Southern Africa Development Community

Update on the Impact of the Global Economic Crisis on the SADC Region

TIFI Directorate

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INTRODUCTION

Council at its meeting in February 2009, in Cape Town, South Africa, noted that the global economic crisis would affect the medium-term prospects contained in the approved SADC Secretariat Budget Outlook Paper for 2009/10 to 2011/12. As such Council directed the Member States and the Secretariat to provide comprehensive information on the impact of the global economic crisis including the projected economic indicators over the short to medium-term for the revision of the Budget Outlook Paper for submission to Council in August 2009.

This paper forms part of the input into the revision of the Budget Outlook Paper. It highlights factors that underpinned economic performance in the region from end of 2007 to 2008. Further, it presents the initial impact of the global economic crisis on the SADC region and prospects into the short to medium-term. Finally, it highlights issues for consideration and possible policy responses at international, regional and national levels.

ECONOMIC BACKGROUND

The current global economic crisis was preceded by rising food and fuel prices. During 2007 and the first half of 2008, global food and fuel prices rose to unprecedented levels. The impact was widely felt across the world. The most immediate effect was on inflation, but a range of second-round effects are also apparent, including impacts on real incomes, economic growth, terms of trade, balance of payments, fiscal deficits and poverty. However, the impacts were not uniform across countries, for instance, varying between oil exporters and oil importers. Specific to the region, SADC also experienced power shortages from end of 2007 to 2008; which negatively affected economic performance.

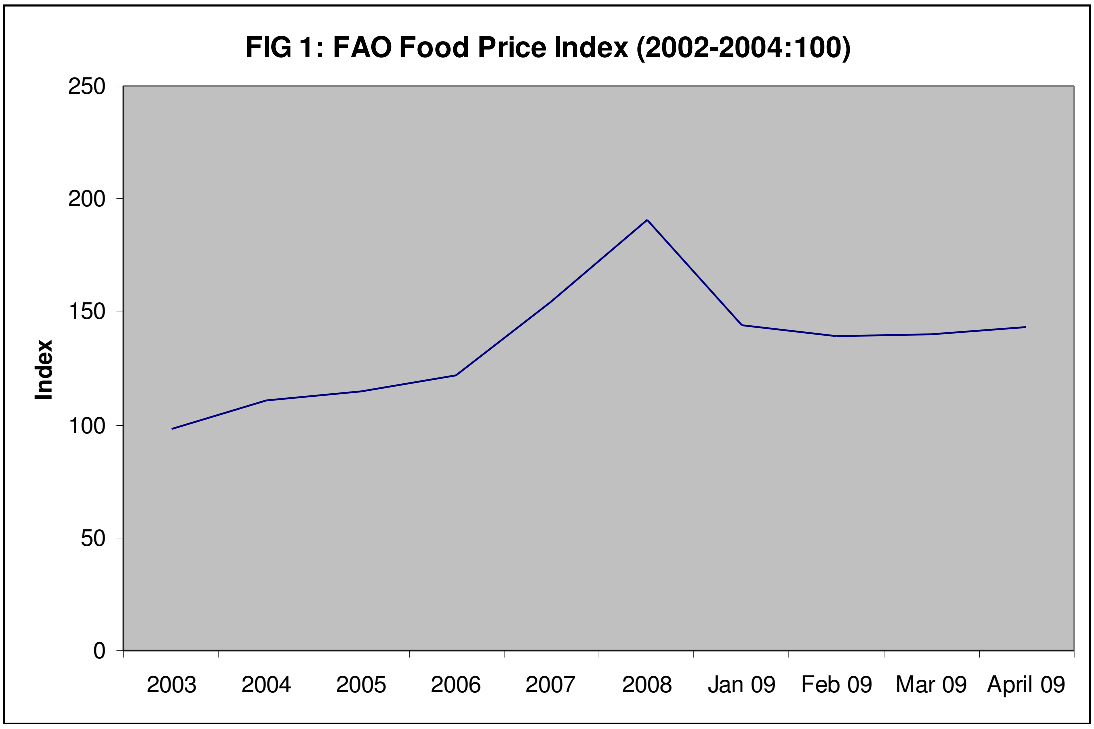
Food and fuel prices

International food prices rose dramatically between 2006 and mid-2008. According to the UN Food and Agriculture Organisation (FAO) food price index, overall food prices rose by more than twice as much over this period than they had in the previous five years. Between 2006 and mid-2008 the overall food price index was up 72 per cent over this period, with the most dramatic increases for dairy products (up 90 per cent), cereals (up 120 per cent) and oils & fats (up 150 per cent), although there were much smaller increases for meat and sugar.

Prices have moderated since middle of 2008; however, these prices are still pretty high by some standards. The Food Agriculture Organisation (FAO) index is nearly 50 per cent higher than it was in 2003 (see Fig 1); and price of cereals is up eighty per cent in the same period. This includes wheat, corn and rice which are staple foods for many people.

Similar trends to food prices have been apparent with fuel prices, which increased steadily from 2002 onwards. Crude oil prices rose from under $20 per barrel at the beginning of 2002 to $55 at the beginning of 2007, but then rose even more dramatically, reaching a peak of nearly $150 in July 2008.

Fig 1: FAO - Food Price Index, 2003 – April 2009



Source: FAO - http://www.fao.org/worldfoodsituation/FoodPricesIndex/en/: May 2009.

Fuel prices have since fallen dramatically. The market price index for spot crude has fallen by about 60 per cent from second quarter of 2008 to April 2009.

