

1. Global Economic Developments

Global economic growth accelerated marginally in the fourth quarter of 2014, largely due to improved growth momentum in some of the advanced economies. Economic activity in the United States of America (USA) and the United Kingdom (UK) also gathered momentum. The USA exceeded growth expectations, while growth for other economies was slower than expected. Growth in the USA resulted in a decrease in job losses, and job creation as monetary policy remained accommodative.

In the Euro Area and Japan, recovery has been sluggish, largely as a result of the negative effects of the financial crisis and structural bottlenecks of their respective economies.

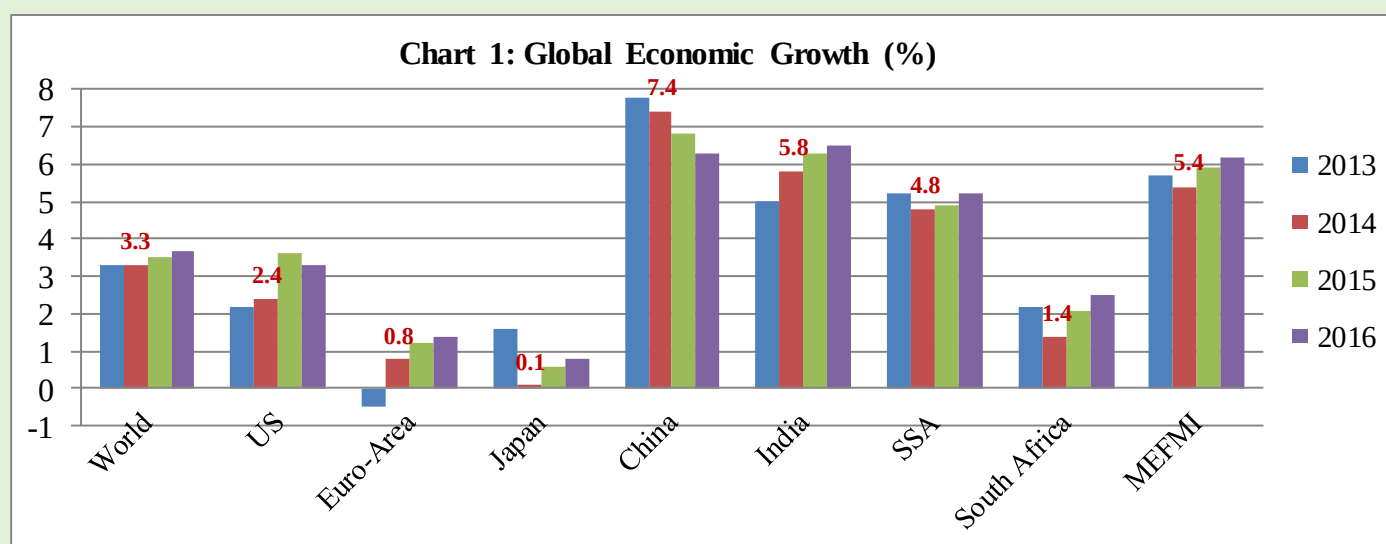
In other parts of the world, economic activity has been weighed down by the intense geo-political tensions between the Russian Federation and

Ukraine, political instability in the Middle East and North Africa, and low international oil prices in the third and fourth quarters of 2014.

China's growth has slowed down, while India's growth has continued trending upwards. Signals from China continue to be mixed, amid a sharp slowdown in industrial production in the last two quarters of 2014.

Latin American economies, particularly Argentina, Brazil and Venezuela face a challenging outlook as they face a technical recession.

Against the mixed economic outlook, global economic growth picked up only marginally to 3.3% in 2014, as in 2013. It is expected to improve to 3.5% and 3.7% in 2015 and 2016, respectively as indicated in **Chart 1** below.



Source: *World Economic Outlook, March 2015*

In terms of growth prospects, positive growth is expected in the USA. The projections are a modest 3.5% in 2015, compared to 3.2% in 2014. America's strength in technological progress is expected to anchor this prospect.

In the Euro-Area, growth has been undermined by persistence of downside risks. The Euro-Area is projected to grow at 1.4% in 2015, compared to 0.8% in 2014. The substantial Quantitative Easing (QE) program implemented by the European Central Bank could have a positive effect on sentiments, but whether it will boost the growth outlook is uncertain. A predicted modest recovery in domestic consumption could be a likely source of growth as labour markets improve. However, possible deflation could bring down growth rates further.

For the Asia-Pacific region, growth in China sustained a slowdown over the last two years but is predicted to be mostly positive elsewhere in Asia and the Pacific. Despite diminishing growth rates, the Asia-Pacific region remains in the lead for global growth. Southeast Asia will continue to strengthen to become a global production hub.

Economic conditions in Latin America are unlikely to improve significantly in 2015, with regional growth projected at 1.6%. Slowing international commodity prices and energy exports constitute a significant downside for the region. Productivity growth should build on investment, improved business confidence, and a better educated labour force.

In Africa, however, growth prospects are considered positive, but also uncertain. In 2015, GDP growth in Africa is projected at 4.4%. Nigeria will be the strongest performer at 6.7% growth in 2015. However, Nigeria is heavily dependent on natural

resources and vulnerable to global demand and supply conditions. Furthermore, a positive growth outlook for Africa is strongly dependent on improved institutional performance and better governance.

2. Economic Developments in Sub-Saharan Africa

In Sub-Saharan Africa (SSA), growth prospects were frustrated by downside risks arising from the Ebola epidemic, violent insurgencies, lower international commodity prices, and volatile global financial conditions. SSA's growth declined from 5.2% in 2013 to 4.8% in 2014, but is projected to pick up to 4.9% and 5.8% by 2015 and 2016, respectively. Growth in SSA will be anchored by infrastructure and extractive investment, increased agriculture production and buoyant services. Generally, the region is projected to register stronger growth driven by growth in advanced countries, although

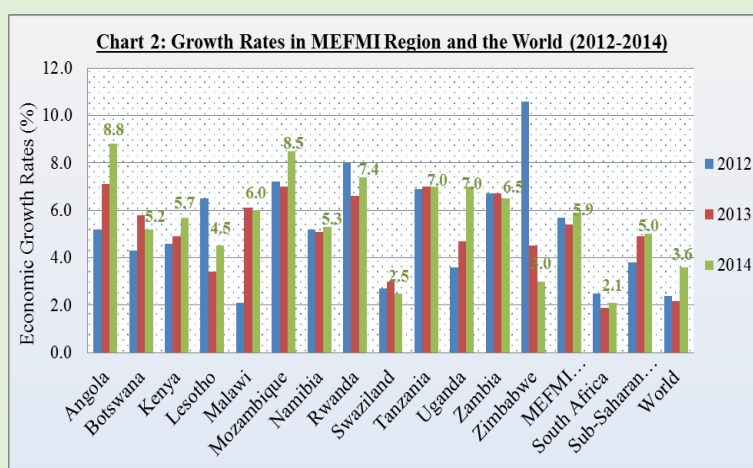
commodity producers may be adversely affected by lower commodity prices. Easing in the prices of primary commodities is projected, partly due to weak performance in China, Brazil and India. The region has also become more sensitive to external, real and financial shocks, given its increasing global linkages to Eurobond markets. Thus, a sudden reversal in risk premiums and volatility compression in global financial markets could severely affect SSA countries that rely heavily on external market funding.

3. Economic Developments in the MEFMI Region

3.1. Real Gross Domestic Product

Growth in the MEFMI region was 5.4% in 2013, is estimated at 5.9% in 2014, and thereafter, projected at 6.4% and 5.6% in 2015 and 2019, respectively. Average real per capita GDP growth in MEFMI region is estimated at 3.2% in 2015, from 2.9% in 2013 and 2014, respectively. Economic growth in the region has been associated with low and stable

inflation, with most countries reporting single-digit inflation, which is encouraging. In 2014, as indicated in **Chart 2** below, the sustained economic performance for the region was driven by higher growth rates reported in Angola (8.8%), Mozambique (8.5%), Rwanda (7.4%), Tanzania (7.0%), Uganda (7.0%) and Zambia (6.9%).



Source: IMF and Member Countries Data Bases

Major factors driving economic growth in the region include exploitation of natural resources, increased foreign direct investment (FDI) inflows into the extractive industries, huge infrastructure projects, prudent fiscal policies that have provided scope for monetary policy to reduce interest rates and stability in the macroeconomic environment, among other factors.

Barriers to economic growth in the MEFMI region include high import cost for production inputs, power shortages, infrastructure deficits, and unfavourable "Ease of Doing Business" conditions.

The volatile global financial environment, lack of irrigation facilities, the effects of HIV/AIDS and low value addition on primary commodity exports are also a major setback to economic growth.

Despite positive economic growth achievements in the MEFMI region, some challenges still persist. Among them are high poverty levels, unemployment and income inequality. Economic growth in most MEFMI countries is not inclusive.

There are, however, good prospects for improved financial inclusion and efficiency in payment systems in East Africa as well as in some of the Southern African countries such as Malawi, Mozambique and Zimbabwe. This will be mainly through exploitation of new technologies such as mobile banking. Furthermore, high global liquidity and increases in capital flows to developing nations have allowed some countries such as Zambia and Rwanda and more recently, Kenya, to issue international sovereign bonds for the first time. Favourable external financial conditions, as well as reduced financial transaction costs are expected to further bolster regional economic growth.

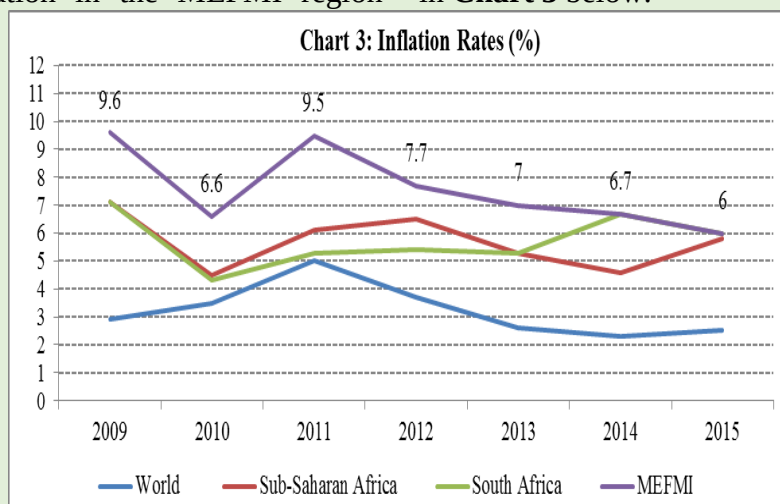
However, despite the positive prospects, there are some risks that could stall economic growth in the region. These risks include delays in mineral exploitation, effects of failure to develop other sectors of the economies, fluctuations in global commodity prices, volatile global financial markets, reduction in aid flows, slow pace in economic diversification, risks if economic growth in China and the United States is less-than-expected, spread of the Ebola disease, pre-election spending and associated pre- and post- government credit cycles, shocks to food and oil prices, and effects of climate change on agricultural production, among other factors.

