



SUB-SAHARA AFRICA
PERFORMANCE: COVID-19 ONWARDS

C O N T E N T S

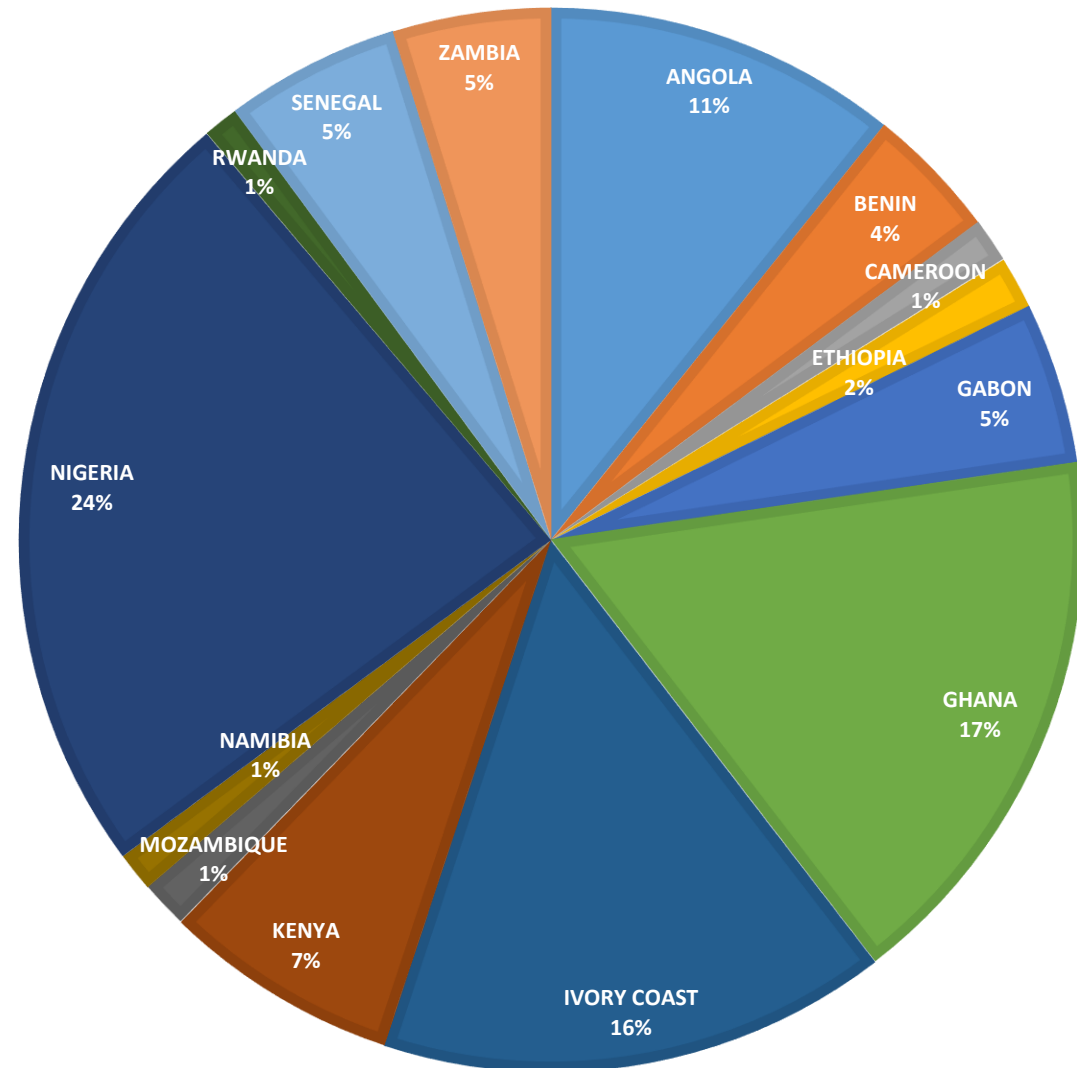
- **Sub Sahara Africa: Overview**
- **The COVID Bump**
- **Central Bank Tightening (2022 -)**
- **Selected Country Analysis**
- **Recommendations**