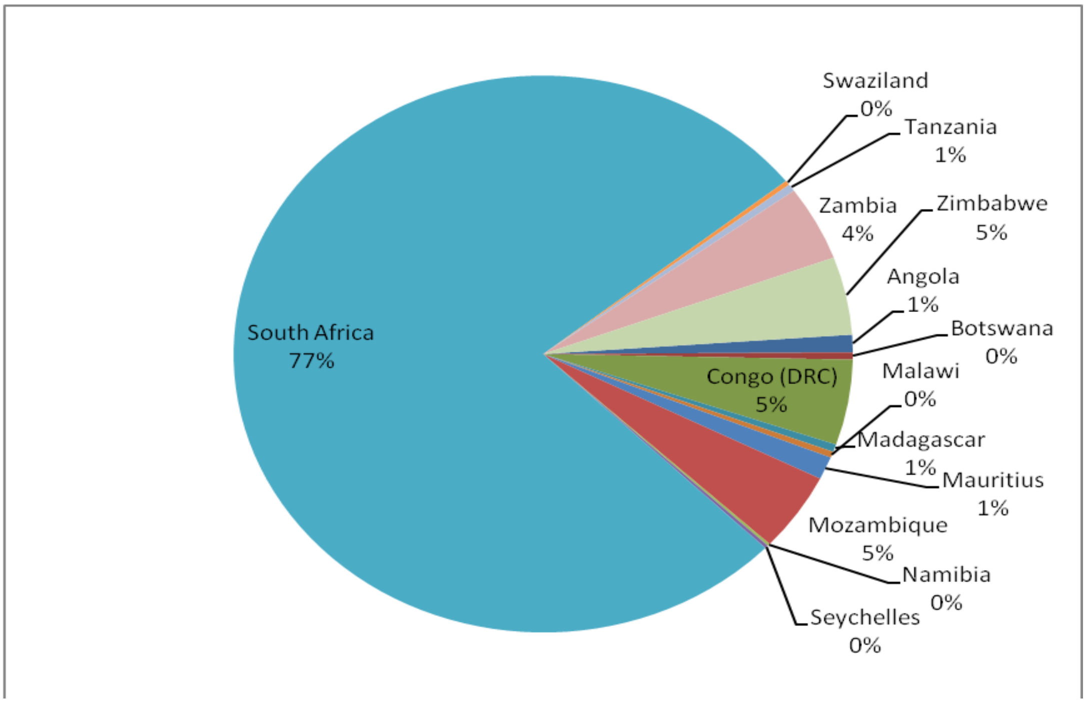
Higher food and fuel prices have contributed to rising inflation and deteriorating current account balances both for food and fuel importers in SADC. However, for fuel exporters like Angola, the rising fuel prices benefited them.

Power shortages

In addition to the rising food and fuel prices, power shortages became an increasingly serious problem in several SADC economies during 2007 and 2008. Until that time, the region had a power surplus with a comfortable reserve margin that enabled power supplies to be maintained during periods of peak demand as well as enabling capacity to be taken out of service for scheduled maintenance, and provided a cushion in case of unanticipated supply interruptions.

The reserve margin has however been steadily declining, due to a combination of steady economic growth, the aging of much of the region's generating capacity, and lack of investment in new capacity. This became a serious crisis in 2008 as a series of events led to a shortage of power in South Africa, the main source of electricity in SADC (see Fig 2), leading to load shedding affecting both domestic consumers and exports to neighbouring countries.

Fig 2: Electricity Generation Capacity in SADC (Net installed)



The power shortage situation has had economic impact on SADC. During 2008, load shedding in South Africa has had a negative impact on many sectors of the economy, but particularly mining. Botswana, which is dependent upon South Africa for the majority of its power supplies, faced similar problems.

Given the close relationship between power consumption and economic growth, electricity shortages inevitably limited growth potential. Not only was production interrupted by load shedding, but productivity deteriorated as workers were left idle during blackouts but still had to be paid. Furthermore new investment projects were likely delayed or deferred until the supply situation improves, affecting future economic growth.

On the surface, the situation seems to have improved, not due to increased generation capacity; but largely because of the global economic downturn.

THE GLOBAL ECONOMIC CRISIS

In addition to rising food and fuel prices, the global economy experienced a troubled financial sector, which has now developed into a full blown global economic crisis. The financial crisis was triggered mainly by sub-prime defaults followed by defaults on wide range of financial instruments. This developed into a phase of risk aversion affecting international and cross-border financial flows. As a result of the fall in demand especially in the USA and European Union, demand for exports from the rest of the world fell followed by falling commodity prices and a collapse in real economic growth.

Wide-ranging and often unorthodox policy responses have made some progress in stabilizing financial markets but have not yet restored confidence nor arrested negative feedback between weakening activity and intense financial strains.

Impact on the SADC Region

Over the past decade the SADC region and sub-Saharan Africa in general have made remarkable gains in promoting growth and achieving economic stability. Growth, which is essential for much needed poverty reduction, averaged more than 6 per cent over the past five years; inflation had fallen to single-digit levels before the fuel and food price shocks of 2008; and reserves were built up. These positive developments relied on strong economic policies; a favorable external environment, especially rising commodity prices; and debt relief and aid from the international community.

