

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

2012 | 2013

ANGOLA

The adjustment process carried out in the past few years and the maintenance of oil revenue at high levels allowed for a consolidation of the Angolan macroeconomic conditions in the course of 2012 and the early months of 2013. These developments are reflected in indicators such as the substantial acceleration of growth, the fall in inflation to historical lows and the significant improvement in the fiscal and external position, culminating in the strengthening of foreign exchange reserves and reduction of the debt burden.

	2010 Est.	2011 Est.	2012 Est.	2013 Prog.
Real GDP (annual % change)	3.4	3.9	7.5	7.1
Inflation (end-of-period % change)	15.3	11.4	9.0	9.0
Broad money (annual % change)	7.1	34.0	7.9	46.8
Current account (% of GDP)	9.1	12.6	12.2	4.2
Overall fiscal balance (% of GDP)	5.3	10.2	8.9	-3.8
External public debt (% of GDP)	21.6	20.2	19.9	20.4

Sources: Banco Nacional de Angola, Ministry of Finance (Angola) and International Monetary Fund.

CAPE VERDE

The unfavourable external environment and the fall in domestic demand led to a moderate economic slowdown in Cape Verde in 2012, negatively affecting the public accounts. However, the resulting reduction in goods imports and the ongoing growth in tourism revenue allowed the external accounts and the foreign exchange reserves to improve, assisting monetary policy in defending the exchange rate peg to the euro.

	2010 Est.	2011 Est.	2012 Est.	2013 Prog.
Real GDP (annual % change)	1.5	4.0	2.5	1.5
Inflation (end-of-period % change)	3.4	3.6	4.1	2.2
Broad money (annual % change)	5.9	3.6	5.6	6.2
Current account (% of GDP)	-13.5	-16.3	-11.5	-9.8
Overall fiscal balance (% of GDP)	-10.6	-7.7	-9.9	-8.2
Public debt (% of GDP)	80.4	86.0	94.0	--
of which: External debt	50.8	56.8	64.5	--

Sources: Banco de Cabo Verde, Ministry of Finance (CV), Cape Verde National Institute of Statistics and International Monetary Fund.

GUINEA-BISSAU

Guinea-Bissau's economy is expected to present a modest recovery, after contracting in 2012. Exports and the renewed involvement of its development partners are likely to be the main drivers of growth. An adjustment should be made to improve public finances and external accounts. Inflation remains at low levels, due to the exchange rate stability resulting from the country's membership of the CFA franc zone.

	2010 Est.	2011 Est.	2012 Est.	2013 Prog.
Real GDP (annual % change)	4.5	5.3	-1.5	3.5
Inflation (end-of-period % change)	5.6	3.4	1.7	3.5
Broad money (annual % change)	29.6	39.1	-5.2	3.1
Current account (% of GDP)	-8.4	-1.1	-5.8	-5.2
Overall fiscal balance (% of GDP)	-0.2	-1.4	-2.8	-0.1
External debt (% of GDP)	22.4	21.3	25.2	27.0

Sources: BCEAO branch in Guinea-Bissau and International Monetary Fund.

MOZAMBIQUE

Investments and exports from the large-scale projects (mainly natural gas and coal) have been key drivers of Mozambican growth. Imports in those sectors have put pressure on the external accounts, although foreign direct investment has allowed foreign exchange reserves to accumulate. This capital inflow and falling inflation have enabled monetary conditions to be loosened, leading to expansion in credit to the economy. The public accounts have improved, benefiting from increased tax collection and a slight reduction in public investment.

	2010 Est.	2011 Est.	2012 Est.	2013 Prog.
Real GDP (annual % change)	7.1	7.3	7.4	7.0
Inflation (end-of-period % change)	16.6	5.5	2.2	6.1
Broad money (annual % change)	24.6	7.8	29.4	16.2
Current account (% of GDP)	-11.7	-24.3	-35.5	-39.3
Overall fiscal balance (% of GDP)	-4.2	-4.8	-3.9	-6.7
External debt (% of GDP)	39.2	31.5	31.5	--

Sources: Banco de Moçambique, Mozambique National Institute of Statistics and International Monetary Fund.

SÃO TOMÉ AND PRÍNCIPE

The growth pace of the Santomean economy slowed down slightly in 2012, reflecting a number of factors, such as scarcer external financing. This phenomenon also exerted pressure on foreign exchange reserves, although a rebound was seen towards the end of the year. This cooling of the economy affected tax revenue, but an additional effort to contain public expenditure made it possible to maintain fiscal consolidation, which continued to prove decisive to a sustained fall in inflation.

	2010 Est.	2011 Est.	2012 Est.	2013 Prog.
Real GDP (annual % change)	4.5	4.9	4.0	4.5
Inflation (end-of-period % change)	12.9	11.9	10.4	8.0
Broad money (annual % change)	25.1	10.5	18.4	14.4
Current and Capital account (% of GDP)	-26.6	-22.0	-21.8	-16.5
Overall fiscal balance (% of GDP)	-10.4	-12.0	-11.2	-13.1
Domestic primary balance (% of GDP)	-4.1	-3.0	-3.2	-3.1
External debt (% of GDP)	78.6	74.2	77.6	--

Sources: Banco Central de São Tomé e Príncipe, Ministry of Finance and Planning (São Tomé and Príncipe) and International Monetary Fund.

TIMOR-LESTE

The economy of Timor-Leste continued to experience considerably buoyant growth, both in domestic production and the exploitation of energy resources in the Timor Sea. The high level of oil revenue has led to asset accumulation in the Petroleum Fund, along with the funding of an ambitious public expenditure programme, which is addressing the ongoing major social and infrastructural limitations. However, this level of public spending has also caused inflation to remain worryingly high. Thus, the Timorese authorities expect this stimulus to be more contained in the future.

	2010 Est.	2011 Est.	2012 Est.	2013 Prog.
Real GDP (annual % change)	9.5	12.0	10.2	8.1
Inflation (end-of-period % change)	9.2	17.4	11.7	11.0
Broad money (annual % change)	9.9	10.5	26.2	--
Current account (% of non-oil GDP)	179	207	184	119
Overall fiscal balance (% of non-oil GDP)	205	245	210	45
Oil Fund (% of non-oil GDP)	739	825	792	793
Public debt (% of non-oil GDP)	0.0	0.0	0.5	2.8

Sources: Banco Central de Timor-Leste, Ministry of Finance (Timor-Leste) and International Monetary Fund.