



CONCEPT NOTE

3rd SEMINAR ON RECENT ECONOMIC SITUATION AND FORECASTS FOR THE ECOWAS ENGLISH SPEAKING COUNTRIES

11-14 October 2022, in Banjul, The Gambia

1. Context and rationale

The African continent has been recently impacted by a series of unprecedented crisis, especially COVID-19, which is a sanitary crisis with deep economic effects, and the Russia-Ukraine conflict, which has been leading to food, fuel and agricultural supplies disruptions. Moreover, the continent is faced with structural challenges, such as climate change, insecurity and demographic trends, which also pose challenges to economic recovery.

The outbreak and spread of COVID-19 in 2020 led to an unparalleled disruption of economic activity around the world. In Africa, even though the spread of the virus and related mortality was lower than initially projected, the socio-economic impact of the COVID-19 shock is severe on the continent. According to UNECA, approximately 55 million Africans were pushed into extreme poverty due to decline in economic activity, jobs and income caused by COVID-19 in 2020.¹

While world GDP growth was 2.5% in 2019, it sank to -3.6% in 2020. Although there was a tentative recovery in 2021, with 5.8% growth, the additional shocks of the Russia-Ukraine crisis plummeted the economic dynamics and growth is expected to reach only 3.1% in 2022. Regarding Africa, the trajectory is very similar: 2.9% GDP growth in 2019, followed by a fall of -1.8% in 2021, growth of 4.1% in 2021 and a projected 3.7% in 2022.²

According to the IMF³, lower GDP growth in 2022 stems from consistently growing inflation due to a rise in food and energy prices as well as lingering supply-demand imbalances, COVID-19 lockdowns in China, disrupting supply-chains, and negative consequences of Russia-Ukraine conflict. The average cost of the barrel oil has increased considerably since 2021, from \$69.07 in 2021 to the assumed price, based on futures markets, of \$103.88 in 2022 and \$91.07 in 2023.

Indeed, the disruption of supply chains in energy, food and agricultural inputs, such as fertilizers, lead to increasing inflation and food scarcity in both developed and developing countries. This is particularly alarming for African countries and can cause hardship, famine and social unrest. Russia and Ukraine account for almost 30% of global wheat exports and a considerable number of African countries is highly dependent on imports from these countries. Inflation disproportionately affects low-income households and compounds food insecurity, with a worrisome consequence of pushing millions below the poverty line. Although energy and mineral exporters are benefited with increasing prices, the net-importers face a heavy toll, which undermines their external and fiscal balances. The region's average consumer price inflation is forecasted to reach 12.3% in 2022, negatively affected by the impacts of the conflict and extreme weather events⁴.

¹ UNECA, Addressing poverty and vulnerability in Africa during the covid-19 pandemic, 2022.

² UN. World Economic Situation and Prospects as of mid-2022.

³ IMF, July 2022, World Economic Outlook: Gloomy and More Uncertain.

⁴ UN. World Economic Situation and Prospects as of mid-2022.

Projections for 2023 show a sharp slowdown for the global economy, with GDP growth of 3.1% according to the UN⁵ and 2.9% according to the IMF⁶. As reported by the later, uncertainty of economic forecast has increased due to international current scenario. Among the main challenges ahead, it is possible to highlight geopolitical fragmentation, which has the potential to hamper global trade and cooperation. The UN also underscores that growing geopolitical and economic uncertainties are reducing business confidence, and higher borrowing costs are weakening investment prospects⁷. For Africa, the GDP growth projection for 2023 is 3.8%, slightly above this year's growth. The projection has been downgraded throughout the year given the rise in food and fuel prices.

The West African subregion is particularly affected by the rising in fuel prices of 2022, given that all countries are net-importers, except for Nigeria, the continent's leading producer, and Niger, as well as in food prices, considering countries' high dependence on imports. Benin, Senegal, Mali and Guinea are especially dependent on wheat imports from Russia, being highly affected by the ongoing conflict. According to FAO, in 2022, the sub-region is projected to have the largest number of food-insecure people in the post-harvest period since 2014, situation driven by economic deterioration, below-average rainfall and insecurity⁸. The GDP growth projected for 2023 is 4%, the same performance on average since 2021, against -0.9% in 2020.

Considering this conjuncture, the third seminar on recent economic situation and forecasts for the ECOWAS's English-speaking countries will be organized to take stock of the economic situation and discuss prospects about the multifaceted impacts of the crises on the ECOWAS countries' economies. This seminar will complement the seminar on economic situation and of short-term forecast organized for UEMOA countries by the UEMOA Commission, AFRISTAT and AFRITAC West.

