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Report

Recent Economic and Social Conditions in Southern Africa in 2025 and Prospects for 2026

SECTION 1: INTRODUCTION

1. This report on *Recent Social and Economic Conditions in Southern Africa* is presented annually to the ICSOE of Southern Africa. Its objectives are to: (i) provide member States with an update on the social and economic situation in the region; and (ii) offer recommendations on key policy issues.

2. Member States' representatives and other stakeholders attending the 2026 Joint ICSOE for Eastern and Southern Africa meeting are invited to deliberate on the report, including proposed issues for discussion highlighted in the last section. Finally, member States' representatives are kindly requested to share updated country data on social and economic conditions to improve future analysis.

SECTION 2: RECENT MACROECONOMIC PERFORMANCE AND OUTLOOK — A REVIEW OF 2025 AND PROSPECTS FOR 2026

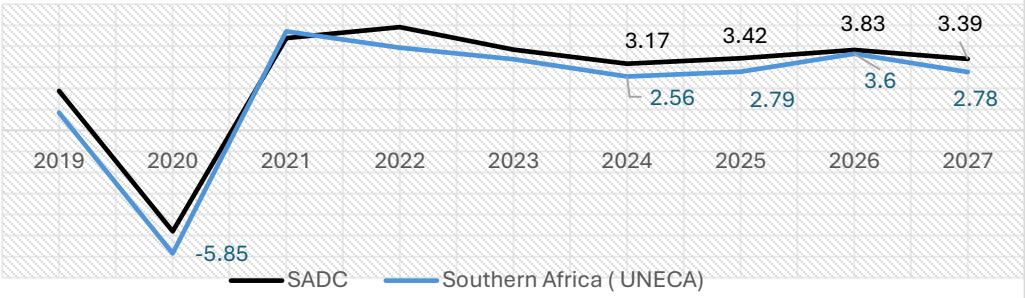
2.1 Economic Growth: Uneven Momentum Across the Sub-Region

3. Table 1 in Annex and figure 1 show that the economic growth among the Southern African countries varied widely in 2025 depending on commodity dependence, fiscal space and reform pace. Zimbabwe led at 8.5 per cent on improved agriculture and ZiG's stabilisation; and Zambia benefited from good performance in key sectors such as agriculture and surging copper prices that rose by over 40 per cent in 2025 and continued rising in 2026, hitting a record over US$14,200 per tonne in August 2026. Successes in debt restructuring also factored in Zambia's growth.

4. Botswana's GDP contraction that started in 2024 continued in 2025 on weak diamond demand, and Mozambique's growth declined slightly as fiscal adjustment weighed on activity even as LNG projects expanded. South Africa grew just 1.1 per cent, constraining regional momentum and its SACU neighbours. The average growth among the eleven member States[1] under the aegis of SRO-SA reached 2.8 per cent in 2025 against 3.4 per cent for SADC (figure 1). Sustaining and accelerating this growth requires diversifying away from single-commodity dependence and faster growth in South Africa. The sub-region recorded the continent's lowest per-capita growth in 2025, reflecting limited diversification, weak agricultural productivity, infrastructure deficits and low resource mobilization (AfDB, 2026a).

[1] Angola, Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Zambia and Zimbabwe – collectively referred to as sub-region or Southern Africa in this report.

Figure 1: Southern Africa: real GDP growth (%)

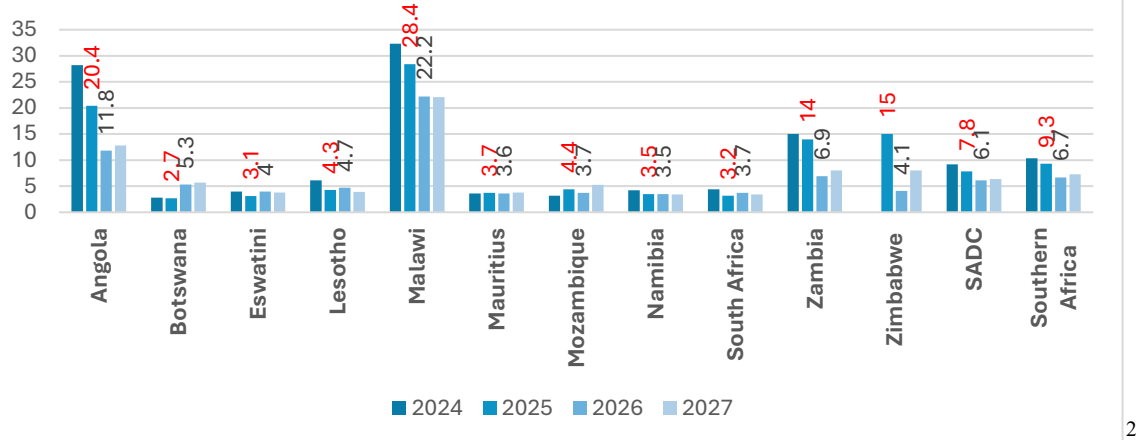


Source: 2027 data, and all data for Comoros, are from IMF, World Economic Outlook database, April 2026. 2019 to 2026 data are from SADC Member States. SADC and Southern data are averages.

2.2 Inflation and Exchange Rate Developments

5. The defining development of 2025 was a sharp deceleration in inflation due to improved agricultural harvests, lower global food prices, and more stable fuel costs; a further moderation is expected in 2026 (figure 2). Average inflation among the eleven SRO-SA member States declined from 10.38 per cent in 2024 (ten countries, excluding Zimbabwe, for which no comparable observation is available) to 9.34 per cent in 2025 and is projected at 6.68 per cent in 2026. The corresponding sixteen-member SADC averages, including Comoros, were 9.18, 7.83 and 6.09 per cent, respectively. Table 1 gives slightly different SADC averages (9.5, 8.1 and 6.3 per cent) because it covers fifteen countries and excludes Comoros. Eight of the ten SRO-SA member States with observations in both 2024 and 2025 recorded lower inflation; Mauritius and Mozambique were the exceptions. Zimbabwe's recorded inflation eased from 29.4 per cent in 2023 to 15 per cent in 2025, with 4.1 per cent projected for 2026. However, there is no comparable 2024 observation following the introduction of the ZiG, and the series crosses a currency change. Zimbabwe cannot therefore be credited with the regional decline between 2024 and 2025: it is excluded from the 2024 average, while its 2025 inflation exceeded the subregional average. The 2024–2025 decline was driven mainly by Angola and Malawi.

Figure 2: Southern Africa: inflation, 2024-2027



[2]

Source: 2027 data, and all data for Comoros, are from IMF, World Economic Outlook database, April 2026. 2019 to 2026 data are from SADC Member States. SADC and Southern data are averages.

6. Although inflation is projected to ease in 2026, potential drier conditions associated with the 2026/27 El Niño season could affect agricultural yields and renew food-price pressures. Fiscal deficits and high debt-service obligations could also add to inflationary pressure, particularly where central bank lending to government expands liquidity or substantial domestic borrowing undermines confidence in fiscal and monetary policy. This effect is not automatic and depends on deficit financing and the monetary framework; it may be more constrained under credible inflation targeting or exchange-rate pegs, including those of the Common Monetary Area. Table 1 indicates that central bank credit to government exceeded the 5 per cent convergence threshold in 2025 in Malawi (31.7 per cent), Eswatini, Mozambique and Angola.

7. Exchange rate developments diverged sharply across the eleven economies in 2025–2026, impacted by global geopolitical disruptions, fluctuating commodity prices, shifting domestic monetary policies, and critical structural and fiscal reforms. The rand and its Common Monetary Area peers strengthened from an average of R18.33/US$ in 2024 to around R16.10/US$ by August 2026, while the Zambian kwacha appreciated from K26.17/US$ to around K19.05/US$ by August 2026 driven by strong copper prices.[3] The pula and metical have stayed broadly stable, while the Angolan kwanza and Malawian kwacha kept depreciating from Kz869.9/US$ and MK1,730.4/US$ in 2024 to a projected 927.3 and 1,750/US$ respectively.[4] Zimbabwe's ZiG has remained largely stable recently, gyrating between 25.3/US$ to 26.7/US$ through mid-2026.

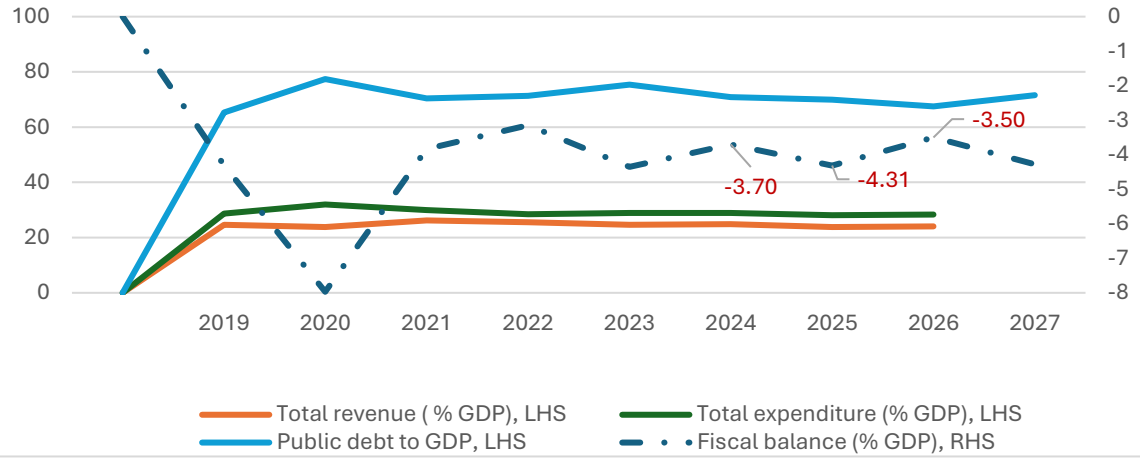
2.3 Fiscal Policy and Public Debt dynamics

8. Fiscal consolidation progressed slowly as huge fiscal deficits continued to be driven by escalating public debt servicing costs, severe climate shocks, a steep decline in

[2] Figure 2 covers sixteen SADC members including Comoros; table 1 covers fifteen. Zimbabwe is omitted from the SRO-SA 2024 average because a comparable inflation observation is unavailable. Accordingly, changes in regional averages should be read with these coverage differences in mind.
[3] African Development Bank (AfDB), Socioeconomic Database. Accessed in August 2026
[4] African Development Bank (AfDB), Socioeconomic Database. Accessed in August 2026

international aid, and structural economic bottlenecks. Malawi recorded the largest deficit; Lesotho posted a surplus on SACU transfers; and South Africa continued sizeable deficits amid rising debt-service costs (table 1). Average fiscal balance stood at -4.3 per cent of GDP in 2025, narrowing to a projected -3.5 per cent in 2026.

