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East African Macroeconomic View

"Differently Similar"

The East African countries are seen to be facing somewhat similar challenges, though the approaches to the specific challenges differ across the board.

The opportunities for economic growth in these countries lie largely in public sector investment in infrastructure. All countries are trying to raise domestic revenues to plug the fiscal deficit as well as lower the need for debt financing. The East African countries are striving to amend their tax-laws to raise revenue. Additionaly Kenya is pushing for PPP financing in its projects given its relatively high public debt to GDP ratio.

Industrialization development ranks high among the agenda with the countries striving to enhance credit to the private sector to bolster their investment. Kenya's solution to the private sector credit lies in the review of the rate cap while in Tanzania, the BOT plans to introduce an interest based policy to lower interest rates. Uganda on the other-hand is focusing on having the banks lower their lending rates after the BOU cut its CBR to 9.5%.

In terms of cheap and available power, Kenya seeks to source the additional power capacity largely from geothermal sources, Tanzania from natural gas reserves while Uganda and Rwanda plan to leverage on HEP sources.

In this report, we present our views on the macroeconomic aspects of **Kenya**, **Uganda**, **Tanzania**, and **Rwanda**.

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Country	Kenya	Uganda	Tanzania	Rwanda
Bloomberg Ticker	KNSMIDX	UGSINDX	DARSDEI	SEMDEX
GDP growth (%)	4.5	5.0	6.0	5.2
Population (M)	46.7	37.6	58.4	11.3
Nominal GDP per capita	1,678	701	998	754
Debt to GDP (%)	57.1	38.6	38.1	37.6
Current account deficit to GDP (%)	6.2	5.6	2.7	16.6
Fiscal deficit to GDP (%)	8.9	4.9	1.5	4.8
Inflation (%)	4.8	3.0	4.0	0.1
Market cap (USD B)	26.1	7.9	10.0	3.4

Source: CBK, BOT, BOU, NBR, IMF, Bloomberg & ApexAfrica Research

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Kenya

“A country in flux”

Kenya made history in 2017, by being the first African country to annul the results of a presidential election. With all eyes on the 2017 general elections, the economic landscape was heavily influenced by the political environment. Nonetheless, investors displayed optimism, throughout the year, highlighted by the 16.4% y/y jump in the blue-chip NSE 20 index in 2017. Other core economic metrics all continue pointing in the right direction, setting the tone for an upbeat 2018.

However, challenges remain. The economy continues to recover from the election slowdown and investors await political direction. Additionally, the cap on lending rates implemented in 3Q16, has squeezed private sector lending (2.0% y/y growth in October 2017 from 17.0% y/y in January 2016) resulting in a broad slowdown in economic activity.

Economic Growth

Weak credit growth, a severe drought (in early 2017), a rise in energy prices and political jitters, resulted in a deceleration of economic growth in 2017. The World Bank and consensus estimates put Kenya’s economic growth in 2017 at 4.5%, down from 5.8% in 2016. Election related uncertainty impacted the private sector, with the Kenya Private Sector Alliance estimating a USD 7.0B reduction in business activity. Notwithstanding this, Kenya remains one of the fastest growing economies in Sub-Saharan Africa and this is expected to extend to the medium term.

However, we expect cooling political temperatures and a growing regional recovery to fuel Kenya’s economic growth over the medium term. Economic growth in 2018 is expected to clock in at 5.5% according to World Bank estimates, boosted by a vibrant private sector and increased government spending.

A key caveat to our growth expectation stems from a liquidity crunch in the private sector; a direct consequence of the cap on lending rates. Private sector credit growth in 2017 stood at a tepid 2.4% y/y, slightly higher than the 2.0% recorded in 2016.

Government Borrowing — A double-edged sword

Government spending has remained a key contributor to the economic growth enjoyed by the country over the medium term. Higher government spending has been linked to lower unemployment while indirectly spurring activity in the private sector. However, a large portion of this spending is financed by debt, which has increased the country’s indebtedness while also crowding out the private sector.

