Africa Sovereign Monitor 2023

Continued pressures amid multiple shocks underline the need for policy adjustments, international assistance

Sovereign and Public Sector
1 February 2023

Executive summary

African economies' recoveries are under continued pressure amid a range of external and internal shocks. Long-term consequences of Russia's war in Ukraine, high inflation, higher borrowing costs and bad weather all threaten the region's post-pandemic recovery and economic stability. These multiple shocks have resulted in acute tensions in energy and food supplies, exacerbating vulnerabilities.

However, many countries are benefitting from recovering demand for exports in advanced economies, where growth might pick up again later this year. According to the Africa Development Bank, Africa's GDP growth will average 4.0% in 2023 and 2024, a mild rebound compared with 2022 (3.8%), although below growth of 4.8% in 2021.

Tighter global monetary policy will aggravate vulnerabilities as public debt rises: Many African countries took advantage of low interest rates over the past decade to tap private investors through international debt markets. Today, tighter financial conditions, amid historically high debt, are credit negative for the region. More than 40% of countries of the region spend more than 10% of revenue on interest. Around one sixth spend more than 20%.

Resilience of the policy mix to be tested further: Some African countries have become more resilient in recent years, but many cannot address financial challenges on their own. Fiscal buffers narrowed significantly with the implementation of countercyclical measures during the pandemic crisis. Today's tighter financial conditions leave monetary policy struggling to help governments meet the challenges ahead.

Political risks mount ahead of a busy 2023 electoral cycle: Upcoming elections in more than 20 African countries – including Gabon, Madagascar, Nigeria, and Zimbabwe – raise risks of disruptive civil unrest and potential political instability.

Rising food and energy prices and, in some cases, food shortages feed social discontent amid growing geopolitical tensions, not least the Russian- and Islamist-backed incursions in the Sahel region, conflict between the Democratic Republic of the Congo and Rwanda, and civil war in Ethiopia and Libya.

Request for financial assistance likely to grow: The share of sub-Saharan African countries either in debt distress or at high risk of debt distress rose to 65% in September 2022 from 18% in 2014. The most vulnerable countries will rely on external assistance as their domestic policy options narrow, with the objective of shoring up international reserves and bolstering government balance sheets.

Debt restructuring remains a last resort: A growing number of countries could seek debt relief should external assistance be insufficient to meet financing needs. The sovereign debt-restructuring architecture has been reinforced since the Covid-19 crisis, but lengthy and complex restructuring negotiations make creditor coordination difficult, putting continuous pressure on credit ratings of developing nations.

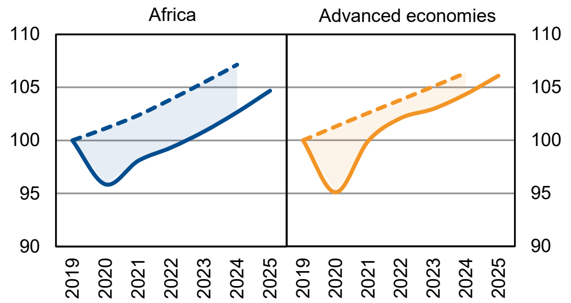
Africa needs more innovative, sustainability-related financing: As multilateral lenders face growing demands from borrowers and shortcomings in the global sovereign-debt-restructuring architecture persist, the region needs innovative arrangements – guarantees, liquidity facilities, contingent instruments among others – to help official and private creditors tackle the continent's long-term economic, financial, and sustainability challenges including climate change.

African economies' recovery under continued pressure

Inflation shock from war in Ukraine threatens post-Covid recovery, poverty reduction

The escalation of the war in Ukraine has given African economies a severe shock while many are still contending with the fallout from the Covid-19 crisis, exacerbating long-standing vulnerabilities. Supply-side disruptions, commodity-price volatility, and tightening monetary policies in advanced economies are set to exacerbate economic and social fragilities this year.

Figure 1. Regional real GDP per capita projections versus pre-pandemic trajectories
2019 = 100



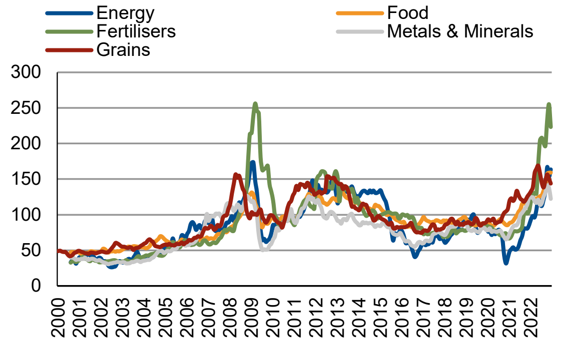
Note: Dotted lines = Oct-2019 IMF World Economic Outlook (WEO); full lines = Oct-2022 WEO
Source: IMFWEO, United Nations, Scope Ratings

Africa's economic momentum will continue in 2023-24 with steady GDP growth supported by post-crises rebounds and better-than-expected economic activity in Western countries. The African Development Bank puts Africa's GDP growth at 4.0% in 2023 and 3.9% in 2024, after 3.8% in 2022 and 4.8% in 2021. Real GDP growth in sub-Saharan Africa (4.1% on average) is set to exceed global GDP growth (3.2%) in the period to 2027, according to the IMF in its October 2022 forecasts.

