

ICSOE 2026

Intergovernmental Committee of Senior Officials and Experts for Eastern and Southern Africa

Andrew Mold

Director

www.uneca.org

Angola Botswana Burundi Comoros D.R Congo Djibouti Eritrea Eswatini Ethiopia Kenya Lesotho Madagascar Malawi

Mauritius Mozambique Namibia Rwanda Seychelles Somalia South Africa South Sudan Tanzania Uganda Zambia Zimbabwe

Macroeconomic and Social Overview 2026

High growth, tight budgets and rising uncertainty



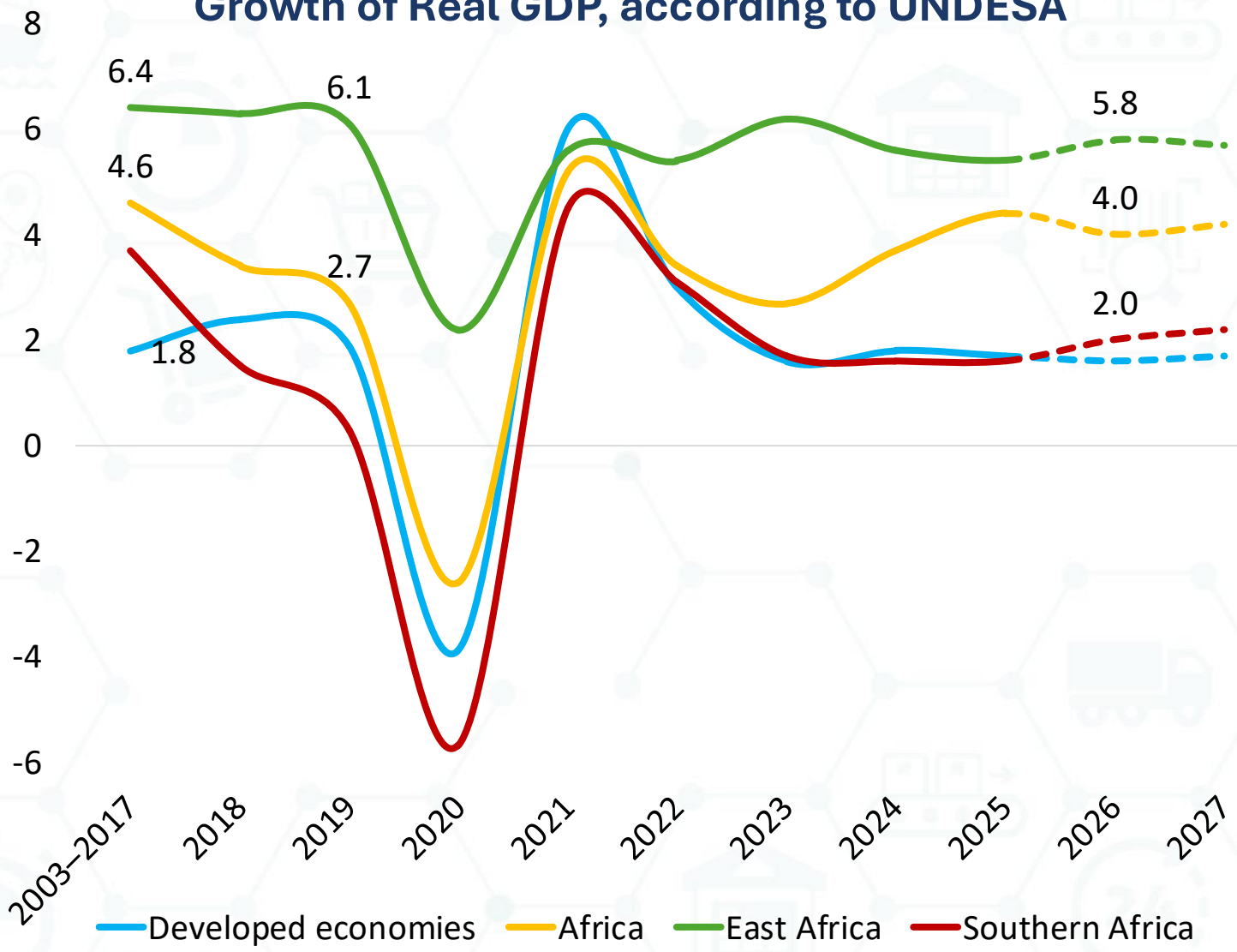


Macroeconomic Performance Overview

Growth and Structural Change

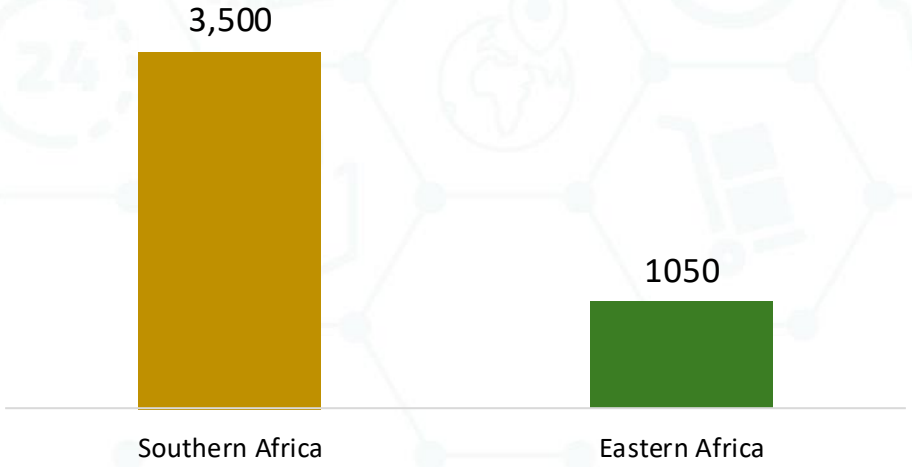
Sustained gaps in economic performance are opening up…

Growth of Real GDP, according to UNDESA



Source: WESP (September 2026)

Av. Per Capita Incomes, 2025



Source: ECA elaboration from UNCTADStat data.

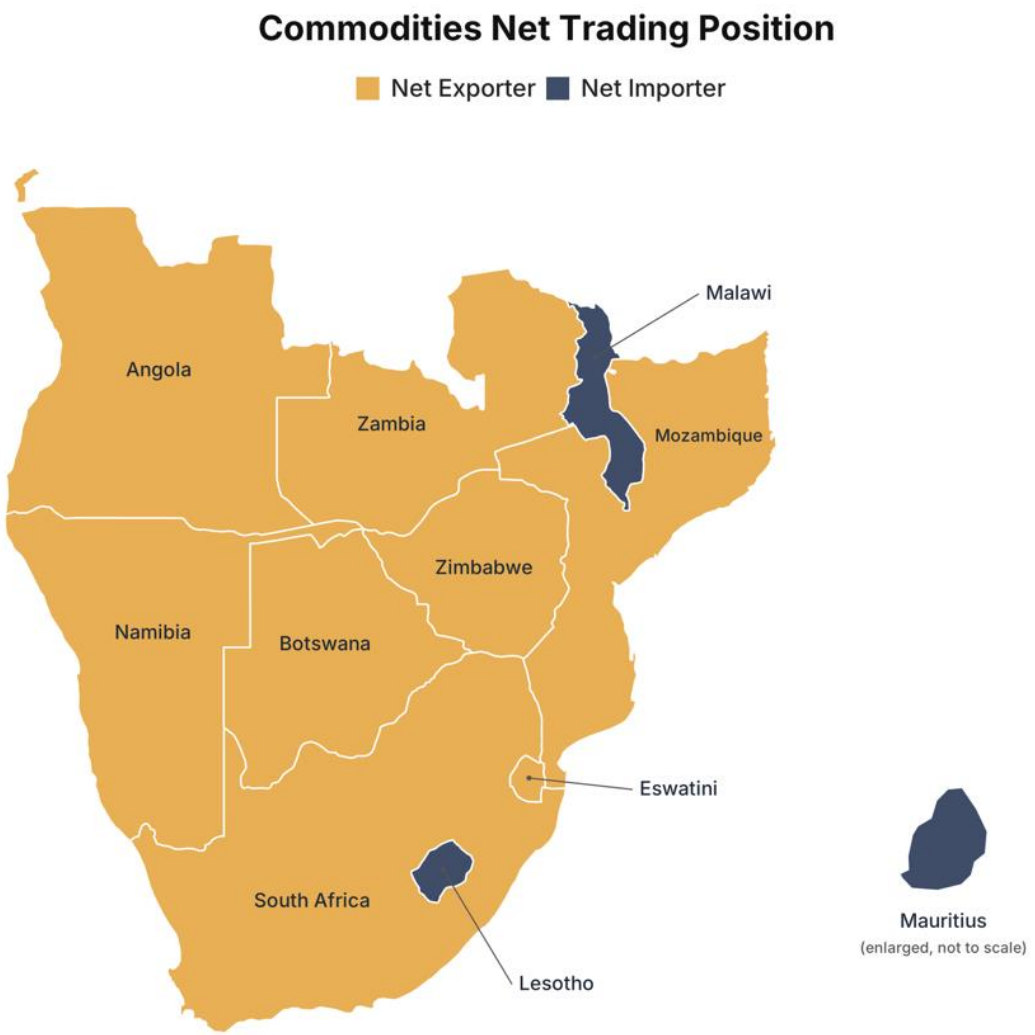
FINANCIAL TIMES

Can Africa outgrow China?

IMF says continent's GDP to expand faster than China for first time in decades as it beats worst expectations following Iran war

Net Commodity Trade Balance Across Regions is Shifting

Southern Africa



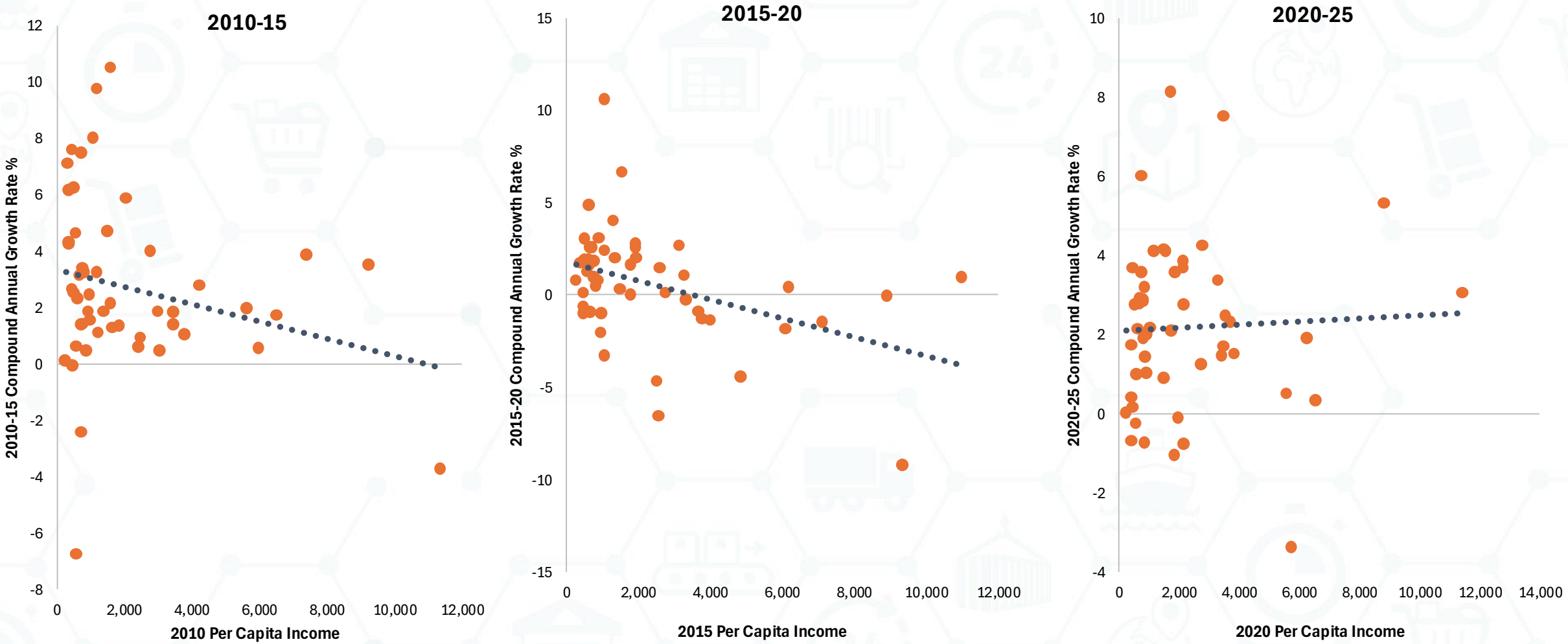
Eastern Africa



Source: Calculated UNCTADStat (2026).

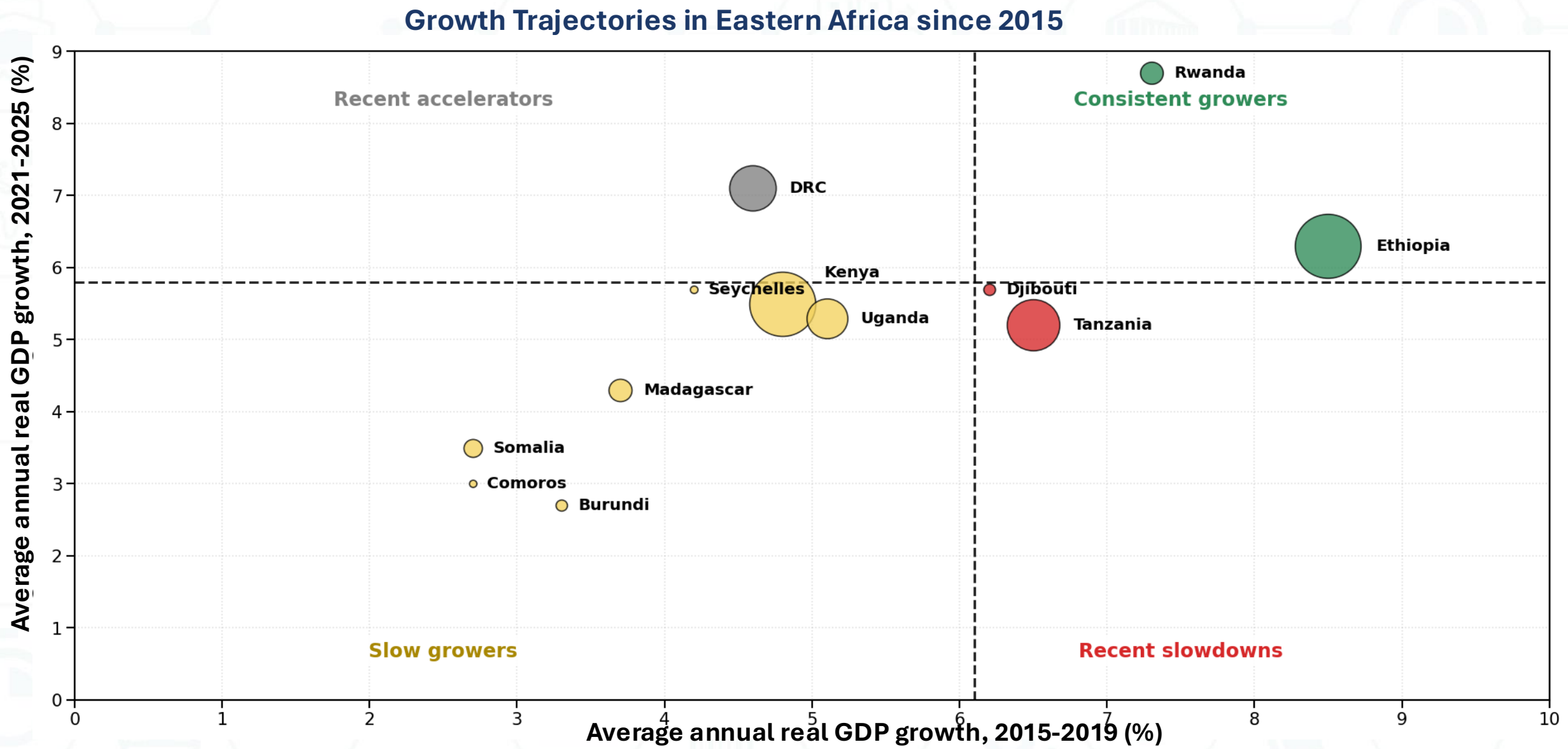
Are African economies growing together, or apart?

Income Convergence and Divergence in Africa, 2010 to 2025



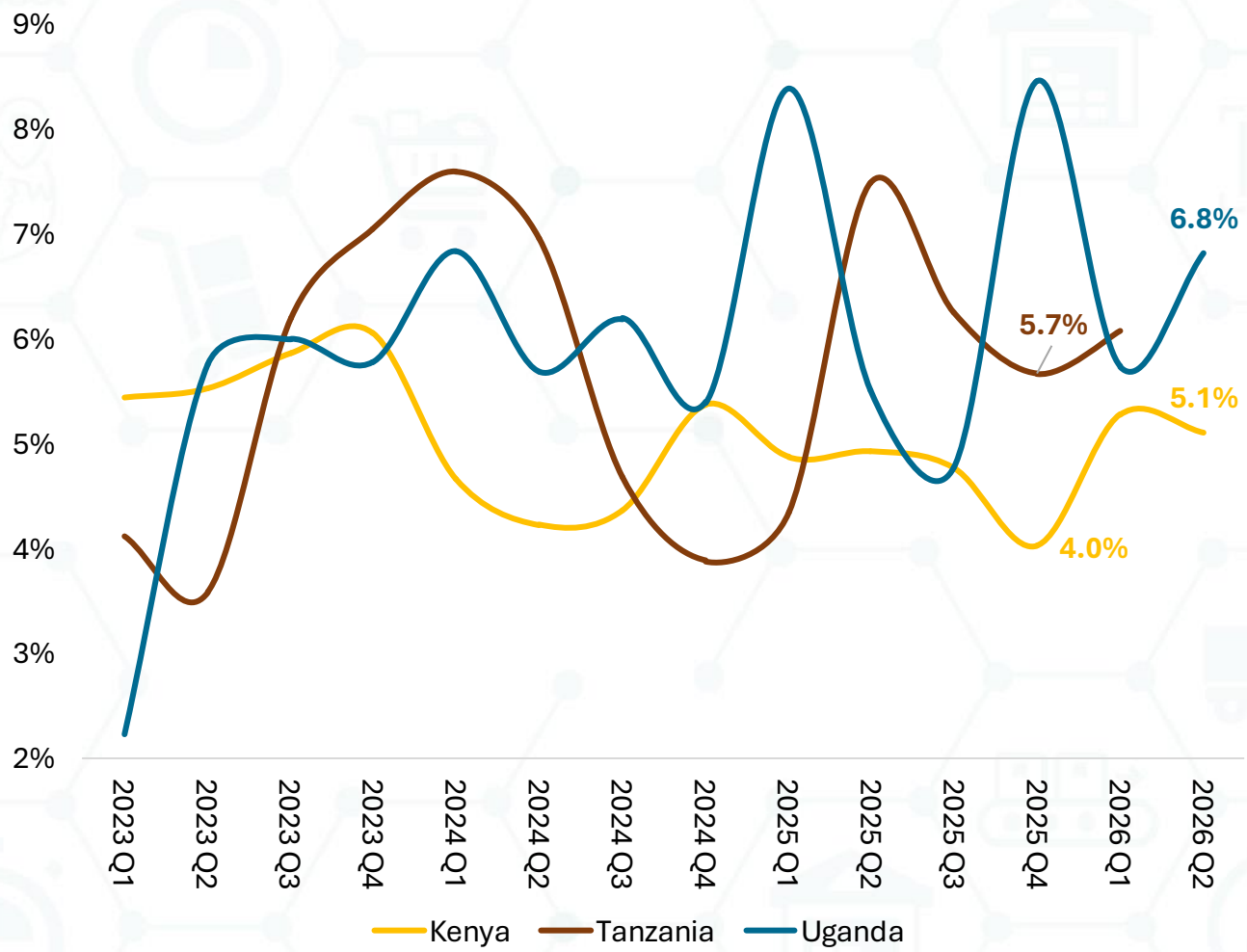
Source: ECA elaboration from UNCTADStat data. Income data is in constant 2020 US$. *Africa data is for 52 economies.

