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MACRO-ECONOMIC OVERVIEW OF RBJ COUNTRIES



ANGOLA MACRO-ECONOMIC OVERVIEW¹

Since low oil prices plunged the country into financial crisis in 2015, the government has sought to diversify the economy and has taken several tentative regulatory and financial steps towards achieving this goal. It has achieved success in some areas, but other sectors continue to struggle. As the country enters its fifth year of recession, its efforts will be further stymied by the coronavirus pandemic.

Inflation is expected to rise to an average of 24% in 2020 (from an average of 17.1% in 2019). This will be driven by sustained weakness of the kwanza due to decimated oil exports (and US dollar availability) and the introduction in October 2019 of VAT, initially at 14%. From 2021 the slower rate of depreciation of the kwanza will lead to a broad downward trend in inflation, although the eventual reduction in several subsidies (such as electricity and fuel) will keep prices elevated. It is forecast that annual average inflation will decline to 10.4% in 2024.



ECONOMIC STRUCTURE RISK

The economic structure risk rating is downgraded to CC[2] (from CCC[3] previously), owing to an increase in gross external debt to GDP. External Debt in Angola increased to 47553.80 USD Million in 2019 from 46981.70 USD Million in 2018[4]. Fiscal reliance on oil revenue accounting for 83.7% of export revenue in 2019 and a lack of diversification sustain economic structure risk, which has been exacerbated by the crash in oil prices amid the global coronavirus outbreak. The drop in oil prices and the impact of the coronavirus weakens Angola's fiscal picture.



BALANCE OF TRADE ⁵

Angola's trade surplus narrowed to USD 4,933 million in the third quarter of 2019 from USD 7,073.6 million in the same period a year ago. Exports slipped 24.6 percent from a year earlier to USD 8,140.9 million, dragged down by lower shipments of oil (-25.5 percent) while diamonds sales rose 13.3 percent. Meantime, imports fell 13.8 percent to USD 3,207.9 million, amid reduced acquisitions of consumption goods (-9.2 percent); intermediate goods (-24 percent) and capital goods (-19.5 percent).

Annual trends charts

Real GDP growth
(% change)



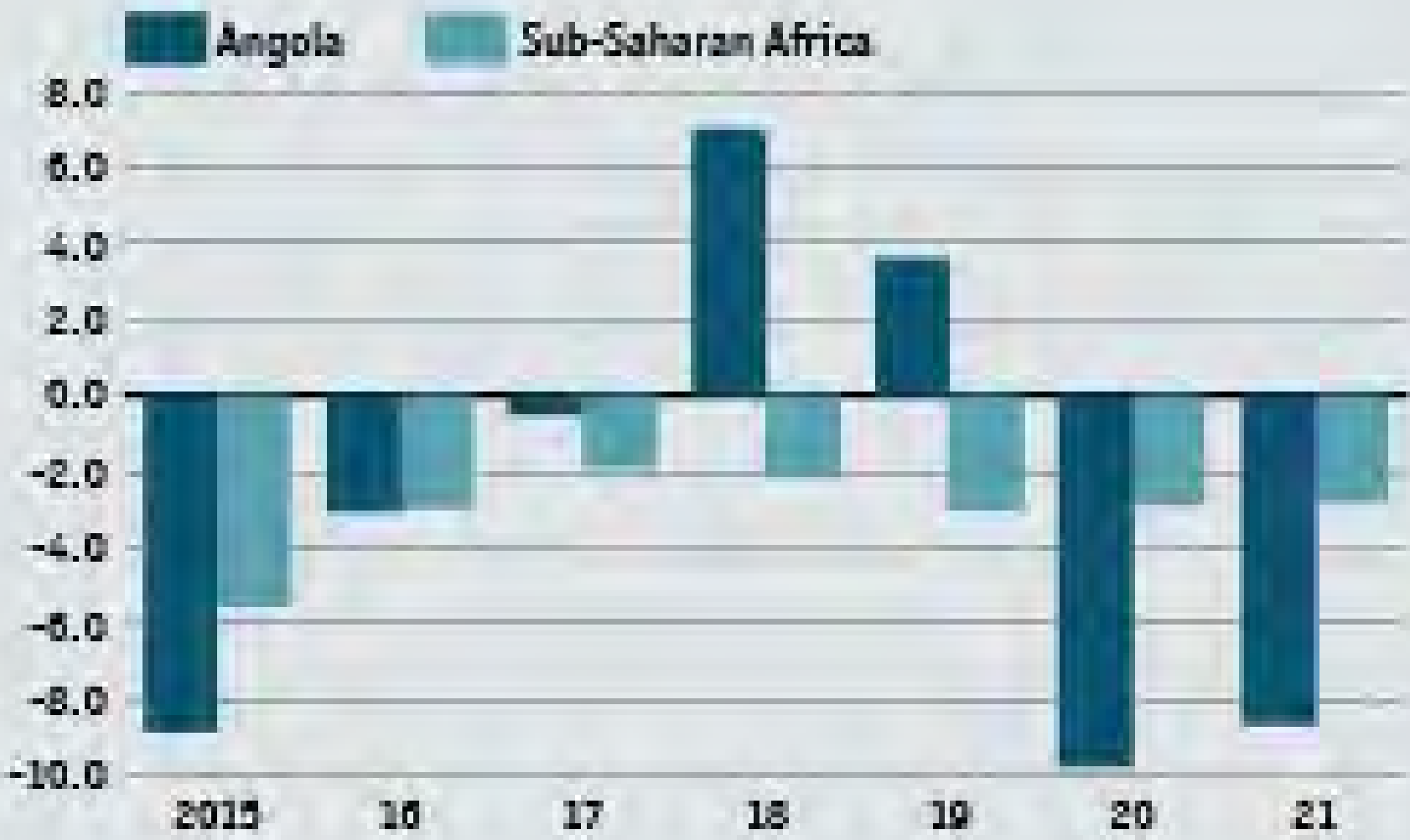
Source: The Economist Intelligence Unit.

Consumer price inflation
(av. %)



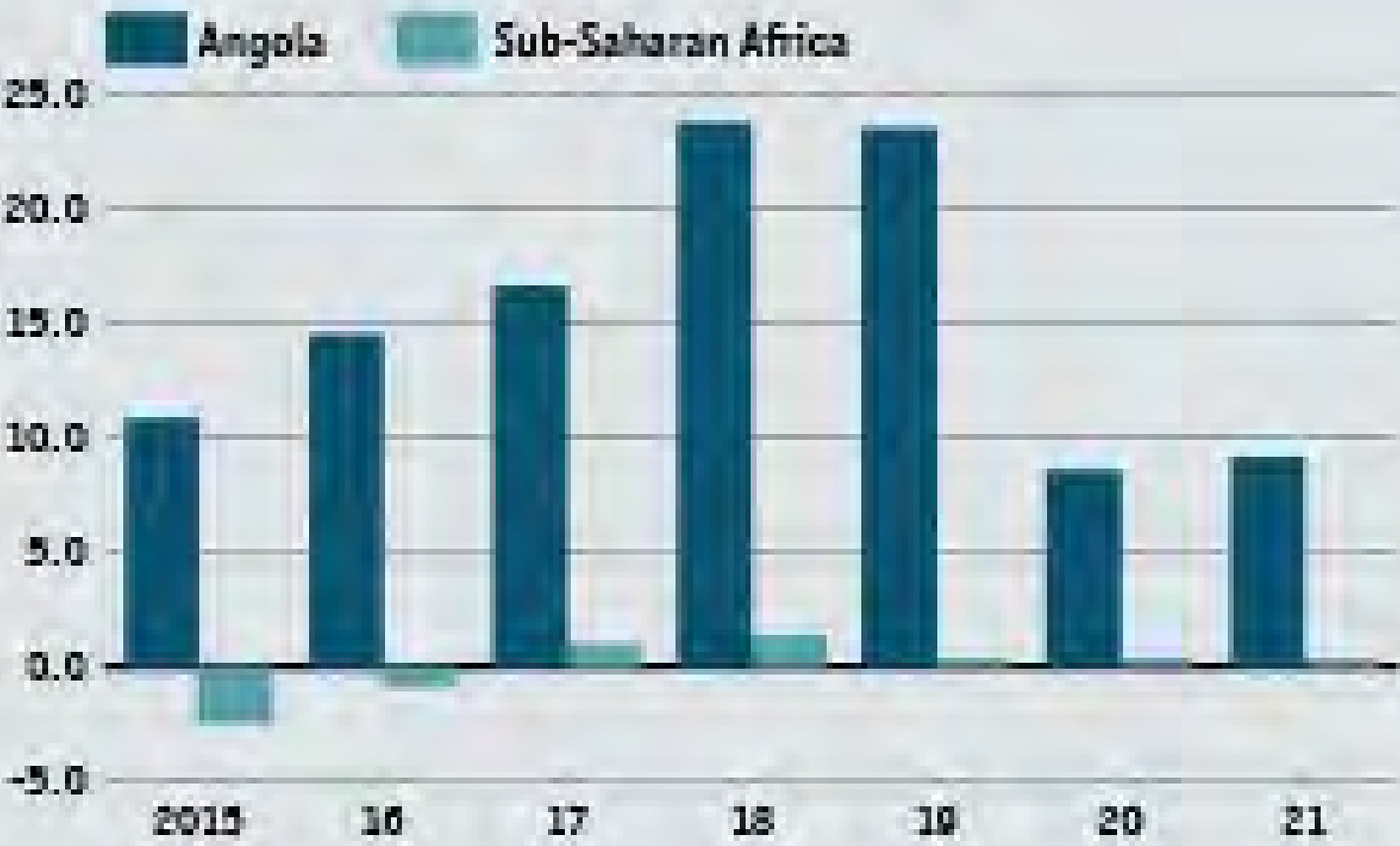
Source: The Economist Intelligence Unit.

Current-account balance
(% of GDP)

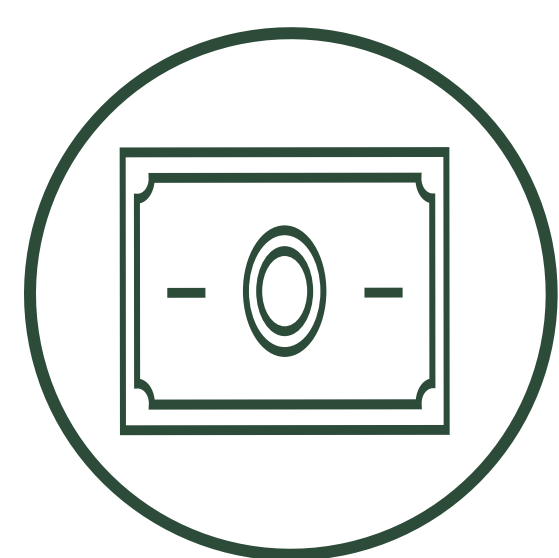


Source: The Economist Intelligence Unit.

Trade balance
(% of GDP)



Source: The Economist Intelligence Unit.



