



OCTOBER 2024 | VOLUME 30

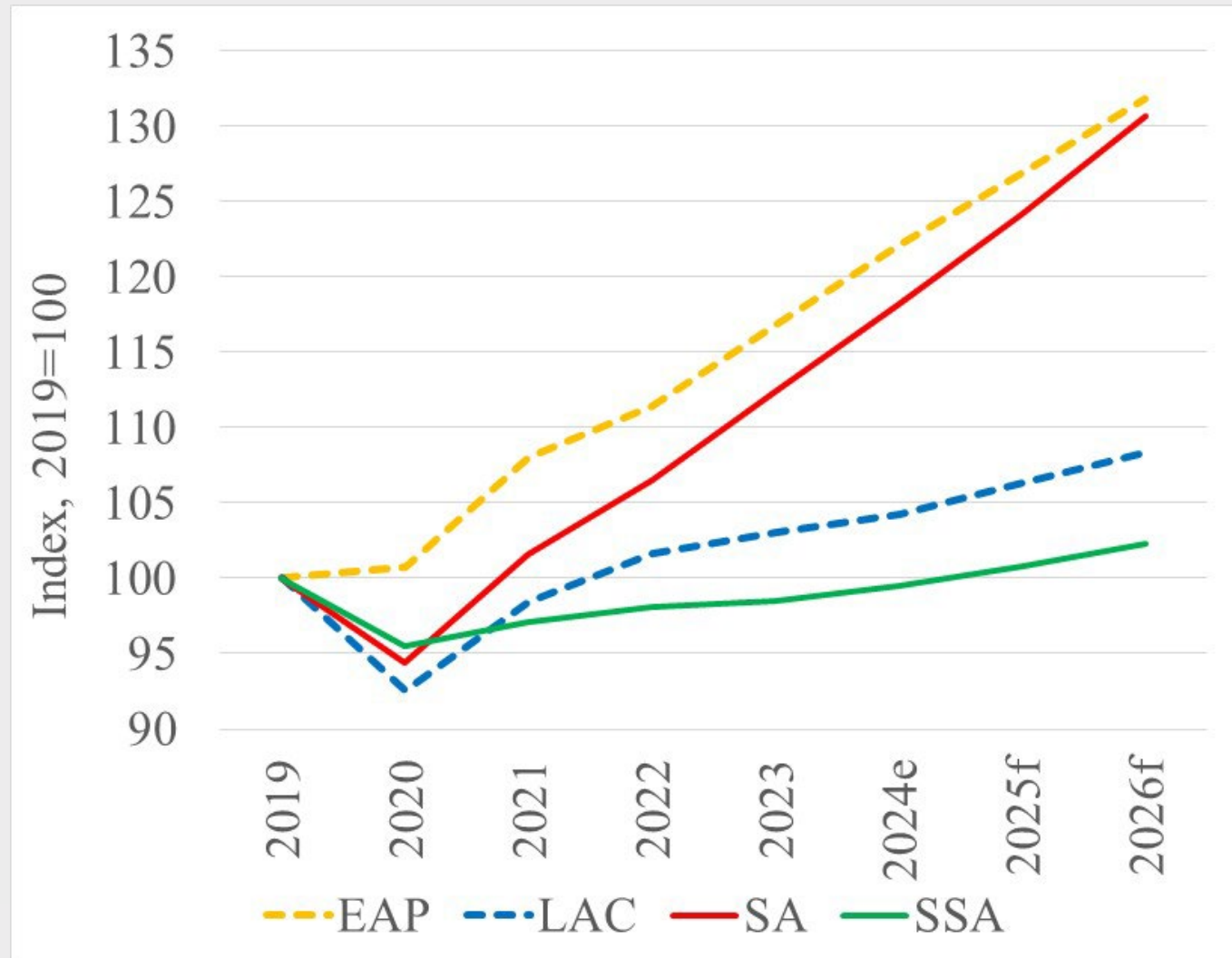
AFRICA'S PULSE

AN ANALYSIS OF ISSUES SHAPING AFRICA'S ECONOMIC FUTURE

THE OFFICE OF THE CHIEF ECONOMIST, AFRICA REGION

URGENT NEED TO ACCELERATE RECOVERY AND CREATE JOBS THROUGH EDUCATION TRANSFORMATION

Real Income per capita, by Region

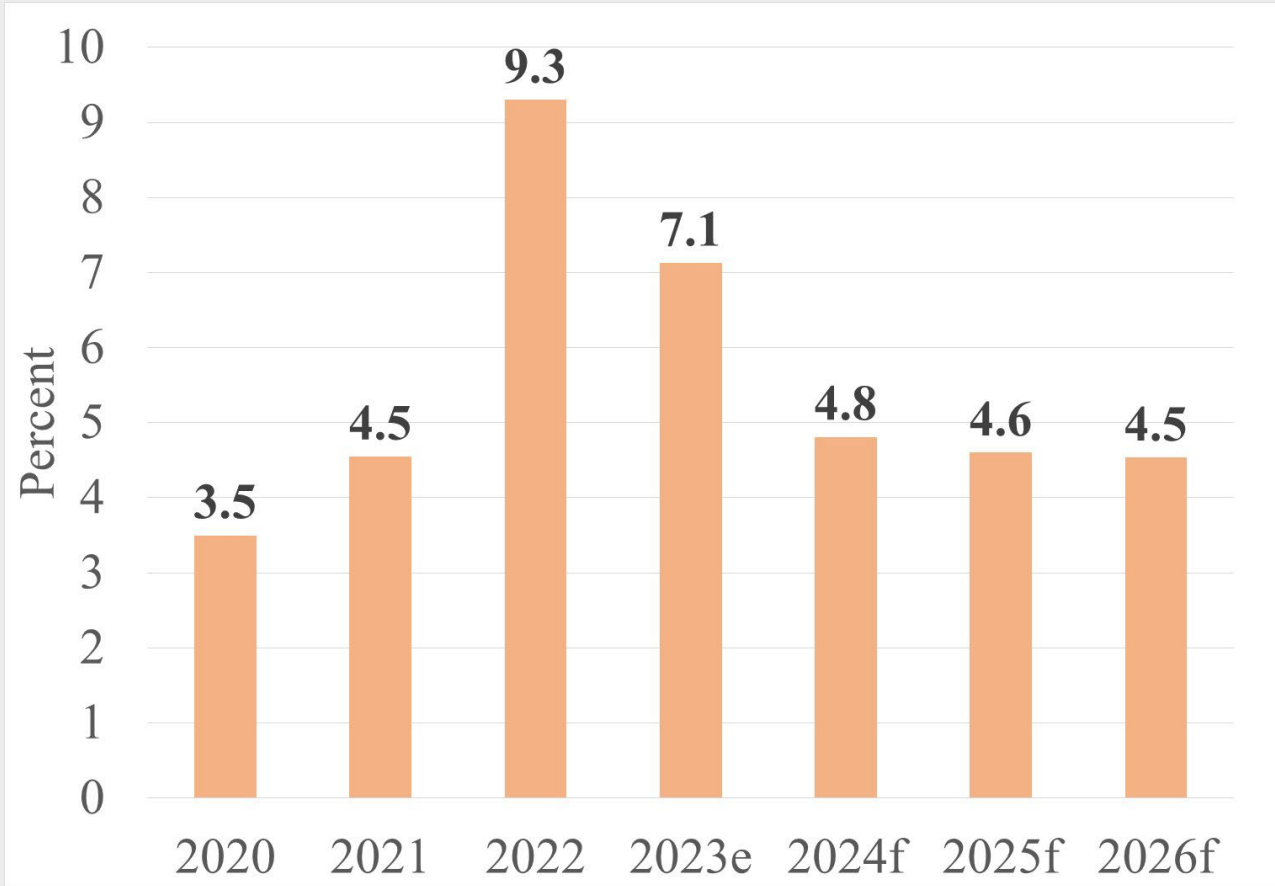




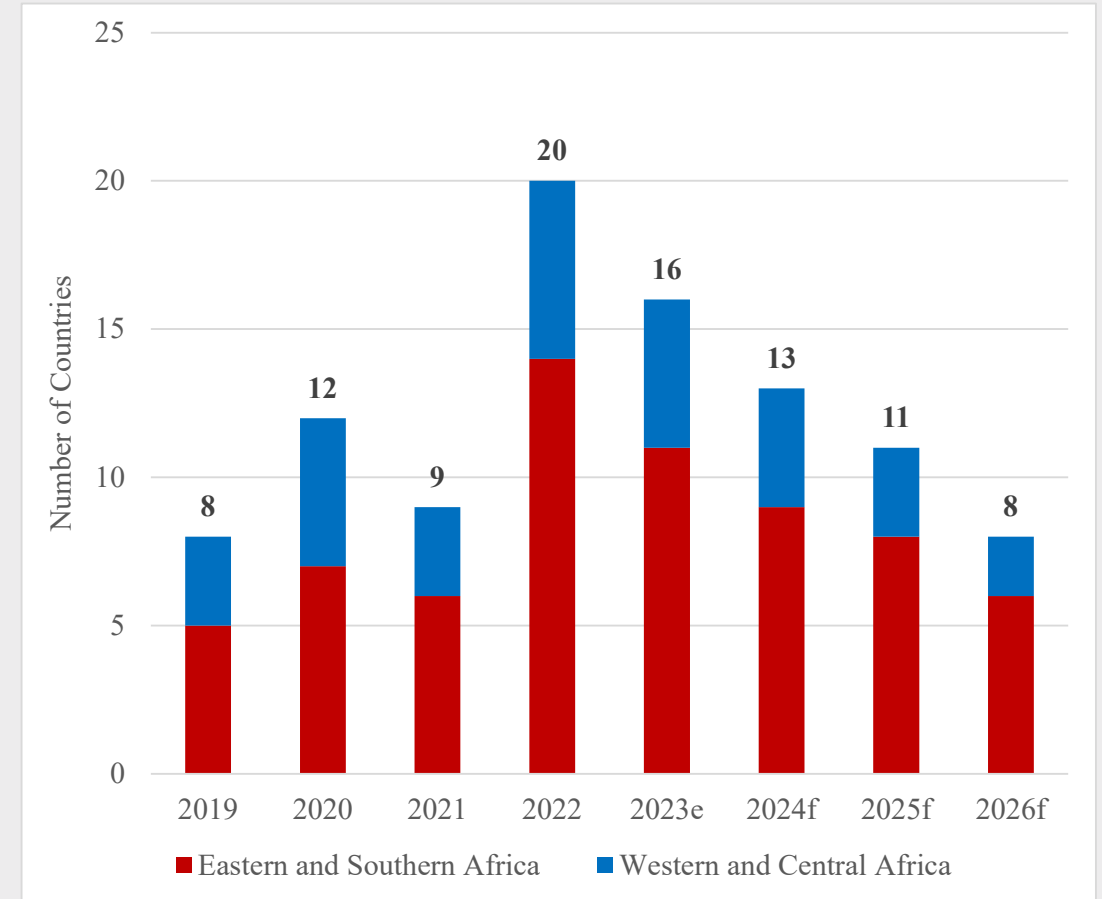
Economic Snapshot

INFLATION IS DECELERATING BUT PRESSURE REMAINS

Inflation in Sub-Saharan Africa (*median*)



