

Report of the Public Lecture

Theme: A Tepid and Pricey Recovery- SSA Regional Economic Outlook April 2024

Venue: Kigali Independent University

Date: June 21, 2024

Guest Speaker: Mr. Pula Gabor, IMF Country Representative to Rwanda

1. Introduction

The Economic Policy Research Network (EPRN Rwanda) organizes public lectures as an important tool to connect high-level economists, academics, civil society organizations and development partners with the wide public in order to provide a platform that allows different actors to engage in a way that ensures transparency and accountability. The lectures therefore allow brainstorming on pertinent topics and come up with recommendations to the concerned actors depending on the lecture topic.



Photo: Some ULK lecturers and other authorities who attended this public lecture

2. Public lecture at Kigali Independent University

On the 21st of June, 2024, EPRN in collaboration with the International Monetary Fund (IMF) organised a public lecture at Kigali Independent University-ULK. The Lecture brought together more than 300 students and lecturers and discussed about following topic: "A Tepid and Pricey Recovery." The lecture was opened by Prof. George Okello Candiya Bongomin, Deputy Vice Chancellor Research and Consultancy at Kigali Independent University ULK.

3. Bio of the lecturer

Mr. Gabor Pula joined the IMF in 2015 and has worked on a range of assignments covering low-income, emerging market, and advanced economies. Before being assigned as IMF Resident Representative for Rwanda in 2022, he was a senior economist at the Kenya desk in the African Department. He also worked in other IMF departments (such as the Strategy, Policy and Review and European Department). Prior to joining the IMF, Mr. Pula worked at the European Central Bank including his three-year tenure as Advisor in the ECB's Representative Office at the IMF Executive Board, at the Central Bank of Hungary and the Hungarian Ministry of Finance.



Photo: Mr Pula Gabor delivering a presentation

Mr. Pula Gabor delivered the presentation before opening the floor to participants for questions and reflections.



Photo: Students and lecturers of ULK attending the lecture by IMF and EPRN.

4. Summary of the presentation

The presentation highlighted that after four turbulent years, the outlook for sub-Saharan Africa is gradually improving. Growth will rise from 3.4 percent in 2023 to 3.8 percent in 2024, with nearly two thirds of countries anticipating higher growth. Economic recovery is expected to continue beyond this year, with growth projections reaching 4.0 percent in 2025. Additionally, inflation has almost halved, public debt ratios have broadly stabilized, and several countries have issued Eurobonds this year, ending a two-year hiatus from international markets. However, not all is favorable. The funding squeeze persists as the region's governments continue to grapple with financing shortages, high borrowing costs, and impending debt repayments. Risks to the outlook remain tilted to the downside. The region continues to be more vulnerable to global external shocks, as well as the threat of rising political instability, and frequent climate events. Three policy priorities can help countries adapt to these challenges: improving public finances without undermining development; monetary policy focused on ensuring price stability; and implementing structural reforms to diversify funding sources and economies. Amid these challenges, sub-Saharan African countries will need additional support from the international community to develop a more inclusive, sustainable, and prosperous future.

Further highlights from the presentation:

- Funding squeeze is both conjunctural and structural phenomenon. Unlikely to dissipate soon
- Shortage of traditional sources of financing
- In 2023, lowest net external financing going to public sector since the Global Financial Crisis
- Financing challenges force countries to reduce essential public spending, including capital expenditure
- Political uncertainty: 18 elections this year. 11 coups since 2020.
- Climate change: Last year was the hottest on record, with droughts and floods. 140 million suffering acute food insecurity in 2023.
- Rising social tensions: undercut reform momentum
- Half of countries see inflation easing and within/below target-Consider gradually easing to a more neutral stance. Will support growth and fiscal consolidation efforts
- Nearly one third of countries see inflation decreasing but above target- "Pause" in policy tightening warranted
- Remainder see increasing and above target Inflation-Decisively tighten monetary policy. Focus on price stability
- Exchange-rate pressures persist across the region
- Administrative measures have created foreign currency shortages and complicated business operations in several countries

5. Recommendations

After the presentation and brainstorming session by all participants, the following key recommendations were made:

- a. Countries should boost revenues rather than cut essential spending
- b. Countries should improve quality and efficiency of spending
- c. Build public trust, protect the vulnerable, sequence carefully
- d. Where needed, address unsustainable debt, through G-20 common framework
- e. Consider gradually easing to a more neutral stance. Will support growth and fiscal consolidation efforts
- f. In general, countries should allow exchange rate to depreciate, especially when reserve coverage is low
- g. There is a need to enhance efforts to attract FDI. SSA captures only 3% of global FDIs
- h. Need to support innovation, skill development, business climate...
- i. Need to harness potential from the African free trade agreement

-END-

Attachment: [Link of the Presentation on A Tepid and Pricey Recovery- SSA Regional Economic Outlook April 2024](#)