SOVEREIGN RISK

A large public debt stock continues to weigh on the rating, leaving the sovereign risk exposed to shocks (notably related to oil prices, emerging-market sentiment and lending sentiment in China). The sharp drop in oil prices will decimate government revenue and necessitate revisions to the proposed 2020 budget. This will slow the reform agenda under the current IMF programme, and further financial assistance will be needed to avoid a balance-of-payments crisis.



COVID -19 POLICY RESPONSES⁶

FISCAL POLICY

The National Assembly approved a package of revenue and expenditure measures to fight the COVID-19 outbreak in the country and to minimize its negative economic impact. Additional health care spending to respond to the virus, estimated at US\$40 million, was announced. Tax exemptions on humanitarian aid and donations and some delays on filing taxes for selected imports were granted.



MONETARY POLICY

On March 27, 2020, the central bank (BNA) reduced the rate on its 7-day permanent liquidity absorption facility from 10 percent to 7 percent. In addition, the BNA announced the equivalent of 0.5 percent of GDP to be provided as liquidity support to banks and created a liquidity line (equivalent to US\$186 million) for the purchase of government securities from non-financial corporations. In addition, the BNA has expanded its credit-stimulus program that allows banks to deduct from their reserve requirement obligations the amount of credit extended to selected sectors targeted by an ongoing import substitution/export promotion program. From March 30th, financial institutions that carry out credit operations are allowed to grant their clients a moratorium of 60 days for servicing the debt. On April 3, the BNA announced that the minimum allocation of credit to promote the production of a set of priority products would increase from 2 percent to 2.5 percent of the commercial banks net assets. To mitigate risks of shortages of essential goods, which are predominantly imported, on April 18, the BNA instructed banks to provide credit in local currency to assist importers.

EXCHANGE RATE

It is expected that the exchange rate will continue to play a shock-absorbing role. On April 1, the central bank introduced an electronic platform for foreign exchange transactions, which will be progressively extended for all such transactions.



IMPACTS ON MARKETS & FOOD SECURITY

The COVID19 induced trade shocks as well as plummeting prices of oil will certainly impact trade revenues negatively and further impact the government’s ability to implement fiscal stimulus measures. Falling oil exports and USD availability will increase inflation in 2020 and affect food prices. Tight credit conditions constrain private consumption; and low oil prices and global economic contraction limit investment, EIU projects that real GDP will contract by 4.1% in 2020. This will have negative implications on employment levels and labour demand. Loss of income sources due to market contraction will lead to decrease in demand for market supplies for households relying on income through skilled or semi-skilled labour and increase in demand for transfers. Informal markets will be impacted mainly due to movement restrictions. While subsistence farmers may not be impacted by economic policies as much, Angola has a high food import content which will continually be affected by currency depreciation and increased food import bills increasing food inflationary pressures. A fall in exports and low oil revenue limits the ability of the government to ramp up spending significantly and provide social safety nets to protect incomes during the lockdown. In addition, a reduction in foreign exchange will hamper implementation of development programmes and negatively impact poverty alleviation efforts. As such, long term restrictions on movement and economic activity may not be affordable.

BOTSWANA MACRO-ECONOMIC OVERVIEW ⁷

Economic diversification efforts in Botswana will be delayed, as its mineral-dependent economy goes into recession in 2020, owing to the adverse economic impact of the coronavirus. The diamond-mining sector, which is the country's mainstay and was previously suffering from subdued demand in 2019, has come to a halt. Proceeds from the second sale by De Beers in February declined by 36% year on year, while the third sale (scheduled for March) was suspended, owing to travel restrictions. Furthermore, global travel restrictions have brought the tourism industry to a standstill. Tourism revenue has plummeted, and the hospitality sector is incurring significant financial losses as a result of international travel restrictions and falling global demand. For Botswana, tourism remains a significant foreign-exchange earner and is one of the most labour-intensive sectors, employing about 8% of the total workforce in the country.





ECONOMIC STRUCTURE RISK

Economic structure risk is BBB-rated[8]. Botswana's dependence on the mining sector for exports (at 81 percent in 2017) and fiscal revenue makes it vulnerable to global headwinds. Although the current account will remain in surplus, the non-mining private sector is constrained by high labour costs and chronic power shortages.

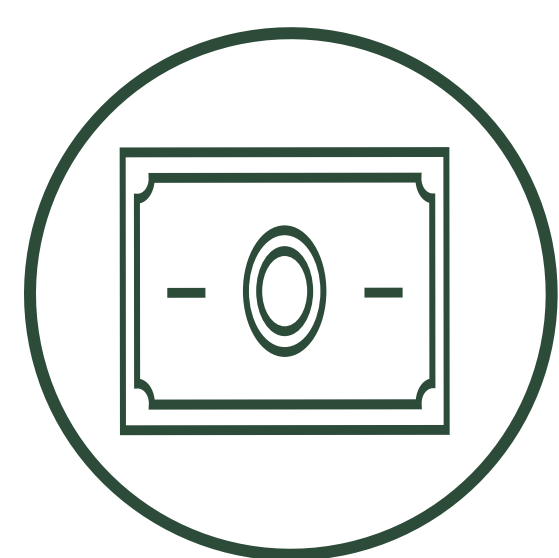


BALANCE OF TRADE

Botswana posted a trade surplus of BWP 333.6 million in January of 2020, higher than that recorded a year ago of BWP 130.5 million. This was the first trade surplus since June of last year, as exports soared 8.2 percent to BWP 5,179 million, mainly boosted by sales of diamonds (7 percent) and machinery & electrical equipment (130 percent). Meanwhile, imports rose 4 percent to BWP 4,845 million, driven by acquisitions of fuel (75.2 percent); machinery & electrical equipment (21.2 percent) and food, beverages & tobacco (15.8 percent). Main export partners were India (27.8 percent of total sales), Belgium (18.5 percent) and South Africa (16.1 percent) whereas the main import partners were South Africa (75.5 percent of total purchases) and Canada and India (4 percent each).



[7] EIU
[8] An obligor has ADEQUATE capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.



SOVEREIGN RISK

The sovereign risk remains A-rated[9], underpinned by a sizeable stock of foreign reserves that can be used for debt repayments and manageable debt-related indicators, and the score is unchanged. In addition, a current-account surplus supports the rating. The fiscal deficit is equivalent to 3.7% of GDP but will pose a low risk to prudential debt management.



COVID -19 POLICY RESPONSES

FISCAL POLICY

The government established a Covid-19 Relief Fund with a 2 billion Pula (about 1,1 percent of GDP) contribution from the government that will:

- i) Finance a wage subsidy amounting to 50% of salaries of affected businesses (1000-2500 pula per month for a period of 3 months;
- ii) Finance a waiver on training levy for a period of 6 months (150 million pula). The MoF also decided a tax deferral of 75% of any quarterly payment between March and September 2020 to be paid by March 2021.;
- iii) Build-up of fuel and grain reserves, as well as acquisition of relevant medical equipment and improvement of water supply (475 million Pula);
- iv) Fund a government loan guarantee scheme of 1 billion Pula (20% financed by commercial banks) for businesses that are tax compliant (including those who are not eligible to pay taxes/). Guarantee covers a period of 24 months with a max of 25 billion pula per borrower. Reduce the VAT refund period (from 60 days to 21 days).

MONETARY POLICY

Banks and nonbanks have agreed to offer loan restructuring (including for mortgages and vehicles) and payment holidays for affected sectors. Life insurance payment premiums and retirement fund contributions have been rescheduled for at least three months. The Bank of Botswana relaxed rules to meet capital requirements and introduced measures to improve liquidity. Capital adequacy ratio for banks has been reduced from 15 to 12.5 percent, and regulatory forbearance for non-performing loans. Overnight funding costs were reduced, access to repo facilities broadened, and collateral constraints for bank borrowing from the BoB extended to include corporate bonds and traded stocks.

EXCHANGE RATE

No measures. The central bank maintains a crawling peg vis-à-vis a basket of currencies.





IMPACTS ON MARKETS & FOOD SECURITY

Informal sector workers and small businesses could face devastating economic consequences as the lockdown means that bus drivers, car washers, hawkers and street vendors are no longer able to earn a living. In the rural side, livestock sector represents 87% of the agriculture’s contribution to the GDP (FAOSTAT, 2012). As market demand contracts, incomes from the rural livestock demand may decline. In terms of food, the country is a net importer of food grains and cereals. Impact of closed borders will have a negative impact on the supply of food and a combination of household income (mostly urban) and supply deficit at market level may contribute to price inflation. However, the governments response through its monetary and fiscal responses may counter these shocks in the short/mid-term.

DRC MACRO-ECONOMIC OVERVIEW¹⁰

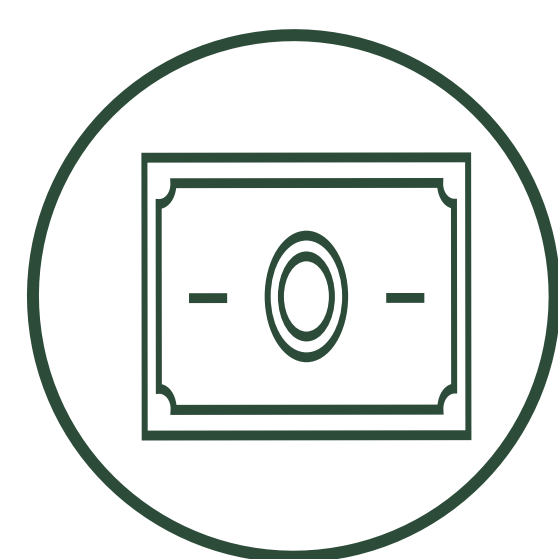
Prior to the coronavirus pandemic, the DRC was already dealing with an Ebola outbreak, which was declared a global health threat by the World Health Organisation in mid-2019. The pandemic will further overwhelm the poor and fragile public health sector. The fiscal deficit will widen from an estimated 1.1% of GDP in 2019 to 2.1% of GDP in 2020 as revenue collection falters and spending pressures rise. It will then contract in 2021, to 1.8% of GDP, on the back of rising revenue from the mining sector. Real GDP will contract by 2.8% in 2020, owing to the economic fallout from the coronavirus pandemic and mine closures.

The current-account deficit/GDP ratio is forecast to widen, from an estimated 4.5% in 2019 to 5% in 2020, before contracting to 4.4% in 2021. The widening in 2020 will be due to a contraction in export earnings, driven by mine closures and a global demand slump.



ECONOMIC STRUCTURE RISK

Economic structure risk is CCC[11]-rated. The export base is narrow and copper-dependent, and thus vulnerable to drops in production and swings in global prices. Poor infrastructure and investment conditions, as well as policy incoherence, hamper efforts at economic diversification. Reliance on China for investment inflows exposes the country to declining investor confidence there.



SOVEREIGN RISK

The sovereign risk rating is at CCC. Public debt and external debt are low, at 17.5% of GDP and 9.9% of GDP respectively, although this mainly reflects limited access to financing. The rating remains weighed down by a lack of transparency in the public finances.



COVID -19 POLICY RESPONSES

FISCAL POLICY

A preparedness and response national plan to deal with the pandemic has been designed with support from development partners. The plan mainly focuses on actions to:

- (i) strengthen early detection and surveillance and foster technical and operational coordination within the government;
- (ii) improve the quality of medical care to infected patients; and
- (iii) develop effective preventive communication strategies and enhance medical logistic platforms.