Although Africa will remain among the world's fastest-growing regions in the short to medium term, many economies face severe financial and economic vulnerabilities that constrain growth. The IMF revised its growth forecast for the sub-Saharan Africa region to 3.9% on average over 2023-24 from 4.7% in 2021. The result is a widening gap in GDP per capita levels compared with pre-pandemic trends, well beyond that observed for advanced economies (**Figure 1**). Should international support for African countries in distress fall short of expectations, there is growing risk that this succession of shocks in such a short period will weigh down further on incomes.

One of the biggest threats to African countries' growth is the war in Ukraine that underpinned a broad-based surge in global commodity prices, reflecting the importance of Russia and Ukraine as major commodity exporters. While commodity price booms are not uncommon, the pace and simultaneity of price increases was remarkable, particularly for fertilisers and energy, for which price indexes remain above two times higher than end-2020 levels. Food has experienced a 30% increase since end-2020 (**Figure 2**).

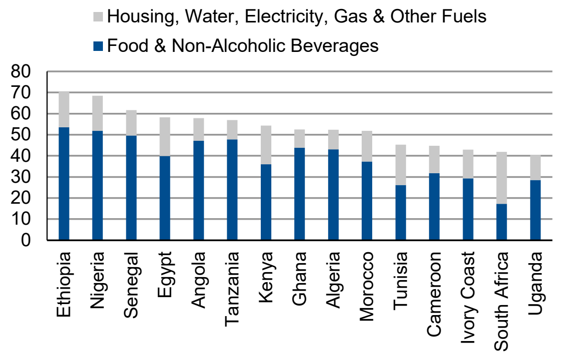
Figure 2. Major commodity price indices
2010 = 100



Source: World Bank, Scope Ratings

African countries are particularly exposed to volatility in food and energy prices given their importance as a proportion of domestic household consumption (**Figure 3**). In addition, governments of the region have poor records in taming inflation, either because of weak monetary policy frameworks and/or expansionary, procyclical fiscal policies.

Figure 3. Food and energy consumer price index (CPI) weights in select countries
%



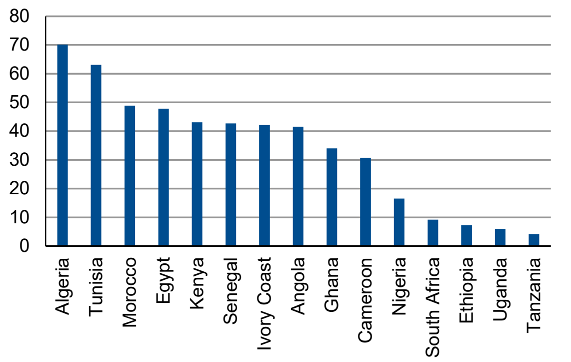
Note: Latest CPI weight data for all countries are for July 2019.
Source: IMF, Scope Ratings

As geopolitical uncertainties remain high, inflationary pressures will persist in 2023 before fading thereafter, depending on African countries' successes in the diversification of energy and food supplies, as well as on the swift implementation of the UN-brokered grain export deal between Russia and Ukraine.

Nevertheless, a sustained period of elevated inflation could imperil poverty reduction and reduce the capacity of African countries to make progress on the UN's 2030 Sustainable Development Goals. Rising or even stagnant poverty rates could weigh on domestic demand and increase pressure for more spending on health, education, and social assistance.

In addition, the disruption in the food supply and rapidly rising prices for essential goods are particularly troubling for food security, one of the continent's most pressing challenges. Africa is heavily reliant on food imports (**Figure 4**), particularly wheat from Russia and Ukraine. An estimated 140m people in Africa faced acute food insecurity in 2022, after double-digit percentage increases across the region in prices compared with the previous year. These factors increase risks of social upheaval and political instability given still incomplete social safety nets and limited policy flexibility, particularly in countries where elections loom (see section on political risks).

Figure 4. Cereal import dependency in select African countries, 2018
% of domestic food supply (3-year averages)



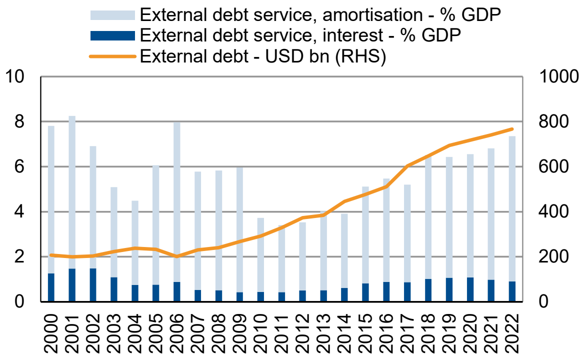
Source: FAO, Scope Ratings

Global monetary policy tightening to aggravate external vulnerabilities

Other external pressures are compounding the difficulties posed by food and energy inflation and food shortages, notably deteriorating terms of trade, weaker external demand, and monetary policy tightening in advanced economies. The capacity of African countries to absorb external shocks varies widely depending on levels of import cover and types of foreign-exchange regime. Countries with ample official reserves or significant external financial assistance should be best equipped to cope with these external pressures.

