

African economy to rebound in 2017 - Development Bank

KHARTOUM, Sudan - Africa's economic growth is expected to dip this year before rebounding in 2017 to remain the world's second fastest growing region after East Asia, the African Development Bank said.



Image by 123RF

Africa's growth in Gross Domestic Product is expected to fall to 1.9% this year from 3.6% in 2015, but it will rebound to 3.2% next year, the bank said in its 2016 economic outlook report for the continent.

The rebound is expected on the back of a "recovery in the world economy and a gradual rise in commodity prices", said Abdul Kamara, Sudan representative of the bank, presenting the report in Khartoum.

Despite the current slowing growth rate, the continent remained resilient. "In countries where weather conditions were favourable, agriculture boosted growth, but drought or floods slowed down growth in countries in east and southern Africa," the bank said in a statement.

"In resource-rich countries, growth slowed down as lower commodity prices strained government budgets and affected investment."

In 2015, East Africa recorded the highest growth, at 6.3%, and South Africa's 2.2% was the lowest. Fears had grown that the South African economy - Africa's largest - was teetering on the brink of recession after a surprise dip in GDP growth in

the first three months of 2016. But official statistics show its economy grew 3.3% in the second quarter of this year.

The economy has struggled amid political scandals that hit the rand, as well as high inflation, high unemployment and a record drought that ravaged the agricultural sector. The African Development Bank said that despite US trade sanctions, Sudan's economy is expected to grow more than six percent in 2016 and 2017, driven primarily by agriculture, extractive industries and services.

"But the country needs a coherent urban development strategy to cope with population growth, the internal displacements of people due to residual conflicts and the current feeble urban-rural linkage," it said.

Sudan has been subject to a US trade embargo since 1997 for its alleged support for Islamist groups, and the conflict in Darfur has been given as a reason against lifting sanctions. More than 300,000 people have died in Darfur since 2003, according to UN figures.

Overall, growth in Africa is very much "alive", Kamara told AFP. "What is important is that Africa should not be complacent."

Source: [AFP](#).

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