The plan's budget is estimated at US\$135 million (0.3 percent of GDP). The following measures were approved the week of April 12th by the Prime Minister:

- i) a three-month VAT exemption on pharmaceutical products and basic goods,
- ii) suspension of tax audits for companies,
- iii) a grace period for businesses on tax arrears,
- iv) full tax deductibility of any donations made to the COVID relief fund. The week of April 19, an additional set of measures were adopted, namely:
- v) provision of water and electricity for a period of two months, free of charge,
- vi) prohibition to evict renters in case of no payment of financial obligations from March to June 2020,
- vii) suspension of VAT collection on the production and on the sales of basic goods.



BALANCE OF TRADE

DR Congo recorded a trade surplus of 994.20 USD Million in 2018.



MONETARY POLICY

On March 24, the central bank (BCC) announced several measures to ease liquidity conditions by:

- reducing the policy rate by 150 bps to 7.5 percent;
- eliminating mandatory reserve requirements on demand deposits in local currency; and
- creating a new collateralized long-term funding facility for commercial banks of up to 24 months to support the provision of new credit for the import and production of food and other basic goods.

The BCC has also postponed the adoption of new minimum capital requirements and encouraged the restructuring of non-performing loans. In addition, the BCC announced measures to reduce contamination risks in bank notes and promote the use of e-payments.

EXCHANGE RATE

No measures.

[7] EIU

[8] An obligor has ADEQUATE capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.



IMPACTS ON MARKETS & FOOD SECURITY

In recent years, Ebola spread across communities in DRC that were already beset by the severe hardships of extreme poverty and insecurity. The main impact of COVID19 will be on the informal markets and the rural communities in DRC which may not feel the benefit of the fiscal and monetary response measures of the government which aim at reducing the impact on businesses and the spread of the virus. There will be increased need of food assistance due to loss of incomes and movement restrictions.

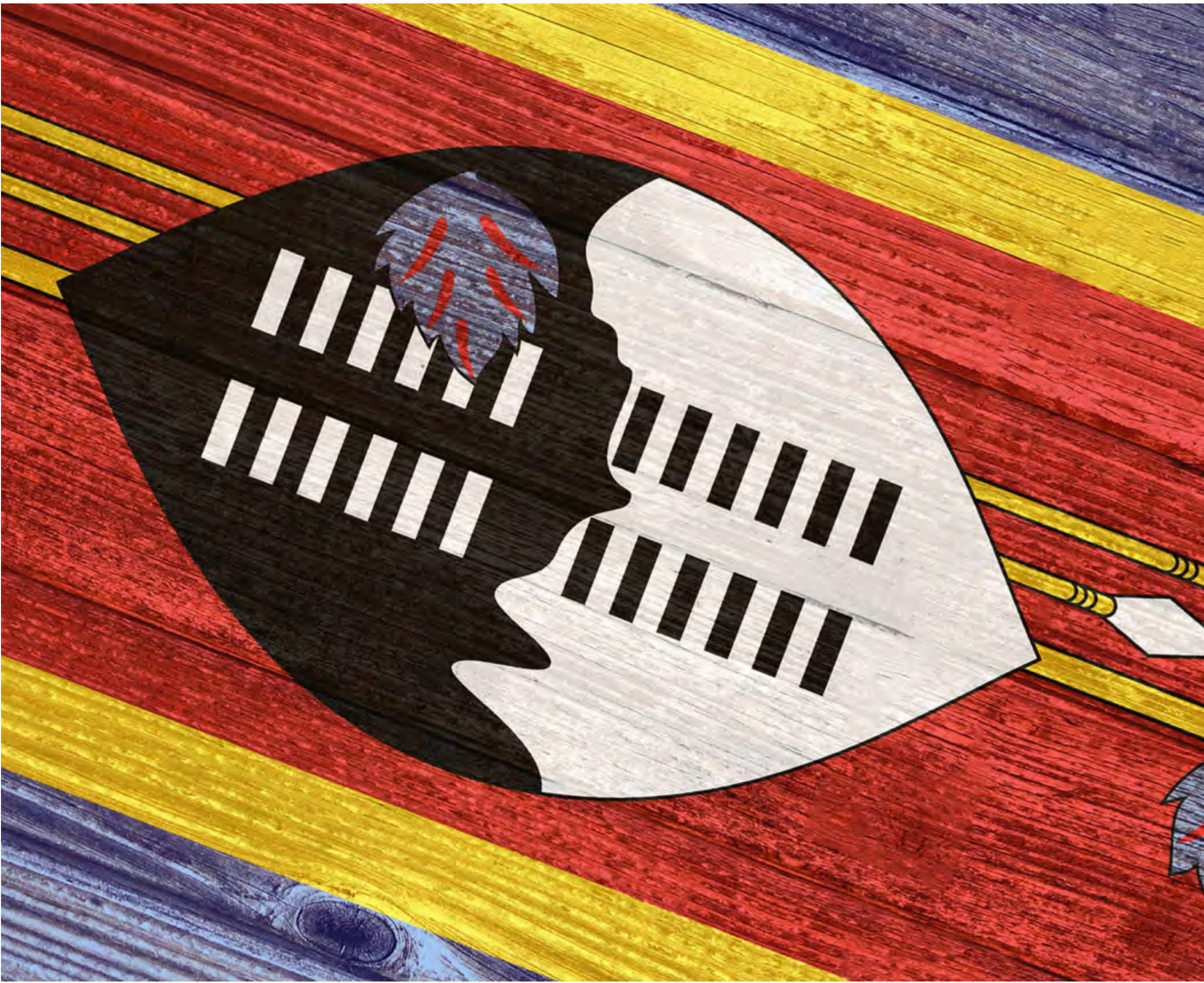
ESWATINI MACRO-ECONOMIC OVERVIEW¹²

The fiscal deficit will widen to 11.3% of GDP in 2020 (from an estimated 7.1% in 2019) as government revenue collapses and spending stays high. The current-account balance will move from deficit in 2019 to surplus in 2020 as the import bill declines sharply, owing to plummeting fuel prices and dampened consumer demand. The surplus will remain in 2021 as imports remain weak in that year. Real GDP is expected to contract by 5.6% in 2020 from estimated growth of 0.8% in 2019, but it will rise again in 2021, by 0.9%, owing to a global contraction arising from the coronavirus pandemic.



ECONOMIC STRUCTURE RISK

Inflation in eSwatini broadly tracks price trends in South Africa—the source of most of its imports. It is forecast that inflation in eSwatini will rise from an estimated 2.6% in 2019 to 3.9% in 2020. In 2021 inflation is expected to increase to 4.4%, owing to a recovery in aggregate demand (as growth picks up to 0.9%, in line with a global and South African recovery) and a further rise in inflation in South Africa.



BALANCE OF TRADE¹³

Eswatini’s trade is highly dependent on South Africa (80 percent of total imports and 60 percent of exports). It is a member of the Southern African Customs Unions and half of the trade revenues come from re-exports. Its main exports include: sugar, wood pulp, beef and drink concentrates. Swaziland is a net importer of food, fuel and machinery. Main trading partners are South Africa, Mozambique, Botswana and Namibia. Eswatini recorded a trade surplus of 432.70 SZL Million in the second quarter of 2019.



COVID -19 POLICY RESPONSES

FISCAL POLICY

In FY19/20 (ending March 31, 2020), a supplementary budget was approved for additional public healthcare of E100 million (0.14 percent of GDP). Low priority recurrent spending will be redirected to the fight against the pandemic and a portion of the capital budget will be reallocated towards refurbishing hospitals and completing new hospitals. Additional expenditure policies are being considered but have not yet been finalized. Revenue measures to mitigate the impact of the virus include:

- (i) taxpayers projecting losses will file loss provisional returns and no payment will be required;
- (ii) extension of returns filing deadlines by 3 months before penalties kick-in;
- (iii) payment arrangements for taxpayers facing cash flow problems;
- (iv) waiver of penalties and interest for older tax debts if principal is cleared by the end of September 2020; and
- (v) up to E90 million (0.13 percent of GDP) in tax refunds for SMEs that have complied with tax obligations, retain employees, and continue to pay them during this period.

The authorities have reduced the price of fuel and postponed the planned increase in water and electricity prices.

MONETARY POLICY

The Central Bank of Eswatini has: (i) reduced the discount rate twice by a cumulative 200 basis points to 4.5 percent; (ii) reduced the reserve requirement to 5 percent (from 6 percent); (iii) reduced the liquidity requirement to 20 percent (from 25) for commercial banks and to 18 percent (from 22) for the development bank; (iv) encouraged greater use of electronic payments; and (v) encouraged banks to consider loan restructuring and repayment holidays. Banks have announced that those individuals and companies that need short term financial support or relief can approach them and each application will be assessed on a risk-based approach

EXCHANGE RATE

The exchange rate has depreciated by 17% this year, but no measures have been taken.



IMPACTS ON MARKETS & FOOD SECURITY

The fiscal and monetary policy measures implemented by the government do not scale up support for rural communities or the informal sector which may lose incomes due to the pandemic imposed restrictions. This could be attributed to the collapse of government revenues mentioned earlier. The need for food assistance transfers will therefore increase. A devaluation against the US dollar and rising inflation in South Africa will outweigh a coronavirus-related contraction in domestic aggregate demand in 2020 and a sharp decline in global fuel prices.