Significant exchange-rate depreciation and/or devaluation since the start of the Covid-19 pandemic should have helped some countries to absorb large external shocks (**Figure 5**). However, it has also worsened inflationary and pre-existing external debt servicing pressures (**Figure 6**) given the rising share of foreign-currency debt in many countries' liabilities and the end of the G20 Debt Service Suspension Initiative (DSSI).

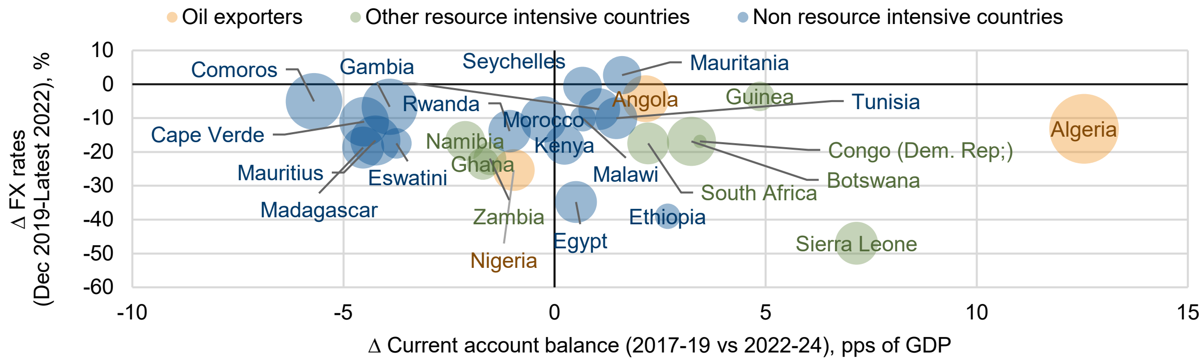
Figure 6. Sub-Saharan Africa, external debt service
%



Source: IMF, Scope Ratings

Tighter monetary policy is set to pressure African countries that benefitted over the past decade from the low-rates environment in advanced economies to tap international markets under favourable conditions, among them Angola, Egypt, Ghana, Nigeria and South Africa. Depending on the scale of further future monetary policy tightening in the US and Europe, higher interest rates in advanced economies and pressure for portfolio reallocation amid economic uncertainty may ensure capital flows remains volatile.

Figure 5. External positions and buffers of select African countries
pps of GDP (horizontal axis); % (vertical axis); FX reserves, months of imports (bubble size)



Note: Bubble size relates to reserve coverage of imports. Reserve levels are based on latest annual data available over 2020-21.
Source: IMF, World Bank, Scope Ratings

Policy-making credibility remains at stake amid narrowing room for manoeuvre

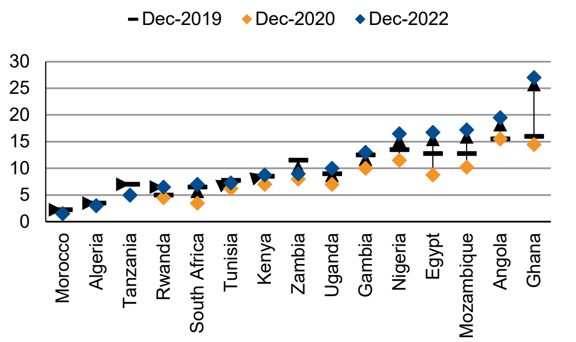
Large exogeneous shocks present a lasting challenge for African policymakers who will need to strike a delicate balance between supporting their economies and addressing longer-term challenges, while avoiding near-term instability and the build-up of persistent macro-economic and fiscal vulnerabilities.

Despite median inflation in Africa reaching its highest levels since the mid-1990s, policy rates in several countries remain below or near their pre-Covid levels (**Figure 7**).

High inflation rates, under-developed local financial markets, as well as shortcomings in monetary policy transparency and independence weigh on African central banks' capacities to anchor inflation expectations in the long term despite some progress in strengthening monetary-policy frameworks.

Central banks are under pressure to act more decisively; insufficient or delayed policy action could erode monetary credibility and threaten macroeconomic stability in case of excessively high or rapidly rising inflation.

