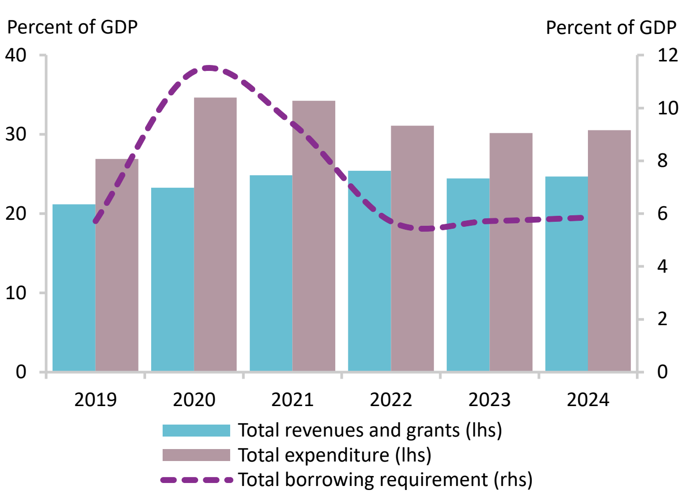
After the November 2024 general election, a new government introduced a plan to accelerate economic development through diversifying growth sources, improving public sector governance, and promoting climate sustainability. Mauritius faces structural challenges related to being an island state and its geographical position. This includes remoteness and vulnerability to climate shocks, such as tropical cyclones and prolonged periods of drought. Moreover, the rapidly aging population and the mismatch between job aspirations and the skills available versus the labor market demands contribute to labor and skills shortages. The government also faces immediate macro-fiscal challenges. The commitments on public pensions and tax allowances are draining fiscal resources, limiting the fiscal space.

Recent developments

The new government revised the 2022 and 2023 GDP in response to heightened concern over past growth exaggerations. It also revised 2024 real GDP growth from 6.5 percent to 4.7 percent based on less optimistic public investment realizations. While these growth rates remain respectable, sectoral breakdown suggests further weakening of Mauritius' traditional growth drivers, agriculture and manufacturing. Meanwhile, thanks to a sustained tourism influx and real estate investments, retail, transport, hospitality, and financial services have become key in sustaining growth.

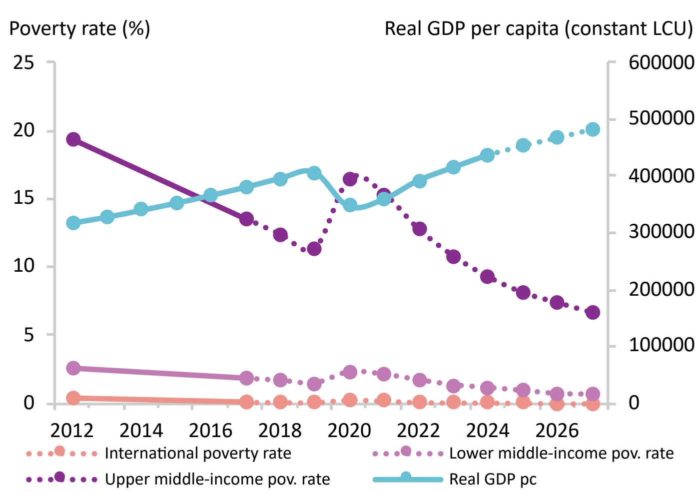
Labor market conditions have improved, with the national unemployment rate declining to 5.9 percent by Q3 of 2024, 0.4 percentage points lower than last year. Youth unemployment remained relatively unchanged at 17.6 percent, down 0.2 percentage points relative to the third quarter of 2023. Meanwhile, higher labor demand raised female labor participation by one percentage point to 48.6 percent in the same period.

FIGURE 1 / Fiscal revenues, expenditure, and financing needs



Source: World Bank.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

Stagnant export performance and strong import demand worsened the current account deficit to 4.9 percent of GDP. Mauritius' export performance has been declining, and renewal uncertainties of the US African Growth Opportunity Act further depressed orders of Mauritius garments and textiles. With international shipping logistics performing behind the average upper-middle income countries, Mauritius needs a more productive port sector to attract foreign investments and become more export competitive. Nevertheless, external buffers remain adequate, with the Bank of Mauritius' (BOM) international reserves at USD 8.5 billion in January 2025, equivalent to 13.3 months of import cover.

The BOM has taken a more independent policy stance to manage inflation and macroeconomic resilience.

Headline inflation declined to 3.6 percent by the end of 2024, compared to 7.0 percent a year ago, mostly due to moderation in global commodity prices. However, rising service prices and additional wage bonuses have kept core inflation relatively sticky at 4.1 percent by the end of 2024. As such, BOM increased its key policy rate by 50 basis points to 4.5 percent in January 2025. BOM also reined in disbursements by its investment vehicle, the Mauritius Investment Corporation, to align with its monetary policy stance.

Shortfalls in tax collection and sustained spending have stalled fiscal consolidation, resulting in a primary deficit of 3.3 percent of GDP and an overall fiscal deficit of 5.8 percent. As growth weakened more than expected, income tax and VAT fell short of budget plans by 10.3 percent and 6.8 percent. Also, additional public sector wage bonuses contributed to higher expenditure in 2024, about 3.3 percent of the target. Consequently, public debt remained elevated, reaching 87 percent of GDP by the end of 2024. Thus, an effective and gradual fiscal consolidation is needed.

Outlook

Real GDP growth is expected to moderate to 3.2 percent in 2025, reflecting a moderation in public investment and exports – the latter stemming from higher US import tariffs and its spillovers to global economic growth. The reliance on imports is expected to sustain the current account deficit at an average of 4.0 percent of GDP in the medium term. Headline inflation is expected to moderate to 3.0 percent, backed by lower international commodity prices. A fiscal deficit of 5.4 percent of GDP is expected for 2025, with public debt remaining elevated at 87.5 percent of GDP. Despite these challenges, the poverty rate is projected to fall to around 7.2 percent by 2027, supported by public transfers averaging 7.0 percent of GDP.

Risks are tilted to the downside. A further slowdown in global economic activity can be detrimental to Mauritius' tourism and financial services. Fiscal slippages can downgrade sovereign credit ratings, negatively impacting public and private sector borrowing costs. Therefore, aside from fiscal consolidation, Mauritius needs to generate growth by addressing bottlenecks in port logistics and air connectivity, promoting deeper regional economic integration, while attracting private investments in renewable energy and innovative activities. Strengthening the integrity and standards in financial services can further boost Mauritius' reputation as an international financial center. Improving disaster preparedness and fiscal buffers will help cushion the impact of climate shocks.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices[1]	8.7	5.0	4.7	3.2	3.0	2.9
Private consumption	3.7	3.4	3.1	2.8	2.6	2.7
Government consumption	6.4	-3.2	6.3	8.3	2.6	4.0
Gross fixed capital investment	6.2	12.5	12.9	8.6	6.3	4.5
Exports, goods and services	41.6	-1.9	2.8	1.4	1.6	1.7
Imports, goods and services	10.4	4.2	5.4	5.0	2.5	2.6
Real GDP growth, at constant factor prices	9.7	4.9	4.6	3.2	3.0	2.9
Agriculture	5.5	13.9	5.9	3.2	2.3	2.4
Industry	6.8	6.7	8.1	3.8	2.8	2.8
Services	10.7	4.0	3.6	3.0	3.0	3.0
Employment rate (% of working-age population, 15 years+)	51.7	52.8	52.8	52.8	52.9	53.0
Inflation (consumer price index)	10.8	7.0	3.6	3.0	2.9	2.9
Current account balance (% of GDP)	-11.1	-4.6	-4.9	-4.1	-4.1	-3.8
Net foreign direct investment inflow (% of GDP)	-72.4	-3.0	-2.0	-1.5	-1.5	-1.4
Fiscal balance (% of GDP)[2]	-5.7	-5.7	-5.9	-5.4	-5.5	-5.4
Revenues (% of GDP)	25.4	24.5	24.7	26.9	26.3	26.6
Debt (% of GDP)[2]	83.3	87.8	88.3	87.5	87.6	87.7
Primary balance (% of GDP)[2]	-3.2	-3.1	-3.4	-2.8	-3.1	-3.0
International poverty rate ($2.15 in 2017 PPP)[3,4]	0.1	0.1	0.1	0.1	0.0	0.0
Lower middle-income poverty rate ($3.65 in 2017 PPP)[3,4]	1.7	1.4	1.2	1.0	0.8	0.7
Upper middle-income poverty rate ($6.85 in 2017 PPP)[3,4]	12.7	10.9	9.5	8.8	7.9	7.2
GHG emissions growth (mtCO2e)	4.7	2.8	2.8	0.5	2.0	2.0

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Historical demand-side data is being revised due to a consistency problem.
2/ Fiscal balances are reported in fiscal years (July 1st - June 30th). For the purpose of this report, the fiscal year data has been converted to calendar year data.
3/ Calculations based on 2017-HBS. Actual data: 2017. Nowcast: 2018-2024. Forecasts are from 2025 to 2027.
4/ Projection using neutral distribution (2017) with pass-through = 0.87 (Med (0.87)) based on GDP per capita in constant LCU.

MOZAMBIQUE

Population[1] million	Poverty[2] millions living on less than $2.15/day
34.6	22.3
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
59.6	120.0
GDP[5] current US$, billion	**GDP per capita[6]** current US$
22.4	646.8

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2019 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

Economic growth slowed to 1.8 percent in 2024, partly due to the post-electoral unrest. Liquidity pressures worsened, driven by a large wage bill and high domestic debt service. GDP growth in 2025 is projected at 3 percent, with the international poverty rate remaining around 75 percent. Risks to the outlook include further social unrest, limited fiscal consolidation, global market volatility, and natural hazards.

Key conditions and challenges

The economy has faced persistent challenges since 2015, including the hidden debt crisis, cyclones, COVID-19, an ongoing conflict in the north, and the recent post-electoral unrest. Growth remains fragile, heavily reliant on extractives. Real gross national income (GNI) per capita declined by 9 percent between 2016 and 2023.

Agriculture employs over 70 percent of the population but struggles with low productivity, climate change-related vulnerabilities, and insufficient investment in infrastructure and inputs. Rural poverty remains entrenched, and the informal sector dominates the labor market, accounting for over 80 percent of employment. Widespread informality, week infrastructure, and business constraints limits productivity growth and domestic revenue mobilization.

Fiscal pressures have intensified, placing Mozambique at a critical juncture. The wage bill and interest payments absorbed 92 percent of tax revenues in 2024, leaving limited resources for critical public investments in education, healthcare, and infrastructure.

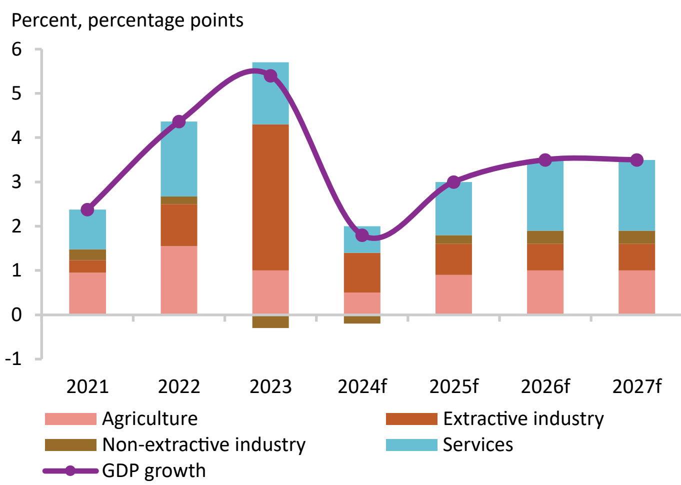
Poverty is estimated to affect about 75 percent of the total population in 2025 (at the $2.15-a-day poverty line). Inequality is widespread, particularly between urban and rural areas, where access to basic services is limited. The rural population is vulnerable to environmental shocks and structural barriers, that hinder poverty reduction and inclusive growth.

Recent developments

GDP growth decelerated to 1.8 percent in 2024, down from 5.4 percent in 2023, mainly due to post-election disruptions in Q4 2024. Heavy rains affected agricultural output, while a slowdown in the extractive sector further dampened economic activity. The Coral South LNG project reached full capacity in 2023, contributing less to growth in 2024. The poverty rate has remained stagnant at about 75 percent since 2020 due to weak labor-intensive growth.

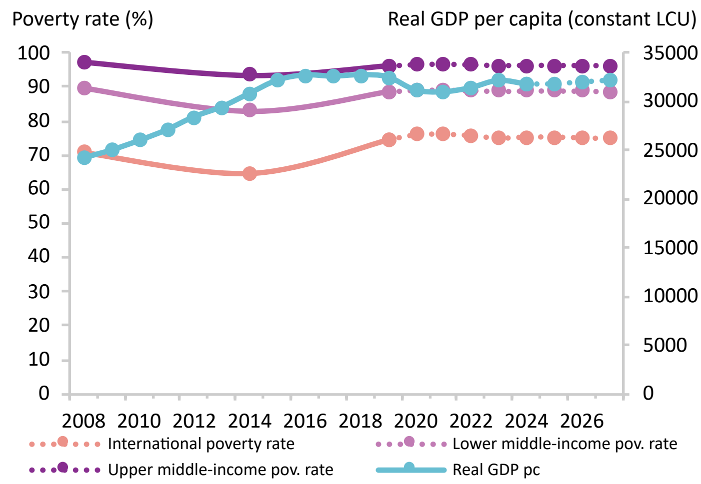
Inflation further eased to 3.2 percent in 2024, from 7.1 percent in 2023 and 10.3 percent in 2022 supported by lower global oil and food prices, a stable exchange rate, and the Central Bank's tight monetary policy. The Central Bank started loosening monetary policy in 2024, reducing the benchmark interest rate from

FIGURE 1 / Real GDP growth and sectoral contributions to real GDP growth



Sources: National Bureau of Statistics and World Bank estimates

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

17.25 percent in January 2024 to 12.25 percent in February 2025, and lowering reserve requirement rates for local currency from 39 percent to 29 percent in January 2025.

The current account deficit decreased marginally from 13 percent to 12 percent of GDP between 2023 and 2024. The trade balance improved, with reductions in both exports and imports. Foreign Reserves recovered to US$ 3.7 billion (equivalent to five months of imports, excluding mega projects), bolstered by a stable exchange rate and higher reserve requirements in foreign currency in 2024.

The fiscal deficit rose from 2.8 percent of GDP in 2023 to 5.5 percent in 2024. Public debt increased slightly to 94.2 percent of GDP by year-end. Revenues fell due to reduced economic activity, while expenditures grew during presidential elections, leading to higher domestic borrowing and increased liquidity pressures.

Outlook

Real GDP growth is projected to reach 3.0 percent in 2025 and to gradually increase to 3.5 percent by 2027 driven by the recovery of agriculture production and a rebound of services, the sector most affected by the post-election disruptions. Inflation is expected to increase to 5.5 percent in 2025, amid higher food prices, and to stabilize at around 4.5 percent during 2026–2027, supported by favorable global price conditions. While no change in poverty is expected in 2025, the number of people living in poverty is projected to rise by 0.8 million this year alone due to rapid population growth.

The current account deficit is expected to stabilize at 12 percent of GDP between 2025–2027, with higher exports of coal and gas offset by a recovery of imports of capital goods linked to megaprojects, as the construction of the TotalEnergies LNG project is expected to resume. It is expected to be financed primarily through a combination of FDI inflows related to these megaprojects and potential drawdowns on foreign exchange reserves.

The fiscal deficit is expected to narrow to 3.6 percent of GDP in 2025, and it could decline further contingent on the successful implementation of fiscal consolidation measures. Potential reforms include containing the wage bill (through a nominal freeze on salaries, stricter hiring ceilings, overtime, and allowance controls), and enhancing domestic revenue mobilization by eliminating costly tax expenditures and improving tax compliance. Public debt is projected to gradually increase over the medium term driven by domestic debt.

The outlook faces risks from social unrest, extreme climate events, delays in LNG projects, a deteriorating security situation in the North, fiscal consolidation challenges, and heightened global uncertainty. US reciprocal tariffs and a subsequent global slowdown could affect Mozambique's exports and foreign investment, particularly in agriculture and extractives.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	4.4	5.4	1.8	3.0	3.5	3.5
Private consumption	7.2	9.1	-6.0	3.9	5.4	3.0
Government consumption	5.1	6.7	-5.4	-4.7	-5.5	-3.9
Gross fixed capital investment	23.8	-43.0	26.7	6.3	7.4	10.5
Exports, goods and services	26.5	-5.3	-3.0	2.0	3.0	3.0
Imports, goods and services	30.9	-25.2	-1.5	3.0	5.0	5.0
Real GDP growth, at constant factor prices	4.5	6.0	1.8	3.0	3.5	3.5
Agriculture	5.5	3.8	1.9	2.4	4.2	4.3
Industry	4.6	13.8	3.0	2.7	4.1	4.1
Services	3.7	3.1	0.9	3.6	2.7	2.6
Employment rate (% of working-age population, 15 years+)	75.9	76.1	76.2	76.4	76.5	76.7
Inflation (consumer price index)	10.3	7.1	3.2	5.5	4.5	4.5
Current account balance (% of GDP)	-36.4	-11.6	-11.3	-12.0	-11.9	-12.3
Net foreign direct investment inflow (% of GDP)	13.0	12.0	15.9	11.6	14.0	11.0
Fiscal balance (% of GDP)[1]	-4.0	-2.8	-5.5	-3.6	-2.6	-2.4
Revenues (% of GDP)	27.8	28.5	27.4	27.4	28.0	28.3
Debt (% of GDP)	96.8	93.9	94.2	96.8	99.4	101.8
Primary balance (% of GDP)[1]	-1.0	1.1	-1.5	0.8	2.0	2.6
International poverty rate ($2.15 in 2017 PPP)[2,3]	75.7	75.0	75.3	75.3	75.1	74.9
Lower middle-income poverty rate ($3.65 in 2017 PPP)[2,3]	89.1	88.8	89.0	89.0	88.9	88.8
Upper middle-income poverty rate ($6.85 in 2017 PPP)[2,3]	96.4	96.2	96.3	96.3	96.2	96.2
GHG emissions growth (mtCO2e)	1.6	0.9	1.0	1.0	1.1	1.1

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Figure includes once-off capital gains revenues in 2017, estimated at 2.7 percent of GDP.
2/ Calculations based on 2019-IOF. Actual data: 2019. Nowcast: 2020-2024. Forecasts are from 2025 to 2027.
3/ Projection using neutral distribution (2019) with pass-through = 0.87 (Med (0.87)) based on GDP per capita in constant LCU.

NAMIBIA

GDP growth is projected to weaken to 2.9 percent in 2025, reflecting deterioration in the global outlook and heightened uncertainty weighing on FDI prospects. Lower SACU receipts are expected to negatively affect both fiscal and external accounts in 2025, but financing is expected to remain adequate. With lower growth and high unemployment, poverty is expected to remain high at 19.7 percent in 2025, based on the international poverty line.

Population[1] million	Poverty[2] millions living on less than $2.15/day
3.0	0.4
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
58.1	133.5
GDP[5] current US$, billion	**GDP per capita[6]** current US$
13.4	4414.6

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2015 (2017 PPPs). 3/ 2022. 4/ 2022. 5/ 2024. 6/ 2024.

Key conditions and challenges

Since gaining independence in 1990, Namibia experienced steady GDP growth, averaging 4.3 percent up to 2015. This growth was driven by structural and cyclical factors, including sound macroeconomic management, capital deepening, and spillovers from the commodity super cycle. Resource wealth was utilized to enhance access to public services, such as health and education, and expand social protection, contributing to poverty reduction. Based on the international poverty line of $2.15 per day (in 2017 purchasing power parity [PPP] prices), the poverty rate decreased from 35.9 percent in 2003/04 to 15.6 percent in 2015/16.

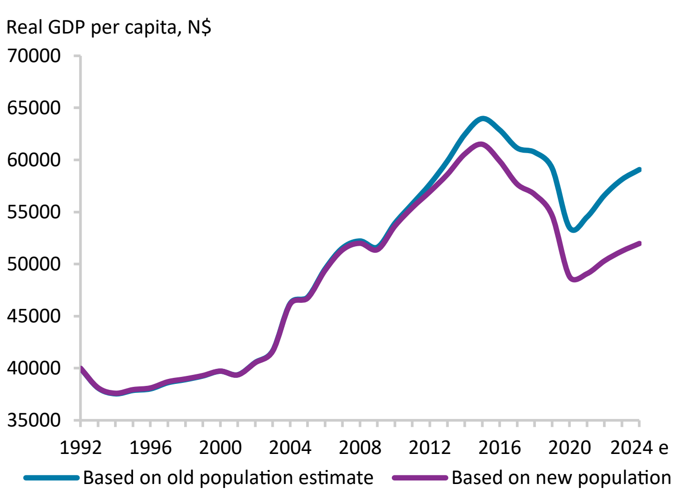
Since 2016, Namibia's economic performance has been uneven, characterized by recession up to 2020 due to recurrent drought, the pandemic shock, and declining investment. The rebound from the COVID-19 pandemic was weak and primarily led by the mineral sector that benefited from renewed foreign direct investment (FDI) and favorable commodity prices. GDP is now above pre-COVID levels, but output in some sectors is still lower. Real per capita income remains below its 2015 peak.

Recently published census data highlights that despite some progress since independence, socio-economic challenges remain significant. Growth is insufficient to generate significant job gains and reduce poverty. Only 547,000 people are employed (excluding own-use production work) out of a working-age population of 1.87 million. Unemployment, at 36.9 percent, exacerbated by skills shortages, and inequality (Gini index at 59.1) are among the highest in the world. The 2023 census found Namibia's population to be about 15 percent larger, with negative implications for income per capita (Figure 1). The evolving trade policy changes and related uncertainty add to preexisting domestic challenges. This backdrop underscores the need for policies that promote faster and more inclusive growth, supported by an agenda to improve skills, boost productivity, and encourage more private sector investment.