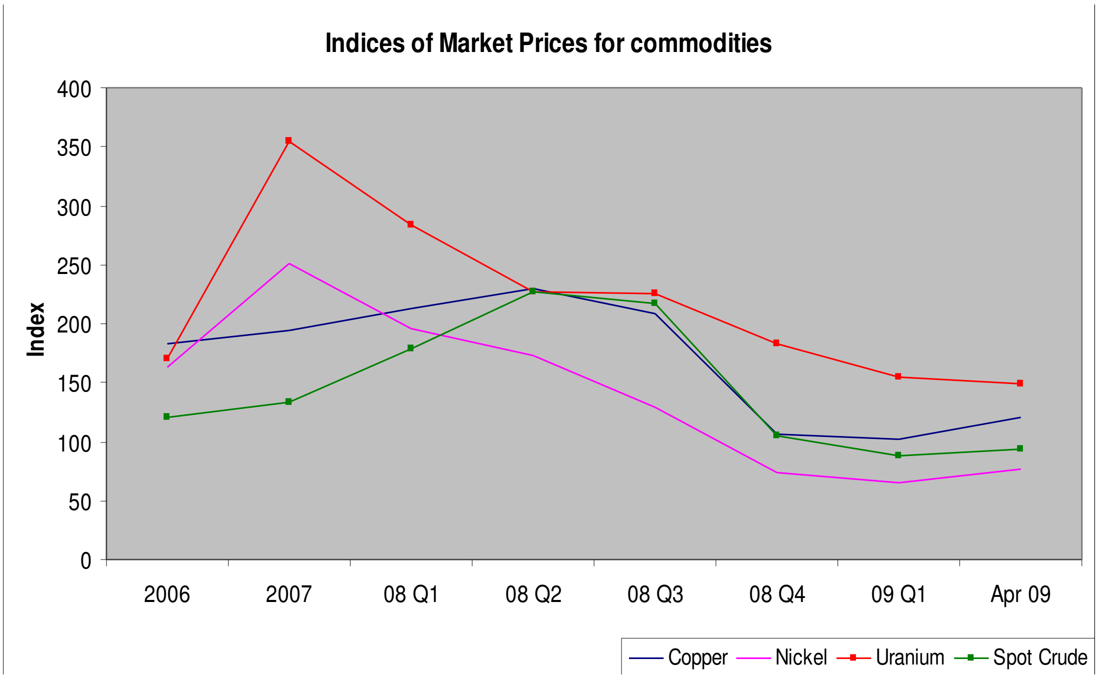
These hard-won economic gains are now at risk. Like the rest of the world, SADC region is feeling the impact of the global economic crisis. Demand for its exports has fallen; commodity prices have declined; and remittance flows may be weakening. Tighter global credit and investor risk aversion have led portfolio flows to reverse, deterred foreign direct investment (FDI), and made trade finance more costly. The economic slowdown is also likely to increase credit risk and nonperforming assets, weakening the balance sheets of financial institutions and corporations.

Trade Flows

World trade is projected to decline in 2009, first time since 1982 and the largest fall in 80 years. The fourth quarter of 2008 saw major falls in exports in many countries.

The mining sector is hardest hit in the region with commodity prices of copper, nickel, uranium and oil falling to and below their 2006 levels in April 2009 (see Fig 3); although this represents an upward reverse compared to the first quarter of 2009.

Fig 3: Indices for Market Prices for Commodities (2005 = 100, in terms of US dollars)



Source: IMF – Indices of Market Prices of Commodities, May 2009.

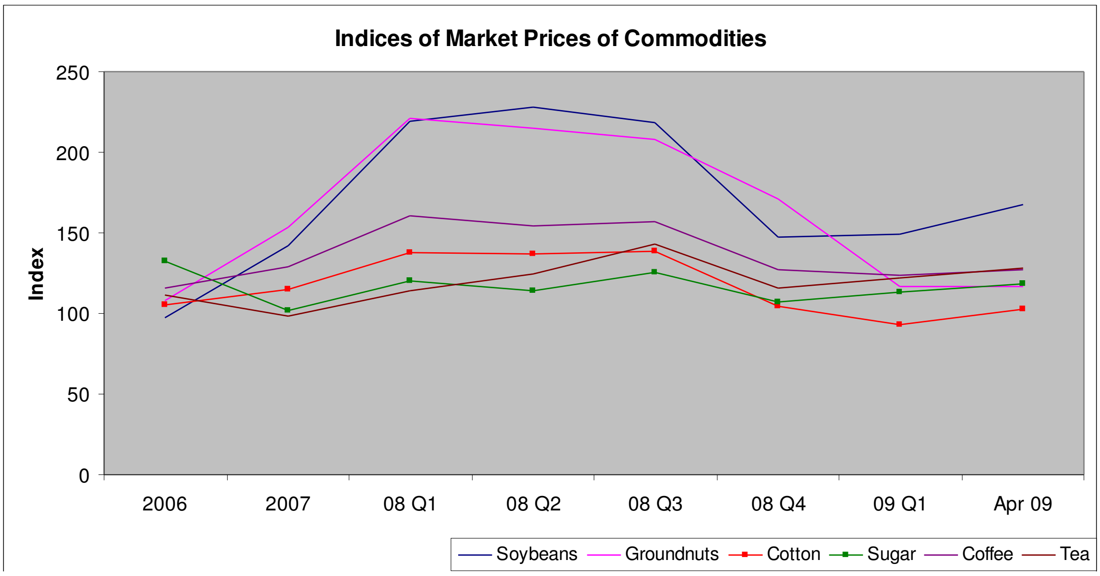
Consequently, the impact of the global economic crisis on the mining sector has resulted in loss of revenue by Governments; unemployment; and reduction in investment. For example, in Zambia, mining company tax fell from US$ 44 million in the second quarter of 2008 to US$ 41.6 million and US$7.5 million in the third and fourth quarter, respectively. Mineral royalty tax fell from US$24.4 million in the second quarter of 2008 to US$16.9 million in the fourth quarter of 2008. The pattern is similar for windfall tax which fell fro

US$33.7 million in the third quarter to US$2.2 million in the fourth quarter of 2008.

Employment levels have also been declining in some SADC states. Zambia has lost more than 10,000 jobs since July 2008 from the copper mines alone. Botswana has also lost more than 1,000 jobs while the DRC is said to have lost close to 300,000. Lesotho, Swaziland and Tanzania have also recorded losses in employment in the mining sector. Given that in some countries the mining sector is a major employer, the declines in employment are translating into very serious social challenges.

For agricultural commodities, the picture is not different with prices of soybeans, groundnuts, cotton, sugar, coffee and tea, all falling to their 2006 and 2007 levels. However, since the beginning of the second quarter of 2009, commodity prices have started increasing although they are still lower than the average prices recorded in 2008 (see Fig 4).