Data from the Kenya National Bureau of Statistics (KNBS) shows that public debt reached an all-time high of KES 4.5T in October 2017, sending the country’s debt-to-GDP ratio to 57.1% in 2017, compared to 39.8% in 2012. Increased infrastructure spending and a larger budget deficit are key factors attributable to the increased uptake in public debt. Going forward, we expect public debt to continue to rise over the medium term. Upcoming infrastructure projects and an expected shortfall in revenue is expected to send Kenya’s debt-to-GDP ratio to c.60.0% in the 2018/2019 fiscal year.

The effect of Kenya’s higher public debt is two-fold. The positives arise from an increase in employment, while improved infrastructure is a key long-term positive that is expected to generate economic benefits over a long period. Nonetheless, in the short-term, increased uptake of public debt through domestic markets has resulted in the crowding out of the private sector. Kenya has the highest debt-to-GDP ratio in East Africa and many stakeholders have raised the question of sustainability over the medium term. Infrastructure projects require significant capital injection in the onset while the benefits accrue slowly over a much longer period.

In 1Q18, Fitch Ratings reviewed Kenya’s outlook from negative to stable and affirmed its credit rating of B+. This was informed by the apparent passing of political shocks after the elections held last year coupled with an anticipated contraction of the fiscal deficit to 7.5% in the current fiscal year (8.9% in FY17). We see the Government issuing a Eurobond in 1Q18 to finance its budget deficit and pay up the 5-year Eurobond maturing next year. With the country’s rating terming its bonds investment grade, the bond may attract affordable rates.

Inflation — Stable amid limited CBK intervention

Annual inflation for 2017, stood at 8.0% slightly above the CBK's upper target of 7.5%. This was attributed to the drought experienced in 1Q17 which saw inflation figures soar in 1H17, albeit easing off marginally on a monthly basis. Adequate rainfall received during the short-rains season coupled with Government subsidies saw inflation figures fall to 4.5% in December 2017. Going forward we expect headline inflation to remained contained within the CBK's band due to a more stable macroeconomic environment. A consequence of the amendment in the Banking Act (2016) is that the CBK rate now controls billions of shillings of outstanding credit, and as such the CBK is expected to maintain a dovish stand and limit intervention through setting of the CBR. Consequently, we expect the country's inflation print to be determined more by the underlying macroeconomic factors than by CBK policy. Rising global crude oil prices may however pile pressure on inflation figures in the country.

Exchange Rate—Stability amid disruption

Despite various economic and political headwinds, the Kenyan Shilling displayed remarkable stability through out the year. The Kenyan Shilling touched a high of KES 104.20 and a low of KES 102.20 against the United States Dollar (USD) in 2017. This stability is expected to help boost investor confidence, helping to reverse a marked decline in foreign funds flow. Foreign direct investment inflows to Kenya marked a 6-year low in 2016, following a 36.0% y/y decline to KES 40.7B in 2016, UNCTAD data shows.

Kenya remains heavily reliant on foreign investment, which is a key source of foreign exchange for the country. We expect a marginal reversal in foreign fund flows in 2017/ 2018, driven by a broad improvement in the country's appeal as an investment destination. A stable currency also bodes well for corporate earnings, which will likely boost share prices at the NSE.

Looking Ahead—A new era

Despite challenges, East Africa's largest economy remains resilient. While economic growth is estimated to have decline d in 2017 (4.5% from 5.8%), we believe this is largely temporary and is not reflective of the underlying long-term macroeconomic conditions.

Kenya's core economic fundamentals remain strong. We anticipate an increase in economic growth in 2018, driven by agriculture, tourism, manufacturing & construction sectors. Consensus estimates anticipate a recovery in GDP growth to 5.5% in 2018.

Additionally, the cooling of political temperatures will boost business activity, especially in the private sector. Key challenges for Kenya's growth outlook stem from constrained private sector credit growth and higher energy prices.