Recent developments

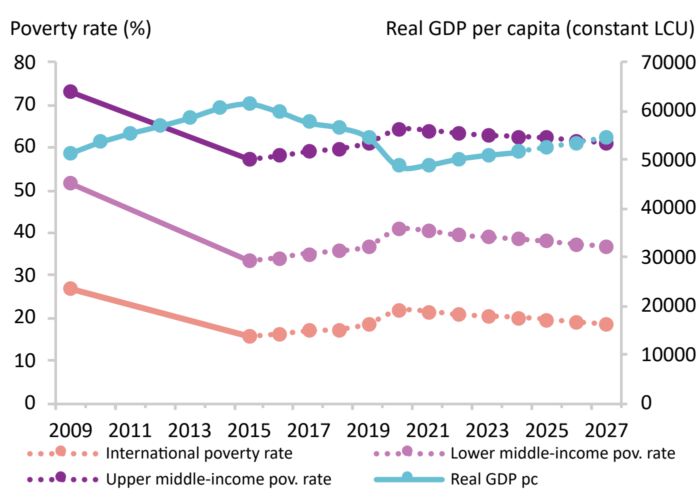
GDP growth is estimated to have slowed to 3.7 percent in 2024, due to a decline in mining activities, severe drought and weak demand for diamonds. As diamond production decreased and oil exploration activities slowed, non-mining sectors underpinned economic growth, especially financial services, transport, and retail

FIGURE 1 / Higher population data have reduced measures of per capita income



Sources: WDI and World Bank staff estimates.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

trade. Private consumption was firm, supported by a decline in inflation to an average of 4.2 percent. Investment contracted from a high base in 2023 while net exports remained negative.

Namibia's twin external and fiscal deficits deteriorated in 2024 but remained adequately financed. The current account deficit (CAD) increased to about 15.3 percent of GDP mainly driven by higher consumer goods and FDI-related imports. The fiscal balance widened to 3.9 percent of GDP partly due to a larger wage bill, spending on drought relief measures, and transfers to state-owned entities (SOE). The public debt ratio (including SOE guarantees) increased slightly to 70.3 percent of GDP.

The Bank of Namibia reduced rates by a cumulative 100 basis points, broadly aligning with the stance of the South African Reserve Bank (SARB). However, the BoN's policy rate is 75-basis points lower.

Outlook

With a deteriorated global outlook, Namibia's GDP growth is expected to decline to 2.9 percent in 2025 and average 3.5 percent in the medium term. Uncertainties have increased given potential direct and indirect effects from a weaker global environment. While higher tariffs in US market are expected to have limited direct impacts as exports to the US account for 3 percent of Namibia's total exports, indirect impacts could be higher as commodity prices decline and global demand wanes. Furthermore, the uncertain global environment could negatively affect planned large energy investment projects, still at feasibility stage. Moderate food prices and lower fuel prices are expected to keep headline inflation contained at 4.2 percent in 2025. Given weaker growth prospects and elevated unemployment, poverty is expected to remain high at 19.7 percent (around 609,000 people) in 2025 under the $2.15 per day international poverty line (2017 PPP).

Southern African Customs Union (SACU) revenues are set to decline in 2025,impacting fiscal and external accounts. The fiscal deficit is expected to worsen to 5.0 percent of GDP, owing also to lower nontax receipts, not fully compensated by spending retrenchment after one-off expenditures in 2024/25, including on SOE tax liabilities. High debt service payments and a large public wage bill further limit fiscal space. With the projected GDP growth and use of savings to retire part of the $750 million Eurobond due in October 2025, the debt ratio is expected to decline over the medium term. The large CAD will likely be mainly funded by FDI.

Risks to the outlook are significant. Escalation in trade tensions could further diminish growth prospects, put additional downward pressure on commodity prices and worsen socio-economic challenges. Uncertainties regarding oil development persist despite recent discoveries while climate shocks remain an ongoing risk. Fiscal policy is expected to focus on curbing expenditure to support reduction of the debt ratio in the medium term. Strengthening private sector investment and closing gaps in education remain crucial for the country's prosperity.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	5.4	4.4	3.7	2.9	3.4	3.5
Private consumption	9.5	4.7	13.3	4.8	5.2	5.2
Government consumption	0.6	1.3	3.2	1.2	0.7	0.6
Gross fixed capital investment	9.9	68.9	-7.9	3.6	7.9	8.5
Exports, goods and services	23.2	13.3	0.1	-1.6	4.0	4.7
Imports, goods and services	23.0	22.5	7.9	2.5	6.0	6.5
Real GDP growth, at constant factor prices	4.6	4.3	3.2	2.9	3.4	3.5
Agriculture	1.7	-3.2	-2.7	2.8	1.5	1.5
Industry	11.3	9.6	1.0	0.4	3.6	4.0
Services	2.2	3.0	5.0	4.0	3.6	3.6
Employment rate (% of working-age population, 15 years+)	46.6	46.5	46.6	46.1	46.1	46.1
Inflation (consumer price index)	6.1	5.9	4.2	4.2	4.6	4.6
Current account balance (% of GDP)	-12.7	-15.3	-15.3	-14.9	-15.4	-15.6
Net foreign direct investment inflow (% of GDP)	8.4	21.1	15.1	8.1	10.2	12.7
Fiscal balance (% of GDP)	-5.1	-2.4	-3.9	-5.0	-4.3	-4.2
Revenues (% of GDP)	30.4	35.0	36.5	33.9	33.9	33.7
Debt (% of GDP)[1]	71.7	69.4	70.3	68.5	68.1	67.5
Primary balance (% of GDP)	-0.7	3.0	1.3	0.2	0.6	0.6
International poverty rate ($2.15 in 2017 PPP)[2,3]	20.7	20.3	19.9	19.7	19.2	18.8
Lower middle-income poverty rate ($3.65 in 2017 PPP)[2,3]	39.4	38.8	38.3	38.0	37.4	36.9
Upper middle-income poverty rate ($6.85 in 2017 PPP)[2,3]	63.3	62.8	62.5	62.3	61.8	61.4
GHG emissions growth (mtCO2e)	2.7	1.1	2.8	4.2	3.6	3.6

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Refers to Public and Publicly Guaranteed debt.
2/ Calculations based on 2015-NHIES. Actual data: 2015. Nowcast: 2016-2024. Forecasts are from 2025 to 2027.
3/ Projection using neutral distribution (2015) with pass-through = 0.87 (Med (0.87)) based on GDP per capita in constant LCU.

NIGER

Population[1] million	Poverty[2] millions living on less than $2.15/day
27.0	12.4
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
62.1	68.5
GDP[5] current US$, billion	**GDP per capita[6]** current US$
19.7	727.9

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2021 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

In 2024, GDP growth is estimated at 8.4 percent (4.9 percent per capita) driven by oil exports and agriculture. Despite 9.1 percent inflation, extreme poverty rate was reduced by 2.5 points due to robust agricultural growth. Debt sustainability was downgraded to high risk due to weak revenue mobilization and arrears. In 2025 growth is projected at 7.1 percent, with oil production reaching 28 million barrels, but risks remain.

Key conditions and challenges

Niger's economy relies heavily on agriculture, making it vulnerable to climate shocks. With low productivity and high population growth, around half of the population lives in extreme poverty.

Niger's relative stability in the Sahel changed with the military coup on July 26, 2023. It triggered economic and financial sanctions by the Economic Community of West African States (ECOWAS) and the West African Economic and Monetary Union (WAEMU) for nearly seven months and a pause in development assistance.

On January 29, 2025, Niger formally exited ECOWAS along with Burkina Faso and Mali, following a joint withdrawal announcement in January 2024 and unsuccessful mediation efforts. The three countries, forming the Confederation of Sahel States (AES), have replaced the ECOWAS passport with their own unified passport. However, Nigerien citizens and businesses retain access to key ECOWAS membership benefits, including the free movement of people and goods, pending further decisions. The authorities have reiterated Niger's intention to remain in WAEMU.

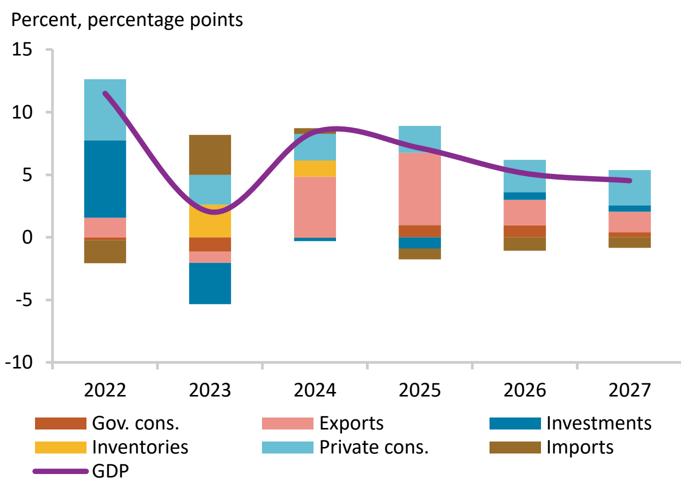
Following the completion of the Niger-Benin pipeline, large-scale oil export began in May 2024. Total crude oil production is projected to increase from about 15,000 to 107,000 barrels per day by 2025, significantly boosting oil exports, revenues, and GDP. However, as of March 2025, Niger's land border with Benin remains closed, with Nigerien authorities citing security concerns.

The humanitarian situation has remained precarious, with heavy rains in July and August 2024 causing floods in parts of the country, affecting over 160,000 households (1.2 million people). An estimated 1.5 million people (5.6 percent of population) were facing food insecurity in December 2024.

Recent developments

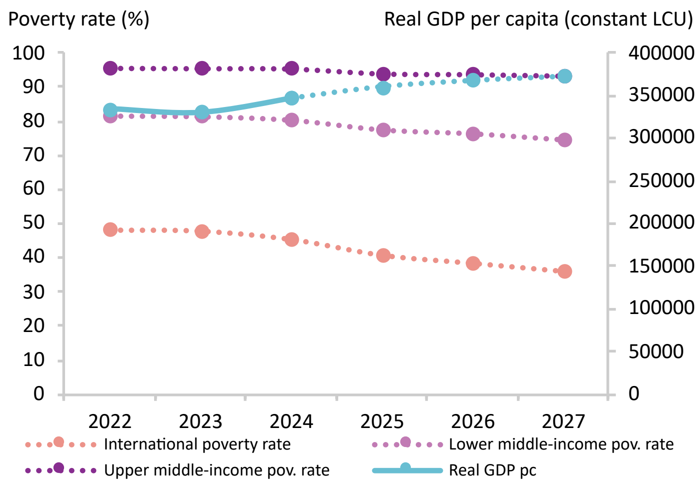
GDP growth increased from 2.0 percent in 2023 to 8.4 percent in 2024 (4.9 percent per capita), following the lifting of sanctions and driven by a 48.5 percent rise in (mainly oil) exports. As a result, the current account deficit as a share of GDP declined from 9.3 to 6.2 percent. Agriculture was the main growth driver on the supply side (+11.1 percent) due to a good season following a year of inadequate rainfall, pests, and insecurity. Industrial

FIGURE 1 / Real GDP growth and demand-side contributions to real GDP growth



Source: World Bank staff estimates.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

output grew by 12.1 percent due to oil production. Bank customers' reluctance to keep deposits due to sanctions, combined with government arrears on debts to bank-financed local suppliers, has heightened risks, with non-performing loans reaching 24 percent and the solvency ratio falling from 20.5 percent to 9.8 percent by September 2024.

Headline inflation rose from 3.7 percent in 2023 to 9.1 percent in 2024, driven by higher food prices due to import disruptions and shortages caused by a deficit in cereal production in 2023. Despite inflation, strong economic growth, particularly in agriculture, led to a 2.5 percentage point decrease in the extreme poverty rate (at $2.15 in 2017 PPP a day) in 2024, lifting over 270,000 people out of extreme poverty.

The WAEMU inflation rate declined further to 3.5 percent but remained above the 1–3 percent WAEMU target band. Regional foreign reserves increased from 3.5 months of imports in 2023 to 4.7 months in 2024, reflecting the resumption of international bond issuances, IMF, and World Bank disbursements. The Central Bank of West African States kept its policy interest rates unchanged throughout 2024 at 3.5 percent for liquidity calls and 5.5 percent for the marginal lending facility.

The fiscal deficit narrowed to 4.3 percent of GDP due to drastic cuts in expenditures in response to lower grants and custom-related revenues, and the spike of nominal GDP. Debt service reached over 34 percent of domestic revenues and nearly 20 percent of total expenditure by the end of December 2024. As a result, the joint Bank-Fund Debt Sustainability Analysis in January 2025 assessed the overall risk of debt distress to be high, primarily due to external debt service-to-revenue ratio projections breaching the threshold.

Outlook

GDP growth is projected at 7.1 percent in 2025, assuming total domestic oil production reaches 28 million barrels. Inflationary pressures are expected to ease due to increased food supply following a strong 2024 harvest. The fiscal deficit is expected to near the WAEMU target of 3 percent by 2027, as oil-driven revenues rise gradually despite lower prices stemming from global trade uncertainty and expenditures remain contained. Growth is expected to slow in 2026-27 as oil production reaches full capacity. The ECOWAS exit is not expected to have significant impacts on the economy or prices.

The regional inflation rate is expected to align with the WAEMU target band from 2025 onwards (for Niger from 2027), while regional reserves are projected to rise to 5.4 months of imports in 2025, supported by recovering exports, and lower Euro Area interest rates.

Strong growth prospects are expected to gradually reduce the extreme poverty rate to 36.2 percent by 2027, a 9.1 percentage point drop from 2024. This will decrease the number of people living in extreme poverty by nearly 1.5 million. However, 2.2 million people (8.1 percent of the population) are projected to face severe food insecurity between June and August 2025, particularly in the regions of Maradi and Dosso.

Downside risks to the outlook include climate, insecurity and oil price shocks. A materialization of banking sector risks could undermine private investment. Upside risks include higher oil production for exports and an earlier than expected re-opening of the Niger-Benin border.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	11.5	2.0	8.4	7.1	5.1	4.5
Private consumption	7.0	3.5	3.1	3.3	4.1	4.5
Government consumption	-1.2	-7.0	-0.3	7.0	7.0	3.0
Gross fixed capital investment	21.1	-10.4	-0.9	-3.5	2.7	2.3
Exports, goods and services	14.4	-8.1	48.5	42.5	11.2	8.5
Imports, goods and services	6.5	-12.0	-2.0	4.2	5.3	4.1
Real GDP growth, at constant factor prices	11.6	2.1	8.4	7.1	5.1	4.5
Agriculture	27.0	3.1	11.1	5.7	9.2	4.8
Industry	-0.9	3.9	12.1	8.5	3.3	3.4
Services	4.9	0.1	3.3	8.0	1.3	4.9
Employment rate (% of working-age population, 15 years+)	72.9	73.1	73.1	73.1	73.1	73.1
Inflation (consumer price index)	3.9	3.7	9.1	5.3	4.7	3.0
Current account balance (% of GDP)	-9.8	-9.3	-6.2	-3.9	-4.2	-4.5
Net foreign direct investment inflow (% of GDP)	3.9	3.2	1.5	1.7	1.7	1.6
Fiscal balance (% of GDP)	-6.8	-4.4	-4.3	-3.9	-3.4	-3.2
Revenues (% of GDP)	14.9	11.6	9.3	10.5	11.2	10.8
Debt (% of GDP)	51.7	54.7	47.6	44.5	43.0	41.9
Primary balance (% of GDP)	-5.8	-3.2	-2.6	-2.7	-2.3	-2.3
International poverty rate ($2.15 in 2017 PPP)[1,2]	48.1	47.8	45.3	40.6	38.2	35.8
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	81.7	81.5	80.4	77.4	76.2	74.3
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	95.5	95.4	95.3	94.0	93.8	93.4
GHG emissions growth (mtCO2e)	5.0	4.0	4.9	4.9	4.8	4.7

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2021-EHCVM. Actual data: 2021. Nowcast: 2022-2024. Forecasts are from 2025 to 2027.
2/ Projections using microsimulation methodology.

NIGERIA

Population[1] million	Poverty[2] millions living on less than $3.65/day
232.7	130.1
Life expectancy at birth[3] years	School enrollment[4] primary (% gross)
53.6	86.7
GDP[5] current US$, billion	GDP per capita[6] current US$
186.2	800.4

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2018 (2017 PPPs). 3/ 2022. 4/ 2021. 5/ 2024. 6/ 2024.

Macroeconomic reforms started stabilizing the economy. Inflation remains elevated with tight monetary policy supporting a gradual easing. The fiscal position improved due to a revenue surge largely from the implicit FX subsidy removal. Global economic uncertainty poses a major risk, potentially impacting fiscal and external balances through lower oil prices and tighter financial conditions. Double-digit inflation continues to affect poverty, which begins stabilizing in 2026.

Key conditions and challenges

The economy has become more resilient as the government continues to stay the course on a broadly appropriate macroeconomic policy mix, amid pressing social and humanitarian challenges. Macroeconomic reforms have helped eliminate unsustainable distortions and correct course. A unified and market-reflective exchange rate has made the naira competitive, orthodox monetary policy has improved FX liquidity and reduced volatility, and removing FX and Premium Motor Spirit (PMS) subsidies has started to reopen fiscal space for increased social and capital spending.

The recent bold reforms have enabled Nigeria to avoid a macro-fiscal crisis. Sustaining the macroeconomic reforms and pursuing structural reforms are essential to unlock Nigeria’s growth potential. To accelerate and sustain progress, addressing structural bottlenecks is crucial. Key priorities include strengthening governance, improving infrastructure, expanding access to electricity and digital connectivity, enhancing security, reducing trade barriers, and investing in human capital development. This should be accompanied by robust social protection measures to protect the population—especially the poorest—against shocks.

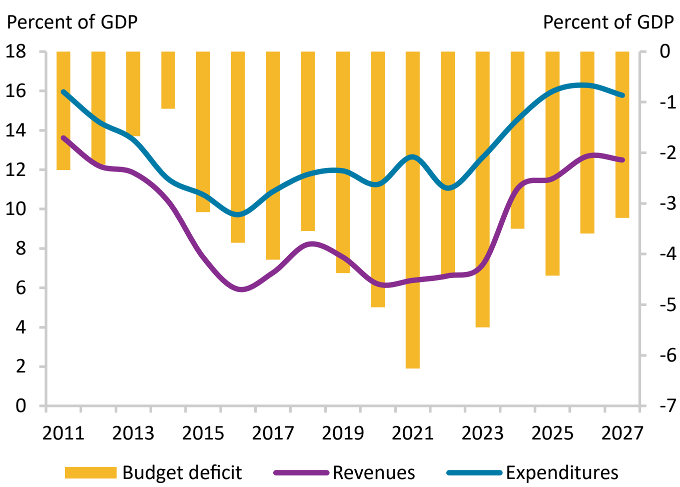
Recent developments

Nigeria's economic growth has remained moderate, but resilient. Real GDP grew by 3.4 percent in 2024, up from 2.7 percent in 2023, primarily driven by financial and telecommunication services, a continued rebound in oil production, and a recovery in transportation.

Inflation, especially food, remained high in 2024 but monetary policy remained tight supporting a gradual easing. The policy rate was retained at 27.5 percent in February 2025, a rise of 875 basis points since January 2024. Although headline inflation peaked in 2024, it is expected to go down in 2025. Labor incomes have not kept up with inflation, pushing another 10 million Nigerians into poverty such that nearly half of all Nigerians (46 percent measured at the international poverty line of US$ 2.15 based on the 2017 PPPs) lived in poverty in 2024.

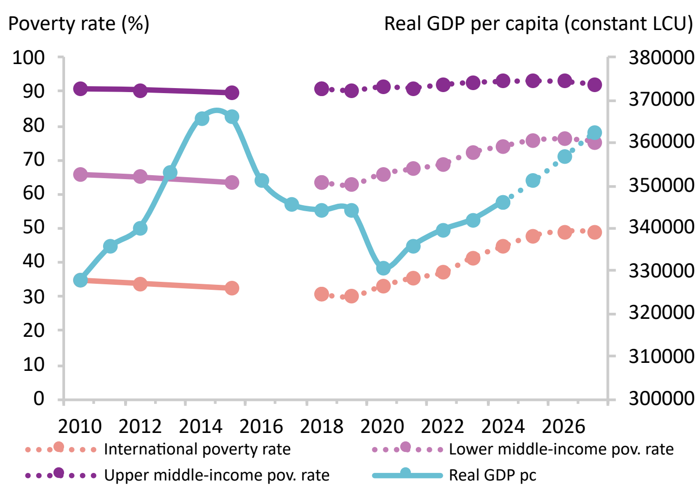
A surge in revenues improved the fiscal position at both the Federal and State levels. In 2024, the consolidated government fiscal deficit narrowed to 3.5 percent of GDP, down from 5.4 percent in 2023. This largely reflected the removal of the implicit FX subsidy,

FIGURE 1 / Revenues, expenditures, and deficit



Sources: Nigerian National Bureau of Statistics, WDI, and World Bank.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

improved tax administration, increased remittances from government-owned enterprises and higher internally generated revenues at the state level. Deficit monetization stopped. Public and publicly guaranteed debt stood at 53.3 percent in 2024, compared to 45 percent in 2023, mainly due to FX valuation effects.

The current account surplus experienced a significant increase in 2024 following the depreciation of the naira. Imports of both oil and non-oil goods declined, while worker remittances increased due to the FX unification. Financial inflows were supported by foreign portfolio investment, whilst foreign direct investment remained low. Gross external reserves remain on an overall upward trend standing at US$ 38.4 billion in February 2025 from US$ 32.9 billion in December 2023.

Outlook

Economic activity is expected to grow moderately in the medium term, driven by the services sector. GDP growth is projected to average 3.6 percent between 2025 and 2027, with per capita growth expected to be around 1.1 percent. Agricultural output is estimated to increase modestly, while the industrial sector is projected to remain constrained by sluggish crude oil production and structural bottlenecks such as energy constraints. The services sector, especially financial, and information and communication technology, services, will continue to drive growth.

Inflation is expected to moderate but remain high from an average of around 22.1 percent in 2025 tapering to about 15.9 percent in 2027. Consequently, a further increase in poverty to 50 percent is expected in 2025 before starting to stabilize in 2026. Reforms to protect the poorest against inflation and to boost livelihoods of all Nigerians through more productive work are key to reverse high levels of poverty. With inflation remaining elevated, a tight monetary policy stance must persist while avoiding any recourse to deficit monetization.

The fiscal outlook remains positive, with rising nominal revenues and supported by ongoing reforms such as domestic revenue mobilization. The fiscal gains from the PMS subsidy removal can further generate fiscal space allowing the government to scale up social and capital spending while keeping debt on a sustainable path. The fiscal deficit is estimated to narrow to 3.4 percent of GDP by 2027. Despite Nigeria's rising debt to GDP ratio, the overall debt burden remains at moderate levels thanks to the lower debt service to revenue ratio.