Fig 4: Indices for Market Prices for Commodities (2005 = 100, in terms of US dollars)

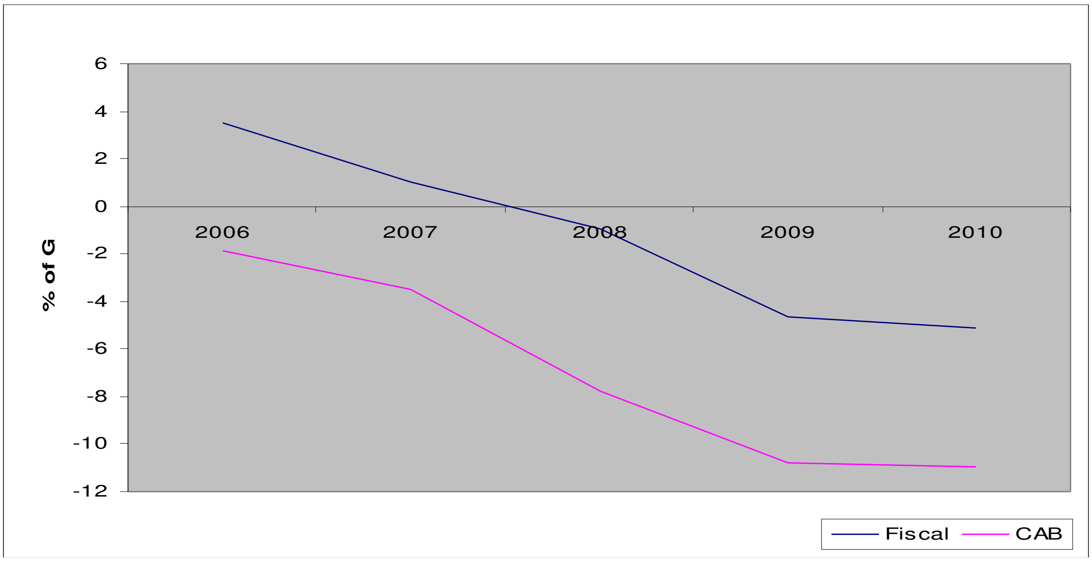


Source: IMF – Indices of Market Prices of Commodities, May 2009.

For member States that depend on tourism, they have experienced slowdown in long-haul tourism due to the recession. This is the case of Botswana, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania and Zambia.

The fall in exports as a result of low commodity prices; and loss of revenue from trade taxes have resulted in pressures on the current account and fiscal balances of SADC Member States (see Fig 5). Both the fiscal and current account balances for SADC widened in 2008 from an average of 1.0 per cent (surplus) and a deficit of 3.7 per cent in 2007 to a 0.9 per cent deficit and 7.8 per cent deficit, respectively.

Fig 5: SADC - Developments in the Fiscal and Current Account Balances



Source: SADC National Authorities and IMF - Regional Economic Outlook for Sub-Saharan Africa April 2009

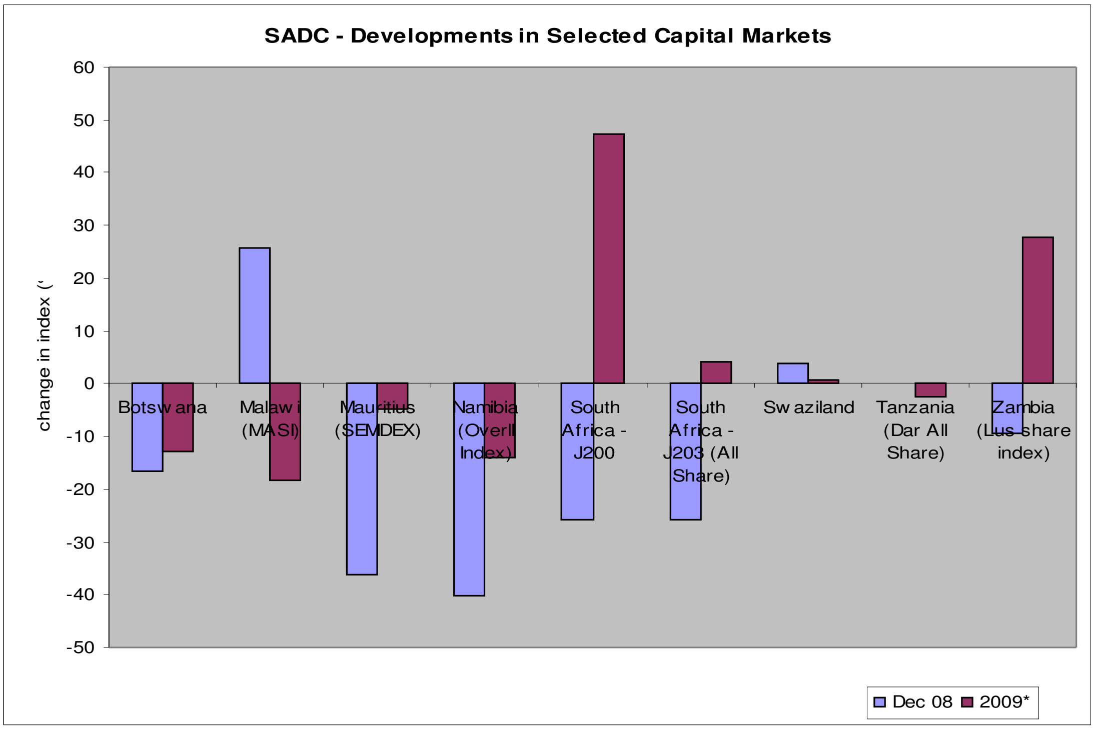
Financial sector

While the financial sector, particularly the banking sub-sector, in the region is relatively untouched, there are financial contagion effects that may affect other financial flows into the region. With falling incomes as a result of deteriorating terms of trade and declining real economic growth, borrowers will be less able to service their debts rendering the financial sector vulnerable. This may also lead to sectoral concentration of bank portfolios and market volatility if banks have lent for investment in stock market. For those banks that have their parent banks in the USA and the European Union, they may experience withdrawal of funds from parent banks.

The case is different with respect to the capital markets. If performance by developments in the share index is anything to go by, the SADC stock markets are not immune to the global economic crisis. In particular those markets which are relatively more integrated into the global financial economy got hit first, mainly South Africa.