SUB SAHARA AFRICA AND THE EUROBOND MARKET

TOTAL MARKET SIZE ABOUT
\$60bn (\$ equiv); \$-DENOM 80%

TOTAL AMOUNT OUTSTANDING
HAS DOUBLED IN THE LAST 6
YEARS

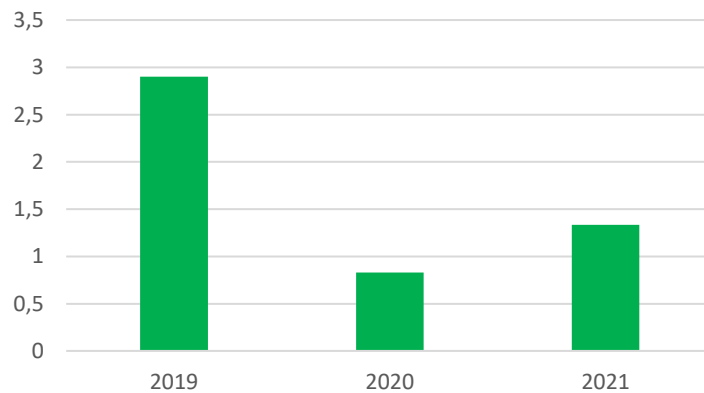
AMOUNT OUTSTANDING



SUB SAHARA AFRICA: THE COVID BUMP

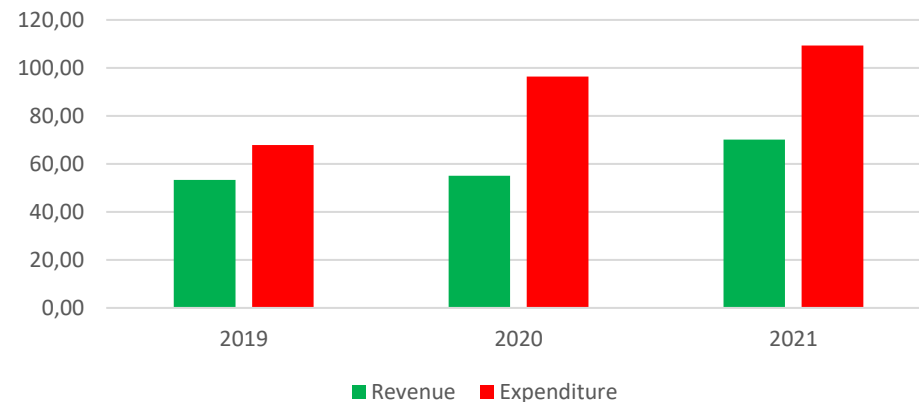
The COVID-induced slump hurt FX revenues for most countries, in particular tourism destinations such as Kenya

Kenya Tourism \$ 'bn



Comparatively subdued revenue growth over the period vs disproportionately steeper growth in government expenditure due to social spending