LESOTHO MACRO-ECONOMIC OVERVIEW ¹⁴

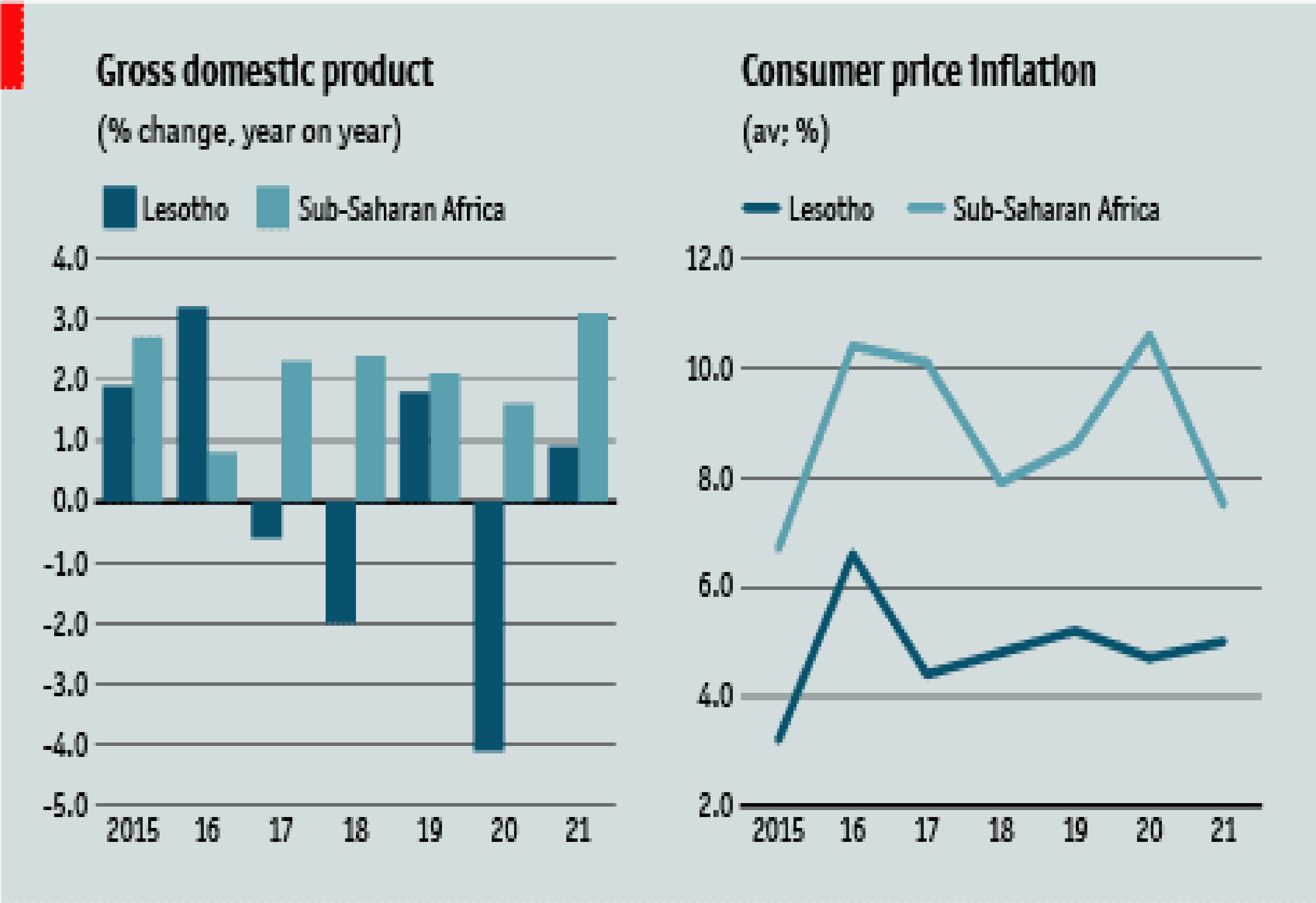
Real GDP is expected to contract by 4.1% in 2020, from 1.8% estimated growth in 2019, reflecting the global contraction stemming from the coronavirus pandemic. In 2021 the economy is expected to pick up, growing by 0.9%, driven by growth in the construction and mining sectors.

The fiscal deficit will widen to 8.1% of GDP in fiscal year 2020/21 (April-March), from an estimated 4.9% in 2019/20, as healthcare spending increases and export revenue declines. It will narrow to 7.7% of GDP in 2021/22 as the economy grows and revenue increases.



ECONOMIC STRUCTURE RISK

Inflation is expected to edge down to 4.7% in 2020, as a result of a decline in global fuel prices and low consumer demand. In 2021 inflation will pick up to 5%, reflecting a recovery in global fuel and food prices. By maintaining a minimum floor for net international reserves, the Central Bank of Lesotho will seek to ensure that Lesotho's reserves are kept at a level consistent with sustaining the loti's peg to the South African rand. The EIU expects the current-account deficit to widen to 6.8% of GDP in 2020, from an estimated 3% in 2019, as diamond exports plummet. The deficit will narrow to 3.3% of GDP in 2021, reflecting an increase in agricultural and mining exports.



BALANCE OF TRADE

Lesotho runs systemic trade deficits due to import dependency on fuel, food and capital equipment. The main exports are: clothing (40 percent of total exports), diamonds (22 percent), road vehicles, water and wool. Main trading partner are the United States and South Africa. Lesotho recorded a trade deficit of 3234.50 LSL Million in the third quarter of 2019.



COVID -19 POLICY RESPONSES

FISCAL POLICY

On April 13, the prime minister’s speech unveiled updated fiscal measures to support food security and to assist those most affected by the crisis. (i) R1.2 billion has been allocated, and R500 millions of that goes to a Contributory Fund that the government has started. (ii) R200 million will be spent on agriculture for food production, while social protection schemes will be expanded. (iii) The government will pay affected textiles workers a subsidy for three months. (iv) The government will also pay business rentals in May and defer certain taxes until September. (iv) The country is also improving credit facilities for SMEs, guaranteeing 75 percent of principal rather than 50 percent.

EXCHANGE RATE

No measures. The local currency is pegged to South Africa’s Rand, which has depreciated substantially since the Covid-19 outbreak

MONETARY POLICY

On March 23, 2020, following an extraordinary meeting of the Monetary Policy Committee (MPC), the Central Bank of Lesotho (CBL) announced (i) an increase of the NIR target floor from US\$630 million to US\$660 million, and (ii) a reduction of the CBL policy rate by 100 basis points from 6.25 to 5.25 percent. To encourage the use of non-cash payments, the CBL has negotiated with mobile network operators the removal of fees for transactions below M50 and temporarily raised mobile money transaction limits. On April 14, following another extraordinary meeting of the MPC of the CBL announced a reduction of the CBL policy rate from 5.25 to 4.25 percent. Additional financial sector measures were also unveiled in the PM’s speech: (i) Banks and insurance companies have been asked to suspend loan repayments for three months, and insurance companies asked to suspend instalment payments. (ii) The implementation of Basel II.5 was postponed to free up funds that would otherwise go towards additional capital buffers.





IMPACTS ON MARKETS & FOOD SECURITY

In contrast to the response of eSwatini, Lesotho aims to expand its safety net programme to provide grants for informal traders and the vulnerable in response to the pandemic. However, this may not be a practical solution considering its dire economic and political situation and overall efficiency and effectiveness of such measures are questionable. The country will bear the negative impact of COVID on food availability in its markets (mostly urban) as well as incomes from unskilled work and remittances from family in South Africa will be impacted.

MADAGASCAR MACRO-ECONOMIC OVERVIEW ¹⁵

The government's revenue and spending plans will rely heavily on continued donor aid in 2020. An overall reduction in spending will remain politically challenging, but the government is expected to tighten real fiscal spending in 2020-21 owing to IMF pressures. Real GDP growth will fall from an estimated 5% in 2019 to an average of 4.8% in 2020-21 as a dip in tourism is balanced by capital expenditure increases, while sectors like mining benefit from the Initiative pour l'émergence de Madagascar over the forecast period. The Economist Intelligence Unit expects average inflation to decline from an estimated 6.4% in 2019 to 6% in 2020, owing mainly to falling global oil prices, before increasing in 2021 to 6.7% as global oil prices rise and imported inflation increases. The current-account deficit is expected to widen steadily, from an estimated 2.1% of GDP in 2019 to 5.9% of GDP in 2021, owing to robust import growth during the forecast period, in line with to the government's development agenda.



BALANCE OF TRADE

Madagascar's systemic trade deficit is due to the country's dependency on the imports of fuel and capital equipment. Madagascar is a net exporter of graphite, coffee and vanilla. Main trading partners are: France, China and Indonesia. Madagascar recorded a trade deficit of 194,250 million MGA in December of 2019.





COVID -19 POLICY RESPONSES

FISCAL POLICY

Key measures include: (i) increased spending on epidemic prevention and control; (ii) cash-transfers and in-kind necessities to the poorest and those unemployed; and (iii) tax relief, suspension of government fees and waived social contributions. Due to very limited resources, the authorities are actively seeking additional budget support from development partners, beyond what was already disbursed or committed. On April 3, 2020, IMF approved a disbursement under the Rapid Credit Facility (RCF) equivalent to \$165.9 million to meet the large external financing gaps arising from Covid-19. On March 12, 2020, the World Bank provided a grant of \$3.7 million to strengthen prevention against the COVID-19 pandemic, purchase materials and equipment, and train health workers. On April 2, 2020, the World Bank approved \$100 million Development Policy Operation (DPO) for budget support to improve the human capital. The government is working on a revised budget law that will consider additional fiscal and support measures to be presented to parliament.



MONETARY POLICY

The central bank provided monetary policy support and acted to safeguard financial stability. The central bank has started to provide liquidity to the private sector, planning up to MGA620 billion (about 1.2 percent of GDP) to allow banks to defer delayed payments on existing loans and increase lending to businesses.

EXCHANGE RATE

The authorities are maintaining the flexible exchange rate regime. Based on the latest available data, the central bank made some limited interventions, and the exchange rate depreciated by about 3.8 percent vis-à-vis US\$ since the beginning of the year.



IMPACTS ON MARKETS & FOOD SECURITY



An exchange rate depreciation will increase local food prices and depending on how the incomes of households are impacted due to the pandemic (fall in exports, fall in market demand, remittances etc), this will undermine household food security. Movement restrictions due to the pandemic will impact incomes and food security of the population. Sectors such as livestock, however, could see decreased demand as the main consumer base, urban populations, would not be able to access markets. The movement restrictions will also negatively impact the income of small suburban vegetable farmers and informal sector workers and other daily wage earners.