Furthermore, security conditions in Southern Sudan, Somalia and Democratic Republic of Congo are exerting a heavy toll on some neighbouring countries, hence impacting negatively on economic growth.

3.2. Price Developments

In terms of inflation, the MEFMI region experienced a slight decline in inflationary pressures though it continued trending above that of SSA. Inflationary pressures have eased in many countries as energy prices have stopped rising and food prices have declined. Annual inflation in the MEFMI region

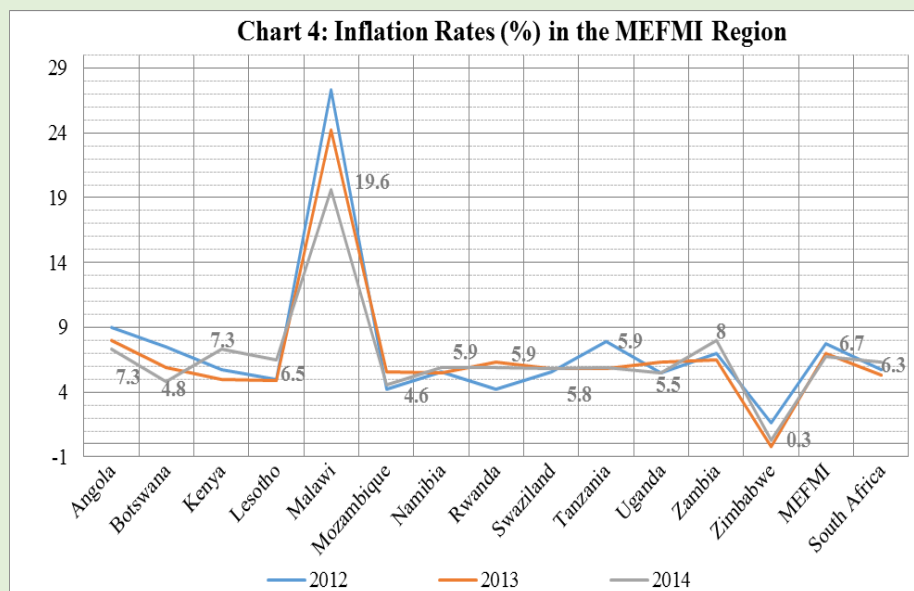
decreased to an average of 6.7% in 2014, compared to 7.0% in 2013. Going forward, moderate food and oil prices coupled with prudent monetary and fiscal policies should facilitate a further decline in inflation in most countries in the MEFMI region as indicated in **Chart 3** below.



Source: World Economic Outlook, March 2015

Chart 4 indicates that with the exception of Malawi, which continued to record relatively high inflation since 2012, the other MEFMI member countries registered single-digit inflation over the period under review. These developments have occurred in spite of the weather-related crop damage in some parts of the MEFMI region. The most affected countries are

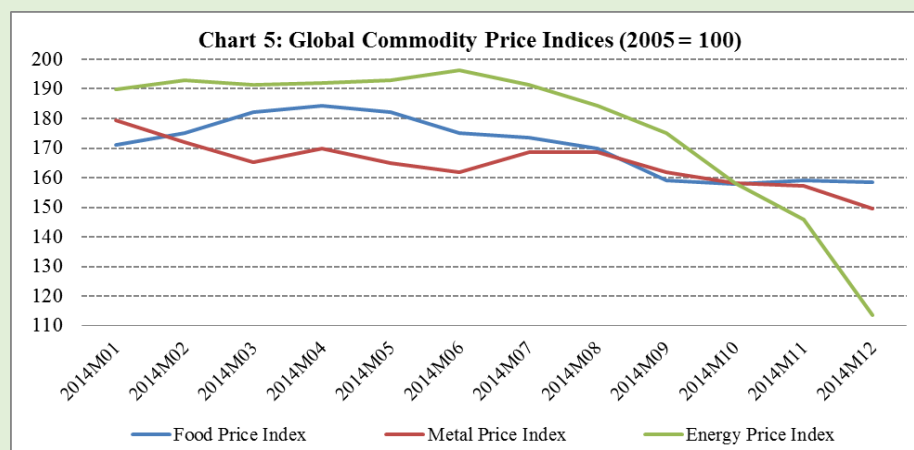
those in the Southern part of Africa. Favourable inflation outcomes are expected to provide conducive a macroeconomic environment for economic growth and poverty reduction.



Source: IMF and Member Countries' Databases, 2015

3.2.1. Food and Other Commodity Prices

Declining international oil and food prices, along with a number of other commodity prices (**Chart 5**), are expected to reinforce the current benign global inflation environment.



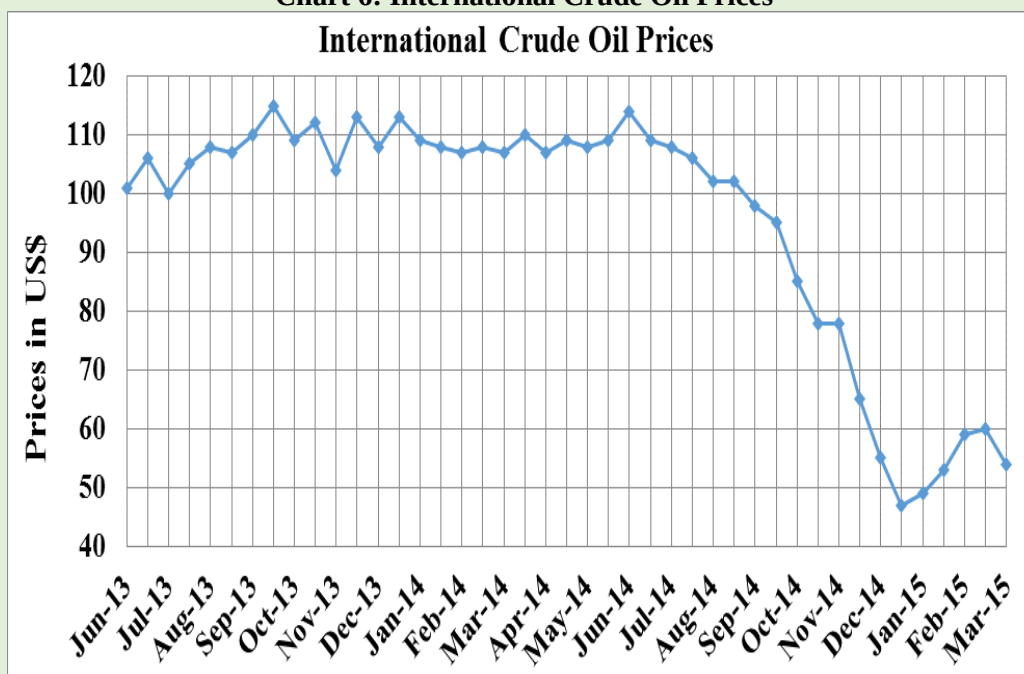
Source: IMF Commodity Price System, 2015

3.2.2. International Oil Prices

From the beginning of the second half of 2014, the global oil market suffered from one of its largest price shocks seen in many years. World oil prices that had been fairly stable, at around US\$110 a barrel had more than halved to US\$47 a barrel as at end of 2014 (**Chart 6**). The sharp fall in oil prices could spur global growth, but may not be adequate to offset negative factors. Oil supply shifts may boost global growth, although with important differences between oil importers and exporters. The global economic impact depends crucially on how large and persistent the oil supply shifts are expected to be. In addition,

oil prices conceal asymmetric effects across countries. While oil importers could benefit from higher real income of consumers and lower cost in the production of final goods, for many of them the boost from lower oil prices could be offset by the recent local currencies depreciation against the US dollar, which implies a smaller oil price decline in the domestic currency. For oil exporters, real income and profit could decrease. However, the impact may be felt differently, given the income management frameworks in use in the different countries.

Chart 6: International Crude Oil Prices



Source: Source: IMF Commodity Price System, 2015

MEFMI countries such as Angola, which are oil producers and exporters, and natural gas exporters such as Mozambique will bear the biggest brunt. In countries with buffers, spending adjustment can be gradual, which would limit the negative impact on

income and activity. Recent developments in Russia illustrate the potential for greater impact in oil exporters where macroeconomic policies cannot afford to mitigate the negative growth impact.

3.3. External Sector Performances of the MEFMI Region

3.3.1. Balance of Payments

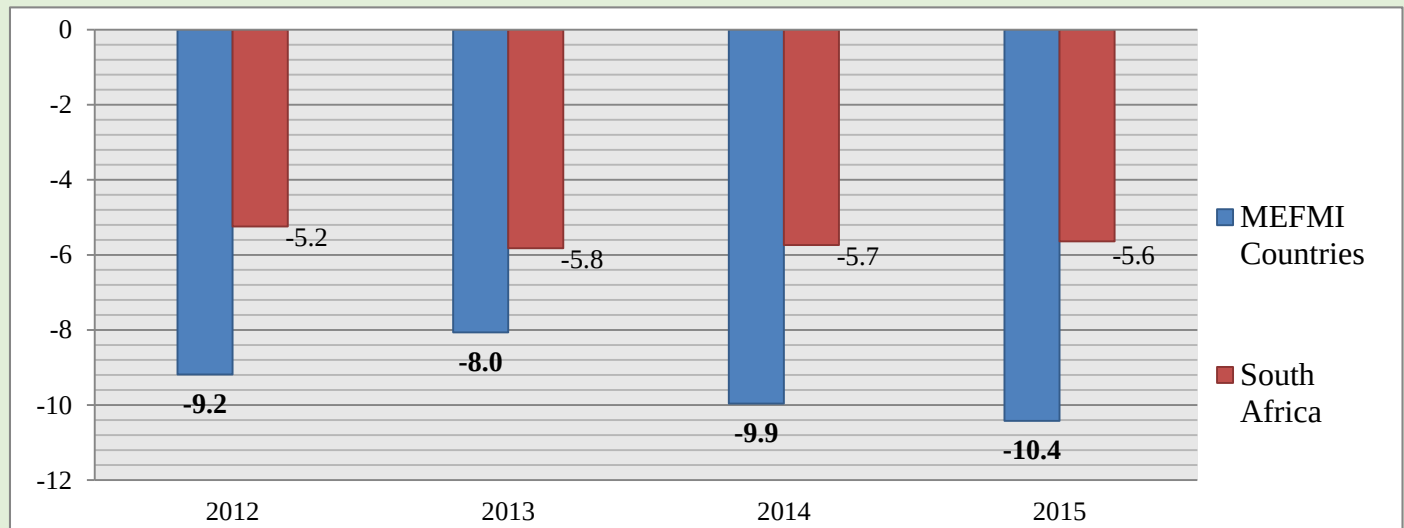
Chart 7 below indicates that the average current account balance (% of GDP) for MEFMI countries remained unfavourable at 9.2% of GDP since 2012 and is projected to worsen to 10.4% of GDP in 2015. Increased imports due to rising FDI for projects in the extractive sectors, coupled with infrastructure development, explains much of the trajectory in the current account deficit balance.