The stock markets declined by an average of 16 per cent in December 2008 compared to December 2007 in eight selected stock exchanges (see Fig 6). As of end of first quarter and beginning of second quarter of 2009 stock markets in South Africa, Swaziland and Zambia had recorded a rebound, though this was still lower than those recorded during the same time in 2008.

Fig 6: SADC – Developments in Selected Capital Markets



Source: National Authorities.
Note*: Botswana: End-April; Malawi: end-March; Mauritius: end-April; Namibia: 27 May; South Africa J200: End-April; South Africa J203: 22 May; Swaziland: End April; Tanzania: 27 May; Zambia: 27 May.

Of particular importance to the region is that ODA flows are under pressure because donor country budgets are under pressure. Due to falling employment and real incomes in advanced economies remittances are falling sharply.

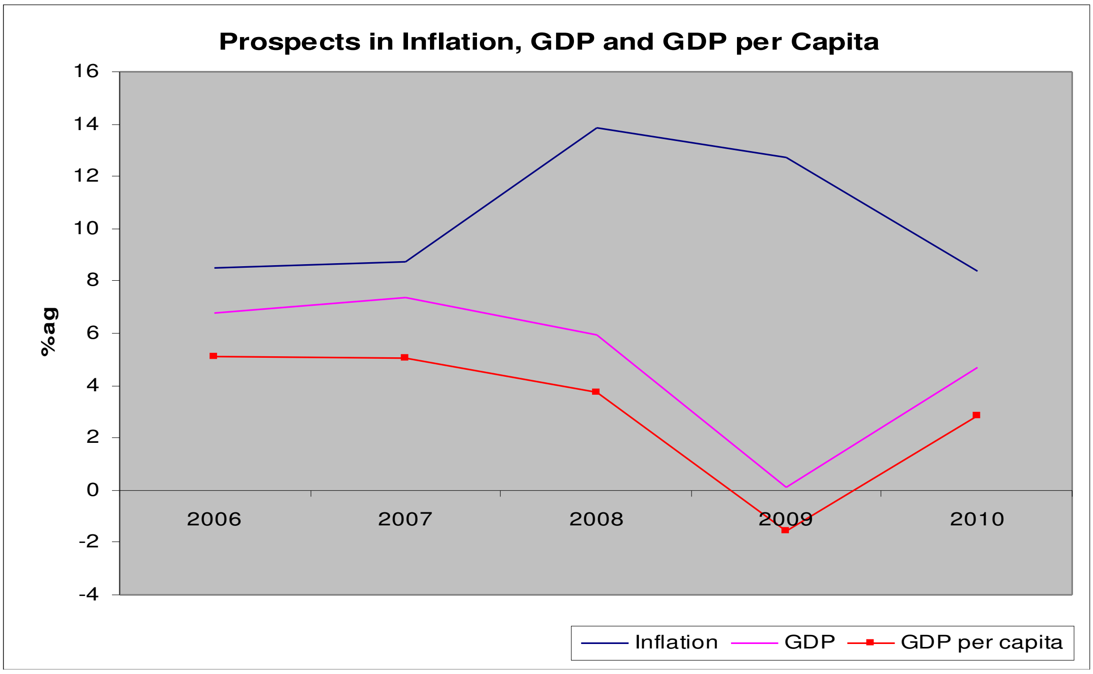
The squeeze on the financial flows entails that the region will greatly rely on Multilateral Financial Institutions, i.e. the IMF, World Bank and AfDB. As such the pledges by the G20 Summit on 2 April 2009 in London is a welcome development.

Economic growth and per capita income

After recording impressive economic growth for the past five years, the SADC region is expected to record a marginal 0.1 per cent growth (excluding Zimbabwe) in real GDP in 2009; down from an average of 5.9 per cent in 2008. Growth in per capita income is expected to decline by an average of 1.6 per cent in 2009 compared to an average growth of 3.7 per cent in 2008 (see

Fig 7). Financing constraints, lower commodity prices, weak external demand and associated spill-overs to the domestic demand are weighing on activity.

Fig 7: SADC - Developments in Inflation, Real GDP and per Capita Income



Source: National Authorities and IMF – Regional Economic Outlook for Sub-Saharan Africa April 2009.

IMPLICATIONS ON THE MACROECONOMIC CONVERGENCE PROGRAMME: PROGRAMME OFF-TRACK

Economic performance in most Member States with regard to the Macroeconomic Convergence (MEC) targets for 2008 was not satisfactory. The primary factor driving economic performance in Member States was shocks largely dictated by external factors where Member States have no direct control, i.e. volatile food and fuel prices and slowdown in the global economy.

Of all Member States, only Madagascar, Malawi and Mauritius achieved single digit inflation in 2008. Food and fuel prices were the primary driving force of inflation in most of the Member States.

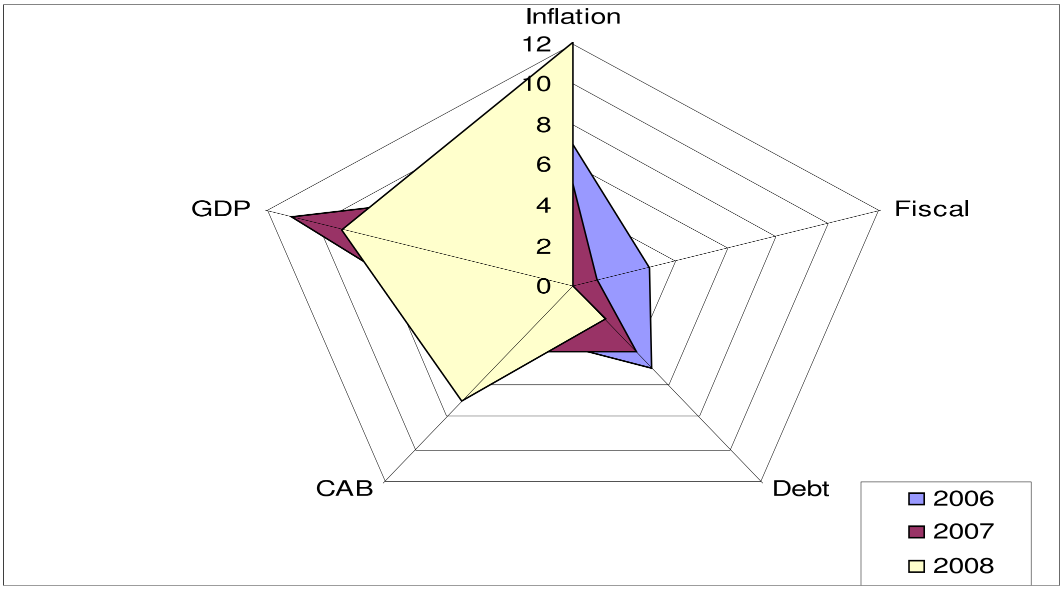
All Member States recorded fiscal deficits that were within the MEC target of 5 per cent of GDP for 2008. However, for Zimbabwe the surplus was due to two factors, namely: quasi fiscal operations of the central bank which were not accounted for in the budget; and revenue collections in local currency which the Government could not spend as a result of its loss of value. Those Member States in SACU experienced falling revenues as a result of the global economic downturn.