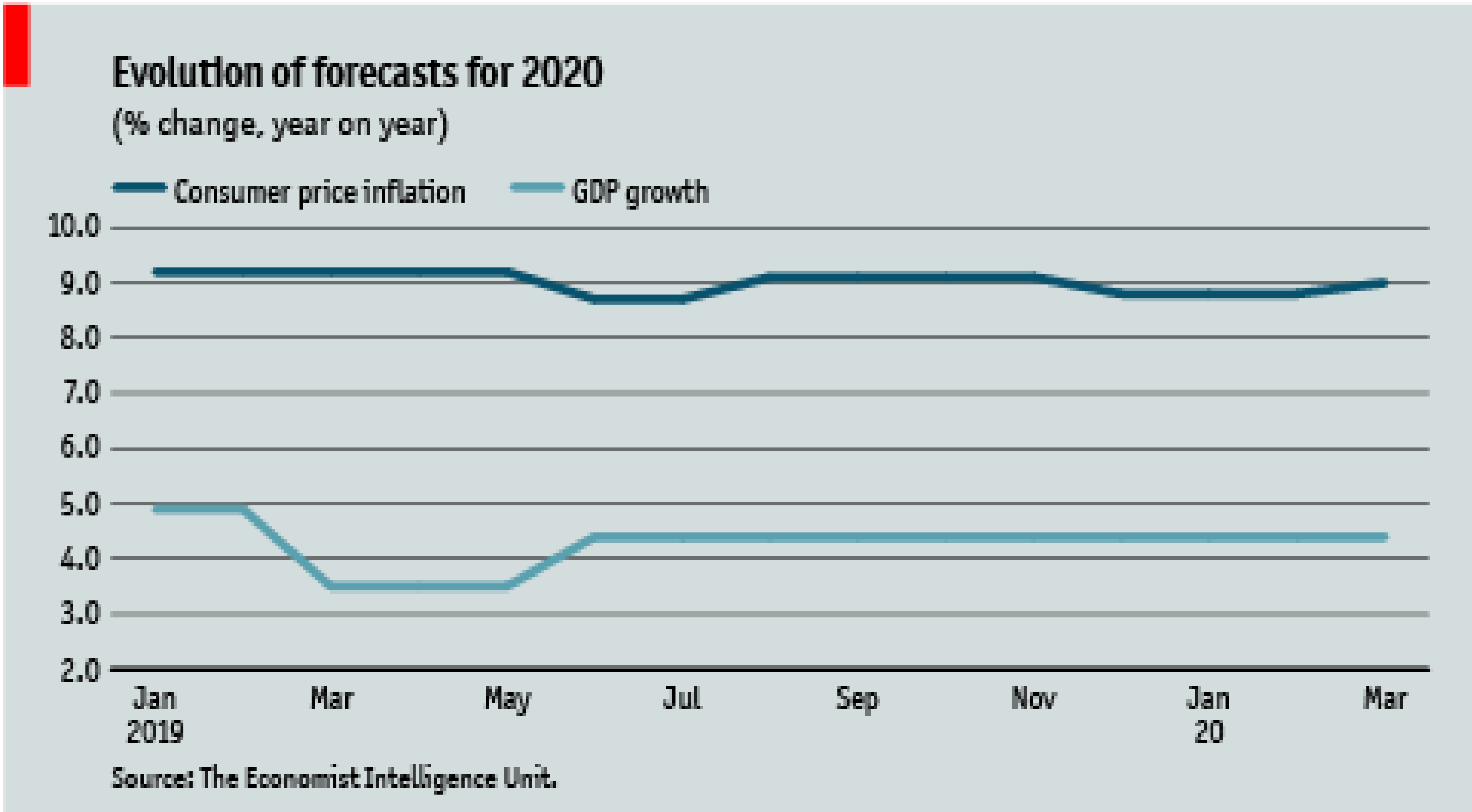
MALAWI MACRO-ECONOMIC OVERVIEW¹⁶

The government will focus on promoting private-sector activity through market liberalisation and productive public capital investment, while preserving debt sustainability. However, progress on fiscal consolidation will be slow. The Reserve Bank of Malawi (RBM, the central bank) is likely to cut the policy interest rate in mid-2020, as it expects inflation to moderate in 2020. Thereafter, as global oil prices increase and inflationary pressures build, the RBM will start a monetary tightening cycle. Real GDP growth is expected to average 5% in 2020-24, owing to an increase in government support to cash crop production. Economic growth will also be supported by measures to promote the private sector. The current-account deficit will narrow from an estimated 15.8% of GDP in 2019 to 13.1% of GDP in 2020, owing to lower global fuel prices and rising agricultural export earnings. The deficit will widen to 14.5% of GDP in 2024 as the import bill grows.



BALANCE OF TRADE

Malawi’s landlocked location increases import costs and poses an obstacle to exports. Malawi is dependent on imports of fuel and consumer goods. However, tobacco trade (55 percent of total exports) represents a major source of income for the country. Malawi’s main trading partners are: South Africa, Zambia, China and United States. Malawi recorded a trade deficit of 91,901 MWK Million in June of 2019.





COVID -19 POLICY RESPONSES

FISCAL POLICY

The government’s response plan includes US\$20 million (0.25 percent of GDP) in spending on health care and targeted social assistance programs; this includes hiring 2000 additional health care workers. In addition, tax waivers will be granted on imports of essential goods to manage and contain the pandemic.

MONETARY POLICY

The domestic currency Liquidity Reserve Requirement (LRR) has been reduced by 125 basis points to 3.75 percent (aligned with the foreign currency LRR) and the Lombard Rate has been reduced by 50 percent to 0.2 percentage points above the policy rate. An Emergency Liquidity Assistance (ELA) framework has been introduced to support banks in the event of worsening liquidity conditions and to provide support to banks on a case-by-case basis. However, financial sector buffers, including banks’ capital and liquidity buffers, are expected to counter risks to the banking system. To support small and medium enterprises (SMEs), commercial banks and micro-finance institutions will be, on a case-by-case basis, restructuring SME loans and providing a three-month moratorium on their debt service. Fees on mobile money transactions have been temporarily waived to encourage cashless transactions.



EXCHANGE RATE

No measures



IMPACTS ON MARKETS & FOOD SECURITY

COVID-19 restrictions on transport out of other countries will negatively impact supplies in Malawi. Dependence on subsistence agriculture could increase as a result. Incomes from agriculture labour will decline overtime and hamper household demand as COVID-19 restrictions take hold on local markets.



MOZAMBIQUE¹⁷ MACRO-ECONOMIC OVERVIEW

The coronavirus will weigh on the economy and exports; The Economist Intelligence Unit expects the economy to contract by 2.4% in 2020, after which it will return to growth of 6.3% a year on average in 2021-24, driven mainly by the gas industry. It is expected that fiscal deficit will widen in 2020 as expenditure rises, before contracting in 2021 as government spending dips. Accelerating economic growth and gas earnings will boost government revenue and cause the deficit to narrow through to 2024. The current-account deficit will widen to 20.4% of GDP in 2020 as exports decline. The deficit will widen to 32.2% of GDP in 2023, as capital goods imports for the gas industry rise. In 2024 the deficit will narrow to 27 of GDP as gas exports increase.



ECONOMIC STRUCTURE RISK

Economic structure risk remains C-rated, with the score unchanged at 85. A lack of diversification away from mineral exports sustains economic structure risk, which has been exacerbated by the fall in energy demand caused by the global coronavirus outbreak. Other structural constraints include low income per head and an enormous stock of public debt.



BALANCE OF TRADE¹⁸

Mozambique exports mainly aluminum, electric energy, tobacco, natural gas, sugar and prawns. Mozambique imports machinery and equipment, vehicles, fuel, chemicals, metal products and foodstuffs. Mozambique main trading partners are South Africa, Netherlands, Portugal and China. Mozambique recorded a trade deficit of 624.80 USD Million in the fourth quarter of 2019.

Annual trends charts

Real GDP growth
(% change)



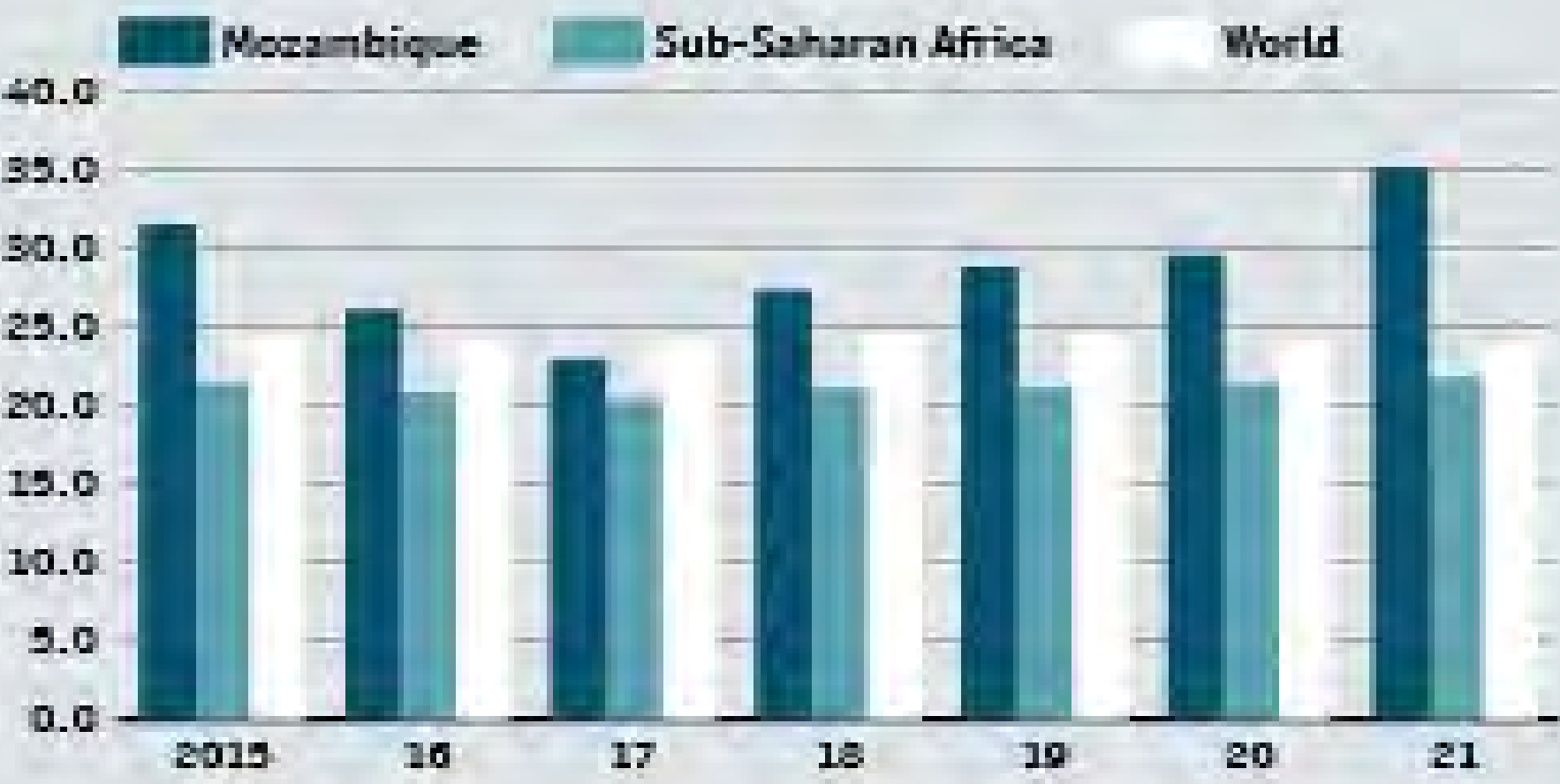
Source: The Economist Intelligence Unit.