On the other hand, the decrease in primary commodity prices has also worsened the regional external performance. Nevertheless, the current account balances for the region are still vulnerable to risks associated with the decline in exports,

remittances and Overseas Development Assistance. In addition, the export oriented industries in Lesotho, Tanzania and Kenya, which depend on the African Growth and Opportunity Act (AGOA) initiative are reeling under the weak export demand, due to sluggish recovery in their trading partners. Lesotho and Zimbabwe registered relatively wider current account deficits of over 30% of GDP in 2014 due to the absorption of higher import volumes.

On the contrary, the South Africa current account balance has been narrowing progressively standing at -5.7% in 2014 from -5.8% in 2013.

Chart 7: Current Account (% of GDP) in MEMI Region (2012-2015)



Sources: MEFMI Member Countries and IMF Databases, 2015

To address this worsening external performance, MEFMI countries need to reduce the cost of doing business by eliminating supply side bottlenecks and strengthening industrialization. This will help the region gain a stronger foothold in global value. South Africa, one of the major trading partners to MEFMI countries, with a high level of

industrialisation, has performed relatively well in this regard (**Chart 7**). Looking ahead, there is need for policy priorities to include budget restraint for some countries in the region and a shift of spending to increasingly productive ends, as infrastructure constraints are acute.

3.3.2. Exchange Rate Developments

2014 saw the US dollar trading stronger than in the 2013. The US currency strengthened particularly against the Euro, after the implementation of the Quantitative Easing framework by the European

Central Bank, which further drew negative public expectations about the Euro. The table below shows the US dollar cross rates against a basket of major international and regional currencies.

Table 1: International US Dollar Cross Rates (Mid-Market Rates) As of End December Each Year

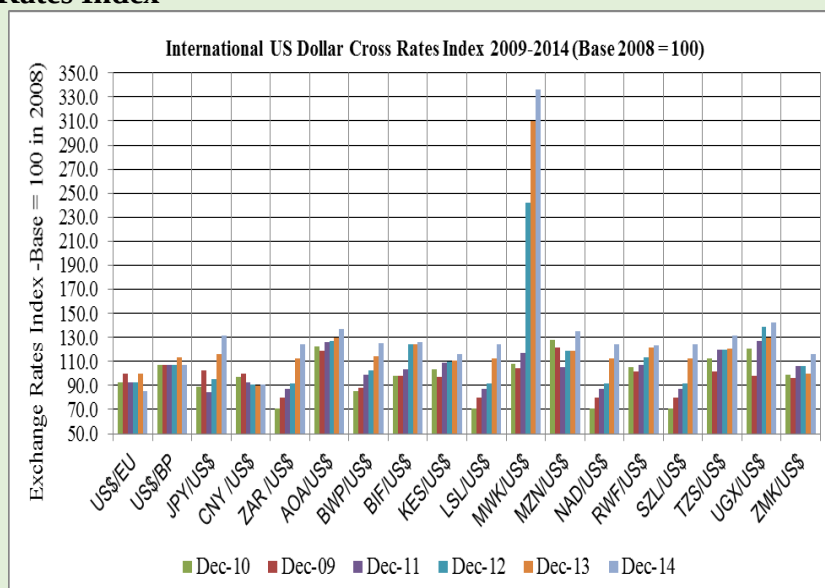
Date	2008	2009	2010	2011	2012	2013	2014
US Dollar /Euro	1.4	1.4	1.3	1.3	1.3	1.4	1.2
US Dollar/British Pound	1.5	1.6	1.6	1.6	1.6	1.7	1.6
Japanese Yen /US Dollar	90.8	93.1	81.1	77.1	86.6	105.3	119.8
Chinese Yuan /US Dollar	6.8	6.8	6.6	6.3	6.2	6.1	6.2
Rand /US Dollar	9.3	7.4	6.6	8.1	8.5	10.5	11.6
Angolan Kwanza/US Dollar	75.2	89.4	92.4	94.9	95.8	97.6	102.9
Botswana Pula/US Dollar	7.6	6.7	6.5	7.5	7.8	8.7	9.5
Burundi Franc/US\$ Dollar	1,236.0	1,215.0	1,207.0	1,282.0	1,533.7	1,540.0	1,555.3
Kenyan Shillings/US Dollar	78.1	75.9	80.7	85.0	86.1	86.5	90.5
Basotho Loti/US Dollar	9.3	7.4	6.6	8.1	8.5	10.5	11.6
Malawian Kwacha/US Dollar	138.5	144.5	150.0	162.1	334.6	429.5	465.8
Mozambican Meticaïs/US Dollar	25.2	30.6	32.2	26.5	29.9	29.9	34.0
Namibian \$/US Dollar	9.3	7.4	6.6	8.1	8.5	10.5	11.6
Rwandan Franc/US Dollar	557.0	567.0	585.0	595.0	630.8	676.0	689.0
Swazi Emalangeni/US Dollar	9.3	7.4	6.6	8.1	8.5	10.5	11.6
Tanzanian Shillings/US Dollar	1,317.5	1,339.5	1,480.0	1,575.0	1,582.1	1,585.5	1,734.2
Ugandan Shillings/US Dollar	1,942.5	1,900.0	2,342.0	2,475.0	2,695.0	2,524.9	2,764.9
Zambia Kwacha/US Dollar	4,832.3	4,653.3	4,796.1	5,117.0	5,146.6	5.5	6.4
Zimbabwe \$/US Dollar	--	--	--	--	--	--	--

Source: Websites of Central Banks in the MEFMI Region, 2015

In the **Table 1** above, the Euro and the British Pound Sterling show the quantities of US\$ (Indirect method) while others show the quantity of the particular currency to the US\$ (Direct Method).

Chart 8 below was constructed on the basis of the international US\$ cross rates index computed from **Table 1** above which depicts the US\$ market dynamics over the last seven years (2009-2014).

Chart 8: Exchange Rates Index



Source: Websites of Central Banks in the MEFMI Region, 2015

As at end 2014, the US dollar ended broadly stronger against a basket of major international and regional currencies. It strengthened by 14.3% against the Euro, by 6.7% against the British Pound, by 16.0% against the Japanese Yen, and by a marginal gain of 1.5% against the Chinese Yuan. Compared to regional currencies, the US\$ strengthened against all regional currencies. It strengthened by 26.2% against the Malawi Kwacha, by 16.3% against the Mozambican Meticaís, by 16.0% against the

Zambian Kwacha, by 12.4% against the Ugandan Shillings, by 11.8% against the South Africa Rand and all other currencies pegged to the Rand (Lesotho, Swaziland and Namibia dollar), by 11.3% against the Tanzanian Shillings, by 10.5% against the Botswana Pula, by 7.0% against the Angolan Kwanza, by 5.1% against the Kenyan Shilling, by 2.3% against the Rwanda Franc, and by 1.2% against the Burundian Franc.

3.4. Public Debt Developments in the MEFMI Region

Public debt in MEFMI member states has increased significantly in recent years, both in nominal terms and as a proportion of GDP. The increase has been more pronounced in countries that received debt relief under the Heavily Indebted Poor Countries (HIPC) and Multilateral Debt Relief Initiative (MDRI). These countries include Tanzania, Zambia, Malawi, Mozambique, Uganda and Rwanda. For instance, Tanzania's external debt was estimated at US\$12.4 billion (or 31.2% of GDP) as at end 2013/14 financial year compared to 19% of GDP in 2006/07. Zambia's public debt was US\$8.0 billion (or 30.6% of GDP) as at end 2014, of which external debt was US\$4.5 billion (or 17.1% of GDP) while the remainder was domestic debt. External debt has increased from 11% of GDP in 2006 due to the international sovereign bond issuances amounting to US\$750 million and US\$1.0 billion in 2012 and 2014, respectively. The Government of Rwanda also

issued a sovereign bond in 2013, thus increasing its external debt stock to 23% of GDP in 2013 compared to 14% of GDP in 2006 when it benefited from debt relief under HIPC and MDRI. The other post HIPCs such as Malawi, Mozambique and Uganda have also recorded increased external debt levels.

Domestic debt has also been increasing largely due to declining concessional foreign financing as well as the need to fund infrastructure projects. These trends and levels are raising concerns about debt sustainability, going forward. The main consolation is that most MEFMI member states have recorded impressive economic growth in recent years such that the debt ratios remain within sustainability thresholds. However, there is need for member states to be vigilant in order to keep the cost and risks of debt at manageable levels.

3.5. Financial Sector Developments in the MEFMI Region

Countries in the MEFMI region continue to address factors of depth and width which drive the effective

and efficient functioning of financial markets. This is done through improvements to the regulatory

framework and enforcing laws affecting various sectors of the financial markets. Also addressed is the intermediation role of the banking system; establishing sound fiscal and monetary policies; and developing innovative products to name but a few. These improvements have the desired effect of fostering confidence in investors.

It is also intended to open sectors for competition and spurring innovation, attracting long-term financing and reaching a larger population.