Figure 7. Policy rates in select African countries
%



Source: National central banks, Scope Ratings

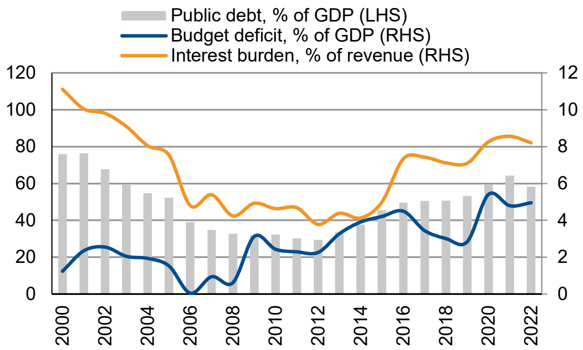
Pressures on African countries' public finances will persist in 2023-2024 as the Covid-19 and Ukraine crises exacerbate underlying vulnerabilities rising since the global financial crisis.

Notwithstanding many countries' narrow tax bases and lower tax receipts due to slower growth, public spending has increased to shield households and corporates from a weaker economic outlook and rising prices of vital necessities.

Subsidies and cash transfers were (re)introduced after years of phasing them out in multiple countries. The difficulty will be ensuring that government support, such as increased subsidies, are temporary, targeted and withdrawn or refined when appropriate.

Volatile capital flows to and from emerging economies and higher rates in advanced economies will maintain pressure on funding conditions as borrowing rises and debt-servicing costs remain high. Debt and interest-payment burdens are now back at levels last seen in the mid-2000s (**Figure 8**).

Figure 8. Public-finance metrics in Africa, continent medians
%

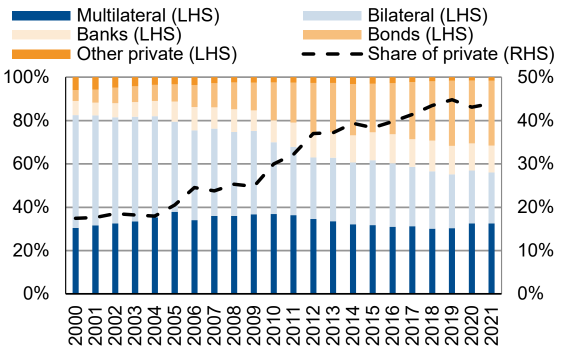


Source: IMF, Scope Ratings

The increase in debt on the continent has coincided with a marked rise in the complexity of African countries' debt profiles (**Figure 9**), with a transition away from multilateral and bilateral lenders to higher-cost and less-reliable private funding sources.

The median fiscal deficit of governments on the continent is estimated to have narrowed to 4.0% of GDP in 2022, from 4.9% in the previous year and 5.4% in 2020, but it remains near record highs and is expected to remain above pre-Covid levels until 2025. African countries will have to refine their medium-term debt management strategies, especially as tighter financing conditions may lead to a deterioration in the funding mix, with a greater share of short-term borrowing.

Figure 9. Structure of African public debt by holder
%



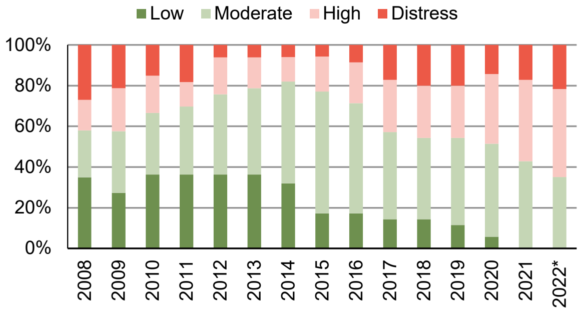
Source: World Bank, Scope Ratings

Monetary tightening in advanced economies, domestic central-bank rate hikes amid inflationary pressure and global economic uncertainty have pushed up African sovereigns' financing costs, with some countries such as Ghana effectively priced out of international capital markets.

Challenging funding conditions raise countries' interest burdens and create substantial debt repayment pressures. Over two fifths of African sovereigns currently spend more than 10% of their revenues on interest payments and around one sixth spend more than 20%. Some countries are particularly distressed. The interest payment burdens as a share of government revenue run at 51% in Ghana, 37% in Egypt, and 27% in Nigeria for 2022, according to the IMF.

African governments have accordingly much less fiscal room for manoeuvre to support their economies, mitigate the impact of the commodity price shock and invest in the future as they contend with upside pressure on public spending but only narrow tax bases on which to raise revenues. The percentage of sub-Saharan African countries in or at high risk of debt distress rose to 65% in 2022 from 18% in 2014 (**Figure 10**). Further external shocks would intensify the need for international assistance.

Figure 10. Sub-Saharan African countries' debt risk status
%



* As of September 2022.
Source: IMF, Scope Ratings

Political risks rise ahead of 2023 elections

More than 20 African countries (**Figure 11**) are scheduled to hold presidential, legislative, and/or local elections in 2023 as rising prices feed social discontent and threaten food security amid growing geopolitical tensions. Opportunities for new governments to improve governance and find a better mix of near-term and long-term economic policies are balanced by the danger of uncertain or challenged electoral outcomes, policy drift and delays to reforms, which could set back growth and efforts to strengthen public finances.