Figure 3 : Fiscal overview and public debt dynamics



Source: SADC Member States / IMF, World Economic Outlook database, April 2026

9. Public debt has remained elevated driven by sluggish post-pandemic economic recovery, high global borrowing costs, recurrent climate shocks (e.g. droughts), and structural fiscal deficits. Average government debt across the sub-region has hovered above or near the SADC convergence ceiling, with several member States (Zambia, Mauritius, Malawi, South Africa, Mozambique, Namibia) significantly surpassing the 60 per cent of GDP limit (table 1 and figure 3).

10. Member States' efforts to stabilize and eventually reduce public debt are noteworthy, however. For example, Zambia continues to reduce its burden after G20 Common Framework restructuring and has enhanced the domestic revenue mobilization efforts including through the Government Service Bus (GSB)[5], which has onboarded 380 government services by 2025 and enabled real-time digital tracking of public transactions. Also, Angola is aggressively amortizing oil-backed loans, proactively repurchasing bonds, and sticking to the disciplines imposed by the Public Finance Sustainability Law (table 1).

11. Mozambique is planning to reduce the public debt service burden to 5.9 per cent of GDP by 2029, down from an estimated 7.5 per cent of GDP in both 2025 and 2026, as part of the plans to contain borrowing and prioritize financing on more favorable terms. By March 2026 Mozambique had fully paid off over US$630 million to US$700 million in outstanding debt to the IMF ahead of its 2031 schedule, clearing its credit balance to protect the central bank's balance sheet.

[5] The GSB is the national digital platform that integrates all government ministries, departments, and agencies to offer centralized e-services. Deployed by the SMART Zambia Institute, it eliminates the paperwork hassle and long physical queues by allowing citizens, businesses, and foreigners to apply, track, and pay for public services online.

12. Finally, South Africa has prioritized maintaining a budget primary surplus (where revenues exceed non-interest spending). The surplus lowers the government's financing needs, but it is not yet large enough to cover the full interest bill: the overall fiscal balance remained in deficit at -4.5 per cent of GDP in 2025, so the government still borrows to meet part of its interest payments (table 1). As a result, public debt has continued to edge up, from 77.0 per cent of GDP in 2024 to 78.9 per cent in 2025 and is only projected to ease to 77.3 per cent in 2026. Whether the primary surplus eventually reduces the debt ratio will depend on keeping borrowing costs below nominal GDP growth, which remains weak at around 1 per cent in real terms. It will also depend on limiting off-budget pressures such as support to state-owned enterprises and the effect of rand depreciation on foreign-currency debt. Furthermore, the country is consulting on, and formalizing, a principles-based fiscal anchor and numerical rules to make debt limits legally and operationally binding.

13. Overall, improving debt sustainability remains a top policy priority, notwithstanding early signs that regional debt levels are beginning to stabilise. Zambia and Mozambique offer contrasting experiences of how countries are tackling high debt. Zambia used an internationally coordinated restructuring under the G20 Common Framework, which has helped lower its public debt from 104 per cent of GDP in 2024 to a projected 78.3 per cent in 2026. Its debt service fell from 30.5 to 20.9 per cent of exports between 2023 and 2025 (tables 1 and 2). Mozambique has instead relied on its own measures, such as early repayment of IMF obligations and plans to lower debt service. Its debt ratio is easing more gradually, from 71.8 to 65.5 per cent of GDP, while its debt service has risen from 15.4 to 25.9 per cent of exports over 2023–2026. Rising debt-service costs are increasingly crowding out development spending in the most heavily indebted economies, reinforcing the case for sustained fiscal consolidation alongside deeper domestic revenue mobilisation.

2.4 External Sector Developments

14. Southern Africa's external position weakened moderately in 2025, driven chiefly by Mozambique's substantial LNG-related import needs: current account deficit widened to an estimated 13.2 per cent of GDP in 2025, from 11.3 per cent in 2024 (table 1), with the non-megaproject deficit estimated at 11.8 per cent.[6] South Africa's deficit, by contrast, was moderate, narrowing to about 0.5 per cent of GDP from 0.7 per cent (table 1). The sub-regional deficit is projected to widen further, to 0.9 per cent in 2026 and 2.2 per cent in 2027 (AfDB, 2026a), driven by driven by import-intensive energy and supply shocks, mega-project capital imports (Namibia, Mozambique), climate and agricultural setbacks, divergent commodity performance, and constrained financial flows.

15. Foreign direct investment fell from US$43 billion in 2021 to US$8.5 billion in 2023 before recovering to US$11.6 billion in 2024, on renewed investment in Mozambique, Namibia and Zambia's extractive industries even as South African inflows fell and Angola

[6]IMF, *Mozambique: Staff Report for the Article IV Consultation*, 2025/2026.

recorded negative flows. Remittances rose to US$6.8 billion in 2024, led by Zimbabwe (AfDB, 2026a).

16. Reserve buffers show a mixed picture. In months of imports Mauritius held the highest cover (11.1 to 14.1 months, 2023–2025), while South Africa eased to 5.7 months and Namibia fell to 3.3 months; Zambia's reserves strengthened to 4.8 months as copper earnings recovered (table 1). Malawi and Zimbabwe recorded the weakest buffers, at 0.5 and 0.6 months, while Mozambique improved to 3.7 months (table 1). Countries with narrower export bases and heavier reliance on imported fuel remain most exposed to further reserve erosion should financing conditions tighten.

2.5 Monetary Policy

17. As inflation moderated, many central banks adopted more accommodative stances during 2025 (table 3). Mozambique cut its policy rate to 9.2 per cent by January 2026, down from 12.7 per cent in 2024, while Angola delivered its first rate cut since 2023, trimming the benchmark from 19.5 per cent to around 19 per cent by September 2025 and continuing to ease into 2026. Zimbabwe and Malawi held policy rates at historically elevated levels for most of 2025, at 35 per cent and 26 per cent respectively, reflecting continued caution over currency stability even as headline inflation eased.

18. Botswana was the exception to the region's easing bias, raising its policy rate by 160 basis points to 3.5 per cent in October 2025 to support the pula and limit imported inflation, while the South African Reserve Bank cut its policy rate from 8.25 per cent in September 2024 to 6.75 per cent by November 2025, preserving inflation-targeting credibility. Overall, monetary authorities increasingly shifted focus from inflation control toward supporting recovery, while remaining alert to renewed external price shocks.

2.6 Outlook For 2026 And Risks

19. The 2026 baseline anticipates moderate expansion, continued disinflation and broadly stable public debt, though risks could weaken this picture. The most immediate is geopolitical uncertainty from the United States–Iran conflict and Strait of Hormuz disruptions: higher oil prices have raised fuel and transport costs, renewing inflationary pressure. Angola benefits as a net oil exporter, while oil-importers face rising costs and reserve pressure. Sustained oil price increases could raise regional inflation by 1–3 percentage points and import costs by 10–25 per cent, with Madagascar, Malawi and Zimbabwe most exposed (AfDB, 2026a).

20. Other risks include dependence on volatile commodity prices (copper, oil, diamonds) and South Africa's prolonged low growth, which constrains SACU neighbors through trade and fiscal linkages. Debt sustainability remains a particular concern in Mozambique and Malawi (table 1). The key challenge is translating disinflation into stronger investment, employment and inclusive growth while safeguarding these gains. The region's binding constraint is not capital scarcity but limited capacity to mobilize resources at scale, leaving an estimated financing gap of roughly US$55 billion annually

by 2030 (AfDB, 2026a). Closing it requires deepening capital markets, mobilizing pension and insurance assets — concentrated in South Africa, Namibia and Botswana — and expanding blended finance and public-private partnerships.

SECTION 3: INDUSTRIALIZATION, MANUFACTURING, ENERGY ACCESS AND CRITICAL ENERGY TRANSITION MINERALS IN SOUTHERN AFRICA

3.1 Industrialization in Southern Africa

21. The industrial sector in Southern Africa is undergoing transformation driven by the pursuit of regional value-chains and the drive to implement the aspirations of the SADC Industrialization Strategy and Roadmap. South Africa has recently introduced structural energy and water reforms, establishing the National Transmission Company of South Africa in 2024 to stabilize manufacturing power supply and open up private-sector grid participation.[7] Angola has also scaled up its focus on rural industrial parks, dedicated Special Economic Zones (SEZs), and free-trade zones to accelerate non-oil manufacturing and local processing capacity across various commodities.

22. Zambia has initiated an Integrated Forest Landscape Project,[8] which prioritizes localized forestry, timber processing, and value-addition agro-industries to entrench economic diversification from the reliance on copper exports. Namibia and South Africa continue to advance the development of green hydrogen infrastructure corridors and clean-energy generation blueprints designed to supply zero-emission energy inputs to domestic industrial zones. Overall, food and beverage processing, basic iron, steel, and minerals and metal fabrication remain the heavy anchors of Southern African manufacturing output, followed by automotive assembly and chemicals processing.

3.2 The Sub- Regional Manufacturing Sector

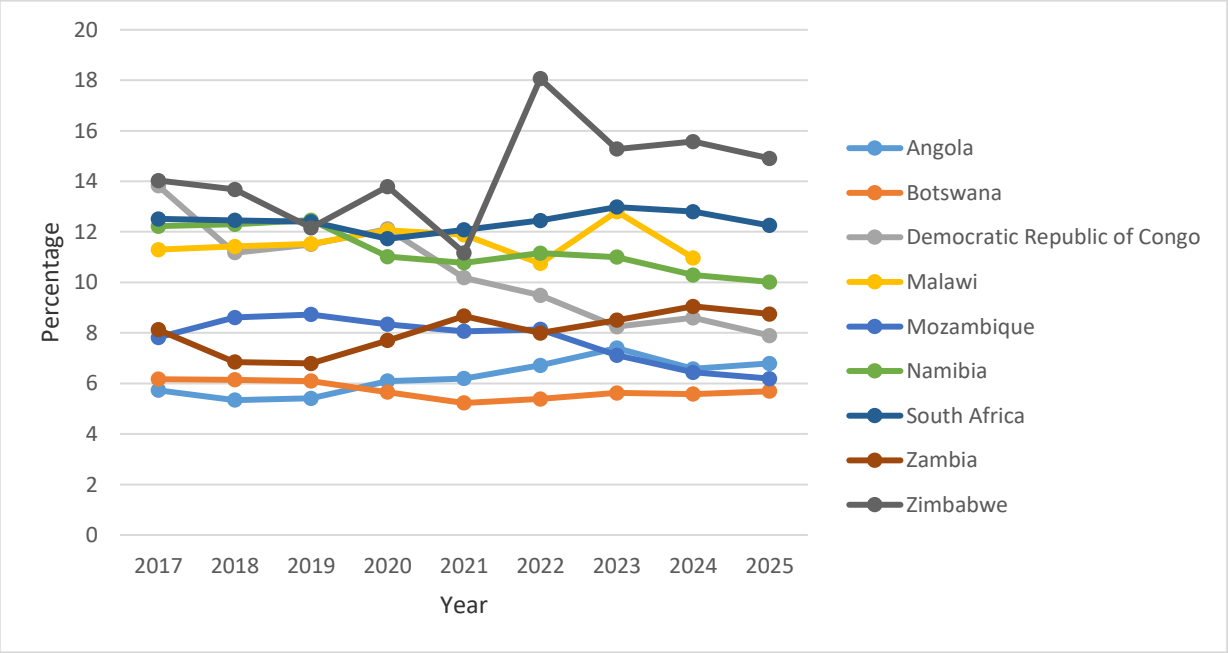
23. Southern Africa is increasingly leveraging the Africa Continental Free Trade Area (AfCFTA) to transition from fragmented national markets to integrated regional value chains (RVCs) leveraging the mineral and agricultural commodities. Zimbabwe has recently seen a 1.4 billion USD in new investments through the expansion of Special Economic Zones (SEZs). These efforts are bolstered by the *SADC Industrialization Strategy and Roadmap (2015–2063)*, which provides the framework for synchronizing value chains across member States. The revival of Mulungushi Textiles in Zambia stands as a demonstration of country's desire to push the manufacturing and industrialization agenda. Backed by a US$140 million joint-venture investment between Zambia and China, the modernized plant was officially reopened in April 2026 to revitalize the national textile sector, creating over 500 direct jobs, and supporting thousands of local cotton farmers.