On the international financial markets, the lasting challenges associated with the financial crisis have been the low yield, risk-averse environment which has affected the management of official foreign exchange reserves of MEFMI member countries. Countries must now employ portfolio management strategies towards non-traditional investment instruments and currencies in the search for yield. Sub-Saharan Africa as a whole has experienced substantial growth in the accumulation of reserves with mineral-rich countries experiencing the bulk of the increase. It must be stated though, that other countries have also built-up their share of reserves. Balanced fiscal and monetary policies as well as economic stability are some of the factors that have increased investor confidence, attracted FDI and contributed to the foreign exchange reserve growth.

Since the global financial crisis, a lot of changes have been made in financial sector regulations. The changes include the enhancements to the Basel Committee's Core Principles for Effective Banking Supervision, the Basel III Package as well as the

emphasis on macro-prudential supervision and stress testing.

Financial sector reforms in the MEFMI region are increasingly focused on initiatives targeted at unlocking the economic and social potential of the 'unbanked'. While the trend of recognising the importance of financial inclusion is increasing, financial inclusion strategy formulation has not been widely or fully implemented. Most countries in the region do not have clear or comprehensive strategies for promoting their financial inclusion agenda. In the absence of a coordinated approach, financial inclusion in the region will continue to evolve as the uncertain result of separate efforts by different stakeholders trying to enhance their product offering and extending their networks without reference to the overall national interest. Some countries have attempted to develop strategies, but these are not comprehensive enough. Most strategies are not all-encompassing and fail to include key aspects like financial literacy and awareness. Others have embedded their financial inclusion strategies within a broader financial sector development strategy. This, if not properly monitored, may impede the advancement of financial inclusion as salient issues may not be adequately addressed within such a broad spectrum. In that respect, a generic model framework for reviewing existing or formulating new financial inclusion strategies is needed in the region. The framework would enable countries to design and implement their financial inclusion strategies or strengthen their existing policies following a more guided approach and to strengthen their capacity to draw up action plans that will provide direction to achieving set objectives and goals.

4. South Africa Economic Developments and its Implications to the MEFMI Region

South Africa, the MEFMI region's largest neighbouring economy and major trading partner (accounting for over 60% of total GDP and 40% of total trade in the region) registered a slowdown in real GDP growth to 1.9% in 2014 from 2.5% in 2012. The growth remained well below the average in the MEFMI region. Relatively slow growth in South Africa reflects lower potential growth than other countries in the region. This is mainly due to the relative maturity of South Africa's industrial, extractive and services sectors, in addition to and binding structural bottlenecks as well as cyclical factors. The current slowdown in particular is a result of tense industrial relations in the mining

industry, limited electricity supplies, anaemic private investment, weak consumer and investor confidence. Negative spill overs into the MEFMI region from poor economic growth performance in South Africa, are expected to affect most MEFMI countries in the Southern African Customs Union (SACU) block (Botswana, Lesotho, Namibia and Swaziland), where financial and trade linkages are concentrated. On the other hand, adverse domestic conditions in South Africa could be a fortune to some MEFMI countries as some South African companies step up their investment abroad in the neighbouring economies. MEFMI member states with significant trade linkages and inflows of FDI from South Africa include Mozambique, Zambia and Zimbabwe.

5. MEFMI Region - Individual Country Performance

The economy of Angola was the fastest growing economy in the MEFMI region in 2014 with a record growth rate of 8.8%. Growth was driven by robust non-oil activity, notably in energy (22%), fisheries (10%), agriculture (9%), manufacturing (8%) and construction (8%). Growth is projected to reach 6.6% in 2015 and 7.9% in 2016 as major public infrastructure investment kicks in. The oil sector may grow at 9.8%. The positive budget balance improved from a surplus of 6.8% in 2013 to 8.9% of

GDP in 2014. The current account balance also continued to be in surplus despite the decline in oil prices, improving from US\$7.4 million in 2013 to US\$11.6 million in 2014 driven by higher oil export volumes. However, the overall Balance of Payments underperformed due to unfavourable trends in FDI, which declined by 29.6%. Forecasts for the 2015 inflation rate are around 7 to 9%. It stood at 7.9% in March of 2015.

Botswana

The latest data released by Botswana authorities indicate that the real economy expanded by an estimated 5.2% in 2014 and will be 4.9% in 2015, a downward revision from their previous forecast of 5.4%. Falling diamond exports, diminishing base effects and on-going power challenges are the major real GDP growth constraints. Botswana posted a diminishing budget surplus amid rising spending and slowing revenue growth. They forecast a surplus equivalent to 0.8% of GDP in fiscal year 2014/15, falling to 0.1% of GDP in 2016/17. Monetary policy

in Botswana remained accommodative through the close of 2014 and into 2015. Inflation is contained and will continue to be so in the coming months, largely due to the pula's appreciation against the rand and slowing domestic economic growth. It is predicted that Botswana's current account surplus, which narrowed from 4.9% in 2013 to 2.2% in 2014 will continue the downward trend to -0.9% in 2015. Having declined in 2014, it is forecast that both goods imports and exports will return to growth in 2015.

Kenya

Kenya's economy is estimated to have expanded by 5.7 % in 2014 compared to an economic growth rate of 4.9% in 2013. This growth is expected to rise to 5.9% in 2015, supported by infrastructure spending and household consumption, and will remain strong in 2016-19, but structural constraints will persist. Annual average inflation increased from 5.7% in 2013 to 6.9 % in 2014. The modest increase in the rate of inflation was attributed to increases in the cost of several food and non-food items which outweighed a notable fall in the cost of electricity and petroleum products including petrol, diesel and kerosene. Inflation is projected to ease in 2015, supported by lower prices of oil and electricity.

There is observable stability of the Kenya Shilling against major currencies. In February 2015, the Kenyan Shilling depreciated against the US dollar while appreciating against the other major currencies.

The ratio of current account to GDP is expected to remain close to the level of 2014. The Government fiscal policies in the 2015/16 national budget will focus on re-orientation of expenditure from recurrent to development while private sector investment is anticipated to remain vibrant. Improved external environment and a sustained strong internal demand are likely to favor growths in many sectors of the economy this year.

Lesotho

Lesotho's economy grew by 3.4% in 2013 and 4.5% in 2014. Real GDP is forecast to expand by 4.7% in 2015. With a 57% poverty level and a 25% unemployment rate, policies need to make growth more inclusive. Textiles and livestock are key value chains with considerable growth potential. Furthermore, the government's focus on infrastructure development is driving activity in the construction sector. Inflation edged up to 6.5% in 2014 from 4.9% in 2013 reflecting effects of increases in electricity tariffs and depreciation of the rand. This notwithstanding, inflation remained within the targeted 3-6% policy range. The outlook

for Lesotho in 2015 remains moderately positive with economic growth of 4.7% expected, though there are risks over global demand for diamonds and the renewal of the United States' African Growth and Opportunity Act which runs out in 2015. Growth so far has not been inclusive enough and there is widespread unemployment, inequality and poverty, particularly in rural areas.

Malawi

Malawi's GDP growth stood at 6.0% in 2014 and is expected to be 6.2% in 2015. Growth may be supported by recovery in aid and in the mining sector. Inflation is expected to reach 15% by June 2015 while the overall inflation for year 2015 is forecast to average 16.4% on account of the stability of the Kwacha and favorable international oil prices. In the mid-year budget review for the 2014/15 financial year, expenditure underperformed by 1.5% while revenues underperformed by 10.6%. This resulted in a deficit of K80.4 billion.

The central bank will maintain a tight monetary policy stance. Although interest rates may decline

over the course of 2015, overall monetary policy is expected to be contractionary. Total foreign exchange reserves decreased to 4.9 months import cover as at 31 March 2015, from 5.0 months import cover as at end February 2015. In the medium to long-term, the currency may depreciate due to significant trade imbalances and current account deficits. As at 31 March 2015, the Kwacha appreciated against the British Pound (4.8%), the Euro (16.7%) and the South African Rand (6.8%) but depreciated against the US Dollar (8.0%). Overall, the Kwacha appreciated by 5.9% in the first quarter 2015 compared to 6.1% in the fourth quarter 2014.

Mozambique

In 2014, real GDP posted a robust 8.5% growth, although lower than expected due to severe floods early in the year. The progressive increase in coal production and the implementation of large infrastructure projects, coupled with budgetary expansion, are expected to continue to drive growth, projected at 8.2% in 2015. Going forward, prospects are good as inflation is projected to remain in single

digit levels due to lower global oil prices. Mozambique's year-on-year inflation increased to 3.99% in February 2015, from 2.79% in January 2015. External current account deficit narrowed from 18.1% of GDP in 2013 to 14% of GDP in 2014. The Mozambican currency depreciated against all the major currencies. The Meticaís depreciated against the US Dollar by 6.96% in March 2015.

Namibia

Developments in the Namibian economy point towards improved growth during 2014 and the first two months of 2015, with inflation continuing to decline. Real GDP growth picked up to 5.3% in 2014, against 4.4% in 2013 on the back of strong construction sector activity, the opening up of new mines, several large-scale infrastructure initiatives and an upturn in manufacturing production and an expansion in tourism. Looking ahead, Namibia's growth prospects are more promising with forecast real GDP growth expected to reach around 5.6% in 2015. The current account deficit widened to 6.7% in

2014 compared to 4.0% in 2013 reflecting a high import bill. At this level, the international reserves remained adequate to maintain the 1:1 link of the Namibian Dollar to the Rand. However, there are concerns that the growing import bill may become unsustainable in the short-term. Annual consumer price inflation averaged 5.4% in 2014, which indicated a marginal decline compared to the 5.6% recorded in 2013. It slowed to 3.6% at the end of February 2015. Overall, annual inflation for 2015 is, however, expected to remain stable.

Rwanda

The Rwandan economy expanded by 7% in 2014, up from 4.7% in 2013. The increased growth was on account of good services and industry sector performance supported by central bank accommodative monetary policy. The same trend is projected to continue in 2015, supported by the banking sector financing as a result of monetary policy easing by the central bank. In addition, the revised 2014/2015 budget, as well as its projections for 2015/2016 show a slight increase in resources. Rwandan trade deficit reduced by 12.9% in the first

two months of 2015, as a result of the reduced import bill by 9.0%, compared to a moderate increase in exports by 6%. Headline inflation remained low in January and February 2015, standing at 1.4% and 0.7% respectively, a decline resulting from falling international commodity prices as well as declining domestic food prices due to good performance of agriculture in first quarter of 2015. In February 2015, the exchange rate has been under relative pressure due to rapidly increasing demand for foreign currency to finance imports. It

marginally depreciated against the US dollar by 2.5%. However, the central bank managed to ensure that the stability of the currency was achieved. Taking into account the risks to the inflation outlook and basing on the prevailing economic conditions,

headline inflation is expected to be around 2.3% in June and 3.5% in December 2015. Overall, the central bank will continue supporting the economy and keep inflation rate around the medium-term target of 5%.

