



COMMUNIQUÉ

SIXTH MEETING OF THE SADC MACROECONOMIC PEER REVIEW PANEL

**HELD VIA VIRTUAL CONFERENCING
15 JULY 2020**

1. The Peer Review Panel (The Panel) comprising the SADC Ministers responsible for Finance and Investment and the SADC Central Bank Governors, met via Virtual Conferencing on 15 July 2020.
2. The purpose of the Panel's Virtual Meeting was to review progress made by individual Member States towards the achievement of agreed SADC Macroeconomic Convergence (MEC) targets as well as to identify risks to the Region's economic outlook and devise policy measures to mitigate the risks. In this regard, the Panel also considered a report on the impact of the COVID-19 pandemic on Member States' performance against MEC targets.
3. The Panel also considered peer review reports on the Democratic Republic of Congo and the United Republic of Tanzania, being the second time that the two Member States have been peer reviewed since the SADC Macroeconomic Peer Review Mechanism was launched in May 2013 in Maputo, Mozambique.
4. The Panel noted the following:

Democratic Republic of Congo

- 4.1 The Democratic Republic of Congo continues to implement the recommendations made by the Peer Review Panel in 2017. Consequently, its economy has been strengthening over the past few years, leading to improved performance against both primary and secondary MEC targets.
- 4.2 GDP growth improved from 2.4 percent in 2016, to 3.7 percent in 2017 and 5.8 percent in 2018 but slowed down to 4.4 percent in 2019 mainly due to a slowdown in mineral production consecutively coupled with low global demand which caused the decline of the price of minerals.
- 4.3 Inflation slowed down sharply to 31.0 percent in 2018 and 4.6 percent in 2019 and is projected at 11.0 percent in 2020.
- 4.4 At the same time, the cash budget system has enabled the DRC to record a budget surplus of 0.2 percent of GDP during the period of 2016 and 2018, and a marginal deficit of 0.2 percent of GDP in 2019.
- 4.5 At the end of 2019, DRC's public debt stood at 13.3 percent of GDP, well below the SADC threshold of 60 percent.

The United Republic of Tanzania

- 4.6 The United Republic of Tanzania continued to implement the Five-Year Development Plan Phase II 2016/17- 2020/21 (FYDP II) and recommendations of the Peer Review Panel from the previous Peer Review.
- 4.7 Consequently, the country's economy realized robust economic growth averaging at 6.9 percent over the last three years (2016-2018) which is in line with the SADC macroeconomic convergence target of at least 7 per cent.
- 4.8 Tanzania's inflation rate averaged 4.4 percent over the past four years which is within the SADC target of 3-7 percent and below the country's medium-term target of 5 percent.
- 4.9 Tanzania's Fiscal deficit as a percentage of GDP widened over the review period from 1.4 percent of GDP in 2016 to 2.5 percent of GDP in

2018 but improved to 2.3 percent of GDP in 2019 which is within the regional target of 3.0 percent. Public debt remained within the SADC threshold of 60 percent of GDP, averaging 40.1 percent between June 2016 and June 2019.

5. The Panel considered and approved the Mission Review Reports and recommended policy proposals for the Democratic Republic of Congo and the United Republic of Tanzania. It welcomed the commitment by the authorities of the Democratic Republic of Congo and the United Republic of Tanzania to implement the recommendations.
6. The Panel commended the Kingdom of Eswatini and Mozambique, and Madagascar for undertaking the peer reviews for the United Republic of Tanzania and the Democratic Republic of Congo, respectively.
7. The Panel agreed that Angola, Namibia and Zimbabwe be the next Member States to be peer reviewed during 2020/2021.
8. The Panel expressed their gratitude to the United Republic of Tanzania, the SADC Chairperson, for their warm reception and welcome extended during the course of the meeting.

SADC Secretariat

15 July 2020