Seychelles and Zimbabwe exceeded the MEC target of public debt of 60 per cent to GDP for 2008. The huge debt in Seychelles was accumulated when Government was pursuing social welfare policies. Government has since embarked on reforming the economy. The high debt/GDP ratio for Zimbabwe is a result of a build up in arrears on foreign debt and negative economic growth.

Due to the global economic downturn and declining commodity prices, economic growth slowed down in most of the Member States in 2008. However, Angola, DRC, Madagascar, Malawi and Tanzania recorded GDP growth rates in excess of the MEC target of 7 per cent.

It is inflation and current account balance that bore the brunt of the global economic recession (see Fig 8) as the region diverged from the regional targets in 2008. However, this has to be transmitted to the other MEC indicators, i.e. fiscal balance and debt, in 2009 and onwards. Growing a GDP of 7 per cent per annum remains the biggest challenge for the region.

Fig 8: Status on SADC Macroeconomic Convergence 2008



SHORT TO MEDIUM-TERM PROSPECTS

Prospects for the short to medium-term are difficult to determine considering the risks and uncertainties the current global economic crisis has brought. While economic indicators are now showing improvement from the worst period, there isn't yet proof of recovery.

Against this background, the World Economic Outlook April 2009 of the IMF projections assumes that financial market stabilisation will take longer than previously envisaged. Even if with determined policy actions and moderation in the rate of contraction global activity is projected to decline by 1.3 per cent in 2009, the deepest since post-World War II. Global economic growth is projected to re-emerge in 2010 but at just 1.9 per cent.

At regional level, economic growth is projected to rebound to 4.7 per cent, still below the 2008 level. However, this may not be realised with recent information that the South African economy has gone into a recession for the first time since 1992. Joining the recession group is Namibia that already plunged into a recession during the second and third quarters of last year and narrowly missed it during the fourth quarter of 2008, mainly because of the struggling fishing and manufacturing sectors.

The ease in power shortage may present a superficial relief in the short to medium term. As the economies recover and production resumes, the current power supply in the region will not be sufficient to sustain growth.

While low food and fuel prices have helped to lower inflation in the region, inflation is projected to remain in the double digit range in 2009. There are also indications that there hasn't been a complete pass-through of the falling food prices to benefit the consumer especially in those Member States that depend on processed food. In these countries food inflation is still higher than overall inflation. For instance, in South Africa, food inflation stands at 13.7 per cent (including non-alcoholic beverages) compared with 8.4 per cent general rate of inflation (according to the Business Report of South Africa – 3 June 2009). In Botswana food inflation is 21.5 per cent and overall inflation 11.7 per cent.

With oil prices heading back towards $70 a barrel, it will be difficult to sustain low levels of inflation in the short to medium term. Prospects in the global economy rebounding and production cuts by OPEC could push prices to $85 a barrel by the end of the year and $95 a barrel by end of 2010 according to Goldman Sachs projections. However, the oil market may be moving ahead of reality and prices could fall as investors face up to the reality of the glut of supplies and weak global demand.

From the international trade point of view, recent indications show a regain in commodity prices though still at very low level, in some cases below the 2007 and 2006 levels. As such exports earnings are projected to remain on the downside. Combined with rising fuel prices and still high food prices, the current account balance of the SADC region is projected to remain in double deficit of an average 11 per cent in 2009 and 2010 compared to 8 per cent in 2008.

Slow economic recovery and projected unsatisfactory performance in the external sector will result into low revenues both in terms of income and trade taxes. As such the fiscal deficit of the SADC region is projected to widen to 4.7 per cent in 2009 and further to 5.1 per cent in 2010.

ISSUES FOR CONSIDERATION AND POLICY RESPONSE

In search of possible responses to the global economic crisis a number of meetings have and continue to be held at national, regional, continental and international levels. The recommendations which SADC should consider from now going forward should aim basically at achieving two broad objectives, namely: cushioning and shortening the impact of the crisis on the economies and people of the region; and preparing the economies for recovery and resilience.

1. Cushioning and shortening the impact

Arguably, policy space to cushion and shorten the impact of the crisis, particularly on the people of the region is limited, i.e. Member States that were running fiscal and balance of payments surpluses are now in deficit as a result of heavy draw downs on their surplus revenues and external reserves to compensate for declines in revenues and export earnings.

With inflation slowing down, monetary policies may be used to support growth. Low inflation will also support the option of lowering interest rates. Exchange rates should be flexible to support the economies to adjust; encourage import substitution; and support exports. However, as pointed out above, the slow down in inflation may be short lived considering that food prices are still high and rising oil prices. As such there is need to ensure food security through programmes aimed at increasing food production. This will help cushion the food inflation and at the same time ensure food security in the region.