Consumer price inflation
(av: %)



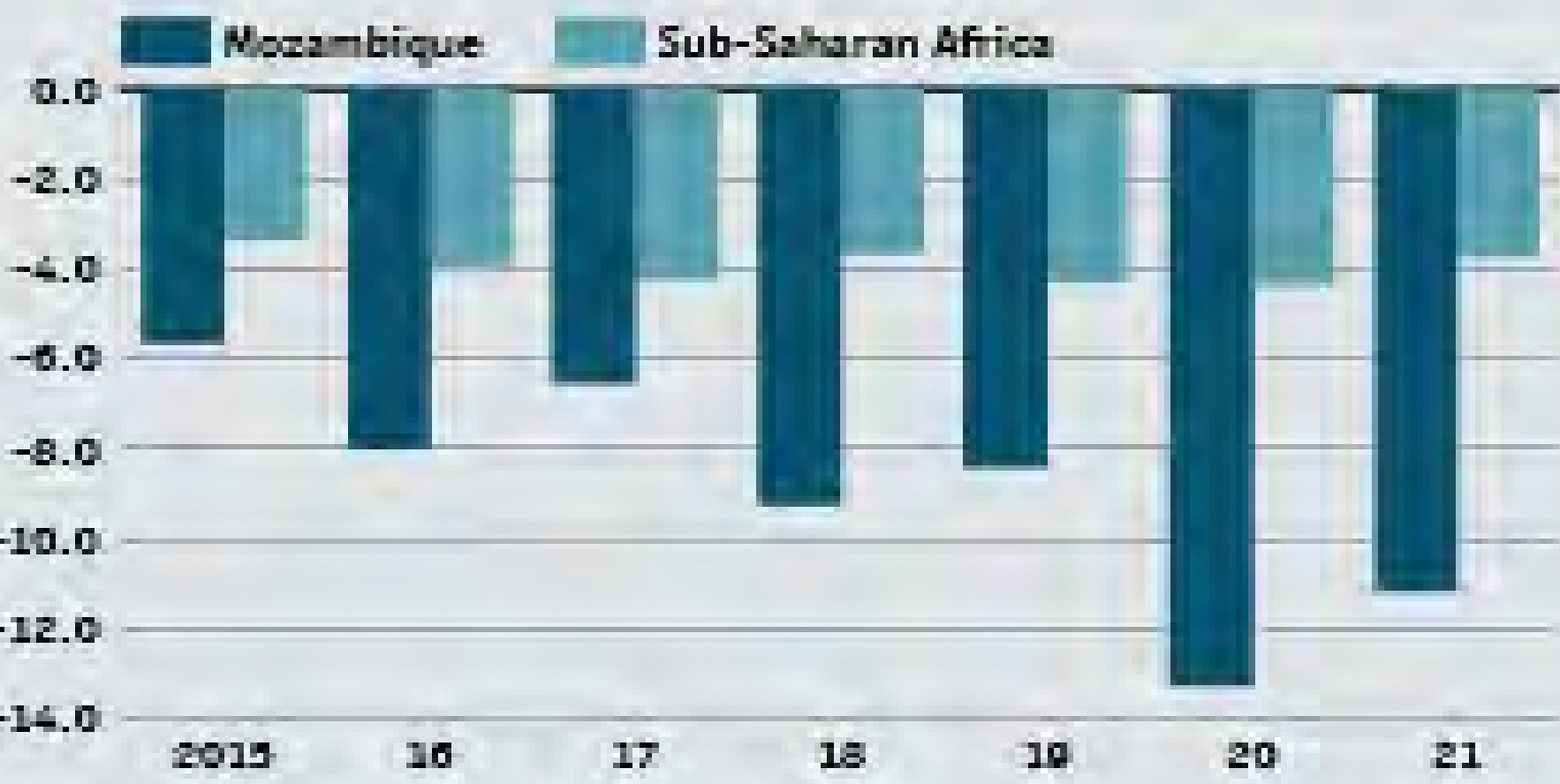
Source: The Economist Intelligence Unit.

Gross fixed investment
(% of GDP)

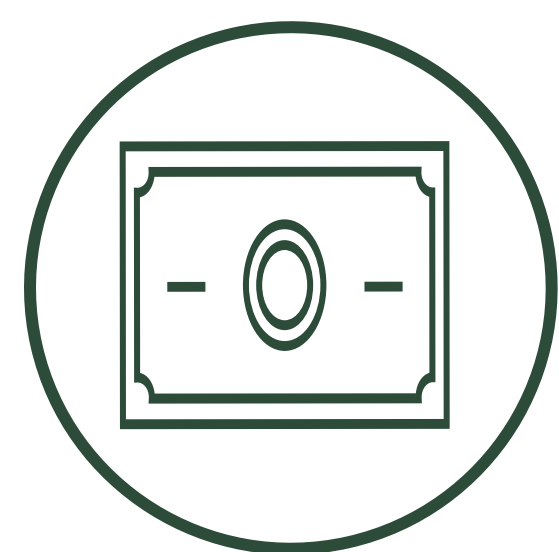


Source: The Economist Intelligence Unit.

Budget balance
(% of GDP)



Source: The Economist Intelligence Unit.



SOVEREIGN RISK

Sovereign risk remains CC-rated, although the score has improved by 2 points to 76, owing to an uptick in foreign exchange reserves. Existing financing and liquidity risks have been exacerbated by the global coronavirus pandemic and a subsequent economic contraction. The sovereign remains officially in default on previously hidden debt, and financing avenues are severely curtailed, which makes wide fiscal and current-account deficits all the more risky.



COVID -19 POLICY RESPONSES

6

FISCAL POLICY

The government has increased the budget allocation for health, from about MT 2 billion (or about 0.2 percent of GDP) to about MT 3.3 billion (0.3 percent of GDP). In addition, the Government is asking Mozambique's development partners for US\$ 700 million for help to deal with the economic impact of the pandemic. This fiscal package would finance temporary and well-targeted tax exemptions to support families and the health sector (VAT and import tariff exemptions on food, medicine and medical equipment), and (ii) higher spending to respond to the health crisis and humanitarian needs, including higher health related spending on goods and services, and higher cash transfers and subsidies to the poorest households as well as micro-businesses and SMEs.



MONETARY POLICY

To ease liquidity conditions, on March 16, the central bank reduced reserve requirements by 150 basis points for both foreign currency and domestic currency deposits (to 11.5 percent and 34.5 percent respectively). On March 22, it announced measures to support financial markets and encourage prudent loan restructuring by: (i) introducing a foreign currency credit line for institutions participating in the Interbank Foreign Exchange Market, in the amount of US\$ 500 million, for a period of nine months; and (ii) waiving the constitution of additional provisions by credit institutions and financial companies in cases of renegotiations of the terms and conditions of the loans, before their maturity, for clients affected by the pandemic, until December 31. On March 30, the central bank announced measures to ease payment system transactions and liquidity conditions by: (i) lowering fees and charges for digital transactions through commercial banks, mobile banking and e-currency, for a period of three months, and (ii) waiving specific provision on foreign currency loans, until December 31. The central bank reduced the policy rate by 150 bps to 11.25 percent on April 16.

EXCHANGE RATE

The metical has been allowed to adjust flexibly and has depreciated by almost 3 percent against the US dollar since early March 2020.



IMPACTS ON MARKETS & FOOD SECURITY

Depreciation of currency will increase inflation. The fiscal health of the country coupled with fall in energy demand does not bode well in the short-mid-term. Due to the restrictions in place, income earning opportunities for poor urban households may get negatively impacted and this will in turn affect levels of food security in urban areas negatively. The government has promptly requested support from its development partners, but the cost may still be too high for all involved due to ongoing recovery response from Cyclones Idai and Kenneth as well as the ongoing droughts in the country.

NAMIBIA MACRO-ECONOMIC OVERVIEW¹⁹

Economic policy in 2020-24 will be constrained by low growth and a weak mining sector, but a policy framework for private participation in formerly state-dominated sectors such as energy and water should attract some investment in infrastructure. The fiscal deficit will narrow slowly but steadily from 5% of GDP in 2020 to 2.9% of GDP in 2024 as economic growth strengthens as the forecast period progresses, bringing with it a recovery in government revenue. Real GDP growth will average just 2.3% a year in 2020-24, with a 0.5% contraction in 2020. The subdued outlook reflects a slump in mineral exports, slow regional growth and the long-term impact of post-election austerity measures on government consumption. Annual inflation will remain within the central bank's informal 3-6% target range. The headline rate will broadly follow price trends in South Africa, Namibia's largest trading partner, but will be restrained by sluggish growth and concomitantly stagnant demand. The current account will remain in deficit (averaging 3.6% of GDP during the forecast period) in 2020-24, moving in line with fluctuations of the trade balance.



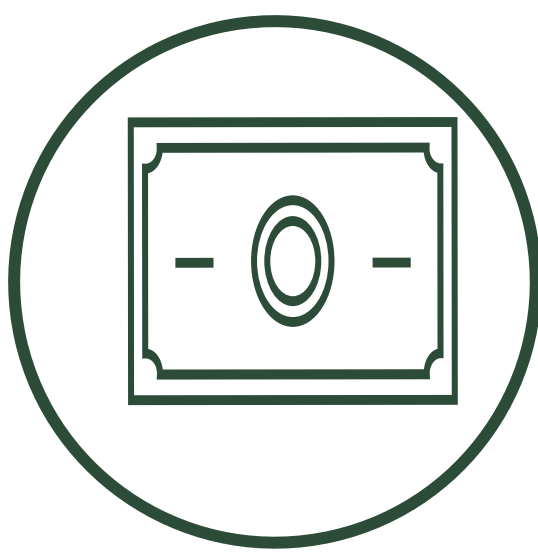
ECONOMIC STRUCTURE RISK

Economic structure is Namibia's riskiest category, with a rating of B[20]. The score has worsened by three points to 58 since our previous assessment. Debt levels are stable, but the ongoing recession is threatening liquidity and fiscal sustainability, adding to existing structural vulnerabilities, including a wide current-account deficit, persistent fiscal deficits and an overdependence on mineral exports.



BALANCE OF TRADE ²¹

Namibia exports mostly diamonds (25% of total exports), uranium, lead, zinc, tin, silver, tungsten, food and live animals and manufactured products. Namibia's main exports partners are South Africa (27% of total), United Kingdom (17%), USA, Angola, Netherlands and Spain. Namibia imports food products; petroleum products and fuel, machinery and equipment and chemicals. South Africa is Namibia’s major import partner (66% of total imports), followed by the Netherlands, United Kingdom and China. Namibia recorded a trade deficit of 3429.50 NAD Million in the fourth quarter of 2019.



SOVEREIGN RISK

Sovereign risk remains BB-rated, although the score has worsened by 2 points to 49 as a result of an enduring economic recession aggravated by falls in foreign-exchange earnings from tourism and mineral exports. The government's austerity programme to rebalance the public finances continues to weigh heavily on economic growth. Fiscal rebalancing through spending cuts will take several years to complete, given the size of the necessary correction.



COVID -19 POLICY RESPONSES

FISCAL POLICY

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MONETARY POLICY

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EXCHANGE RATE

No measures



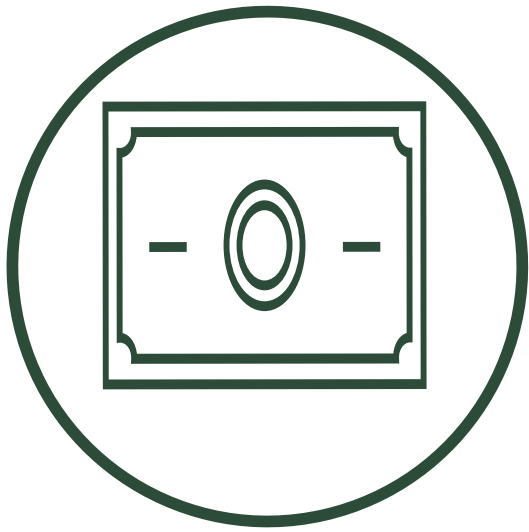
IMPACTS ON MARKETS & FOOD SECURITY

Building off from the negative impacts of the dry weather conditions of 2019, Namibia will face the impact of COVID19 primarily channelled through a reduction in economic activities and associated income losses, while potential breakdowns in food supply chains is an additional concern for food security. Despite an expected seasonal improvement in food security with the main 2020 harvest, the risks posed by the COVID-19 pandemic could cause an increase in the prevalence of malnutrition.