Swaziland

The real GDP growth slowed down to 2.4% in 2014 from an estimated growth rate of 3.0% in 2013. This slowdown has been largely due to weak performance in mining and manufacturing sectors. This stemmed from weakened performance in the textile industry, labour disputes and falling commodity prices in the sugar industry.

In spite of an expansionary fiscal stance, economic growth is expected to decelerate to just over 2% in 2015 as private sector investments remain low. Uncertainty in Southern Africa Customs Union (SACU) revenue receipts beyond 2015 calls for accelerated fiscal reforms that would lock-in the

benefits from the current high inflows. At the end of 2014, total public debt stood at 17.4% of GDP. Swaziland's overall Balance Of Payments overall deficit continued to deteriorate and Gross official reserves reduced by 3.7% in 2014. The business environment is slowly improving but a significant number of reforms are still needed to make it more conducive. Annual average inflation to December 2014 was 5.7%, slightly higher than the 5.6% average inflation observed in 2013. An unfavourable business environment (ranked 123 out of 189) constrains the extent to which the economy could benefit from existing links into global value chains.

Tanzania

Tanzania achieved a higher growth rate of 7.0% in 2014 and is targeting an even higher growth rate of 7.2% in 2015. This growth will be driven by an expansionary fiscal stance ahead of the elections and rising investment in the natural gas sector. Headline inflation remained subdued in line with moderation in global oil prices, which moved in tandem with domestic pump prices; and the slower rate of price increases in most foodstuffs following regional bumper harvest. Real GDP growth in Tanzania is expected to remain strong over 2015. The services sector will continue to be a major driver of Tanzania's economic expansion, with especially

communications and banking expected to do well. Headline inflation was 4.8% in December 2014, the lowest in the past five years and slightly below the medium-term target of 5%. Inflation increased to 4.2% in February 2015 from 4.0% in January 2015. The current account deficit narrowed mainly due to a decline in all goods imports with the exception of food and foodstuffs. However, much of the decrease was recorded in the value of oil imports, owing to a decline in oil prices in the world market. The Tanzanian Shilling marginally depreciated against the US Dollar (0.37%) but appreciated against the British Pound, the South African Rand and the Euro.

Uganda

On account of stable macroeconomic fundamentals, Uganda achieved a real GDP growth rate of 6.6% in 2014. Fiscal and monetary policy stance focused on containing inflationary pressures has provided an enabling environment for economic growth by ensuring debt and exchange rate stability. Looking forward, the rate of growth of the Ugandan economy will reach 5.6% during FY 2014/15A. The construction and services sectors will make the most significant contribution to economic growth, with the agricultural sector being expected to continue to grow at a rate lower than that of the overall economy. Uganda's inflation increased to 1.9% in March 2015 from 1.6% in February 2015. In January 2015, the economy continued to experience a slowdown in growth of the general price level, with annual headline inflation decreasing by 0.5% to

1.3% compared to 1.8% in December 2014. This is attributed to the continued drop in food crop prices with food crop inflation recorded at -6.5% following a fall by -2.5% in December 2014. The current account balance remains large at around 8.5% of GDP as a result of lower commodity prices, whereas the financial account inflows have also weakened over the last few months. The Ugandan Shilling depreciated against the US Dollar by 2.64% but appreciated against the Euro and the British Pound.

Zambia

In 2014, Zambia's economy remained strong with a real GDP growth rate of 6.5%, making the country one of the fastest growing economies in Sub-Saharan Africa. Zambia's year-on-year inflation decreased to 7.2% in March 2015, from 7.4% in February 2015. Economic growth is forecast at 5.5% in 2015. The Zambian Kwacha depreciated against all the major currencies. An assessment of the deficit in 2014 indicates that it will be contained around 5.4% of GDP, a rate lower than the 6.5% of GDP registered in 2013. For 2015, the projection is an even lower deficit of 4.6%, while in the medium-term, the

Government will reduce the deficit to around 3% of GDP, in line with the policy of promoting the availability of capital for private sector growth. In 2015, it is projecting a current account deficit, largely due to lower copper prices, coupled with reduced non-traditional exports and subsequently, the weaker export earnings. Foreign reserves currently stand at around 3.4 months of import cover. The goal is to attain four months of import cover in the medium-term and six months thereafter. The Zambian Kwacha depreciated against the US Dollar by 10.45% in March 2015.

Zimbabwe

Economic performance remains fragile, on account of the various challenges the economy is facing, notably supply side bottlenecks, liquidity shortages, lack of long-term financing, competition from cheap imports, and the slow pace of recovery in the advanced economies. Economic growth is estimated to have declined from 4.5% realised in 2013 to 3.1 % in 2014. Annual inflation further declined to -1.4% during the month of February from -1.3% of the

previous month, implying continued fall in general prices of goods and services. As such, the economy is vulnerable to adverse developments with respect to default conditions in light of the projected slowdown in economic growth. The favourable economic and financial measures announced in both the 2015 budget and the first quarter monetary statement are, however, expected to encourage these sectoral investments.

3. Annexes

Annex 1: Macroeconomic Indicators in the MEFMI Region 2009-2015

Indicators	Country	2009	2010	2011	2012	2013	2014 ^a	2015	
								2015 ^b	Q1 ^a
Inflation Rates Consumer prices-annual Average	Angola	14.0	15.3	11.4	9.0	8.0	7.3	7.9	7.9
	Botswana	8.2	6.9	8.5	7.5	5.9	4.8	5.4	2.8
	Kenya	9.2	4.0	14.0	5.7	5.7	6.9	6.0	7.3
	Lesotho	7.3	3.6	5.0	5.0	4.9	6.5	5.9	2.1
	Malawi	8.4	7.4	7.6	27.3	24.2	19.6	16.4	18.2
	Mozambique	3.3	12.7	8.4	4.2	5.6	4.6	5.6	3.1
	Namibia	8.8	4.5	5.1	5.6	5.6	5.4	5.8	3.4
	Rwanda	10.3	2.3	5.7	4.2	6.3	3.5	5.8	-0.7
	Swaziland	7.5	4.5	6.1	5.6	5.6	5.7	5.6	5.6
	Tanzania	12.1	7.6	12.7	7.9	5.8	4.8	4.9	4.3
	Uganda	13.0	4.0	18.7	5.5	6.3	5.5	5.9	3.6
	Zambia	13.4	8.5	9.0	7.0	6.5	8.0	7.8	7.2
	Zimbabwe	6.5	3.1	3.5	1.6	-0.2	0.3	1.2	-1.2
	MEFMI Average	9.6	6.6	9.5	7.7	7.0	6.7	6.0	4.8
	South Africa	7.1	4.3	5.3	5.7	5.3	6.7	5.8	...
	Sub-Saharan Africa	7.1	4.5	6.1	6.5	5.5	6.0	6.0	...
	World	2.9	3.5	5.0	3.7	2.7	2.3	2.5	...
Real GDP (in US\$ Millions)	Angola	48,711.2	50,371.2	52,344.9	55,060.9	57,296.2	62,338.3	67,263.0	...
	Botswana	11,157.9	12,116.8	12,865.9	13,413.7	14,204.7	14,943.3	15,675.6	...
	Kenya	22,234.9	23,525.3	24,565.2	25,683.6	26,887.4	28,420.0	30,096.8	...
	Lesotho	1,633.7	1,749.6	1,799.2	1,916.3	2,029.4	2,120.7	2,220.4	...
	Malawi	3,636.8	3,290.3	3,433.3	3,498.1	3,671.9	3,892.2	4,133.5	...
	Mozambique	8,523.9	9,127.8	9,796.1	10,505.5	11,256.5	12,213.3	13,214.8	...
	Namibia	8,383.8	8,936.8	9,474.0	10,107.9	10,553.2	11,112.5	11,734.8	...
	Rwanda	3,562.6	3,785.8	4,068.2	4,365.4	4,565.3	4,884.9	5,246.4	...
	Swaziland	2,863.9	2,917.3	2,898.0	1,671.3	1,469.2	1,504.5	1,542.1	...
	Tanzania	18,422.9	19,720.5	20,992.2	22,447.6	24,010.1	25,690.8	27,540.5	...
	Uganda	12,622.2	13,362.0	14,246.7	23,068.0	24,157.0	25,751.4	27,193.4	...
	Zambia	9,105.8	9,799.6	10,469.8	11,230.9	11,944.4	12,661.1	13,357.4	...
	Zimbabwe	4,670.9	5,202.3	5,821.7	6,131.2	6,242.1	6,429.4	6,667.2	...
	Total MEFMI	155,530.6	163,905.1	172,775.3	182,047.4	191,283.4	202,569.1	215,533.5	...
	South Africa	280,988.3	289,811.7	300,242.9	307,649.5	313,465.9	321,929.5	331,587.4	...
	Sub-Saharan Africa	801,222.9	842,420.0	877,601.4	910,682.3	945,025.4	990,386.6	1,038,915.6	...
	World	49,966,122.8	51,999,605.9	53,468,720.5	54,740,034.2	55,928,883.9	57,774,537.1	59,796,645.9	...
Real GDP Growth	Angola	2.4	3.4	3.9	5.2	7.1	8.8	7.9	4.4
	Botswana	-4.9	7.2	7.2	4.3	5.9	5.2	4.9	3.3
	Kenya	2.6	5.8	4.4	4.6	4.9	5.7	5.9	-3.3
	Lesotho	3.4	7.1	2.8	6.5	3.4	4.5	4.7	3.4
	Malawi	8.9	11.1	2.9	2.1	6.1	6.0	6.2	6.0
	Mozambique	6.3	6.8	7.3	7.2	7.0	8.5	8.2	0.9
	Namibia	-1.1	6.3	5.7	5.2	5.1	5.3	5.6	4.3
	Rwanda	6.2	7.2	8.2	8.0	4.7	7.0	7.4	5.9
	Swaziland	1.2	2.0	1.3	2.7	3.0	2.4	2.5	2.8
	Tanzania	6.0	7.0	6.4	6.9	7.0	7.0	7.2	1.5
	Uganda	4.1	6.2	6.3	3.6	4.7	6.6	5.6	3.4
	Zambia	6.4	7.6	6.8	6.7	6.7	6.0	5.5	2.8
	Zimbabwe	5.4	11.4	11.9	10.6	4.5	3.0	3.7	3.0
	MEFMI Average	3.6	6.9	5.8	5.7	5.4	5.9	6.4	2.95
	South Africa	-1.5	3.1	3.6	2.5	1.9	2.7	3.0	...
	Sub-Saharan Africa	1.9	5.1	4.2	3.8	5.2	4.8	4.9	...
	World	-2.09	4.07	2.83	2.4	3.3	3.3	3.5	...
Population (in millions)	Angola	18.92	19.55	20.18	20.82	21.47	22.14	22.83	...
	Botswana	1.95	1.97	1.99	2.02	2.02	2.02	2.02	...
	Kenya	39.82	40.91	42.03	43.18	44.36	45.57	46.82	...
	Lesotho	1.99	2.00	2.03	2.05	2.07	2.09	2.11	...
	Malawi	14.57	15.01	15.46	15.91	16.36	16.82	17.30	...
	Mozambique	23.36	23.97	24.58	25.20	25.83	26.48	27.14	...
	Namibia	2.14	2.18	2.22	2.26	2.30	2.34	2.38	...
	Rwanda	10.53	10.84	11.14	11.46	11.78	12.11	12.45	...
	Swaziland	1.17	1.19	1.21	1.08	1.09	1.10	1.11	...
	Tanzania	43.64	44.97	46.35	47.78	49.25	50.77	52.33	...
	Uganda	32.86	33.99	35.15	36.35	37.58	38.85	40.17	...
	Zambia	12.83	13.22	13.63	14.08	14.54	15.02	15.51	...
	Zimbabwe	12.89	13.08	13.36	13.72	14.15	14.59	15.05	...
	MEFMI Region	216.67	222.88	229.33	236.04	242.96	250.08	257.41	...
	South Africa	50.22	50.90	51.58	52.27	52.98	53.70	54.43	...
	Sub-Saharan Africa	841.95	864.72	888.14	912.21	936.88	962.22	988.24	...
	World	6,803.74	6,883.51	6,964.64	7,043.11	7,124.54	7,206.91	7,290.24	...
Per Capita Income(in US\$ Millions)	Angola	2,574.59	2,576.53	2,593.90	2,644.62	2,668.66	2,815.60	2,946.06	...
	Botswana	5,721.99	6,150.67	6,465.32	6,706.83	7,032.03	7,397.70	7,760.18	...
	Kenya	558.39	575.05	584.47	594.80	606.12	623.62	642.85	...
	Lesotho	820.95	874.78	886.30	934.80	980.39	1,014.61	1,052.03	...
	Malawi	249.61	219.20	222.08	219.86	224.44	231.37	238.95	...
	Mozambique	364.89	380.80	398.54	416.89	435.79	461.30	486.95	...
	Namibia	3,917.65	4,099.43	4,267.57	4,472.52	4,588.35	4,747.50	4,926.17	...
	Rwanda	338.33	349.24	365.19	380.93	387.55	403.41	421.49	...