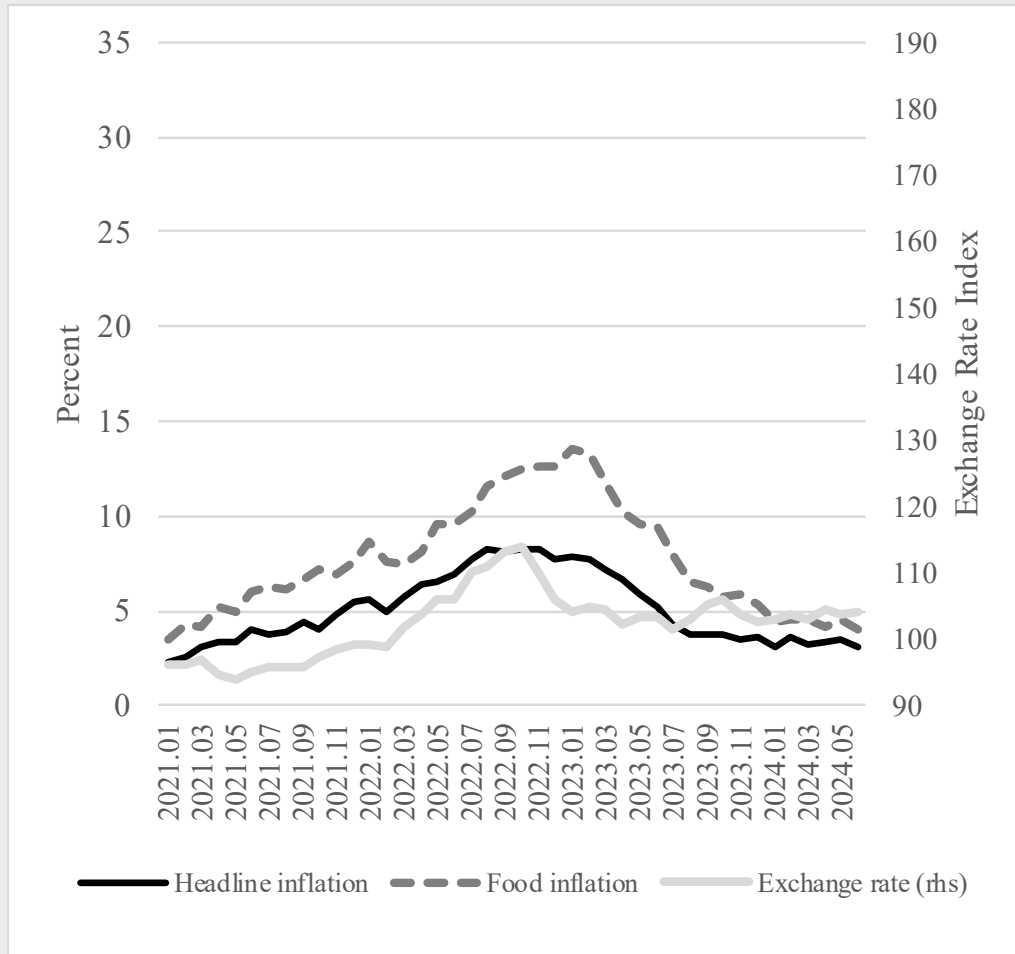
SSA countries with double-digit inflation



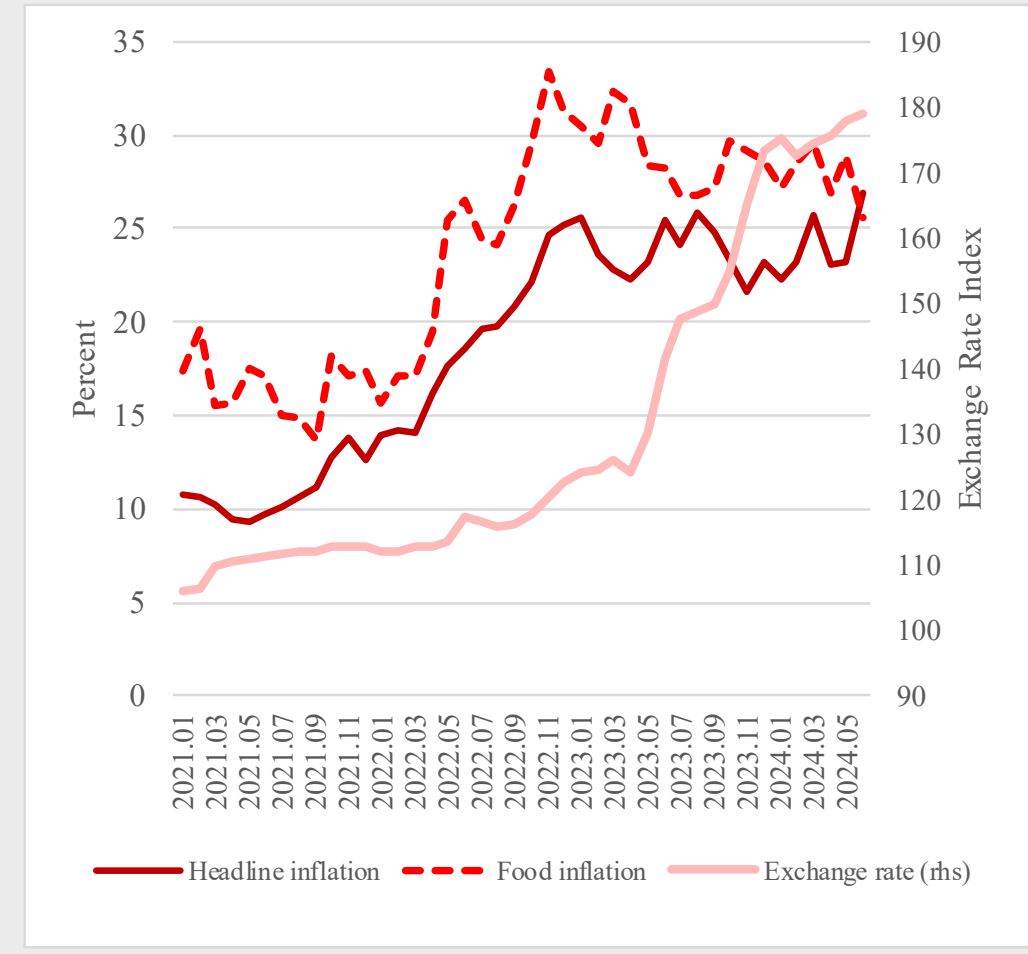
Source: World Bank staff projections. *Note:* Inflation is measured by the percentage change in the Consumer Price Index using the World Bank Macro-Fiscal Model database.

FOOD INFLATION COOLS AND CURRENCIES STABILIZE FOR MOST COUNTRIES IN 2024

Low Inflation Group (70% of countries)

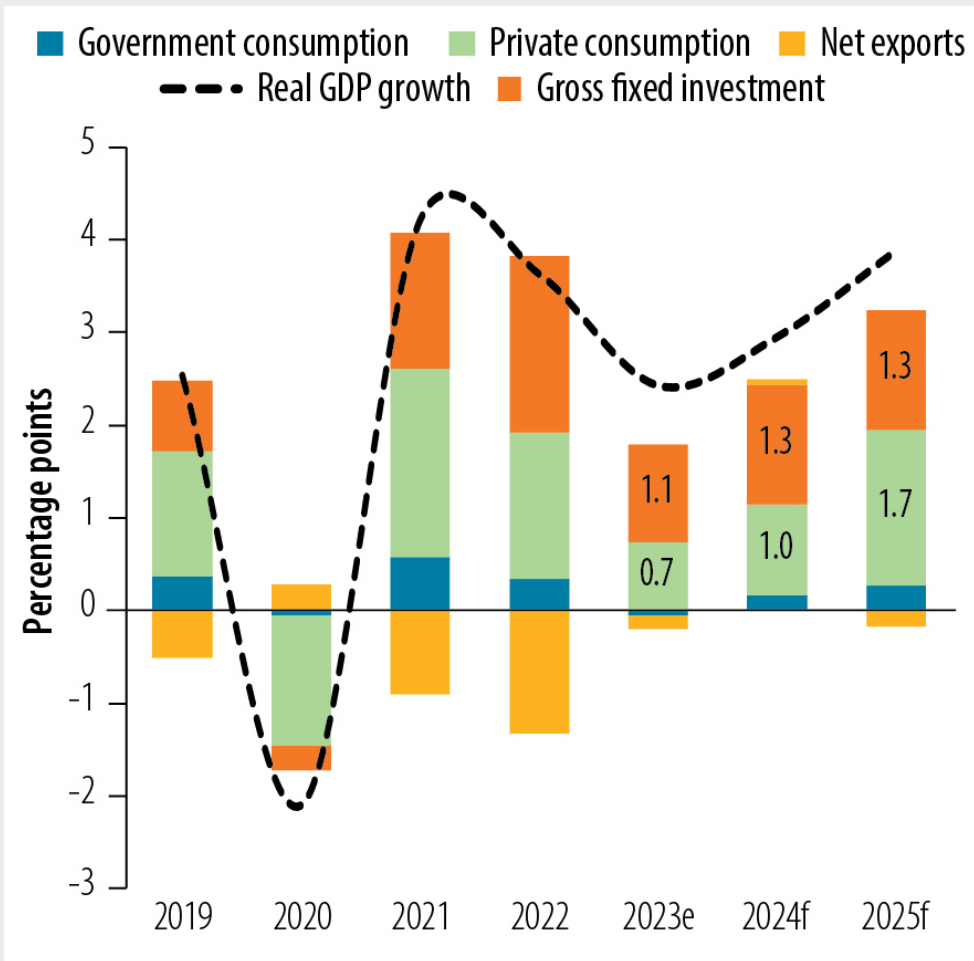


High Inflation Group (30% of countries)