Kenya in Figures	2016	2017	2018	2019	2020	2021	2022
GDP growth (%)	5.5	4.5	5.5	6.0	6.2	6.5	6.5
Population (M)	45.5	46.7	48.0	49.4	50.7	52.1	53.5
Nominal GDP per capita (USD)	1,551	1,678	1,790	1,897	1,995	2,110	2,243
Current account deficit to GDP (%)	-6.8	-6.2	-7.0	-6.9	-6.9	-7.2	-7.3
Inflation (%)	5.8	8.0	5.2	5.0	5.0	5.0	5.0

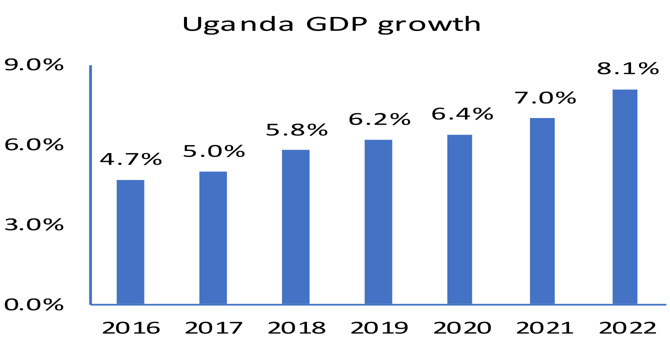
Source: IMF, KNBS, CBK & World Bank

Uganda

"Spring is Coming"

GDP growth picking up

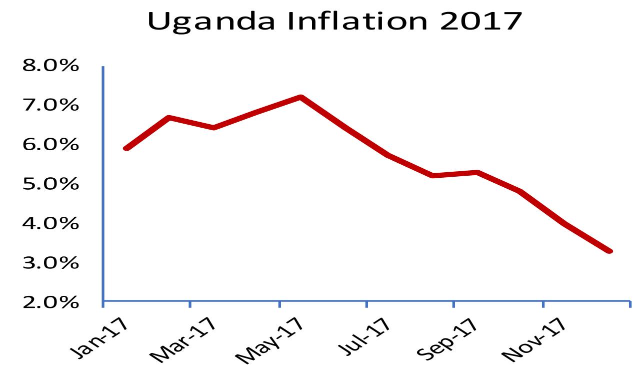
Uganda's economy expanded 5.0% in 2017 and is projected by IMF to grow at 5.5% in 2018. This marks an improvement from 2016, where it registered a growth of 4.7%. To spur private sector credit, the Bank of Uganda (BoU) cut its benchmark policy rate from 12.0% in December 2016 to 9.5% in October 2017. This saw private sector credit growth edge up 0.1% m/m to UGX 12.5B in November 2017 since the rate cut in October 2017. Furthermore, improvement in weather conditions following a drought that faced the country in 1Q17 may boost agricultural production. In addition, international prices of agricultural commodities are anticipated to edge-up, which may increase Uganda's exports. Despite the impetus given by the BoU, credit to the private sector remains subdued with prospects for a surge in growth limited by implementation of IFRS 9 in the country (effective 1st January 2018).



Source: IMF World Economic Outlook 2017

Inflation stability to hold

Uganda's headline inflation for 2017 marginally increased to 5.6% (+ 10bps y/y) while core inflation eased to 4.4% in 2017 (-150bps y/y). Core inflation tumbled on the back of lower food inflation as the drought experienced in 1Q17 eased off slightly. A stable monetary policy coupled with eased inflationary pressures saw the annual inflation close slightly above the 5.0% target set by the BoU. With the weather anticipated to be favourable next year, coupled with the subsequent lowering of the CBR in 2017 (from 12% to 9.5%), we project inflation to hover around 5.0% target.



Source: UBOS

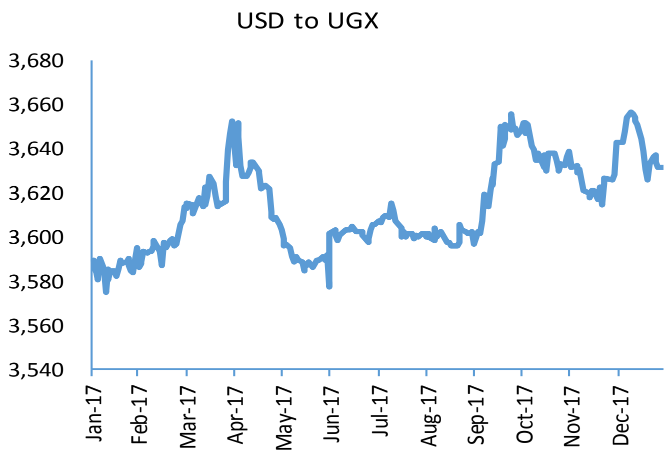
Current Account- a growing cactus

Uganda's current account deficit to GDP stood at 5.6% (UGX 196.5T) in 2017 an increase from 4.3% in 2016. Uganda's current deficit widened by UGX 780B to UGX 196.5T due to increased imports of oil and capital goods. On the other hand, export receipts fell 8.2% y/y to USD 793.1M on lower non-coffee exports.