		Swaziland	2,447.77	2,451.55	2,395.06	3,736.5	3,471.2	1,367.58	1,388.91	...
		Tanzania	422.16	438.52	452.91	469.81	487.51	506.07	526.32	...
		Uganda	384.12	393.12	405.31	551.0	572.0	662.81	677.02	...
		Zambia	709.72	741.27	768.14	797.65	821.48	843.23	861.46	...
		Zimbabwe	362.37	397.73	435.75	446.88	441.14	440.56	442.98	...
		MEFMI Region	717.82	735.40	753.39	771.26	787.30	810.01	837.30	...
		South Africa	5,595.15	5,693.75	5,820.92	5,885.78	5,916.68	5,995.00	6,092.10	...
		Sub-Saharan Africa	951.63	974.21	988.13	998.33	1,008.69	1,029.28	1,051.28	...
		World	7,343.92	7,554.23	7,677.17	7,772.14	7,850.17	8,016.55	8,202.29	...
Private Consumption(in % of GDP)		Angola	67.6	50.7	47.4	50.6	52.1	...	...	...
		Botswana	52.5	53.7	48.5	57.6	51.2	53.8	53.6	...
		Kenya	77.3	75.1	78.1	79.7	...	...	...	...
		Lesotho	100.2	99.2	99.9	91.2	...	...	...	...
		Malawi	69.1	71.5	71.9	77.5	73.7	...	...	...
		Mozambique	89.2	83.7	80.6	79.4	79.2	...	...	...
		Namibia	74.4	69.5	64.4	75.05	87.07	...	...	...
		Rwanda	86.7	87.4	84.1	83.3	80.8	...	...	...
		Swaziland	93.1	87.0	84.7	92.40	...	...	...	...
		Tanzania	65.5	62.6	66.1	61.6	60.9	...	...	...
		Uganda	78.1	79.8	83.7	80.0	78.1	...	...	...
		Zambia	58.1	49.4	48.9	55.8	51.9	...	...	...
		Zimbabwe	102.1	90.6	96.2	88.2	87.0	...	...	...
		MEFMI Region	77.99	73.86	73.42	73.65	71.86	...	...	...
		South Africa	60.2	58.8	59.1	61.5	61.21	...	...	...
		Sub-Saharan Africa	68.3	64.4	63.6	64.4	64.17	...	...	...
		World	60.3	59.9	60.3	60.4	...	...	...	...
Gross National Savings (in % of GDP)		Angola	5.2	8.6	17.2	...	...	...	...	...
		Botswana	18.5	36.0	21.2	...	30.7	...	...	...
		Lesotho	19.0	7.8	12.4	18.7	18.8	20.2 ¹	...	...
		Kenya	12.9	11.8	14.0	12.2	...	...	...	...
		Malawi	19.0	24.7	9.4	12.7	18.9	18.1	...	...
		Mozambique	4.3	9.3	11.3	...	...	...	...	...
		Namibia	24.7	18.6	26.9	30.4	...	...	...	...
		Swaziland	0.3	-5.3	-1.6	17.68	...	...	...	...
		Rwanda	5.1	4.6	3.2	3.2	4.8	7.5	...	...
		Tanzania	19.5	19.7	19.3	...	...	...	...	...
		Uganda	16.7	14.4	14.2	14.8	14.7	...	...	...
		Zambia	25.8	27.6	30.0	31.2	32.0	32.5	...	...
		Zimbabwe	...	...	...	...	...	...	...	...
Government Finance	Government Revenue (% of GDP)	Angola	34.6	43.5	42.3	46.5	38.2	...	...	...
		Botswana	34.9	34.7	30.2	55.2	61.6	63.1	...	...
		Lesotho	64.8	55.3	51.1	66.1	64.4	...	...	...
		Kenya	25.6	23.4	26.4	27.9	29.9	...	...	...
		Malawi	23.3	29.3	23.9	26.5	...	...	...	...
		Mozambique	17.6	20.3	20.2	...	...	...	...	...
		Namibia	29.2	25.2	21.2	34.3	35.1	...	...	...
		Swaziland	36.2	24.6	25.8	36.2	35.1	...	...	...
		Rwanda	24.1	25.6	24.3	25.7	23.7	...	...	...
		Tanzania	16.2	15.4	16.6	...	...	...	...	...
		Uganda	14.6	17.9	18.7	13.0	...	...	...	...
		Zambia	16.0	17.8	21.7	22.7	20.9	...	...	...
		Zimbabwe	16.0	23.2	25.3	27.7	28.4	...	...	...
	Government Expenditure (% of GDP)	Angola	41.1	35.3	38.7	39.8	42.0	...	...	...
		Botswana	...	...	...	54.6	52.9	62.1	...	...
		Lesotho	64.1	61.6	56.9	65.6	63.02	...	...	...
		Kenya	36.3	32.1	37.5	36.6	47.4	...	...	...
		Malawi	27.6	28.0	26.8	30.1	...	...	...	...
		Mozambique	...	...	...	...	...	...	...	...
		Namibia	32.5	32.9	38.4	34.4	38.1	...	...	...
		Swaziland	...	...	...	31.4	35.2	...	...	...
		Rwanda	26.3	25.7	27.7	26.9	28.8	...	...	...
		Tanzania	...	...	...	...	...	...	...	...
		Uganda	16.2	23.7	25.8	18.2	19.2	...	...	...
		Zambia	...	...	23.9	26.0	29.5	...	...	...
		Zimbabwe	...	...	...	...	...	...	...	...
	Overall Fiscal Balance Excluding Grants (% of GDP)	Angola	-7.6	6.8	10.5	6.7	-3.8	-4.1	...	...
		Botswana	-5.6	-6.4	-4.4	-3.2	5.6	0.8	...	...
		Lesotho	-3.4	-11.8	-14.7	-8.5	-5.9	-1.2	...	...
		Kenya	-5.75	-7.9	-5.36	-6.1	-4.8	-5.8	...	...
		Malawi	-10.1	-8.0	-6.3	-12.4	-25.5	-13.3	...	...
		Mozambique	-14.8	-12.2	-13.7	-4.0	-2.7	-7.4	...	...
		Namibia	1.1	4.6	7.1	0.0	-2.8	...	...	...
		Swaziland	-7.1	-9.4	-9.5	4.7	-0.7	...	...	...
		Rwanda	-11.4	-13.2	-14.1	-12.4	-12.9	...	...	...
		Tanzania	-9.5	-11.0	-11.7	-5.7	-5.9	...	...	...
		Uganda	-4.6	-7.2	-6.4	-5.3	-5.7	...	...	...
		Zambia	-5.5	-4.9	-4.7	-7.3	-12.1	...	...	...

¹ Calculated as a percentage of GNI.