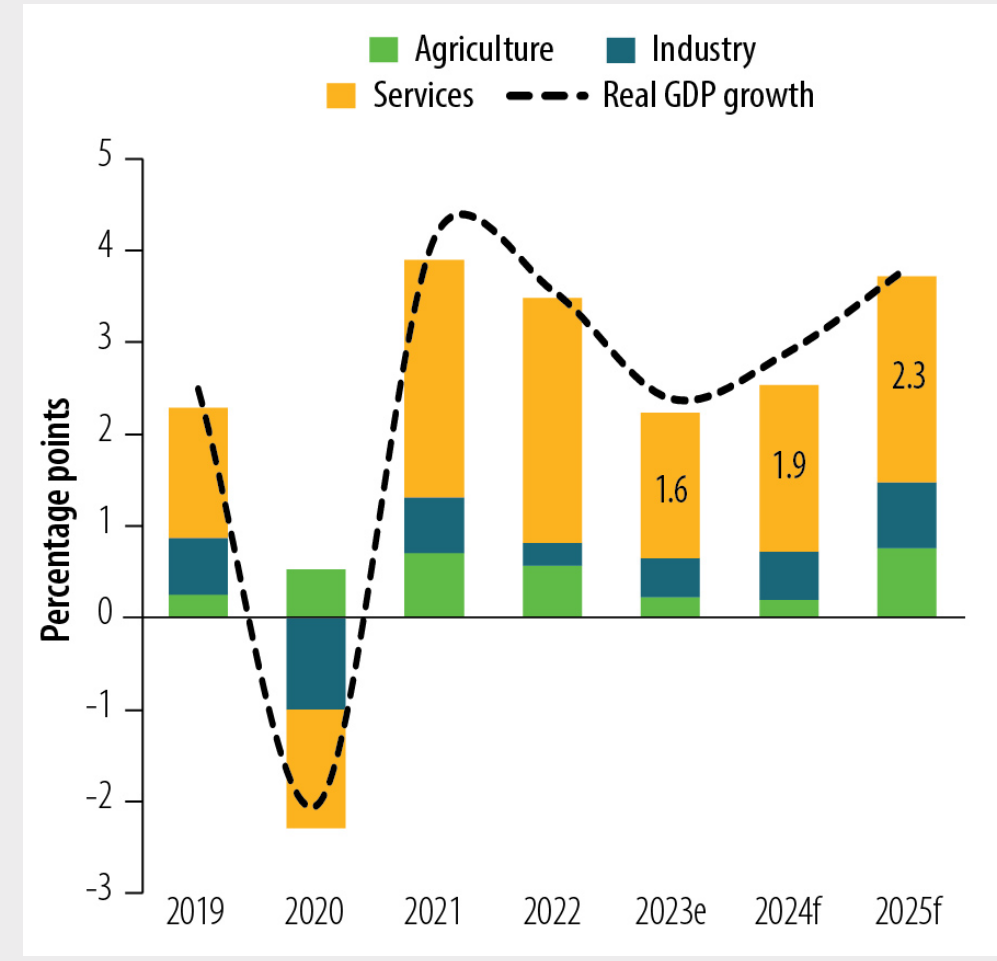


GROWTH RECOVERY REMAINS TEPID

GDP Growth: Expenditure Approach



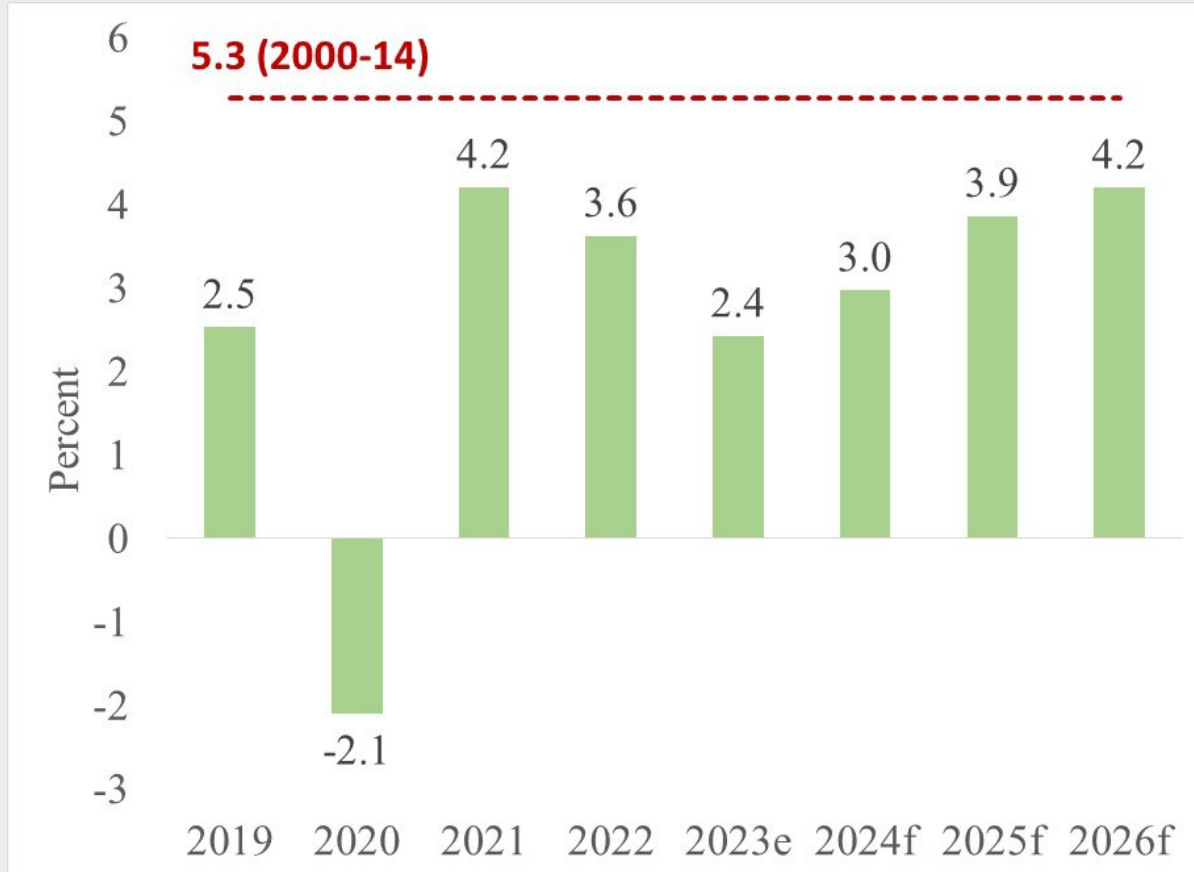
GDP Growth: Output Approach



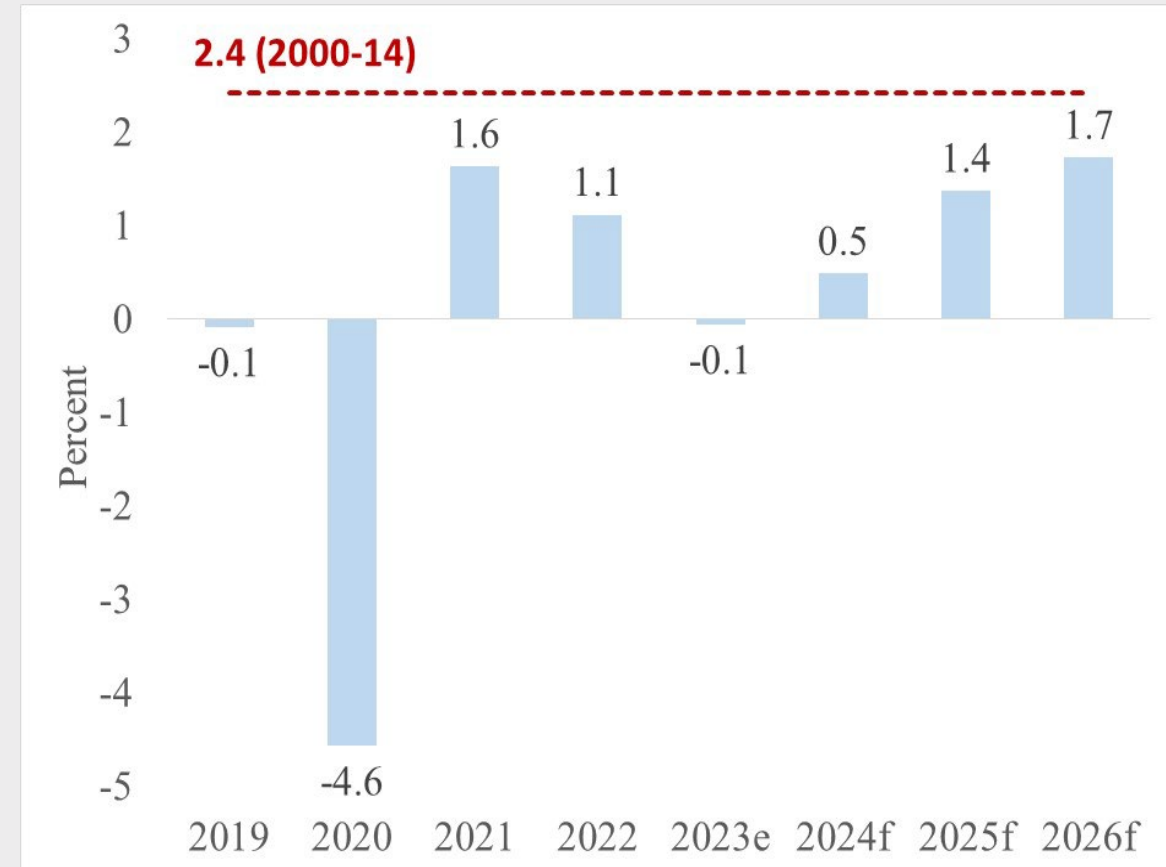
Source: World Bank staff estimates.

GROWTH REMAINS STUCK IN LOW GEAR

GDP Growth



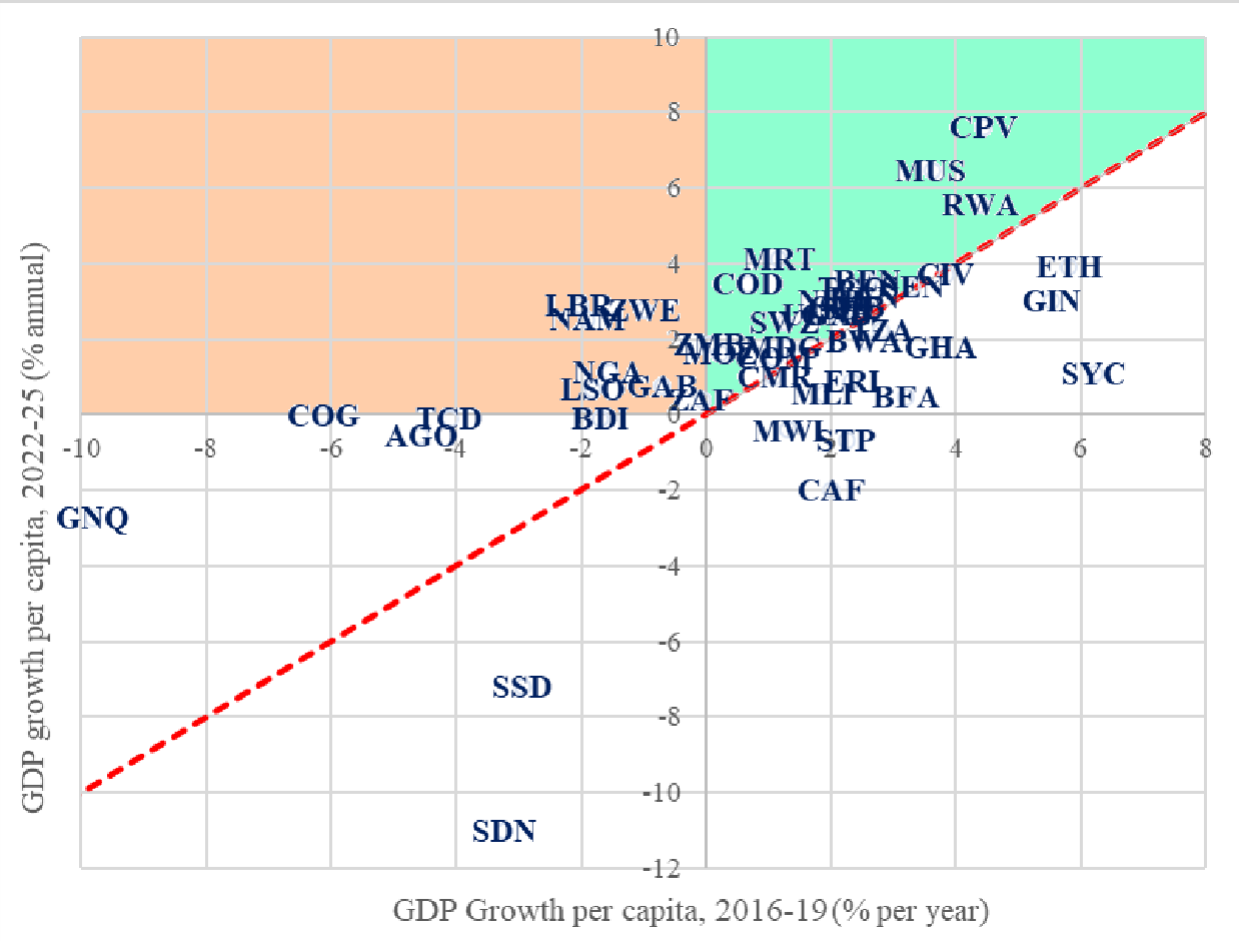
Growth in GDP per capita



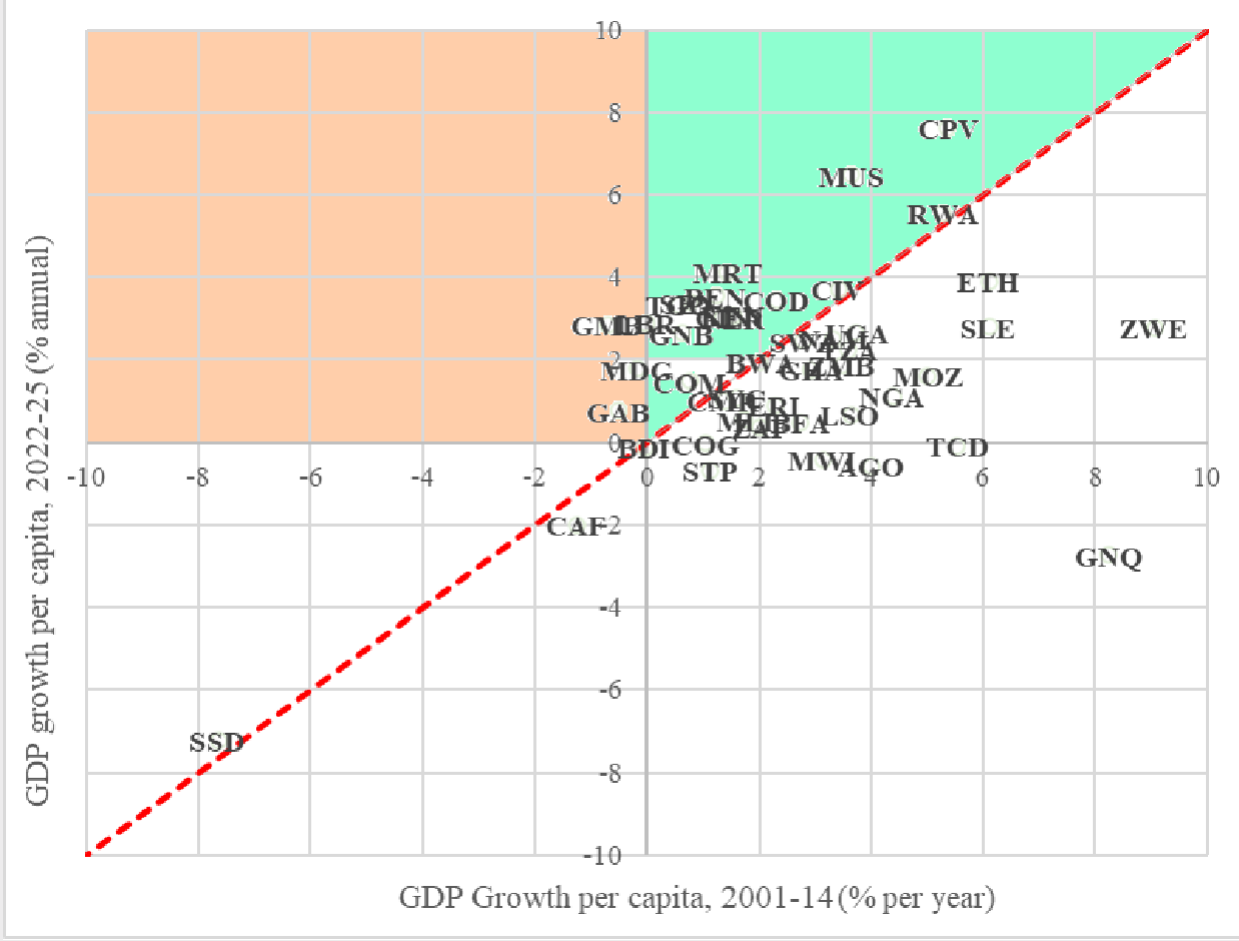
Source: World Bank staff estimates. Note: The red dotted line represents the annual average growth in 2000-14 (last period of high growth in the region) for both GDP (5.3 percent) and GDP per capita (2.4 percent).