Looking ahead, an uptick in the government's infrastructure projects is expected to rack up the country's imports and could widen the deficit, which may exert pressure on the shilling. IMF forecasts the country's current account deficit to further widen to 7.2% of GDP in 2018 on the back of increased imports to 13.2% of GDP in 2018 from 4.4% of GDP in 2017.

Ugandan shilling- relatively stable

Deterioration in the balance of payments and the strengthening of the US dollar led to a marginal depreciation of 0.5% y/y of the Ugandan shilling against the US dollar. We project the exchange rate to stabilize in the range of UGX 3,590 to UGX 3,620 to the dollar in 1H18 but could come under pressure from rising imports and multinationals repatriating profits. On the other hand, international prices of agricultural commodities are anticipated to edge-up, which may increase Uganda's exports.



Source: Bloomberg

Capital expenditure- raising the red flag for public debt

Capital expenditure is budgeted to rise 11.0% y/y to UGX 4.0T in the current fiscal year. According to Treasury estimates, this will account for 13.0% of the total budget. Targeting middle-income status, the government is striving to attain higher economic growth rates. The development strategy is focused on addressing infrastructure bottlenecks by building hydropower plants and modern road & railway networks. Given that the large projects are being financed through debt financing, public debt may rise to a peak of 41.2% of GDP in 2020/21, from 38.6% in 2016/17. Fiscal consolidation and enhanced revenue collection may see the country increase government financing of projects, leaving the debts levels sustainable.

Political Outlook- Same Government, similar policies

On 27th December 2017, President Yoweri Museveni signed into law a bill that removes the age limit of 75 for presidential candidates. This implies that the incumbent could vie for the top-seat in the 2021 general elections. In our view, this will fixate his encompassing policies and will likely extend the regime's investor friendly regulations. However, the change in legislation didn't go down well with the country's opposition seeing that this would have been Museveni's last stint in office. With the opposition strongly against the move, the country's political risk profile may deteriorate, though the strongman's approach to such matters may keep it at a minimal.

Outlook- brighter prospects

The World Bank forecasts global economic growth to edge up to 3.1% in 2018 from 3.0% in 2017 and further projects commodity-exporting developing economies to benefit from firming commodity prices this year. This indicates that Uganda will likely earn more from commodity exports (mainly coffee) thus helping it to have greater foreign exchange inflows, enhancing stability in the foreign exchange market. Furthermore, we expect the government to improve revenue collection and seal tax loopholes, which will possibly bridge the fiscal deficit in the medium to long term. The World Bank's fund for low-income countries – a USD 2.5B financing window is now available to catalyze private sector investment in Uganda. These investments coupled with the subsequent lowering of the CBR in 2017 are expected to enhance private sector credit, which will support SMEs and spur economic growth in the country.

Uganda in Figures	2016	2017	2018	2019	2020	2021	2022
GDP growth (%)	4.7	5.0	5.2	5.7	6.2	6.5	7.3
Population (M)	36.6	37.7	38.8	40.0	41.2	42.5	43.7
Nominal GDP per Capita (USD)	692.2	700.5	730.5	769.0	833.4	847.9	917.7
Current a/c deficit to GDP (%)	-4.3	-5.6	-7.2	-8.0	-8.4	-7.3	-3.6
Inflation (%)	5.5	5.6	5.3	5.1	5.0	5.0	5.0
Gross national savings to GDP (%)	20.1	19.8	20.7	21.1	20.5	21.3	24.9
Total investment to GDP (%)	24.4	25.4	27.9	29.1	28.9	28.6	28.5
Vol imports of goods & services (% chg)	4.4	4.4	13.2	13.2	10.1	3.2	-1.5
Vol exports of goods & services (% chg)	11.6	7.7	9.2	14.1	12.7	14.9	19.5
Govt gross debt to GDP (%)	37.3	38.6	39.9	41.3	41.6	41.2	40.0

Source: IMF

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TANZANIA

"Running With a Limp"