Some East African countries emerged from Covid-period well…



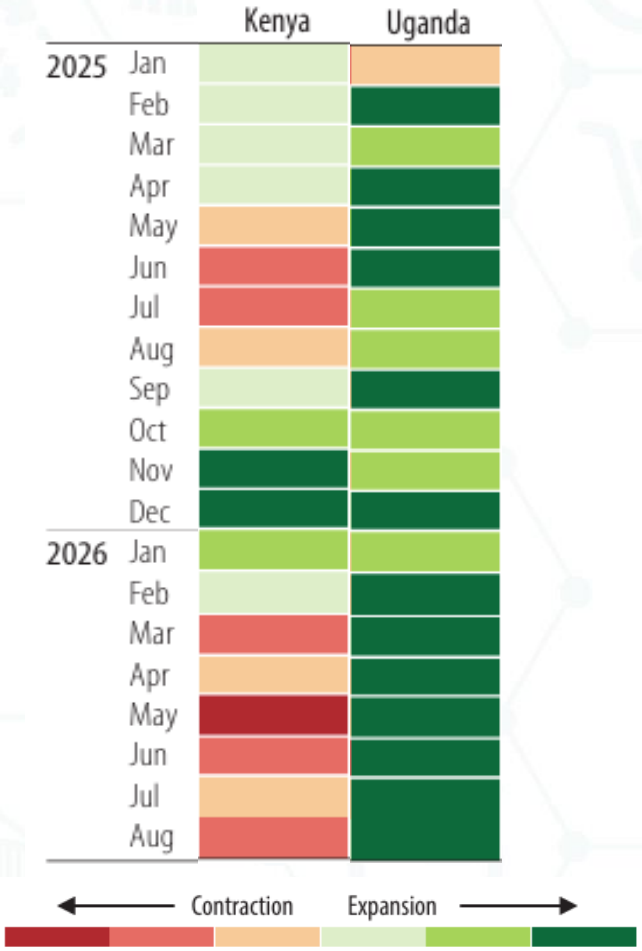
Eastern African growth momentum is broadly sustained

Quarterly GDP growth (%) in 3 larger Eastern African countries (2023 to 2026 Q2)



Source: ECA computed from data published by the National Bureau of Statistics and Central Banks, 2026

Further evidence that cycles are not synchronized... Purchasing Managers Index, Jan-25 Aug-26

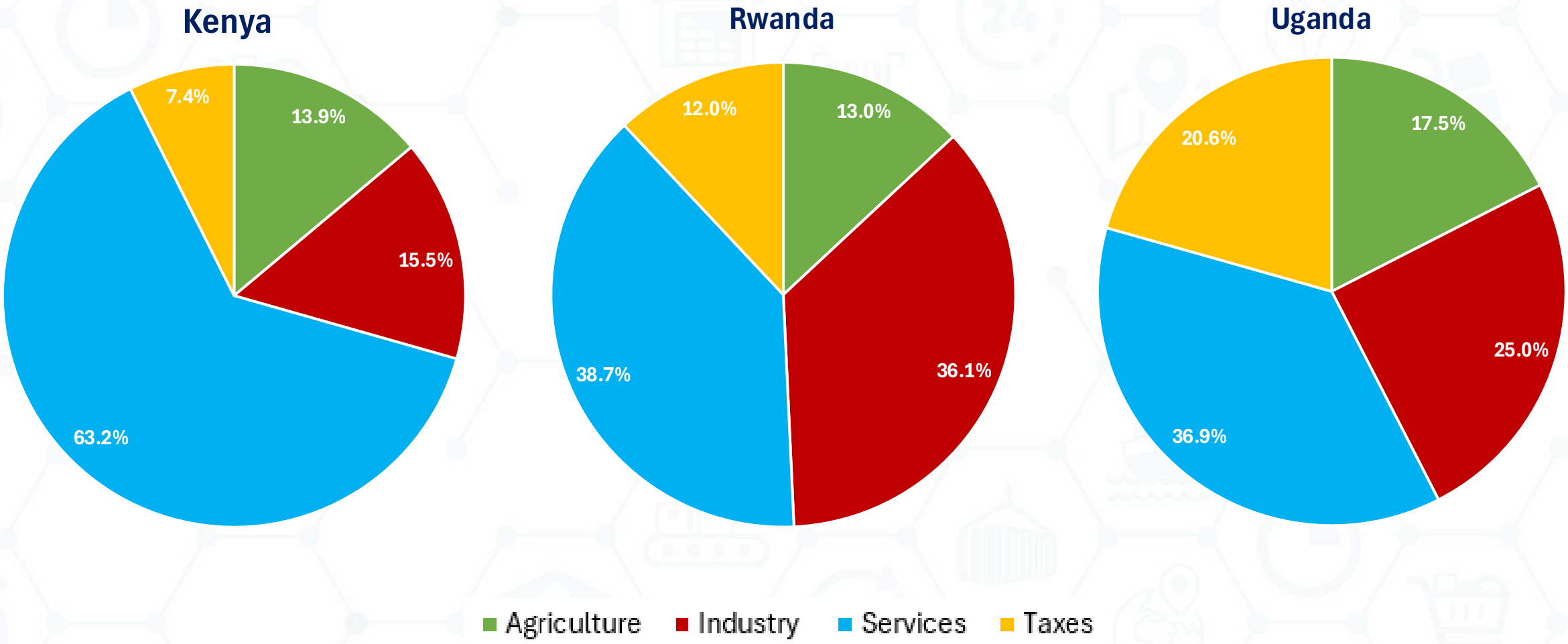


Source: World Bank Economic Update on SSA (October 2026), Bloomberg Analytical Services; Haver Analytics.
*Sub Saharan Africa

Note: Panel a shows the GDP-weighted average PMI for seven countries; Panel b shows country-level trends. Below 50 indicates contraction, above 50 expansion. Darker shades indicate larger changes. Data as of August 2026.

Services are leading the expansion of the economy

Marginal sectorial contributions to growth, H1 2026 vs. H1 2025



Source: ECA Elaboration from National Sources, 2026

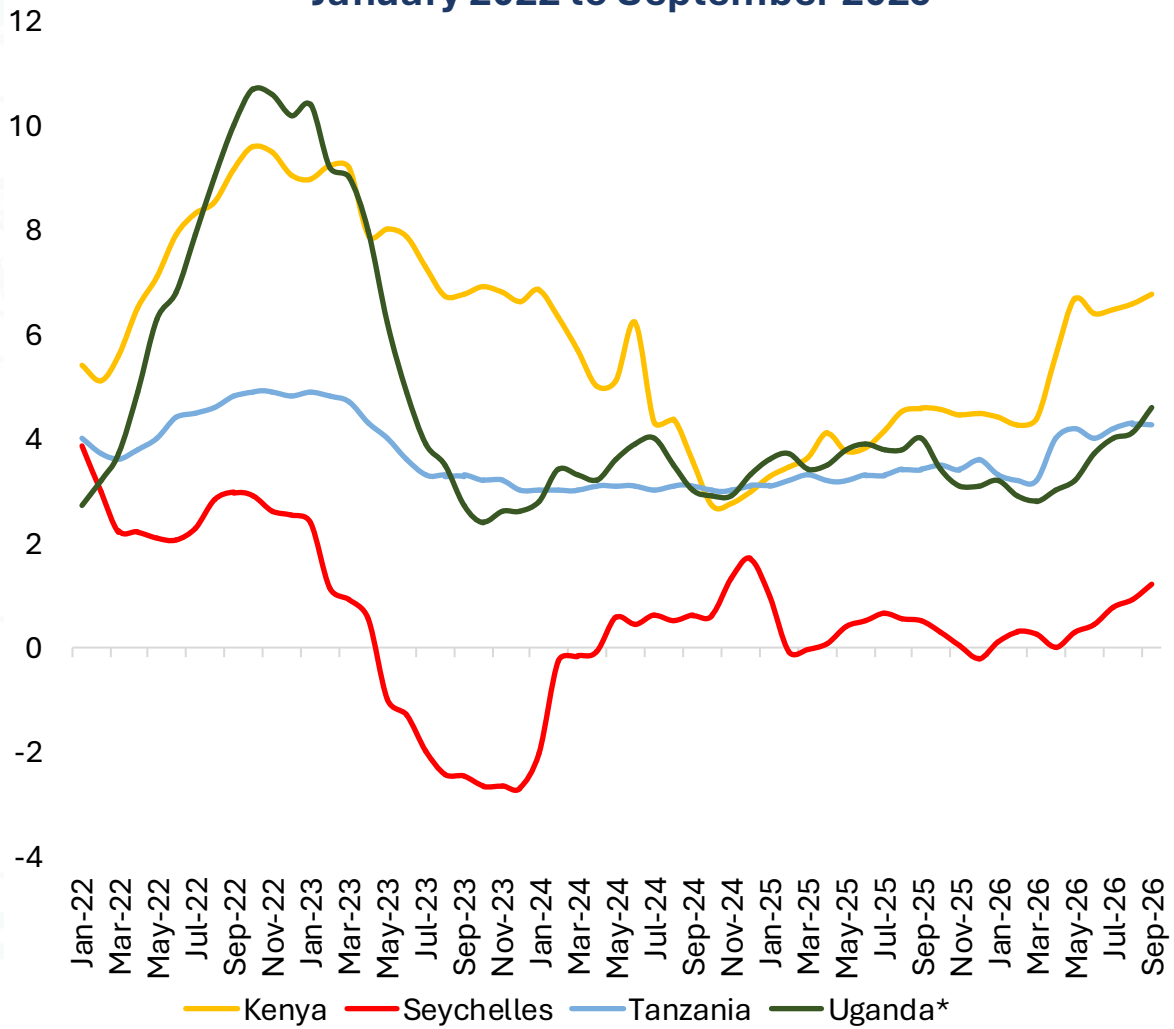
Macroeconomic Performance Overview

Fiscal and Monetary Situation

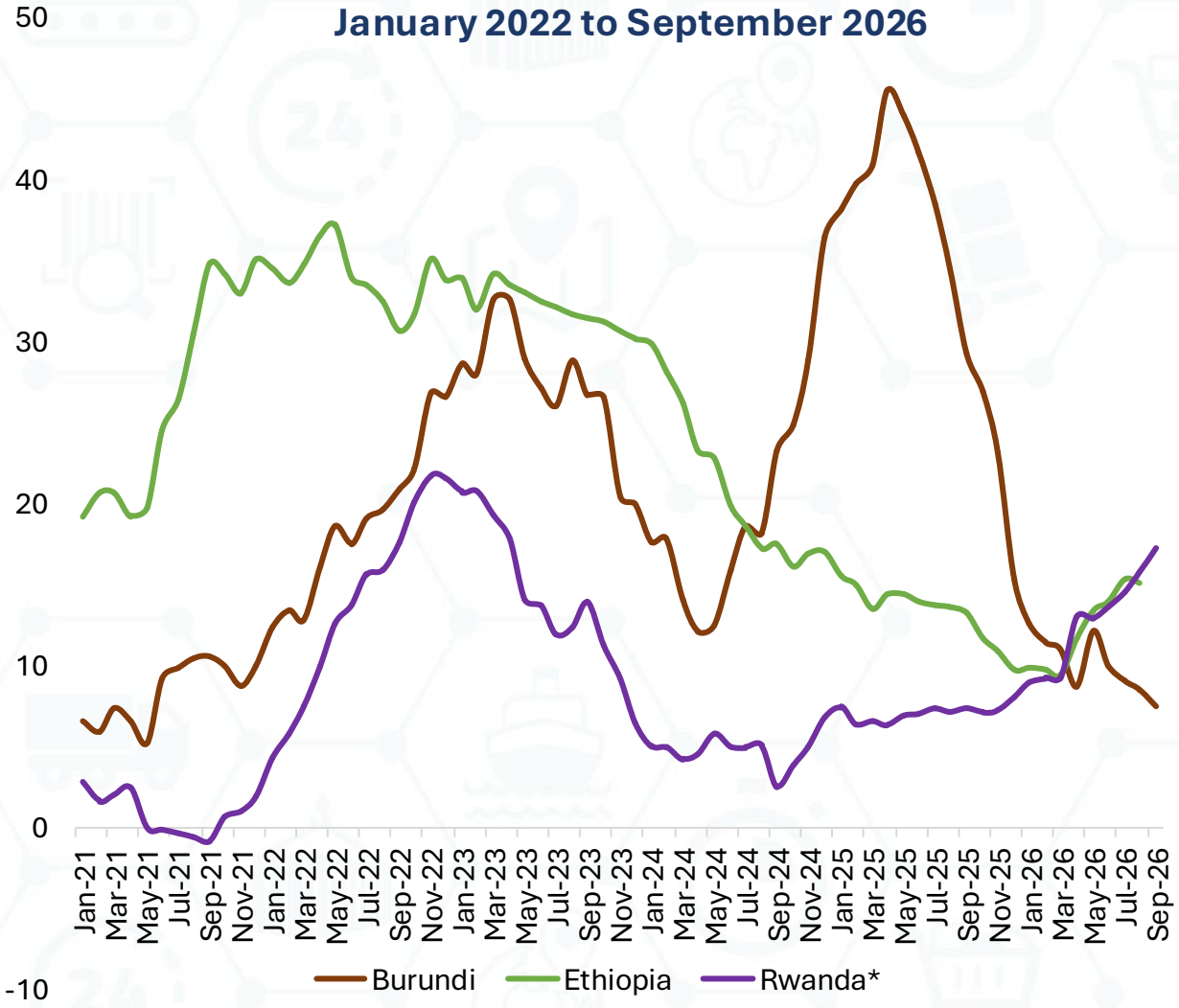


Inflation was coming down…but….

Single digit inflation countries
January 2022 to September 2026



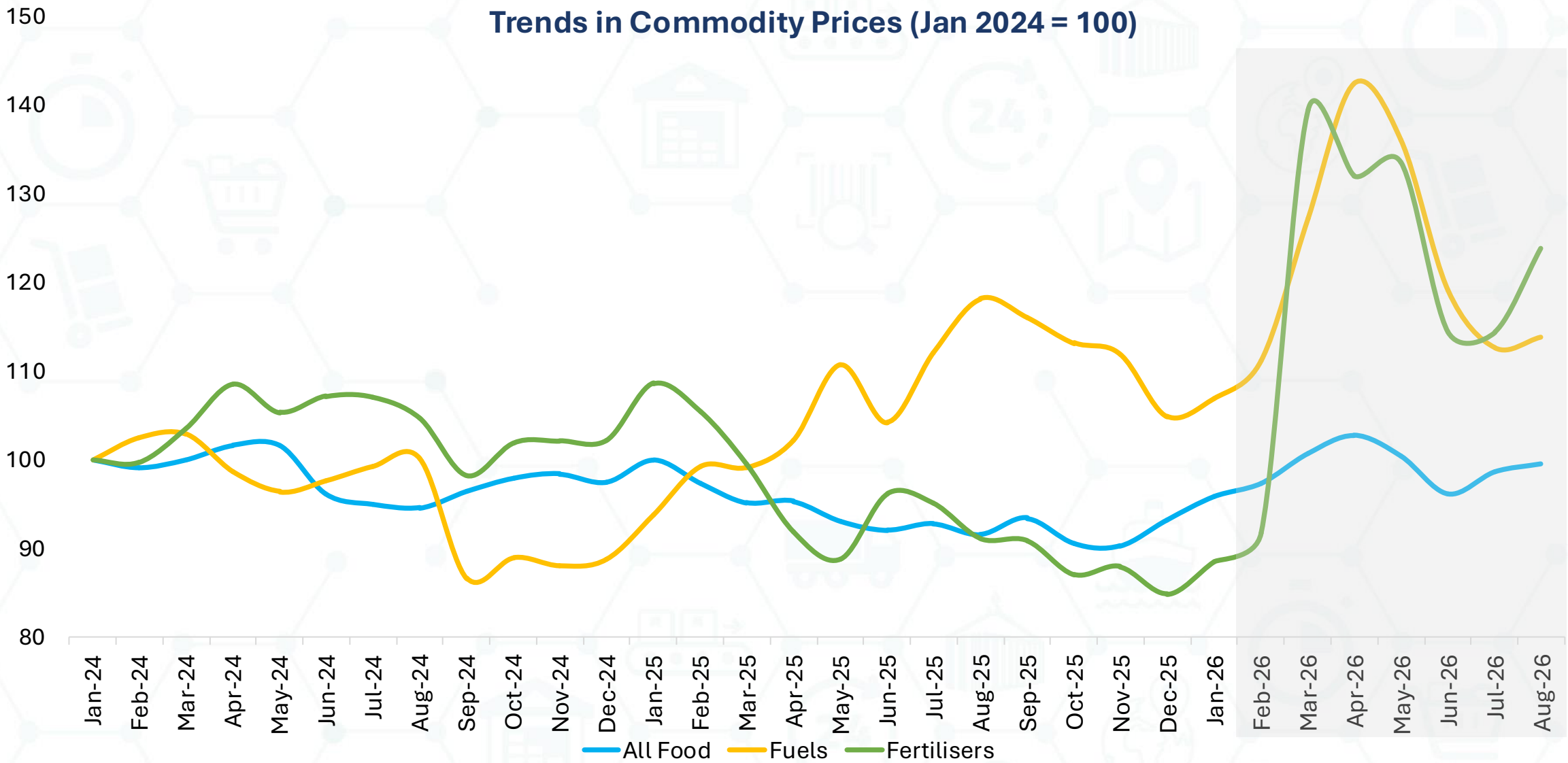
Double digit inflation countries
January 2022 to September 2026