24. The region is initiating high-level cooperative projects designed to leverage the global energy transition. The DRC-Zambia Battery Electric Vehicle initiative, a

[7] https://www.go15.org/2024/07/24/eskom-transmission-becomes-ntcsa-national-transmission-company-south-africa/
[8] https://ziflp.org.zm/

collaborative strategy to establish a cross border SEZ for battery precursor manufacturing, effectively integrating DRC's cobalt and Zambia's copper into a localized supply chain is one such approach on cross border value chains. Nevertheless, the share of manufacturing value added remains low in the region ranging between five per cent in Botswana and fifteen percent in Zimbabwe in 2025 (figure 4).

Figure 4: Manufacturing Value Added (% of GDP)



Source: Our World in Data[9]

3.3 Energy in Southern Africa

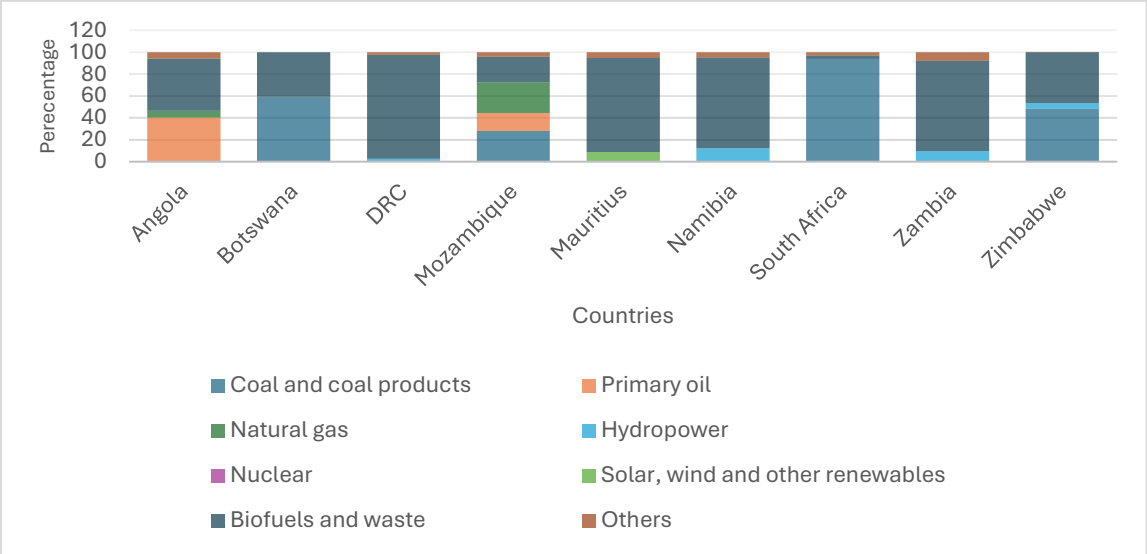
25. The energy landscape in Southern Africa remains heavily skewed toward fossil fuels and traditional energy sources, creating a significant bottleneck for green industrial growth (figure 5). Although Angola is a major oil producer, most of its output is exported. Oil accounts for about 35 per cent of its total energy supply, against 59 per cent for renewables, mainly traditional biomass (IRENA, 2022), and hydropower supplies about 73 per cent of its electricity. Its exposure to oil prices therefore comes mainly through transport fuel and public revenues rather than industrial power costs. By contrast, Botswana, South Africa, Mozambique and Zimbabwe depend heavily on coal, while the DRC, Namibia and Zambia rely mostly on biofuels and waste (figure 5). Coal-based power, especially in South Africa, is thus the main source of carbon intensity in regional manufacturing, which could hinder exports to the European Union under its Carbon Border Adjustment Mechanism.

26. To mitigate these power deficits, the Southern African Power Pool (SAPP) has become the primary mechanism for regional integration in the energy sector, facilitating

[9] https://ourworldindata.org/grapher/manufacturing-value-added-to-gdp?tab=line&country=ZMB~COD~MWI~MOZ~AGO~NAM~BWA~ZWE~ZAF&mapSelect=ZMB~COD~MWI~MOZ~AGO~NAM~BWA~ZWE~ZAF&overlay=download-data.

the cross-border trade of energy to address deficits. Investment in interconnectors is critical to expand the grid. The Angola-Zambia interconnector, a strategic transmission project designed to unlock Angola's surplus generation capacity and channel it into the SAPP network, is one of the missing links in the electricity trading infrastructure in Southern Africa. By establishing a direct link between these two nations, the project significantly improves regional energy security, providing a critical lifeline for Zambia's mining and manufacturing sectors while simultaneously creating a wider market for Angola's energy exports.

Figure 5: Southern Africa's Energy Mix (domestic production), 2024

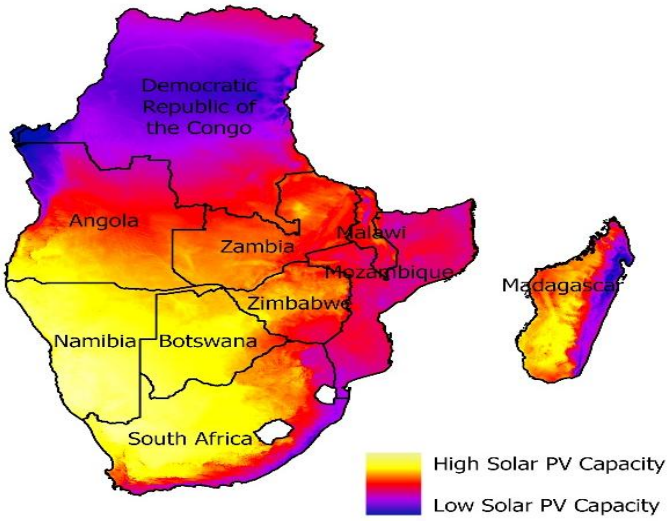


Source: IEA database, 2026

27. Southern Africa is undergoing a rapid clean energy transition, anchored by landmark utility-scale initiatives. The region hosts mega solar facilities and possesses solar capacity (figure 6). The subregion has some of the highest solar power potential in the world, particularly in Namibia, Botswana, South Africa and southern Angola (figure 6). Actual deployment, however, still captures only a small share of this potential and is concentrated on a few large projects. These include the Kenhardt Solar and Battery Facility in South Africa, one of the largest hybrid solar-and-storage plants globally, and Zambia's Chisamba Solar Plant, with an output of 200 megawatts (MW) following the commissioning of its second phase. Other member States are following suit. Malawi commissioned the Golomoti solar-plus-storage plant in 2021 and a 20 MW/40 MWh standalone battery system in Lilongwe in July 2026. Botswana broke ground in April 2026 on a 500 MW solar plant with 500 MWh of battery storage in Maun, and Namibia is building a 50-MWh battery system at the Omburu substation. These initiatives illustrate a pragmatic shift away from heavy reliance on coal and drought-vulnerable hydropower toward resilient, dispatchable renewable

28. Furthermore, while many Southern African nations have historically relied on large-scale hydroelectric power, the region is now aggressively diversifying its energy mix to mitigate climate-induced drought risks that threaten existing hydro-capacity.

Figure 6: Solar PV Power Potential'[10]



***Source**: Global Solar Atlas*

3.4 Clean Energy and Critical Energy Transition Minerals (CETMs) in Southern Africa

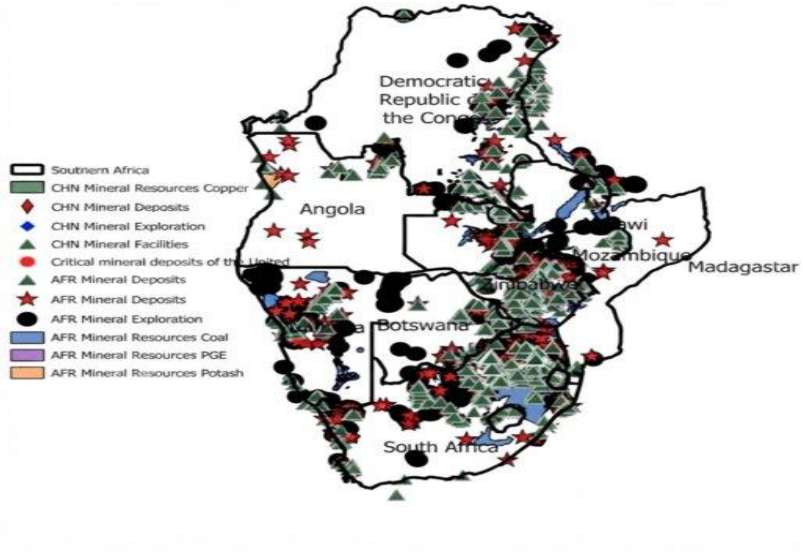
29. The global transition towards clean energy is triggering a sharp rise in the demand for Clean Energy and Critical Energy Transition Minerals (CETMs), and is projected to increase between 2025 and 2030 for various minerals such as copper (from 27,817 kt to 31,440 kt), cobalt (259 kt to 299 kt), nickel (3,529 kt to 4,457 kt), and rare earth elements (93 kt to 116 kt), with lithium and graphite demand surging even more aggressively from 275 kt to 477 kt and 5,778 kt to 8,650 kt, respectively.[11]

30. This surge demand for the CETMs provides Southern African with immense opportunities primarily due to its vast, underexploited resources of cobalt, copper, lithium, manganese, nickel, platinum group elements (PGEs), and rare earth elements. Figure 7 illustrates the concentration of CETMs exploration and mining facilities across Southern Africa (Padilla et al, 2021). However, this boom, if not supported by deliberate strategic policies towards strengthening domestic processing, will perpetuate the export of raw materials.

31. To fully exploit the benefit of the clean energy transition, member States should invest in geological mapping to de-risk the sector, develop a harmonized regional CETMs policy framework, invest in beneficiation, and value addition, and aggressively invest in renewable energy sources to address the power deficit and support industrialization.