The external balance is expected to maintain a surplus in the medium term, standing at 8.9 percent in 2027. The surplus on the balance of payments is expected to be supported by a pick-up in non-oil agriculture exports and a slowdown in PMS imports, as remittance inflows are expected to grow modestly.

Risks to the outlook are largely tilted to the downside. Domestically, these include social risks that could impede reform progress, adverse weather, insecurity in farming areas, higher import costs for inputs, naira depreciation, and declining oil production. Globally, heightened uncertainty could sharply lower oil prices and accordingly oil exports and revenues as well as tighten financial conditions. However, a flexible naira could help offset some of these impacts.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	3.3	2.9	3.4	3.6	3.7	3.8
Real GDP growth, at constant factor prices	3.1	2.7	3.4	3.5	3.6	3.7
Agriculture	1.9	1.1	1.2	1.6	1.8	2.1
Industry	-4.6	0.7	2.4	2.4	1.9	1.8
Services	6.7	4.2	4.7	4.7	4.9	4.9
Inflation (consumer price index)[1]	12.2	17.9	26.6	22.1	18.5	15.9
Current account balance (% of GDP)	0.7	1.6	9.2	7.3	9.4	8.9
Net foreign direct investment inflow (% of GDP)	0.2	-0.6	-0.8	-0.8	-0.6	-0.7
Fiscal balance (% of GDP)[2]	-4.4	-5.4	-3.5	-4.8	-3.7	-3.4
Debt (% of GDP)[3]	35.0	45.0	53.3	55.5	54.7	53.5
Primary balance (% of GDP)	-1.4	-2.0	-0.2	-1.1	-0.1	-0.4
International poverty rate ($2.15 in 2017 PPP)[4,5]	39.6	41.6	45.8	49.9	52.2	52.7
Lower middle-income poverty rate ($3.65 in 2017 PPP)[4,5]	71.2	72.1	74.8	77.2	78.0	78.0
Upper middle-income poverty rate ($6.85 in 2017 PPP)[4,5]	92.7	92.7	93.3	93.8	93.6	93.2
GHG emissions growth (mtCO2e)	2.1	2.2	3.3	2.3	2.8	3.2

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ The Consumer Price Index (CPI) series reflects World Bank calculations on the back-casted series following CPI rebasing by the National Bureau of Statistics (NBS).
2/ The fiscal balance is reported in cash basis.
3/ This includes remaining ways and means stock but excludes electricity subsidy arrears, AMCON liabilities and explicit guarantees.
4/ Calculations based on 2018-LSS. Actual data: 2018. Nowcast: 2019-2024. Forecasts are from 2025 to 2027.
5/ Projections using microsimulation methodology.

RWANDA

Population[1] million	Poverty[2] millions living on less than $2.15/day
13.9	6.2
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
67.1	151.9
GDP[5] current US$, billion	**GDP per capita[6]** current US$
13.6	984.2

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2016 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

Rwanda's strong economic momentum continued in 2024, led by services, manufacturing, and food production. Inflationary pressures have eased due to food production improvements, lower commodity prices, and tight monetary policy stance. Growth is projected to slowdown in 2025–2027, as the fiscal consolidation is being fully implemented. Poverty is projected to decrease by 1.3pp between 2024-26 driven by solid growth in private consumption.

Key conditions and challenges

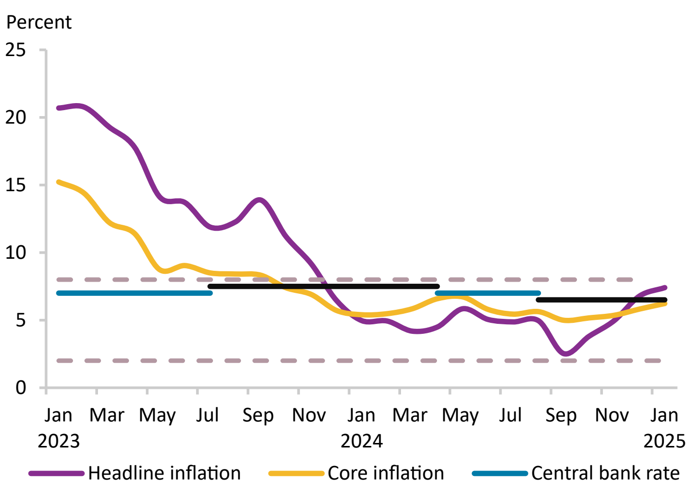
In 2014-2023, Rwanda's GDP per capita increased at a rate of 4.3 percent per year, surpassed only by Ethiopia among SSA economies. Rwanda has also achieved substantial gains in educational attainment, health services delivery, and access to basic services. However, growth has relied heavily on public investment—boosted by external aid—that has neither generated sufficient jobs nor resulted in rapid gains in productivity and rapid poverty reduction. Moving Rwanda to the next stage of development will require greater reliance on private sector investment to enhance economic activity, raise incomes, and provide the financing needed. Increased market orientation of agricultural support policies and higher efficiency of agricultural markets will also be required to make growth more inclusive. Critical areas to enable rapid private sector development, include enhancing competition, building firms' capabilities, increasing access to finance, fostering development and diffusion of information and communication technologies, and innovation. An abrupt disruption to accessing concessional development financing could jeopardize Rwanda's growth aspirations and human capital developments, such as access to health care, under-five mortality, maternal mortality ratio and fertility rate.

Recent developments

Averaging 8.2 percent in 2022-2023, the economy grew by 8.9 percent in 2024, driven by robust private consumption—reflecting the creation of close to half a million jobs, especially in rural areas—and strong investment. On the supply side, growth was driven by continued expansion in services and industry and recovery in food production.

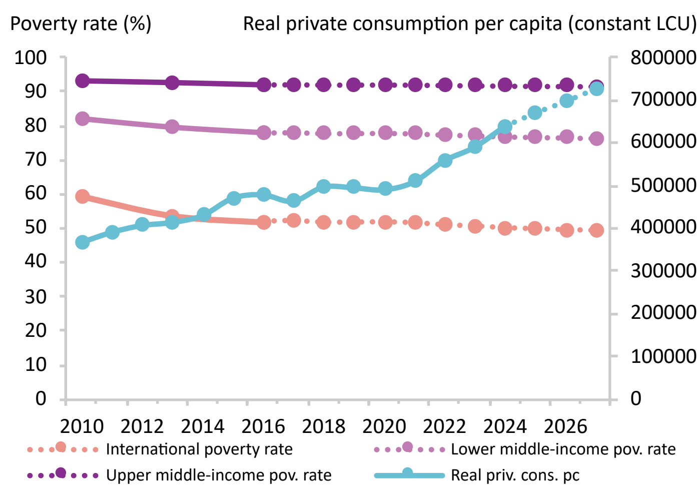
The National Bank of Rwanda (NBR) eased the monetary stance amidst a gradual decline of inflation. Headline inflation dropped to 2.5 percent in September 2024—the lowest since January 2022, before edging up to 6.5 percent in March 2025—but remains within its target bands (5±3 percent). Disinflation was primarily driven by lower food prices, reflecting improved supplies of fresh food items, lower imported inflation and monetary policy tightening. Lower food inflation eased the pressure on household budgets, especially the poor. This has allowed the NBR to lower the policy rate—by

FIGURE 1 / Headline and core inflation and central bank rate



Sources: National Institute of Statistics of Rwanda and National Bank of Rwanda.

FIGURE 2 / Actual and projected poverty rates and real private consumption per capita



Source: World Bank. Notes: See footnotes in table on the next page.

100 basis points cumulatively—from 7.5 percent in April 2024to 6.5 percent in August 2024. Since then, it was maintained at 6.5 percent. The franc depreciation against the dollar has also eased to 9.8 percent in 2024, down from 18 percent in 2023. By December 2024, official foreign reserves were about 30 percent higher than in December 2023 due to the disbursements under World Bank's development policy financing (US$255 million) and IMF programs (US$170 million). International reserves remained adequate at about 5.4 months of imports at end-2024, despite the widening current account deficit.

The FY24/25 budget envisages reducing the fiscal deficit in line with fiscal consolidation to preserve fiscal sustainability. The fiscal deficit is projected to slightly decline, supported with the ongoing expenditure rationalization—while safeguarding essential spending, in particular on investment and social assistance—as well as the recently adopted tax policy measures. Relying largely on concessional loans to finance the deficit, Rwandan's public debt is sustainable despite recent increases in the stock (Table 1). Using the international poverty line of $2.15/day in 2017 PPPs, poverty is estimated at 47.6 percent in 2024.

Outlook

GDP growth is projected to ease, averaging 7.2 percent in 2025-27. Services are expected to continue driving growth. Under the second National Strategy for Transformation, Rwanda aims to scale up manufacturing and high-value production, reducing import dependence while strengthening its position as a global hub for Meetings, incentives, conferences and exhibition (MICE). This will take time, and the current account deficit is expected to remain high over the next three years, reflecting continued reliance on imports and gradual export growth. Strong FDI inflows and concessional financing are expected to continue supporting external financing needs. Inflation is projected to remain near the NBR's medium-term target of 5 percent. Driven by average growth in private consumption of 4.3 percent a year in 2025-2026, poverty is projected to decline to 46.3 percent in 2026.

The government remains committed to fiscal consolidation, focusing on rationalizing spending and improving revenue administration. Efforts include temporary savings by reducing costs related to official travel and conferences by increasing reliance on virtual meetings and expanding public services digitalization. Additionally, the government is enhancing management, oversight, and monitoring of public investments to improve efficiency and ensure that priority projects deliver their intended impact. Revenue administration reforms will focus on broadening the tax base. Public debt is expected to peak at 86.4 percent of GDP in 2026 before gradually declining over the medium term.

The outlook is subject to substantial downside risks. Volatility in the global and regional economies could reduce demand for exports. Disruptions to concessional external financing could dampen growth and human capital development. Domestically, main risks stem from climate-related shocks to Rwanda's dominantly rain-fed agriculture sector, which could negatively affect incomes and food security for rural households, and reigniting inflationary food pressures. Slower progress on domestic resource mobilization and the external adjustment could undermine the debt path and raise debt service pressures amidst declining concessional financing.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	8.2	8.2	8.9	7.0	7.3	7.3
Private consumption	12.1	9.9	4.2	6.2	5.5	5.6
Government consumption	10.6	6.0	12.9	7.8	7.1	11.4
Gross fixed capital investment	-12.6	-4.1	19.0	16.5	18.3	13.0
Exports, goods and services	29.4	25.8	16.0	10.0	9.7	8.7
Imports, goods and services	17.9	14.4	11.5	13.0	11.7	10.1
Real GDP growth, at constant factor prices	5.2	16.0	6.2	7.0	7.3	7.3
Agriculture	1.6	1.7	5.3	5.2	5.3	5.3
Industry	4.9	10.2	10.0	9.1	9.2	9.3
Services	7.3	25.3	5.2	6.9	7.4	7.4
Employment rate (% of working-age population, 15 years+)	51.6	52.2	52.4	52.7	52.9	53.2
Inflation (consumer price index)	12.1	15.4	4.8	5.0	5.0	5.0
Current account balance (% of GDP)	-9.1	-11.5	-12.7	-13.8	-16.0	-13.5
Net foreign direct investment inflow (% of GDP)	2.6	3.6	4.2	5.4	8.1	7.0
Fiscal balance (% of GDP)	-6.2	-4.6	-5.5	-4.8	-3.7	-3.4
Revenues (% of GDP)	24.1	22.5	21.6	22.1	22.6	22.8
Debt (% of GDP)	68.7	73.8	78.8	84.8	86.4	86.4
Primary balance (% of GDP)	-4.1	-2.4	-3.2	-2.5	-1.7	-1.6
International poverty rate ($2.15 in 2017 PPP)[1,2]	49.2	48.0	47.6	46.9	46.3	45.7
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	76.3	75.5	75.3	74.8	74.4	74.1
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	91.7	91.4	91.4	91.2	91.1	91.0
GHG emissions growth (mtCO2e)	1.6	0.9	2.5	2.3	2.8	2.9

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2010-EICV-III and 2016-EICV-V. Actual data: 2016. Nowcast: 2017-2024. Forecasts are from 2025 to 2027.
2/ Projection using average elasticity (2010-2016) with pass-through = 0.25 based on private consumption per capita in constant LCU.

SÃO TOMÉ AND PRÍNCIPE

Population[1] thousand **235.5**	Poverty[2] thousands living on less than $3.65/day **93.2**
Life expectancy at birth[3] years **68.8**	School enrollment[4] primary (% gross) **105.9**
GDP[5] current US$, billion **0.8**	GDP per capita[6] current US$ **3244.8**

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2017 (2017 PPPs). 3/ 2022. 4/ 2021. 5/ 2024. 6/ 2024.

Economic growth is hindered by structural challenges. In 2024, the economy grew by 0.9 percent, supported by tourism and improved electricity supply, while facing inflation, weak job creation, and rising emigration. Growth is expected to rebound due to energy reforms and macroeconomic stabilization. Risks from delayed reforms, weak donor support, commodity price volatility, global trade policy shifts, and vulnerability to natural disasters are high.

Key conditions and challenges

São Tomé and Príncipe (STP), a small-two island state in the Gulf of Guinea, boasts untapped natural wealth like beaches, rainforests, and rich biodiversity, offering growth opportunities through the blue economy. These opportunities, however, are hampered by structural challenges like limited institutional capacity, low economic diversification, high import dependence, low economies of scale, and climate change vulnerability.

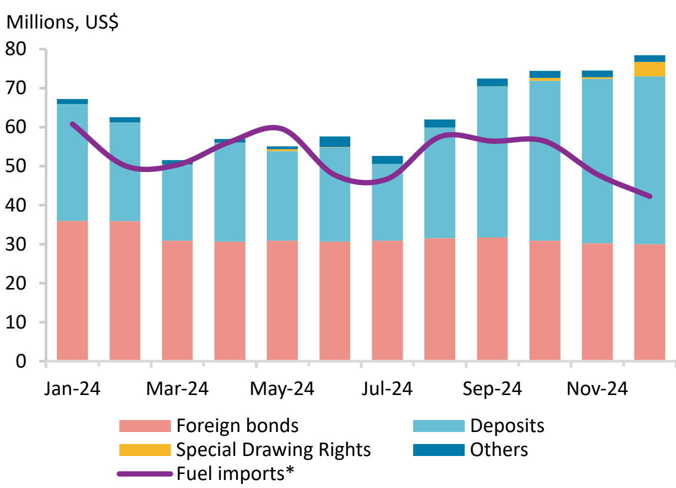
Economic growth has been driven by externally financed public investment, dependent on official development assistance, which declined from 24 percent of GDP in 2004-08 to 14 percent in 2019-23, challenging the country's growth model. In addition, spending cuts to restore fiscal sustainability have put necessary development spending at risk. Weak GDP per capita growth and limited job opportunities have hindered poverty reduction and increased vulnerability among the poorest, exacerbated by limited access to education, basic services, and social protection. Nearly half of the youth are not in employment, education, or training, prompting youth, including skilled ones, to emigrate.

Recent economic growth has been hindered by unreliable and costly electricity. The electricity sector is dominated by EMAE (Empresa de Água e Electricidade), a state-owned enterprise, which relies on fuel imports and outdated and poorly maintained diesel generators. In 2023, STP lost a preferential agreement to purchase oil on credit with its main supplier, which caused a balance of payment shock, severe power outages, and fiscal stress. EMAE's accumulated debt to ENCO (Empresa Nacional de Combustíveis e Óleos), the country's fuel importer, is estimated at 28.2 percent of GDP in 2024.

Recent developments

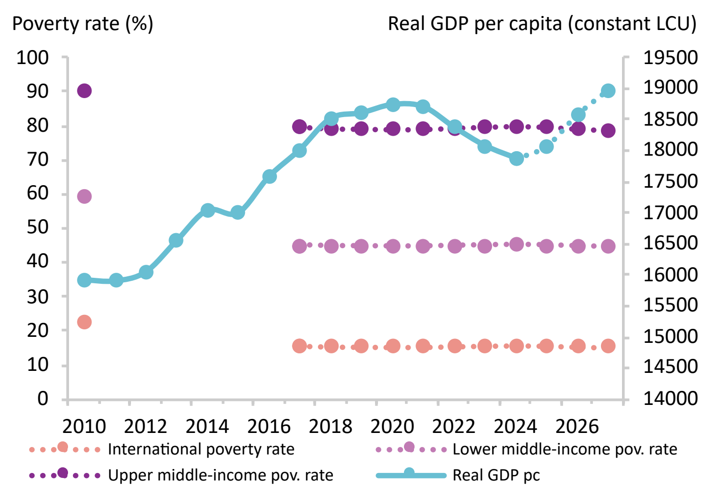
Real GDP growth recovered from 0.4 percent in 2023 to 0.9 percent in 2024, supported by increased electricity generation and tourism, with arrivals surpassing pre-pandemic levels. However, limited foreign currency and fiscal consolidation constrained

FIGURE 1 / Fuel imports and international reserves



Source: Central Bank of São Tomé and Príncipe.
Note: *Fuel imports (12-month rolling sum).

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

economic activity. Real GDP growth remains below population growth, leading to lower real income per capita.

Annual inflation averaged 14.5 percent in 2024, down from 21.4 percent in 2023, but stagnated towards the year's end. It fell from 19.2 to 11.4 percent between April and October, mostly due to smaller contribution from food prices. However, overall inflation has increased since November, driven by imported food prices.

The external sector strengthened in 2024, with the current account deficit estimated at 7.1 percent of GDP, down from 12.6 percent in 2023. Tourism exports nearly doubled, which along higher cocoa prices and lower fuel imports, supported a reduction in the trade deficit. International reserves strengthened towards the end of 2024 thanks to disbursements from the IMF, the World Bank and Portugal.

The private sector remains weak and underdeveloped, with an employment rate of 21.7 percent. Sluggish growth and high inflation continued to strain households' purchasing power, leaving 15.8 percent of the population on less than US$2.15/day. About 18 percent of the population lives abroad, and departures from STP increased by more than 70 percent in 2022-23 compared to 2019.

Outlook

Growth is expected to accelerate as reforms bolster macroeconomic stability and drive structural change. Real GDP growth is projected to reach 3.1 percent in 2025 and average 4 percent in the medium term, driven by agricultural exports facilitated by better access to inputs, the resumption of delayed infrastructure investments, tourism arrivals and energy sector reforms.

Annual inflation is projected to average 9.6 percent in 2025 and then stabilize around 5 percent, as reforms alleviate supply bottlenecks and monetary policy remains tight. With tight macroeconomic policies and weak job creation, progress in poverty reduction is expected to be limited. The poverty rate is projected at 15.5 percent over 2025-27, based on the international poverty line.

Supported by the IMF program, the primary balance (commitment basis) is expected to increase from 1.8 percent of GDP in 2024 to 3.9 percent by 2027. Revenues, including grants, are projected to remain close to 24 percent of GDP over 2024-27; expenditures are planned to drop from 23 to 20.4 percent of GDP, while preserving social spending. Central government debt, excluding EMAE's debt to ENCO, is expected to decline from 45.7 to 31.6 percent of GDP in 2024-27. However, contingent liabilities from EMAE's debt are expected to stay high, projected at 24 percent of GDP by 2027.

Despite declining foreign official transfers, a reduced trade-in-goods deficit, mostly from lower fuel imports, is expected to decrease the current account deficit to 5.7 percent of GDP by 2027. Lower fuel imports and temporary capital flow management measures should help strengthen international reserves.

Downside risks include delayed energy sector reforms, changes in donor support, commodity price volatility, and vulnerability to natural disasters. Although the direct impacts of the recent global trade policy shifts are expected to be limited, STP is vulnerable to adverse indirect growth outcome in the European Union, its main trade partner.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	0.2	0.4	0.9	3.1	4.8	4.1
Real GDP growth, at constant factor prices	1.2	-1.1	0.9	3.1	4.8	4.1
Agriculture	-13.6	-12.4	-6.2	1.0	2.0	3.0
Industry	6.4	-2.1	3.3	9.5	4.9	5.0
Services	1.5	0.0	0.9	1.9	5.0	4.0
Employment rate (% of working-age population, 15 years+)	21.5	21.5	21.7	21.6	21.4	21.3
Inflation (consumer price index)	18.0	21.1	14.4	9.6	6.3	5.0
Current account balance (% of GDP)	-14.7	-12.6	-7.1	-6.0	-6.0	-5.7
Net foreign direct investment inflow (% of GDP)	23.9	3.0	7.8	6.0	5.5	5.6
Fiscal balance (% of GDP)	-1.2	-0.1	0.7	3.9	2.1	3.3
Revenues (% of GDP)	27.4	22.2	23.9	27.3	23.5	23.8
Debt (% of GDP)	68.8	50.7	45.7	40.3	36.6	31.6
Primary balance (% of GDP)	-0.7	0.6	1.8	4.5	2.7	3.9
International poverty rate ($2.15 in 2017 PPP)[1,2]	15.6	15.7	15.8	15.7	15.5	15.3
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	44.8	45.0	45.1	45.0	44.7	44.5
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	79.3	79.6	79.8	79.6	79.1	78.7
GHG emissions growth (mtCO2e)	0.6	0.4	0.5	1.6	2.2	1.8

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Projection using point to point elasticity at regional level with pass-through = 0.7 based on GDP per capita in constant LCU.
2/ Actual data: 2017. Nowcast: 2018-2024. Forecasts are from 2025 to 2027.

SENEGAL

GDP growth is estimated at 5.8 percent in 2024, up from 4.3 percent in 2023, driven by hydrocarbon production, while solid agricultural growth and lower inflation—averaging 0.8 percent—reduced extreme poverty incidence to 8.4 percent. An audit confirmed significant under-reporting of fiscal deficits and public debt between 2019–2023. Emerging macro-fiscal management complexities, trade policy shifts and rising global uncertainties pose challenges to Senegal's economic outlook.