Source: National Sources, 2026

*For Rwanda, Uganda, calculations were done using urban inflation

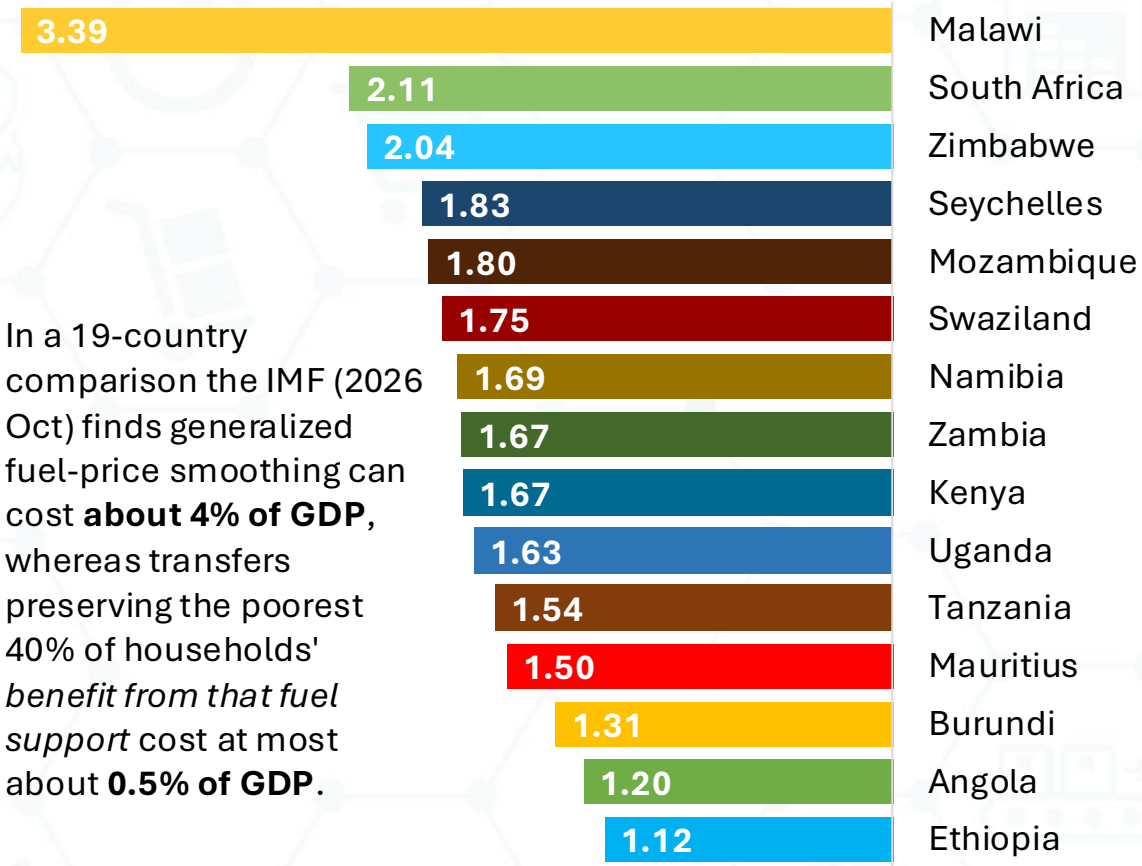
The shock of Hormuz – not out of the woods yet



Source: IMF (2026)

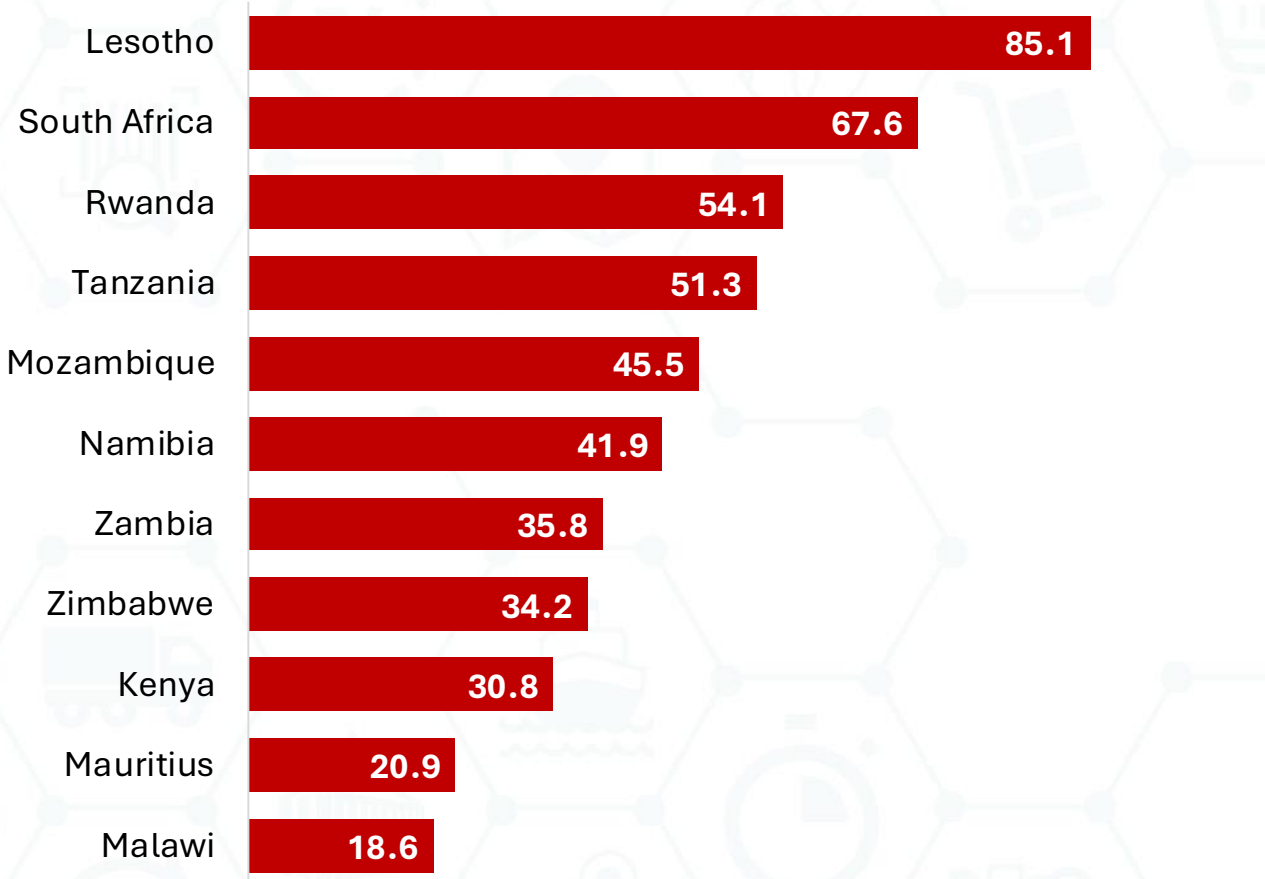
The crisis is having a notable impact on fuel and transport costs….

Diesel Prices, Litre USD, 12 October 2026



In a 19-country comparison the IMF (2026 Oct) finds generalized fuel-price smoothing can cost **about 4% of GDP**, whereas transfers preserving the poorest 40% of households' *benefit from that fuel support* cost at most about **0.5% of GDP**.

Fuel prices changes after the start of the Iran war (since 23rd February 2026)



Source: GlobalPetrolPrices.com

Exposure and Policy Response to the Energy Price Shock

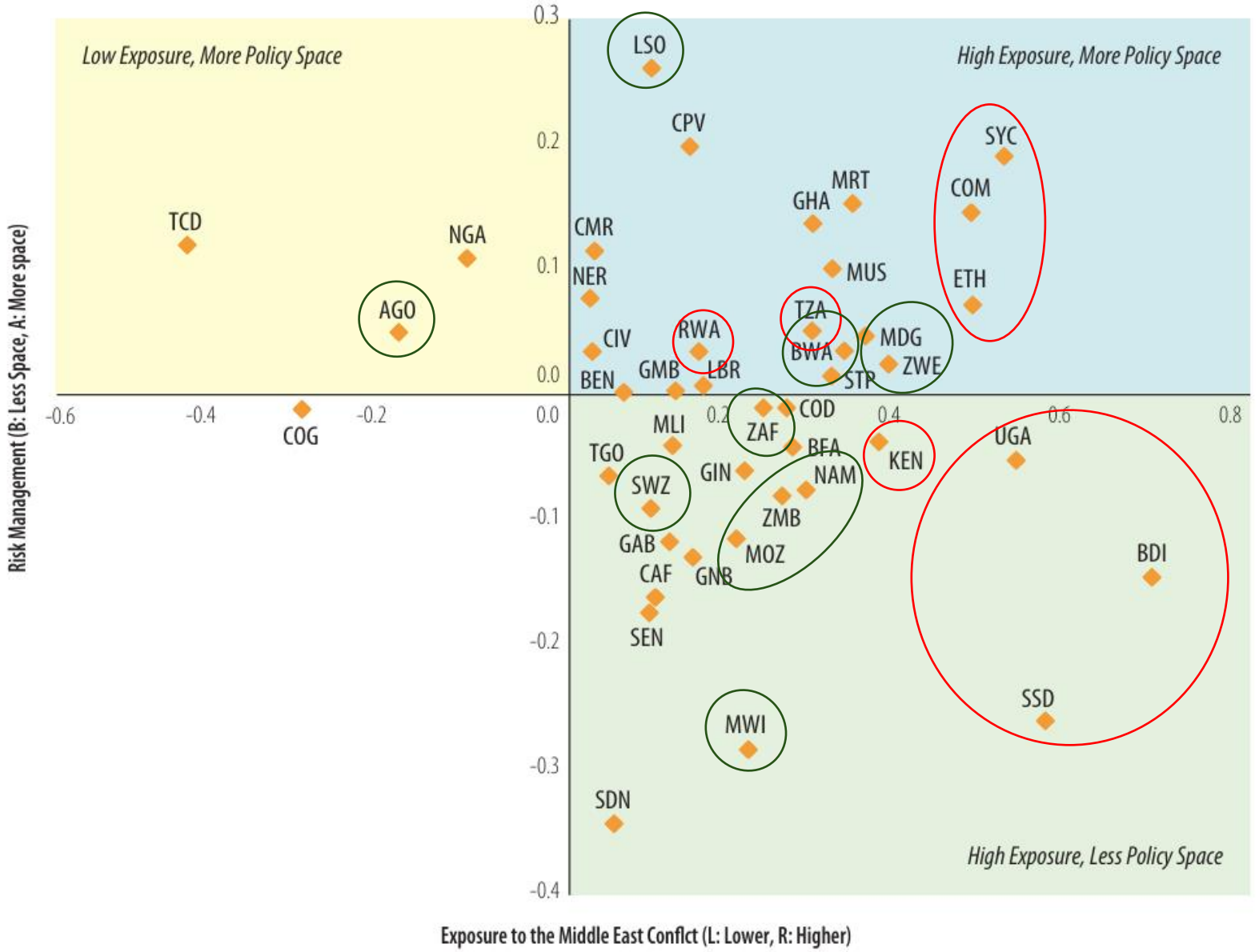
Exposure and risk management space are averages of normalized indicators, scaled from −1 to 1.

Exposure covers net oil and gas imports (% of GDP), energy imports from Gulf countries (% of total imports), and exports to Gulf countries (% of total exports).

Risk management space covers foreign exchange reserves (months of imports), fiscal balance (% of GDP), public debt (% of GDP, multiplied by −1 so higher values always mean greater capacity), and government effectiveness.

Data cover 2023 to 2025. A = above, B = below, L = left, R = right.

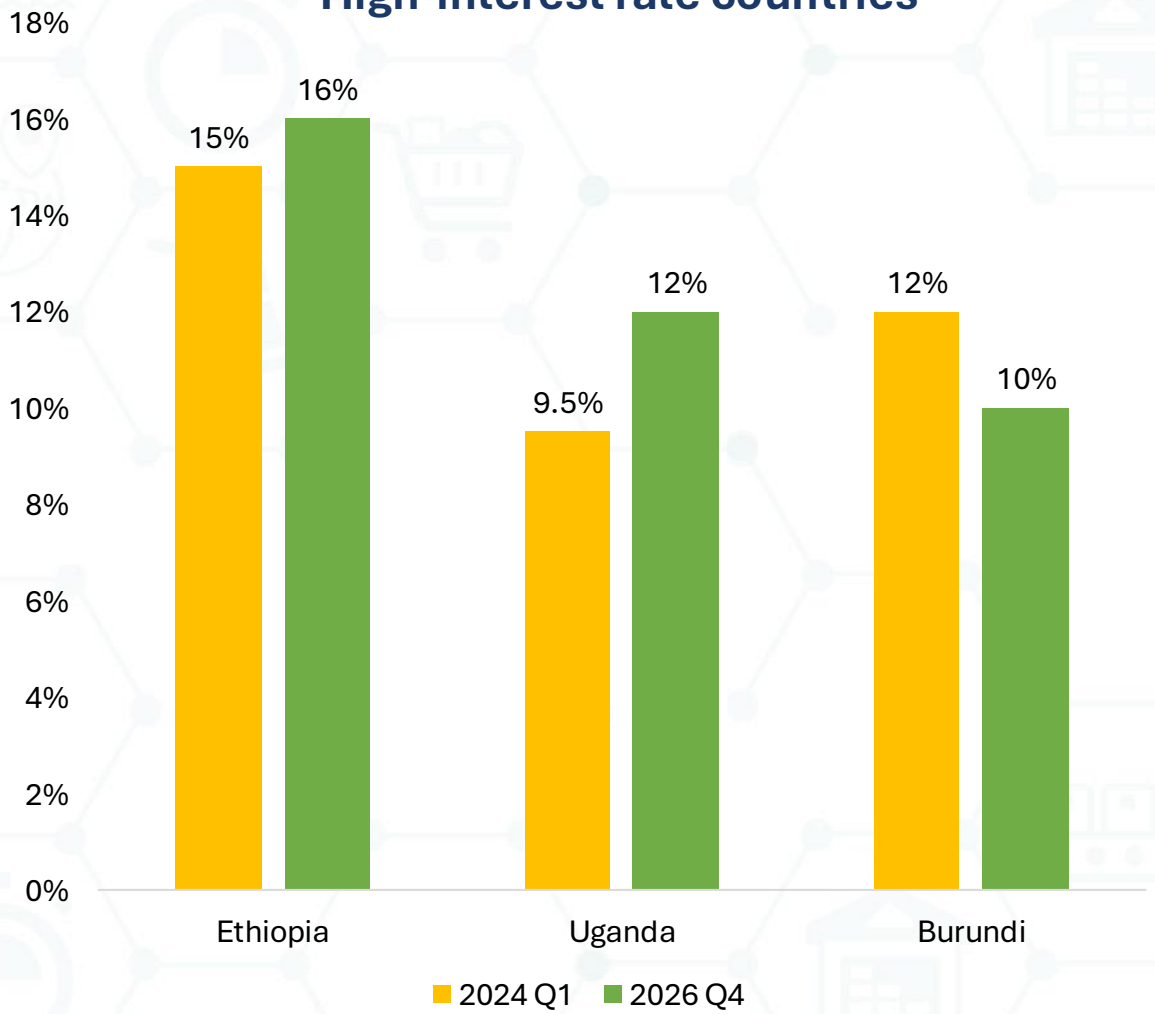
Sources: World Bank calculations based on data from World Development Indicators; UN Comtrade; Worldwide Governance Indicators; World Bank staff estimations.



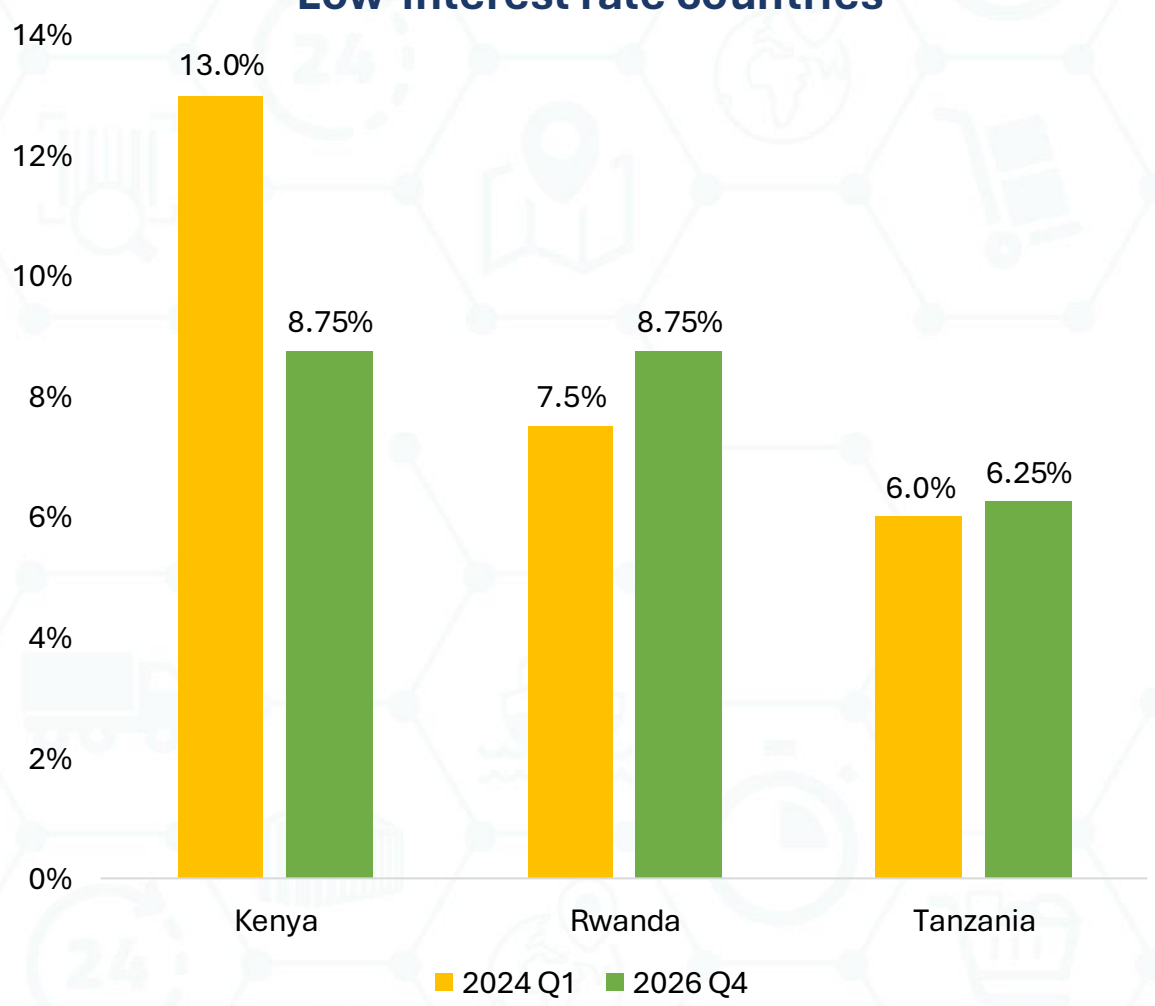
Monetary policy rates are diverging…

Central Bank Rate, 2024-Q1 vs 2026-Q4

High-interest rate countries



Low-interest rate countries



Sources: National Central Banks, 2026

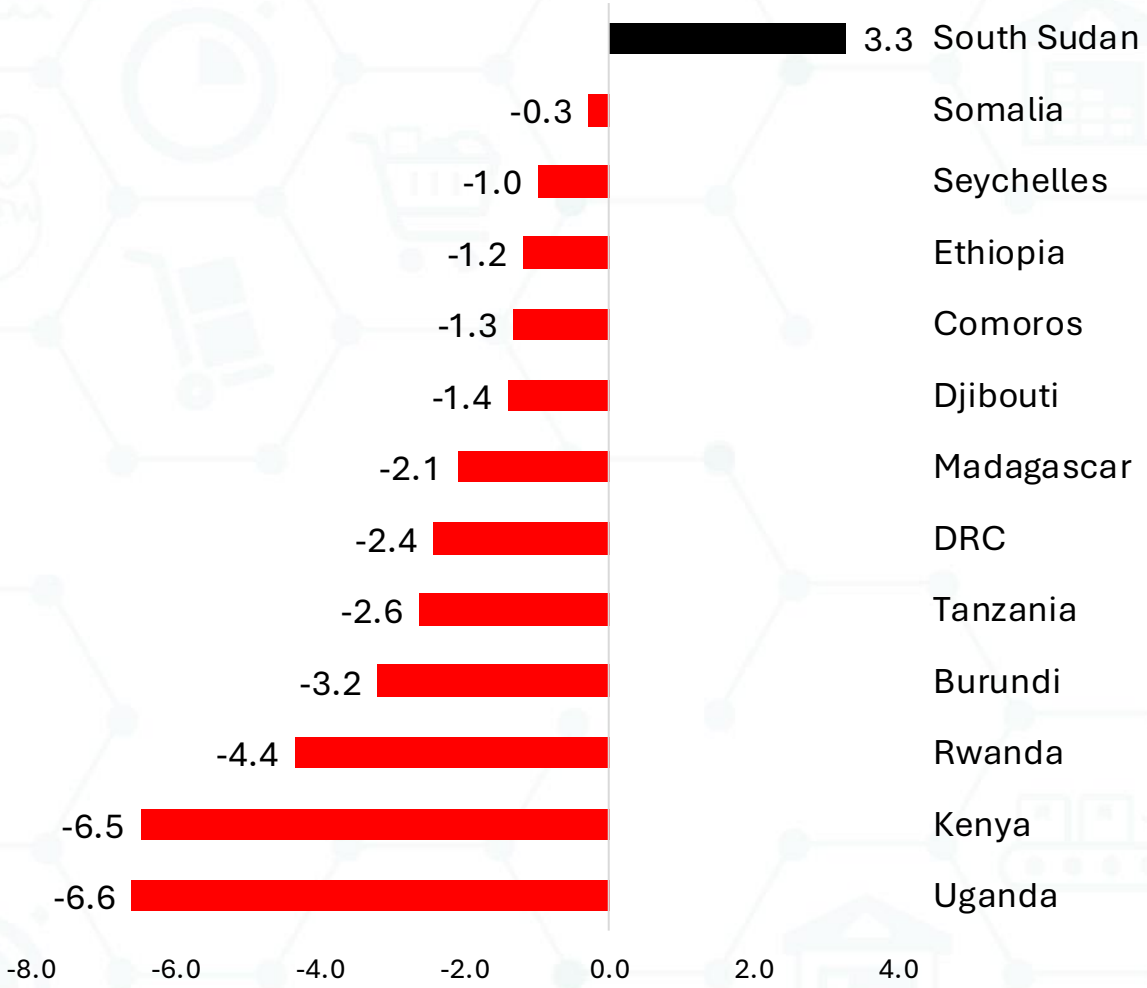
East African government budgets 2026/27 overview