[10] The map shows photovoltaic power potential (PVOUT), i.e. electricity a solar PV system could generate per unit of installed capacity (kWh/kWp), based on solar resource conditions. It does not show installed or operational PV capacity; "High/Low Solar PV Capacity" in the legend should be read as high/low PTV power potential.
[11] https://www.iea.org/data-and-statistics/data-tools/critical-minerals-data-explorer

Figure 7: Location of Critical Energy Transition Minerals Projects in Southern Africa



Source: U.S. Geological Survey, 2026

SECTION 4: TRADE AND REGIONAL INTEGRATION

4.1 The State of World Merchandise Trade in 2025 and 2026

32. Despite geo-political tensions in the Strait of Hormuz, global trade did well in Q1 of 2026. The United Nations Conference on Trade and Development (UNCTAD), in its July/August update, reports strong first quarter-on-quarter growth (QoQ) in global trade by 4.8 per cent in goods and 1.6 per cent in services. This trend is expected to continue in Q2 with QoQ growth in trade in goods projected to reach 6.4 per cent and that in services 2.1 per cent. Most of the growth, however, is being driven by price inflation rather than volumes. East Asia was the main engine of growth dominated by the People's Republic of China and the Republic of Korea. In Africa, import growth was above the world average while export performance was weaker (UNCTAD, 2026).

33. Based on the World Trade Organisation (WTO) Statistics for 2025, African merchandise exports grew in real terms (by volume) by 10.3 per cent in 2025, faring better than the world average (at 4.7 per cent), than Asia (at 9.5 per cent), then China (at 9.6 per cent), then India (at 2.6 per cent), then the United States of America (at 3.1 per cent) and better than South and Central America and the Caribbean (at 3.2 per cent). The exports of cocoa, coffee/tea, gold and fertilizers drove the real growth of merchandise exports in Africa in 2025. Merchandise imports also grew in real terms in Africa by 8.7 per cent, driven by imports of ships/boats/floating structures, vehicles, animal/vegetable fats and machinery (WTO, 2026).

34. Globally, in 2025, merchandise trade grew in value terms by 7 per cent totaling US$26,257 billion with the following product groups registering the fastest growth: office and telecommunications equipment (19 per cent, other machinery (9 per cent) and food (7

per cent) while trade in fuels and mining products and automotive products fell in value terms. In Africa, total merchandise exports were US$689 billion, a year-on-year growth of 9.7 per cent, with imports amounting to US$789 billion, representing a year-on-year growth of 9.4 per cent (see table 4). Total merchandise exports by the SADC to the world, in 2025, amounted to US$243.7 billion, accounting for 35.4 per cent of the African continent exports to the World. SADC imports from the World amounted to US$255 billion or 32.3 per cent of Africa's total imports.

Figure 8a: Growth in merchandise exports to the world by value (2020-2025)
(Selected regional groupings)

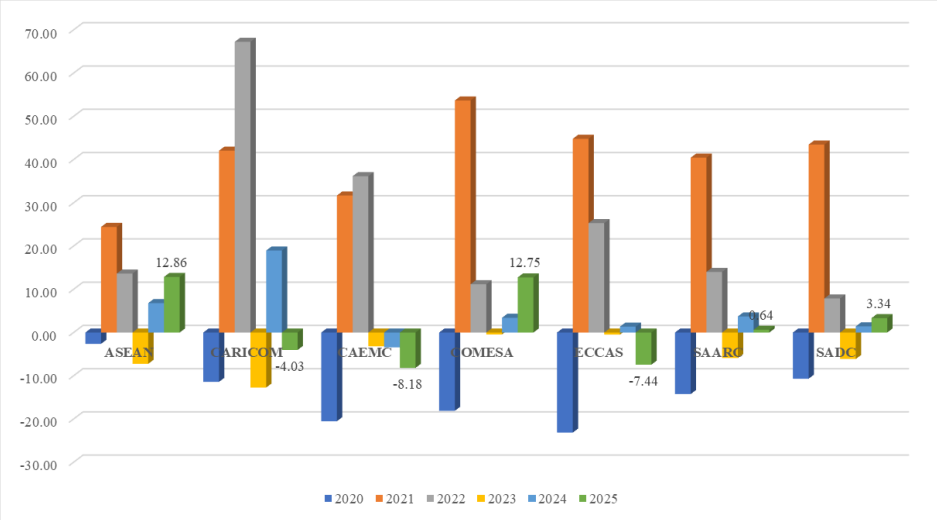
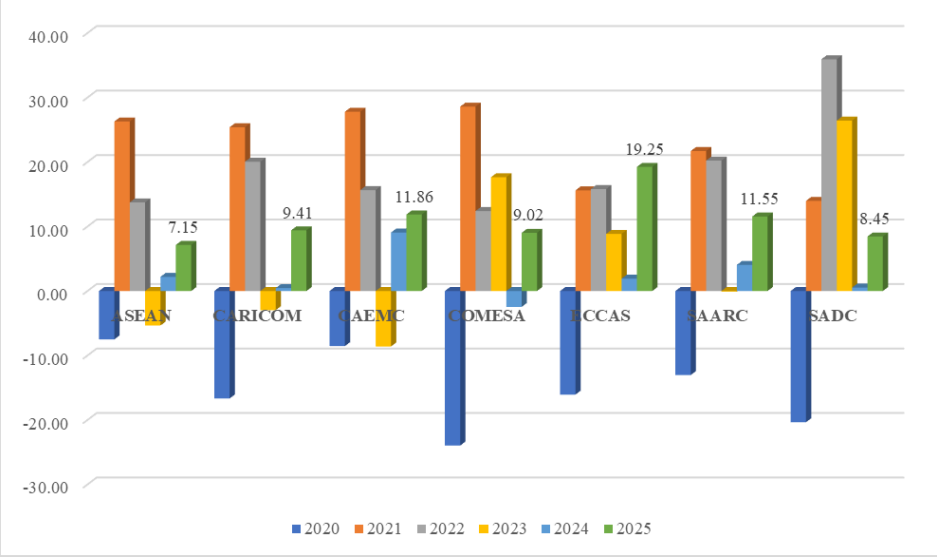


Figure 8b: Growth in merchandise imports from the World by value (2020-2025)
(Selected regional groupings)



Source: WTO Stats Portal (accessed 14/09/2026).

35. Figure 8a shows comparative growth in value terms of merchandise exports and imports for selected regional groupings[12]. An interesting feature is the strong growth in

[12] The WTO Stats data portal does not report data for AMU, CEN-SAD, ECOWAS, EAC, and IGAD.

merchandise exports from COMESA (to the World) in 2025, as compared to SADC and other African regional groupings and even groups in other parts of the World (e.g. South Asia – SAARC and the Caribbean- CARICOM).

36. Further dives in the data reveal the strong merchandise export growth of Eastern African countries namely Burundi (89.7 per cent), Comoros (60 per cent), Ethiopia (38.6 per cent), and Uganda (55.5 per cent), driving strong merchandise export growth in COMESA relative to SADC (table 5). Within SADC, countries such as Angola, Lesotho, Malawi, Mauritius, and Mozambique registered a contraction in merchandise trade in 2025. Within COMESA, this was observed in Libya, Madagascar, Rwanda, Seychelles, Somalia and Sudan. What countries produce and export matter. Countries producing gold and coffee benefited from surge in world prices and resulted in expanded production.

4.2 State of merchandise intra-African trade in Southern Africa in 2025

37. The implementation of the African Continental Free Trade Area (AfCFTA) Agreement continues to gather momentum. Angola validated its National AfCFTA Strategy in June 2026 with support from the United Nations Economic Commission for Africa.

38. Among the eleven SRO-SA member states, shares of trade to Africa in 2025 ran from a low of 13.9 per cent in Angola, 16.7 per cent in Mauritius and 18.5 per cent in South Africa to a high of 73 per cent in Lesotho and 85.2 per cent in Eswatini, with South Africa trade dominating the latter two trading partners. In Eswatini, 69.5 per cent of its African exports went to South Africa in 2025 while 95 per cent of its imports were sourced from there. In Lesotho, comparative figures were 96.6 per cent and 97.7 per cent respectively. In Botswana, 79.0 per cent of its African exports were destined to South Africa and the same percentage applies to its share of African imports from South Africa. In Zimbabwe 76.9 per cent of its African exports entered South Africa alone and 79.9 per cent of its African imports originated from South Africa (see table 6).

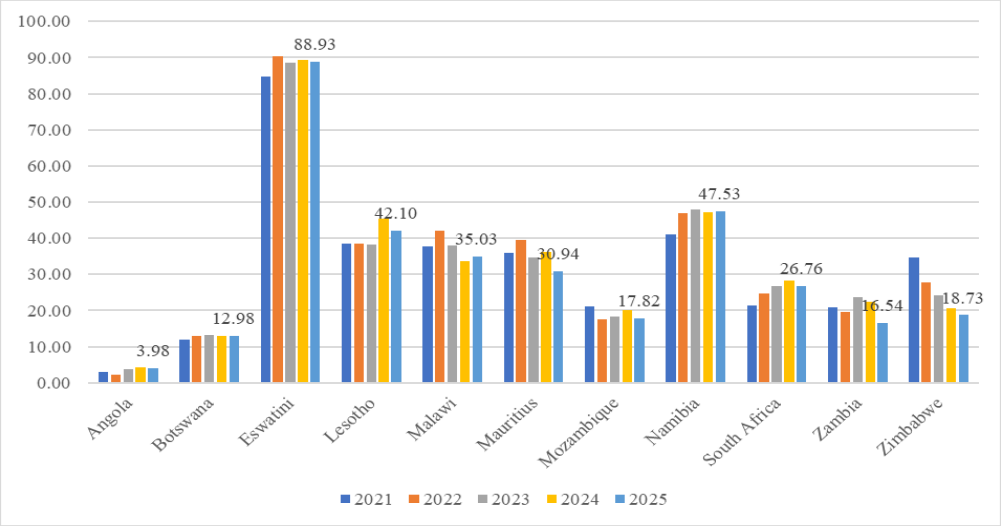
39. Tracking how the share of intra-African trade in total trade has evolved since the AfCFTA Agreement came into force contributes towards assessing how effective implementation is on the ground. Table 7 lists shares of intra-African merchandise exports and imports in total exports and imports, per Southern African country over a long period of 1995 to 2025 while figure 9 charts the yearly evolution of these shares since the start of trading under the AfCFTA as of January 2021.