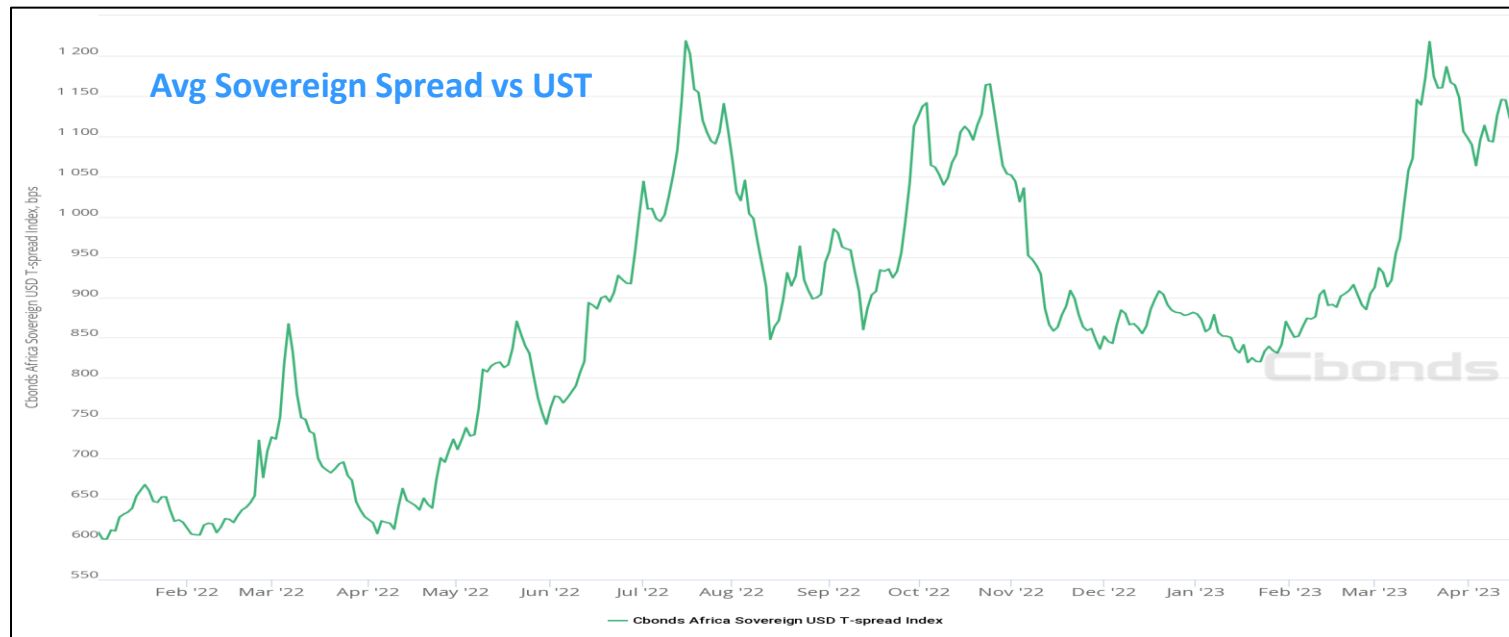
Ghana Revenue vs Expenditure (GHS 'bn)



- External funding has been either through debt issuance or support from multilateral facilities
 - On the former in an environment of rising yields and deteriorating fiscal numbers, successfully issuing foreign debt has proven challenging for some SSA especially GHANA

SUB SAHARA AFRICA: CENTRAL BANK TIGHTENING (2022-)

- Aggressive major central bank tightening as “transitory inflation” narrative fell away coupled with effects from the war in Ukraine
- Issuers effectively locked out of Eurobond markets save for small windows March 22 and January 23
- Resultant dollar strength making external debt servicing more expensive vs sluggish local revenue collection