Country	Budget 2026/27 (Nominal, USD Billion)	Nominal Change from 2025/26 Budget, %*	Spending Priority Area
Ethiopia	2.34 (trillion, ETB)	*+21.3*	• Education and Healthcare • Agriculture and Food Security • Infrastructure (roads, energy expansion, urban development) • Regional Government Transfers (187.3 billion birr / 15.1% of budget)
Kenya	37.4	*+13.0*	• Transport infrastructure • Energy projects • Industrial development • Social services • No new taxes introduced
Rwanda	5.3	*+12.1*	• Economic transformation and development (largest share) • Social transformation • Transformational governance • 68% to be financed domestically, in line with NST2
Tanzania	24.0	*+10.0*	• Self-reliance and domestic resource mobilisation (75% domestic financing target) • Rural infrastructure • Public finance reforms
Uganda	22.5	*+3.4*	• Oil and gas infrastructure • Transport • Agribusiness • Debt servicing projected to consume nearly 40% of the budget, the single largest expenditure item.

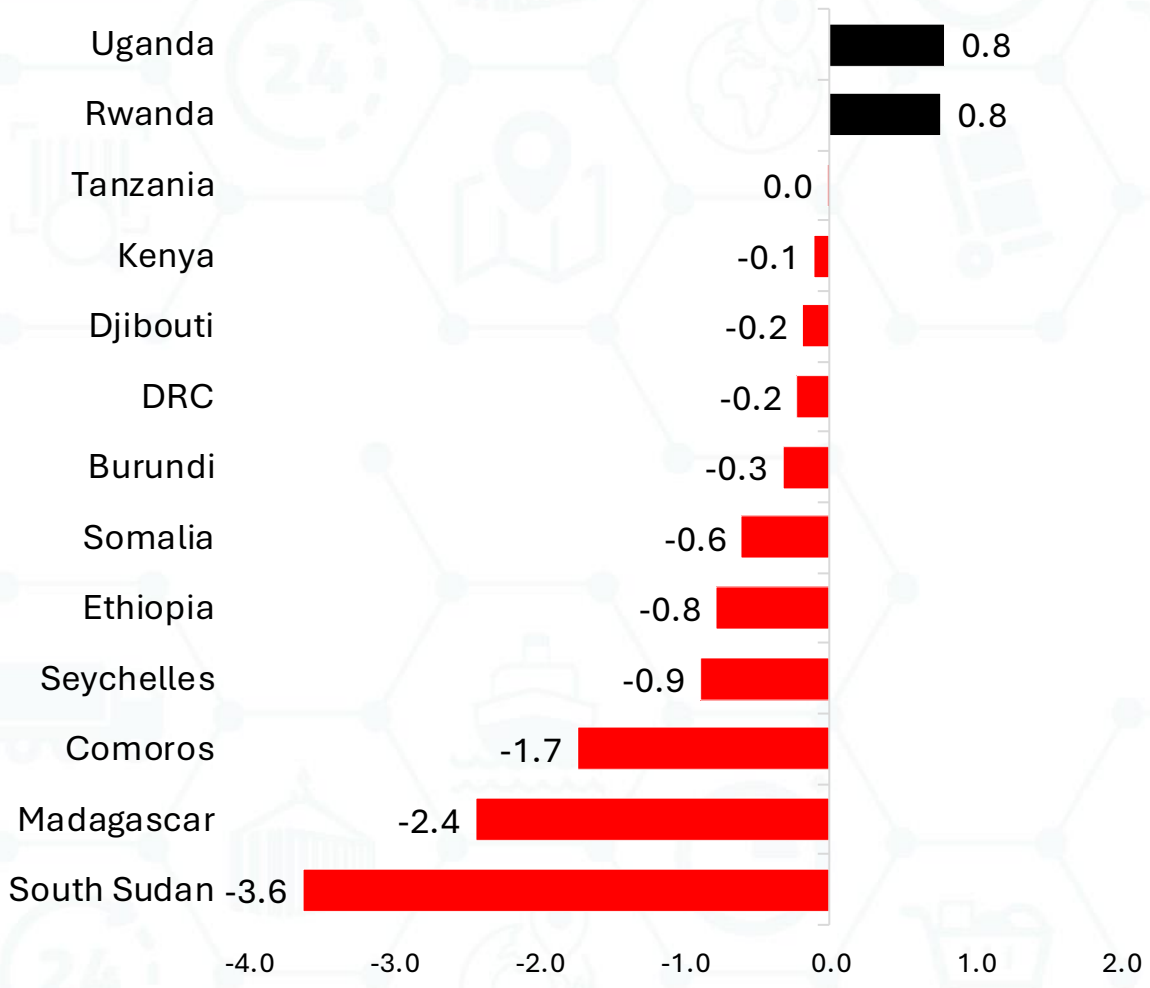
Source: UNECA Elaboration from The East African, 2026; MINECOFIN (2026); Uganda Budget Speech (2026); Tanzania Ministry of Finance (2026); Heritage Times (2026)..

Fiscal positions are stabilising? Partially…

Fiscal Position, 2025

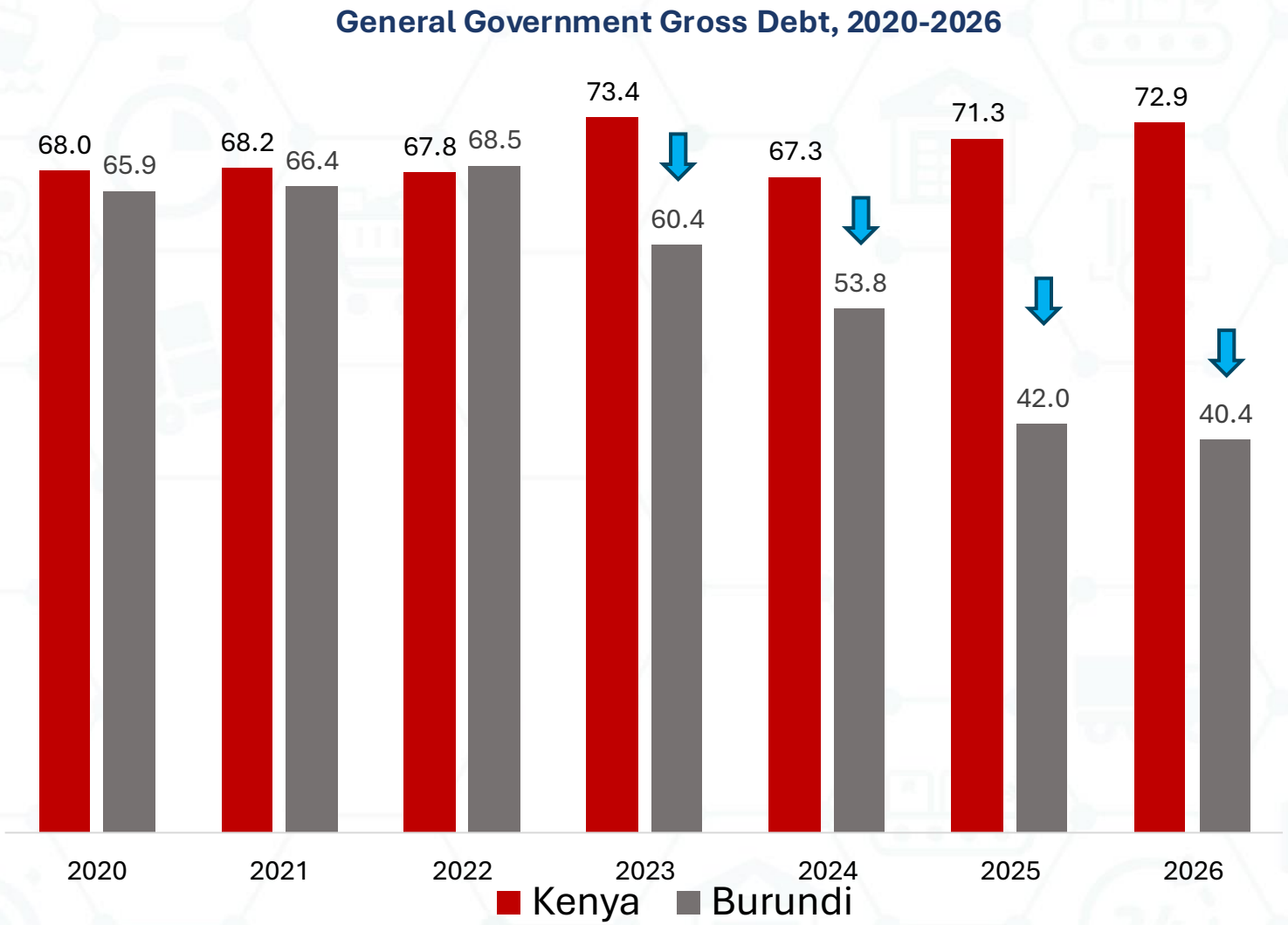


Forecast Change in Fiscal Position 2026/5



Source: IMF World Economic Outlook database, October 2026

A tale of two debt burdens…

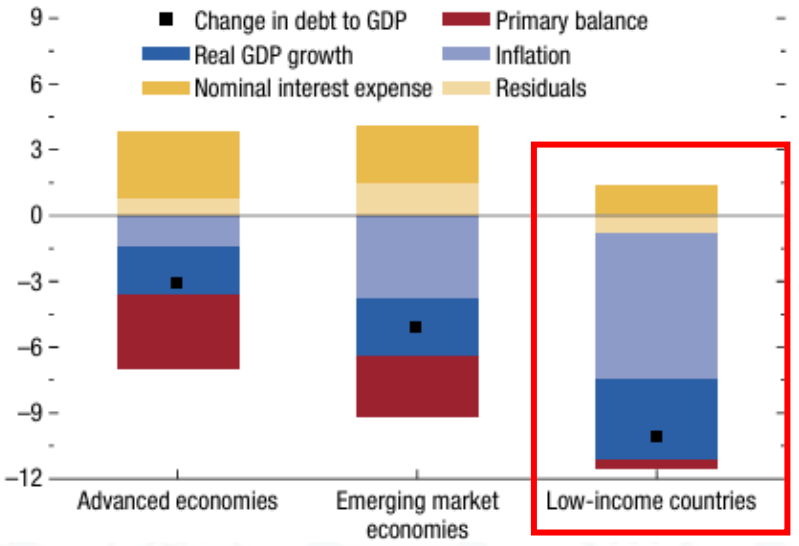


Source: IMF World Economic Outlook database, October 2026

Research confirms that high debt to GDP ratios are not normally resolved through fiscal consolidation, but through maintaining economic growth and – perversely perhaps – through high inflation.

Figure 3.2. Contribution to Change in Debt to GDP during Reduction Episodes
(Percent)

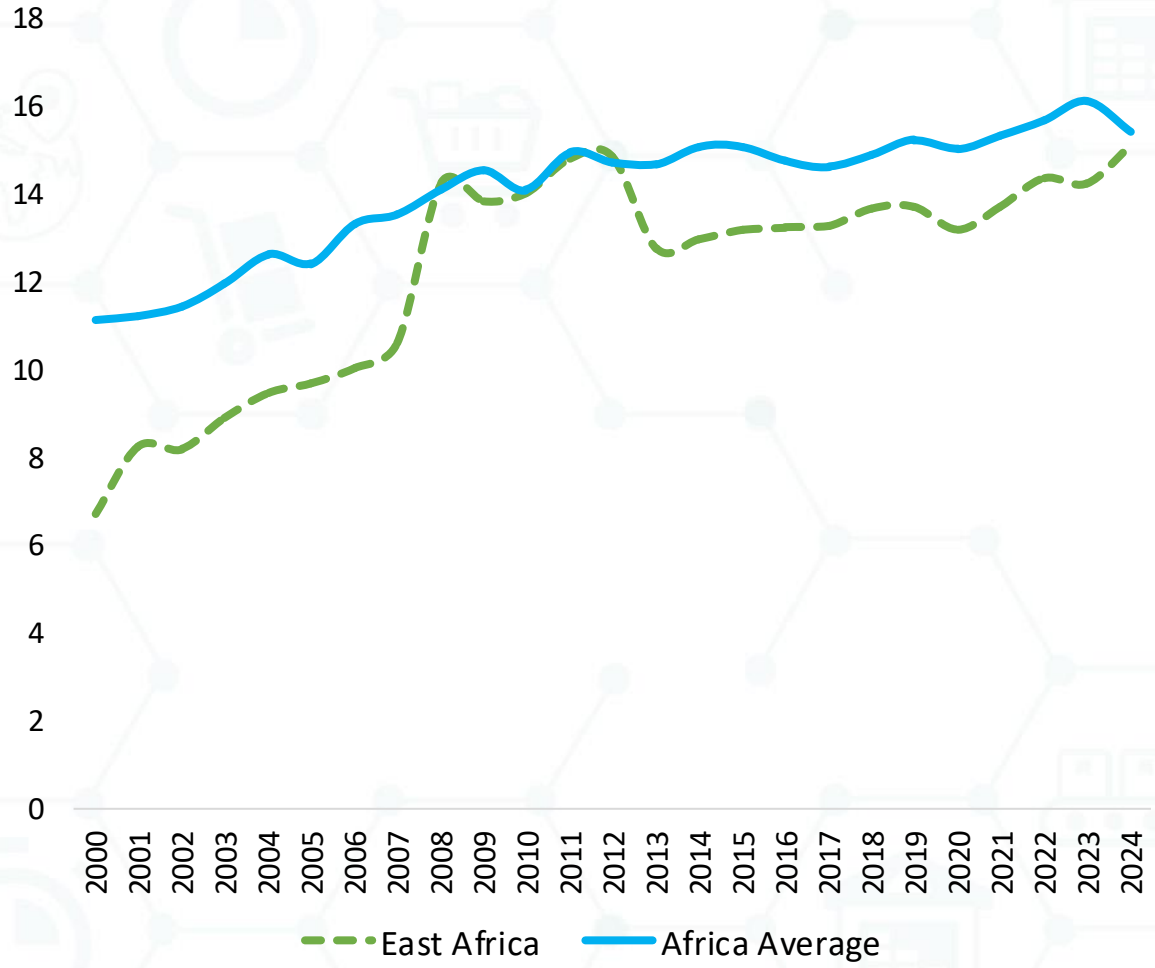
Primary balance is more important in advanced economies, but growth and inflation play a bigger role in emerging market economies and low-income countries.



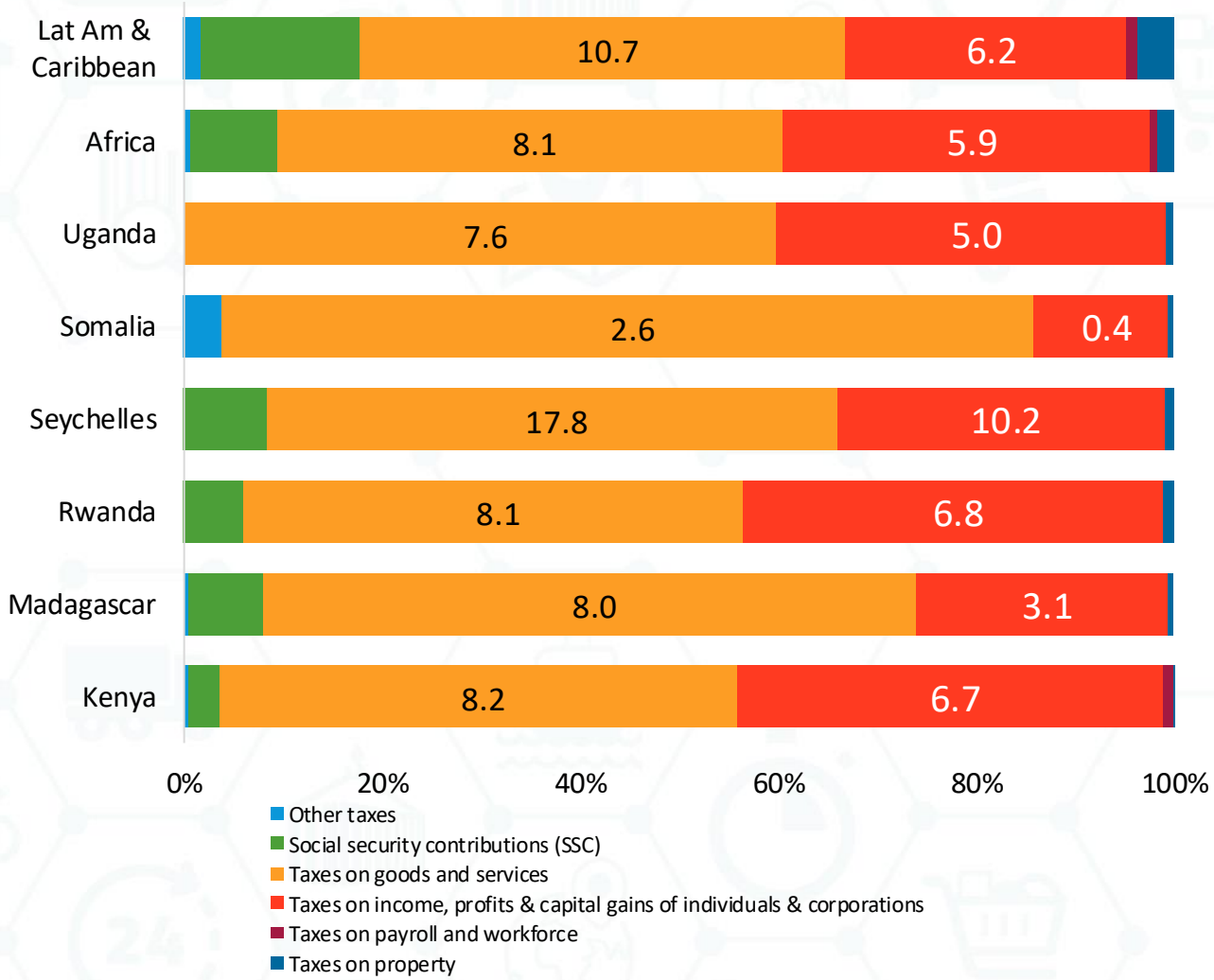
Source: IMF April 2023 World Economic Outlook, Chapter 3 "Coming Down to Earth: How to Tackle Soaring Public Debt".