40. The numbers reveal two key features. First, since the start of trading under the AfCFTA in January 2021, the share of intra-African exports in total exports has yet to increase significantly in any country, and it fell between 2021 and 2025 in Malawi, Mauritius, Mozambique, Zambia and Zimbabwe. Angola's share remains low at 3.98 per cent, followed by Botswana at 12.9 per cent, Zambia at 16.5 per cent, Mozambique at 17.8 per cent and Zimbabwe at 18.7 per cent. These shares should be read with caution: higher

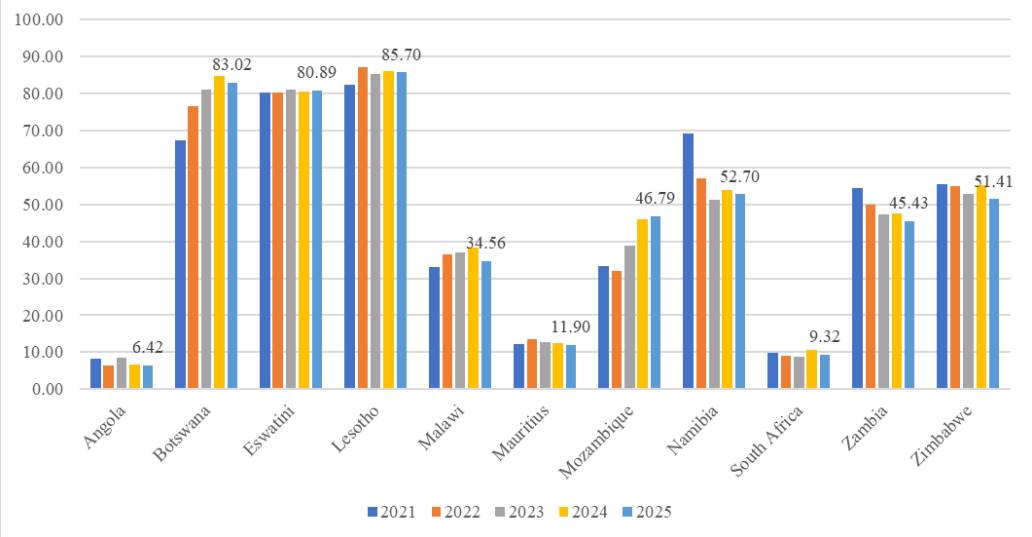
prices for commodities sold mainly outside Africa, such as copper, oil and gold, can lower the African share even when exports to Africa are stable or rising. The trend is nonetheless consistent with the early stage of AfCFTA implementation, which is still held back by incomplete tariff schedules, pending rules of origin and non-tariff barriers. Second, the shares of intra-African imports in total imports are higher than the shares of intra-African exports in total exports in most countries. This points to a stronger reliance on African markets for imports than for exports and underlines the need for the subregion to improve its export competitiveness and diversify its exports to African markets.

Figure 9: Shares of Intra-African Merchandise Exports and Imports in Southern Africa – 2021-2025

a. Share of African goods exports in total goods exports in Southern Africa



b. Share of African goods imports in total goods imports in Southern Africa



Source: UNCTADstats (accessed 15/09/2026)

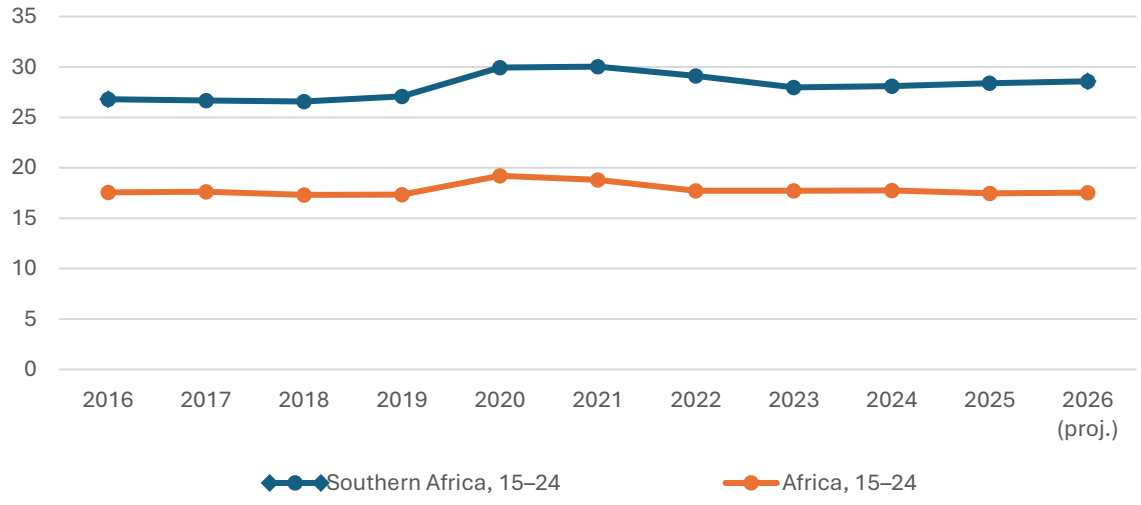
SECTION 5: YOUTH UNEMPLOYMENT IN SOUTHERN AFRICA: STRUCTURAL CHALLENGES AND POLICY RESPONSES

5.1 Southern Africa's Youth Labour Market: A Structural Employment Crisis

41. Southern Africa's youth employment challenge is rooted in a broader structural weakness of the subregion's labour markets, reflecting insufficient labour demand rather than difficulties confined to first-time job seekers. Across the eleven member States covered by the ECA Subregional Office for Southern Africa (SRO-SA), the average unemployment rate among those aged 15–24 years rose from 26.8 per cent in 2016 to 28.4 per cent in 2025 and is projected at 28.6 per cent in 2026 (figure 10). Unemployment also remains high beyond the school-to-work transition, reaching 40.5 per cent among 25–34-year-olds in South Africa and 44.4 per cent in Eswatini.[13] On the broader African Union definition of youth (15–35), the subregion accounts for about 36 per cent of Africa's unemployed young people, although it is home to only 14 per cent of the continent's youth (table 9, annex).[14]

42. The subregional youth unemployment rate has remained well above the continental average throughout the period (figure 10). It edged up from 27.1 per cent in 2019 to a peak of 30.0 per cent in 2021, in the aftermath of the COVID-19 shock, and has since eased only partially, to 28.4 per cent in 2025. The continental average followed a flatter path, peaking at 19.2 per cent in 2020 before returning to 17.5 per cent in 2025. As a result, the gap between the two widened from 9.2 percentage points in 2016 to 10.9 points in 2025, suggesting that economic growth in the subregion has not generated enough employment to absorb new labour-market entrants.

Figure 10: Youth unemployment rate (per cent of total labor force)

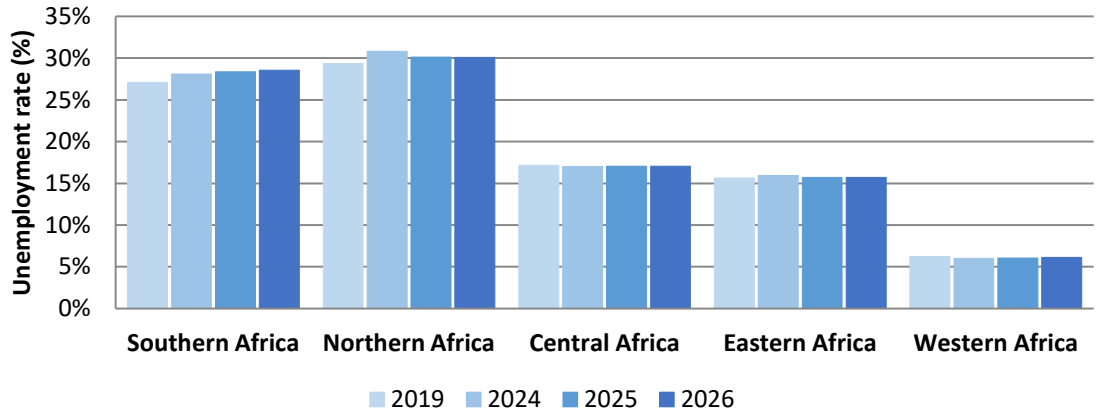


Source: Staff calculations based on the AfDB Socio-Economic Database, accessed on 22 October 2026. Note: Simple averages of country rates for the eleven SRO-SA member States and for 53 African countries (51 in 2025–2026); unemployment, youth total (% of total labour force), ages 15–24.

[13] ILOSTAT, "Unemployment rate by sex and age (%)" (ten-year age bands), latest available national labour force survey for each country.
[14] Africa Youth Employment Outlook 2026 (World Data Lab, Mastercard Foundation and UCT Development Policy Research Unit), Annex 5.1, youth defined as ages 15–35.

43. Figure 11 shows that youth unemployment in Southern Africa is high not only in absolute terms but also by regional comparison. In 2025, the subregion's average rate of 28.4 per cent was the second highest in Africa, below Northern Africa (30.1 per cent) but well above Central Africa (17.1 per cent) and Eastern Africa (15.7 per cent), and more than four times the rate in Western Africa (6.1 per cent). Southern Africa is also the only region where the rate increased in each of the years shown, from 27.1 per cent in 2019 to a projected 28.6 per cent in 2026, whereas rates in Central, Eastern and Western Africa have remained broadly flat and the rate in Northern Africa has eased since 2024. High youth unemployment is therefore a persistent feature of the subregion's labour markets rather than a temporary transition problem. At the other end of the scale, the low rates in Western Africa are likely to reflect the prevalence of informal work rather than an abundance of jobs.

Figure 11: Youth unemployment Rate (per cent of total labor force) by African Region, 2019–2026



Source: Staff calculations based on the AfDB Socio-Economic Database, accessed on 22 October 2026. Note: Regional values are simple averages of country rates for ages 15–24.

44. Demographic pressure compounds the challenge. Africa's population aged 15–35 is estimated at about 532 million, of whom some 74.8 million (14.1 per cent) live in the eleven SRO-SA member States (table 9, annex). The continental youth population is projected to grow by a further 132 million by 2030, with roughly 10 million young Africans entering the labour market annually against only about 3 million formal jobs created each year.[15]

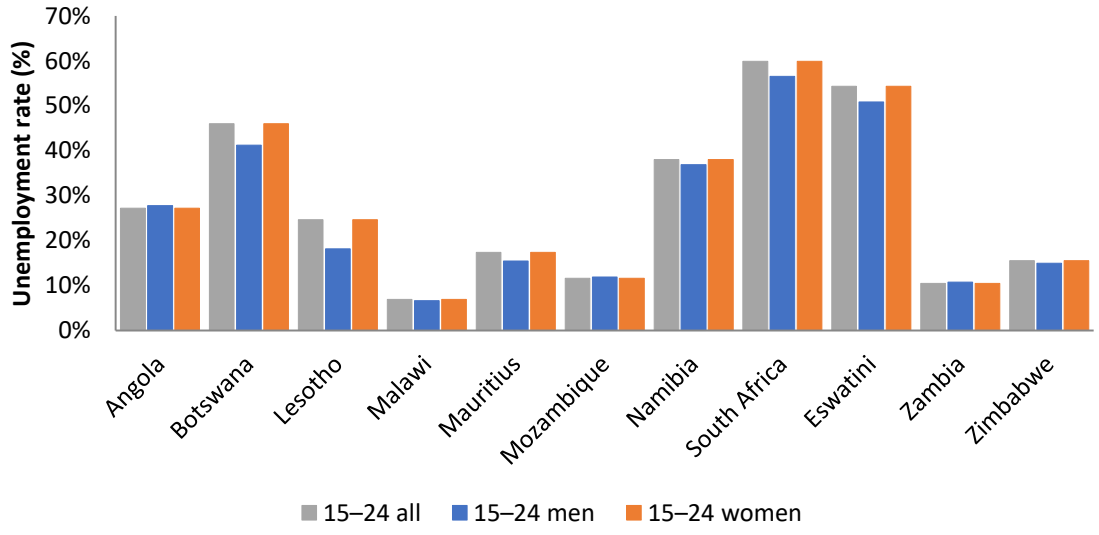
45. Country evidence points to two broad labour-market patterns (tables 8 and 9, annex). In South Africa, Eswatini, Botswana and Namibia, unemployment among 15–24-year-olds ranged from 38.0 to 59.9 per cent in 2025, and fewer than half of young people aged 15–35 was employed (29.4 to 45.2 per cent). One possible explanation is that, in these relatively formal labour markets, some young people queue for scarce formal jobs rather

[15]Africa Youth Employment Outlook 2026, Annex 5.1, for population estimates; labour-market entrant and formal job-creation estimates as cited therein.

than take up informal work; however, unemployment data alone do not establish this, and limited informal-sector opportunities, skills mismatches and spatial barriers to job search may also contribute. In Malawi, Mozambique, Zambia and Zimbabwe, by contrast, measured youth unemployment is much lower (6.9 to 15.5 per cent) and employment ratios are higher (50.6 to 69.2 per cent), a pattern consistent with young people being absorbed into informal or vulnerable employment. Angola lies between the two groups, with a youth unemployment rate of 27.2 per cent and an employment ratio of 57.1 per cent.