REPUBLIC OF CONGO MACRO-ECONOMIC OVERVIEW ²²

In 2020, the effects of the COVID-19 pandemic are projected to reduce real GDP growth (including through lower mining activity), increase consumer prices (particularly of imported products), reduce fiscal revenue (both mining and non-mining), and increase fiscal spending through the implementation of a COVID-19 response plan soon to be approved. Congo, as most of oil producers, is being hit by two shocks—the potential spread of COVID-19 and the sharp decline in oil prices.



SOVEREIGN RISK

The sovereign risk rating remains at CCC[23], but the score has deteriorated by 3 points to 65 as economic activity is being tempered by declining oil production, putting exports in a slump. Following sustained reform efforts and fiscal consolidation, the government secured an IMF agreement in 2019. Despite improvements, the stock of debt remains unsustainable, and an upgrade is not likely, as we do not expect Congo-Brazzaville to be able to clear all its principal arrears, owing to low foreign reserves.



ECONOMIC STRUCTURE RISK

Economic structure risk remains CC-rated, but the score has deteriorated by 5 points to 80. The current-account deficit has widened as exports have dropped, creditworthiness is low, and Congo-Brazzaville is still in default. The economy remains exposed to fluctuations in the oil sector, which constitutes almost 40% of GDP and 70% of export receipts.



COVID -19 POLICY RESPONSES

FISCAL POLICY

The overall cost of the response plan to the COVID 19 epidemic has been estimated at US\$170 million (100 billion XAF), equivalent to 1.6 percent of 2020 GDP, to date the government has made available to the Ministry of Health the amount of US\$1.4 million. The EU, WFP, France are getting together to provide support for the poorest segments of the population with combined support amounting to about 3 billion XAF as of now.

The government has adopted some measures to ease tax and duty payments for private enterprises. In particular, more time has been given to companies to pay their taxes and tax assessments on site have been abandoned. The import duty directorate is also strongly encouraging electronic payment of dues and allowing more electronic documents to be accepted at the port. Corporate income tax has been reduced to 28 percent from 30 percent and withholding tax has been reduced to 5 percent from 7 percent.

EXCHANGE RATE

No measures



MONETARY POLICY

On March 27, 2020, BEAC announced a set of monetary easing measures including a decrease of the policy rate by 25 bps to 3.25 percent, a decrease of the Marginal Lending Facility rate by 100 bps to 5 percent, a suspension of absorption operations, an increase of liquidity provision from FCFA 240 to 500 billion, and a widening of the range of private instruments accepted as collateral in monetary operations. The MPC also supported BEAC’s management’s intent to propose to reduce haircuts applicable to private instruments accepted as collateral for refinancing operations, and to postpone by one-year principal repayment of consolidated central bank’s credits to member states, but these possible additional measures are not effective yet. On March 25, 2020, the COBAC informed banks that they can use their capital conservation buffers of 2.5% to absorb pandemic-related losses but requested banks to adopt a restrictive policy with regard to dividend distribution. Discussions are taking place at the country level on whether private companies can have access to the 100 billion XAF fund set up by the President and on simplifying access to refinancing instruments. A guarantee scheme has been set up to help private companies service their banking debts, but no details have been provided on the amounts or conditions.



IMPACTS ON MARKETS & FOOD SECURITY

The main impact of COVID19 will be on the informal markets and the rural communities in Republic of the Congo which may not feel the benefit of the fiscal and monetary response measures of the government which aim at reducing the impact on businesses and the spread of the virus. There will be increased need of food assistance due to loss of incomes and movement restrictions. WFP with its partners will need to scale up humanitarian support.





TANZANIA MACRO-ECONOMIC OVERVIEW²⁵

The policy focus in 2020 will be on the country's response to the coronavirus pandemic on all fronts. Thereafter, economic policy will focus on industrialisation, but protectionist tendencies will deter the private investment that is needed to achieve this objective.

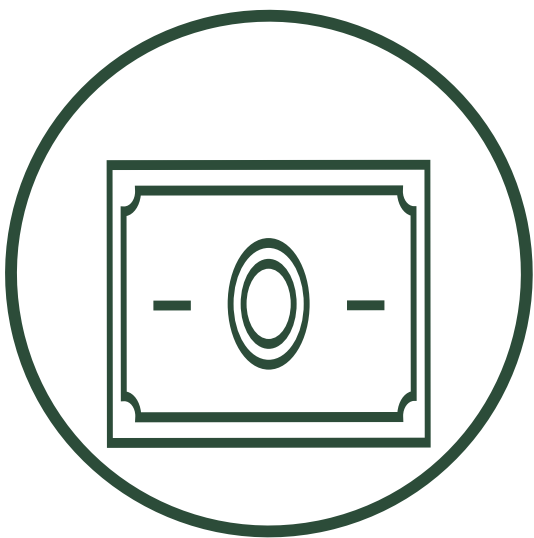
The fiscal deficit will widen until fiscal year 2020/21(July-June), reaching 3.5% of GDP, as increased health spending is undertaken amid the coronavirus outbreak. Thereafter, public investment growth will keep the deficit elevated, before contracting in 2023/24. Strong public and private infrastructure investment will support annual average real GDP growth of 5.8% in 2022-24.

The current-account deficit/GDP ratio will widen to 3.7% in 2020, before contracting to 3.3% in 2021 as export earnings recover. Capital imports will keep the deficit elevated in 2022-24, albeit with a declining trends in the latter half as exports rise.



ECONOMIC STRUCTURE RISK

Economic structure risk has been downgraded from B[26] to CCC[27], primarily reflecting the country's increased reliance on exports of metals and precious stones for export earnings. This dependency exposes the external sector to shocks (both price and demand) during a time of global recession. The economy's vulnerability to poor weather is perpetuated by reliance on rain-fed agriculture.



SOVEREIGN RISK

Sovereign risk has been downgraded from BB to B, with the underlying score having deteriorated by 3 points to 50. Debt-related indicators remain within prudent limits, with the gross public debt stock at 31.3% of GDP and the debt-service/GDP ratio at 12.8%. However, elevated financing and liquidity risks, coupled with economic risks from the coronavirus outbreak, weigh on creditworthiness.



BALANCE OF TRADE²⁸

Tanzania major exports are agricultural commodities with tobacco, coffee, cotton, cashewnuts, tea and cloves being the most important. Other exports include gold and manufactured goods. Tanzania main exports partners are India, Japan, China, United Arab Emirates, Netherlands and Germany. Tanzania imports mostly transport equipment, machinery, constructions materials, oil, fertilizers, industrial raw materials and consumer goods. Main imports partners are: China, India, South Africa, Kenya and United Arab Emirates. Tanzania recorded a trade deficit of 610.20 USD Million in the fourth quarter of 2019.





COVID -19 POLICY RESPONSES

FISCAL POLICY

The Government of Tanzania enhanced preparedness and its containment capacity, including measures to strengthen detection and surveillance capacity at points of entry, such as airports and border-crossing sites, and training of medical staff on case management, risk communication, and community engagement. The plan focuses on critical priorities and amounts to US\$77 million. The government has provided initial resources for its financing and is working with development partners to secure more financing.

MONETARY POLICY

No measures



IMPACTS ON MARKETS & FOOD SECURITY

Loss of revenue from exports and tourism will affect the level of sovereign debt and debt service ratios and in turn the ability for the government to declare robust fiscal and monetary measures. Movement restrictions will impact local and urban markets and in absence of expansionary fiscal measures from the government, loss of incomes will lead to increased food insecurity for those in the rural and informal sectors.

EXCHANGE RATE

No measures



ZAMBIA MACRO-ECONOMIC OVERVIEW²⁹

The Zambian economy will be adversely impacted by the large decline in copper prices, sharp depreciation of local currency, increase in yields on public debt, and economic disruptions due to lockdowns in trading partners. An IMF loan deal is not expected to pass, but emergency aid will be made available as the government attempts to meet its spending needs during the coronavirus outbreak. While a sovereign default is not expected, its risk is growing sharply. Fiscal policy will be lax in 2020 as the government releases fiscal stimulus while pursuing a debt-financed infrastructure programme.

Loss of revenue from exports and tourism will affect the level of sovereign debt and debt service ratios and in turn the ability for the government to declare robust fiscal and monetary measures. Movement restrictions will impact local and urban markets and in absence of expansionary fiscal measures from the government, loss of incomes will lead to increased food insecurity for those in the rural and informal sectors.



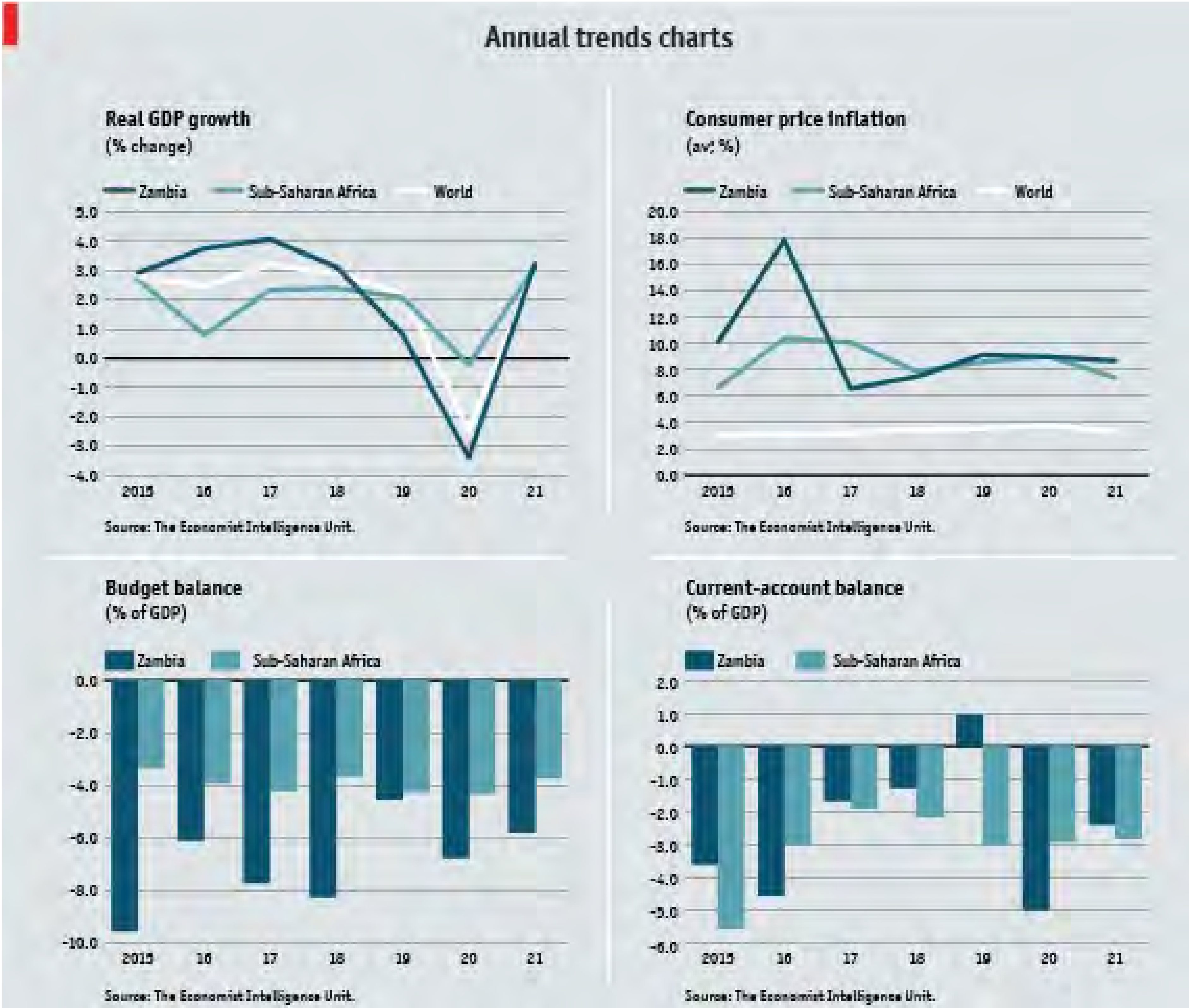
ECONOMIC STRUCTURE RISK

Economic structure risk is Zambia's worst-rated risk category, at CC, but the score has improved by 5 points, to 70, as the annual average current-account deficit over the past 48 months is lower now than it was in our previous assessment. However, a narrow, commodity dependent export base, low income per head and a heavy external debt burden means Zambia remains highly vulnerable to changes in copper prices and weather patterns.