Government tax revenue heavily dependent on VAT…

Total Tax Revenue-to-GDP, 2000-2024 (percent)



Tax Structure, Percent of GDP*



Source: OEAC Tax Revenue Statistics *Revenue figures for 2024

Trade Performance



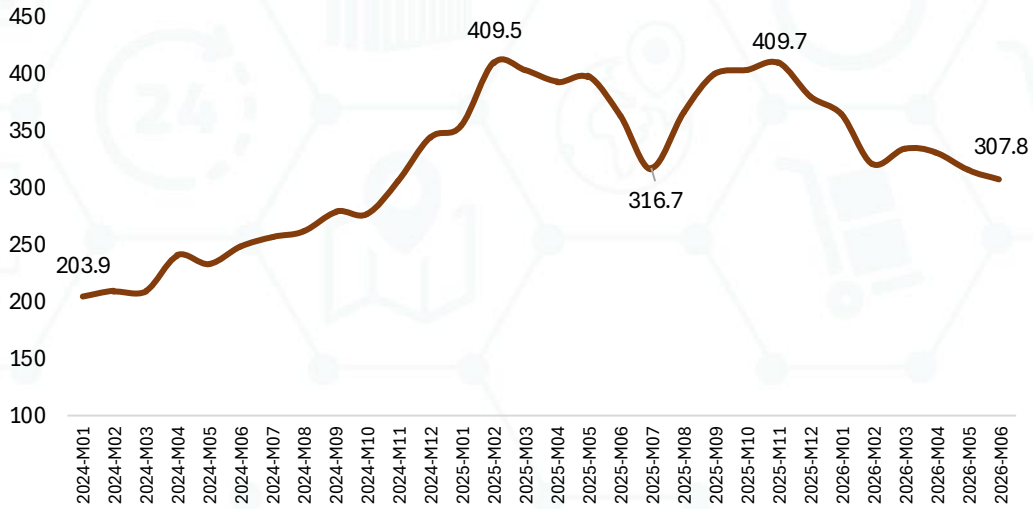
High commodity prices – the wind in the sails for regional export performance…

Export growth 2024/2025, millions US$ and % Change

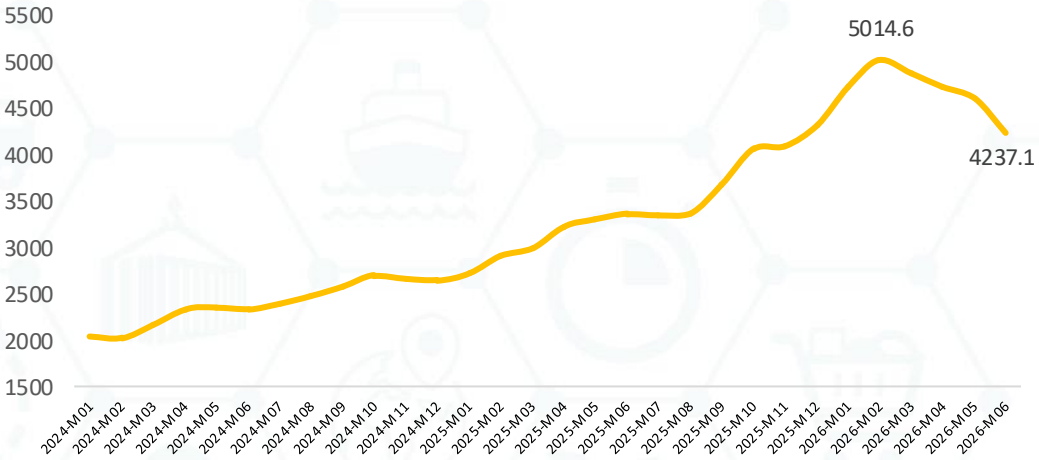
	2024	2025	% Change
Burundi	175	335	91.0
Comoros	30	48	60.0
Uganda	8,649	13,658	58.0
Ethiopia	5,472	7,585	39.0
Djibouti	5,169	6,090	18.0
Eritrea	573	631	10.0
DRC	29,900	32,100	7.0
South Sudan	891	955	7.0
Seychelles	557	550	-1.0
Madagascar	2,582	2,498	-3.0
Kenya	9,428	9,073	-4.0
Tanzania	8,702	8,185	-6.0
Somalia	1,473	1,300	-12.0
Rwanda	3,042	2,462	-19.0

Source: Calculated from national statistics office data and UNCTADStat (2026).

Mild Arabica Coffee, US cents per pound, January 2024 – June 2026



Gold Prices, US$ per troy ounce, January 2024 – June 2026



Source: IMF Primary Commodity Prices

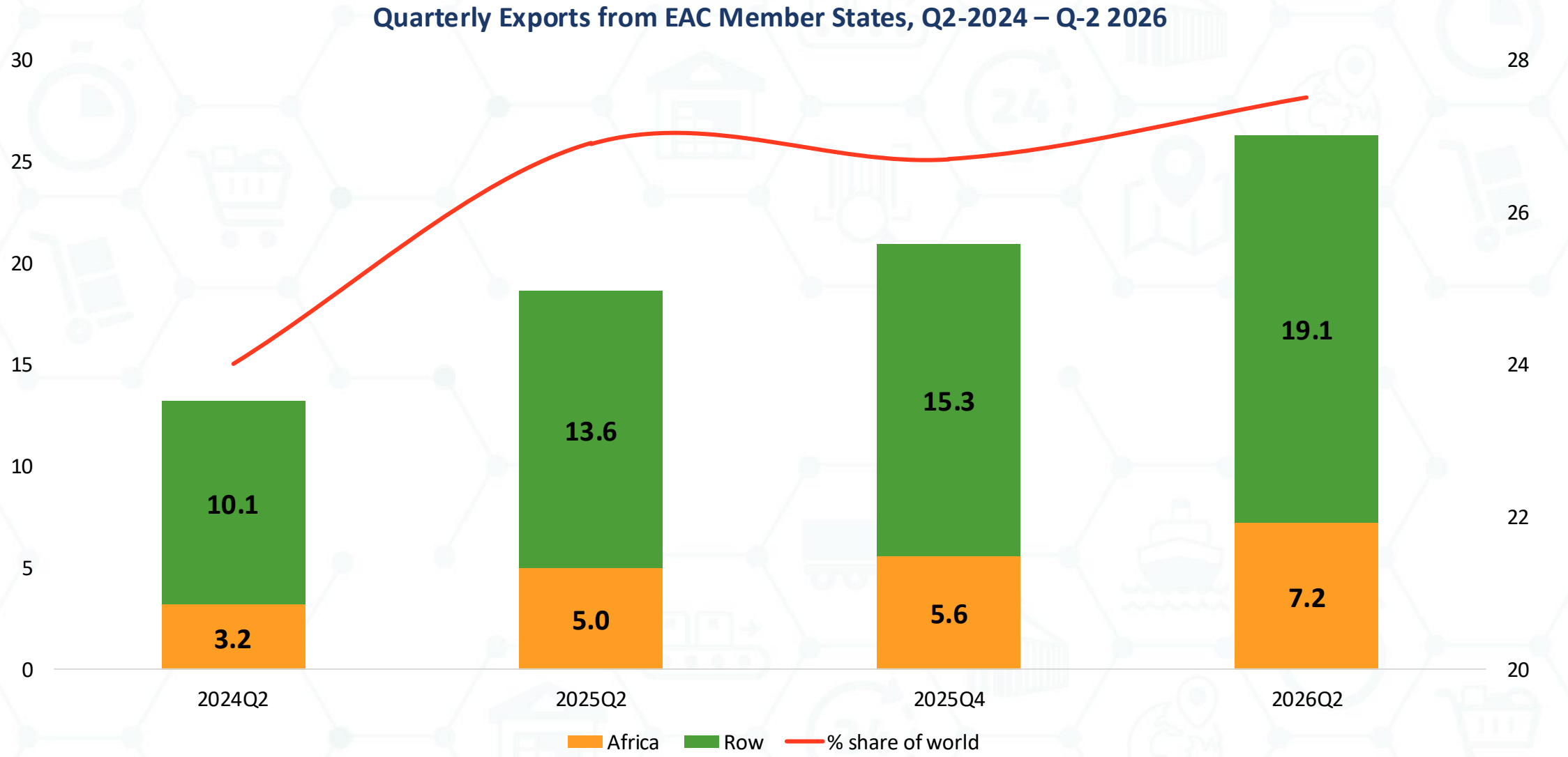
Export performance still good in 2026 – but imports too are rising fast

Trade in Goods (January to June) 2025 vs 2026, USD Billion

		Jan-June 2025	Jan-June 2026	Growth
Kenya				
	Exports	4.3	4.9	14%
	Imports	10.3	12.6	22%
Tanzania				
	Exports	4.1	5.5	33%
	Imports	7.4	9.7	31%
Uganda				
	Exports	6.2	8.3	34%
	Imports	8.3	10.6	27%

Source: Kenya National Bureau of Statistics (2026), Bank of Tanzania (2026), Uganda Bureau of Statistics (September 2026)

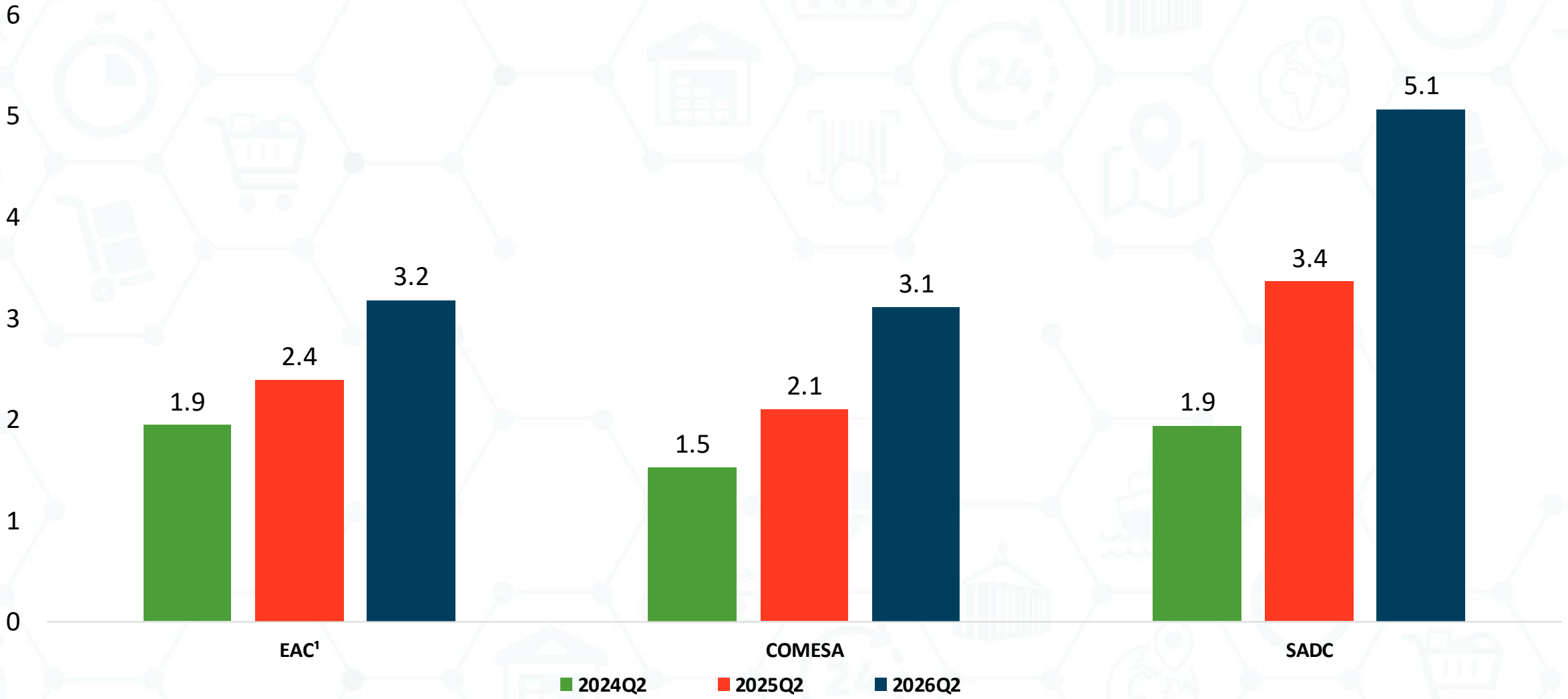
Exports from the EAC to the continent have more than doubled in 2 years….



Source: East African Community Quarterly Statistics Bulletin April – June 2026

Data suggests that EAC trade with SADC is larger than internal trade

EAC Exports with EAC and other Regional Economic Communities, Q2-2024 Q2-2026



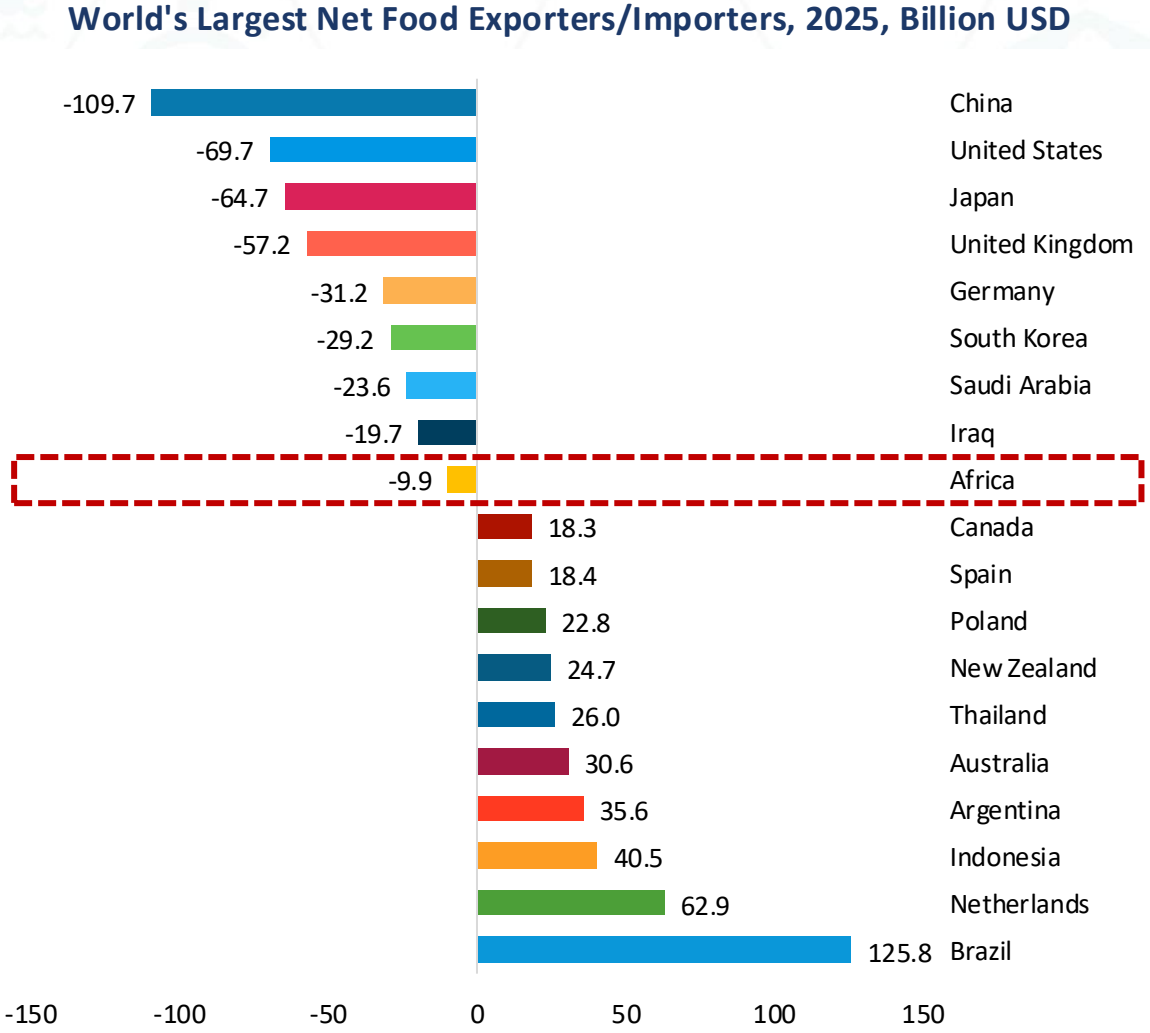
Source: East African Community Quarterly Statistics Bulletin April – June 2026

Food Security and Trade….