Political Outlook: Legislation risk still high

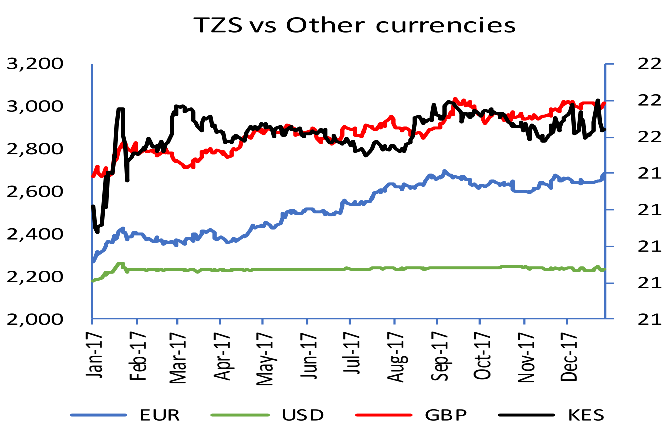
President Magufuli is seen to be pushing for Tanzania's protectionism. Though aiming to strengthen the local economy, the Government's position on different issues has threatened the unity of the EAC bloc.

The President's tough stand is seen to aid in combating corruption which may see the country get favourable foreign funding. However, the arbitrary enactment of rules has raised concerns in the private sector; threatening its investment.

Tanzanian Shilling to weaken moderately

The shilling remained largely stable against the US dollar in 2017, though depreciating marginally (-2.4% y/y). This was supported by the strengthening of the BOP surplus to USD 1,649.5M (+439.9% y/y) in 2017; as a result of increased grants and external loans.

We project a moderate weakening of the Tanzanian shilling attributed to an increased import bill and potential weakening of the country's exports. Global crude oil has risen to levels past USD 60 a barrel and is anticipated to remain elevated. The country amended its mining laws, banning the export of copper and gold concentrates whilst requiring the Government to own at least 16.0% stake in mining activities. As the industry faces teething problems in implementation of the laws, its exports may dwindle. The BOT's official foreign reserves stand at about 5.4 months of import cover (December 2017) implying that the bank has the muscle to support currency stability.



Source: Bloomberg

GDP lower than projected, still robust

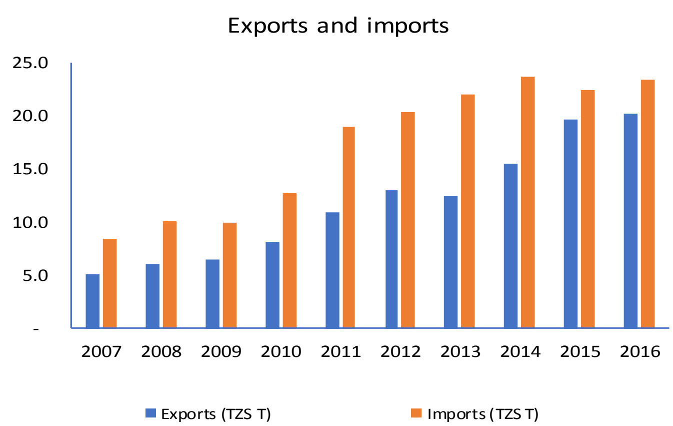
Economic growth for 2016/17 is estimated at 6.0%, lower than earlier forecasts of 7.0%. This was attributed to dented credit availability and slow budget implementation.

Tanzania's economy is projected to rebound, recording growth rates above 6.0%. The Government has lined up a number of mega projects; anticipated to raise its capital expenditure. Tanzania's industrialization strategy seeks to capitalize on the country's comparative advantages which may increase employment opportunities for its growing populous. Economic growth will be supported by continued improvement in electricity supply, mainly from natural gas. The BOT plans to initiate an interest based policy by 1Q18 aimed at availing cheap credit; aiding private sector investment.

Current account surplus to negate to deficit

In 2017, the current account surplus declined 42.9% y/y due increasing imports and declining exports. We project a current account deficit, from a surplus, pinned on growing imports. Rising crude oil prices coupled with increasing fuel consumption in the country is anticipated to weigh on its import bill. Increased investment in imported capital goods will further raise its imports.