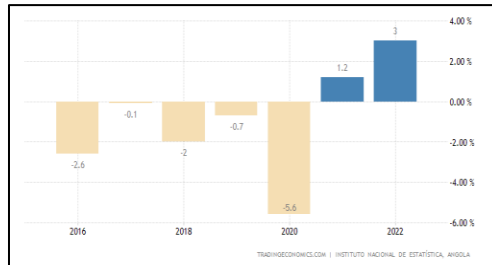


ANGOLA

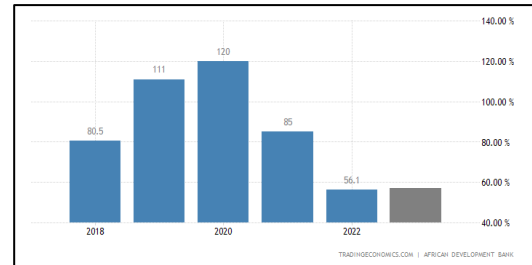


SUB SAHARA AFRICA: SELECTED COUNTRY ANALYSIS

GDP Growth



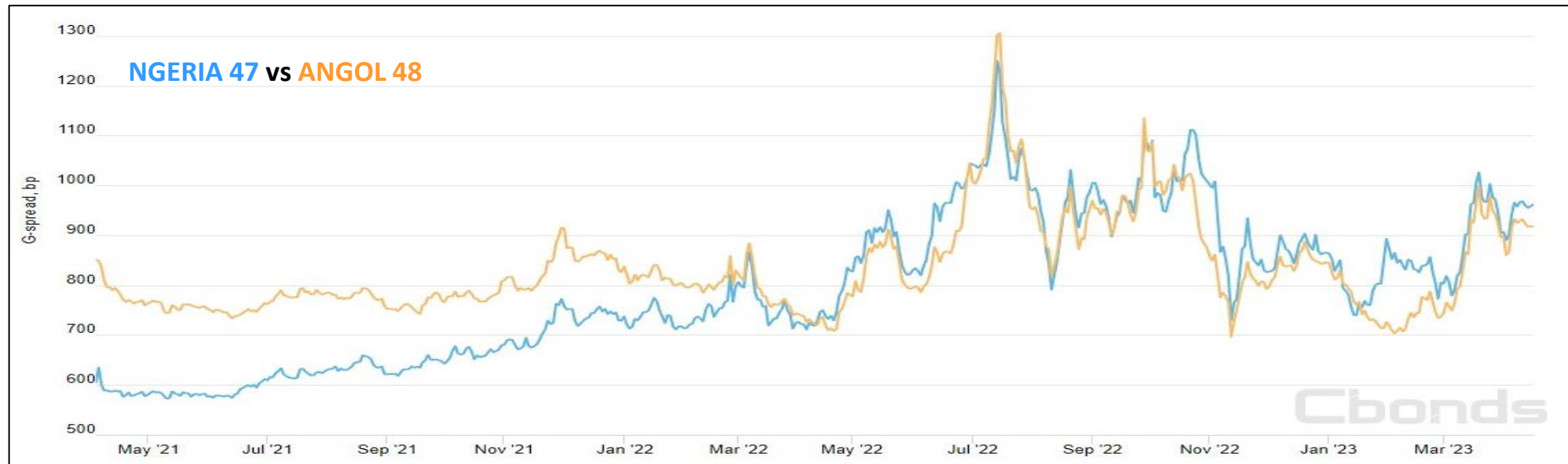
Debt-to-GDP



Economy exited a 5-year recession in 2021 – 1.1% growth – and grew 2.6% in 2022

Debt-to-GDP 56% in 2022 vs 124% in 2020

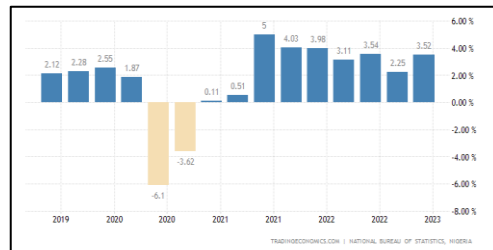
Dichotomy in trends vs rest of SSA – falling CPI, strengthening currency