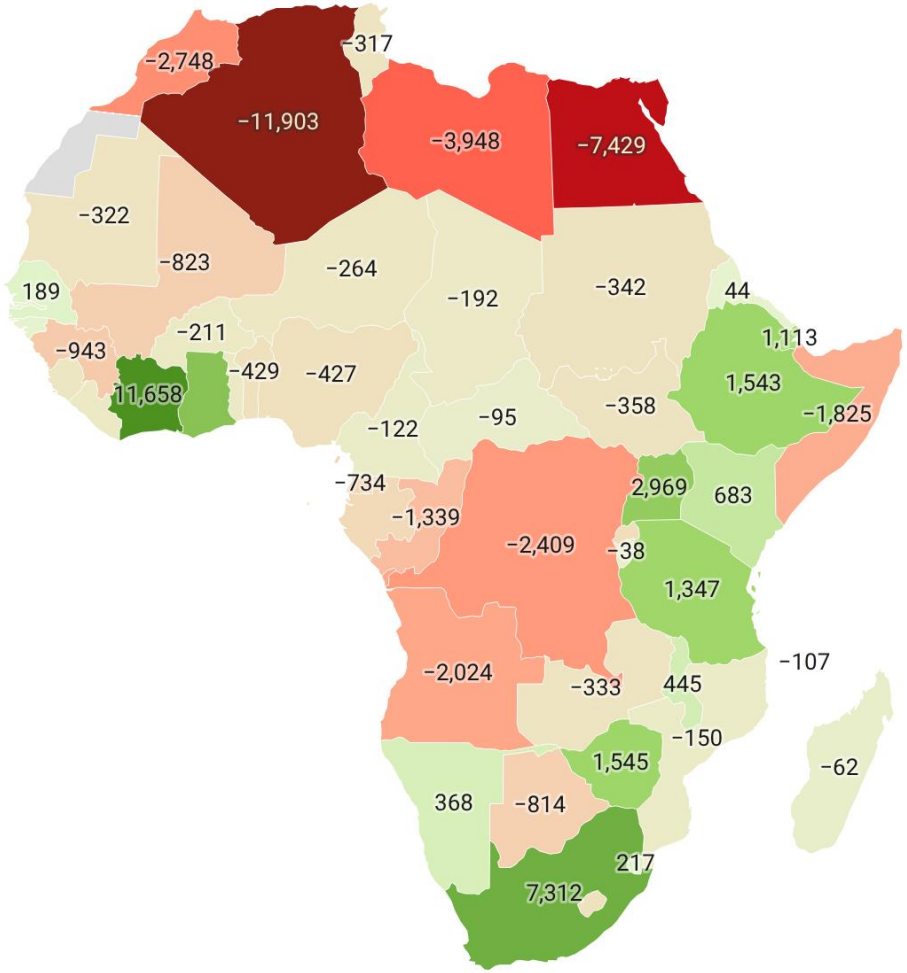


East Africa's food trade balance in a regional and global context

Africa has a smaller net trade deficit than Iraq



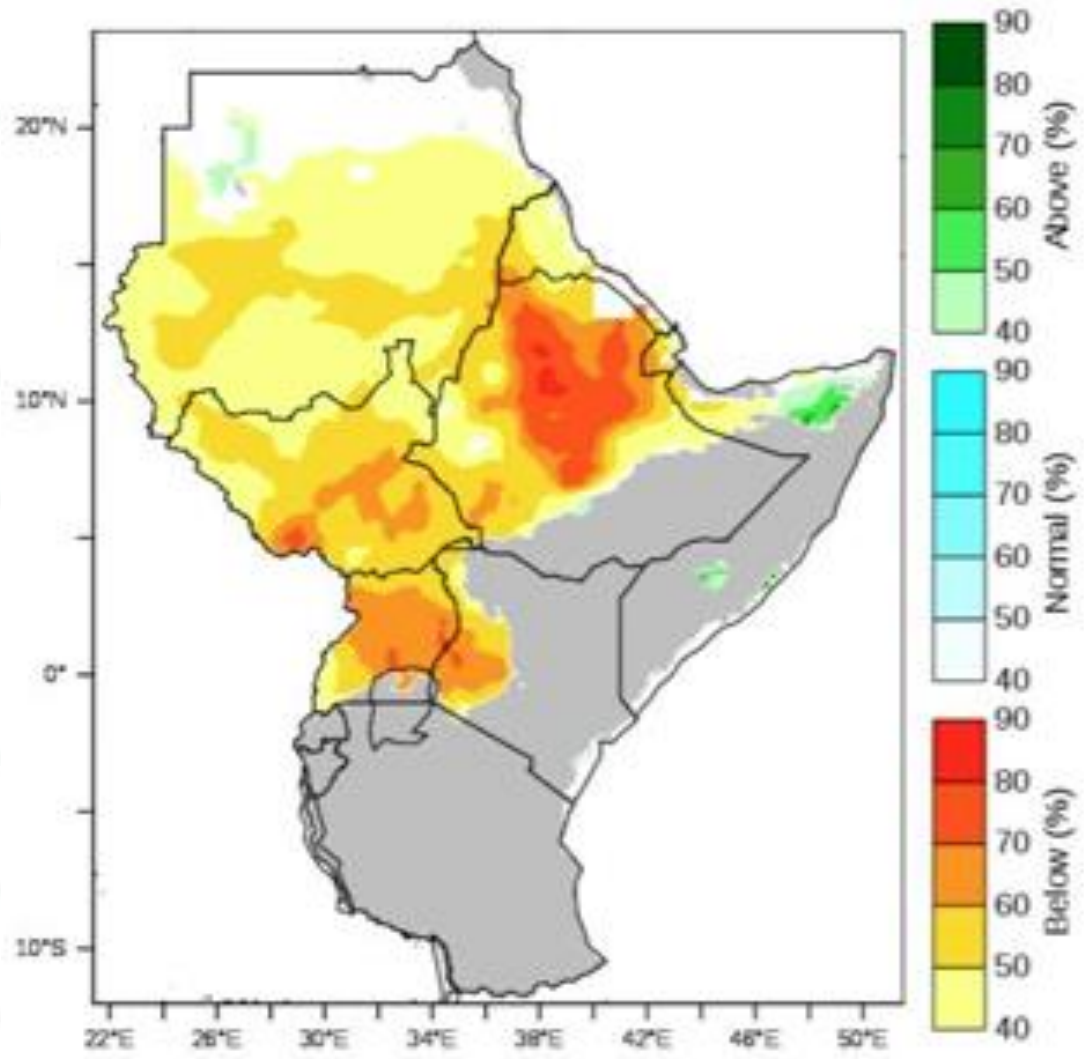
Africa's Food Trade balance by country, 2025



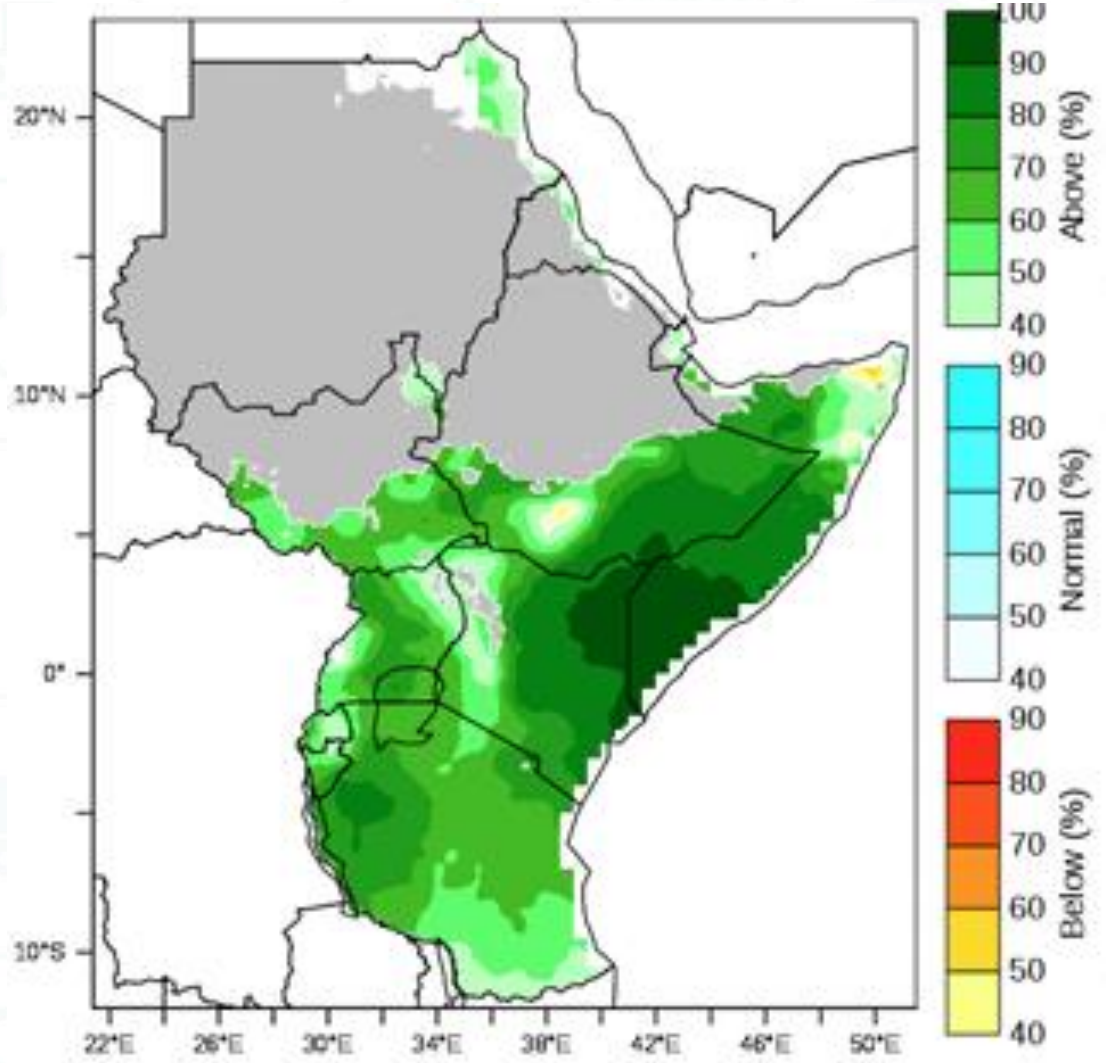
Created with Datawrapper

Source: ECA, calculated from UNCTAD, 2026 *Food defined as 'All Food (SITC)....'

From extreme drought to extreme flooding – climate forecasts are sombre…



July-Sept Rainfall

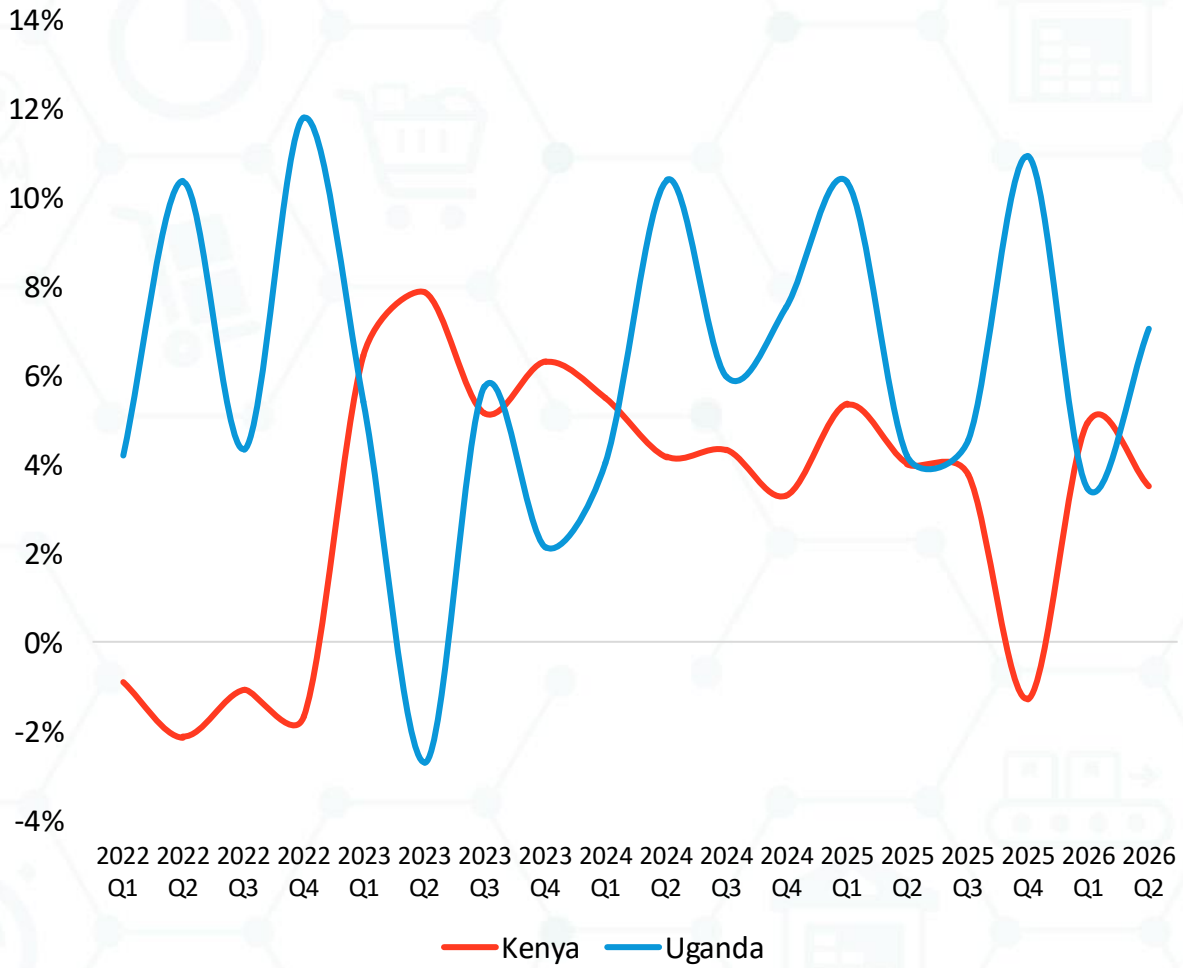


Oct-Dec Rainfall

Source: IGAD Climate Prediction and Applications Center

Asymmetries in regional agricultural performance…

Quarterly Agriculture Sector Growth (Y-o-Y) 2022 Q1–2026 Q2



Pearson's Correlation Matrix for Agricultural Quarterly GDP Growth, 2022 Q1 – 2026 Q1

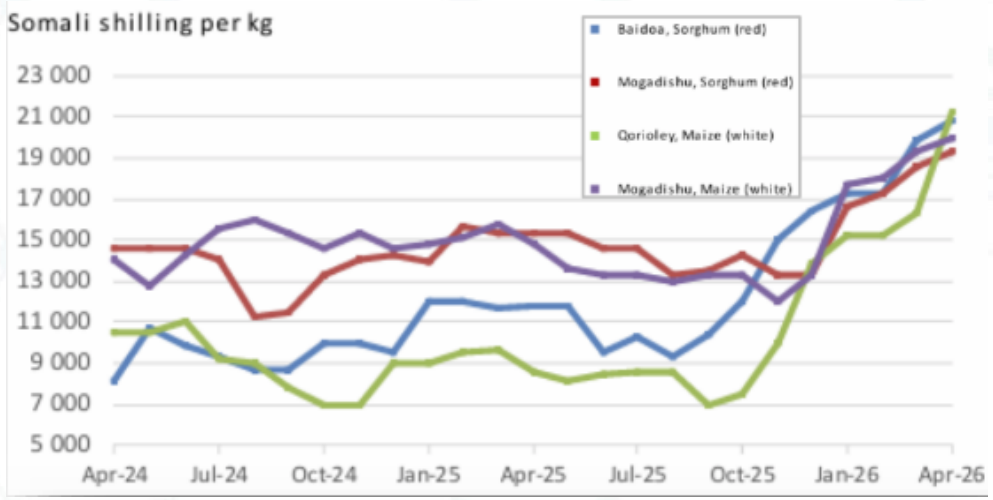
	Rwanda	Kenya	Seychelles	Tanzania	Uganda
Rwanda		0.40	-0.39	0.42	-0.18
Kenya	0.40		-0.18	0.14	-0.18
Seychelles	-0.39	-0.18		0.02	0.16
Tanzania	0.42	0.14	0.02		-0.32
Uganda	-0.18	-0.57	0.16	-0.32	

Agricultural growth rates show no consistent regional pattern, with limited synchronization across countries

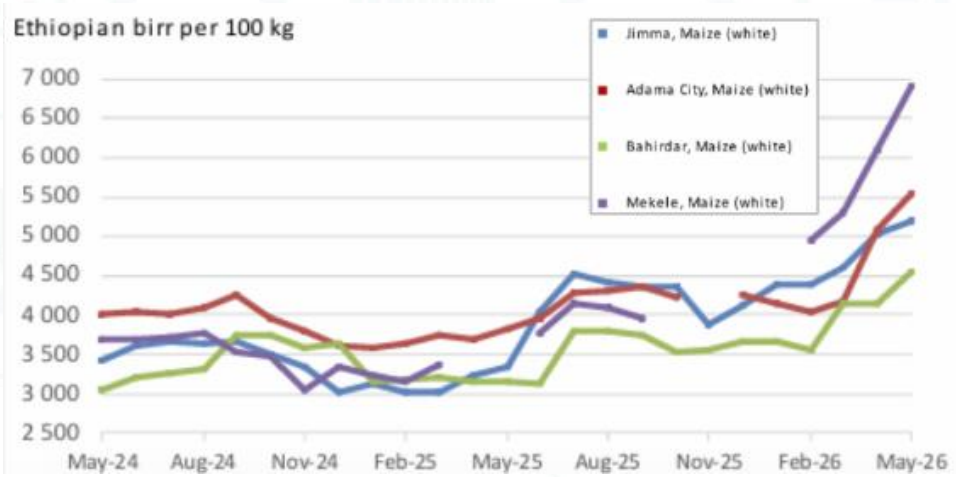
Source: ECA computed from data published by the National Bureau of Statistics and Central Banks, 2026

And prices for staple foods are starting to feel the strain….