With sources of revenue dwindling, governments should ensure quality budgeting and spending by cutting the excess fat in the budgets. Governments may also consider increasing capital expenditure while cutting the recurrent expenditures. Where possible, Member States may explore the possibility of implementing stimulus packages to counteract the impact of the crisis on employment, including providing bridging finance to firms that can be salvaged.

2. Preparing the economies for recovery and resilience

The Ministers responsible for Finance and Investment at their Extraordinary Meeting in February 2009, in Cape Town, South Africa, emphasised the need for urgent and innovative strategies aimed at addressing the challenges of the global recession, in particular, the need:

(i) to take advantage of opportunities in the Region, and in particular, fast-tracking the regional integration process and addressing issues that impede regional trade such as rules of origin and non-tariff barriers; and

(ii) for the improvement of the investment and business environment in the Region.

With international markets under stress as a result of low demand, there is need to develop intra-regional trade by addressing issues such as rules of origin; non-tariff barriers; and make the FTA launched in August 2008 a reality by stepping up efforts to improve trade facilitation. The Customs Modernization and Trade Facilitation Project being implemented by SADC with EU support will help bring improvements in this area. Further, there is need to develop the physical infrastructure of the region in the areas of transport and communication. Fast tracking the implementation of the Project Preparation and Development Facility (PPDF) would go a long way in supporting physical infrastructure development.

However, beyond the region, SADC should continue to lobby the international community for no protectionism and resumption of the Doha development Agenda (DDA). Since the crisis began 78 trade measures have been introduced world wide of which 66 are protectionist and 17 of the G20 countries are involved. At their meeting in London, the G20 pledged to resist protectionism by reaffirming the commitment to refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing WTO inconsistent measures to stimulate exports.

The G20 also pledged their commitment to reaching an ambitious and balanced conclusion to the DDA which could boost the global economy by at least US$150 billion per annum. SADC should lobby and ensure that the G20 lives to these pledges.

On the improvement of the business and investment climate in the region, the starting point is the ratification of the Protocol on Finance and Investment and the implementation of the areas as stipulated in the different annexes of the Protocol. To date only seven Member States have ratified the Protocol.

While there is dis-investing happening right now evidenced by low flows in foreign direct investment, there is a likelihood that investors will return as the region and Africa as whole remain the less risky region for investment than other regions. Research indicates that, currently, the rate of return on investment in Africa is higher than any other region. This is the more reason why reforms aimed at improving the business and investment environment should not stop.

In addition to the above, reforms aimed at diversifying the economies should be stepped up. While the crisis has not spared any economy: industrialized or less industrialized; diversified or less diversified, it is generally believed that industrialized and diversified economies are more resilient to shocks than otherwise. Unfortunately, Africa's industrialization lags behind other developing regions. Africa's share of global manufacturing value added (excluding South Africa) fell from 0.4 per cent in 1980 to 0.3 per cent in 2005; and its share of world manufactured exports went from 0.3 per cent to 0.2 per cent.

As such institutional and policy reform in the area of industry should be high on SADC's agenda. Activities related to productive competitiveness, i.e. harmonisation of industrial policies in the region; and standards, quality assurance, accreditation and metrology should be fully supported and resourced. The region should close the infrastructure gap on which industry depends; increase power supply to avoid power shortages; improve trade logistics which matter a great deal for export performance; and support industrial clusters.

Money answers all things

It is said, money answers all things. The above policies need money for implementation. Where will the money come from with revenues falling because of declining exports and incomes; declining remittances; and uncertainty in aid flows? There are two areas for consideration in addition to what may have been highlighted in passing above.

(i) ***Lobbying for additional resources for IMF, World Bank and African Development Bank***

The G20 and other bilateral and multilateral institutions have pledged resources towards addressing the current global economic crisis. The challenge is for SADC to continue lobbying the G20 and these institutions to implement the pledges; in addition to sticking to their commitments relating to Millennium Development Goals. However, what is needed is not only short-term balance of payments support. There is need for long-term development support from development banks.

(ii) Mobilizing domestic resources

The need to raise domestic resource mobilization efforts in the region is obvious in view of the fact that the crisis has depressed external inflows and possibly has a negative impact on some domestic resources. It is therefore more prudent, especially in the medium to long term, for SADC to expend much more efforts on domestic resource mobilization. These efforts would include: making households and individuals hold more financial assets; strengthening the banking system; developing the capital markets; strengthening microfinance institutions; and expanding the tax base.

