

ECONOMIC DEVELOPMENTS IN PORTUGUESE-SPEAKING AFRICAN COUNTRIES AND TIMOR-LESTE

2010 | 2011

ANGOLA

Higher oil revenues and a broadly successful implementation of the IMF-supported macroeconomic adjustment program resulted in a significant correction of fiscal and external imbalances in 2010. These ultimately led to an accumulation of foreign reserves and a reduction in domestic payments arrears, further allowing for a gradual recovery of economic growth, while avoiding a significant rise in inflation.

	2008	2009	2010	2011
	Est.	Est.	Est.	Prog.
Real GDP (annual rate of change)	13.8	2.4	3.4	7.8
Inflation (average a.r.c.)	12.5	13.7	14.5	12.0
Broad money (a.r.c.)	103.9	21.5	7.7	36.9
Current account (% GDP)	8.5	-10.0	8.6	-4.7
Fiscal balance (% GDP)	8.9	-8.6	8.9	4.5
External debt (% GDP)	16.5	20.0	21.6	19.7

CAPE VERDE

The implementation of an expanded public investment program boosted economic activity in 2010, with no significant inflationary pressures, while leading to a higher fiscal deficit and an increase in external debt. In turn, the growth of service exports (tourism and air transport) contributed to strengthening the balance of payments and to the accumulation of foreign reserves.

	2008	2009	2010	2011
		Est.	Est.	Prog.
Real GDP (a.r.c.)	6.2	3.6	5.4	5.6
Inflation (average a.r.c.)	6.8	1.0	2.1	5.2
Broad money (a.r.c.)	7.9	3.3	4.7	10.9
Current account (% GDP)	-15.5	-15.2	-11.4	-10.5
Fiscal balance (% GDP)	-2.5	-6.2	-10.9	-10.3
Public debt (% GDP)	74.3	76.7	83.5	--
of which: External debt	43.6	46.2	53.5	--

GUINEA-BISSAU

The stabilisation of the socio-political situation in 2010 had positive spill-over effects on economic performance, also boosted by the rise in cashew nuts exports, the country's main export. The overall successful implementation of the IMF-supported structural adjustment program allowed for macroeconomic consolidation. This was of the essence to the attainment of debt relief under multilateral initiatives at the end of 2010.

	2008	2009	2010	2011
		Est.	Est.	Prog.
Real GDP (a.r.c.)	3.2	3.0	3.5	4.3
Inflation (average a.r.c.)	10.4	-2.8	2.3	4.0
Broad money (a.r.c.)	45.0	3.0	12.1	8.4
Current account (% GDP)	-4.8	-6.5	-6.8	-7.4
Fiscal balance (% GDP)	-0.8	2.9	-0.2	-2.1
External debt (% GDP)	132.1	128.0	20.1	--

MOZAMBIQUE

The export dynamics of mega-projects (aluminium, electrical power, natural gas, titanium and coal) has been a determining factor in recent years, contributing to the acceleration of growth and the accumulation of foreign reserves in 2010. However, unfavourable developments in international commodity prices and the depreciation of the metical have put pressure on inflation, leading to a tightening of the monetary policy stance, with visible results in the current year.

	2008	2009	2010	2011
		Est.	Est.	Prog.
Real GDP (a.r.c.)	6.8	6.3	6.6	7.2
Inflation (average a.r.c.)	10.3	3.3	12.7	9.5
Broad money (a.r.c.)	20.3	32.6	22.8	20.0
Current account (% GDP)	-11.9	-12.4	-10.1	-11.9
Fiscal balance (% GDP)	-2.3	-5.4	-3.7	-6.4
External debt (% GDP)	36.5	40.2	32.5	--

SÃO TOMÉ AND PRÍNCIPE

Growth remained robust in 2010, but the favourable impact of exchange rate stability was not strong enough to prevent inflation from stepping up, chiefly reflecting the hike in international commodity prices. Despite further progress towards fiscal consolidation, delays in external assistance led to a weakened balance of payments, which ultimately resulted in a deterioration of foreign reserves.

	2008	2009	2010	2011
	Est.	Est.	Est.	Prog.
Real GDP (a.r.c.)	5.8	4.0	4.5	4.5
Inflation (average a.r.c.)	32.0	17.0	13.3	7.7
Monetary liabilities (a.r.c.)	30.0	8.8	13.1	--
Current and capital acc. (% GDP)	-9.4	3.9	-30.9	-37.1
Overall fiscal balance (% GDP)	14.8	-17.9	-10.7	-28.5
Domestic primary bal. (% GDP)	-6.2	-8.0	-4.2	-3.9
External debt (% GDP)	60.3	70.3	79.2	--

TIMOR-LESTE

Driven by oil revenues, the economy continued to grow at a strong pace in 2010, thereby consolidating its comfortable fiscal and external position, debt-free, and with the Petroleum Fund balance standing at a high level. Inflation, however, tended to increase, triggered by the rise in international food prices and the USD depreciation, but eased again in the current year.

	2008	2009	2010	2011
		Est.	Est.	Prog.
Non-oil real GDP (a.r.c.)	12.2	12.7	9.5	7.3
Inflation (average a.r.c.)	9.0	0.7	6.8	6.0
Broad money (a.r.c.)	33.1	40.3	9.9	--
Current account (% non-oil GDP)	397.3	212.0	234.3	169.2
Fiscal balance (% non-oil GDP)	374.2	214.2	224.6	180.8
Petroleum Fund (% non-oil GDP)	821.8	867.2	952.2	1002.9
Public debt (% non-oil GDP)	0.0	0.0	0.0	0.0