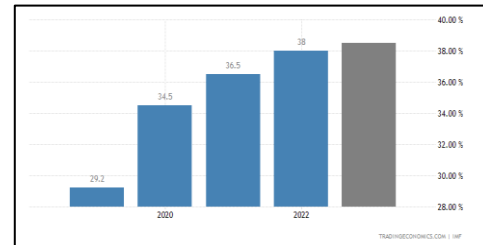
NIGERIA


SUB SAHARA AFRICA: SELECTED COUNTRY ANALYSIS

GDP Growth

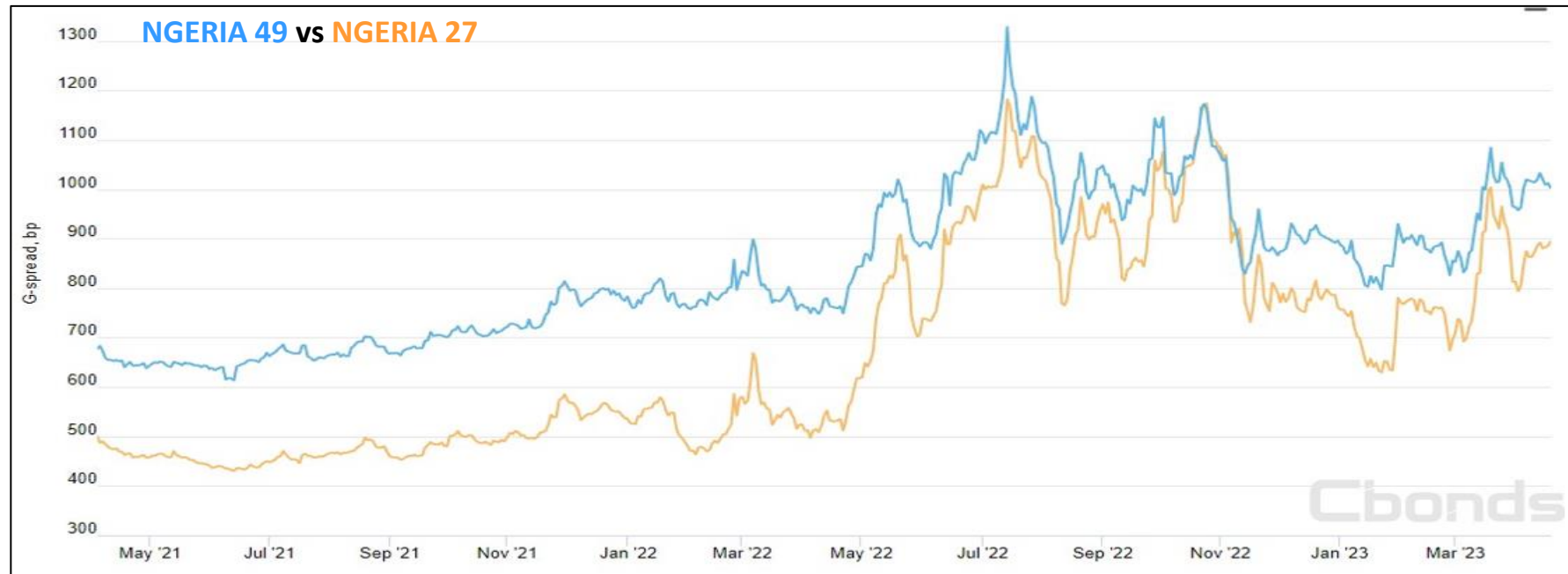


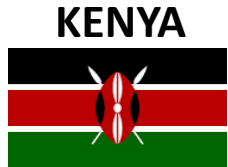
Debt-to-GDP



Fuel subsidy eroded any gains that should have accompanied high oil prices 2022
Muted revenue growth seeing 80% go towards debt service in 2022

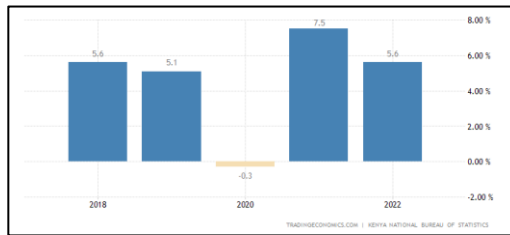
Debt levels remain low c.38% to GDP as at 2022 compared to B median of 68%



