



Cytonn 2021 Markets Outlook

Sub Saharan Africa Regional Market Outlook

According to the World Bank, in their **Global Economic Prospects: January 2021**, the Sub Saharan Africa region is expected to register economic growth of 2.9% in 2021, higher than the estimated 3.7% contraction in 2020. This is on the back of export growth which is expected to accelerate gradually, in line with the rebound in activity among major trading partners despite the expected slow recovery in private consumption and investment. The resumption in activity in the key trading partners of the region such as Europe, China and the US is chiefly underpinned by positive news on vaccine development and rollout as well as new rounds of fiscal stimulus. However, COVID-19 is likely to weigh on the growth for an extended period, as the rollout of vaccines in the region is expected to lag that of major economies and many other EMDEs. The forecast is higher than the initial 2.1% projected, mainly reflecting the expected growth when the pandemic subsides, on the back of policy reforms that have been fostered and accelerated in several countries to propel growth.

Despite the expected growth, risks to the regional outlook abound and they include:

- Weaker-than-expected recoveries in key trading partners, like the United States, European Union, and China who account for almost 50.0% of all exports from sub-Saharan Africa,
- Slow distribution of the Corona Virus Vaccines,
- Scarring Logistical hurdles more especially infrastructure and storage facilities that further impede vaccine distribution,
- The High Debt levels in some countries amounting to 70% of GDP as of 2020,
- Lower productivity due to the changes in the working patterns,
- Impacts of declined demand and consequently the price of commodities in the region, and,
- Limited fiscal space on the back of declined government revenue.

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