Figure 11. Africa's busy electoral cycle, 2023

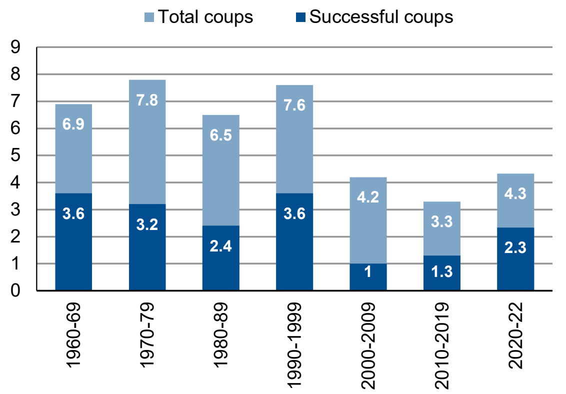
2023
Presidential
Gabon, Liberia, Libya, Madagascar, Nigeria, Sierra Leone, South Sudan, Zimbabwe
Legislative
Benin, Djibouti, Gabon, Guinea-Bissau, Libya, Mali, Mauritania, Nigeria, Sierra Leone, South Sudan, Sudan, Eswatini, Zimbabwe
Local/regional
Central African Republic, Comoros, Ivory Coast, Egypt, Gabon, Ghana, Guinea, Mali, Mauritania, Mozambique, Nigeria, Sierra Leone, South Sudan, Sudan, Eswatini, Togo, Zimbabwe

Source: Electoral Institute for Sustainable Democracy in Africa, Scope Ratings

Elections are expected to be particularly disputed in countries where long-term socio-economic challenges, including the delivery of public services, coincide with acute civil insecurity, notably in Nigeria. Military cooperation between African and Western governments to contain the Islamist terrorist threat in the Sahel is in flux as some governments seek to diminish Western influence. Countries where electoral milestones are preceded by worsening hunger crises are also at risk, for example South Sudan and Zimbabwe.

Military coups dropped in number to around three a year in the decade to 2019 but have become more frequent recently (**Figure 12**). While there was only one coup in 2020 (Mali), there were 11 in 2021-22, mostly in western and central Africa. How governments navigate this current crisis may prove critical in determining whether elections result in a consolidation of state legitimacy and democratic governance or greater political instability.

Figure 12. Average annual coups across Africa
Yearly average coup events



Source: Cline Center Coup d'État Project, Scope Ratings

Leveraging international support to address short-term economic risks and enhance resilience

African governments face a challenging environment amid growing constraints on policymaking, which requires forceful coordination with and support from international stakeholders. As observed since the Covid-19 crisis, heavy reliance on external assistance is expected to persist in 2023, as illustrated by requests for IMF supported-programmes from Egypt, Ghana, and Tunisia. Africa's share in the IMF's total lending has increased substantially in recent years (**Figure 13**) and could rise further, based on recent initiatives aiming at strengthening funding capacity.

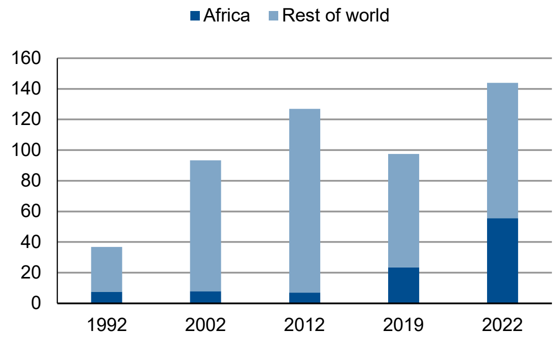
The IMF's allocation of USD 33bn in special drawing rights for African countries became effective in August 2021 with an additional commitment of USD 100bn from G20 countries to low-income countries. Notwithstanding implementation challenges, these additional resources are critical for bolstering developing economies' external positions and could increase again should Western countries agree on additional milestones to strengthen global financial safety nets.

Similarly, the IMF announced in October 2022 the start of its loan-based 'Resilience and Sustainability Trust' to help vulnerable countries build resilience to external shocks. Following recent agreements with Barbados, Costa Rica and Rwanda, growing interest among eligible countries for the instrument is likely. In addition, similar initiatives from other multilateral lenders such as the World Bank's Global Shield Financing Facility and the replenishment of the African Development Fund in December 2022 with USD 8.9bn over the 2023 to 2025 financing cycle will also improve financial buffers.

As African countries become more important energy suppliers for G7 and G20 countries, especially those in Europe, given sanctions on and boycotts of Russia's exports, more financial assistance is likely through multilateral support, such as the EU-Africa Global Gateway Investment Package and other bilateral initiatives.