Gold exports may decline informed by reduced volumes and lower global prices. Robust growth in developed countries coupled with little deterioration of geopolitical risks may lessen interest in gold. As such, gold prices are anticipated to decline portending lower export figures for Tanzania. Stable geopolitical conditions in Tanzania coupled with its allure, would see it moderately grow its tourism figures; consequently curtailing the widening of the current account deficit.



Source: NBS

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Inflation to remain within 5.0% target

In 2017, Tanzania's headline inflation averaged 5.3% marginally higher than the 5.0% target. Inflation is anticipated to remain within BOT targets as inflationary and deflationary pressures cancel out. Adequate rainfall anticipated in the country is expected to keep food inflation contained. Rising global crude prices coupled with a widening current account deficit may pile pressure on inflation figures, though the impact is to be mitigated by stable/low food inflation in the country. In addition, the BOT is anticipated to maintain a stable and sound monetary policy, keeping inflation in the country close to its target.

Fiscal deficit eases, to rally going forward

The Government plans to finance 75% of its 2017/18 TZS 31.7T budget through domestic sources. In 1H18, domestic revenue amounted to TZS 8.7T, being 14.4% lower than the 6-month apportioned budget revenue. This was largely attributed to declines in importation of dutiable goods and lower sales in cement, beer and soft drinks. Budget implementation slowed down in the five months to November 2017, realizing Government expenditure of TZS 9.1T; being 74.0% lower than the apportioned 2017/18 budget. This was as a result of lower revenue collected and low disbursement from foreign financing. As Government expenditure decelerated faster than domestic revenues, the fiscal deficit for 2017 eased up to 1.5% of GDP from a projected 3.8%. The 2016/17 budget implementation stood at 70.1%; with the slowed implementation threatening to repeat itself in 2017/18.

The fiscal deficit is anticipated to widen driven by enhanced budget implementation. Tax administration policies are anticipated to raise the country's revenues to ease debt financing. Majority of the mega projects in the country are to be financed through debt which is projected to raise the country's debt levels. Public debt is projected to rise moderately to 41.3% of GDP by 2021 from 38.5%, with the increase contained by the Government's ability to raise revenues.

Bullish run anticipated to hold going forward

Coming from a mildly bearish 2016, last year saw the Dar es Salaam equities end the year up 9.0% y/y. Last year, Vodacom Tanzania listed 25.0% of its shares at the DSE. Though initially limited to only local investors, the Government opened up investing to foreigners after two extensions to the closing date. The foreigners ended up taking 40.0% of the shares issued in the IPO.

In the trading sessions for 2018, the market has been stable with the DSEASI remaining around 2,300 levels. The DSE is anticipated to maintain its bullish run driven by a strong resilient economy as well as a string of anticipated new listings. In addition to the telcos, the Government of Tanzania has made it mandatory for mining firms to go public. However, the allure in the market will be concentrated on the telcos given the challenges aforementioned in the mining industry. Of key concern is the Government's initial directive to lock-out foreign investors. If activity during Vodacom's IPO is anything to go by, foreign investor participation is crucial to the success of future listings. Bearing in mind that about 80 telcos are anticipated to list on the bourse, the local investor appetite may not suffice. As such, prudence dictates the Government to relax its rules on foreign investor activity; increasing the number of foreign investors, which could support the bullish optimism.

Tanzania in Figures	2016	2017	2018	2019	2020	2021
Real GDP growth (%)	7.0	6.0	6.2	6.5	6.8	6.7
GDP per capita (USD)	937	998	1,062	1,136	1,212	1,293
Population (M)	48.2	58.4	59.1	60.9	62.8	64.7
Exports (USD M)	5,601	5,240	5,601	6,153	6,809	7,498
Gold (USD M)	1,243	1,518	1,554	1,601	1,639	1,678
Imports (USD M)	8,918	7,565	9,116	10,366	11,624	12,470
Oil (USD M)	1,984	1,801	2,047	2,196	2,166	2,173
Inflation (%)	5.5	5.3	5.0	5.0	5.0	5.0
Fiscal deficit (% of GDP)	-3.5	-1.5	-4.2	-4.6	-4.6	-3.7
Gross foreign reserves (import cover)	4.8	5.2	4.5	4.6	4.7	4.7
Public debt (% of GDP)	38.5	38.1	38.9	40.2	41.3	41.3