	Government Debt (% of GDP)	Zimbabwe	0.7	-0.3	-3.0	-2.4	-2.6	...	...	...
		Angola	44.1	28.3	21.6	29.6	34.6	37.8	...	...
		Botswana	5.7	6.7	16.1	19.2	16.9	13.0	...	...
		Lesotho	39.5	36.0	37.4	42.2	42.7	40.1	...	...
		Kenya	44.12	48.05	54.21	40.8	41.0	46.6	...	...
		Malawi	40.6	35.1	44.0	53.4	72.9	48.6	...	...
		Mozambique	34.4	38.2	39.2	42.7	47.8	53.6	...	...
		Namibia	17.6	15.5	25.1	24.6	23.6	...	...	...
		Swaziland	16.0	12.0	13.9	14.9	17.3	...	...	...
		Rwanda	14.4	14.5	18.0	17.1	20.8	...	...	...
		Tanzania	40.1	40.9	43.8	40.4	40.5	...	...	...
		Uganda	26.3	23.8	28.7	26.2	29.1	...	...	...
		Zambia	20.2	29.3	25.4	30.8	34.1	...	...	...
External Sector	Exports of Goods and Services (% of GDP)	Zimbabwe	109.3	94.3	90.3	56.7	55.2	...	...	...
		Angola	61.9	62.4	65.4	62.9	56.0	...	...	...
		Botswana	32.1	32.6	33.1	62.0	85.3	...	...	...
		Lesotho	44.7	42.3	48.9	44.8	42.9	...	...	...
		Kenya	24.2	27.5	28.5	27.3	...	...	...	...
		Malawi	22.3	23.6	21.8	21.1	...	...	...	...
		Mozambique	29.2	27.8	26.7	...	...	...	...	...
		Namibia	34.0	35.0	38.0	40.0	54.0	...	...	...
		Swaziland	59.4	59.2	53.2	57.7	60.3	...	...	...
		Rwanda	4.5	5.7	7.3	8.3	10.8	...	...	...
		Tanzania	23.9	27.6	30.5	...	...	...	...	...
		Uganda	19.6	20.8	22.0	11.48	11.09	...	...	...
	Imports of Goods and Services (in % of GDP)	Zambia	35.9	35.6	45.1	45.7	48.0	...	...	...
		Zimbabwe	31.9	38.3	44.4	35.7	35.1	...	...	...
		Angola	55.4	42.9	43.3	41.8	40.9	...	...	...
		Botswana	48.8	43.2	50.1	89.8	72.3	...	...	...
		Kenya	37.3	39.8	45.1	45.0	...	...	...	...
		Lesotho	112.9	112.0	107.5	113.6	...	...	...	...
		Malawi	39.0	44.9	39.8	54.2	64.2	...	...	...
		Mozambique	45.1	48.9	60.5	70.6	75.1	...	...	...
		Namibia	68.6	56.8	52.9	70.3	83.1	...	...	...
		Rwanda	29.0	29.7	29.6	29.3	31.1	...	...	...
		Swaziland	75.8	67.7	71.5	71.1	68.8	71.5	...	...
		Tanzania	35.2	38.6	50.2	47.3	43.8	...	...	...
		Uganda	34.3	33.4	40.0	21.55	19.50	...	...	...
		Zambia	32.2	34.9	37.0	43.2	48.2	...	...	...
		Zimbabwe	44.9	61.7	77.7	60.8	61.1	...	...	...
	Real Effective Exchange Rate (2010 =100)	MEFMI Region	50.6	50.3	54.3	50.6	51.6	...	...	...
		South Africa	28.2	27.7	30.2	31.8	34.0	...	...	...
		Sub-Saharan Africa	34.2	31.6	34.2	33.9	34.0	...	...	...
		World	26.0	28.6	30.6	30.4	32.5	...	...	...
		Angola	...	...	...	...	...	...	...	...
		Botswana	...	...	...	103.4	103.8	...	...	...
		Kenya	...	...	...	...	...	...	...	...
		Lesotho	87.79	100.00	100.57	94.65	84.66	...	...	...
		Malawi	106.34	100.00	96.75	79.00	66.73	...	...	...
		Mozambique	...	...	...	...	...	...	...	...
		Namibia	...	...	...	120.7	115.2	...	...	...
		Rwanda	...	...	...	...	...	...	...	...
		Swaziland	...	...	...	167.75	167.42	207.22	...	...
		Tanzania	...	...	...	...	...	...	...	...
		Uganda	107.34	100.00	95.78	101.26	98.91	...	...	...
		Zambia	94.52	100.00	97.39	100.55	104.27	...	...	...
	External Current Account, Excluding Grants (% of GDP)	Zimbabwe	...	...	...	...	...	...	...	...
		MEFMI Region	...	...	...	...	...	...	...	...
		South Africa	86.59	100.00	97.92	92.58	82.83	...	...	...
		Sub-Saharan Africa	...	...	...	...	...	...	...	...
		World	...	...	...	...	...	...	...	...
		Angola	18.2	8.1	12.6	9.9	5.7	...	...	...
		Botswana	-11.2	9.1	12.5	16.53	4.9	-0.9	...	...
		Lesotho	-4.7	-5.0	-3.9	...	3.9	...	...	...
		Kenya	3.6	-7.5	-6.3	-10.4	-8.8	...	...	...
		Malawi	-6.6	-8.6	...	...	...	...	...	...
		Mozambique	-15.8	-18.1	-13.0	...	...	...	...	...
		Namibia	-19.1	-18.1	-17.0	-21.0	-21.1	...	...	...
		Swaziland	-15.0	-12.9	-12.8	-21.8	-18.8	...	...	...
Monetary	Reserves (Months of Imports of	Rwanda	-20.8	-21.0	-15.3	...	...	...	...	...
		Tanzania	-17.2	-17.1	-19.0	-19.0	-18.8	...	...	...
		Uganda	-11.3	-11.7	-19.2	-8.60	-6.65	...	...	...
		Zambia	-10.2	-10.7	-11.0	-9.8	-12.1	...	...	...
		Zimbabwe	-20.3	-20.3	-28.5	-24.1	-28.2	-34.30	...	...
		Angola	3.2	5.9	7.1	7.4	8.0	...	...	...
		Botswana	19.7	15.1	18.3	11	14	...	...	...
		Lesotho	5.9	4.8	4.6	4.7	5.3	...	...	...
		Kenya	4.1	3.9	3.7	4.3	...	...	...	...
		Malawi	1.9	3.1	2.3	1.1	...	...	...	...
		Mozambique	5.2	4.4	5.2	...	...	...	...	...

		Namibia	4.0	3.0	3.8	2.8	2.4	...	...	...
		Swaziland	4.5	3.5	2.4	2.9	3.9	...	...	...
		Rwanda	5.4	4.5	5.1	3.6	4.1	...	...	...
		Tanzania	6.2	5.8	4.0	...	...	...	...	...
		Uganda	5.4	4.02	3.7	4.63	4.57	...	...	...
		Zambia	5.4	4.0	3.7	2.8	2.7	...	...	...
		Zimbabwe	1.2	1.0	0.6	0.7	0.6	...	...	...
	Interest Rates (T-Bill Rate)	Angola	23.3	10.8	3.9	3.4	3.6	...	...	...
		Botswana	7.5	7.7	5.6	5.60	4.31	...	...	...
		Lesotho	6.7	5.5	5.3	5.37	5.52	...	...	...
		Kenya	7.4	3.6	8.7	12.7	...	...	...	...
		Malawi	7.14	6.2	7.67	20.0	...	...	...	...
		Mozambique	9.5	14.8	11.8	...	...	...	...	...
		Namibia	7.4	5.7	5.9	5.69	5.67	...	...	...
		Swaziland	7.9	6.6	6.2	7.1	6.5	...	...	...
		Rwanda	8.7	7.8	7.1	9.9	9.6	...	...	...
		Tanzania	6.9	6.3	18.2	...	...	...	...	...
		Uganda	11.4	6.8	13.6	17.35	13.15	...	...	...
		Zambia	6.3	6.3	7.1	9.4	7.8	...	...	...
		Zimbabwe	...	...	...	...	...	...	...	...
	Average Deposit Rates	Angola	7.59	12.76	6.31	3.30	...	...	...	...
		Botswana	7.47	5.60	5.15	6.61	...	...	...	...
		Kenya	5.97	4.56	5.63	11.57	...	...	...	...
		Lesotho	4.85	3.68	2.70	2.85	...	...	...	...
		Malawi	3.50	3.60	4.11	11.08	...	...	...	...
		Mozambique	9.52	9.68	12.98	11.43	...	...	...	...
		Namibia	6.24	5.00	4.28	4.21	3.62	...	...	...
		Rwanda	6.72	7.10	...	...	...	...	...	...
		Swaziland	5.40	3.85	2.85	2.47	2.17	...	...	...
		Tanzania	7.97	6.57	6.78	9.51	...	...	...	...
		Uganda	9.75	7.69	13.02	16.96	12.05	...	...	...
		Zambia	7.09	7.40	7.02	7.00	...	...	...	...
		Zimbabwe	...	...	...	...	...	...	...	...
		MEFMI Region	...	...	...	...	...	...	...	...
		South Africa	8.54	6.47	5.67	5.44	...	...	...	...
		Sub-Saharan Africa	...	...	...	...	...	...	...	...
		World	...	...	...	...	...	...	...	...
	Average Lending Rates(Quarterly data are end of period actual rate)	Angola	19.1	20.5	13.1	14.7	14.2	...	...	...
		Botswana	13.8	11.5	11.0	11.0	9.33	...	...	...
		Lesotho	11.7	10.5	10.5	9.92	9.92	...	...	...
		Kenya	14.8	14.4	15.0	19.7	...	...	...	...
		Malawi	19.25	19.25	17.75	17.75	36.2	...	...	...
		Mozambique	19.9	19.9	23.6	...	...	...	...	...
		Namibia	11.1	9.7	8.7	8.7	8.3	...	...	...
		Swaziland	10.0	9.0	9.0	8.50	8.50	...	...	...
		Rwanda	16.7	17.0	16.7	16.7	17.4	...	...	...
		Tanzania	14.0	14.4	13.8	...	...	...	...	...
		Uganda	21.0	20.2	21.8	24.92	22.01	...	...	...
		Zambia	22.7	19.4	16.6	16.1	16.3	...	...	...
		Zimbabwe	1.24-25.0	1.26-60.0	8.0-30.0	10.0-35.0	6.0-35.0	...	...	...
	Unemployment, total (% of total labor force) (modeled ILO estimate)	Angola	7.60	7.60	7.60	7.50	...	...	...	26.0
		Botswana	18.40	17.90	17.80	17.70	...	...	...	...
		Kenya	9.40	9.30	9.30	9.20	20.00	...	...	...
		Lesotho	25.70	24.00	24.50	26.50	...	...	...	...
		Malawi	7.50	7.60	7.60	7.60	...	...	...	...
		Mozambique	7.60	7.50	7.50	7.50	...	...	...	...
		Namibia	29.70	22.10	19.80	16.70	...	...	...	...
		Rwanda	0.60	0.60	0.60	0.60	...	...	...	...
		Swaziland	22.90	22.80	22.70	28.5	..	..	..	..
		Tanzania	2.50	3.00	3.50	3.50	...	...	...	...
		Uganda		4.20	4.20	4.20	4.20	...	...	...	...
		Zambia		15.60	13.20	13.20	13.10	...	...	...	...
		Zimbabwe	...	...	...	...	...	...	...	...
		MEFMI Region		12.64	11.65	11.52	11.38	...	...	...	...
		South Africa		23.70	24.70	24.70	25.00	...	...	...	...
		Sub-Saharan Africa		7.66	7.58	7.58	7.56	...	...	...	...
		World		6.21	6.06	5.91	5.94	...	...	...	...