ECONOMIC POWERHOUSES CONTINUE TO UNDERPERFORM

2022-25 vs. 2016-19 (Pre-Pandemic)



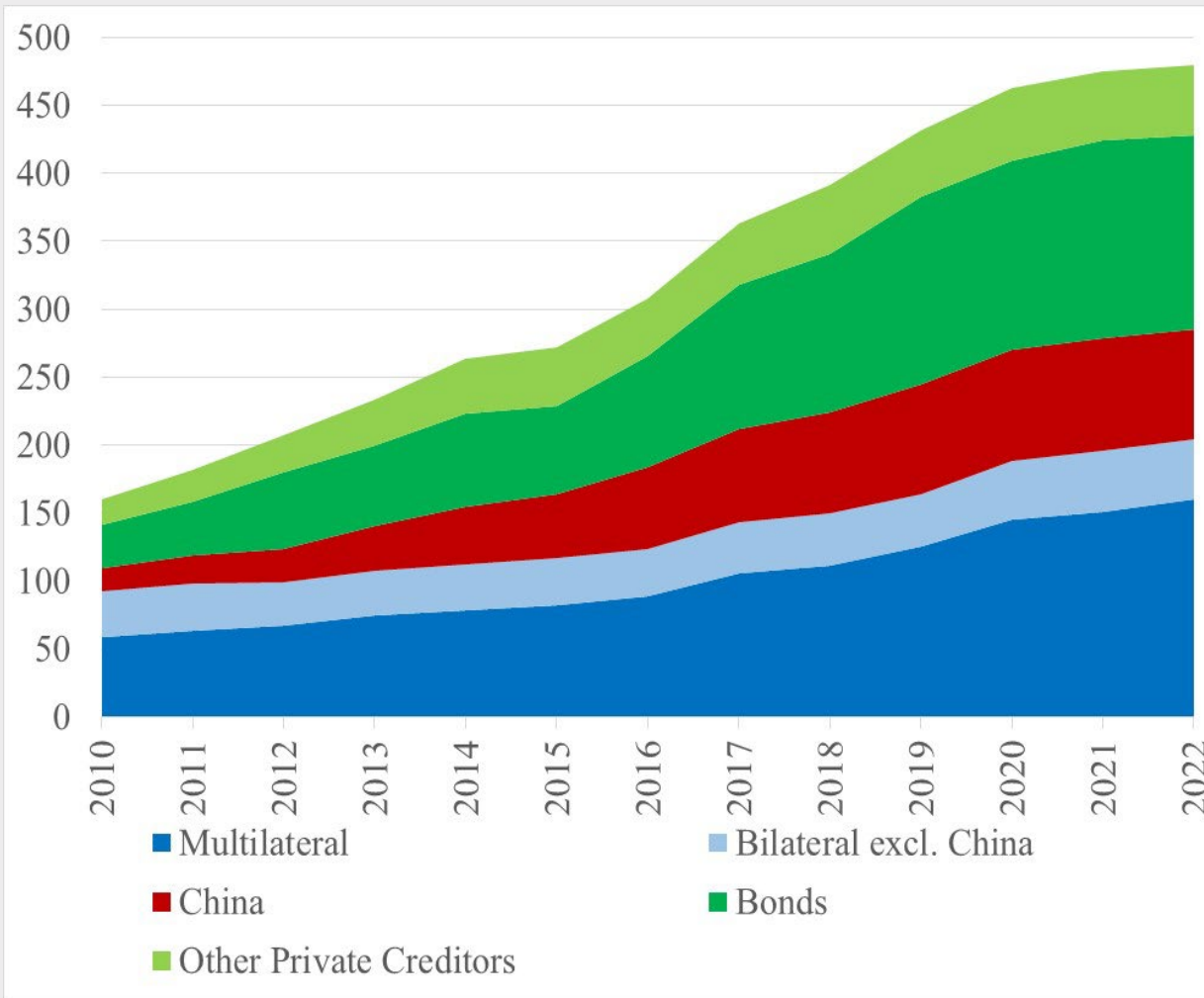
2022-25 vs. 2001-14 (High growth)



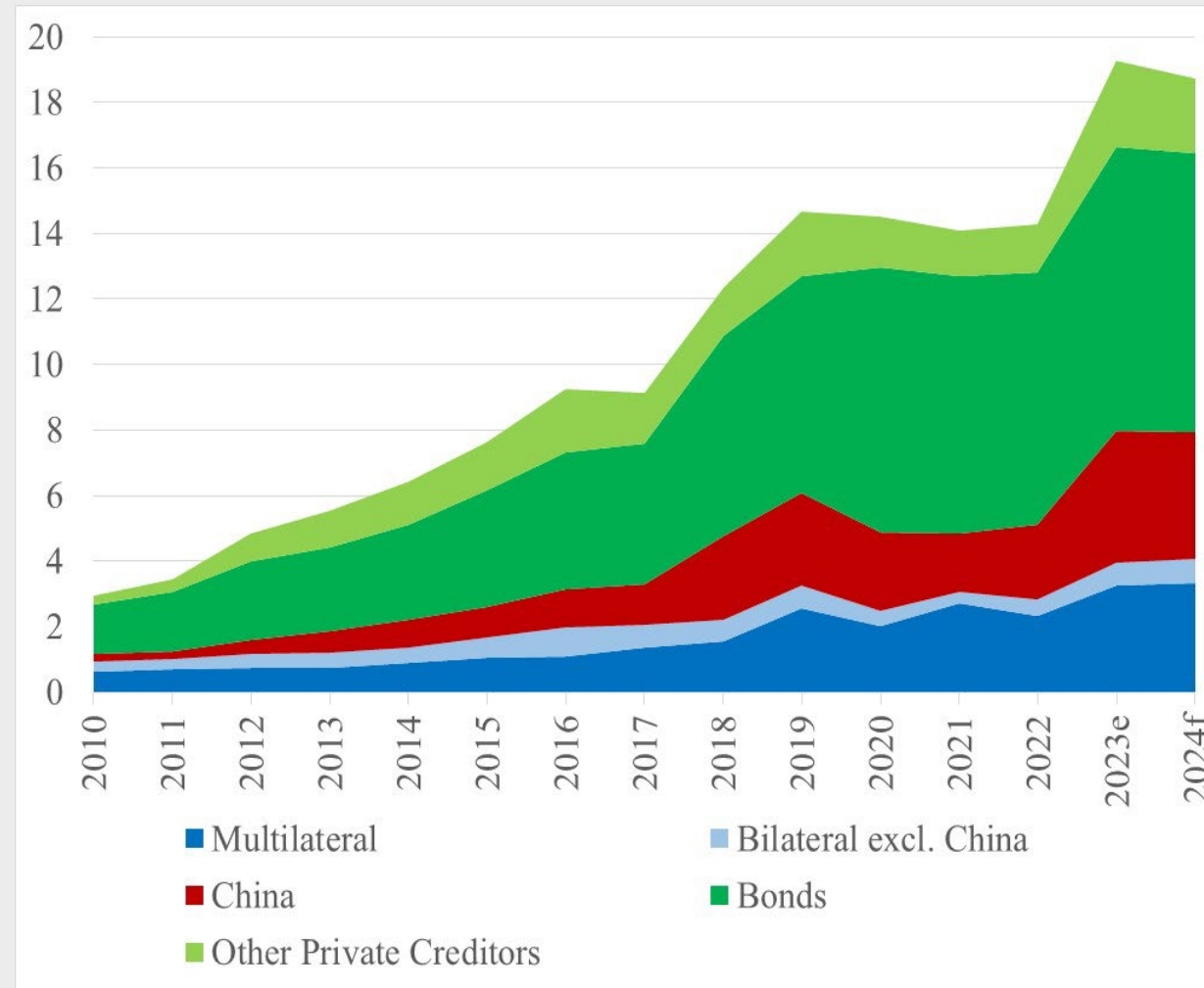
Source: World Bank staff estimates. Note: The largest 5 SSA countries comprise 58.9% of the region's GDP: Nigeria (24.4%), South Africa (17.6%), Ethiopia (6.7%), Kenya (5.5%) and Ghana (4.7%).

THE BURDEN OF INTEREST PAYMENTS IS GROWING

Public and Publicly Guaranteed (PPG) External Debt Stocks (US\$ billions)

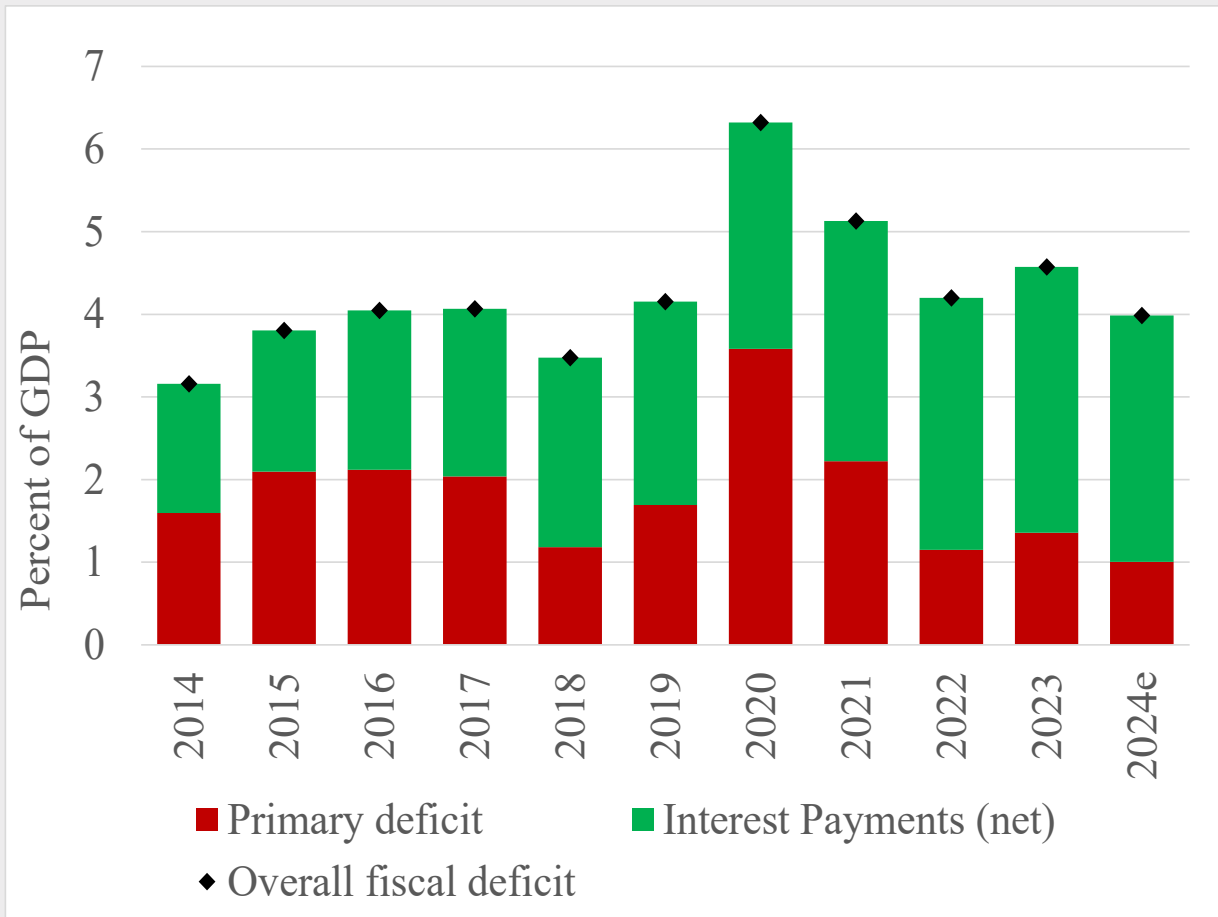


Interest Payments on PPG External Debt (US\$ billion)