However, growing pressure on the resources of international financial institutions (IFIs) could force African countries to seek financing from bilateral partners such as China, Middle Eastern countries, and the US to close funding gaps. Together with the proliferation of financing instruments from IFIs, this fragmentation of international support will likely remain a challenge, which may have adverse consequences for beneficiary countries in cases in which conditionality is weak or absent.

Figure 13. IMF credit outstanding to Africa vs rest of the world
USD bn



Note: IMF figures are provided in SDR and were adjusted using the SDR/USD exchange rate as of 8 December 2022.
Source: IMF, Scope Ratings

The progress around debt treatments under the G20 Common Framework for Debt Treatments beyond the DSSI (Common Framework) with Chad's first-time agreement also contributes to addressing the funding needs of the most vulnerable African countries. Comprehensive debt restructuring with private-sector participation can weigh on credit ratings short term but it can prove pivotal in supporting stronger credit ratings over the long term (see previous Scope research). Even so, weaknesses in how creditors and borrowers handle sovereign debt crises still represent an impediment to their timely and orderly resolution particularly as Africa's creditor base widens. Ghana's decision to restructure its debt within the Common Framework is another test case for creditor coordination.

Like new instruments from multilateral institutions and debt relief initiatives offered by G20 creditors, financial engineering could also strengthen African countries' resilience to external shocks.

The substantial financing that many African governments require creates opportunities for innovative debt instruments involving official and private creditors. Better coordination between official and private creditors could strengthen Africa's funding flexibility despite criticism levelled at recent transactions such as the guarantee offered by the World Bank to Ghana's bond issuance in 2015, or the World Bank's pandemic bonds in 2017 as a response to the Ebola crisis.

The new African Liquidity and Sustainability Facility is one opportunity to provide liquidity to Africa's debt capital markets through cooperation between the private sector and multilateral institutions such as the United Nations Economic Commission for Africa and the African Export-Import Bank. Another initiative is the World Bank's plan to restart the issuance of catastrophe bonds, which could support African countries and boost resilience to long-term challenges such as climate change.

Tailor-made initiatives are another option, such as the 'debt-for-nature' proposal put forward by the World Wildlife Fund in the case of Zambia's debt restructuring. More broadly, climate-related debt instruments as well as 'climate resilient debt clauses', based on the guidelines published by the International Capital Market Association, could support the financial resilience of African countries in the long run.

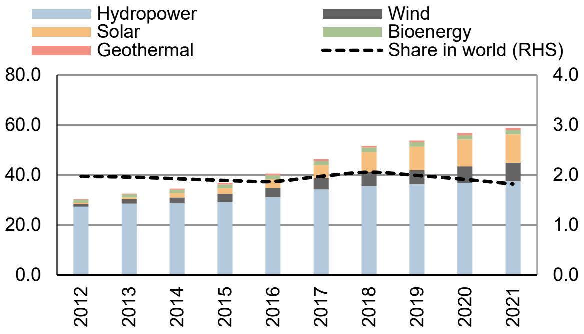
Tackling climate change contingent on international financial support

The creation of sustainable energy systems is central to Africa's long-term development alongside its poverty reduction and improvement in governance. The energy crisis has made access to secure, cleaner and cheaper power a priority in Europe. But this is also particularly relevant for African countries where energy poverty and reliability of supply on external suppliers are major problems amid rapidly rising demand for energy and often limited or creaking infrastructure. Higher fossil-fuel prices and rising global demand for alternatives to Russian oil and gas have sweetened incentives for oil-rich African countries to exploit their reserves, which could strengthen external resilience in the near term but weigh on environmental performance longer term.

Climate investments will continue to grow across Africa. Renewables are an immense opportunity given significant potential for wind, solar, hydro, and geothermal energy, a source which remains largely untapped. The continent is home to 60% of the best solar resources globally but only accounts for 5% of installed solar photovoltaic capacity. Developing local renewable energy capacity can also help reduce fossil-fuel energy imports and provide important export revenues.

Renewable energy deployment, especially solar, has grown in recent years, led by South Africa, Egypt, and Morocco. Total installed renewable energy capacity doubled from 28GW to 56GW over 2012-21 (**Figure 14**), mostly thanks to solar (39pp contribution), hydropower (36pp), and wind (22pp). Morocco, often recognised as the continent's climate leader, ranks fourth in the world according to the Climate Change Performance Index, reflecting among other factors very strong trends in renewable energy development.

Figure 14. Renewable energy installed capacity
GW (LHS); % (RHS)



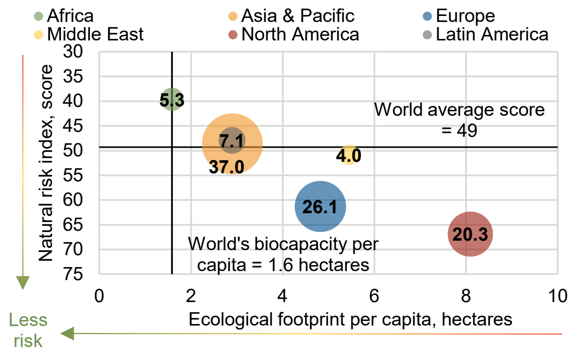
Source: International Renewable Energy Agency (IRENA), Scope Ratings

Global efforts to tackle climate change also present an important economic opportunity for Africa. Africa's mineral resources are critical inputs for green technologies, such as solar panels, batteries, or wind turbines, and will see increasing demand as global partners seek to promote low carbon technologies.