46. Labour-market exclusion is also gendered. In 2025, young women aged 15–24 faced higher unemployment than young men in eight of the eleven member States (figure 12 and table 8, annex). The widest gap is in Lesotho, where the rate for young women (37.1 per cent) is about twice that for young men (18.1 per cent), followed by Botswana (51.7 versus 41.3 per cent), South Africa (64.1 versus 56.5 per cent) and Eswatini (57.7 versus 50.9 per cent). Only in Angola, Mozambique and Zambia is the rate slightly higher for young men, by about one percentage point or less. Informality adds a further layer of vulnerability for those in work: informal employment among employed young people aged 15–29 ranges from about 71 per cent in Eswatini to over 90 per cent in Botswana, Lesotho, Zimbabwe, Angola and Zambia, based on the latest available data.[16] Programmes that do not track outcomes by sex risk overlooking a disadvantage that falls more heavily on young women.

Figure 12: Youth Unemployment Rate (Ages 15–24) by Sex, (per cent total labor force)



Source: Staff calculations based on the AfDB Socio-Economic Database, accessed on 22 October 2026. Note: 2025 values; rates for men and women are shares of the male and female labour force aged 15–24.

47. Country-level survey data confirm that unemployment persists well beyond the school-to-work transition. In every country for which age-disaggregated data are available, unemployment among 25–34-year-olds remains substantial relative to that of 15–24-year-olds: 40.5 per cent versus 60.1 per cent in South Africa, 44.4 per cent versus 54.0 per cent

[16]Source: Staff calculations based on the AfDB Socio-Economic Database, accessed on 22 October 2026; youth informal employment rate, employed youth aged 15–29, latest available year for each country.

in Eswatini and, at the lower end, 7.2 per cent versus 10.8 per cent in Zambia. and therefore, differ from the modelled 2025 estimates shown in figure 12 and table 8.48.Across the ten countries with available data, the 25–34 rate averages about 72 per cent of the 15–24 rate and never falls below two-thirds of it, showing that older youth continue to face severe labour-market constraints.

48. On the AU's 15–35 definition, an estimated 8.2 million young people in the eleven SRO-SA member States were unemployed in 2025 and 18.5 million were not in education, employment or training (NEET), an aggregate NEET rate of 24.7 per cent against a continental estimate of 19.2 per cent (table 9, annex).[17] NEET rates are highest in Eswatini (37.1 per cent), South Africa (33.3 per cent), Lesotho (31.1 per cent) and Botswana (31.0 per cent). Taken together, high youth unemployment, gendered disadvantage, widespread informality and elevated NEET rates point to a labour-demand constraint rather than a purely supply-side problem. Skills development remains necessary but cannot by itself resolve an employment deficit rooted in the structure of production.

5.2 Government Responses: Progress Amid Persistent Structural Constraints

49. Southern African governments have significantly expanded their response to youth unemployment over the past decade, with a noticeable acceleration in 2025–2026, combining regional frameworks with national programmes on skills, entrepreneurship and, increasingly, direct employment creation. The scale of intervention nonetheless remains considerably smaller than the underlying employment deficit. At regional level, the SADC Employment and Labour Policy Framework (2020–2030) and the SADC TVET and Qualifications Frameworks aim to coordinate employment policy and improve cross-border recognition of qualifications; the SADC Qualifications Framework E-Certificate has been introduced in Botswana, Namibia, South Africa and Zambia.[18]

50. South Africa operates the largest portfolio of interventions in the subregion. The Presidential Youth Employment Intervention has registered 5.9 million young people on the SA Youth platform and facilitated more than 2.5 million earning opportunities. The Jobs Boost Outcomes Fund, a R300 million pay-for-performance pilot, had placed 7,044 young people by March 2026, exceeding targets, with a proposed expansion to R1 billion targeting 20,000 quality placements. Phase 5 of the National Youth Service aims to recruit 100,000 young people into paid community service, and a R150 million SME Youth Jobs Fund launched in August 2026 shifts emphasis towards employer hiring decisions rather than only preparing job seekers.[19]

51. Other member States' efforts are also being enhanced. Namibia launched a N$500 million National Youth Development Fund in 2025; Zambia is implementing a €7.4 million Youth Employment and Entrepreneurship Project reaching over 20,100 young people; and Zimbabwe approved a new National Youth Policy (2026–2030) placing NEET youth at its

[17]Africa Youth Employment Outlook 2026, Annex 5.1, youth defined as ages 15–35, 2025 estimates.
[18] SADC Secretariat, Employment and Labour Sector documentation, 2025–2026.
[19]The Presidency, Republic of South Africa (Presidential Youth Employment Intervention); National Treasury / Jobs Fund (Jobs Boost Outcomes Fund); Department of Employment and Labour (National Youth Service); Business Partners Limited, media statement, August 2026 — national progress reporting, 2025–2026.

centre.[20] Structural limitations persist, however: small domestic markets constrain enterprise growth in Namibia and Botswana, and most national programmes still emphasise training and work-readiness — measures that improve individual employability but cannot by themselves generate sufficient employment where aggregate labour demand remains weak. The central question is no longer whether governments are responding, but whether their combined interventions can alter the underlying structure of labour demand.

5.3 Policy Priorities

52. Southern Africa's youth employment challenge cannot be resolved through employability measures alone. Four priorities emerge from the analysis. First, governments should place productive employment creation at the centre of economic and industrial policy, accelerating structural transformation through investment in labour-intensive manufacturing, agro-processing, renewable energy and higher-productivity services, embedded within wider strategies for industrialisation, infrastructure, trade and private investment rather than treated as a stand-alone social intervention.

53. Second, employment policy should give greater attention to first-job formalisation, with explicit attention to the gender gaps documented above. Policies supporting formal apprenticeships, structured work experience, employer hiring incentives and access to social insurance can reduce the risk that informal work becomes a permanent condition, for young men and women alike.

54. Third, programme design should reflect the full 15–35 age range used by the African Union, SADC and most national youth policies, since unemployment among 25–34-year-olds remains close to entry-level rates in several economies and restricting eligibility to school leavers risks excluding a large group still facing severe labour-market constraints.

55. Lastly, labour-market information systems should be strengthened, distinguishing more clearly between open unemployment, informal employment, underemployment and inactivity, and reporting consistently on the 15–35 age group alongside the ILO's 15–24 standard. These priorities are mutually reinforced: the broader objective is to move from fragmented youth programmes towards an integrated employment strategy coordinated across industrial, investment, trade, education, infrastructure and social-protection policy, before Southern Africa's finite demographic window closes.

SECTION 6: KEY MESSAGES AND RECOMMENDATIONS

56. Key messages emanating from the above analysis can be summed up thus:

- Growth remains positive but uneven and commodity dependent.
- Disinflation, while real, remains fragile, vulnerable to *El Niño*-related food-price shocks and fiscal deficits that could reignite inflation, affecting the poorer members of society more.

[20]Government of Namibia; Zambia Ministry of Youth, Sport and Arts and development-partner project documentation; Government of Zimbabwe — national policy announcements, 2025–2026.

- Debt sustainability remains a sizable macro-fiscal concern, with several States exceeding the regional ceiling and debt-service costs crowding out development spending.
- Industrialization and the energy transition are advancing but remain shallow, with manufacturing value added at just 5–15 per cent of GDP and a risk of exporting CETMs raw rather than capturing value locally.
- Regional trade integration continues to lag, with several economies still dependent on South Africa and little rise in intra-African trade shares since AfCFTA began in 2021.
- Youth unemployment is mainly structural: the COVID-19 shock added to a cyclical spike, but rates were high before it and have stayed high since.

57. Considering these conclusions, the following recommendations are put forward:

- Member States should continue fiscal consolidation, strengthen debt management, preserve reserves and accelerate reforms supporting investment and productivity.
- Durable growth also requires deeper reforms that include an acceleration of economic diversification from commodity dependence through local-content and CETM beneficiation, alongside investment in energy interconnection and renewables.
- Accelerate AfCFTA implementation and market diversification to reduce over-reliance on any single trading partner.
- Place productive employment creation - not training alone - at the centre of industrial and trade policy, backed by gender-disaggregated labour data.

58. Building on these recommendations, delegates may wish to consider the following questions:

- To address the structurally low economic growth in Southern Africa what can be done to tackle the deep-seated vulnerabilities in industrialization, infrastructure, and policy coordination? In this regard, how can member States accelerate diversification and transformation through 2026–2027 without jeopardizing fiscal and debt gains?
- How do monetary policies balance low inflation targets with the need for employment-generating growth?
- What steps are needed to translate rising CETM demand into local beneficiation rather than raw material export?
- What would accelerate trade diversification and reduce dependence on a single trading partner under AfCFTA?
- How should national youth strategies address labor-demand constraints, and what role should regional policy frameworks play?