Source: IMF, NBS, BOT & World Bank

RWANDA

"Set for Economic Take Off"

Political Outlook- Kagame, a third term

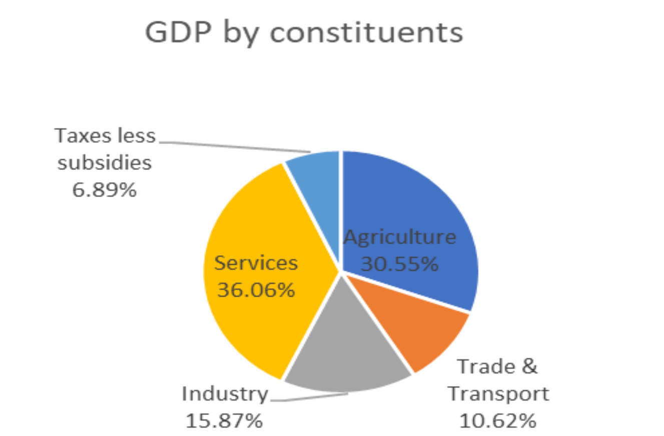
Elections held in August 2017 saw the incumbent president secure his third, seven year term in office with a landslide victory (c.99.0% of votes cast). Kagame has in the past improved stability and economic growth in post-genocide Rwanda and many believe that another term in office will allow him to move the country, and perhaps the Great Lakes Region, to middle-income status and stable democracy. He is now working to sustain economic growth, improve infrastructure and further reduce infant mortality rates and poverty levels.

Immigration-Visa for all

The Rwanda Immigration Authority will from this January effect the Visa-on-arrival policy that was passed through a cabinet resolution in November 2017. This will open Rwanda to the world and is expected to foster trade and tourism by increasing the number of tourists and foreign investors. This is expected to further accelerate the current economic growth rate to an ambitious target of 10.0%, maintaining the highest growth rate in the East African region.

GDP growth– Slight boost anticipated

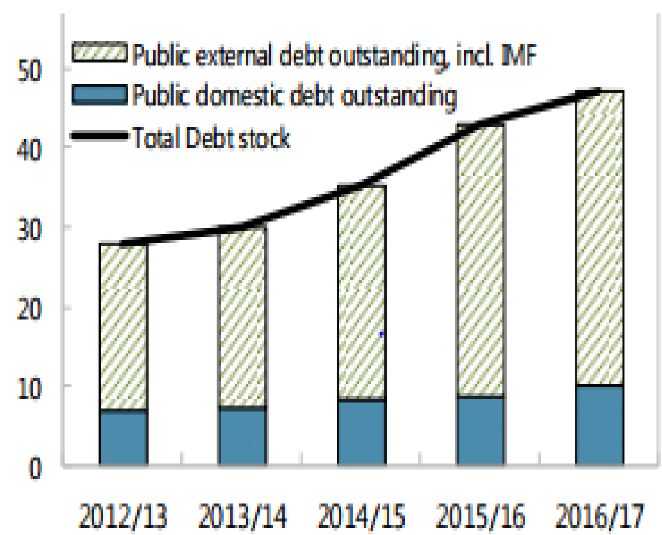
In the fiscal year 2016-17, GDP at current market prices was estimated to be FRW 7,125.0B up from FRW 6,321.0B in the previous fiscal year 2015-16. GDP growth rate was attributed to growth in the service, agriculture and manufacturing sectors. Total final consumption and government expenditure increased while household final expenditure decreased. It is anticipated that GDP growth will be in the range of 6.0% to 7.0% in 2018, due to an improvement in the agricultural sector from food crops, expected recovery of prices for traditional exports, increased mining sector activity and increased public spending.



Source: National Institute of Statistics of Rwanda

Fiscal deficit to decrease marginally

The government is projecting a 1.0% drop in the fiscal deficit for the FY2017-18 even as expenditure is set to rise. The budget for FY2017-18 is projected at RWF 2,094.9B being a 7.2% y/y increase compared to the revised 2016-2017 budget. Domestic revenue including tax and non tax revenue and domestic financing will fund 65.7% of the budget. Under expenditure, 54.0% of the budget is allocated to recurrent expenditure while 46.0% is allocated to capital expenditure. The country's decreased reliance on aid is premised on raising tax revenues which is expected to result in a narrowing fiscal deficit, estimated at 4.8% of GDP in 2017, down from 5.3% in 2015.