In addition, African countries can leverage new low-cost, low-carbon technologies, potentially leapfrogging older technologies to develop their economies more sustainably. This will be especially important as countries shift toward higher value-added activities and exports, to global markets which are becoming increasingly sensitive to the carbon content of their imports.

However, short-term developments that increase the focus on the energy transition should not overshadow climate adaptation, a priority given physical risks across the continent. Africa has only contributed around 5% of global cumulative greenhouse gas (GHG) emissions since 1970, and the former's ecological footprint remains in line with the world's biocapacity, in stark contrast with that of other regions, in particular advanced economies in Europe and North America. Still, Africa is the region that is most exposed to the adverse physical risks associated with climate change, threatening to reverse hard-won development and economic progress (**Figure 15**).

Figure 15. Environmental risks per region
Hectares (horizontal); index score (vertical); share in cumulative world GHG emissions (bubble size)

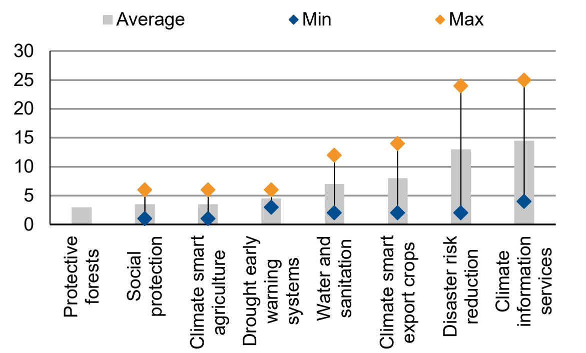


Source: Global Footprint Network, European Commission, Notre Dame Global Adaptation initiative, Scope Ratings

Climate policies should focus on adaptation – which currently accounts for only 20-25% of committed concessional finance – versus mitigation which receives significantly more attention. The long-term benefits of climate adaptation such as better information systems, improved disaster response mechanisms and more climate-resilient agriculture, outweigh associated costs (**Figure 16**).

Adaptation is accelerating among African countries. All countries except Libya have submitted their Nationally Determined Contributions (NDCs), detailing their adaptation plans. Still, the African Development Bank has stated that the NDCs' adaptation plans lack rigour and contain gaps in policy development, resource mobilisation and financing of adaptation components.

Figure 16. Cost benefit of climate adaptation
Ratio (x)

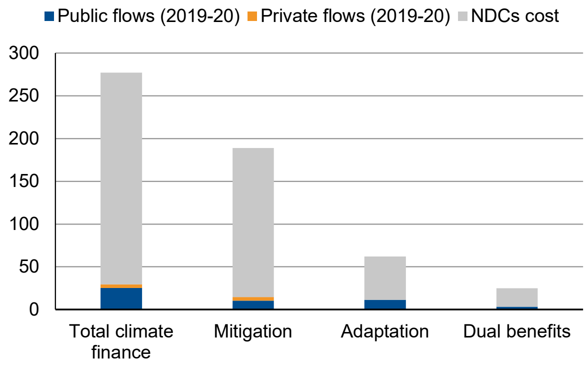


Note: Cost-benefit ratios are provided as ranges given that each measure is size and context specific.
Source: Global Center on Adaptation, Scope Ratings

Enhancing Africa's climate resilience will require substantial investments at a time when government finances in the region are increasingly constrained. The NDCs estimate total climate investment needs of USD 277bn per year through 2030, versus the around USD 30bn on average in annual investments in 2019-20 (**Figure 17**). Here again, more international support is needed. International climate finance will play a critical role in funding energy transition and climate adaptation, but for now it is running below the required levels. Developed countries have still not delivered on their 2009 promises to channel USD 100bn annually to support climate action in developing countries, with only USD 80bn mobilised in 2020.

At the same time, the "Loss and Damage" fund announced at COP27 will help compensate vulnerable African countries for climate-related damages, though the funding amount, contributing countries and potential beneficiaries still need to be negotiated. The EU is ramping up commitments around its economic partnership with Africa, announcing a new EUR 1bn Team Europe Initiative to enhance cooperation with African stakeholders to strengthen climate adaptation in the region.

Figure 17. Africa's annual climate finance gap
EUR bn



Source: Climate Policy Initiative, Scope Ratings

Annex I: Scope published its first sovereign credit rating in Africa

11 November 2022

Scope has expanded its sovereign rating portfolio to Africa with the release of a first-time public credit rating of South Africa. Scope offers an alternative long-term view on Africa's sovereign ratings.