Population[1] million **18.5**	Poverty[2] millions living on less than $2.15/day **1.7**
Life expectancy at birth[3] years **67.9**	School enrollment[4] primary (% gross) **82.6**
GDP[5] current US$, billion **34.3**	GDP per capita[6] current US$ **1856.1**

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2021 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

Key conditions and challenges

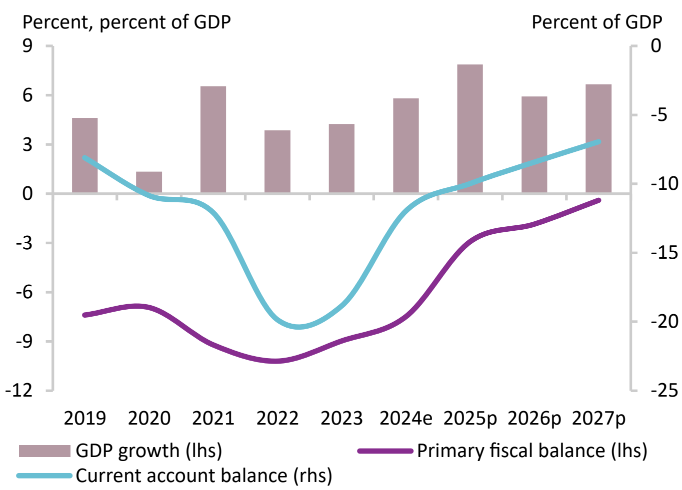
Despite healthy economic growth driven by new hydrocarbon production, fiscal management challenges now dominate Senegal's development path. On 12th February, a Court of Auditors' report requested by the incoming government in a push for transparency showed higher historical deficit and debt levels. Costly energy subsidies add strain to public finances. Meanwhile, structural issues, including human capital deficits, weak formal employment, low labor productivity, and high youth emigration, persist alongside external shocks like climate change and regional instability, impeding growth and poverty reduction. To ensure sustained and inclusive development, assertive fiscal consolidation is needed alongside government's commitment to transparency, improving the investment climate and managing natural resources effectively.

Recent developments

Overall, real GDP growth is estimated at 5.8 percent (3.4 percent in per capita terms) in 2024 driven by a +15.5 percent surge in crude oil extraction. Senegal's non-oil GDP growth slowed to 3.5 percent in 2024, down from 4.3 percent in 2023, largely due to political turmoil surrounding the 2024 presidential election which disrupted economic activity, particularly in the tertiary sector. The agricultural sector performed well, supported by adequate rainfall, though affected by severe flooding in the north and northeast. The start of hydrocarbon production significantly boosted growth, offsetting much of the non-oil sector's weak performance.

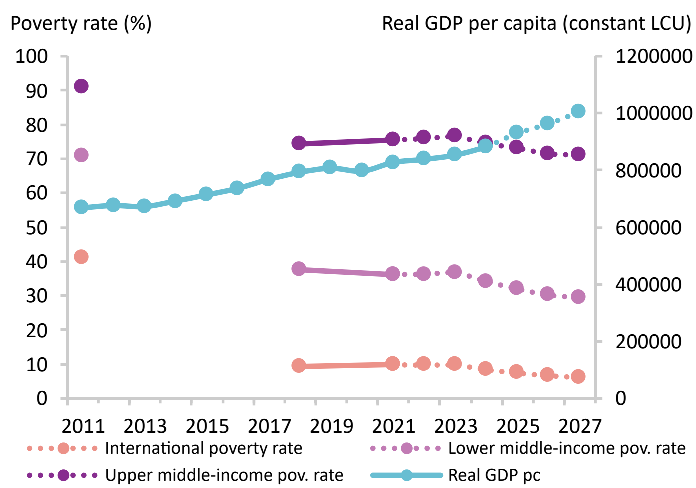
Inflation pressures eased significantly, dropping to 0.8 percent from 5.9 percent in 2023, driven by moderating global commodity and domestic food prices. The West African Economic and Monetary Union (WAEMU) inflation rate declined further in 2024 to 3.5 percent but remained above the 1–3 percent WAEMU target band. Regional foreign reserves increased from 3.5 months of imports in 2023 to 4.7 months in 2024, reflecting the resumption of international bond issuances, IMF, and World Bank disbursements. The Central Bank of West African States (BCEAO) kept its policy interest rates unchanged throughout 2024 at 3.5 percent for liquidity calls and 5.5 percent for the marginal lending facility. With higher labor incomes driven by stable agricultural growth

FIGURE 1 / Evolution of main macroeconomic indicators



Sources: National Bureau of Statistics and World Bank staff estimates.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

and lower (food) inflation, extreme poverty is expected to have declined to 8.4 percent (measured at the international poverty line of $2.15 per day PPP 2017) in 2024, compared to 9.8 percent in 2023.

Senegal's fiscal position has deteriorated following significant under-reporting of fiscal deficits and public debt over 2019–2023. The Court of Auditors' report assessed Central Government debt at 99.7 percent of GDP at end-2023, over 20 percentage points more than previously reported official figures driven by both external and domestic debt. Official data reports that the fiscal deficit reached 11.5 percent of GDP in 2024, driven by domestic revenue shortfalls, increased interest payments, additional spending related to energy subsidies, the legislative elections, and responses to floods. The deficit was financed by new borrowing on regional and international markets, pushing up general government debt to 105.9 percent of GDP at end-2024. The deterioration of the fiscal position stemming from the 2019–23 misreporting and 2024 pressures led to downgrades in creditworthiness and the rise of sovereign debt yields.

The current account deficit (CAD) is projected to narrow significantly to 12.0 percent of GDP, down from 18.9 percent in 2023, following the start of hydrocarbon production, which has begun to reshape the country's external trade dynamics by bolstering export revenues. The CAD has been financed by foreign direct investments and portfolio investments, remittances, and a mix of external credits and regional borrowing. The BCEAO has kept its policy interest rates unchanged since December 2023 at 3.5 percent for liquidity calls and 5.5 percent for the marginal lending facility.

Outlook

Economic growth is projected to average 6.8 percent in 2025–2027, driven by increased hydrocarbon production, while inflation remains below 3 percent amid declining food and energy prices. The CAD is projected to narrow to 8.4 percent over 2025–2027, albeit higher than previously projected due to the impacts of global trade policy shifts and commodity price uncertainties. Weak non-hydrocarbon exports add pressure on regional foreign exchange reserves. Regional currency reserves are expected to rise gradually, supported by the resumption of international bond issuances, recovering exports and monetary policy easing in the Euro Area. The regional inflation rate is expected to align with the WAEMU target band from 2025 onwards, while regional reserves are projected to rise to 5.4 months of imports in 2025, supported by recovering exports, and lower Eurozone interest rates. Stable agricultural growth, and rising output in the services sector are expected to decrease poverty to 7.5 percent in 2025, and 6.2 percent in 2027. Nonetheless, structural impediments to poverty reduction persist, requiring investments in health, education and private sector-led job creation. Growing economic uncertainty will persist with high fiscal deficit and debt levels. Fiscal consolidation measures, including the elimination of energy subsidies, lower capital spending, and increased tax revenues, should enable the fiscal deficit to decline towards the regional convergence criteria of 3 percent of GDP in the medium term and reduce debt levels, while protecting growth and the poor. Risks to debt sustainability and macro stability will persist as financing conditions remain tight and escalating trade policy uncertainty could hamper export and growth more than currently anticipated.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	3.9	4.3	5.8	7.9	5.9	6.7
Private consumption	3.8	5.0	4.6	4.1	4.7	5.2
Government consumption	1.7	5.0	-4.8	-1.5	-0.7	2.9
Gross fixed capital investment	11.0	9.3	7.5	5.9	10.7	11.3
Exports, goods and services	3.7	-6.0	18.1	25.8	5.0	3.2
Imports, goods and services	14.4	-0.4	7.0	6.5	5.3	5.1
Real GDP growth, at constant factor prices	3.6	4.5	5.8	7.8	5.9	6.7
Agriculture	0.2	5.9	6.0	6.2	6.3	6.4
Industry	2.5	5.2	13.0	23.4	4.9	4.7
Services	5.1	3.8	2.6	0.8	6.4	8.0
Inflation (consumer price index)	9.7	5.9	0.8	2.0	2.0	2.0
Current account balance (% of GDP)	-19.9	-18.9	-12.0	-10.0	-8.4	-7.0
Fiscal balance (% of GDP)	-12.6	-12.3	-11.5	-7.6	-5.8	-4.2
Revenues (% of GDP)	20.0	20.7	19.3	20.0	20.2	20.6
Debt (% of GDP)	86.6	99.7	105.9	99.9	93.4	88.2
Primary balance (% of GDP)	-10.2	-9.0	-7.5	-2.9	-1.9	-0.4
International poverty rate ($2.15 in 2017 PPP)[1,2]	9.8	9.8	8.4	7.5	6.7	6.2
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	36.3	36.7	34.2	32.1	30.3	29.6
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	76.0	76.6	74.5	73.2	71.4	71.1
GHG emissions growth (mtCO2e)	1.2	1.0	3.5	6.3	3.1	3.1

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2021-EHCVM. Actual data: 2021. Nowcast: 2022-2024. Forecasts are from 2025 to 2027.
2/ Projections using microsimulation methodology.

SEYCHELLES

Population[1] thousand	Poverty[2] thousands living on less than $6.85/day
121.4	6.5
Life expectancy at birth[3] years	School enrollment[4] primary (% gross)
73.8	97.1
GDP[5] current US$, billion	GDP per capita[6] current US$
2.2	17878.6

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2018 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

The economy grew by 2.4 percent in 2024, driven by the services sector despite a moderation in tourism. Growth is projected to increase to 3.1 percent in 2025, supported by higher consumption and public investment linked to the hosting of sporting events, along with expansions in telecommunications and construction. Poverty is expected to decrease from 6.2 percent in 2024 to 5.9 percent in 2025, based on the $6.85-per-day poverty line.

Key conditions and challenges

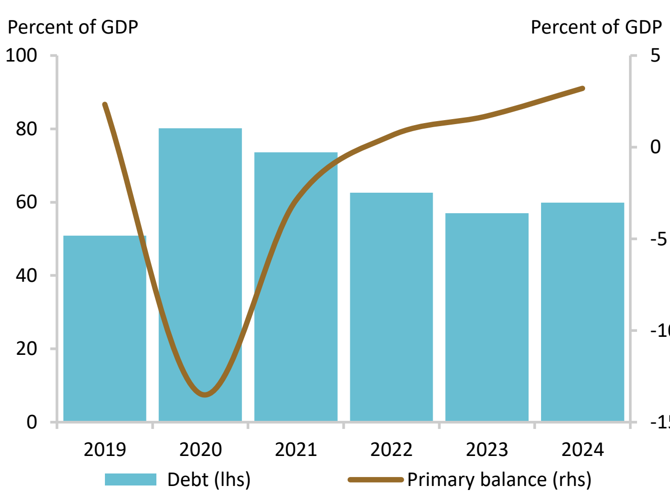
Seychelles, an archipelago of 115 islands with a population of 121,354, has the highest Gross National Income (GNI) per capita in Africa. Its economy relies primarily on tourism and fisheries, and on related activities that support these sectors. Since 2008, key macroeconomic and structural reforms to liberalize the exchange rate and factor markets have contributed to the country's economic development. However, Seychelles' geography—characterized by its small size, geographic dispersion, remoteness, and vulnerability to climate shocks—presents inherent structural challenges. A high dependence on a few sectors and imports exposes the economy to external shocks, including fluctuations in international travel demand and volatility in food, fuel, and freight prices. Additionally, geographic constraints drive up production costs, hinder export competitiveness, and limit economic diversification, increasing reliance on the public sector and state-owned enterprises for essential services.

Seychelles faces growing climate risks, including more intense and frequent monsoon rains and rising sea levels, which lead to floods, landslides, and coastal erosion. While unemployment remains low at 3.2 percent and extreme poverty has nearly been eliminated, socioeconomic vulnerabilities persist. Substance abuse, teenage pregnancy, declining education outcomes, and high unemployment among youth and single female parents threaten human capital development, long-term economic sustainability, and household welfare. Unemployment among youth was 12.2 percent in the second quarter of 2024, compared to 10.2 percent in the second quarter of 2023.

Recent developments

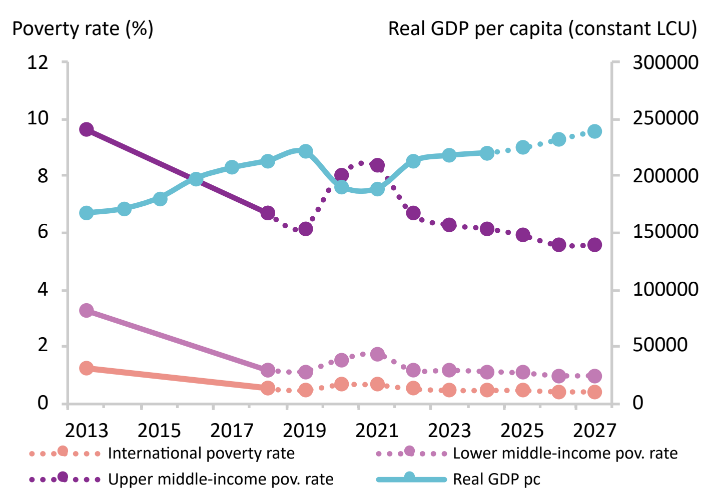
The economy grew by an estimated 2.4 percent in 2024, supported by the service sectors, despite a moderation in tourism. New seasonal scheduling by key airlines reduced the number of flights to the islands, resulting in a 0.5 percent increase in visitor arrivals which was 1.5 percent below the government's target. Despite weak tourism growth, the telecommunications sector played a key role in supporting overall economic performance, with increased mobile subscriptions and data traffic contributing a cumulative 5.6 percentage points to GDP growth by the third quarter of 2024, compared to the same period in 2023. Furthermore, the services sector experienced growth, primarily driven by administrative and

FIGURE 1 / Public debt and primary balance



Source: Ministry of Finance, National Planning and Trade.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

support services, along with the financial and insurance sectors, contributing 2.1 and 1.0 percentage points to GDP growth, respectively, over the same period. However, a continued reliance on imports widened the current account deficit to 8.7 percent of GDP in 2024 from 8.4 percent in 2023.

In January 2024, the Public Utilities Corporation raised tariffs for water and sewerage by 9.2 percent and gradually increased electricity tariffs cumulatively to 8.4 percent by year-end. These adjustments contributed to a rise in headline inflation to 0.3 percent. However, core inflation remained negative at -0.6 percent. Consequently, the Central Bank maintained the monetary policy rate at 1.75 percent following a 25-basis-point reduction in April 2024.

On the fiscal side, under execution of primary and capital expenditure resulted in a primary budget surplus of 3.2 percent of GDP in 2024, up from 1.7 percent in 2023. Social assistance remained steady at 4.6 percent of GDP, continuing to support the most vulnerable members of society. Meanwhile, tax collection remained strong, with VAT and business tax performing in line with budget expectations. In parallel, sound debt management practices resulted in a stable public debt-to-GDP ratio of 60 percent by the third quarter of 2024, whereby domestic and external debt were evenly distributed, each accounting for 29 percent of GDP.

Outlook

Economic growth is projected at 3.1 percent in 2025, supported by higher consumption and public investment tied to major events, including the FIFA Beach Soccer World Cup, the Indian Ocean Youth and Sport Commission Games, and infrastructure projects ahead of the September elections. However, weaker economic growth in Seychelles' key tourism markets is expected to dampen growth prospects in the wake of US imposed tariffs. Concurrently, lower global commodity prices are projected to ease import costs, contributing to modest improvements in the current account deficit, estimated at 8.6 percent of GDP in 2025. Lower commodity prices are expected to moderate domestic inflation, which is projected at 1.0 percent for the year. As a result, the Central Bank is likely to maintain an accommodative monetary policy stance.

While the government plans to increase capital investments (including for climate adaptation), continued efforts to strengthen revenue mobilization are expected to support fiscal consolidation, with a projected primary surplus of 1.0 percent of GDP in 2025. Notably, the digital modernization of tax and customs administration is expected to enhance revenue collection. Additionally, amendments to transfer pricing legislation will further support revenue efforts. Due to public transfers and social programs, the poverty rate is projected to decline from 6.2 percent in 2024 to 5.9 percent in 2025, based on the $6.85-per-day poverty line.

However, risks to the outlook remain, reflecting the uncertain global environment. Key factors include geopolitical tensions, evolving trade policies—particularly the indirect impact of US tariffs—and climate-related risks. Weaker economic growth in key tourism markets, coupled with increased global financial market volatility, could weigh on tourism arrivals. Domestically, political developments ahead of the September 2025 elections may exacerbate risks.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	12.7	2.3	2.4	3.1	3.0	2.9
Private consumption	-0.3	-0.1	4.4	4.7	4.5	4.5
Government consumption	-12.8	26.1	4.1	9.1	-5.3	-2.3
Gross fixed capital investment	23.7	17.6	-5.6	-9.4	10.2	4.2
Exports, goods and services	26.6	-4.1	2.8	3.1	3.0	3.0
Imports, goods and services	8.6	2.4	2.9	3.3	3.1	3.1
Real GDP growth, at constant factor prices	12.8	2.2	2.4	3.1	3.2	2.9
Agriculture	14.1	9.1	0.7	0.9	0.8	0.8
Industry	7.9	14.4	1.6	2.0	1.8	1.8
Services	13.6	-0.2	2.6	3.4	3.6	3.2
Inflation (consumer price index)	2.6	-1.0	0.3	1.0	1.4	1.9
Current account balance (% of GDP)	-9.1	-8.4	-8.7	-8.6	-8.5	-8.5
Net foreign direct investment inflow (% of GDP)	11.2	12.8	11.8	12.1	9.7	9.7
Fiscal balance (% of GDP)	-1.4	-1.1	-0.4	-1.6	-1.0	-0.4
Revenues (% of GDP)	30.5	31.8	33.8	37.0	34.2	33.5
Debt (% of GDP)	62.6	57.0	59.9	58.5	56.4	55.7
Primary balance (% of GDP)	0.6	1.7	3.2	1.0	1.7	2.4
International poverty rate ($2.15 in 2017 PPP)[1,2]	0.5	0.5	0.5	0.5	0.4	0.4
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	1.2	1.2	1.1	1.1	1.0	1.0
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	6.7	6.3	6.2	5.9	5.6	5.6
GHG emissions growth (mtCO2e)	2.7	2.9	3.0	2.9	3.1	3.1

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2018-HBS. Actual data: 2018. Nowcast: 2019-2024. Forecasts are from 2025 to 2027.
2/ Projection using neutral distribution (2018) with pass-through = 0.87 (Med (0.87)) based on GDP per capita in constant LCU.

SIERRA LEONE

The economy has been set back with recurrent policy slippages exacerbating macroeconomic conditions and dampening policy credibility. Poverty is expected to peak in 2025, slowly reducing as inflation declines. Stronger macroeconomic management, improved governance and increased productivity are needed to accelerate inclusive growth and restore macroeconomic stability and policy credibility.

Population[1] million **8.6**	Poverty[2] millions living on less than $2.15/day **2.0**
Life expectancy at birth[3] years **60.4**	School enrollment[4] primary (% gross) **153.1**
GDP[5] current US$, billion **7.6**	GDP per capita[6] current US$ **878.1**

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2018 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

Key conditions and challenges

Sierra Leone continues to grapple with heightened macroeconomic challenges, including weak fiscal discipline, persistent (albeit easing) inflationary pressures and unbalanced growth drivers. The economy has recovered post-pandemic, but growth remains concentrated in the extractives sectors, while agriculture and services remain subdued. A less benign global environment will have a bearing on small open economies like Sierra Leone that heavily depend on global demand and favorable financial conditions.

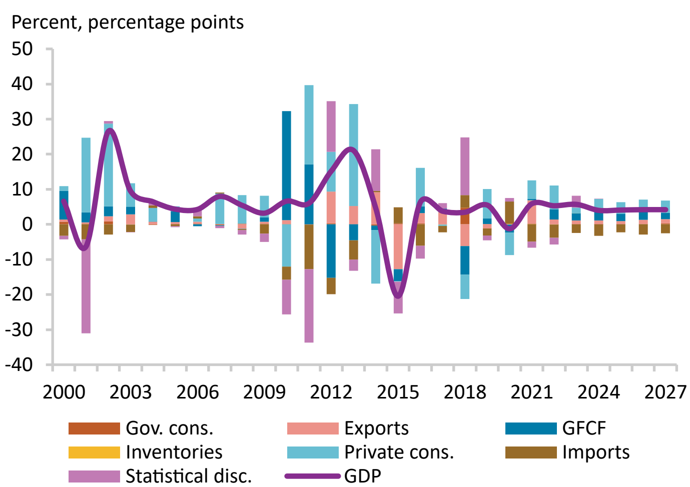
Chronic expenditure overruns have eroded budget credibility and increased borrowing costs, while the energy sector poses a fiscal risk. The country remains at high risk of debt distress, with debt service to revenue exceeding 100 percent, and high rollover risks. Fiscal dominance continues to hinder monetary policy transmission and constrain private sector credit growth. Sierra Leone faces high poverty due to low agricultural productivity, limited jobs, low human capital and weak social protection. Approximately 32.7 percent of the population lived on less than US$2.15 per person per day (2017 PPP) in 2024.

Recent developments

Growth is estimated to have slowed to 4.0 percent in 2024, down from 5.7 percent in 2023, largely due to falling global iron ore prices which contributed to slower mining production. Despite accounting for 7 percent of the economy's output, the mining sector had the highest contribution to growth among all sectors. Services recovered modestly but agricultural output was affected by flash floods. On the demand side, slower mineral export growth, coupled with high import growth driven by mineral oil and lubricants contributed to the slowdown. Private consumption growth picked up a bit, while investments, particularly through the expansion of production in two major iron ore mines and the lifting of mining exploration ban, supported growth.

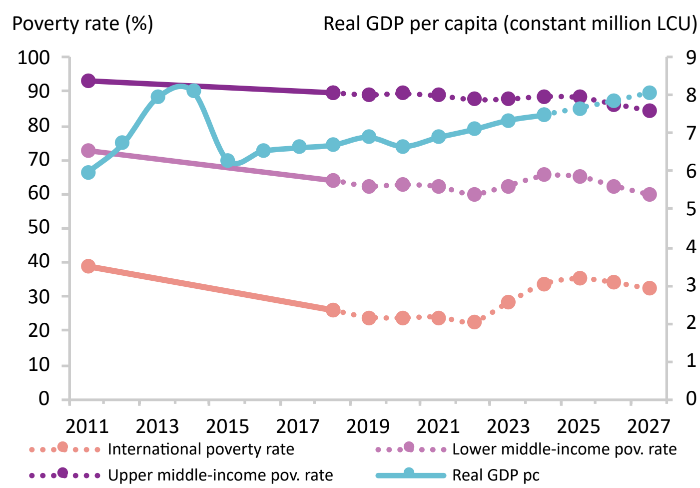
The overall fiscal deficit reached 4.8 percent of GDP in 2024, exceeding the budgeted target by a wide margin. Weaknesses in commitment control and oversight institutions, including supreme audit institutions and parliament, coupled with legislative deficiencies in public finance management, contributed to inefficiencies in budget execution. Revenues improved sharply to 8.8 percent of GDP (from 7.4 percent in the previous year) due to

FIGURE 1 / Real GDP growth and contributions to real GDP growth



Sources: Statistics Sierra Leone and World Bank.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

tax policy reforms—a trend that must continue to finance Sierra Leone's vast financing needs. The deficit was primarily financed through domestic short-term securities. Debt distress risks remained high, with the cost of domestic debt rising to an average of 40 percent annual interest rate.