2. Main objective

The main objective of the seminar is to share experiences and take stock of the recent economic situation and the macroeconomic estimates for the year 2022, forecasts for 2023 and projections for 2024-2025 in the ECOWAS English speaking countries (The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone). It seeks to contribute to the efforts made to inform the monitoring of the macroeconomic convergence in the ECOWAS countries and to orient national and sub-regional policy development and programmes.

3. Specific objectives

The meeting has the following specific objectives:

- i. To review the analytical tools used by member States to monitor recent economic development, to assess the impact of the recent crises and to produce short term economic forecasts;
- ii. To share and analyze recent economic situations in the first nine months of 2022, updated estimates for 2022 and the forecasts for the main macroeconomic indicators (economic growth, inflation, trade, fiscal balances and external finances) for 2023-2025, with a view to facilitating the monitoring of the economic convergence in ECOWAS member States and to orient national and sub-regional policy development;
- iii. To identify the main drivers of the economic situation and prospects in member States, and the risks associated to the economic forecasts for 2023 and projections for 2023-2025.
- iv. To have an overview of the status of a) harmonization and updating of the base year of national accounts to facilitate the comparability of the macroeconomic convergence criteria at the community level, b) country efforts in the production of quarterly GDP and c) inflation measurement;

⁵ UN. World Economic Situation and Prospects as of mid-2022.

⁶ IMF, July 2022, World Economic Outlook: Gloomy and More Uncertain.

⁷ UN. World Economic Situation and Prospects as of mid-2022.

⁸ FAO, WFP. Hunger Hotspots. FAO-WFP early warnings on acute food insecurity June to September 2022 Outlook.

- v. To share best practices among countries on monitoring and assessing recent economic development and enhance partnership between key governmental organizations in the area of statistical development.

4. Expected results

- a. A good understanding of the analytical tools used by member States to monitor recent economic development, to assess the impact of the recent crises and to produce short-term economic forecasts;
- b. The recent economic situation and the forecasts for the 2022-2025 of the member States are known;
- c. The main determinants of the recent economic situation and associated risks of the macroeconomic forecasts are identified;
- d. The countries' national account base year status and efforts towards the production of quarterly GDP are known as well as the efforts to measuring inflation;
- e. The member States benefit from each other experience in monitoring recent economic situation and economic forecast;
- f. The collaboration between ECA and intergovernmental organizations (AFRISTAT, ECOWAS, UEMOA, WAMI, WAMA and AFRITAC West) in support to countries in statistical development is strengthened.

5. Date and place

The meeting will take place from 11-14 October 2022 in Banjul, The Gambia.

6. Participants

The targeted countries are: The Gambia, Ghana, Liberia, Nigeria and Sierra Leone.

The participants are national officials involved in short-term economic indicators production (price, industrial production, agriculture, foreign trade, quarterly GDP, etc.) and economists in charge of short-term forecasting.

For each country, two experts will participate: one expert in charge of the production of recent economic situation in National Statistical Offices, and one expert forecaster from the Department in charge of economic forecasting in the Ministries of Economy and Finance.

The meeting will also see the participations of experts from the ECA, ECOWAS Commission, and AFRISTAT, WAMI and WAMA.

7. Indicative content of the seminar

The meeting will be held in plenary sessions, with presentations by countries and Institutions, followed by discussions and recommendations.

- Each country will make two presentations
 1. a short presentation (15 min) on the institutional aspects and methods of monitoring recent economic development and macroeconomic forecasts, and the recent crises impact assessment and policy responses.
 2. A joint presentation (30 min) on country recent economic situation and forecasts:
 - a) the trends in economic indicators (production, activity indicators, prices, interest rates, public finance, etc.) and update on the implementation of the SNA 2008 by the National Statistical Office and the measuring of inflation;
 - b) the latest macroeconomic forecasts for the period 2022-2025, justifications for the differences with the previous forecasts and policy assumptions.

- The intergovernmental organizations will share their perspectives on monitoring recent economic situation and forecasts, including impact assessment of crises at the regional level. They will also inform the participants on key regional initiatives conducted by their institutions.

The country and IGO representatives are invited to send by 25 September, a summary of their respective presentations and the data series to AFRISTAT (edi@afristat.org) and ECA (dosso2@un.org).

The seminar will be facilitated by ECA, AFRISTAT and the ECOWAS Commission.

8- Contacts

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