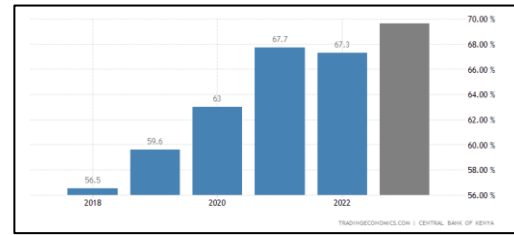


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GDP Growth

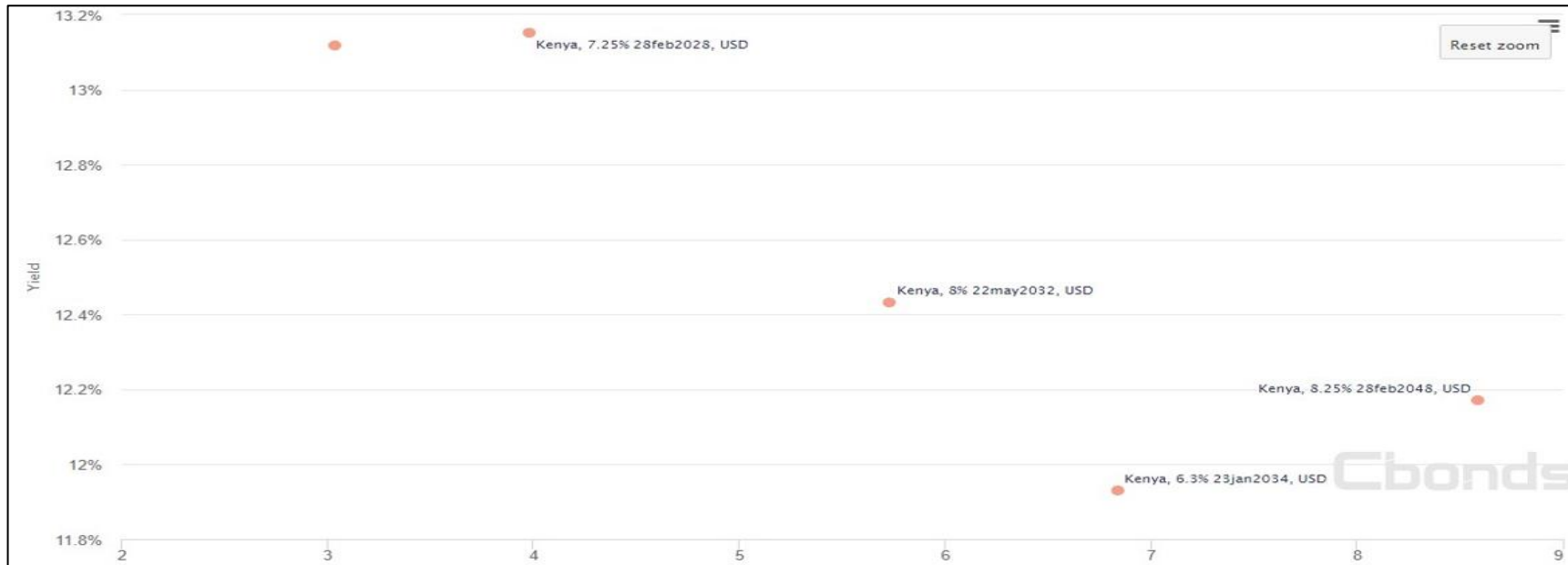


Debt-to-GDP



Growth back to pre-COVID levels
Good multilateral support – on WB and IMF programmes

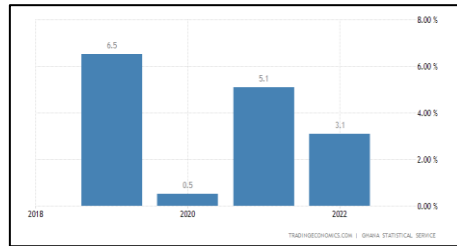
Payment wall 2024
Market access still unavailable, concessional financing limited



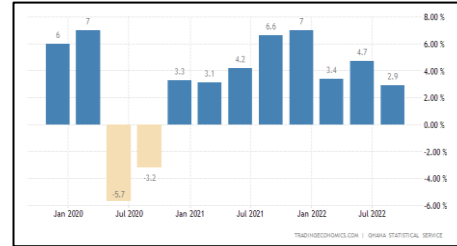
GHANA


SUB SAHARA AFRICA: SELECTED COUNTRY ANALYSIS

GDP Growth



Debt-to-GDP



Growth has been maintained though as economy is diversified; one of the few countries to maintain positive growth in 2020 – 3.1% in 2022