Monetary policy was tightened by 250 bps during 2024 to address inflation, which progressively decelerated throughout the year, from 52.2 percent in December 2023 to 13.8 percent by December 2024. The inflation slowdown was further supported by a stable exchange rate, alongside a decline in international food and energy prices. Fiscal dominance limited private sector credit, while Bank of Sierra Leone's (BSL) purchases of government securities hindered the effectiveness of monetary policy operations.

Despite improvements in the current accounts, gross international reserves declined to cover only 2 months of imports in 2024, compared to 2.6 months of imports in 2023. Foreign direct investment (FDI) remained low and concentrated in the mining sector.

Persistent economic challenges, including high inflation, and limited job opportunities and social protection coverage have increased poverty substantially from its pre-COVID-19 level of 24.0 percent, measured at the US$2.15 per person per day (2017 PPP) international poverty line. In 2024, approximately 32.7 percent of the population lives in poverty, based on projections that use a robust methodology that accounts for both growth and inflation.

Outlook

Growth is projected to remain subdued at around 4 percent in 2025, held back in part by ongoing shifts and heightened uncertainty in global trade policy. The modest projected growth is expected to be driven by resilience of the services sector, improvements in agricultural productivity and continued growth in mining. Lower inflation is likely to help household spending and retail trade, while agricultural value chain development and initiatives under the 'Feed Salone' will bolster productivity. Additionally, investments in the mining sector, including expansion of production capacities and explorations of new mines, are expected to boost production and export performance.

The fiscal deficit is expected to remain elevated, though gradually narrowing. Debt remains at high risk of distress, underscoring the need for credible fiscal consolidation and tighter expenditure controls. Priorities include curbing subsidies, streamlining tax expenditures, avoiding recurrent budget overruns, and improving budget planning and execution with stronger oversight. The current account deficit is projected to narrow only in the medium term, driven by slower import growth and a potential rise in mining-related FDI as global uncertainties ease.

Poverty is projected to gradually decline to 33.8 percent by 2027. Sierra Leone must curb inflation through sound fiscal and monetary policies to protect households from a further erosion of purchasing power. Additionally, reforms are needed to foster inclusive growth, strengthen social protection through targeted interventions, and ensure investments into human capital to improve long-term livelihoods.

This outlook is subject to several downside risks. Persistent fiscal overruns could undermine both fiscal and debt sustainability, ultimately jeopardizing macroeconomic stability. External risks include global commodity prices fluctuations, weaker global demand, and higher imported inflation. Additionally, weather shocks may hinder agricultural growth and poverty reduction.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	5.3	5.7	4.0	4.1	4.2	4.2
Private consumption	7.4	1.8	2.8	3.7	3.9	3.9
Government consumption	-0.7	0.5	0.8	1.1	2.7	5.9
Gross fixed capital investment	22.2	12.8	21.8	11.0	11.4	8.3
Exports, goods and services	9.0	7.0	6.5	5.1	7.0	7.0
Imports, goods and services	15.8	9.3	12.0	7.6	9.5	8.0
Real GDP growth, at constant factor prices	5.3	5.7	4.0	4.1	4.2	4.2
Agriculture	3.0	2.4	2.4	3.0	3.0	3.1
Industry	9.9	14.4	4.7	4.3	5.0	5.1
Services	5.4	4.7	4.9	4.8	4.7	4.6
Inflation (consumer price index)	24.9	47.2	29.1	18.0	15.5	12.0
Current account balance (% of GDP)	-4.8	-5.0	-3.9	-3.7	-3.1	-2.7
Net foreign direct investment inflow (% of GDP)	4.7	3.1	3.0	2.8	2.9	2.9
Fiscal balance (% of GDP)	-5.4	-4.8	-4.8	-4.5	-4.1	-3.9
Revenues (% of GDP)	10.7	10.4	11.7	11.9	12.0	12.0
Debt (% of GDP)	53.5	46.2	41.8	37.9	36.0	33.3
Primary balance (% of GDP)	-3.6	-2.5	-2.2	-1.2	-0.9	-1.2
International poverty rate ($2.15 in 2017 PPP)[1,2]	22.6	28.2	32.7	34.5	34.4	33.8
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	59.8	62.5	63.6	64.1	61.8	60.0
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	87.8	87.9	87.6	87.5	86.0	84.3
GHG emissions growth (mtCO2e)	3.8	-0.2	-0.2	0.3	0.8	0.9

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2018-SLIHS. Actual data: 2018. Nowcast: 2019-2024. Forecasts are from 2025 to 2027.
2/ Projections using microsimulation methodology.

SOMALIA

Population[1] million	Poverty[2] millions living under natl. poverty line
16.2	9.7
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
56.1	25.0
GDP[5] current US$, billion	**GDP per capita[6]** current US$
12.1	745.9

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2022. 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

The Somali economy continued overall strong performance in 2024. Growth remained near 4 percent, supported by improved agriculture. Inflation fell below 6 percent, and a slight fiscal surplus was driven by improvements in revenue collection. Reliance on external financing continues. Poverty remains high and widespread, with high vulnerability to climatic shocks. Similar economic performance is expected over the medium term, barring major climate or security shocks.

Key conditions and challenges

The economy continued to rebound from the severe 2018-22 drought seasons. Progress on state and institution building has further strengthened the growth environment. Further progress hinges on continued economic reform progress, an improving security situation (including international support following the end of the African Union Transition Mission in Somalia (ATMIS) and building buffers against shocks to which Somalia is currently highly exposed. Multiple and overlapping climate-related and external shocks have interrupted the country's growth trajectory and slowed the transition from fragility. Real GDP growth averaged only 2.4 percent annually in 2019–24 with an average negative real GDP per capita growth of 0.4 percent. Given the high rates of economic inactivity and unemployment, current growth does not generate sufficient jobs, which is fundamental for poverty reduction.

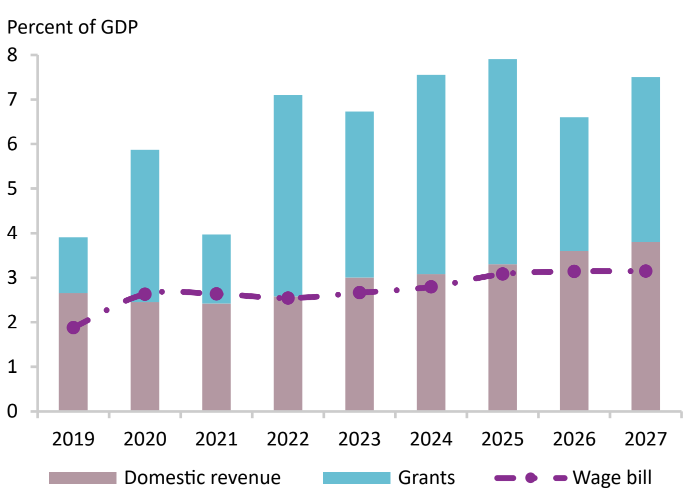
Now that Somalia has graduated from the Heavily Indebted Poor Countries (HIPC) Initiative, it will be essential for the authorities to maintain macroeconomic stability, support a resilient private sector and continue prudent public finance policy implementation. The latter includes accelerating domestic revenue mobilization reforms, improving the effectiveness of spending in social sectors, containing the wage bill, efficient security spending, advancing Public Finance Management reforms, and further strengthening of debt management. Macroeconomic stability and development in Somalia are expected to continue requiring a sustained and substantial flow of concessional finance over the medium term.

Poverty is high and widespread. The national poverty rate was 54 percent in 2022, ranging from 46 percent for the urban population to 78 percent among the nomadic population. In addition, there was very little progress in poverty reduction between 2017 and 2022, coinciding with a lack of per capita economic growth due to inconsistent economic growth and high exposure to shocks.

Recent developments

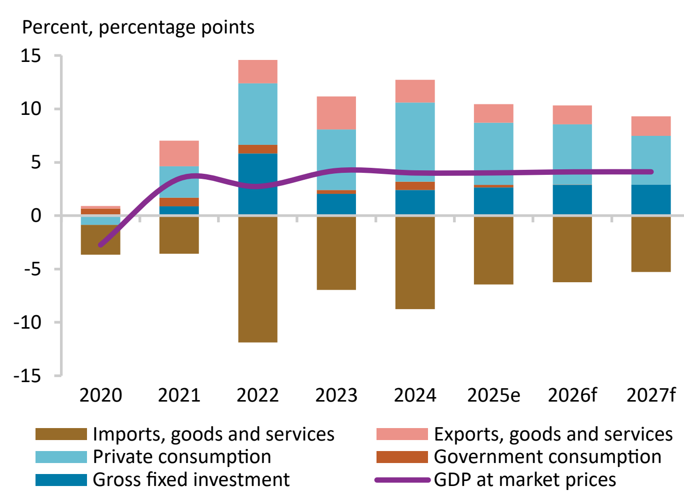
Economic growth remains strong, standing at 4.0 percent in 2024 compared to 4.2 percent in 2023, driven by agriculture production, livestock exports and household consumption. Improved climatic conditions boosted export recovery, with exports of goods and services increasing by 15 percent in 2024, mostly on account

FIGURE 1 / Total revenue and wage bill



Sources: Somalia Authorities and World Bank staff estimates.

FIGURE 2 / Real GDP growth and contributions to real GDP growth



Sources: Somalia National Bureau of Statistics and World Bank staff estimates.

of livestock. Imports of goods and services grew at a slower pace, supported by high demand for construction materials and lower food and oil imports. Thus, trade deficit grew up slightly as imports consistently exceed exports; nevertheless, the current account deficit narrowed to 8.9 percent of GDP in 2024 on the back of strong growth in livestock exports. However, food security remains a major concern, with nearly 4.6 million people in Somalia likely to experience high levels of acute food insecurity in April-June 2025.

Inflationary pressures have eased but despite falling food prices, annual inflation remained sticky. Inflation averaged 5.5 percent in 2024 compared to 6.1 in 2023. This inflation is for Mogadishu only and Somaliland and other State continue to face higher inflation.

The Federal Government of Somalia (FGS) budget ended in a small surplus of 0.1 percent of GDP in 2024 on account of continued improvements in revenue collection and prudent spending. Measures to expand the tax base and digitalize tax collection have resulted in significant improvement in collection of income and sales taxes. The wage bill and security costs accounted for the bulk of FGS spending, but social spending increased at a faster pace. Government's ability to deliver basic services to the population, however, remains limited and dependent on external funding.

Outlook

Growth is projected to remain near 4 percent over the medium term, though with significant downside risks such as climate shocks, insecurity, and slow domestic revenue growth. Macroeconomic and structural reforms implemented in the context of HIPC Completion Point are expected to start paying off and support sustained growth, albeit modestly due to continuing fragility. The recovery of agricultural production and exports is expected to continue in 2025. The agriculture sector, however, is likely to remain vulnerable to climate-related shocks. Remittances are projected to remain strong supported by a favorable growth outlook in several host countries.

However, Somalia is highly exposed to climate risks, which can quickly worsen food insecurity and dampen economic activity. Despite improved climatic conditions in recent years, seasonal rainfall is forecast to be below normal in the first half of 2025. These worsening climatic conditions may expose existing vulnerabilities to climatic shocks, especially among the poor. Risks also emanate from lower global growth, higher commodity prices, the ATMIS transition, and political risks linked to federalism. As Somalia is highly dependent on external aid, planned reduction in donor support from US and other development partners would negatively impact growth, poverty reduction, and fiscal accounts. Recent global trade policy uncertainty drives additional downside risks to growth and inflation.

The current account deficit is forecast at 8.7 percent of GDP in 2025, due to increased livestock exports and mainly financed through a combination of foreign direct investment and grants. Inflation is projected at 4.2 percent in 2025, as commodity prices soften.

A fiscal deficit of 0.1 percent of GDP is expected in 2025, as the FGS is planning to expand provision of public services. New income tax legislation, continuing modernization and harmonization of customs, implementation of the revenue administration information system, and other reforms are expected to boost domestic revenue collection.

Poverty, measured using the national poverty line, is forecast to decrease throughout 2025 to 2027 by roughly a percentage point each year. However, potential shocks, including the scaling back of humanitarian aid and climatic shocks, may slow this projected poverty reduction. Accelerating poverty reduction will require strengthening climate resilience, especially for the rural and nomadic population, and promoting inclusive growth through job creation and increased human capital.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	2.7	4.2	4.0	4.0	4.1	4.1
Private consumption	4.7	4.5	6.0	4.6	4.4	3.5
Government consumption	12.2	5.0	10.2	3.1	0.5	1.0
Gross fixed capital investment	31.5	8.7	9.8	10.2	10.4	10.0
Exports, goods and services	13.7	17.5	10.7	8.2	8.0	8.0
Imports, goods and services	18.8	9.5	11.4	7.8	7.3	6.0
Inflation (consumer price index)	6.8	6.2	5.5	4.2	3.6	3.4
Current account balance (% of GDP)	-8.6	-9.3	-8.9	-8.7	-9.8	-10.0
Fiscal balance (% of GDP)	0.0	0.1	0.1	-0.1	-0.5	0.6
Revenues (% of GDP)	7.1	6.7	7.6	7.9	6.6	7.5
Debt (% of GDP)	38.2	7.0	6.4	6.2	6.0	5.8
Primary balance (% of GDP)	0.1	0.2	0.2	0.0	-0.4	0.7
National poverty line[1]	54.4	53.2	51.1	50.3	49.2	48.2
GHG emissions growth (mtCO2e)	-0.8	-0.2	0.2	0.2	0.1	0.0

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Projections are based on applying private consumption growth to household consumption, with a neutral distribution.

SOUTH AFRICA

Population[1] million	Poverty[2] millions living on less than $6.85/day
63.9	34.3
Life expectancy at birth[3] years	School enrollment[4] primary (% gross)
61.5	96.1
GDP[5] current US$, billion	GDP per capita[6] current US$
400.3	6266.2

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2014 (2017 PPPs). 3/ 2022. 4/ 2022. 5/ 2024. 6/ 2024.

In a fragile and more unpredictable global environment, South Africa's GDP growth is expected to remain subdued at 0.7 percent in 2025, notwithstanding some supportive cyclical factors and easing structural constraints. Growth is insufficient to improve socio-economic outcomes, with job creation expected to remain slow and poverty projected to remain around 63.5 percent based on the upper-middle-income line. A large public debt burden necessitates continued fiscal consolidation.

Key conditions and challenges

South Africa's economy has been experiencing prolonged low growth, with GDP increasing by an average of only 0.7 percent over the past decade. The population has grown faster than the economy, resulting in a decline in real income per capita to 2007 levels. Several structural constraints, such as infrastructure bottlenecks, a weak business environment, and low productivity, along with a decline in the efficiency of fiscal policy, have impeded economic growth. Increased public spending has contributed to a rapid rise in public debt.

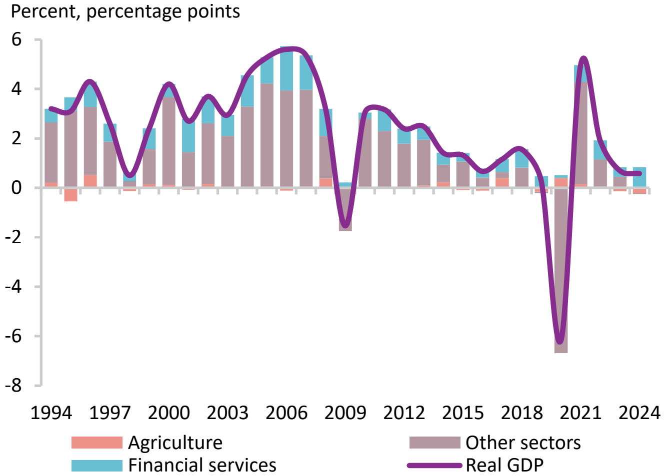
Socio-economic challenges have intensified over the past decade due to the weak economy, erosion of state capacity exacerbated by governance failures, fiscal deterioration, and heightened infrastructure bottlenecks. Approximately 8 million people in the labor force are unemployed (32.6 percent). Inequality (Gini index of 63) remains among the highest in the world. The bottom 40 percent of the population accounts for 11.5 percent of total income, while the top 20 percent accounts for 59.9 percent. In 2025, it is projected that 63.5 percent of the population will be living in poverty, based on the upper-middle-income poverty line of $6.85. This suggests an increase of roughly 3.9 million more poor people compared to pre-Covid times. Weak job creation has hindered poverty reduction.

To move away from a path of low growth, high poverty, and high unemployment, greater urgency is needed to foster an environment of faster and more inclusive economic growth. Reforms to address binding structural constraints to growth, strengthen market competition, and make institutions more efficient are crucial to improving economic performance and the welfare of citizens. Those reforms require building consensus under a complex political context.

Recent developments

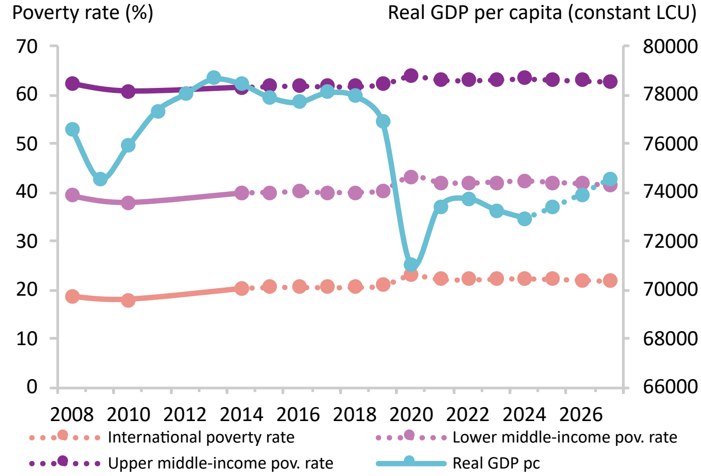
Despite a substantial improvement in electricity supply, South Africa's economy expanded only 0.6 percent in 2024. Growth was mainly underpinned by financial services while output in six of the ten sectors contracted. From the spending side, growth was driven by stronger consumption and net exports. Leading indicators suggest growth remained subdued in 2025Q1, while recent global trade policy shifts have increased uncertainty.

FIGURE 1 / Real GDP growth and sectoral contributions to real GDP growth



Sources: WDI and World Bank staff estimates.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

The economy continued to struggle to create jobs at a sufficient pace, keeping the unemployment rate high. The labor force expanded by 450,000 individuals while 355,000 jobs were created. With rising interest payments, weak revenue growth and persisting expenditure rigidities, the fiscal balance widened to 5.9 percent of GDP from 5.5 percent in 2023. In concert, the public debt ratio increased to 76.3 percent of GDP. Weaker import demand drove the current account deficit to narrow from 1.6 percent of GDP in 2023 to 0.6 percent. On a subdued inflation environment, the central bank (SARB) reduced its policy rate by a cumulative 75 basis points since September. Headline inflation averaged 4.4 percent in 2024, within the midpoint of the 3-6 percent target.

Outlook

Reflecting a weak outlook for major trading partners and low potential growth, the economy is expected to expand by 0.7 percent in 2025, before growing on average by 1 percent in the medium term. The outlook is highly uncertain due to the unfolding trade policy changes. Although only 7 percent of exports go to the US, of which about 36 percent are exempted from the new tariff regime, indirect effects are expected to compound the impact on growth. Progress on structural reforms remains crucial for sustaining growth. However, the impasse on the 2025 budget highlights difficulties in reaching consensus within the ruling Government of National Unity. Inflation is projected to be around 4 percent in 2025, influenced by lower global oil prices and stable food costs, and a moderation in the depreciation rate of the rand. GDP growth remains insufficient to substantially boost employment, and socioeconomic indicators are expected to remain weak. Consequently, the poverty rate, based on the UMIC poverty line, is expected to remain around 63.5 percent between 2025 and 2027, with the poverty headcount increasing to 41.8 million in 2027.

Notwithstanding high gold prices and a decline in international oil prices, sharply lower metal prices could translate to less favorable terms of trade, leading the current account deficit to widen to 1.1 percent of GDP in 2025.

The fiscal balance is projected to widen to 6.5 percent of GDP, amid added wage pressures and a higher interest bill, before narrowing from 2026 onwards as the Eskom debt relief ends. The public debt is projected to rise to 78.8 percent of GDP, exacerbated by weaker growth. Strengthening efficiency of public spending, limiting increase of the wage bill and improving monitoring mechanisms, remains critical to support fiscal consolidation.

Risks to the outlook are significant. Escalating global trade tensions and a worse global outlook could weaken growth prospects further. Domestic risks may arise from factors that may affect the private sector's expansion and the government's ability to ensure fiscal sustainability, such as the pace of structural reforms and unbudgeted expenditure pressures. Climate shocks, geopolitical risks, and vulnerabilities in global financial markets could also negatively impact the baseline outlook.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	1.9	0.7	0.6	0.7	1.1	1.3
Private consumption	2.5	0.7	1.0	1.3	1.2	1.2
Government consumption	0.6	1.9	0.4	1.2	0.2	0.2
Gross fixed capital investment	4.8	3.9	-3.7	-1.4	3.6	4.2
Exports, goods and services	6.8	3.7	-2.0	-1.1	2.8	3.1
Imports, goods and services	15.0	3.9	-6.3	0.3	3.7	3.8
Real GDP growth, at constant factor prices	1.9	0.7	0.6	0.7	1.1	1.3
Agriculture	2.0	-4.8	-8.0	7.4	2.0	2.0
Industry	-2.6	-0.4	-0.4	-1.0	0.9	1.3
Services	3.4	1.2	1.2	0.9	1.1	1.2
Employment rate (% of working-age population, 15 years+)	39.0	40.8	41.2	40.8	40.9	41.0
Inflation (consumer price index)	6.9	6.0	4.4	4.1	4.6	4.6
Current account balance (% of GDP)	-0.5	-1.6	-0.6	-1.1	-1.7	-2.0
Net foreign direct investment inflow (% of GDP)	1.7	1.7	0.9	0.3	1.2	1.5
Fiscal balance (% of GDP)[1]	-3.6	-5.5	-5.9	-6.5	-5.5	-5.3
Revenues (% of GDP)	28.1	27.5	27.2	27.6	27.6	27.7
Debt (% of GDP)	70.5	74.1	76.3	78.8	80.5	81.7
Primary balance (% of GDP)	0.9	-0.4	-0.7	-1.0	0.1	0.3
International poverty rate ($2.15 in 2017 PPP)[2,3]	22.1	22.3	22.4	22.5	22.5	22.4
Lower middle-income poverty rate ($3.65 in 2017 PPP)[2,3]	41.9	42.1	42.3	42.4	42.4	42.4
Upper middle-income poverty rate ($6.85 in 2017 PPP)[2,3]	63.1	63.3	63.4	63.5	63.5	63.4
GHG emissions growth (mtCO2e)	0.2	-2.1	-2.0	1.7	0.9	0.9

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ The Eskom debt-relief arrangement is reported above the line, in expenditures.
2/ Calculations based on 2014-LCS. Actual data: 2014. Nowcast: 2015-2024. Forecasts are from 2025 to 2027.
3/ Projection using neutral distribution (2014) with pass-through = 0.87 (Med (0.87)) based on GDP per capita in constant LCU.