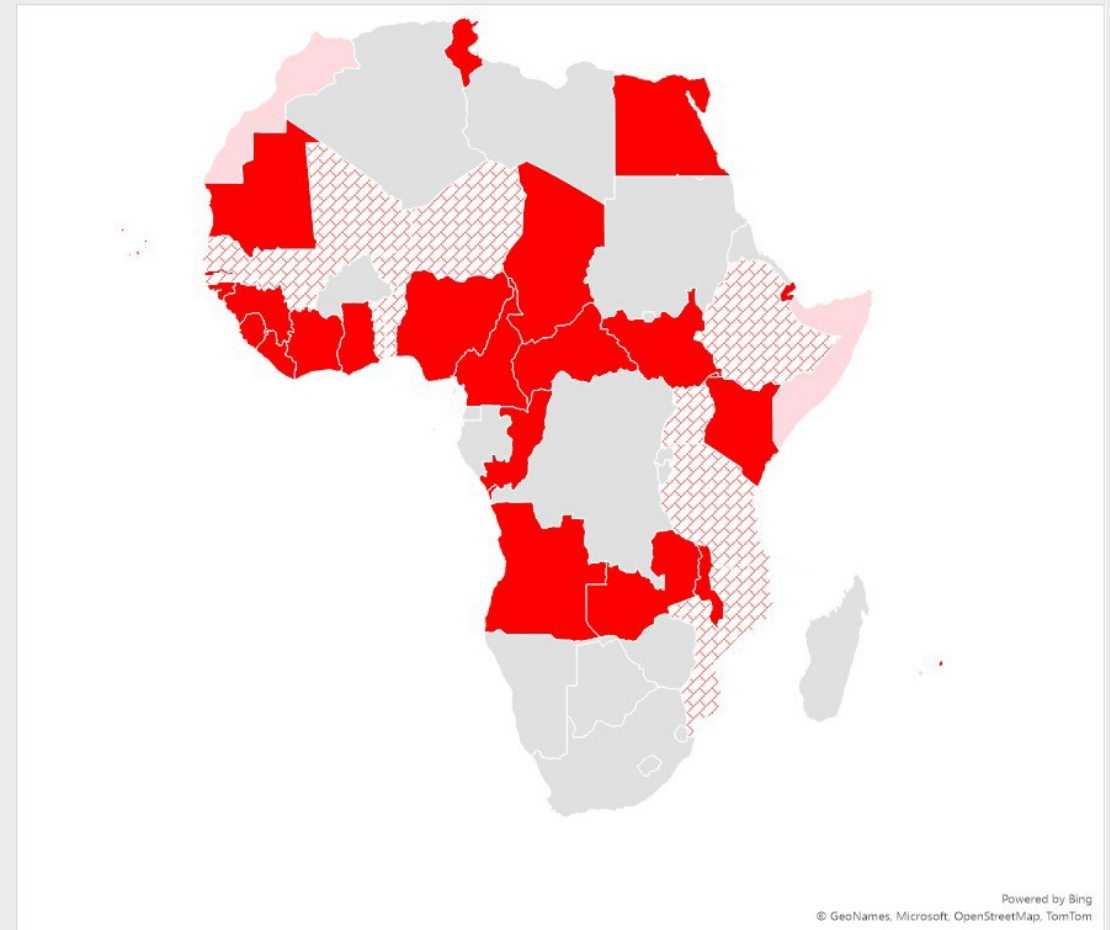


HIGH DEBT BURDEN IS LEADING TO PAINFUL TRADE-OFFS

Primary Deficits and Net Interest Payments
(% GDP, weighted average)



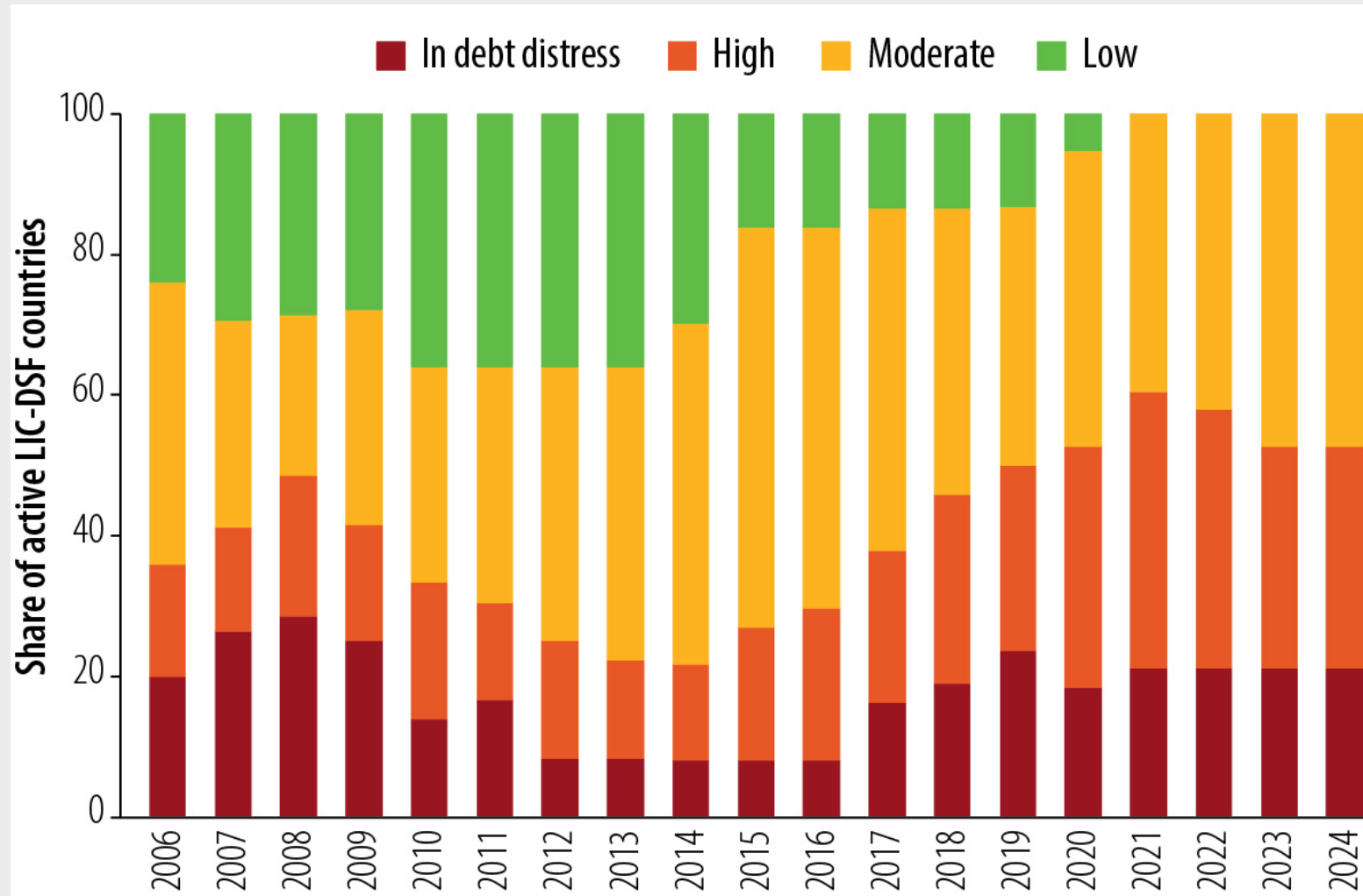
Interest payments vs. Spending on Education and Health



Note: Red = Interest > Education and Health; Checkered = Interest > Health; Pink = Interest > Education

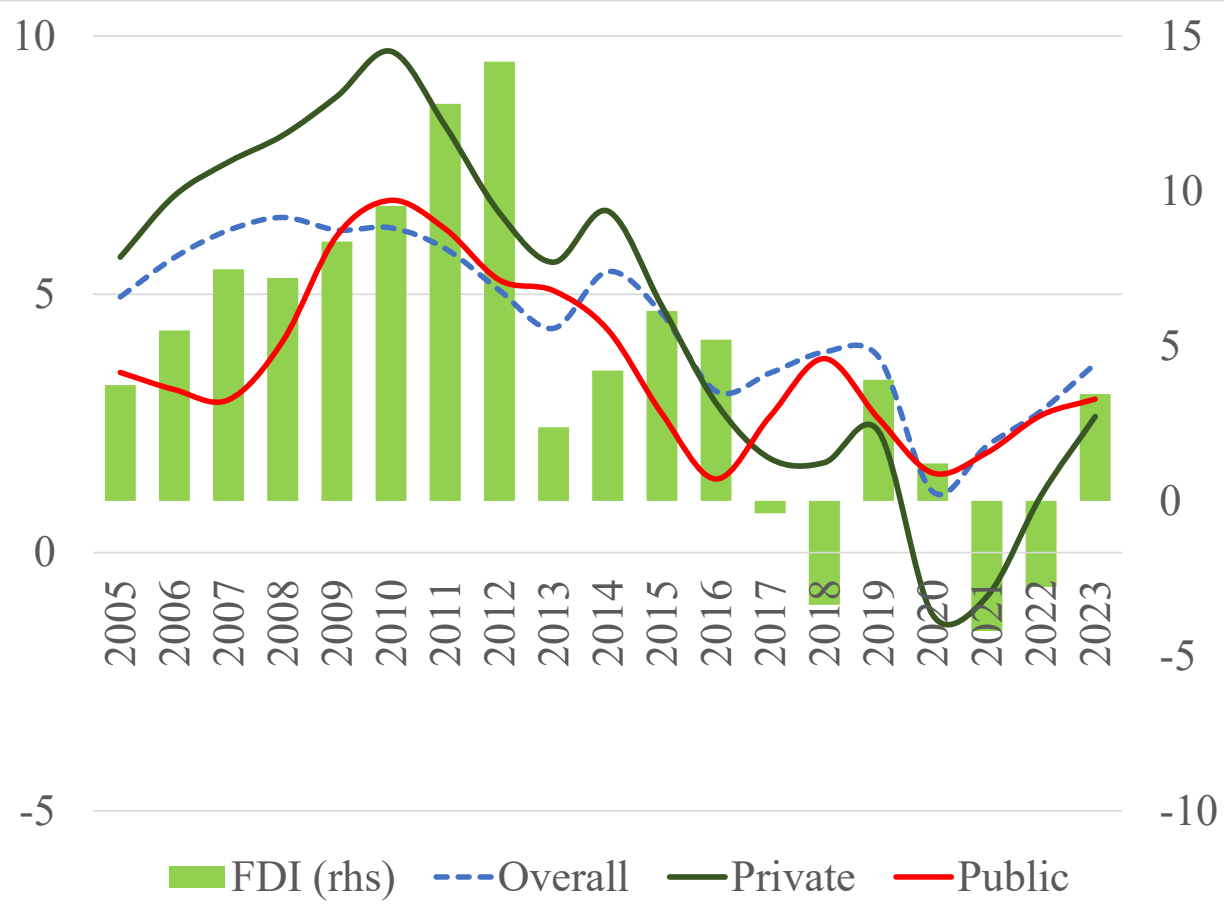
RISK OF EXTERNAL DEBT DISTRESS REMAIN HIGH IN SSA

