

Mboweni looks at Africa's post-Covid economic bounce back

The global economy has been gravely affected by the Covid19 pandemic. However, 2021 looks promising and the International Monetary Fund (IMF) indicates growth of around 6% this year - reflecting a surprisingly rapid recovery, particularly in the advanced economies of the world.

Finance minister, Tito Mboweni told the Rotary Africa Centennial International Conference that acknowledging the lessons learnt in 2020, which includes understanding that there is a growing role of the digital economy which will inevitably become more important in the coming years.

Other points he made were:

- South Africa, Zimbabwe, Lesotho and Algeria fall into severely affected countries. They have experienced contractions of more than 4% of GDP in 2020.
- Ghana, Kenya, Angola, Egypt and Eswatini suffered moderate effects, with less than 4% contraction. These countries are expected to bounce back successful.
- Nigeria saw a decline of 1.4% in 2020 but is expected to grow at a modest 2.5% in 2021.
- South Africa is expected to grow at 3.1% and Kenya is expected to bounce back at 8%.
- IMF indicates that the growth for Africa should be around 3.4% in 2021 and 4% in 2022.
- Zambia to grow by 0.6% because of high inflation, low demand for copper, wide fiscal deficits, poor policy managements and unsustainable debt levels.
- Kenya was highlighted as one of the countries to have a significant growth in 2021, which was credited to the Kenyan government's implementation of their economy recovery strategy. They ensured that every step was taken to achieve the objects that they set. Mboweni claimed that the Kenyan's execution of policies should teach other countries across the continent that if policies are followed through with, success can most definitely be achieved. When there is poor policy formulation and poor policy implementation, the consequences thereafter are dire indeed."

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