Scope Ratings, the European credit rating agency, has published its first sovereign credit rating of Africa, with a credit assessment of the Republic of South Africa (rated BB+ with Stable Outlook).

"The rating of South Africa marks Scope's first public sovereign rating in one of the world's fastest-growing regions, a continent where domestic financial systems are developing and innovating rapidly," said Giacomo Barisone, Scope's head of sovereign ratings. "We believe our approach to sovereign and sub-sovereign ratings is well adapted to reflect the continent's unique qualities."

First, we have incorporated a long-run perspective into our sovereign credit rating model based on five-year forecasting. This allows us to look past short-term market or cyclical crises, as long as instability does not structurally impair sovereign creditworthiness.

"Furthermore, our methodology sets great store by factors such as the potential demographic dividend and rich ecological and biodiversity resources common to many African countries," said Dennis Shen, director and lead analyst for South Africa. "African countries' long-run environmental and economic sustainability will present opportunities."

Scope offers an alternative view in assessing the longer-run ratings implications of comprehensive debt relief for highly-indebted countries, with an enhanced debt-restructuring model and emphasis on transparency, ensuring there are no 'black boxes' in the rating process.

"Today more than ever, African sovereigns need stable and strengthened market access to finance sustainable recovery," Barisone said. "We believe a rating assignment from a European credit rating agency presents an alternative credit assessment."

South Africa rating reflects a long-term view

"In our first-time rating of South Africa, we emphasised a long-term view of the credit," said Shen. "Our assessment considers the size and diversification of the South African economy, favourable public-debt profile, strong monetary-policy framework and advanced financial system. These are credit strengths anchoring a rating one level below investment grade."

South Africa has approximately USD 250bn of debt outstanding and is Africa's most established sovereign borrower. Scope expects South African economic growth to slow to 1.8% this year and 1.1% in 2023. Favourable tax collection and a government commitment to budgetary consolidation support reduction of the fiscal deficit for FY2022/23 to 4.75% of GDP, but longer-run fiscal challenges remain significant.

Access all Scope rating & research reports on ScopeOne, Scope's digital marketplace, which includes API solutions for Scope's credit rating feed, providing institutional clients access to Scope's growing number of corporate, bank, sovereign and public-sector ratings.

South Africa's sovereign rating drivers	
Positive rating-change drivers	Negative rating-change drivers
• Public-debt ratio on downside trajectory • Reforms raise growth potential • External-sector risk profile improves	• Public-debt burden deteriorates further • External-sector risks rise • Growth outlook significantly weakens

Annex II: Scope's research on Africa

Creating a BRICS reserve currency: a long-term project despite Russia's de-dollarisation strategy
(Commentary: 7 December 2022)

South Africa's ratings constrained by high debt burden, moderate growth potential
(Commentary: 29 November 2022)

Scope publishes its first sovereign credit rating in Africa
(Commentary: 15 November 2022)

Africa's electricity challenge: rising oil, gas prices to weigh on growth and fiscal outlooks
(Commentary: 13 April 2022)

Africa, war in Ukraine: food inflation clouds external and fiscal outlook, raises social risks
(Commentary: 28 March 2022)

EU financial support represents modest boost for Africa's growth outlook
(Commentary: 11 March 2022)

2021 External Vulnerability and Resilience rankings: Risks for emerging economies amid rising inflation
(Research: 8 November 2021)

Sovereign ESG risk: opportunities beckon for Africa; dangers for Middle East, CEE
(Research: 31 August 2021)

Southern Africa's demographics make raising employment the priority for growth, public finances
(Research: 14 April 2021)

Africa's solvency crisis: coordinated debt restructuring needed despite relief from DSSI extension
(Commentary: 13 April 2020)

Africa's solvency crisis: China's participation in G20 debt relief a sign of multilateralism, but a "DSSI+" framework is required
(Research: 16 November 2020)

African fiscal vulnerabilities, effects of 2020 global support initiatives and impact on sovereign creditworthiness
(Research: 3 September 2020)

Scope Ratings GmbH

Headquarters Berlin
Lennéstraße 5
D-10785 Berlin

Phone +49 30 27891 0

Frankfurt am Main
Neue Mainzer Straße 66-68
D-60311 Frankfurt am Main

Phone +49 69 66 77 389 0

Paris
10 avenue de Messine
FR-75008 Paris

Phone +33 6 6289 3512

Oslo
Karenslyst allé 53
N-0279 Oslo

Phone +47 21 62 31 42

Madrid
Paseo de la Castellana 141
E-28046 Madrid

Phone +34 91 94 91 66 2

Milan
Via Nino Bixio, 31
20129 Milano MI

Phone +39 02 8295 8254

Scope Ratings UK Limited

London
52 Grosvenor Gardens
London SW1W 0AU

Phone +44 20 7824 5180

info@scoperatings.com
www.scoperatings.com

Disclaimer