External Risk of Debt Distress in Sub-Saharan Africa, 2006-24

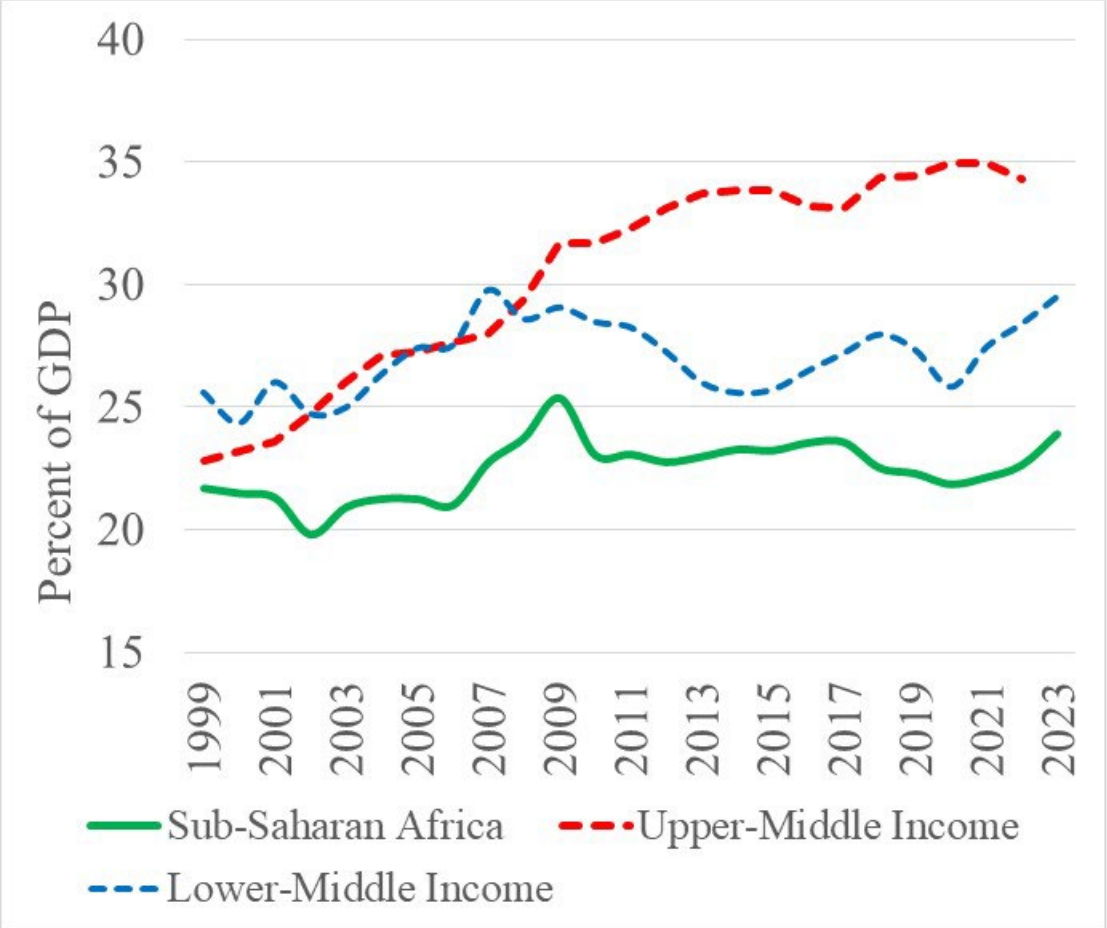


INVESTMENT GROWTH IS TOO LOW

Investment growth in Sub-Saharan Africa
(%, 5-year moving averages)

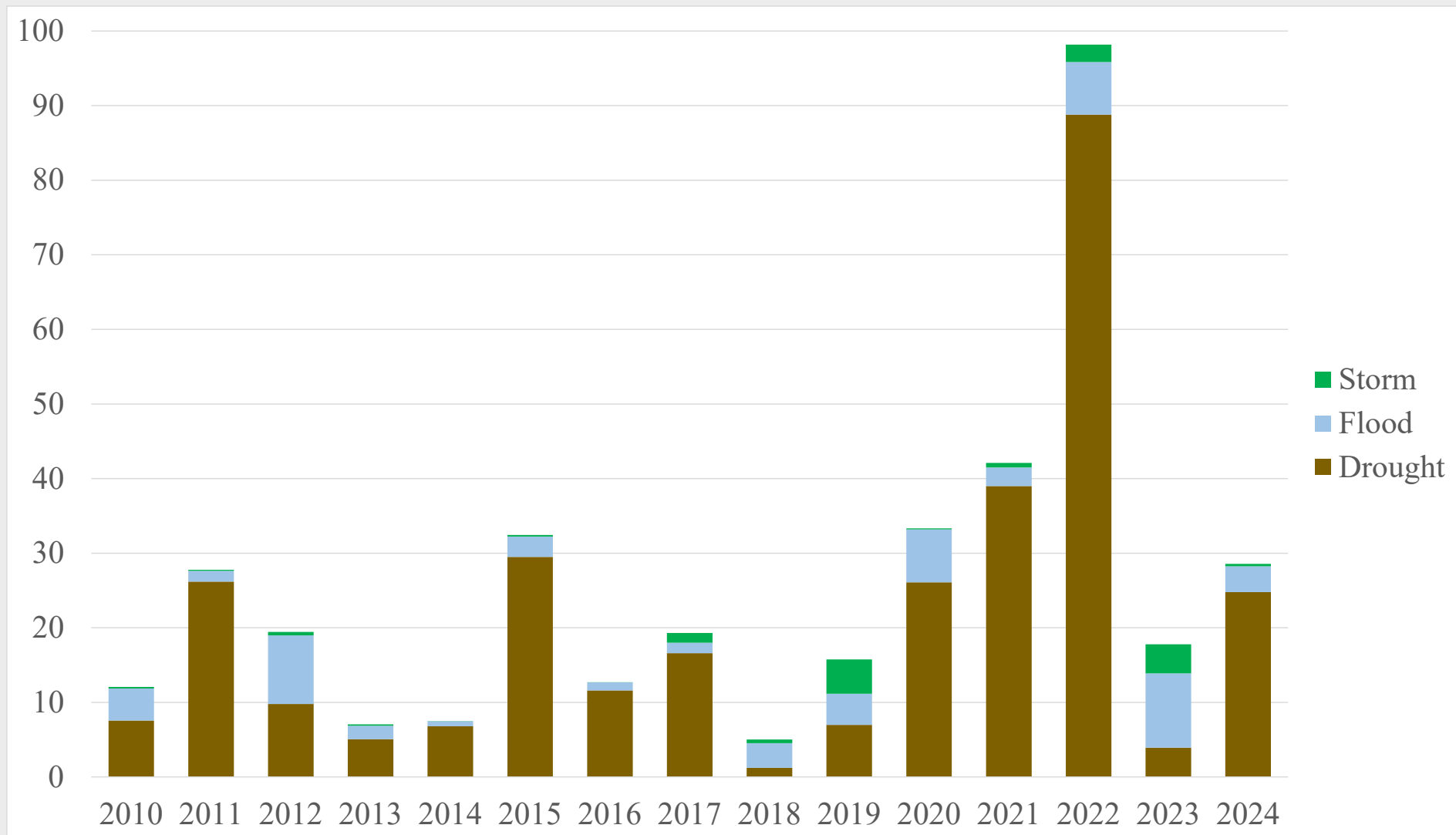


Gross fixed capital formation
(Percent of GDP)



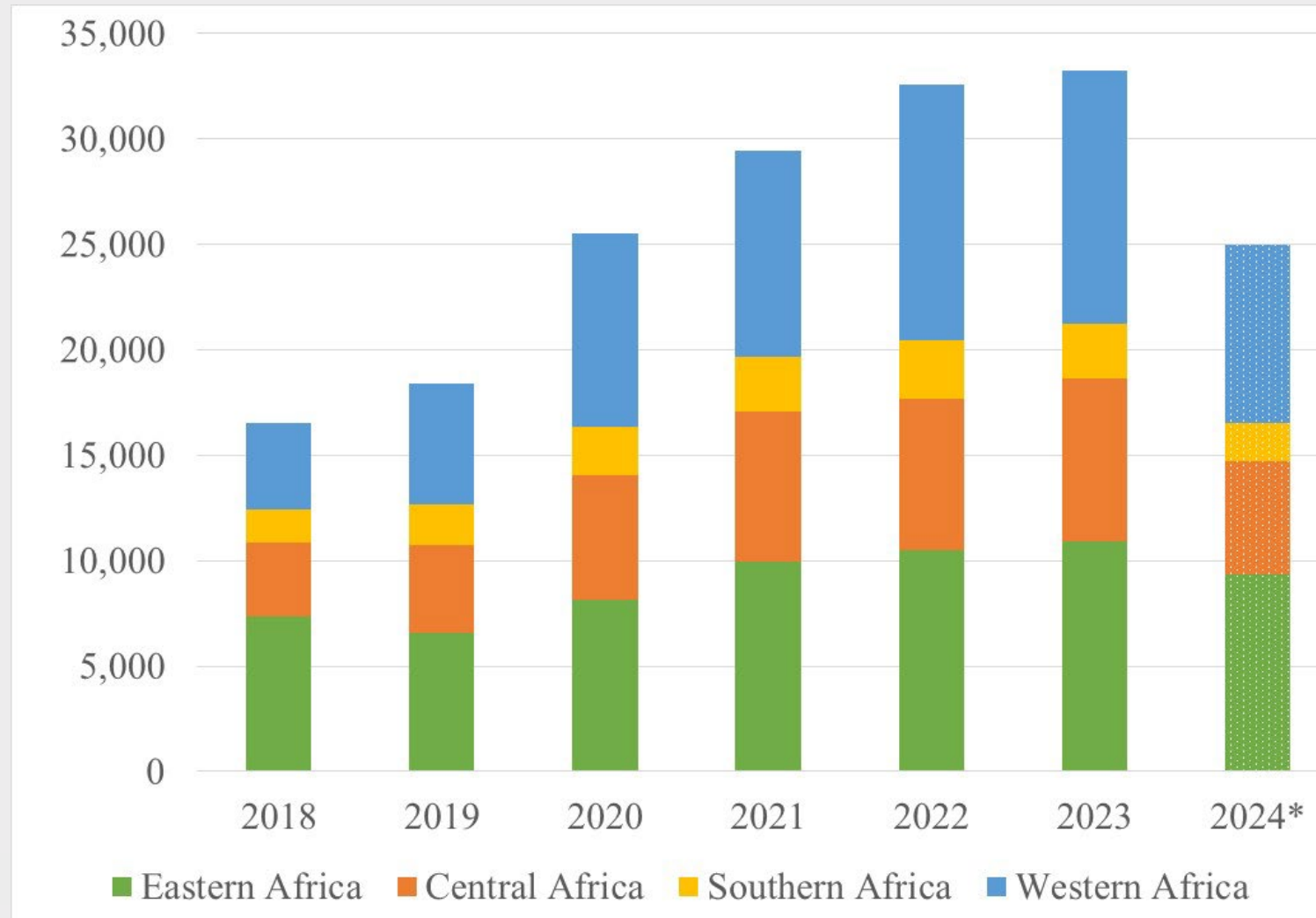
CLIMATE SHOCKS ARE DISRUPTING LIVELIHOODS

Millions of People Affected, 2010-24*



POLITICAL INSTABILITY AND VIOLENCE UNDERMINE PROGRESS

Conflict and Violence in Sub-Saharan Africa: By subregion (*number of events*)