Retail prices of sorghum and maize in Somalia



Wholesale prices of maize in Ethiopia



Retail prices of sorghum and maize in South Sudan



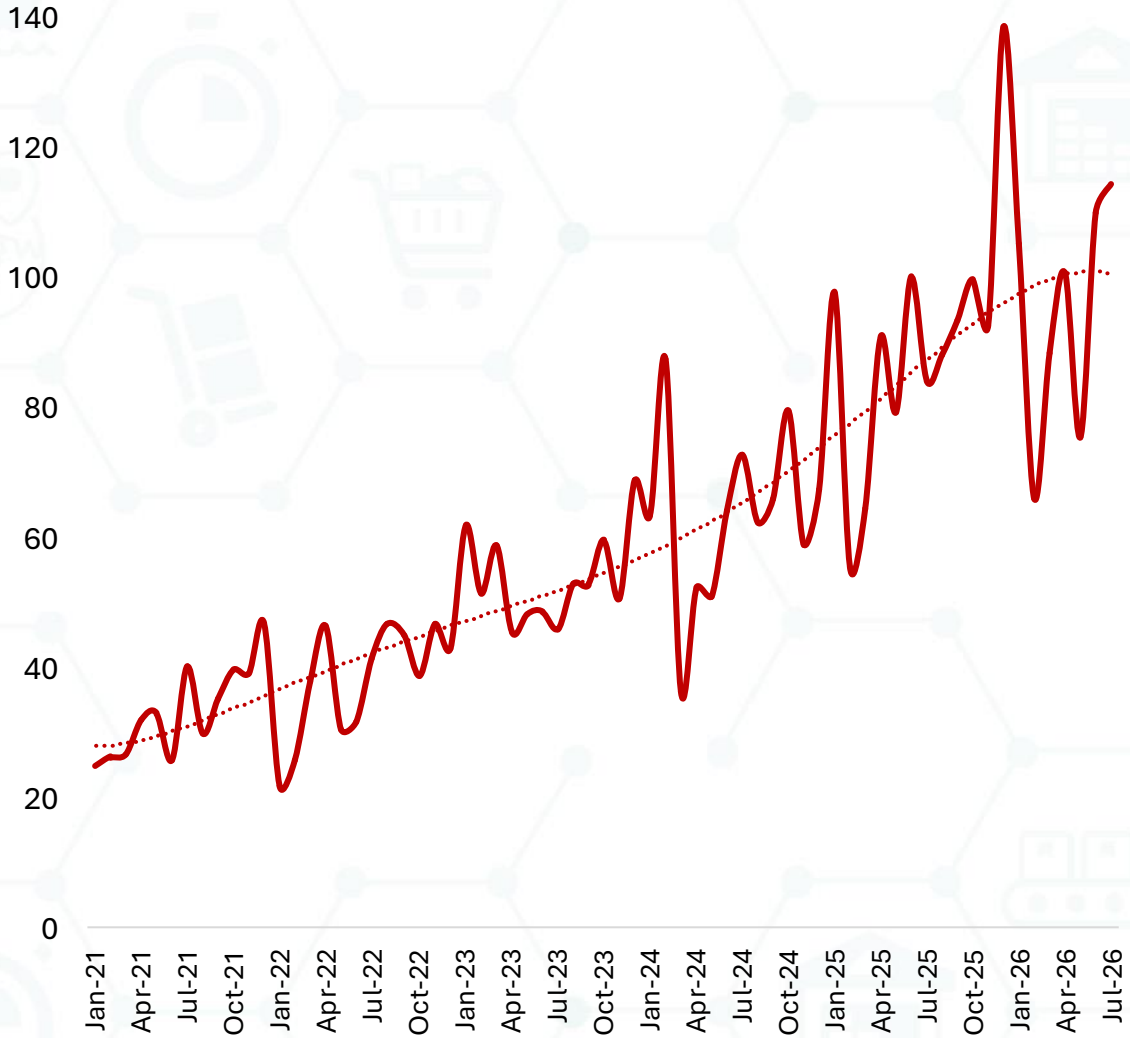
Wholesale prices of maize in Rwanda



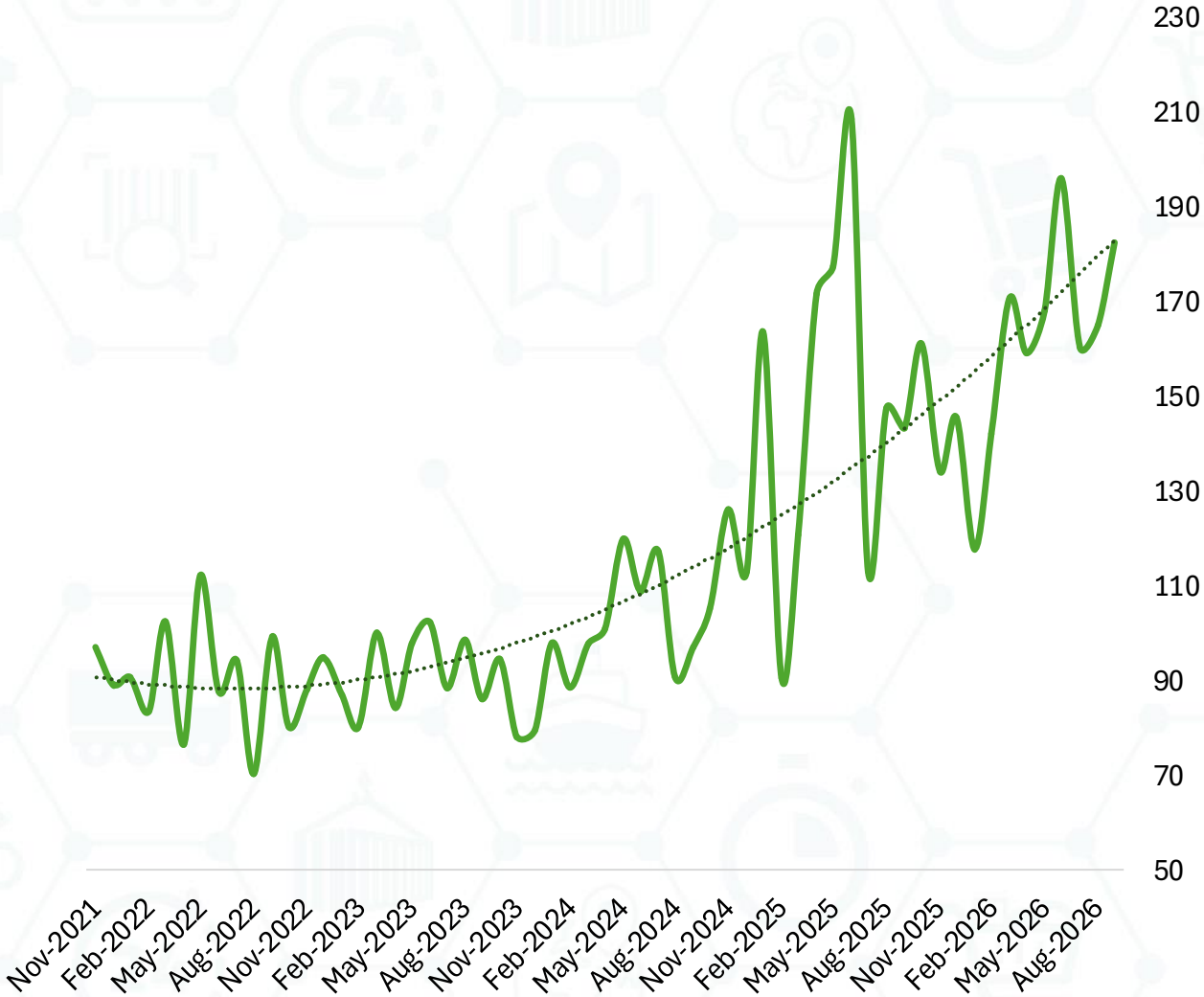
Source: FSNWG Food Security, Nutrition and Climate Update July 2026

Food imports seem to be surging in some countries…

Rwanda monthly food imports (2021-2026), USD million

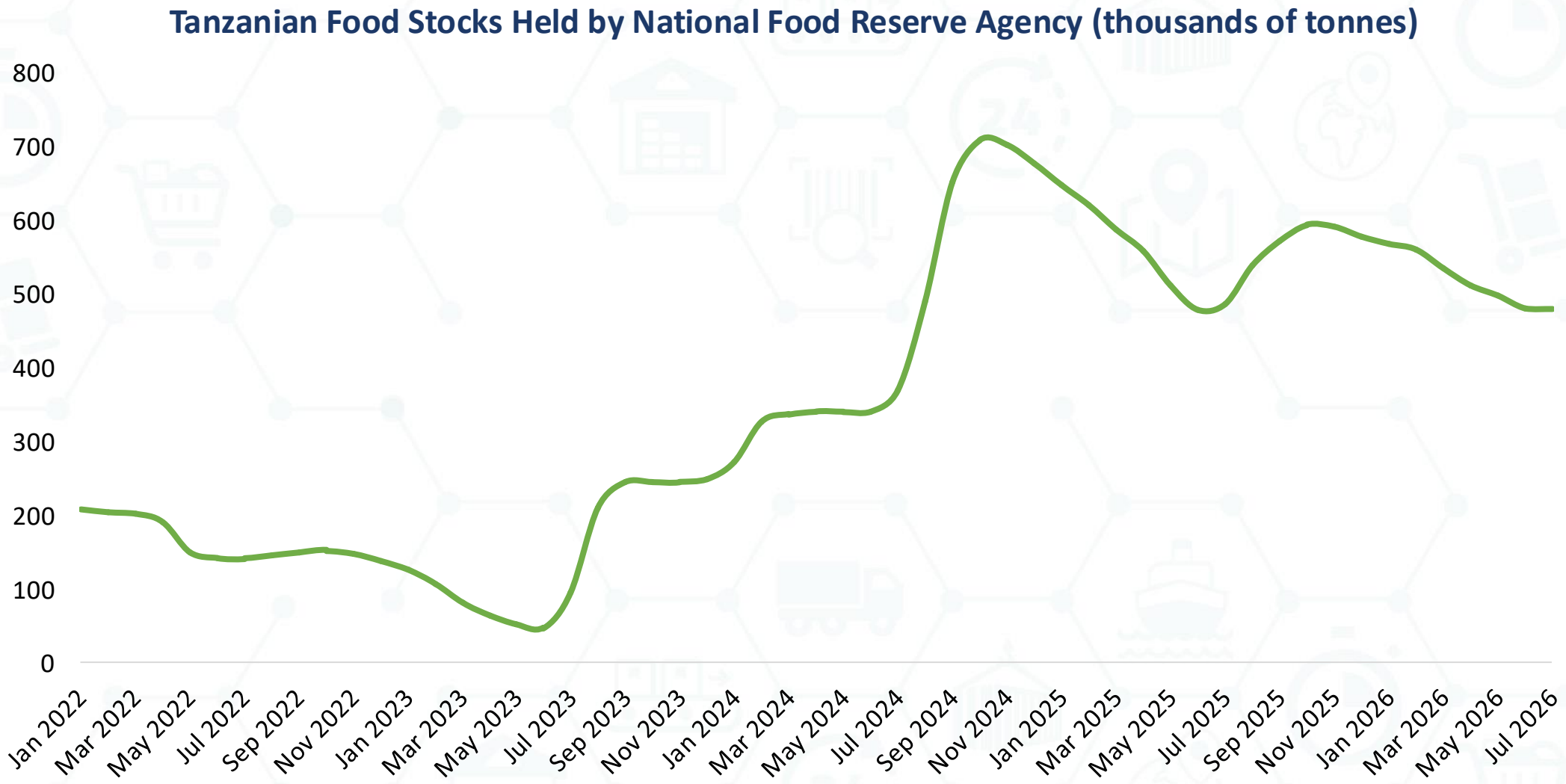


Uganda monthly Food Imports (2021-2026), USD million



Source: Central Bank Statistics, 2026

Some countries react by building up food stocks…

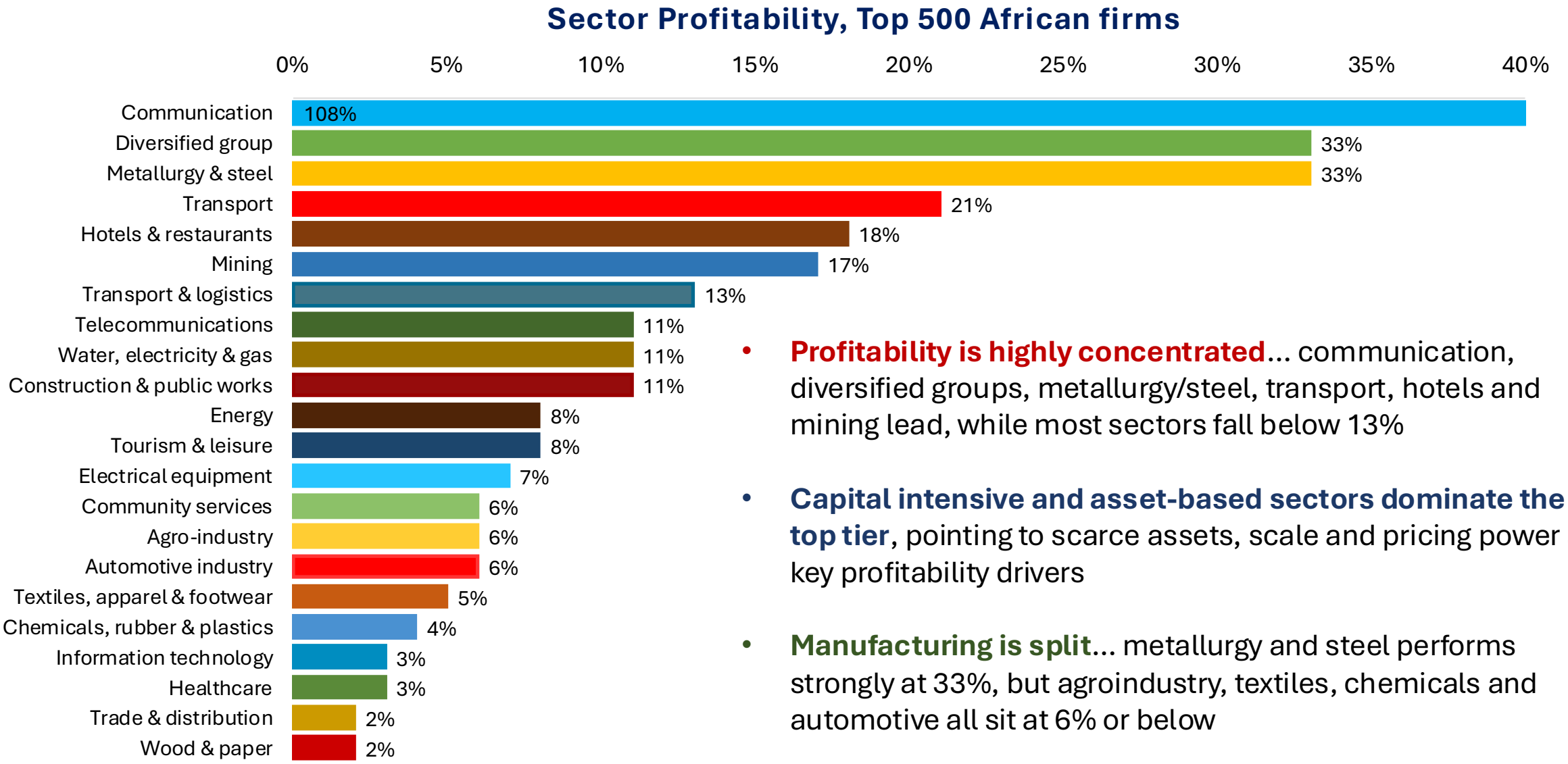


Source: BOT Monthly Economic Review August 2026

How is the private sector doing?



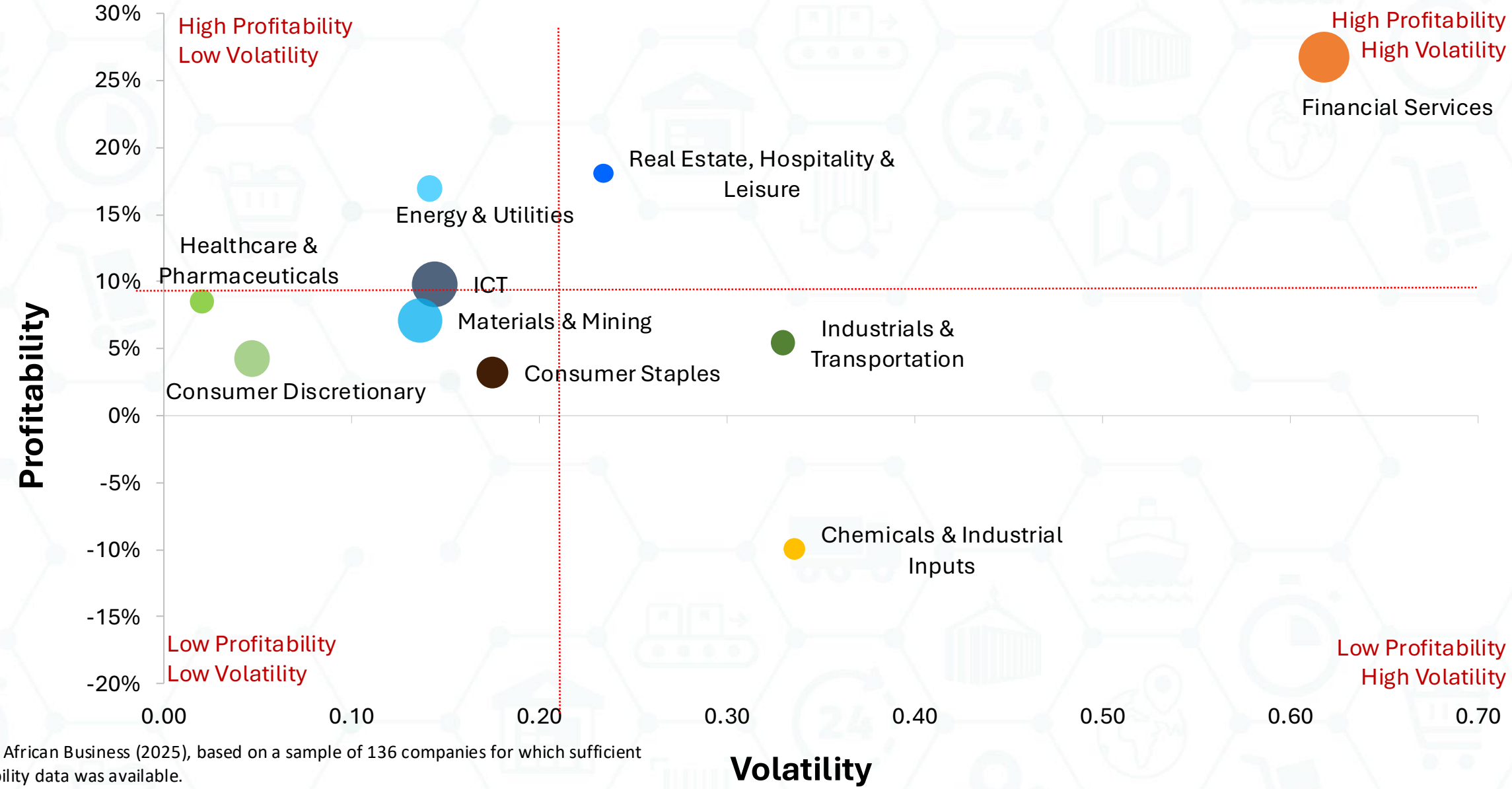
Many profitable investment opportunities on the African continent…



- **Profitability is highly concentrated**… communication, diversified groups, metallurgy/steel, transport, hotels and mining lead, while most sectors fall below 13%
- **Capital intensive and asset-based sectors dominate the top tier**, pointing to scarce assets, scale and pricing power as key profitability drivers
- **Manufacturing is split**… metallurgy and steel performs strongly at 33%, but agroindustry, textiles, chemicals and automotive all sit at 6% or below

Source: ECA elaboration from data from Jeune Afrique (2026)

Sector Profitability for Africa's Largest Companies



Source: African Business (2025), based on a sample of 136 companies for which sufficient profitability data was available.

The continent is performing well in terms of FDI….