Annex

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Table 1: Performance against the Macroeconomic Convergence Criteria

Country	2024				2025				2026 (Projection)				Criteria Met			2024			2025			2026 (Projection)			Criteria Met		
	Inflation (3-7%)	Fiscal Deficit (3% of GDP)	Public Debt (60% of GDP)	Real GDP (7%)	Inflation (3-7%)	Fiscal Deficit (3% of GDP)	Public Debt (60% of GDP)	Real GDP (7%)	Inflation (3-7%)	Fiscal Deficit (3% of GDP)	Public Debt (60% of GDP)	Real GDP (7%)	2024	2025	2026	Current Account Deficit (<3%)	CB Credit (<5% of revenues)	External reserves (> import cover 6 months)	Current Account Deficit (<3%)	CB Credit (<5% of revenues)	External reserves (> import cover 6 months)	Current Account Deficit (<3%)	CB Credit (<5% of revenues)	External reserves (> import cover 6 months)	2024	2025	2026
Angola	28.2	-1.2	55.1	4.3	20.4	-4.4	47.1	3	11.8	-2.8	45.3	4.2	1	2	1	5.4	7.4	8.3	1.1	8.5	7.8	0.3	10	7.6	1	2	2
Botswana	2.8	-4.2	22.7	-2.8	2.7	-7.3	28	-0.7	5.3	-9.3	33.8	3.1	3	2	2	-4.5	0	6.1	3.6	4.6	6.2	3.2	4.1	6.7	3	2	2
DRC	17.9	-2.9	20.9	6.1	7.8	-2.8	18.9	5.8	3.5	-3.6	20.5	5.6	3	2	2	-4.1	0	3.3	-3.8	0	3	-1.7	0	4	2	2	2
Eswatini	4	-2.6	40.9	3	3.1	-5.4	45.6	5.6	4	-5.5	47.2	5.2	3	3	2	2.1	10.6	2.6	1.6	10	2.7	3.4	11.5	2.7	1	1	0
Lesotho	6.1	7.3	55.6	5.2	4.3	15.6	53.8	1	4.7			1.3	1	3		4	0	5.5	4	0	5.4	1.8	0	5.4	2	2	2
Madagascar	7.6	-2.8	35.9	4.3	8	-2.4	34.7	3.4	8.1	-4.8	35.6	3.8	1	2	2	-5.3	1.7	6.2	-6.1	0	6.9	-7.4	0	7.3	2	2	2
Malawi	32.3	-11.1	88.7	1.7	28.4	-10.7	98.3	2.7	22.2	-9		3.8	0	0	0	-15	48.9	0.6	-13.5	31.7	0.5	-10.5	31.7	1	0	0	0
Mauritius	3.6	-5.7	74	4.9	3.7	-9.3	79.6	3.2	3.6	-4.9	78.4	3	1	1	1	-6.4	11.9	12	-7.1	0	14.1	-7.1	0	14.3	1	2	2
Mozambique	3.2	-4.9	71.8	2.1	4.4	-1.6	69.7	-0.5	3.7	-0.4	65.5	2.8	1	1	2	-11.3	9.8	4	-13.2	10	3.7	-13.2	10	3.7	0	0	0
Namibia	4.2	-4	67.3	3.7	3.5	-6	67.5	3	3.5	-4.7	67.4	3.8	2	1	1	-14.9	0	4.2	-13.1	0	3.3	-12.7	0	3.7	1	1	1
Seychelles	0.3	0.9	58.3	3.4	0.3	0.1	53.4	5.1	2.6	-1.3	57.2	1.5	3	3	3	-8.1	0	4	-6.5	0	4.4	-7.8	0	3.7	1	1	1
South Africa	4.4	-4.6	77	0.5	3.2	-4.5	78.9	1.1	3.7	-3.7	77.3	1.4	1	1	1	-0.7	0	5.5	-0.5	0	5.7	-0.4	0	5.5	2	2	3
Tanzania	3.1	-3.1	46.3	5.5	3.3	-3	49	6	3-5%	-3		6.3	2	2	2	-2.6	0	4.5	-2.2	0	4.9	-2	0	4.9	2	2	3
Zambia	15	-3.5	104	3.8	14	-3.4	94	3.8	6.9	-2.1	78.3	6.4	0	0	0	-3	0	4.6	-3.3	0	4.8	-4.1	0	4.8	2	1	1
Zimbabwe	n.a.	0.4	58.3	1.7	15	-0.3	53.6	8.5	4.1	-1.1	50.4	5	0	2	2	1.1	0	0.6	4	0	0.6	4.4	0	1.6	2	1	1
SADC AVERAGE	9.5	-2.8	58.5	3.2	8.1	-3	58.1	3.4	6.3	-4	54.7	3.8				-4.2	6	4.8	-3.7	4.3	5	-3.6	4.5	5.1			
N° of Count. Meeting Criteria	9	7	9	0	9	7	9	1	11	6	7	0				7	10	4	7	11	4	8	11	4			

Source: SADC Member States (SADC_Macro_Data.xlsx).

Table 2: Total Debt Service[21] — Southern Africa, 2023–2026

Interest and amortization paid, percent of exports of goods and services

Country	2023	2024	2025	2026
Angola	29.9	28.1	28.4	**26.7**
Botswana	16.7	27.2	33.2	26.3
Eswatini	14.1	14.4	14.1	13.7
Lesotho	7.4	10.5	**6.8**	**7.4**
Malawi	18.2	11.7	**64.1**	20.1
Mauritius	7.6	3.2	3.2	3.2
Mozambique	15.4	14.6	24.3	25.9
Namibia	96.3	88.3	**77.8**	**73.0**
South Africa	41.5	41.6	**39.4**	**36.5**
Zambia	30.5	24.6	20.9	21.1
Southern Africa GDP-Weighted Average	**36.6**	**36.1**	**35.9**	**32.8**

Source: AfDB Socioeconomic Database. GDP-Weighted Average calculated using each country's nominal GDP (IMF World Economic Outlook database,
April 2026) as weights.

Table 3: Key Central Bank Policy Rates

Percent (%), 2021-2026

	2021	2022	2023	2024	2025	2026
Angola	20.0	19.5	18.0	19.5	18.5	17.0
Botswana	3.8	2.7	2.4	1.9	3.5	5.5
Lesotho	8.4	10.5	11.3	11.0	8.7	6.8
Malawi	12.0	18.0	24.0	26.0	26.0	24.0
Mauritius	1.9	4.5	4.5	4.0	4.5	4.8
Mozambique	13.3	17.3	17.3	12.8	9.5	9.3
Namibia	3.8	6.8	7.8	7.0	6.5	6.8
South Africa	3.8	7.0	8.3	7.8	6.8	7.0
Eswatini	3.8	6.5	7.5	7.0	6.8	6.8
Zambia	9.0	9.0	11.0	14.0	14.3	13.3
Zimbabwe	60.0	200.0	130.0	35.0	35.0	30.0

Source: Focus Economics, 2026

[21] *Red figures denote the 3 countries with the highest debt-service burden in 2025 and 2026*

Table 4: Merchandise Exports and Imports for World, Africa and selected Regional Groups – 2019 to 2025

Indicator	Merchandise exports by product group – annual (Million US dollar)								
Reporting Economy	Product/Sector	Partner Economy	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
World	Total merchandise	**World**	19007848	17647761	22289900	24915152	23902571	24501199	26257217
Africa	Total merchandise	**World**	481307	396230	560355	662187	618915	627905	689081
Association of Southeast Asian Nations (ASEAN)	Total merchandise	**World**	1423333	1386144	1724718	1959974	1818171	1941987	2191660
Caribbean Community (CARICOM)	Total merchandise	**World**	15395	13638	19375	32402	28278	33641	32286
Central African Economic and Monetary Community (CAEMC)	Total merchandise	**World**	25378	20172	26565	36172	35020	33822	31055
Common Market for Eastern and Southern Africa (COMESA)	Total merchandise	**World**	128645	105353	161905	179990	179198	185313	208945
ECCAS (Economic Community of Central African States)	Total merchandise	**World**	75626	58120	84164	105460	104952	106378	98467
South Asian Association for Regional Cooperation (SAARC)	Total merchandise	**World**	401813	344612	483990	551862	519280	538588	542054
Southern African Development Community (SADC)	Total merchandise	**World**	179205	160064	229640	247727	232551	235869	243738

Indicator	Merchandise imports by product group – annual (Million US dollar)								
Reporting Economy	Product/Sector	Partner Economy	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
World	Total merchandise	**World**	19323187	17874072	22572753	25673989	24298912	24832983	26607556
Africa	Total merchandise	**World**	589714	491415	616200	739770	717855	721071	788889
Association of Southeast Asian Nations (ASEAN)	Total merchandise	**World**	1388934	1270320	1623453	1877436	1715952	1871568	2093620
Caribbean Community (CARICOM)	Total merchandise	**World**	31671	24081	30965	34805	40945	39933	43536
Central African Economic and Monetary Community (CAEMC)	Total merchandise	**World**	17337	14552	16823	19482	21207	21613	25773
Common Market for Eastern and Southern Africa (COMESA)	Total merchandise	**World**	205259	178508	217250	261181	260938	271489	302843
ECCAS (Economic Community of Central African States)	Total merchandise	**World**	44253	35249	40176	54613	69043	69415	75279
South Asian Association for Regional Cooperation (SAARC)	Total merchandise	**World**	638407	507029	771513	920742	828325	885309	933986
Southern African Development Community (SADC)	Total merchandise	**World**	189655	152163	198723	247261	248672	245010	254960

Source: WTO Stats Portal (accessed 14/09/2026).

Table 5. Growth in Merchandise Exports by value – COMESA and SADC - 2025

Indicator	**Merchandise exports by product group – annual (Million US dollar)**				
Reporting Economy	**Product/Sector**	**Partner Economy**	**2024**	**2025**	**% change**
Africa	Total merchandise	World	627905	689081	9.74
Angola	Total merchandise	World	39250	32492	-17.22
Botswana	Total merchandise	World	4665	5119	9.73
Burundi	Total merchandise	World	175	332	89.71
Comoros	Total merchandise	World	30	48	60.00
Democratic Republic of the Congo	Total merchandise	World	29900	32100	7.36
Djibouti	Total merchandise	World	5169	6090	17.82
Egypt	Total merchandise	World	42247	51403	21.67
Eritrea	Total merchandise	World	573	631	10.12
Eswatini	Total merchandise	World	2327	2370	1.85
Ethiopia	Total merchandise	World	5472	7585	38.61
Kenya	Total merchandise	World	8237	8601	4.42
Lesotho	Total merchandise	World	991	773	-22.00
Libya	Total merchandise	World	30191	30085	-0.35
Madagascar	Total merchandise	World	2582	2498	-3.25
Malawi	Total merchandise	World	958	947	-1.15
Mauritius	Total merchandise	World	2368	2342	-1.10
Mozambique	Total merchandise	World	8211	8100	-1.35
Namibia	Total merchandise	World	6544	7024	7.33
Rwanda	Total merchandise	World	3201	2450	-23.46
Seychelles	Total merchandise	World	557	550	-1.26
Somalia	Total merchandise	World	1473	1300	-11.74
South Africa	Total merchandise	World	110076	116399	5.74
Sudan	Total merchandise	World	3134	2800	-10.66
Tanzania	Total merchandise	World	8702	9956	14.41
Tunisia	Total merchandise	World	19972	21293	6.61
Uganda	Total merchandise	World	8039	12500	55.49
Zambia	Total merchandise	World	11276	13314	18.07
Zimbabwe	Total merchandise	World	7432	9707	30.61

Source: WTO Stats Portal (accessed 14/09/2026)

Table 6 Shares of intra-African trade in Southern Africa -2025

	Share of trade to Africa	Share of African exports to South Africa	Share of African Imports from South Africa
Angola	13.9	54.2	48.8
Botswana	52.4	79.0	79.0
Eswatini	85.2	69.5	95.0
Lesotho	73.0	96.6	97.7
Malawi	34.7	15.6	47.3
Mauritius	16.7	37.1	54.4
Mozambique	33.2	49.5	49.6
Namibia	50.3	42.3	84.3
South Africa	18.5	..	..
Zambia	30.9	9.5	66.8
Zimbabwe	35.4	76.9	79.9

Source: UNCTADstats (accessed 14/09/2026). Intra-African trade for each country is computed as the sum of exports and imports to Africa divided by the sum of exports and imports to the World.

