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Issue 1

Sub-Saharan Africa Newsletter

Welcome to the latest "express" issue of the IMF Library's Library Link quarterly newsletter series! In this issue, we bring you the latest reports from commercial sources licensed for the IMF. This issue features reports and articles on the economic impacts of COVID-19 on the Sub-Saharan Africa region. We hope you find it useful.

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Resource Highlight

Covid-19 Research Guide

The IMF Library's [COVID-19 and Economic Impacts](#) guide is a curated list of relevant works, covering data, analysis and news on this critical topic. These resources were carefully researched and collected from trusted sources, news agencies, publishers and health organizations.

Africa Confidential

[Africa Confidential](#) is a fortnightly newsletter covering current and in-depth news and analysis on political, economic, and security developments across Africa. Coverage is from 1997 to present day.

Access is open to all IMF staff. No login is necessary but connection to the IMF network is required.

Research

1. Sovereigns – Sub-Saharan Africa: World Bank's Emergency Funding for East Africa Points to Risks from Intensifying Locust Swarms (Moody's Investors Service, May 22, 2020)

The package provides funding for governments already challenged by the coronavirus pandemic and locust swarms, but the aid is modest relative to the magnitude of those twin shocks. (Please contact the [IMF Library](#) for the full report)

2. Economic Impacts of Coronavirus Disease (COVID-19) in Developing Countries (SocArXiv, April 4, 2020)

The coronavirus disease (COVID-19) has critically impacted global health systems and economies, especially in developing countries. The economic implications related to COVID-19 in those countries include a high cost of care, market failures in pluralistic health systems, high out-of-pocket expenses, the

added burden of noncommunicable diseases, missed economic opportunities, and socioeconomic consequences like unemployment and poverty. It is essential to assess the prevalent gaps, mobilize resources, strengthen health systems financing and leadership, enhance research capacities informing evidence-based policy making, and foster effective partnerships for addressing health and economic disparities due to COVID-19. [Read more...](#)

3. Post Covid-19 Sub-Saharan Africa Sees Multiple Challenges (Fitch Solutions, May 15, 2020)

We at Fitch Solutions believe that the Covid-19 pandemic and ensuing global recession will have long-term ramifications for Sub-Saharan Africa in terms of growth, political risk and government policy. In this article, we explore seven trends that will emerge in the post-Covid period: Slower Regional Growth, Rising Debt Loads, Foreign Policy Dilemmas Over China, An Increased Focus On Supply Chains, Rising Political Risk, Unemployment Adding To Governments' Policy Dilemmas, Increased Investment In Healthcare A Potential Upside For Productivity. Full report requires a Fitch Connect login, access instructions are posted [here.](#)) [Read more...](#)

4. Covid-19 In Sub-Saharan Africa: Webinar Q&A (Fitch Solutions, April 23, 2020)

In this piece we respond to the questions posed by our clients during our 'Macro Implications Of And Policy Responses To Covid-19 In Sub-Saharan Africa' webinar. They fall into three broad sections: the economic impact, including the effect of regional stimulus programmes; external account risks, including the countries most exposed to balance of payments risks; and the political impact, including the countries most vulnerable to political unrest. Full report requires a Fitch Connect login, access instructions are posted here.) [Read more...](#)

5. Covid Stops Many Migrants Sending Money Home (The Economist, April 26, 2020)

Remittances are falling sharply across Africa. At one payments company, transfers from Britain to east Africa may have fallen by 80%. Another has seen flows from Italy to Africa drop by 90%. The effects are painful. Remittances bring much-needed cash directly to millions of families. They are also one of the continent's main sources of foreign currency. In 2018 officially recorded remittances were worth \$46bn in sub-Saharan Africa, far more than foreign direct investment of \$32bn that year. [Read more...](#)

6. COVID-19 Pandemic, a War to be Won: Understanding its Economic Implications for Africa (Applied Health Economics and Health Policy, 18: 325–328, 2020)

The emergence of coronavirus disease (COVID-19) on the global public health scene has led to growing concerns and uncertainties. It has intensified my curiosity about the likely implications of the COVID-19 pandemic in Africa from the perspective of an economist. Recently, for example, the World Bank increased its response and its commitment to assist many countries and, together with the International Monetary Fund, have called on all official bilateral creditors to suspend debt payments from the International Development Association countries requesting forbearance. This further blurs the outlook in the current COVID-19 pandemic for most countries in Africa that rely on developed countries for official development assistance. [Read more...](#)

7. The Potential Impact of COVID-19 on GDP and Trade: A Preliminary Assessment (World Bank Group, April 2020)

This study simulates the potential impact of COVID-19 on gross domestic product and trade, using a standard global computable general equilibrium model. It models the shock as underutilization of labor and capital, an increase in international trade costs, a drop in travel services, and a redirection of demand away from activities that require proximity between people. This exercise is illustrative, because it is still too early to make an informed assessment of the full impact of the pandemic. But it does convey the likely

extent of impending global economic pain, especially for developing countries and their potential need for assistance. [Read more...](#)

8. Sub-Saharan Africa Oil & Gas Report Q2 2020 (Fitch Solutions, April 23, 2020)

The huge drop in oil prices through Q1 will severely pressure the region's investment climate as companies slash capex across the board and row back on planned developments. Oil producers in the region will face a huge drop-off in demand for their crude, with risks of production being shut-in as global storage reaches its limit. Over the medium term, SSA's oil production forecast is clouded by a severely dwindling project pipeline and heavy decline rates at maturing assets across several markets. Full report requires a Fitch Connect login, access instructions are posted [here.](#)) [Read more...](#)

9. COVID-19 and Oil Prices (SSRN, March 17, 2020)

As demonic panic continues to grip the world over the outbreak of COVID19, There is plenty of bearish sentiment hanging over the markets. The economies of most sub-Saharan African countries who for the past three years have been under the IMF economic partnership program may have to develop extra muscles to face the continues drop in commodity prices most especially crude oil. The continuous spread of COVID-19 seems to be the major external economic compass on which all a sundry rely for the market orientation. [Read more...](#)

10. Indicative Socio-Economic Impacts of the Novel Coronavirus (Covid-19) Outbreak in Eastern Africa: Case of Rwanda (SSRN, April 27, 2020)

There is so far a mixture of anticipated effects on African economies with little specific cases to demonstrate how each country is responding to the short and mid-term effects of the virus. This paper is among the fewer emerging case studies for Africa and addresses the case of Rwanda. It documents the on-going policy response measures and the anticipated short to medium socioeconomic impacts of COVID-19 with a focus on external merchandise trade, small and medium enterprises (SMEs), and agriculture. Our results indicate that despite promising stepwise policy measures taken by the government of Rwanda and how the population is positively responding to these measures, these sub-sectors will be negatively affected by the COVID-19 though at different levels. [Read more...](#)

11. The COVID-19 Pandemic: Effects on Low and Middle-Income Countries (Anesthesia & Analgesia, April 1, 2020)

COVID-19 is spreading rapidly around the world with devastating consequences on patients, healthcare workers, health systems and economies. As it reaches low and middle-income countries, its effects could be even more dire because it will be difficult for them to respond aggressively to the pandemic. The necessary resources to treat patients will be in short supply. The end result could be a catastrophic loss of life. A global effort will be required to support faltering economies and health care systems. [Read more...](#)

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