Sources: Member States Central Banks, Ministries of Finance and Central Statistical Offices. Fiscal Data refer to year ending June in some countries.

^a: Estimates; ^b: Forecasts; ...: Data currently not available.

Annex 2: Other Useful Indicators

Annex 2-1: Competitiveness Index in the MEFMI Region and the World 2014/2015

Country		2012/2013		2013/2014		2014/2015	
		Rank	Score/7.0	Rank	Score/7.0	Rank	Score/7.0
Global Ranking – Top 10							
1.	Switzerland	1	5.7	1	5.7	1	5.7
2.	Singapore	2	5.6	2	5.6	2	5.6
3.	United States	7	5.5	5	5.5	3	5.5
4.	Finland	3	5.6	3	5.5	4	5.5
5.	Germany	6	5.5	4	5.5	5	5.5
6.	Japan	10	5.4	9	5.4	6	5.5
7.	Hong Kong	9	5.4	7	5.5	7	5.5
8.	Netherlands	5	5.5	8	5.4	8	5.5
9.	United Kingdom	8	5.5	10	5.4	9	5.4
10.	Sweden	4	5.5	6	5.5	10	5.4
Sub-Saharan Africa - Top 10							
1.	Mauritius	54	4.4	45	4.5	39	4.5
2.	South Africa	52	4.4	53	4.4	56	4.4
3.	Rwanda	63	4.2	66	4.2	62	4.3
4.	Botswana	79	4.1	74	4.1	74	4.2
5.	Namibia	92	3.9	90	3.9	88	4.0
6.	Kenya	106	3.8	96	3.9	90	3.9
7.	Seychelles	76	4.1	80	4.1	92	3.9
8.	Zambia	102	3.8	93	3.9	96	3.9
9.	Gabon	99	3.8	112	3.7	106	3.7
10.	Lesotho	137	3.2	123	3.5	107	3.7
MEFMI Region - All							
1.	Rwanda	63	4.2	66	4.2	62	4.3
2.	Botswana	79	4.1	74	4.1	74	4.2
3.	Namibia	92	3.9	90	3.9	88	4.0
4.	Kenya	106	3.8	96	3.9	90	3.9
5.	Zambia	102	3.8	93	3.9	96	3.9
6.	Lesotho	137	3.3	123	3.7	107	3.2
7.	Tanzania	120	3.6	125	3.5	121	3.6
8.	Uganda	123	3.5	129	3.5	122	3.6
9.	Swaziland	135	3.3	124	3.5	123	3.5
10.	Zimbabwe	132	3.3	131	3.4	124	3.6
11.	Malawi	129	3.4	136	3.3	132	3.2
12.	Mozambique	138	3.2	137	3.3	133	3.7
13.	Angola	--	--	142	3.2	140	3.0

Source: 2014/2015 Global Competitiveness Index (GCI) Report

Note: The highest score in all the three reports is for Switzerland, ranked top, with all-time score of 5.7, while the lowest is Burundi up to 2013, ranked 144 in 2012, and 146 in 2013, however in 2014 Burundi increased by one place to 139 with scores of 2.9, 2.9 and 3.1 respectively. The highest for Sub-Saharan Africa in 2012 is South Africa, ranked 52nd with a score of 4.4 followed by Mauritius in 54th place with 4.4 and Rwanda in 63th place with a score of 4.2. The highest for 2013 and 2014 is Mauritius, followed by South Africa and Rwanda. Rwanda has been the all-time highest ranked economy for the MEFMI Region at 63th, 66th and 62th in 2012, 2013 and 2014, respectively.

Annex 2-2: Ease of Doing Business in the MEFMI Region

Country		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Global Ranking – Top 10											
1.	Singapore	1	1	1	1	1	1	1	1	1	1
2.	New Zealand	2	2	2	3	3	3	3	3	3	2
3.	Hong Kong	4	4	4	2	2	2	2	2	2	3
4.	Denmark	6	6	5	5	6	6	5	5	5	4
5.	Korea, Rep.	20	19	22	23	19	16	8	8	7	5
6.	Norway	8	9	9	10	10	8	6	6	9	6
7.	United States	3	3	3	4	4	5	4	4	4	7
8.	United Kingdom	5	5	6	6	5	4	7	7	10	8
9.	Finland	13	13	13	14	16	13	11	11	12	9
10.	Australia	10	10	10	9	9	10	15	10	11	10
Sub-Saharan Africa - Top 10											
1.	Mauritius	31	32	29	24	17	20	23	19	20	28
2.	South Africa	30	31	35	32	34	34	35	39	41	43
3.	Rwanda	132	145	148	143	67	58	45	52	32	46
4.	Ghana	88	100	83	87	92	67	63	64	67	70
5.	Botswana	40	48	53	39	45	52	54	59	56	74
6.	Namibia	35	39	49	54	66	69	78	87	98	88
7.	Swaziland	..	87	99	114	115	118	124	123	123	110
8.	Zambia	73	90	101	99	90	76	84	94	83	111
9.	Cabo Verde	..	126	137	147	146	132	119	122	121	122
10.	Mozambique	129	147	139	140	135	126	139	146	139	127
MEFMI Region - All											
1.	Rwanda	132	145	148	143	67	58	45	52	32	46
2.	Botswana	40	48	53	39	45	52	54	59	56	74
3.	Namibia	35	39	49	54	66	69	78	87	98	88
4.	Swaziland	..	87	99	114	115	118	124	123	123	110
5.	Zambia	73	90	101	99	90	76	84	94	83	111
6.	Mozambique	129	147	139	140	135	126	139	146	139	127
7.	Lesotho	91	105	119	128	130	138	143	136	136	128
8.	Tanzania	110	112	124	126	131	128	127	134	145	131
9.	Kenya	71	80	78	84	95	98	109	121	129	136
10.	Uganda	86	104	107	106	112	122	123	120	132	150
11.	Burundi	146	168	174	177	176	181	169	159	140	152
12.	Malawi	104	125	131	131	132	133	145	157	171	164
13.	Zimbabwe	122	140	154	160	159	157	171	172	170	171
14.	Angola	144	166	169	170	169	163	172	172	179	181

Source: 2014/2015 Ease of Doing Business Index (EDBI) - The World Bank

N.B. Economies are ranked on their ease of doing business, from 1–189. A high ranking index means the regulatory environment is more conducive to the starting and operation of Businesses. This index averages the country's percentile rankings on 10 topics, made up of a variety of indicators, giving equal weight to each topic: i) Starting a business, (ii) Dealing with construction permits, (iii) Getting electricity, (iv) Registering property, (v) Getting credit, (vi) Protecting minority investors, (vii) paying taxes, (viii) Trading across borders, (ix) Enforcing contracts, and (x) Resolving insolvency. In the world for 2014/2015 ranking, Singapore is ranked top (1) while Eritrea is ranked the lowest at 189. The highest for Sub-Saharan Africa is Mauritius (28) followed by South Africa (43), Rwanda (46), Ghana (70), and Botswana (74).

Annex 2-3: Corruption Perception Index in the MEFMI Region and the World 2012-2014

Country		2012/2013		2013/2014		2014/2015	
		Rank	Score/100	Rank	Score/100	Rank	Score/100
Global Ranking – Top 10							
1.	Denmark	1	90	1	91	1	92
2.	New Zealand	1	90	1	91	2	91
3.	Finland	1	90	3	89	3	89
4.	Sweden	4	88	3	89	4	87
5.	Norway	7	85	5	86	5	86
6.	Switzerland	6	86	7	85	5	86
7.	Singapore	5	87	5	86	7	84
8.	Netherlands	9	84	8	83	8	83
9.	Luxembourg	12	80	11	80	9	82
10.	Canada	9	84	9	81	10	81
Sub-Saharan Africa - Top 10							
1.	Botswana	30	65	30	64	31	63
2.	Cape Verde	39	60	41	58	42	57
3.	Seychelles	51	52	47	54	43	55
4.	Mauritius	43	57	52	52	47	54
5.	Rwanda	50	53	49	53	55	49
6.	Namibia	58	48	55	49	55	49
7.	Lesotho	64	45	57	48	55	49
8.	Ghana	64	45	63	46	61	48
9.	South Africa	69	43	72	42	67	44
10.	Senegal	94	36	77	41	69	43
MEFMI Region - All							
1.	Botswana	30	65	30	64	31	63
2.	Rwanda	50	53	49	53	55	49
3.	Namibia	58	48	55	49	55	49
4.	Lesotho	64	45	57	48	55	49
5.	Swaziland	88	37	82	39	69	43
6.	Zambia	88	37	83	38	85	38
7.	Malawi	88	37	91	37	110	33
8.	Mozambique	123	31	119	30	119	31
9.	Tanzania	102	35	111	33	119	31
10.	Uganda	130	29	140	26	142	26
11.	Kenya	139	27	136	27	145	25
12.	Zimbabwe	163	20	157	21	156	21
13.	Burundi	165	19	157	21	159	20
14.	Angola	157	22	153	23	161	19

Source: 2014 Corruption Perception Index (CPI) Report-Transparency International (TI)

Note: The highest score is for Denmark, ranked top, with all-time score of 90 and above, while the lowest is Burundi, ranked 165 in 2012, 157 in 2013, and 159 in 2014 with scores of 19, 21 and 20 respectively. The highest for Sub-Saharan Africa has always been Botswana, ranked 31st with a score of 63 followed by Cape Verde in 42nd place with 57, Seychelles in 43rd place with 55, Mauritius in 47th place with 54 and Rwanda in 55th place with a score of 49. Botswana, Rwanda and Namibia have been the all-time highest ranked economies for the MEFMI Region.