SOUTH SUDAN

An acute macroeconomic and fiscal crisis triggered by the closure of a key oil route through conflict-affected Sudan is being further exacerbated by lower global oil prices, with GDP projected to contract by more than 30 percent in 2025. High inflation, cuts in aid, and public sector salary arrears, amid severe fiscal strains, exacerbate extreme poverty and food insecurity. Elevated political tensions also present risks to the 2018 peace agreement.

Population[1] million **11.9**	Poverty[2] millions living under natl. poverty line **8.4**
Life expectancy at birth[3] years **55.6**	School enrollment[4] primary (% gross) **81.9**
GDP[5] current US$, billion **6.5**	GDP per capita[6] current US$ **543.9**

Sources: WDI, MFMod, and official data. 1/ 2022. 2/ 2022. 3/ 2022. 4/ 2022. 5/ 2024. 6/ 2024.

Key conditions and challenges

As the world's youngest nation, South Sudan faces numerous socio-economic challenges due to nascent institutions, weak governance, systemic fragility, and high dependence on external support for basic services. These issues are further exacerbated by recurrent conflict and climate shocks. Amid macroeconomic instability, political uncertainty has increased with the repeated postponement of elections resulting in a delayed political transition, contrary to the expectations of the 2018 peace agreement (R-ARCSS).

South Sudan's dependency on oil -which accounts for over 60 percent of its GDP, 99 percent of exports and 90 percent of government revenues- makes it vulnerable to price and production shocks. The shutdown of the Dar Blend oil export pipeline in February 2024, which transported 60 percent of the country's oil through war-torn Sudan, led to a collapse in domestic oil production, deepening the macroeconomic crisis.

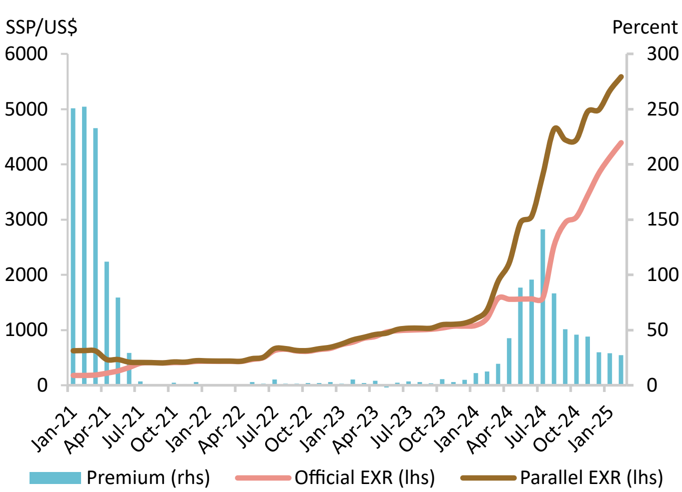
Even prior to the oil shutdown, multiple, overlapping shocks such as the COVID-19 pandemic and catastrophic flooding - which displaced 330,000 people in 2024 alone - had already contributed to a decline in GDP and exacerbated the humanitarian crisis in the country. Food insecurity affects nearly half the population, with over two million children at risk of malnutrition (IPC, 2024). Poverty is widespread and remains among the highest in the world.

Recent developments

Oil production dropped from nearly 160,000 barrels per day (bpd) prior to the oil pipeline shutdown to an average of 60,000 bpd the year after, leading to a 7.2 percent drop in GDP in FY24. The conflict in Sudan has disrupted trade routes and triggered the influx of over 1 million refugees and returnees. Nonetheless, returnee households have engaged in farming, which boosted agriculture output and prevented an even more severe contraction. The country is in the grip of high inflation, driven by currency depreciation, supply disruptions, and monetization of the fiscal deficit. Poverty has increased to 92 percent in FY24, representing close to an additional 2.6 million people falling into poverty.

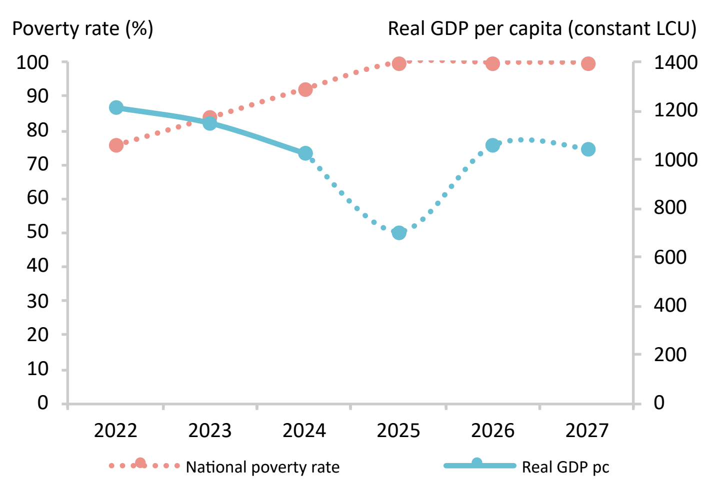
Domestic demand declined amid high inflation and growing strain on public finances. The fiscal balance shifted from surplus in FY23 to deficit in FY24, despite the accumulation of nearly 13 months of

FIGURE 1 / Exchange rate developments



Source: Ministry of Petroleum.

FIGURE 2 / Actual and projected poverty rate and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

public salary arrears that weighed on household consumption. The sharp drop in oil revenues led to the resumption of monetary financing of the deficit and put pressure on already inadequate spending on essential public services like health and education. To conserve resources, financing for the opaque oil-for-roads scheme has been curtailed, leading to a 4.3 percent of GDP drop in capital expenditure.

Lower oil production coupled with a decline in oil prices associated with currently heightened global economic uncertainty is expected to push the current account into an 9.2 percent of GDP deficit in FY25, and worsen fiscal strains. Market-based foreign exchange auctions, which had facilitated currency unification in 2021, were suspended between October 2024 and January 2025. As a result, the official currency has depreciated by around 260 percent since the DPOC shutdown, and a sizable and persistent parallel market premium has emerged.

Outlook

The economy is projected to contract for the fifth consecutive year, but with a steep drop of over 30 percent in FY25. Although neighboring Sudan lifted the force majeure on oil transportation in January 2025, full resumption of oil exports through the restored DPOC pipeline from Port Sudan is expected to take time. Real GDP per capita in FY25 is expected to decline to half its value in FY20, with poverty and vulnerability being near universal at national standards.

The recovery in oil production is expected to support a growth rebound in FY26 (41.0 percent) and reduce the current account deficit, although recovery would be slower than previously expected due to the delays in DPOC resumption. Longer-term growth is expected to be modest as oil production stabilizes at lower than pre-shutdown levels, amid maturing oil fields and inadequate maintenance and investment. Inflation should average 180 percent in FY25 and remain high in FY26 as deficit monetization continues, but gradually ease in FY27 as foreign exchange inflows improve and monetary policy tightens.

Lower oil revenues, alongside the anticipated clearance of salary arrears, would keep the fiscal deficit high in FY26. Given limited financing sources and amid slower pace of deficit monetization, the deficit is expected to narrow to 1.7 percent in FY27. Declining global aid is expected to continue to impact social spending which is largely financed by external donors.

Key downside risks include lower-than-expected revenues due to long-running practices of pre-selling oil, slower pace of oil export resumption, and further weakness in global oil prices due to global trade shocks. Major risks are also presented by climate shocks. The non-fulfillment of the peace agreement would worsen domestic tensions, heighten risks of conflict and add to already acute governance, macroeconomic and service delivery challenges. This highlights the urgency for bold reforms to address fiscal pressures, reduce inflation, and implement the 2018 peace agreement.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	-2.3	-1.3	-7.2	-34.7	41.1	21.2
Agriculture	-1.8	-1.7	8.0	0.5	1.0	2.0
Industry	-4.8	-4.3	-11.6	-50.0	77.6	31.1
Services	1.7	3.6	2.3	-2.9	1.1	2.0
Inflation (consumer price index)	22.0	18.0	35.0	179.8	66.4	16.8
Current account balance (% of GDP)	4.7	6.1	4.0	-9.2	-4.6	0.0
Net foreign direct investment inflow (% of GDP)	1.0	0.6	1.7	4.7	3.3	3.2
Fiscal balance (% of GDP)	-5.9	3.3	-6.6	-7.8	-7.2	-1.7
Revenues (% of GDP)	28.8	32.7	26.7	18.1	24.3	27.8
Debt (% of GDP)	56.9	39.5	46.0	55.6	56.4	56.2
Primary balance (% of GDP)	-3.8	3.7	-6.6	-5.7	-5.7	-0.5
National poverty line[1,2]	75.9	83.9	92.1	99.8	100.0	99.9
GHG emissions growth (mtCO2e)	0.2	0.9	0.9	0.0	1.7	1.4

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2022 HBS. Actual data: 2022. Nowcast: 2023-2024. Forecasts are from 2025 to 2027.
2/ Projection using microsimulation.

SUDAN

Population[1] million	Poverty[2] millions living on less than \$3.65/day
49.4	19.3
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
65.6	77.8
GDP[5] current US\$, billion	**GDP per capita[6]** current US\$
49.9	1011.2

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2014 (2017 PPPs). 3/ 2022. 4/ 2018. 5/ 2024. 6/ 2024.

Two years since the conflict started, Sudan continues to face a worsening economic, social, and humanitarian crisis. The ongoing violence has resulted in the world's largest displacement crisis, severe food insecurity and famine, and a collapse of economic activity, state capacity, and critical infrastructure. Without swift conflict resolution and better aid access, the country faces generational human capital losses, perpetuating poverty and undermining any future recovery.

Key conditions and challenges

Prior to the outbreak of the conflict in April 2023, Sudan faced a severe macroeconomic crisis, driven by a 75 percent revenue loss after South Sudan's separation and further exacerbated by limited investment in physical and human capital, stalled structural reforms and high vulnerability to climate related shocks.

The conflict has worsened existing challenges, resulting in significant human losses, economic damage, and a decline in state capacity. This has led to the collapse of local markets, essential infrastructure, and key public services like health and education. Consequently, the services and industrial sectors in Khartoum have been severely impacted.

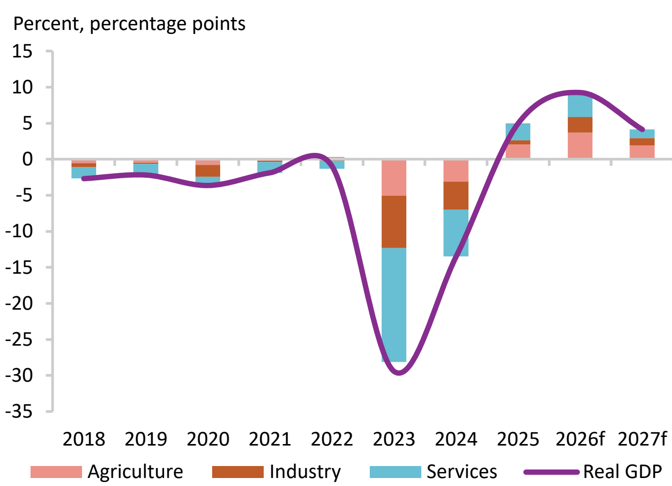
Sudan is experiencing the world's worst displacement crisis, with 12.9 million people forcibly displaced—seeking refuge both internally and across borders since the conflict erupted in April 2023, heightening the risk of instability in a fragile region. Famine is widespread affecting 10 areas, with approximately 24.6 million people acutely food insecure, and 638,000 people—the highest number globally—facing catastrophic levels of hunger. Multiple disease outbreaks—including cholera, dengue fever, and malaria—severely impact the most vulnerable populations, further exacerbated by the destruction of health, water, sanitation, and hygiene infrastructure.

The collapse of public institutions has disrupted spending, while displacement and reduced economic activity have shrunk the tax base, sharply lowering revenues. The conflict also disrupted official data production by key government institutions, such as the Central Bank, Ministry of Finance and Economic Planning, and the Central Bureau of Statistics.

Recent developments

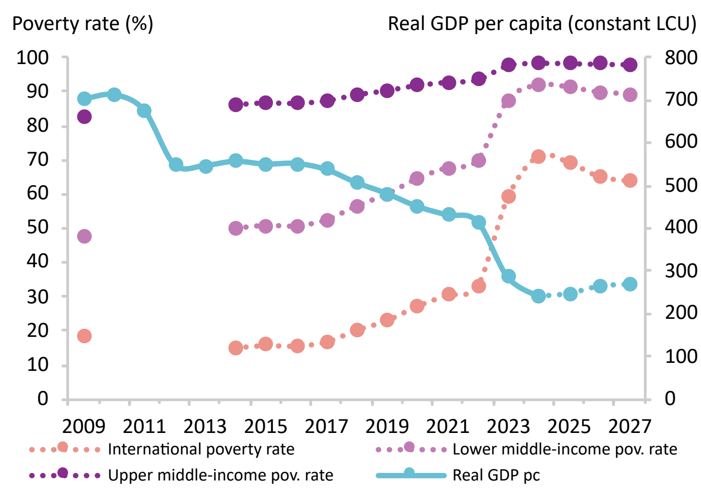
GDP is estimated to have contracted by 13.5 percent in 2024 following a 29 percent contraction in 2023. Critical shortages of seeds, fertilizers, and fuel, along with disrupted trade routes, have significantly hindered food production and distribution causing an estimated 7.6 percent contraction in the agriculture sector in 2024. The industrial sector has declined by 13 percent, reflecting damage to infrastructure, factories and disruptions in supply chains. Services, heavily concentrated in Khartoum, declined by 22 percent. Private

FIGURE 1 / Real GDP growth and sectoral contributions to real GDP growth



Sources: Central Bureau of Statistics and World Bank staff estimates.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

consumption is estimated to have dropped by 16 percent due to income losses and mass displacement.

The shrinking tax base and decline in fiscal revenues (to 4.1 percent of GDP in 2024) resulted in reduced government spending, including substantial cuts to salaries and current transfers. The current account deficit is estimated to have widened to 12 percent of GDP in 2024, as bank collapses impacted remittances, which reportedly declined by $4 to $6 billion since the conflict started. Exports increased to 10 percent of GDP in 2024, primarily as the government regained control over mining areas. Imports, however, declined in line with domestic demand.

The country continues to experience hyperinflation, with prices rising by 188 percent (year-on-year) in December 2024, indicating the severe depreciation of the Sudanese Pound (which devalued by 233 percent in official markets and 355 percent in the parallel market since April 2023), and conflict-related disruptions to food, housing, transport, and trade. Extreme poverty, defined as the share of the population living with less US$2.15 a day has more than doubled from 33 percent in 2022 to 71 percent in 2024. To restore banking functionality, the central bank established a joint portfolio with commercial banks to fund essential imports and issued a new 1000-pound note to combat counterfeiting and limit cash outside the banking system, though this has led to liquidity constraints, negatively impacting donor activities.

Outlook

Sudan's economic outlook remains highly uncertain and faces major risks. Assuming the conflict is resolved in 2025, GDP is expected to recover by 5 percent in 2025, with a stronger rebound in 2026, as security improves, and services recover. Due to the household survey being over a decade old, and the recent conflict, there is significant uncertainty in forecasting poverty. Nevertheless, extreme poverty is anticipated to remain high in the medium term.

Inflation is expected to remain in double digits due to continued budget deficit monetization in the near term but is expected to gradually ease as supply capacity improves and monetization is phased out. The current account deficit is projected to narrow, with stronger exports and remittances.

Should the conflict be resolved, the fiscal outlook is expected to improve, as revenue collection recovers, although revenues will likely remain below pre-conflict levels. Public debt is projected to decline but stay elevated, with longer term fiscal sustainability depending on structural reforms and debt relief.

Recovery to pre-conflict GDP levels will take years to materialize due to economic scarring and capital losses, with the pace hinging on reconstruction and reforms. Delays in conflict resolution and rising tensions, including the RSF's declaration of a parallel government, pose significant risks to the outlook.

Although direct effects from global trade policy shifts are likely limited due to minimal trade ties, broader spillovers remain uncertain. Sudan would benefit from lower oil prices and higher gold prices, however tighter fiscal space in key partners could hinder availability of support for post-conflict reconstruction.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	-1.0	-29.4	-13.5	5.0	9.3	4.1
Private consumption	-0.8	-28.4	-16.2	3.7	6.8	2.5
Government consumption	1.9	-27.1	-0.6	4.8	23.2	13.9
Gross fixed capital investment	1.2	-20.0	-15.0	2.0	4.0	2.0
Exports, goods and services	12.0	-37.1	16.4	18.8	8.0	10.0
Imports, goods and services	8.7	-12.7	-21.5	-8.0	4.0	6.0
Real GDP growth, at constant factor prices	-1.0	-28.5	-13.5	5.0	9.3	4.1
Agriculture	1.0	-14.9	-7.6	4.7	8.5	4.4
Industry	-0.7	-25.8	-13.1	2.0	7.5	3.7
Services	-3.0	-43.2	-22.0	8.9	12.4	4.2
Employment rate (% of working-age population, 15 years+)	40.0	37.7	37.7	37.7	37.7	37.7
Inflation (consumer price index)	164.2	65.8	170.0	89.4	33.1	20.0
Current account balance (% of GDP)	-6.0	-6.2	-12.0	-4.8	-1.5	3.6
Net foreign direct investment inflow (% of GDP)	-1.3	-0.7	-1.4	-1.1	-0.9	-1.0
Fiscal balance (% of GDP)	-1.7	-3.8	-4.1	-3.7	-3.7	-3.4
Revenues (% of GDP)	10.0	4.8	4.7	5.6	6.2	6.8
Debt (% of GDP)[1]	183.6	167.3	147.4	142.7	124.2	106.4
Primary balance (% of GDP)	-1.6	-3.7	-4.0	-3.6	-3.6	-3.3
International poverty rate ($2.15 in 2017 PPP)[2,3]	33.3	59.1	71.0	69.2	65.1	63.8
Lower middle-income poverty rate ($3.65 in 2017 PPP)[2,3]	69.9	87.5	91.9	91.3	89.8	89.4
Upper middle-income poverty rate ($6.85 in 2017 PPP)[2,3]	93.6	97.8	98.5	98.4	98.2	98.1
GHG emissions growth (mtCO2e)	-0.3	-1.8	-2.2	1.0	3.2	0.8

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Debt projections do not include any restructuring achieved during the HIPC process.
2/ Calculations based on 2014-NBHS. Actual data: 2014. Nowcast: 2015-2024. Forecasts are from 2025 to 2027.
3/ Projection using neutral distribution (2014) with pass-through = 1 (High (1)) based on GDP per capita in constant LCU.

This outlook reflects information available as of April 10, 2025.

TANZANIA

Population[1] million	Poverty[2] millions living on less than $2.15/day
68.6	25.8
Life expectancy at birth[3] years	School enrollment[4] primary (% gross)
66.8	93.1
GDP[5] current US$, billion	GDP per capita[6] current US$
78.8	1149.1

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2018 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

Tanzania maintained macroeconomic stability supported by prudent macroeconomic management, natural endowments, and favorable demographics. Growth accelerated to 5.5 percent in 2024 due to increased exports, favorable weather, and improved access to electricity. Growth is expected to accelerate further, but uncertainty to this outlook increased with global policy risks. Poverty at the International Poverty Line was estimated at 42.9 percent.

Key conditions and challenges

Tanzania has built a track record of macroeconomic stability even amid serious economic shocks. Growth remained robust, fiscal balances manageable, and inflation below targets despite the international disruptions that characterized the early 2020s. High natural endowments and favourable demographics support high investment levels that strongly contributed to growth.

Tanzania nevertheless contends with structural and policy barriers to accelerating inclusive growth. High government investment in infrastructure, combined with below-potential domestic resource mobilization limits fiscal space for expanding crucial public services. Strengthening the business environment is a policy priority for growth acceleration. Supporting the country's external resilience through a more flexible exchange rate regime, which is currently characterized by a preference for asymmetric exchange rate flexibility, is a macroeconomic policy area that can be improved.

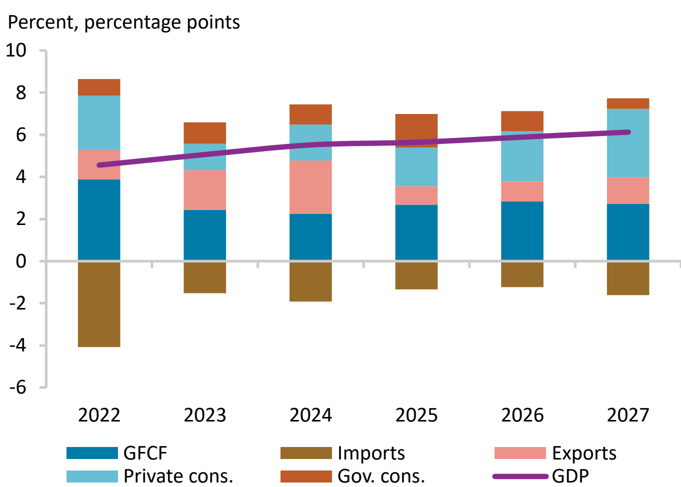
Economic growth has been concentrated in few sectors with limited workforce absorption and scant wage employment creation. Slow structural transformation has kept two-thirds of Tanzanian workers in the low-productivity agriculture sector. While poverty remains predominantly rural, poverty rose relatively faster in urban areas post-Covid. Although Tanzania has urbanized faster than its neighbors, migration to towns and cities has not been an engine for poverty reduction.