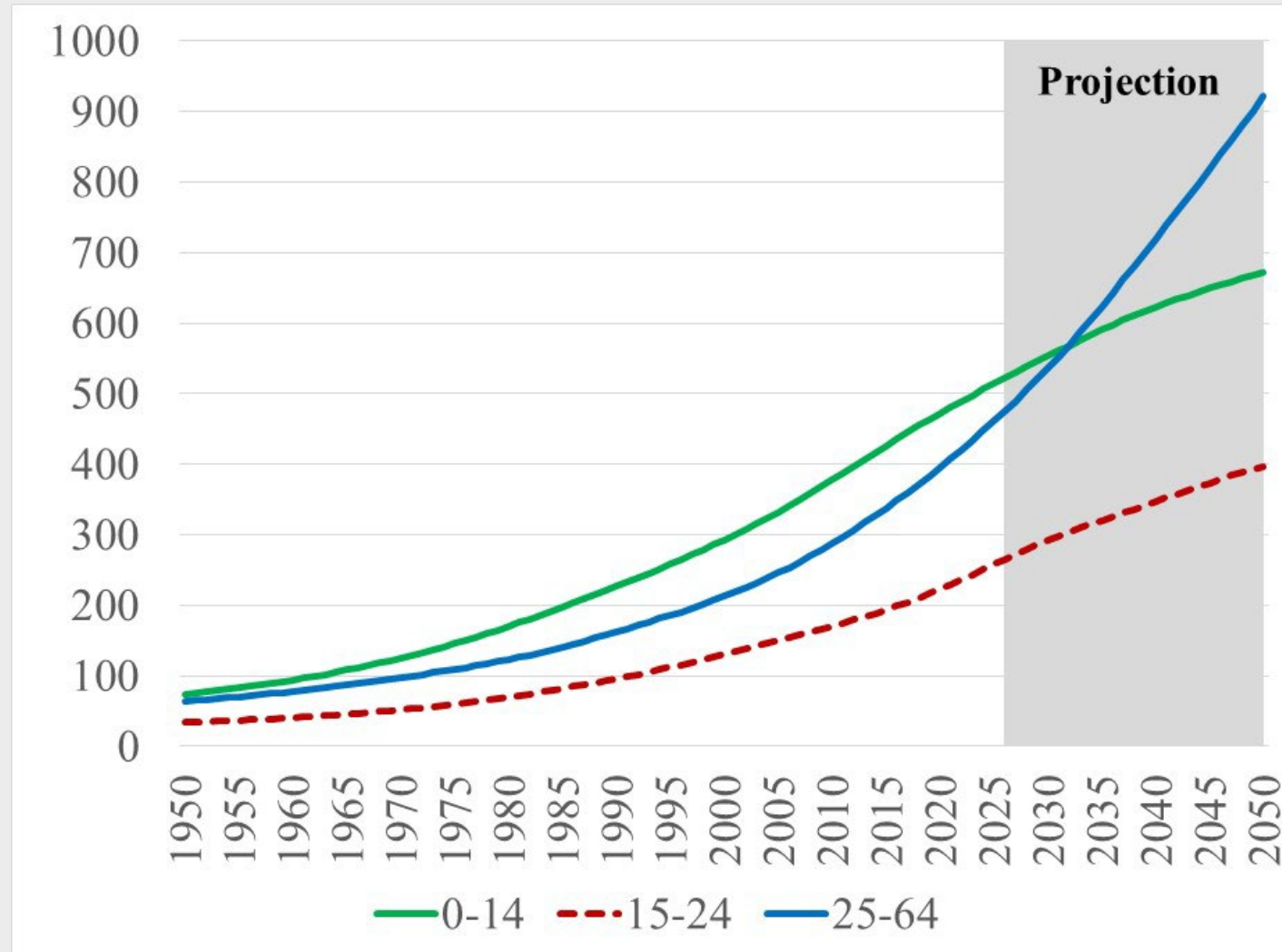




Transforming Education Systems in Africa

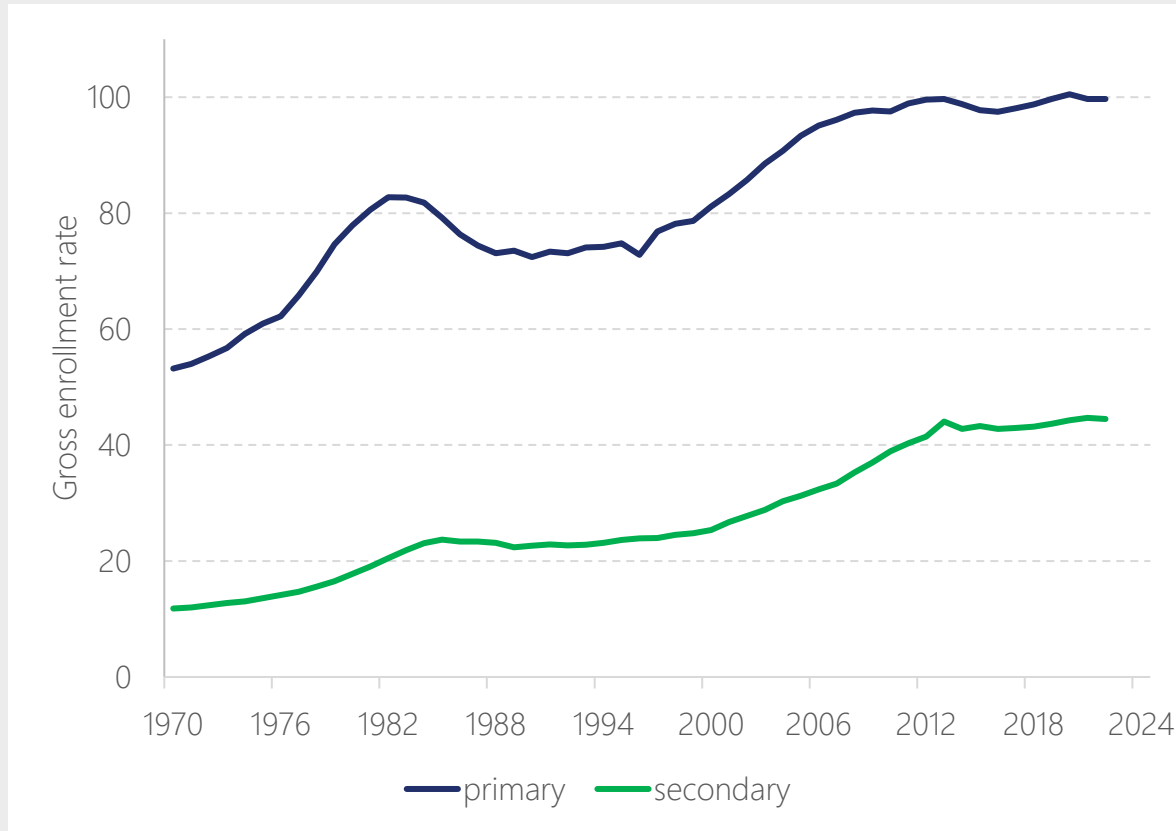
THE CASE FOR URGENT EDUCATION TRANSFORMATION

Population by age cohorts (in millions)