Sources: Rwandan authorities, and IMF staff estimates.

The country is overhauling its income tax law after experts warned that its domestic revenue collections would remain weak for three straight years. This is being effected by cutting tax subsidies, widening the tax base, bringing tax evaders under the net and aligning tax laws to the East African Community policies.

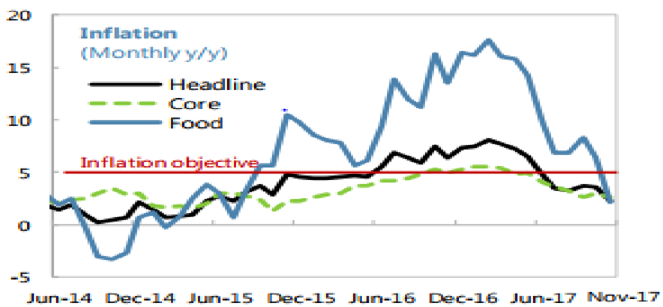
The Franc to remain stable

The RWF continued to face sustained pressure in the year due to external factors and with greater imports than exports. However, pressure on RWF is expected to ease, owing to the improvement in Rwanda's export receipts in line with continued recovery in commodity prices at the international market, especially in mining and tea.

Ease in Inflation

Rwanda's inflation for 2017 was at 8.5%, considerably higher than the Central Bank's target of 5.0%. The country's inflation started off high and rose in 1Q17 as the economy faced a drought that commenced from late 2016. Ease up of the drought saw the country's inflation ease up from 2Q17 onwards to record lows of –0.2% in December; largely attributed to an accelerated decline in food inflation. Going forward, a forecasted stable macro-economic policy coupled with low food inflation as a result of the favorable weather projected are anticipated to keep inflation within the Government's target. However, progressive increment in international oil prices may exert mild inflationary pressure on the Rwandan economy.

Monthly inflation in %



Sources: Rwandan authorities, and IMF staff estimates.

Monetary Policy – lower lending rates

The National Bank of Rwanda slashed its Key Repo Rate to 5.5% in November 2017 down from 6.0% in January aimed at encouraging commercial banks to follow suit and drop lending rates. The rate had earlier been adjusted in June 2017 from 6.3% resulting in a 12.3% credit expansion to the private sector as compared to an 8.8% y/y increase in November 2016. New authorized loans grew by 7.7% y/y in 2017 from 4.5% y/y in 2016. Going forward, the low repo rate is anticipated to rally credit to the private sector with the NBR envisioning a growth of 14.0% y/y in 2018.

Trade deficit down 21.0% y/y.

Rwanda's trade deficit plunged 21.0% y/y to USD 953.8M by December 2017. This was due to a 53.7% y/y increase in exports and a corresponding 1.4% y/y decrease in imports. This is largely attributed to the, "Made in Rwanda Campaign", an initiative by the government that promotes consumption of locally- produced goods and services. The current account deficit is projected to stand at USD 1.2B (12.6% of GDP) due to increased dependence on imports as measures to promote exports and imports substitution take time to effect.

Rwanda in Figures	2016	2017	2018	2019	2020	2021	2022
GDP Growth (%)	5.9	6.2	6.8	7.3	7.5	7.5	7.5
Population (M)	11.5	11.8	12.1	12.4	12.8	13.1	13.4
Nominal GDP per Capita (USD)	729.1	754.1	776.2	793.5	832.3	890.9	953.7
Current a/c deficit to GDP (%)	-14.4	-10.2	-11.2	-9.9	-8.7	-8.3	-8.0
Inflation (%)	5.7	7.1	6.0	5.0	5.0	5.0	5.0

Source: IMF

Appendix

Investment ratings

- **Buy:** A total return is anticipated in excess of the market's long-term historic annual rate (approximately 10%). Total return expectations should be higher for stocks that possess greater risk.

- **Hold:** Hold the shares with neither a materially positive total return nor a materially negative total return anticipated.

- **Sell:** Stock should be sold as materially negative total return is anticipated.

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