2025 flows

$ 70 bn

2025 decreased

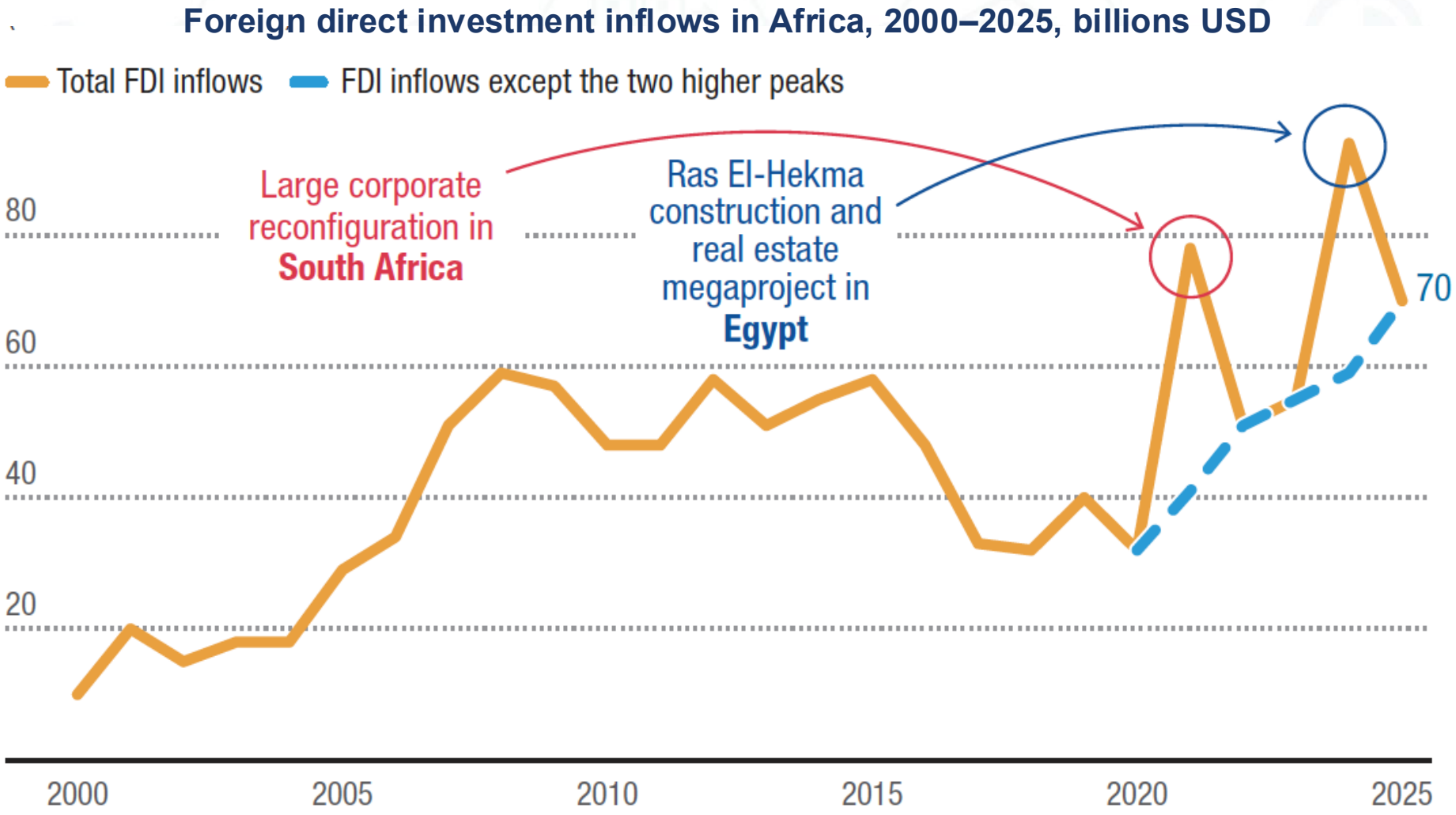
-26%

2025 Share in the World

4.3%

2025 Share in developing economies

8%



After adjusting for exceptional peaks, Africa recorded its strongest performance in recent decades

Source: *Launch of the 2026 World Investment Report – Africa Edition*, UNCTAD, FDO/MNE database (www.untad.org/fdistatistics)

The continent is performing well in terms of aggregate FDI….

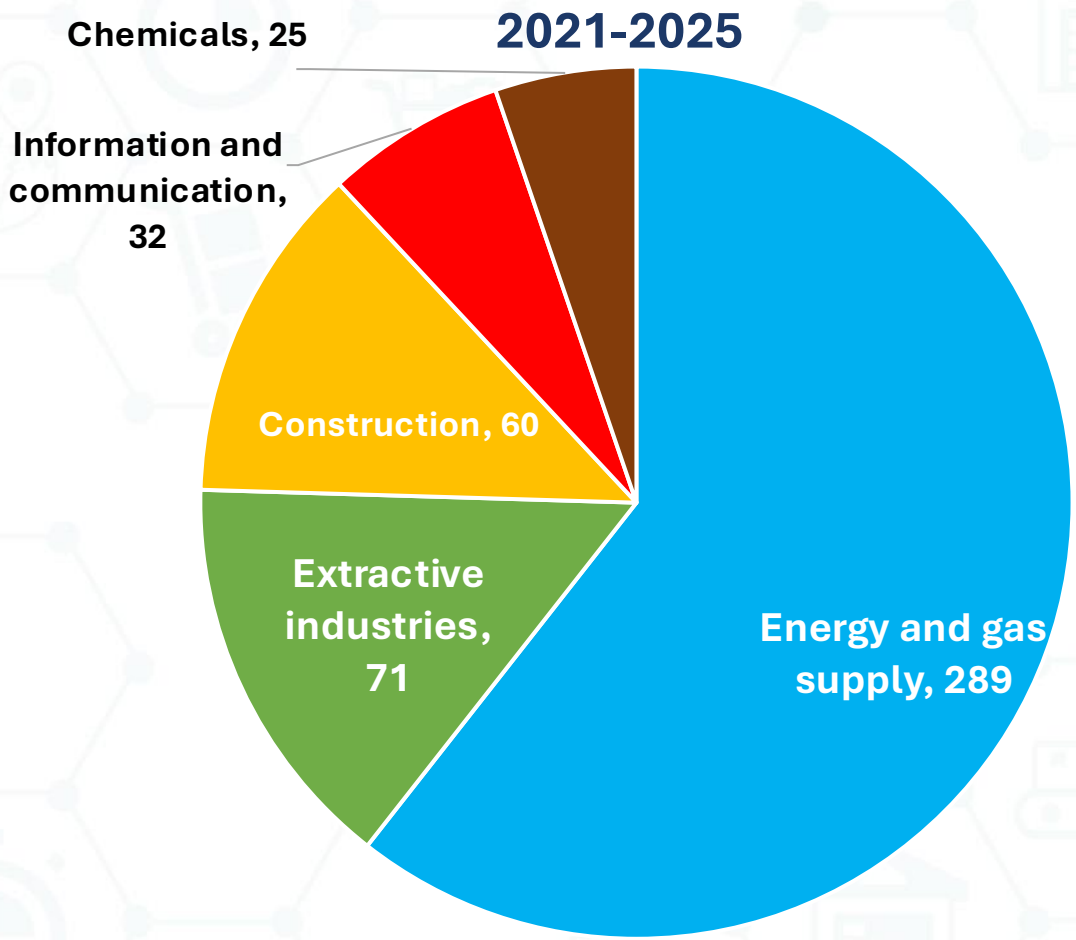
Largest Greenfield Projects in Eastern and Southern Africa Announced in 2025

Host economy	Home economy	Sector segment	Parent company	Estimated capital expenditure (US$ bn)
Uganda	United Arab Emirates	Coal, oil and gas	Alpha MBM Investments	4.0
Ethiopia	Nigeria	Chemicals	Dangote Group	3.0
Ethiopia	Hong Kong, China	Coal, oil and gas	Golden Concord Holdings	2.5
Angola	France	Coal, oil and gas	TotalEnergies	2.5
Angola	United Kingdom	Coal, oil and gas	BP	2.5
Zambia	China	Coal, oil and gas	Fujian Xiang Xin Group	1.1
DRC	China	Metals	CMOC Group	1.1

Source: *Launch of the 2026 World Investment Report – Africa Edition*, UNCTAD, FDO/MNE database (www.untad.org/fdistatistics)

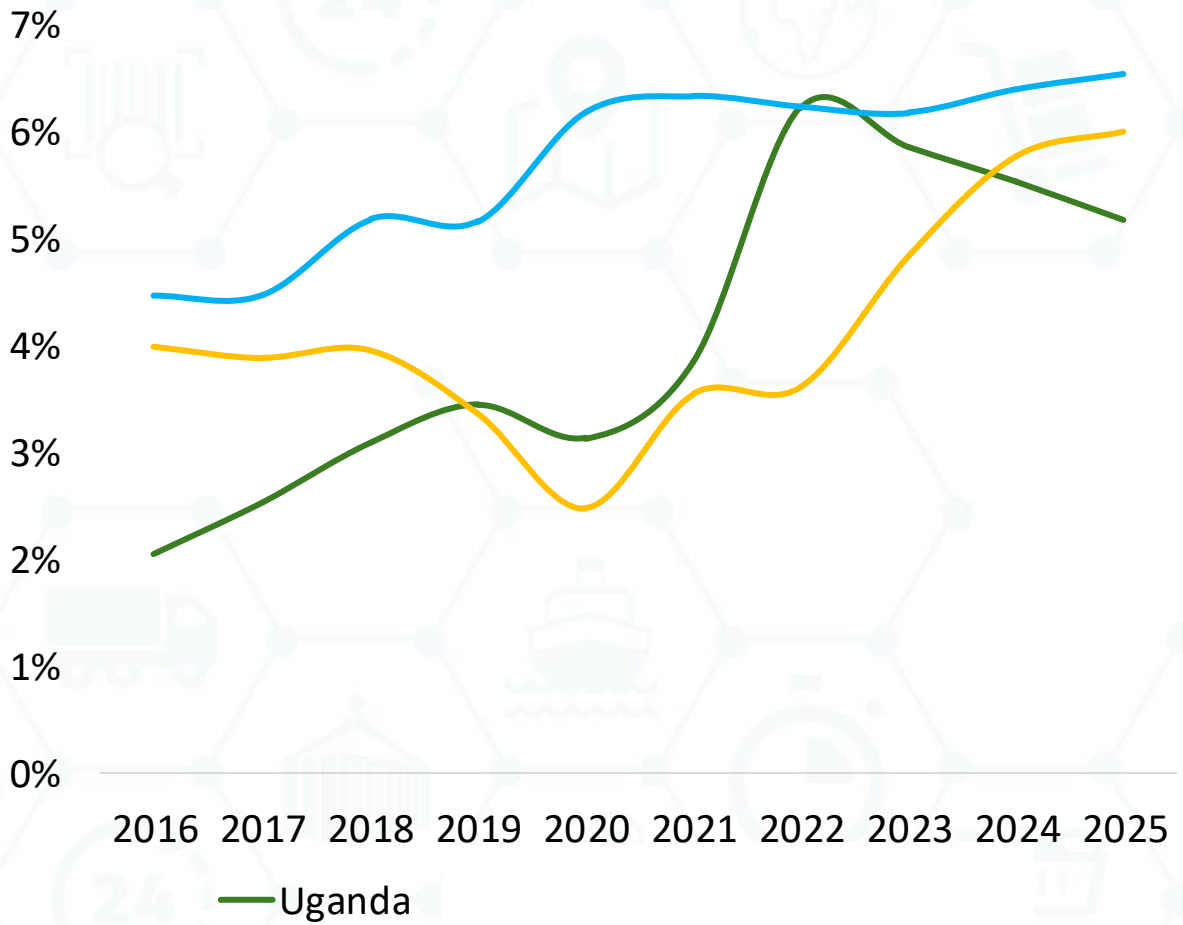
Investment remains concentrated in energy and extractive industries

Top five industries, greenfield investment announcement (Billions of dollars)



Source: *Launch of the 2026 World Investment Report – Africa Edition*, UNCTAD, based on information from the Financial Times Ltd, fDi Markets (www.fDimarkets.com)

The largest recipient of FDI in Eastern Africa in 2025 was...?

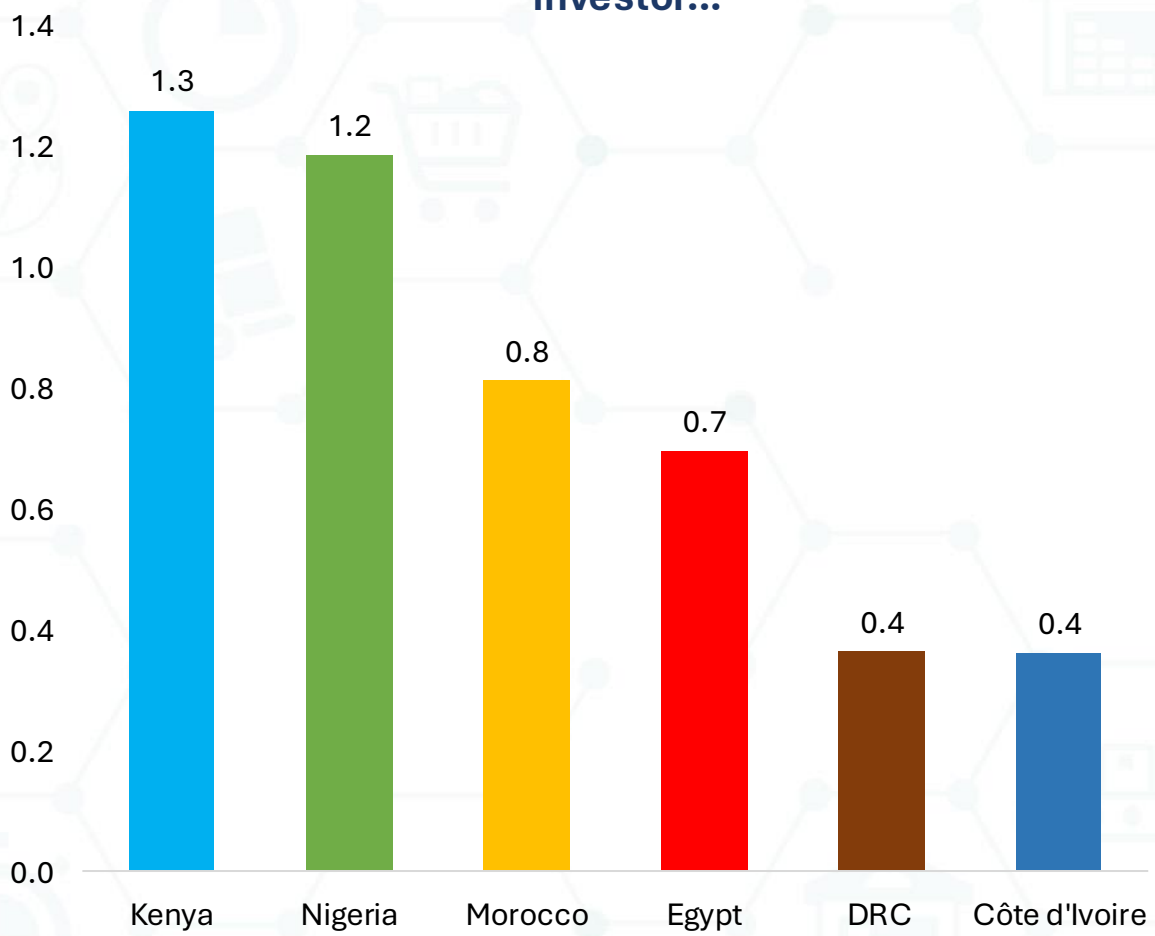


Source: UNECA computations from UNCTAD WIR (July 2026)

Changing regional investment patterns are evident…

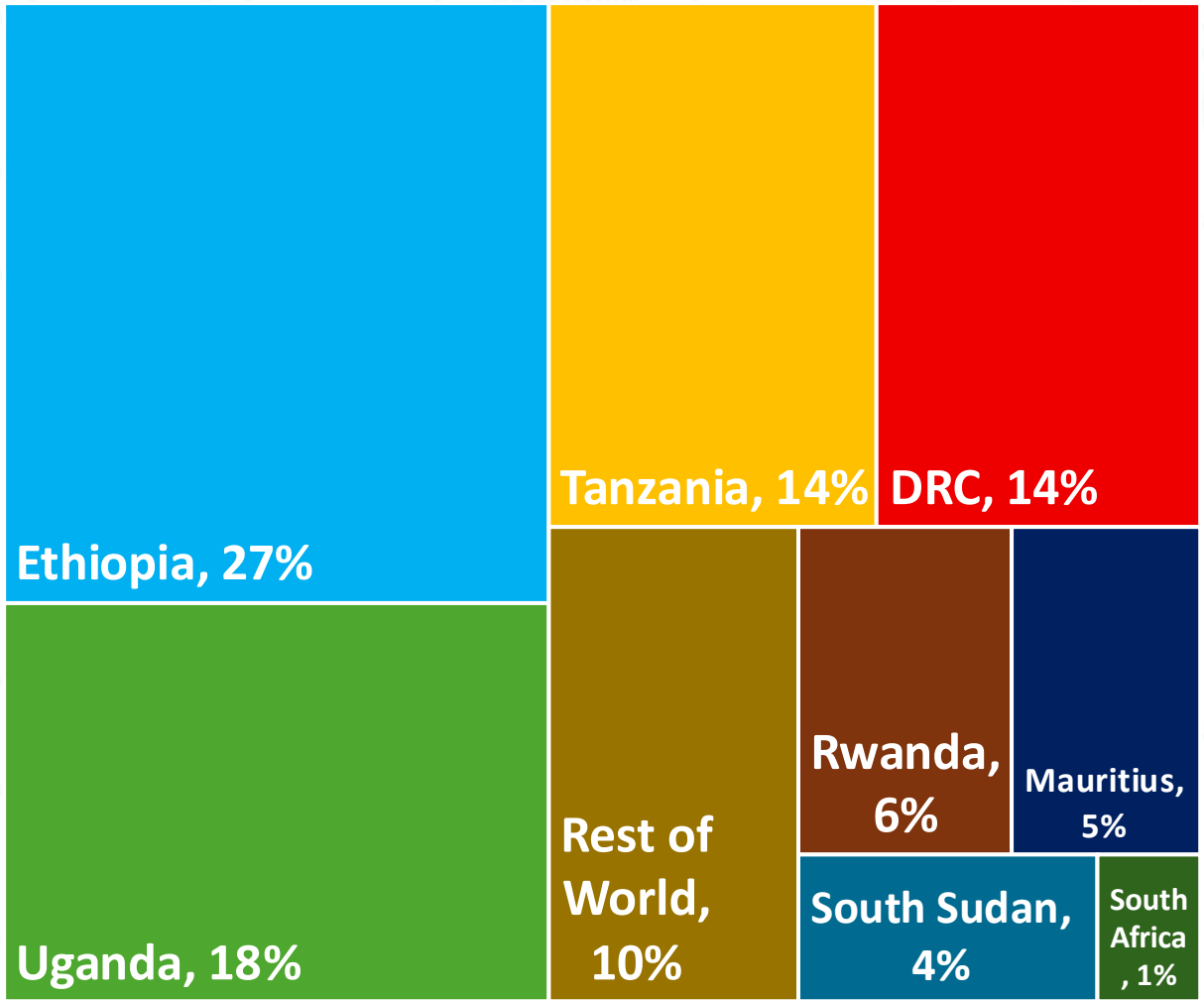
Largest FDI Outflows in Africa, 2025 (billions USD)

Kenya emerges as Africa's largest outward investor…



Source: UNECA computations from UNCTAD WIR (July 2026)

Share of Stock of FDI Assets, Kenya, 2023 (%)



Source: UNECA computations from UNCTAD WIR (July 2026)

Conclusion

1

2

3

4

5

6



For more information, visit:

https://www.uneca.org/sa-ea-icsoe2026

REPUBLIC OF NAMIBIA

United Nations
Economic Commission for Africa

www.uneca.org

Conclusion

1. Eastern Africa remains one of the world's fastest-growing regions, but national growth paths and income outcomes are increasingly divergent.
2. Growth is broadening across services, industry and agriculture, although its sectoral drivers differ sharply between countries.
3. Inflation and monetary conditions are diverging again as energy, transport and food-price shocks affect countries in a differential manner.
4. Fiscal positions may be stabilising, but high debt-service costs, narrow tax bases and limited policy space constrain development spending
5. Intra-Regional Trade has been expanding at an impressive pace, opening new opportunities for the region's exporters.
6. Persistent food insecurity and extremely slow SDG progress show that strong headline growth is not yet translating sufficiently into resilience and broad-based social development.