BALANCE OF TRADE ³⁰

Zambia’s trade surpluses are the result of copper exports. Zambia also exports: sugar, tobacco, gemstones and cotton. Zambia is a net importer of fuel and machinery. Zambia’s main trading partner is China followed by South Africa and Congo-Kinshasa. Zambia recorded a trade surplus of 422 ZMK Million in December of 2019.





COVID -19 POLICY RESPONSES

FISCAL POLICY

The Zambian government [has announced](#) a release of 2.64 billion-kwacha (0.75 percent of GDP) to clear arrears and pay contractors. Import duties on mineral concentrate and export duties on precious metals were suspended to support the mining sector. The government has waived tax penalties and fees on the outstanding tax liabilities resulting from CoVID-19, suspended customs duties and VAT on some medical supplies, removed provisions relating to claim of VAT on imported spare parts, lubricants and stationery to ease pressure on companies. The government had set up an Epidemic Preparedness Fund amounting to 57 million kwacha (0.02% of GDP) and had approved a COVID-19 Contingency and Response Plan with a budget of 659 million kwacha (0.2% of GDP). Furthermore, 400 doctors and 3000 paramedics were recruited to fight the COVID-19 pandemic.[31]

EXCHANGE RATE

No measures



MONETARY POLICY

The Bank of Zambia (BoZ) plans to provide 10 billion kwacha (3% of GDP) of medium-term liquidity support to eligible financial services providers and scale up open-market operations to provide short-term liquidity support to commercial banks. In addition, BoZ implemented several measures to stimulate the use of e-money and reduce the use of cash, revised the rules governing the operations of the interbank foreign exchange market to support its smooth functioning, strengthening market discipline and providing a mechanism to address heightened volatility, revised loan classification and provisioning rules, and extended the transitional arrangement to IFRS9[32].



IMPACTS ON MARKETS & FOOD SECURITY

Loss of revenue from exports and tourism will affect the level of sovereign debt and debt service ratios and in turn the ability for the government to declare robust fiscal and monetary measures. Movement restrictions will impact local and urban markets and in absence of expansionary fiscal measures from the government, loss of incomes will lead to increased food insecurity for those in the rural and informal sectors.

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ZIMBABWE MACRO-ECONOMIC OVERVIEW³³

The clearance of arrears owed to multilateral creditors is one of the main conditions for a financed IMF deal. Such an agreement is unlikely to be forthcoming, as relations with Western institutions remain poor and progress on reform is slow. Government reform efforts will remain constrained by the ongoing economic and political crisis. A staff-monitored programme (SMP) with the IMF finished in February, with the Fund giving a dire assessment of progress. As coronavirus cases increase, the president, Emmerson Mnangagwa, declared a national emergency. However, the informal nature of the economy will make restrictions difficult to enforce, and the healthcare sector is underfunded and poorly equipped. As most aid bypasses official channels, it does not show up as government revenue. As a result, the fiscal deficit is larger than it would otherwise be if the government were trusted to spend aid responsibly. The Economist Intelligence Unit expects inflation to average 320.7% in 2020, owing to shortages of basic goods and US dollars, as well as sustained currency weakness. Inflation will fall thereafter as confidence in the currency and the government is gradually rebuilt. The current-account deficit will narrow to 1.5% of GDP in 2020 as imports decline. The deficit will then widen, reaching 3.2% by 2024, reflecting a widening of the primary income deficit and narrowing of the secondary income surplus.



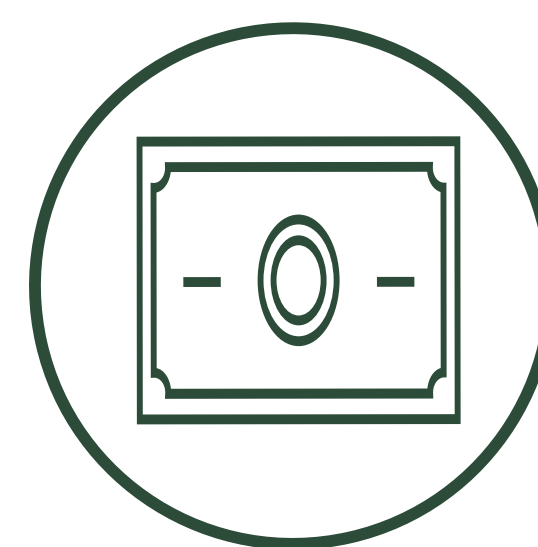
ECONOMIC STRUCTURE RISK

Economic structure risk remains CC-rated, with the score unchanged at 75. Commercial agriculture has been weakened by the state's land-redistribution policies and drought, and although mining investment continues, it is threatened by the shortage and high cost of capital and energy.



BALANCE OF TRADE³⁴

In recent years, Zimbabwe has run systemic trade deficits due to decline in exports. Zimbabwe is a net importer of fuel and capital goods. Main export is tobacco (23 percent of total exports). Others include nickel (20 percent), diamonds and platinum. Zimbabwe's main trading partners are South Africa and China. Zimbabwe recorded a trade surplus of 70.30 USD Million in December of 2019.



SOVEREIGN RISK

Sovereign risk remains C-rated, although the score worsens by 1 point to 84 as economic conditions worsen (with the economy in stagflation owing to protracted power outages and drought) and severe economic distortions, fiscal mismanagement and a lack of transparency continue to impair creditworthiness. The sovereign's obligations are beyond its repayment capacity, owing to the severe financial crisis and the country's exclusion from international credit markets.



COVID -19 POLICY RESPONSES

FISCAL POLICY

The authorities’ requirements to fight Covid-19, as per the humanitarian appeal stood at US\$220 million targeting prevention and control of the disease including awareness campaigns. To date, the authorities have availed over ZWL\$100 million and US\$2 million to fight against COVID-19. In addition, they have started administering a ZWL\$600 million cash transfer program that targets 1 million vulnerable households over the next 3 months; have begun to enlist small and medium-size businesses and informal traders that are affected by the lockdown for a bailout by government (no amount has yet been allocated to this cushioning package); the freeze on government hiring has been lifted for the health sector, targeting 4000 additional medical personnel (about 20 percent increase); companies have been allowed to extend the payment of corporate taxes (waiving interest and penalties); and duties and taxes on various goods and services related to COVID-19 have been suspended, including on testing, protection, sterilization, and other medical consumables. Due to limited fiscal space, the Ministry of Finance is targeting expenditure reprioritization by redirecting capital expenditure towards health-related expenditures including water supply and sanitation programs, including directing the 2 percent Intermediated Money Transfer Tax, which is currently ring-fenced for social protection and capital development projects, to COVID-19 related mitigatory expenditures. The authorities have relaxed some procurement regulations with a view of facilitating speedy procurement of essential goods and services.



MONETARY POLICY

In March 2020 the Reserve Bank of Zimbabwe (RBZ, the central bank) announced the resumption of the use US dollars for local transactions (which was banned in June 2019) and the abandonment of the "managed float" exchange-rate system (which had been adopted weeks earlier), with a new peg of Z\$25:US\$1. It reduced the bank policy rate from 35% to 25%, reduced the statutory reserve ratio from 5% to 4.5%, And increased the private sector lending facility from ZW\$1 billion to ZW\$2.5 billion.

EXCHANGE RATE

Moved from a managed floating exchange rate system to a fixed exchange rate management system.



IMPACTS ON MARKETS & FOOD SECURITY

The COVID-19 pandemic will severely impact an already critical food security situation arising mainly from the prevailing poor macroeconomic conditions and consecutive years of drought. The movement restrictions associated with COVID-19 will significantly impact businesses and urban and rural livelihoods, further limiting household incomes. The pandemic will further add to the existing dire humanitarian needs facing the country. A loss of income, imports, markets could lead to a higher number of food insecure population, especially in urban areas. International and domestic remittances will decline in response to disruption of livelihoods internationally and locally, impacting both rural and urban household incomes, especially in southern areas bordering South Africa.



ENDNOTES

1. EIU
2. A CC rating indicates the issuer is at greater risk of default than a CCC-rated issue and less than a C-rated issue if business, financial, or economic conditions change measurably.
3. A CCC rating represents an extremely high risk bond or investment; banks are not allowed to invest in CCC rated bonds. CCC bonds are junk bonds.
4. Trading Economics / National Bank of Angola
5. Trading Economics
6. IMF
7. EIU
8. An obligor has ADEQUATE capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.
9. An obligor has STRONG capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.
10. EIU
11. A CCC rating represents an extremely high risk bond or investment; banks are not allowed to invest in CCC rated bonds. CCC bonds are junk bonds.
12. EIU
13. Central Bank of Eswatini
14. EIU
15. EIU
16. EIU
17. EIU
18. Instituto Nacional De Estatistica, Mozambique
19. EIU
20. A B rating reflects an opinion that the issuer has the current capacity to meet its debt obligations but faces more solvency risk than a BB-rated issue and less than a B-rated issue if business, financial, or economic conditions change measurably.
21. Bank of Namibia
22. World Bank Africa's Pulse April 2020
23. EIU
24. A CCC rating represents an extremely high risk bond or investment; banks are not allowed to invest in CCC rated bonds. CCC bonds are junk bonds.
25. EIU
26. B rating reflects an opinion that the issuer has the current capacity to meet its debt obligations but faces more solvency risk than a BB-rated issue and less than a B-rated issue if business, financial, or economic conditions change measurably.
27. A CCC rating represents an extremely high risk bond or investment; banks are not allowed to invest in CCC rated bonds. CCC bonds are junk bonds.
28. Bank of Tanzania
29. EIU
30. Central Statistical Office, Zambia
31. IMF
32. Ibid
33. EIU
34. Zimstat, Zimbabwe

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United Nations World Food
Programme

Regional Bureau for
Southern Africa and Indian
Ocean Islands.

Johannesburg
South Africa