	2006	2007	2008	2009	2010
	Growth in Real GDP				
Angola	18.6	23.3	16.6	-3.6	9.3
Botswana	0.6	5.3	3.3	-10.4	14.3
DRC	5.6	6.3	10.0	2.7	5.5
Lesotho	7.2	5.1	3.5	0.6	3.0
Madagascar	5.0	6.2	7.2	-0.2	2.0
Malawi	6.7	8.6	9.7	6.9	6.0
Mauritius	5.1	5.4	5.2	2.1	2.3
Mozambique	8.5	7.3	6.5	4.3	4.0
Namibia	7.1	4.1	3.4	-0.7	1.8
Seychelles	9.6	9.9	-1.3	-9.6	2.6
South Africa	5.3	5.1	3.1	-0.3	1.9
Swaziland	2.9	3.5	2.6	0.5	2.6
Tanzania	6.2	7.1	7.5	5.0	5.7
Zambia	6.2	6.3	5.8	4.0	4.5
Zimbabwe	-2.0	-6.1	-14.3	…	…
Average excl. Zimbabwe	6.8	7.4	5.9	0.1	4.7
Average All SADC	6.2	6.5	4.6	0.1	4.7
	Growth in real per Capita Income				
Angola	15.2	16.9	11.5	-6.4	6.1
Botswana	4.3	3.5	1.8	-11.5	13.0
DRC	2.5	3.2	3.1	-0.3	2.5
Lesotho	6.2	3.2	1.7	-1.2	1.1
Madagascar	2.2	3.4	2.3	-2.8	-0.6
Malawi	4.6	6.5	7.5	4.8	3.9
Mauritius	2.7	3.6	5.7	1.3	1.5
Mozambique	6.6	4.9	4.1	2.3	2.0
Namibia	5.3	2.2	2.0	-1.6	1.0
Seychelles	6.3	7.2	0.4	-10.0	0.4
South Africa	4.2	4.1	1.3	-1.4	0.8
Swaziland	2.5	3.1	2.1	0.1	2.3
Tanzania	4.8	5.0	5.4	2.9	3.6
Zambia	3.8	3.8	3.5	1.6	2.1
Zimbabwe	-5.4	-6.1	…	…	…
Average excl. Zimbabwe	5.1	5.0	3.7	-1.6	2.8
Average All SADC	4.4	4.3	3.7	-1.6	2.8
	Inflation				
Angola	12.2	11.8	13.2	12.1	8.9
Botswana	11.6	7.1	12.6	8.1	5.2
DRC	13.2	16.7	23.8	33.9	19.9
Lesotho	6.0	7.8	10.8	6.6	6.1
Madagascar	10.8	10.3	9.4	9.4	8.1
Malawi	13.9	8.0	8.8	10.1	8.0
Mauritius	8.9	8.8	9.7	7.3	5.1
Mozambique	13.2	8.2	10.3	5.4	5.2
Namibia	5.1	6.7	10.3	9.1	6.3
Seychelles	-1.9	5.3	37.0	39.2	17.9
South Africa	4.7	6.2	11.6	6.1	5.6
Swaziland	5.3	8.1	12.6	7.9	6.7
Tanzania	7.3	7.0	10.3	10.9	5.7
Zambia	9.0	10.7	13.6	12.2	8.3
Zimbabwe	1016.7	6273.7	1594745.0	…	…
Average excl. Zimbabwe	8.5	8.8	13.9	12.7	8.4
Average All SADC	75.7	426.4	106329.3	12.7	8.4

Appendix 1A: Growth in real GDP, per capita Income and Inflation

Source: National Authorities and IMF Regional Economic Outlook for sub-Saharan Africa April 2009.

Appendix 1B: Fiscal Balance, Current Account Balance and Debt

	2006	2007	2008	2009	2010
	Fiscal Balance as % of GDP				
Angola	9.9	11.3	8.9	-10.8	-7.2
Botswana	8.0	10.8	-0.8	-11.1	-8.1
DRC	-0.8	-1.2	0.7	-4.1	-9.2
Lesotho	11.6	7.5	-1.0	2.6	-7.0
Madagascar	37.4	-2.8	-4.7	-3.3	-3.8
Malawi	0.4	-5.9	-6.3	-2.3	-3.8
Mauritius	-5.3	-4.3	-3.4	-4.5	-6.0
Mozambique	-1.4	-2.7	-2.8	-7.1	-6.2
Namibia	-0.2	4.1	4.7	-2.9	-2.6
Seychelles	-6.2	-9.7	-3.7	-6.3	-1.9
South Africa	0.6	0.5	-0.7	-3.2	-3.6
Swaziland	10.1	3.0	-1.3	-4.9	-5.8
Tanzania	3.7	3.6	-3.8	-4.6	-5.0
Zambia	-18.6	0.2	1.0	-2.6	-1.7
Zimbabwe	-4.3	1.8	29.9	…	…
Average excl. Zimbabwe	3.5	1.0	-0.9	-4.7	-5.1
Average All SADC	3.0	1.1	1.1	-4.7	-5.1
	Current Account Balance as % of GDP				
Angola	26.1	15.8	21.2	-8.1	0.1
Botswana	0.2	0.7	15.0	-6.5	-4.8
DRC	-2.1	-1.5	-7.3	-26.1	-28.7
Lesotho	4.4	12.6	12.6	-11.0	-22.2
Madagascar	-8.8	-14.6	-22.8	-16.8	-15.6
Malawi	-7.2	-1.7	-6.3	-3.7	-4.4
Mauritius	-9.4	-5.7	-10.5	-11.2	-12.1
Mozambique	-9.1	-3.7	-6.1	-11.7	-10.9
Namibia	15.1	8.5	3.8	-0.7	-0.8
Seychelles	-12.9	-30.3	-69.0	-26.7	-24.6
South Africa	-6.3	-7.3	-7.4	-5.8	-6.0
Swaziland	-7.4	-2.0	-15.4	-5.5	-7.7
Tanzania	-12.2	-14.4	-12.5	-8.7	-8.8
Zambia	3.4	-5.4	-4.2	-8.5	-7.2
Zimbabwe	-5.5	-6.5	-16.6	…	…
Average excl. Zimbabwe	-1.9	-3.5	-7.8	-10.8	-11.0
Average All SADC	-2.1	-3.7	-8.4	-10.8	-11.0
	Debt as % of GDP				
Angola	24.2	25.0	33.0	6.3	5.0
Botswana	6.0	5.0	6.0	3.0	2.9
DRC	145.8	134.5	na	22.9	22.8
Lesotho	51.2	45.5	55.0	34.4	31.7
Madagascar	39.1	32.2	30.0	27.5	29.2
Malawi	28.3	35.3	46.4	17.6	19.5
Mauritius	68.8	63.0	57.7	5.5	6.3
Mozambique	52.2	45.0	40.0	28.0	31.8
Namibia	24.4	18.5	18.7	8.1	9.8
Seychelles	139.5	146.0	149.3	36.4	31.8
South Africa	29.3	27.4	32.0	2.0	1.9
Swaziland	15.1	16.4	17.8	16.2	16.3
Tanzania	63.5	40.4	38.0	30.7	29.4
Zambia	25.2	24.1	18.1	7.1	7.0
Zimbabwe	78.3	67.5	114.7	…	…
Average excl. Zimbabwe	50.9	47.0	41.7	17.6	17.5
Average All SADC	52.7	48.4	46.9	17.6	17.5

Source: National Authorities and IMF Regional Economic Outlook for sub-Saharan Africa April 2009.
Note: For Debt in 2009 and 2010 it is External Debt to Official Creditors.