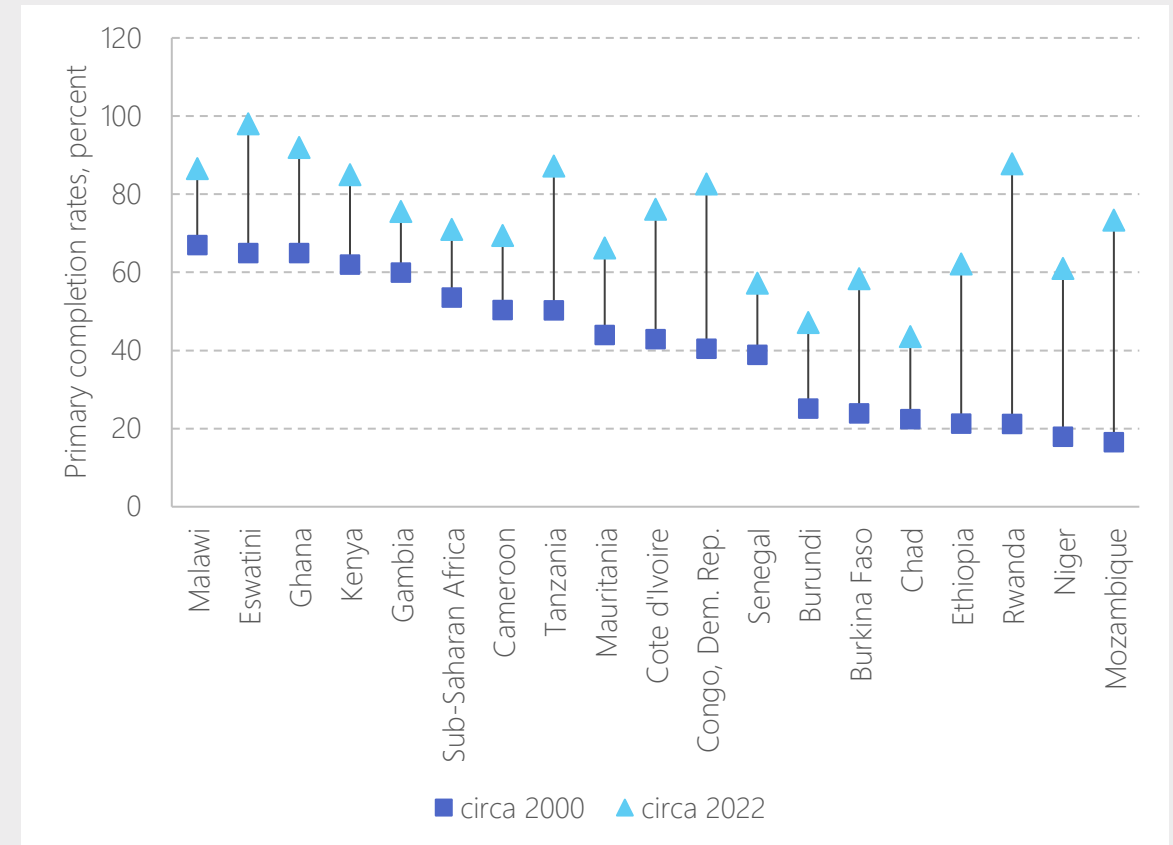


PROGRESS IN PRIMARY SCHOOL ACCESS AND COMPLETION RATES

Gross enrollment rates



Primary completion rates, 2000 and 2022

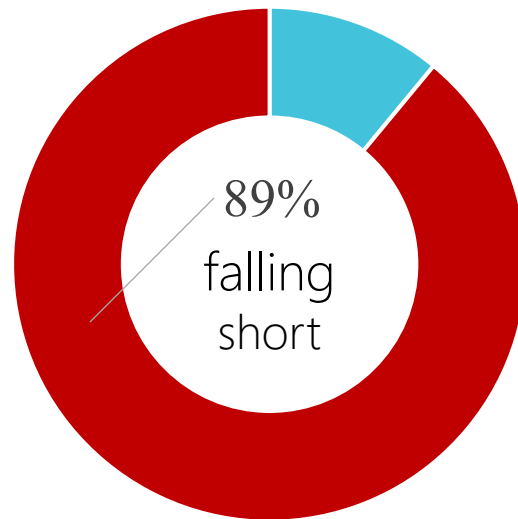


Source: The World Bank, UNESCO

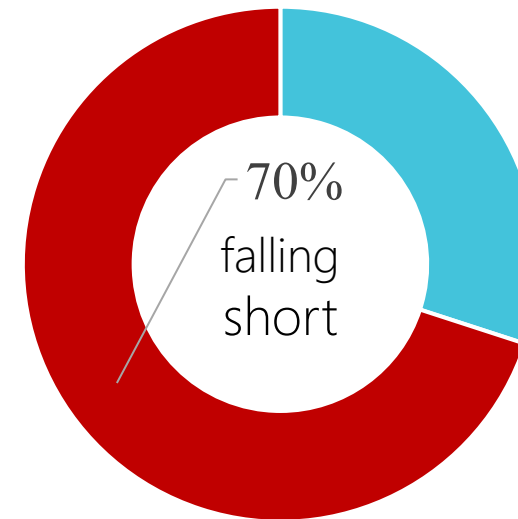
LEARNING NEEDS URGENT ATTENTION

Students not meeting basic proficiency levels by end of primary school

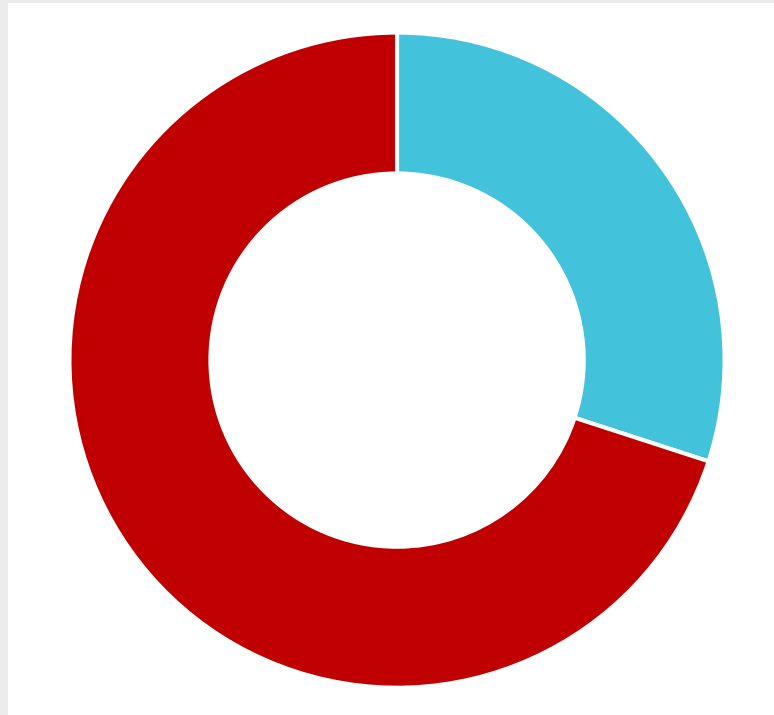
Mathematics



Reading



FOUNDATIONS OF LEARNING: PRE-PRIMARY

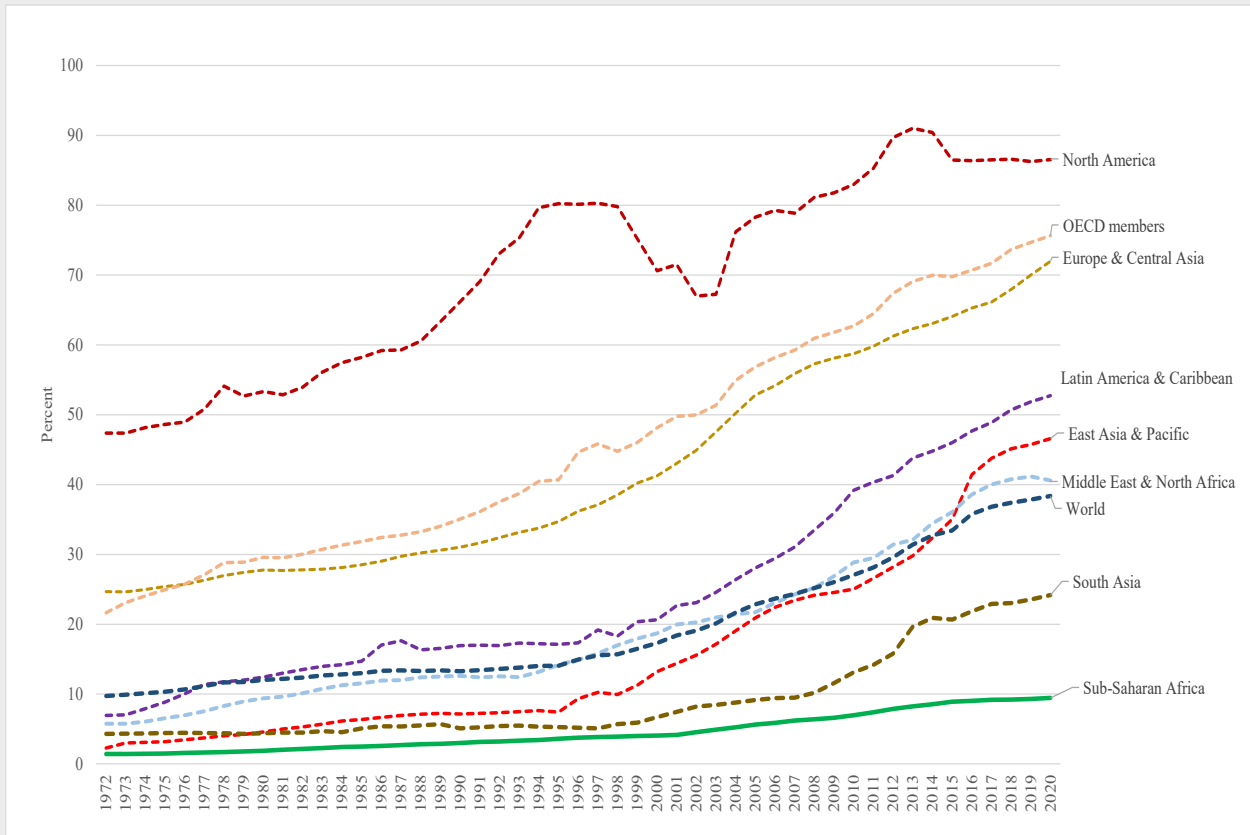


7 of 10 children
are not benefitting
from pre-primary
education

Source: The World Bank, UNESCO Institute of Statistics

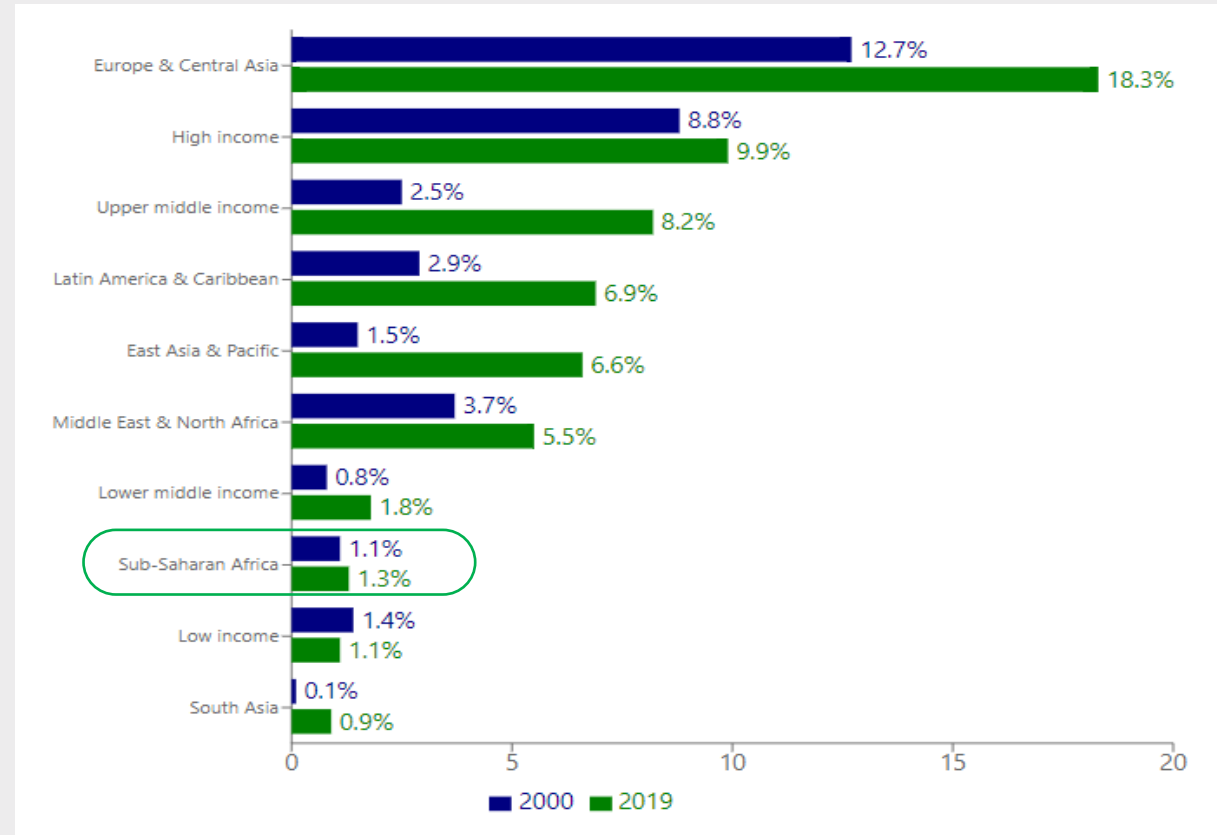
INVESTING IN SKILLS RELEVANT TO AN EVOLVING GLOBAL ECONOMY

Gross enrolment ratio in post-secondary education



Source: World Bank's World Development Indicators

Proportion of 15–24-year-olds enrolled in vocational education

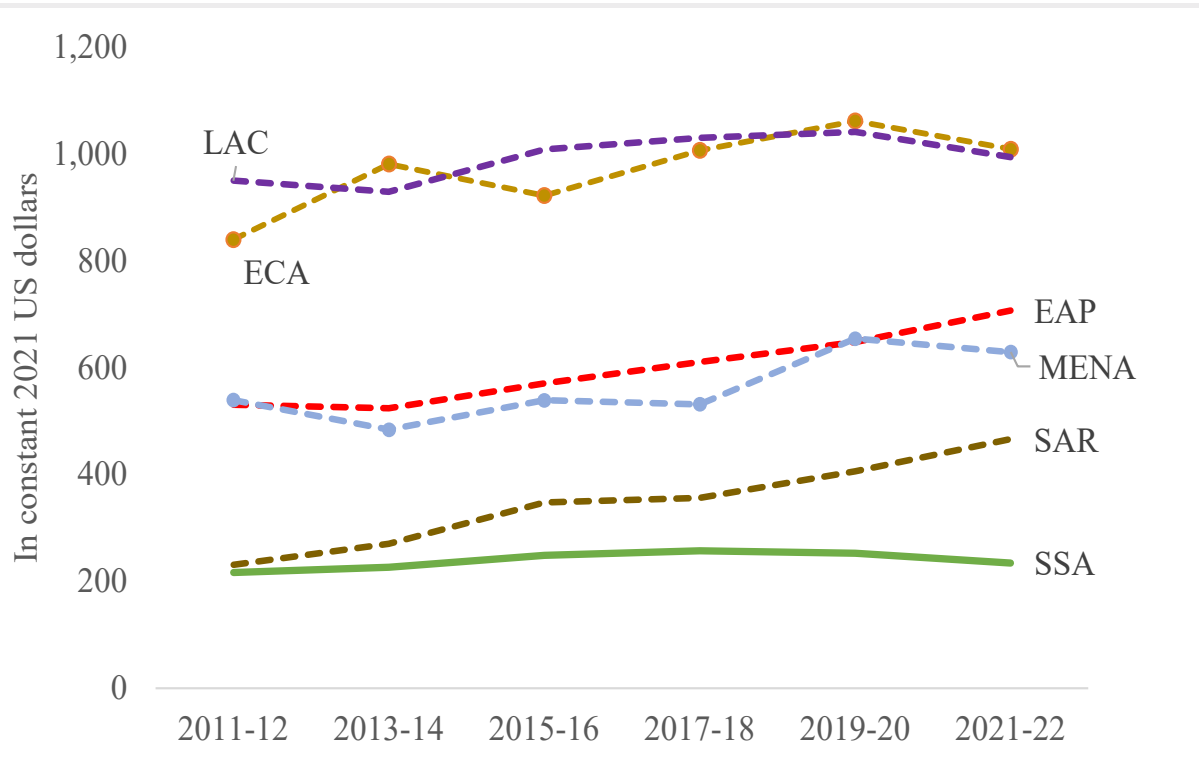


Source: World Bank's World Development Indicators

INVEST MORE AND SMARTLY

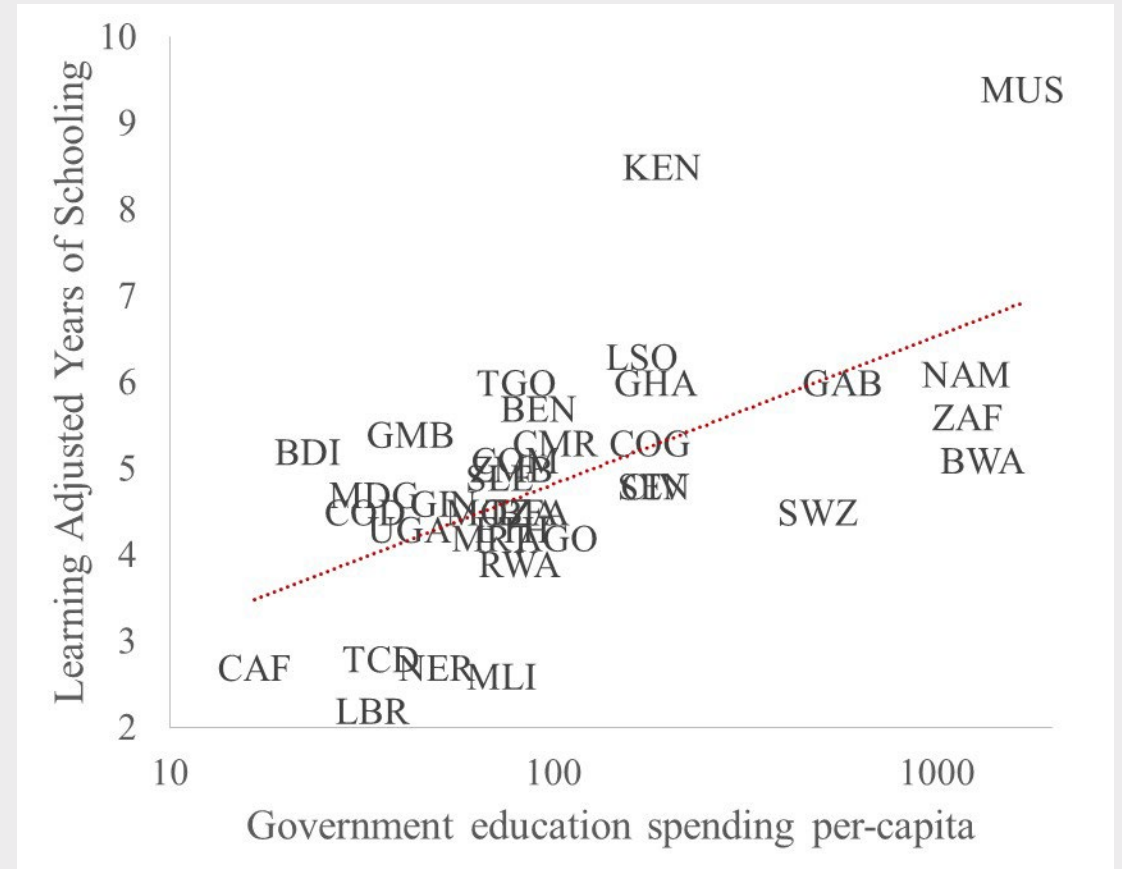
Government spending on education per capita

Government spending on education per capita



Source: World Development Indicators, World Bank.
 Note: Only low- and middle-income countries are included.

Learning outcomes vs. education spending



Source: calculations using data from the UNESCO Institute of Statistics database and WDI.

Policy Recommendations

POLICIES TO ACCELERATE GROWTH AND CREATE JOBS

Macroeconomic Stability

Reduce the Debt Burden

Reform Fiscal Compacts

Improve Transparency

A More Competitive Workforce

Improve Foundation Learning

Equip Youth with Skills

Invest More and Smartly



THANK YOU!