Table 7:

a. Shares of intra-African exports in Southern Africa – 1995 to 2025

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Angola	0.45	1.46	0.89	0.32	0.79	0.16	0.14	0.40	0.33	3.33	2.57	2.27	5.32	4.44	5.72	4.41	3.86	6.61	5.41	3.42	5.16	5.52	5.18	3.90	2.05	1.48	3.01	2.14	3.80	4.24	3.98
Botswana	10.83	10.66	11.42	10.40	10.17	11.63	7.59	10.65	8.74	10.80	12.39	11.92	18.51	26.13	27.53	21.23	14.81	16.16	21.79	19.71	23.27	19.96	13.16	14.44	14.27	15.06	12.03	12.86	13.08	12.86	12.98
Eswatini	53.38	53.46	53.39	53.29	53.69	65.75	65.37	59.91	39.53	55.53	36.06	62.28	61.80	60.89	58.48	67.94	74.08	74.22	70.04	73.27	82.88	86.06	86.16	86.13	87.79	86.61	84.75	90.28	88.47	89.35	88.93
Lesotho	16.89	16.80	16.55	17.31	16.54	4.18	41.05	25.54	13.42	61.37	24.35	15.94	22.36	26.93	35.28	44.34	36.34	39.45	43.46	25.36	30.64	43.06	35.82	32.24	34.47	33.98	38.42	38.54	38.24	45.28	42.10
Malawi	8.57	13.99	12.46	8.24	13.29	25.29	35.86	32.22	36.98	39.80	34.12	37.65	39.95	26.75	32.51	31.55	38.31	26.33	26.36	37.81	38.61	35.87	29.16	33.32	36.44	34.67	37.72	41.96	38.10	33.59	35.03
Mauritius	4.60	3.83	4.09	4.30	4.37	7.76	9.42	7.04	8.04	9.36	10.98	10.60	13.07	14.73	20.55	21.85	22.88	23.98	22.40	22.37	30.45	29.58	28.67	35.25	33.60	33.59	36.06	39.61	34.59	36.09	30.94
Mozambique	26.13	22.05	29.65	30.15	32.52	41.15	22.41	23.35	21.82	16.62	19.73	18.57	24.20	26.07	34.01	25.70	31.71	34.98	34.46	26.23	28.54	28.40	23.45	26.27	24.00	26.72	21.11	17.49	18.38	20.21	17.82
Namibia	25.70	25.87	25.97	25.26	26.37	32.49	31.29	34.93	48.04	30.45	33.45	27.75	34.15	41.51	50.17	38.14	37.06	42.93	56.15	48.10	56.66	45.06	45.87	35.08	42.59	40.16	41.17	47.05	48.07	47.08	47.53
South Africa	19.74	19.86	19.72	19.64	20.23	15.19	15.54	18.01	16.04	14.74	15.28	14.58	14.79	16.95	19.54	28.26	24.70	27.99	28.80	29.78	29.44	28.34	26.35	26.57	26.63	23.30	21.33	24.68	26.83	28.32	26.76
Zambia	8.16	13.29	8.35	16.74	14.18	31.49	29.05	34.97	35.84	36.35	29.25	23.79	26.11	30.95	24.74	20.88	22.77	26.78	28.05	22.32	23.48	22.32	19.83	24.67	22.95	23.52	20.89	19.63	23.56	22.45	16.54
Zimbabwe	28.01	28.52	27.77	28.87	26.13	28.84	23.50	32.40	33.42	40.24	48.16	54.62	57.59	54.35	47.59	43.90	48.14	51.84	55.10	49.43	55.06	57.06	47.91	39.84	39.35	41.70	34.56	27.70	24.20	20.74	18.73

b. Shares of intra-African imports in Southern Africa – 1995 to 2025

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Angola	9.32	19.44	9.00	10.83	10.06	16.09	12.25	16.18	15.71	13.56	10.05	9.89	10.06	8.29	13.51	12.24	12.15	10.12	9.91	8.48	11.18	11.82	11.10	11.04	9.34	7.95	8.23	6.42	8.47	6.73	6.42
Botswana	72.71	73.20	72.61	72.33	74.64	81.81	82.88	88.08	89.16	86.56	87.38	89.09	86.04	81.78	80.29	78.47	73.93	76.96	76.21	79.46	80.75	78.58	76.25	76.25	72.09	68.21	67.30	76.66	81.12	84.73	83.02
Eswatini	78.97	78.65	79.89	78.38	77.69	91.63	83.58	84.87	83.61	88.75	86.71	84.59	84.51	88.61	83.75	86.08	84.96	89.06	89.05	87.99	83.58	79.45	82.28	80.23	80.32	79.81	80.35	80.14	81.15	80.64	80.89
Lesotho	74.37	73.90	74.02	75.21	72.47	85.61	89.59	74.52	80.57	76.25	88.75	85.48	87.43	80.18	86.44	80.05	91.88	87.09	79.93	82.03	79.46	80.88	78.10	82.99	82.05	79.07	82.33	87.00	85.31	86.06	85.70
Malawi	52.23	67.13	67.19	68.36	62.03	61.88	60.99	60.05	60.68	60.07	63.42	59.94	54.80	57.58	57.24	48.52	44.80	42.83	45.07	42.54	33.93	33.27	31.66	33.37	30.22	34.06	33.06	36.50	36.99	38.43	34.56
Mauritius	3.85	3.15	3.34	3.93	2.94	18.64	18.20	17.76	16.99	15.31	11.97	11.10	11.47	12.71	12.37	12.35	11.37	10.63	10.61	10.64	11.76	13.39	14.17	13.52	12.75	11.94	12.16	13.51	12.68	12.52	11.90
Mozambique	53.76	55.96	57.50	50.73	55.63	57.85	54.74	45.56	48.48	47.61	45.52	41.90	41.79	34.48	40.09	38.43	35.02	33.22	30.60	31.50	30.46	34.41	36.12	35.31	34.40	36.37	33.27	31.96	38.86	46.08	46.79
Namibia	64.13	64.22	64.19	63.98	64.49	79.01	80.12	79.98	82.39	85.72	83.29	81.35	78.43	70.36	73.38	73.77	75.38	74.34	69.81	65.57	74.15	72.82	70.14	68.90	68.50	69.50	69.11	57.00	51.18	53.95	52.70
South Africa	2.66	2.73	2.61	2.64	2.95	2.23	2.74	3.88	3.78	4.23	4.60	6.90	7.23	8.57	7.45	10.01	9.65	11.93	11.82	13.31	10.78	10.74	10.29	12.34	11.71	9.93	9.80	9.04	8.80	10.56	9.32
Zambia	47.57	53.18	53.79	54.96	61.07	74.45	70.30	69.97	67.93	61.86	63.95	61.65	59.48	60.60	61.82	60.31	58.59	55.21	58.89	60.15	61.14	60.86	55.11	54.05	49.28	54.26	54.41	49.91	47.24	47.62	45.43
Zimbabwe	50.91	50.33	50.77	48.43	52.75	56.19	63.83	66.94	68.24	63.77	57.69	64.94	61.67	62.46	63.79	58.46	57.77	59.73	57.53	56.47	54.44	58.37	55.40	54.50	55.35	55.31	55.53	55.04	52.87	55.33	51.41

Source: UNCTADstats (accessed 15/09/2026)

Table 8: Youth unemployment rate, ages 15–24 (% of total labour force), 2025

Country	15–24 all	15–24 men	15–24 women
Angola	27.23	27.77	26.67
Botswana	46.00	41.27	51.71
Lesotho	24.67	18.14	37.14
Malawi	6.95	6.62	7.31
Mauritius	17.37	15.48	19.68
Mozambique	11.61	11.90	11.31
Namibia	38.05	36.87	39.53
South Africa	59.93	56.52	64.05
Eswatini	54.33	50.87	57.73
Zambia	10.47	10.77	10.13
Zimbabwe	15.55	15.00	16.22

Source:

Staff calculations based on the AfDB Socio-Economic Database, accessed on 22 October 2026. Note: Rates for men and women are shares of the male and female youth labour force respectively.

Table 9: Youth (15–35) Labour-market status in UNECA Southern Africa member states, 2025 (thousands)

Country	Employed	Inactive	Student	Unemployed	Total youth	Employed %	NEET (inactive + unemployed)	NEET %
Angola	7,503.7	1,138.1	2,905.7	1,594.3	13,141.8	57.1%	2,732.4	20.8%
Botswana	444.6	125.4	233.6	179.2	982.8	45.2%	304.6	31.0%
Eswatini	138.8	91.0	158.3	83.9	472.0	29.4%	174.9	37.1%
Lesotho	388.2	191.1	222.4	84.1	885.8	43.8%	275.2	31.1%
Malawi	4,489.8	1,248.0	2,192.7	264.8	8,195.3	54.8%	1,512.8	18.5%
Mauritius	225.2	35.1	112.2	19.6	392.1	57.4%	54.7	14.0%
Mozambique	8,780.3	1,294.9	1,854.1	756.4	12,685.7	69.2%	2,051.3	16.2%
Namibia	398.9	130.3	339.3	114.7	983.2	40.6%	245.0	24.9%
South Africa	7,775.9	3,191.8	7,497.6	4,426.3	22,891.6	34.0%	7,618.1	33.3%
Zambia	4,000.5	1,626.0	1,977.2	296.9	7,900.6	50.6%	1,922.9	24.3%
Zimbabwe	3,478.5	1,170.4	1,165.0	423.0	6,236.9	55.8%	1,593.4	25.5%
Southern Africa	**37,624.4**	**10,242.1**	**18,658.1**	**8,243.2**	**74,767.8**	**50.3%**	**18,485.3**	**24.7%**
Africa (continent)	**304,000**	**79,000**	**126,000**	**23,000**	**532,000**	**57.1%**	**102,000**	**19.2%**
Southern Africa as share of Africa	**12.4%**	**13.0%**	**14.8%**	**35.8%**	**14.1%**		**18.1%**	

Source: Africa Youth Employment Outlook 2026 (World Data Lab / Mastercard Foundation / UCT DPRU), Annex 5.1; author's calculations. Notes: Total, Employed %, NEET and NEET % are calculated from the published columns. NEET = inactive + unemployed, per the report's definition. The Africa row uses the report's continental figures (Figure 15), rounded to the nearest million; it is not a sum of these countries. Youth refers to ages 15–35 (African Union definition).