Recent developments

Growth accelerated in 2024 promoted by expanding exports, a good agricultural season, and increased electricity supply. Higher global demand for Tanzanian goods like gold, tourism, and agricultural commodities improved terms of trade. Tanzanian production was able to meet additional demand as an enhanced business environment had led to investments increasing productive capacity. Tanzania's current account deficit likely narrowed to 2.3 percent of GDP in 2024, a long-term sustainable level given the increased levels of FDI and highly concessional finance Tanzania attracts.

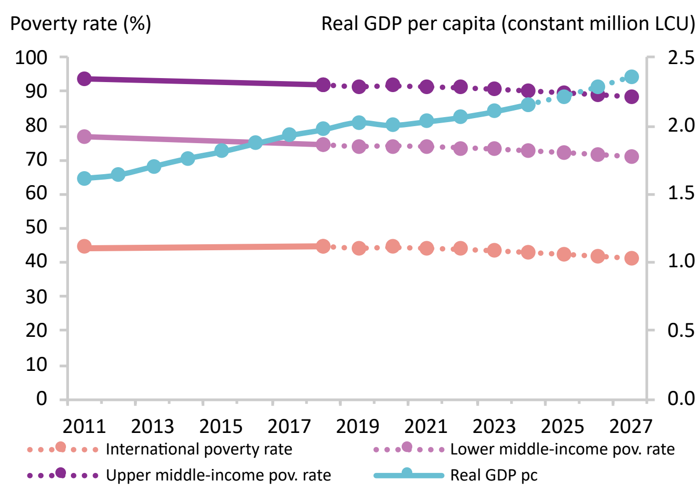
Electricity supply grew rapidly in 2024 with the Julius Nyerere Hydropower Plant adding capacity to the growing grid. The first phase of Tanzania's largest investment project—the Standard-gauge Railway (SGR) across the country and into neighbouring

FIGURE 1 / Real GDP growth and contributions to real GDP growth



Source: World Bank staff estimates and projections (2020-2026).

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

Burundi —also started operating passenger services between Dar es Salaam, the commercial hub, and the capital Dodoma. Cargo services are yet to commence highlighting the need for an integrated transport policy approach.

While El Niño led to droughts in many neighbouring countries, Tanzania enjoyed above-average rains, record harvests, and a boost to downstream sectors. Large harvests also depressed domestic food prices, leading to significant welfare gains for the poorest and enhanced food security. Overall inflation also remained low amidst moderate monetary tightening. Additionally, the economy closing in on its potential tightened the labour market. Poverty at the International Poverty Line of US$2.15 2017 PPP/day (about 2,080 nominal TSH in 2024) is estimated to have decreased to 42.9 percent in 2024.

Outlook

Secular effects are expected to drive continued economic expansion and macroeconomic stability. Abundant opportunities, including in the extractives sector, improvements to the business environment, and the increasing use of public-private partnerships will drive investment and thus spur economic growth. Simultaneously, macroeconomic risks are expected to be contained through prudent macroeconomic decision making.

However, three prominent external risks emerged in early 2025: renewed conflict in eastern Democratic Republic of Congo (DRC), disruptions in development assistance, and increased uncertainty on global trade policy. The conflict in DRC affects Tanzania's export and transport sectors since traffic to the DRC has historically accounted for 14 percent of volumes at Tanzania's largest port. The disruption of development assistance will negatively impact Tanzania's economy, especially the health sector. While direct and indirect effects of recent trade policy shifts have caused a downward shift in growth projections, continued uncertainty and weaker than expected global demand may further adversely affect Tanzania's growth prospects.

Policy risks include Tanzania's increased spending ambitions against the background of still weak domestic revenue mobilization. While double digit increases in planned expenditures in the next two years are an opportunity to enhance service delivery and avoid underinvestment in human capital in the face of uncertain donor support, they also necessitate careful prioritisation, particularly in public investment, and improvements in revenues to ensure fiscal and macroeconomic sustainability.

Real per capita growth of 2 to 3 percent is expected to reduce the poverty rate to 41.0 percent by 2027, though there is a downside risk to global economic growth due to the U.S. tariffs. This is driven more by growth in the service and industry sectors, and less by agriculture. In addition to mitigating risks to the overall economy negatively impacting vulnerable populations, it is important to improve the resilience of Tanzanian households through the creation of better-quality jobs and strengthening the social safety net system.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	4.6	5.1	5.5	5.7	5.9	6.1
Private consumption	4.6	2.2	3.1	3.4	4.5	6.3
Government consumption	8.4	10.7	9.5	15.1	8.3	4.3
Gross fixed capital investment	9.6	5.7	5.3	6.3	6.6	6.3
Exports, goods and services	10.2	13.2	16.4	5.2	5.7	7.4
Imports, goods and services	23.7	7.5	9.2	6.2	5.7	7.4
Real GDP growth, at constant factor prices	4.6	5.1	5.5	5.7	5.9	6.1
Agriculture	3.3	3.6	4.1	3.5	3.6	3.7
Industry	4.3	4.8	5.2	5.9	7.4	7.5
Services	5.6	6.2	6.7	6.8	6.1	6.5
Employment rate (% of working-age population, 15 years+)	81.5	81.6	82.2	82.6	82.7	82.8
Inflation (consumer price index)	4.4	3.8	3.1	3.6	4.0	4.0
Current account balance (% of GDP)	-7.3	-3.8	-2.3	-3.5	-3.3	-3.1
Net foreign direct investment inflow (% of GDP)	1.9	2.1	2.0	1.9	2.1	2.2
Fiscal balance (% of GDP)	-3.7	-4.1	-2.8	-3.4	-3.5	-3.1
Revenues (% of GDP)	15.2	14.9	16.1	16.8	16.8	16.9
Debt (% of GDP)	44.2	46.0	50.3	51.2	50.1	49.1
Primary balance (% of GDP)	-1.9	-2.0	-0.3	-0.5	-0.8	-0.5
International poverty rate ($2.15 in 2017 PPP)[1,2]	43.9	43.5	42.9	42.3	41.7	41.0
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	73.6	73.2	72.8	72.3	71.8	71.3
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	91.3	90.9	90.3	89.8	89.2	88.5
GHG emissions growth (mtCO2e)	0.4	0.7	0.9	1.1	1.1	1.2

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2009-, 2024-, and 2018-HBS. Actual data: 2018. Nowcast: 2019-2024. Forecasts are from 2025 to 2027.
2/ Projection using point to point elasticity at regional level with pass-through = 0.7 based on GDP per capita in constant LCU.

TOGO

Population[1] million	Poverty[2] millions living on less than $2.15/day
9.5	2.4
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
61.6	120.2
GDP[5] current US$, billion	**GDP per capita[6]** current US$
10.0	1049.6

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2021 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

Fiscal consolidation efforts and a decelerating external demand amid rising trade uncertainty are expected to result in growth moderating to 4.9 percent in 2025, from 5.3 percent in 2024, before recovering gradually in 2026-27. Extreme poverty is projected to decrease by 1.4 percentage points over the same period. Escalating geopolitical and trade policy uncertainty, debt refinancing pressures, and climate shocks are key downside risks to this outlook.

Key conditions and challenges

Togo's economy has been resilient, with annual growth averaging 6.1 percent between 2021 and 2023, thanks to fiscal stimulus measures implemented in the post-COVID period and robust private investment. However, high inflation and disparities in access to basic services between rural and urban areas have hindered poverty reduction, while fiscal space has been strained by growing transfers and high levels of capital spending.

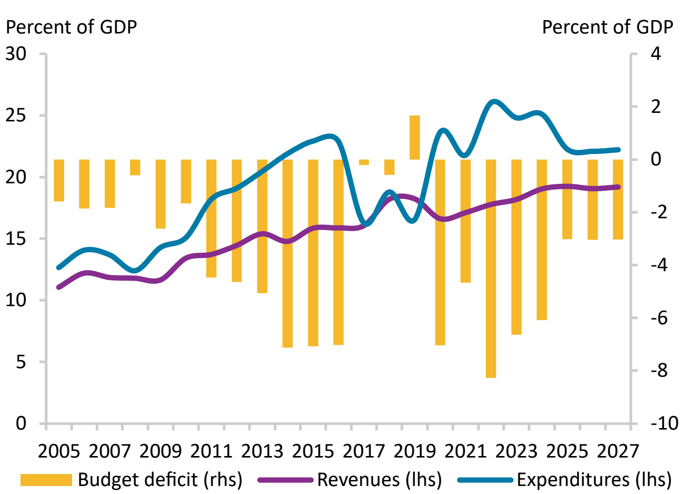
The medium-term outlook remains positive in Togo, but increased global headwinds and fiscal consolidation efforts are expected to result in a temporary slowdown. Boosting the country's growth potential and tackling global trade policy uncertainty would require strengthening Togo's attractiveness as a trade and investment hub, improving agriculture productivity, enhancing access to energy, and strengthening resilience to climate and economic shocks.

Recent developments

GDP growth is estimated to have slowed to 5.3 percent in 2024 (3 percent in per capita terms). On the demand side the government focused on rapid fiscal deficit reduction and external demand decelerated, while private investment and consumer spending were the main drivers of growth, aided by a drop in inflation to 2.9 percent in 2024 (from 5.3 percent in 2023). On the supply side, industrial activity moderated while the services and agriculture sectors helped maintain growth close to its decade-average (5.1 percent). The international extreme poverty rate, measured at $2.15, 2017 PPP threshold for low-income countries, is estimated to have declined to 24.8 percent in 2024 from 26.0 percent in 2023.

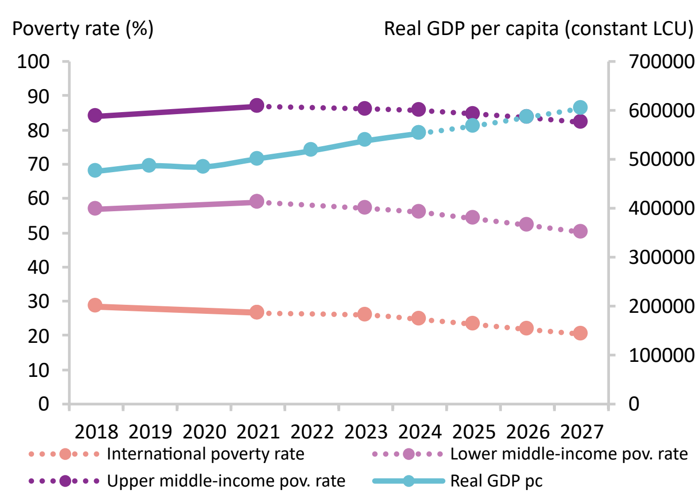
Expenditure cutbacks and revenues-boosting efforts reduced the budget deficit from 6.6 percent of GDP in 2023 to 4.5 (6.1 percent including recapitalization of the state-owned bank UTB - Union Togolaise de Banque) although security spending to address northern border instability with Burkina Faso remained high. The budget

FIGURE 1 / Revenues, expenditures, and deficit



Source: World Bank.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

deficit was financed primarily through issuances on the WAEMU regional debt market, with a shift to shorter-dated securities and rising yields. The current account deficit (CAD) stabilized at 3.2 percent of GDP in 2024, as slower export growth was offset by improved terms of trade and rising remittances.

The WAEMU inflation rate declined further in 2024 to 3.5 percent, above the 1-3 percent WAEMU target band. Regional foreign reserves increased from 3.5 months of imports in 2023 to 4.7 months in 2024, reflecting the resumption of international bond issuances, and IMF and World Bank disbursements. The Central Bank of West African States maintained its policy interest rates throughout 2024 at 3.5 percent for liquidity calls and 5.5 percent for the marginal lending facility.

Outlook

Economic growth is expected to moderate further to 4.9 percent in 2025, as fiscal consolidation efforts and trade policy uncertainty will tend to dampen both domestic and external demand. Ongoing private investment projects and a continued recovery in consumer spending will support aggregate demand. Assuming global policy uncertainty dissipates, growth will strengthen to 5.4 percent in 2026 and 5.5 percent in 2027. In this context, the extreme poverty rate is projected to decline further to 20.5 percent by 2027. Import demand and exports should moderate, leaving the current account deficit broadly stable around 3 percent of GDP in 2026-27 amidst trade policy uncertainties. The regional inflation rate is expected to align with the WAEMU target band from 2025 onwards, while regional reserves are projected to rise to 5.4 months of imports in 2025, supported by recovering exports, and lower Euro Area interest rates.

The 2025 budget aims to reduce the deficit to 3 percent of GDP and maintain it at that level in subsequent years, aligning with WAEMU and IMF program targets. Total revenue is projected to increase by 0.5 percent of GDP per year with the implementation of tax and customs reforms as well as reduced tax exemptions. Combined with cuts in public investment and transfers, these measures will help lower public debt to 66.7 percent of GDP in 2026 and 65.2 percent in 2027. Despite these efforts, high refinancing needs and domestic debt service costs will continue to represent a source of fiscal vulnerability.

The outlook is subject to growing downside risks. In particular, further global trade policy uncertainty and regional insecurity could have more severe effects on the growth prospects than currently envisaged, while potentially slowing the pace of budget deficit and public debt reduction in coming years. Moreover, climate shocks represent an ongoing threat that could impact food security and amplify fragility risks in more exposed rural areas. In contrast, a faster-than-expected easing of financing conditions and reform implementation could stimulate private investment.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	5.8	6.4	5.3	4.9	5.4	5.5
Private consumption	4.7	4.3	5.4	5.4	5.0	4.8
Government consumption	7.2	6.3	5.7	1.4	6.8	6.0
Gross fixed capital investment	11.3	12.0	4.4	5.1	6.4	8.0
Exports, goods and services	2.8	6.8	5.8	5.4	5.8	7.0
Imports, goods and services	5.3	5.8	5.4	5.2	6.0	7.0
Real GDP growth, at constant factor prices	6.3	6.6	5.3	4.9	5.4	5.5
Agriculture	5.1	4.2	4.1	4.5	4.5	4.9
Industry	6.4	6.7	4.2	3.9	6.2	7.0
Services	6.8	7.6	6.2	5.4	5.4	5.1
Employment rate (% of working-age population, 15 years+)	57.0	57.0	56.7	56.7	56.7	56.8
Inflation (consumer price index)	7.5	5.3	2.9	2.6	2.7	2.4
Current account balance (% of GDP)	-3.0	-3.3	-3.2	-3.2	-3.1	-3.0
Net foreign direct investment inflow (% of GDP)	0.3	0.4	0.4	0.5	0.5	0.5
Fiscal balance (% of GDP)	-8.3	-6.6	-6.1	-3.0	-3.0	-3.0
Revenues (% of GDP)	17.8	18.2	19.0	19.4	19.2	19.4
Debt (% of GDP)	67.1	67.2	69.7	68.4	66.7	65.2
Primary balance (% of GDP)	-5.8	-4.4	-3.4	-0.5	-0.5	-0.5
International poverty rate ($2.15 in 2017 PPP)[1,2]	26.2	26.0	24.8	23.4	21.9	20.5
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	58.2	57.1	55.9	54.1	52.5	50.4
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	86.8	86.1	85.6	84.7	83.8	82.4
GHG emissions growth (mtCO2e)	2.6	2.5	5.0	5.2	5.3	5.0

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2021-EHCVM. Actual data: 2021. Nowcast: 2022-2024. Forecasts are from 2025 to 2027.
2/ Projections using microsimulation methodology.

UGANDA

Population[1] million	Poverty[2] millions living on less than $2.15/day
50.0	18.1
Life expectancy at birth[3] years	School enrollment[4] primary (% gross)
63.6	105.5
GDP[5] current US$, billion	GDP per capita[6] current US$
46.6	931.1

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2019 (2017 PPPs). 3/ 2022. 4/ 2017. 5/ 2024. 6/ 2024.

Uganda's economy remained resilient, supported by broad-based growth in services, industrial, and agricultural sectors. Headline inflation declined, driven by declining food prices, tight monetary policy, and a stable exchange rate. However, both fiscal deficit and external sector balance remain high, posing a key challenge in case oil production stands delayed. Poverty is high but could decline if oil revenues are invested in human capital.

Key conditions and challenges

In recent years, the speed of reforms slowed down hindering Uganda's economic growth and poverty reduction efforts. Poverty estimates show that 42 percent of Ugandans were below the poverty line (US$2.15 2017PPP) in 2019/2020. Persistent human capital deficit and a significant productive jobs agenda given a growing working-age population, remain key challenges. The services sector, despite its significant GDP share, has low job intensity compared to the agricultural sector, which employs two-thirds of the workforce and faces low productivity, limited modernization, and climate vulnerability with minimal adaptation efforts.

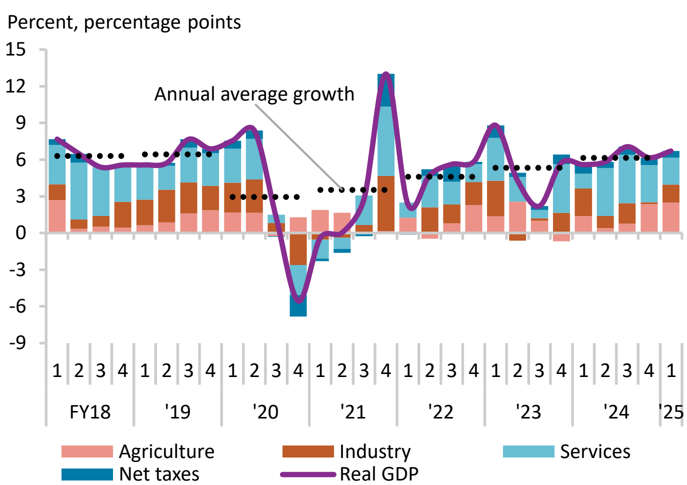
To promote economic growth and reduce poverty, Uganda should focus on structural transformation, shifting labor to more productive employment, and increasing agricultural productivity where the poor are concentrated. Reforms should stimulate private sector investment by lowering business costs, improving access to finance, and promoting digital and innovative technologies. The government must rebalance fiscal consolidation by shifting spending into social sectors. Investing more in human capital, alongside measures to reduce inequality and strengthen resilience, can reduce poverty. Maintaining prudent macroeconomic management, adhering to the fiscal rules in the Charter of Fiscal Responsibility, enhancing revenue mobilization, and avoiding "Dutch disease" are crucial in anticipation of oil revenues.

Recent developments

Growth accelerated to 6.1 percent in FY24 up from 5.3 percent in FY23. Net exports have been the key driver along with stronger public sector investment, particularly in the oil sector. Robust global demand and easing supply chain disruptions provided further impetus to growth.

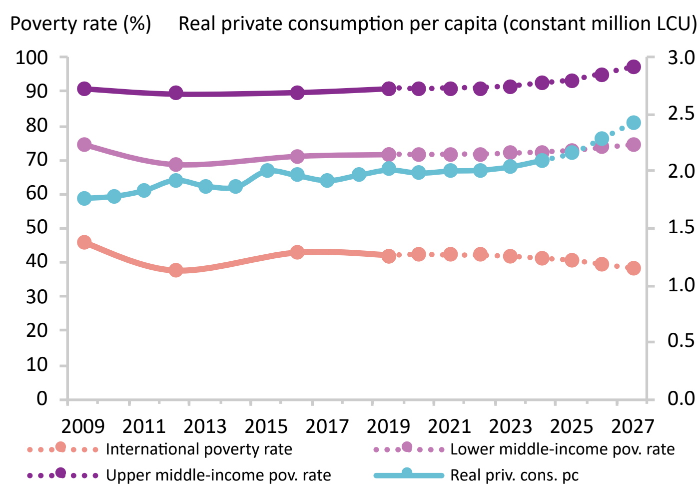
Headline and core inflation declined to 3.2 and 3.0 percent, respectively, in FY24, from 8.8 and 7.4 percent in FY23, remaining below the Central Bank target of 5 percent. This decline was supported by favorable weather conditions leading to lower food crop prices, which grew by 3.3 percent in FY24 compared to 22.7 percent in FY23, easing global economic conditions, exchange rate stability and tight monetary policy.

FIGURE 1 / Real GDP growth and contributions to real GDP growth



Source: Bureau of Statistics (UBOS).

FIGURE 2 / Actual and projected poverty rates and real private consumption per capita



Source: World Bank. Notes: See footnotes in table on the next page.

The current account deficit (CAD) remained elevated at 7.7 percent in FY24, up from 7.4 percent in FY23. Further worsening of the CAD was driven by increased import demand for infrastructure projects, oil-related investments and higher freight costs. Even though, the growth in merchandise exports remained strong, supported by higher exports of coffee and gold, trade deficit remained elevated.

The fiscal deficit of CG marginally narrowed to 5.1 percent of GDP in FY24 from 5.2 percent in FY23, driven by continued fiscal consolidation efforts. The primary deficit decreased by 0.1pp of GDP to 1.6 percent in FY24, as tax revenues continued to underperform due to laxed enforcement on the use of the electronic fiscal receipting and invoicing system. Fiscal consolidation has primarily focused on expenditure cuts, mainly capital spending, impacting essential social programs. There is an urgent need to improve the quality of fiscal consolidation by improving spending efficiency and enhancing domestic revenue mobilization. Moreover, the fiscal deficit was financed mostly by domestic financing. Poverty projections show that 41 percent of Ugandans were poor in 2024.

Outlook

Growth is projected to modestly increase to 6.2 percent in FY25, driven by agriculture and services. Over the medium term, growth is projected to accelerate significantly to 10.4 percent in FY27 as oil production begins, before returning to around 6 percent as the oil production plateaus. Developments in the oil sector are expected to drive growth in the medium term, however, uncertainty in global trade policy could impact investment, and commodity price declines may compound the potential effects of trade uncertainty.

The primary balance is expected to deteriorate to -2.3 percent in FY25, improve slightly in FY26, and eventually post a 0.1 percent surplus in FY27. Continued implementation of the domestic revenue mobilization strategy is projected to generate additional tax revenue, estimated at 0.5 and 1.3 percent of GDP in FY25 and FY26, respectively. With limited scope to alter tax rates, the focus will be on improving tax administration efficiency through enhanced use of technology and improving the fairness of the tax system. Public debt to GDP is projected to moderately rise to 52.7 percent of GDP in FY25 before decreasing to 51 percent in FY27.