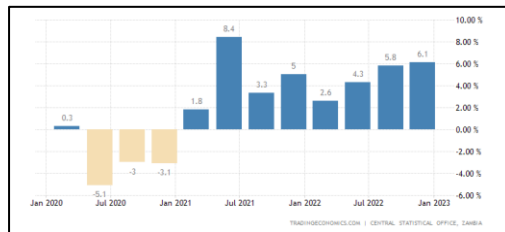
Double whammy of FX pressure (GHS down 45% vs USD since start 2022) and inflation ultimately led to default in 2022 – 2nd in SSA after ZAMBIA COVID era
Restructuring done on GHS bonds; assurances on external needed for IMF deal



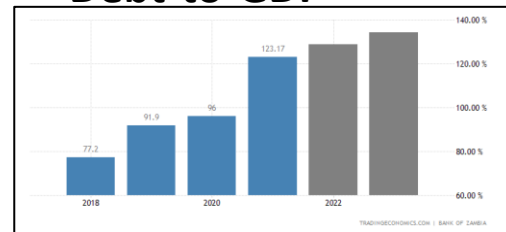
ZAMBIA


SUB SAHARA AFRICA: SELECTED COUNTRY ANALYSIS

GDP Growth



Debt-to-GDP



First Eurobond pandemic defaulter

Significant exposure to Chinese debt hence delays to conclusion of restructuring

Bucked inflation and FX trends in 2022:

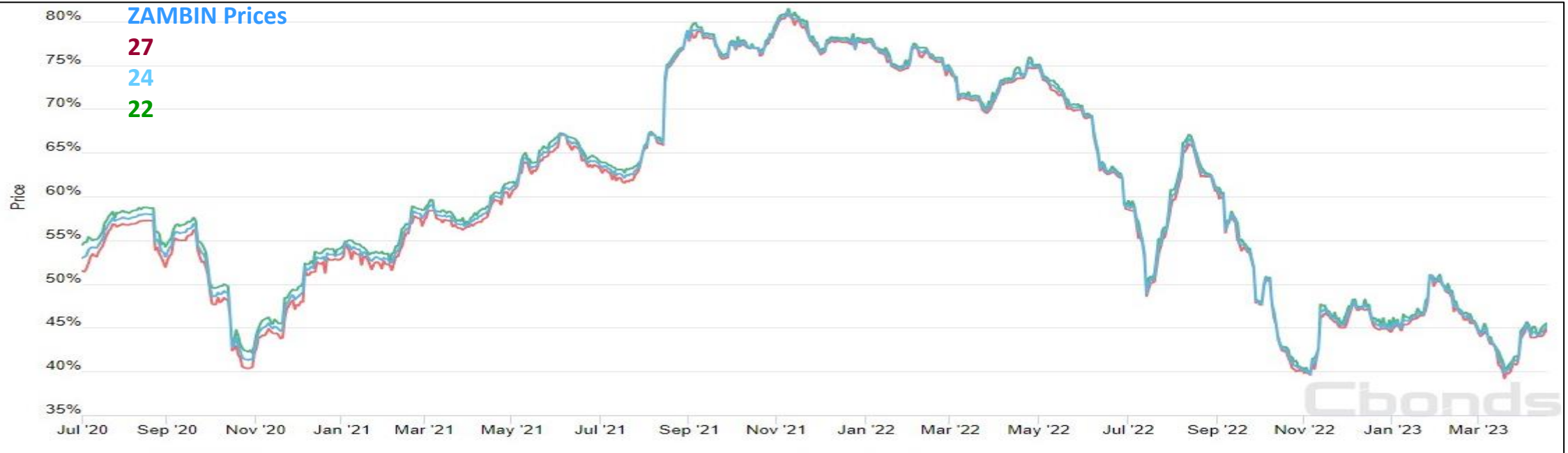
-Inflation declined to 9% handle while ZMW 'only' shed 8%

ZAMBIN Prices

27

24

22





THE END



ОБРАТНАЯ СВЯЗЬ

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