The CAD as a percent of GDP is expected to remain elevated in the near term, reflecting capital imports for oil production. In the medium term, the CAD is expected to improve as oil exports commence, and the oil refinery becomes operational. Export growth is further expected to benefit from a recovery in global demand and increased regional trade, public infrastructure developments are likely to drive import growth. Foreign direct investment flows are projected to remain strong in the near term.

Poverty is projected to marginally decline in FY25, with the pace of reduction expected to improve as growth accelerates in the medium term. If oil revenues are invested in social services, infrastructure, and human capital, poverty could fall to 38 percent by 2027.

Downside risks for Uganda include a timing mismatch between oil production and pipeline completion, threatening revenue generation. Reliance on rain-fed agriculture increases vulnerability to climate shocks, potentially derailing poverty reduction without sufficient climate adaptation investment. Export earnings could be affected by the EU deforestation-related import ban and trade policy uncertainty. Geopolitical tensions in the region and the Middle East could disrupt global demand and impact economic growth. The 2026 elections pose a risk to budget credibility, potentially leading to fiscal slippages if spending is not aligned with the approved budget.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	4.7	5.3	6.1	6.2	6.2	10.4
Private consumption	3.4	4.4	4.5	5.5	5.7	6.7
Government consumption	-17.4	5.1	12.9	5.0	5.2	6.2
Gross fixed capital investment	20.1	5.5	-6.7	8.9	7.9	17.7
Exports, goods and services	-18.6	7.0	38.0	8.4	8.5	14.4
Imports, goods and services	-8.9	3.2	4.7	9.0	8.5	8.0
Real GDP growth, at constant factor prices	4.7	5.3	6.1	6.2	6.2	10.4
Agriculture	4.4	5.0	5.4	5.5	5.6	5.8
Industry	5.4	3.9	5.3	5.6	5.6	12.0
Services	4.4	6.3	6.9	6.9	6.8	11.8
Inflation (consumer price index)	3.7	8.8	3.2	3.7	5.0	5.0
Current account balance (% of GDP)	-7.9	-7.4	-7.7	-7.1	-6.9	-4.2
Net foreign direct investment inflow (% of GDP)	3.1	5.9	5.7	6.3	6.0	4.6
Fiscal balance (% of GDP)	-8.4	-5.2	-5.1	-6.4	-6.5	-5.5
Revenues (% of GDP)	16.4	17.0	15.2	16.6	16.9	18.0
Debt (% of GDP)	56.2	55.4	50.1	52.7	53.7	51.0
Primary balance (% of GDP)	-5.0	-1.7	-1.6	-2.3	-1.6	0.1
International poverty rate ($2.15 in 2017 PPP)[1,2]	42.1	41.8	41.3	40.7	39.5	38.3
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	71.8	72.0	72.4	72.8	73.7	74.6
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	91.0	91.5	92.3	93.3	95.1	97.0
GHG emissions growth (mtCO2e)	2.3	2.7	2.8	3.0	3.4	4.7

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2016-UNHS and 2019-UNHS. Actual data: 2019. Nowcast: 2020-2024. Forecasts are from 2025 to 2027.
2/ Projection using annualized elasticity (2016-2019) with pass-through = 0.7 based on private consumption per capita in constant LCU.

ZAMBIA

Population[1] million	Poverty[2] millions living on less than $2.15/day
21.3	13.0
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
61.8	94.8
GDP[5] current US$, billion	**GDP per capita[6]** current US$
26.0	1219.1

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2022 (2017 PPPs). 3/ 2022. 4/ 2020. 5/ 2024. 6/ 2024.

Following a severe drought, Zambia's economy showed resilience in 2024. It grew at 4.0 percent, driven by mining recovery and acceleration in services despite electricity shortages and low food supply that fueled inflation. Despite the uncertain global environment, growth is expected to average 6.6 percent in 2025-27 due to agricultural recovery, improved mining, and services momentum. However, extreme poverty will remain high due to insufficient per capita income growth.

Key conditions and challenges

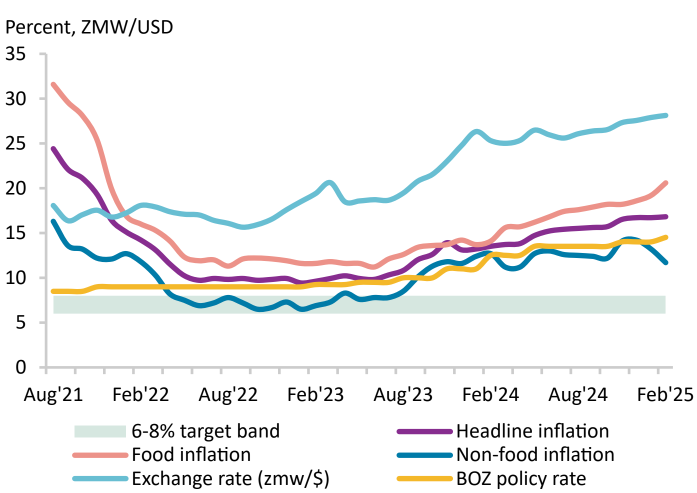
Zambia's economy, predominantly reliant on mining and subsistence agriculture, faced significant challenges due to cholera and a severe drought. The ineffectiveness of growth in reducing poverty contributes to high inequality. Debt restructuring is nearing completion after four years. However, the protracted debt restructuring has heightened sovereign risks and diminished foreign direct investment, depreciating the local currency and fueling inflation during the drought. This situation has placed Zambia below its growth potential and limited its financing options. The lack of access to international commercial lending has reduced the fiscal capacity needed to implement countercyclical fiscal policies and public investments vital for growth and poverty reduction.

Debt restructuring agreements with official bilateral creditors in October 2023, international bondholders in June 2024, and recent in-principle agreements with two major Chinese private creditors have resulted in agreements on over 90 percent of debt expected to be treated. Completing debt restructuring and implementing policy reforms, including debt management and energy sector improvements, should help Zambia achieve long-term fiscal sustainability. At the same time, Zambia has tremendous natural resources, and its rich green mineral deposits are in demand due to the global energy transition. With effective fiscal management, Zambia can capitalize on its vast renewable and non-renewable natural resources, generating substantial fiscal revenues to support growth and pro-poor policies. However, the country must continue strengthening fiscal management by expanding its narrow tax base and enhancing its natural resource management framework.

Recent developments

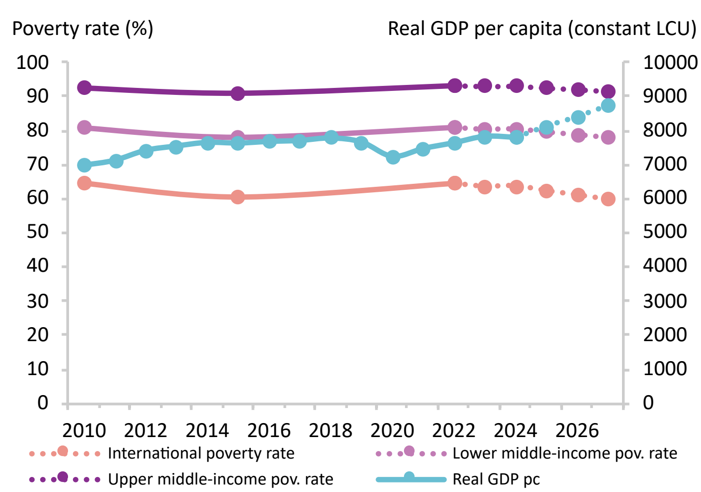
Despite gloomy predictions for 2024 following the historic drought, Zambia's economic activity proved more resilient than expected. Mining production grew for the first time in three years, rising by 12 percent following resumed operations at Konkola Copper Mine, improvements at Mopani, and increased output from several mines. Coupled with growth in construction and services, this expansion supported real GDP growth, preliminary estimated at 4.0 percent in 2024 (subject to revision). Business confidence improved, as evidenced by the Purchasing

FIGURE 1 / Inflation, exchange rate, and monetary policy rates



Source: World Bank estimates.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

Managers' Index returning to the expansion zone from December 2024, recovering from its lowest point in September. The rekindling in copper exports, driven by the recovery in production, helped to reduce the current account deficit despite high imports of intermediate and capital goods for the mining sector, as well as maize and electricity due to the drought.

Still, the impact of the drought continues, with about 5.8 million individuals estimated to face high acute food insecurity (the Integrated Food Security Phase Classification, Phase 3 or above) between October 2024 and March 2025. Inflation continues to edge upward, reaching 16.8 percent in February, driven by higher food prices and exchange rate depreciation (over 30 percent in 2024)—denting households' real incomes. The Bank of Zambia (BoZ) raised the monetary policy rate by 350 basis points since February 2024, reaching 14.5 percent in February 2025. The increase in the statutory reserve ratio by BoZ and the Government consolidating deposits into a single treasury account constrained market liquidity in early 2024, reducing government securities subscriptions. However, liquidity improved in the second half due to the resumption of open market operations, government payments, and higher export earnings.

Private sector credit growth slowed to 20.7 percent year-on-year by December 2024 from 29.7 percent in September, mainly due to a sluggish manufacturing industry. Gross international reserves increased from 3.4 months of imports in 2023 to 4.1 in 2024, supported by mining receipts and external financing from multilateral organizations. Preliminary figures show that the fiscal position improved in 2024 due to revenue recovery from mining expansion and resilient growth despite constrained spending on goods, services, and capital amid subdued domestic financing. Higher domestic interest payments and resumed Eurobonds debt service raised interest payments, further crowding out productive spending.

Outlook

Annual real GDP growth is projected at 6.2 percent in 2025 and average 6.6 percent in 2026-27. This reflects anticipated record agricultural harvests on the back of good rainfall in 2025, supporting crop performance, improved reservoir levels, and enhanced electricity generation. Over the medium term, growth will benefit from broad-based momentum across agriculture, industry (particularly mining and agrifood processing), and services related to mining, agriculture, and tourism. Poverty is expected to resume a downward trajectory, but from a high base and at a slow pace, reaching 62 percent in 2025. Inflation is anticipated to decrease as the food supply improves.

Key growth drivers include net foreign direct investment inflows in the mining sector, restoring debt sustainability, and completing reforms to support private sector competitiveness and regain macroeconomic stability. Investments in mining have reached US$9.3 billion since 2023, with additional pledges of US$1.0 billion, aiming to boost copper production to the government's 3 million metric tons annual target. The shift towards low-carbon energy and the updated mining fiscal regime also contribute to a positive mining outlook.

The outlook faces significant risks due to lower global growth amid emerging uncertainty in trade policies. Zambia's direct impacts are expected to be small. However, indirect effects like volatile commodity prices, higher business costs, and supply chain disruptions cloud the medium term. There are some mitigating factors. Lower oil prices, reflecting the combined effects of global growth concerns and a large increase announced in OPEC production, bode well for Zambia's significant fuel imports and inflation. Copper, the country's main export, is currently exempted from reciprocal tariffs, and prices are expected to remain elevated. Still, adverse climate conditions, a sharp reduction in commodity prices, and associated fiscal challenges could swiftly worsen fiscal and external balances.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	5.2	5.4	4.0	6.2	6.8	6.4
Private consumption	5.6	5.7	4.3	7.0	7.5	7.0
Government consumption	6.7	7.3	6.6	8.6	9.0	7.7
Gross fixed capital investment	4.5	5.3	3.3	4.9	5.6	5.5
Exports, goods and services	4.6	3.3	3.7	5.0	5.4	5.5
Imports, goods and services	4.0	4.5	3.1	4.0	4.4	4.5
Real GDP growth, at constant factor prices	5.4	5.7	3.8	6.4	6.7	6.3
Agriculture	-11.0	-15.9	-9.2	27.4	13.3	13.3
Industry	-2.2	1.7	3.5	4.1	6.0	6.8
Services	12.0	10.0	5.0	5.9	6.4	5.5
Employment rate (% of working-age population, 15 years+)	57.1	57.1	57.1	57.1	57.1	57.1
Inflation (consumer price index)	11.0	10.9	15.0	14.2	9.2	8.0
Current account balance (% of GDP)	3.8	-2.9	-1.2	1.3	1.4	3.9
Net foreign direct investment inflow (% of GDP)	0.7	1.1	3.6	3.9	4.6	3.7
Revenues (% of GDP)	20.4	21.6	22.3	22.4	22.3	22.2
International poverty rate ($2.15 in 2017 PPP)[1,2]	64.3	63.5	63.1	62.1	60.8	59.7
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	81.0	80.4	80.2	79.4	78.4	77.6
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	93.2	92.9	92.8	92.4	91.9	91.5
GHG emissions growth (mtCO2e)	0.5	0.8	1.2	1.3	1.4	1.5

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2022-LCMS-VIII. Actual data: 2022. Nowcast: 2023-2024. Forecasts are from 2025 to 2027.
2/ Projection using neutral distribution (2022) with pass-through = 0.87 (Med (0.87)) based on GDP per capita in constant LCU.

ZIMBABWE

Population[1] million	Poverty[2] millions living on less than \$3.65/day
16.6	9.9
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
59.4	95.8
GDP[5] current US$, billion	**GDP per capita[6]** current US$
35.2	2117.8

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2019 (2017 PPPs). 3/ 2022. 4/ 2022. 5/ 2024. 6/ 2024.

Growth slowed to 2 percent in 2024, primarily driven by the El Niño-induced drought, which led to steep decline in agricultural output and rising food prices, while hydro-electric power shortages constrained manufacturing. Fiscal challenges exerted pressure on the newly introduced ZiG currency. A recovery to 6 percent growth is expected in 2025, driven by agricultural recovery, investments in mining and steel production, and moderated inflation.

Key conditions and challenges

Macroeconomic vulnerabilities and a business environment raise the cost of doing business in Zimbabwe, increasing informality and limiting the pace of structural transformation. In 2024, El Niño-induced drought triggered a state of National Disaster significantly affecting agriculture, an important sector of Zimbabwe's economy which largely depends on rainfed crops. The investment climate is further hampered by inadequate electricity supply, as the drought has resulted in power shortages at the Kariba hydro-power station.

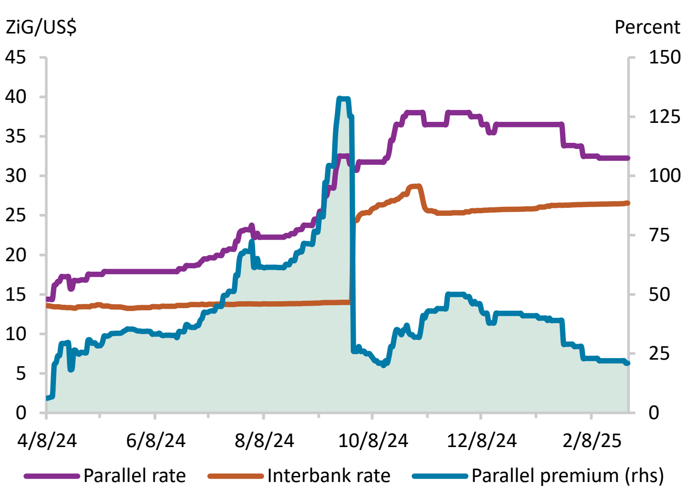
Public debt remains high, unsustainable, and in distress, limiting access to international financing. Due to accumulation of external arrears and legacy debts, total public debt reached US$21.2 billion in 2023 (96.6 percent of GDP). Fiscal risks remain elevated due to wage bill pressures and borrowing on non-concessional terms. Persistent challenges in deficit financing have exerted pressure on the newly introduced ZiG currency. To restore debt sustainability, there is need for increased domestic resource mobilization, fiscal consolidation, improved public debt management, growth-enhancing structural reforms, and resolution of external arrears.

Poverty reduction has been constrained by structural factors including macroeconomic volatility, dependence on low-productivity agriculture combined with high correlation between weather shocks and agricultural production, low coverage of social assistance programs, and high inequality in income and human capital endowment.

Recent developments

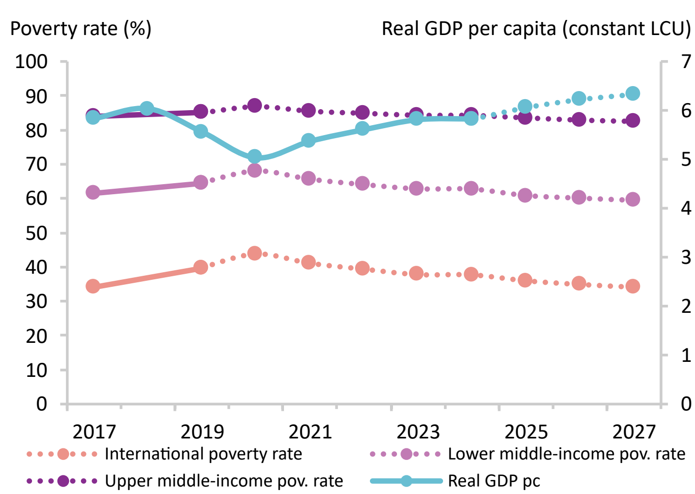
In 2024, Zimbabwe's economy was undermined by the El Niño-induced drought, which led to a steep decline in agricultural output. The drought also affected hydroelectric power generation at Lake Kariba, worsening electricity shortages and constraining growth in the manufacturing sector. Macroeconomic instability continued to undermine formal sector businesses operating in local currency, while risks related to price stability, exchange rates, and climate change-induced disasters persisted.

FIGURE 1 / Official and parallel market exchange rate, parallel premium



Sources: Reserve Bank of Zimbabwe and World Bank estimates.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Sources: World Bank. Notes: See footnotes in table on the next page.

The fiscal deficit declined from 6.4 percent in 2023 to 2.5 percent in 2024, as capital spending returned to historical average levels. Revenue increased, rising from 14.6 to 17 percent of GDP between 2023 and 2024, due to macroeconomic stabilization and tax policy measures. Fiscal risks remain elevated due to a growing wage bill, and challenges to finance the deficit persist.

In April 2024, the Reserve Bank of Zimbabwe (RBZ) introduced the ZiG currency, initially stabilizing the exchange rate and keeping inflation in single digits between May and August 2024. Yet, fiscal pressures led Treasury to borrow RBZ funds, resulting in a sharp depreciation of the ZiG on the parallel market and a spiking parallel premium (Figure 1). In response, RBZ devalued the currency in late September, bringing the parallel premium back down. A tighter monetary policy stance eventually resulted in a more stable formal and parallel market rate in November and December.

The current account remained positive, at 0.4 percent of GDP in 2024. While exports grew, driven by higher commodity prices (particularly gold), imports grew more from drought-related maize, rising fuel and electricity imports. Yet, the current account remained in surplus, as a widening trade deficit is outweighed by growing household remittance inflows, which increased from 5 to 7 percent of GDP between 2023 and 2024.

Due to the low GDP growth in 2024, the poverty rate at the international poverty line of $2.15 per person per day (PPP) declined marginally to 37.7 percentage points. The contraction of the agriculture sector due to drought is expected to have affected rural and agricultural households the most.

Outlook

Zimbabwe's economy is projected to grow by 6 percent in 2025, driven by a post-drought recovery in agriculture, while investments in gold, lithium, iron, and steel manufacturing are expected to boost industrial output. Yet current global uncertainties could affect Zimbabwe's exports directly and indirectly (as lower global demand could depress global mineral prices). Greater uncertainty may also raise gold prices, positively affecting exports, while a depreciating USD could benefit Zimbabwe's largely dollarized manufacturing sector's trade.

Monetary policy conditions are expected to improve in 2025. Tight monetary policy since October 2024 has contributed to improved inflation dynamics, and ZiG inflation is expected to decline from 736 percent in 2024, down to 84 percent in 2025, and to 8 percent in the medium term. Yet, Zimbabwe is significantly dollarized (as reflected by Foreign Currency Accounts making up 83 percent of broad money supply in December 2024). USD inflation in 2025 is expected to be in single digits, and so the weighted USD-ZiG inflation rate is improving even more rapidly. The parallel market premium has also decreased in recent months, easing currency pressures.

Poverty is expected to decrease in 2025 due to higher growth, but it is subject to the downside risk of current global uncertainties. Zimbabwe's weak 2024 growth, combined with a low growth elasticity of poverty reduction hampered poverty reduction. Despite relatively high human capital, creation of good jobs has been anemic, while informality remains high. The El Nino-drought highlights poor households' vulnerability to changes in temperature and rainfall patterns. Strengthening the social protection system through broader and targeted coverage of safety sets can improve household ability to cope with shocks.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	6.1	5.3	2.0	6.0	4.6	3.6
Private consumption	5.1	-0.1	3.0	6.0	4.6	3.6
Government consumption	70.1	13.9	45.6	4.8	-5.2	2.6
Gross fixed capital investment	21.8	14.4	-25.7	11.0	16.9	8.3
Exports, goods and services	43.4	-8.4	-1.3	5.7	5.7	4.5
Imports, goods and services	54.0	-11.0	2.0	6.0	5.0	5.1
Real GDP growth, at constant factor prices	6.2	5.5	2.0	6.0	4.6	3.6
Agriculture	6.2	6.3	-15.0	12.8	7.1	6.9
Industry	5.2	3.2	2.7	5.1	4.4	4.5
Services	6.9	6.7	5.6	5.2	4.2	2.4
Inflation (consumer price index)	160.2	667.4	736.1	84.9	16.9	8.0
Current account balance (% of GDP)	0.9	0.4	0.7	0.9	0.7	0.8
Net foreign direct investment inflow (% of GDP)	1.0	1.6	1.3	1.4	1.4	1.4
Fiscal balance (% of GDP)	0.1	-6.4	-2.5	-2.7	-2.4	-2.3
Revenues (% of GDP)	16.6	14.6	16.4	17.2	17.3	17.7
Debt (% of GDP)	1229.2	96.6	93.3	64.6	59.0	57.7
Primary balance (% of GDP)	0.2	-6.3	-2.5	-2.7	-2.2	-2.2
International poverty rate ($2.15 in 2017 PPP)[1,2]	39.3	37.8	37.7	36.0	34.9	34.1
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	64.0	62.8	62.7	60.8	60.0	59.4
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	84.9	84.3	84.2	83.5	82.8	82.4
GHG emissions growth (mtCO2e)	1.0	0.2	-0.6	-1.0	0.5	0.1

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2019-PICES. Actual data: 2019. Nowcast: 2020-2024. Forecasts are from 2025 to 2027.
2/ Projection using neutral distribution (2019) with pass-through = 0.87 (Med (0.87)) based on GDP per capita in constant LCU.

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