



AFRICAN DEVELOPMENT BANK GROUP



United Nations  
Economic Commission for Africa



### Positive prospects for Lesotho

The African Development Bank, the OECD Development Center and the United Nations Economic Commission for Africa will launch the 2009 *African Economic Outlook* (AEO) **on Friday 24 July 2009, in Maseru, Lesotho**. The AEO is jointly published by the three institutions, with the African Development Bank as the lead institution. The AEO has received generous financial support from the European Commission.

The 2009 Outlook presents a comprehensive analysis of the recent economic situation and the medium-term prospects for 47 African countries, up from 35 last year. The report also includes a comparative synthesis of Africa's economic and social prospects, placing the evolution of African economies in the world economic context, as well as a statistical appendix. Each year, the report covers a theme of importance to current developments in Africa. The 2009 AEO Special Theme is: ***Innovation and Information and Communication Technologies in Africa***. The AEO has become a vital source of information on African economies.

The eighth edition of the AEO finds the region gravely affected by the global economic downturn. Following half a decade of economic growth above 5 per cent, the continent can expect only 2.8 per cent in 2009, less than half of the 5.7 per cent expected before the crisis. The AEO forecasts that growth will rebound to 4.5 per cent in 2010. Growth in oil-exporting countries is expected to fall to 2.4 per cent in 2009 compared to 3.3 per cent for the net oil importers.

The collapse of commodity prices and plummeting demand from OECD countries will have an adverse effect on Africa's budget balances, with the region's budget deficit for 2009 predicted to be around 5.5 per cent of GDP compared to a surplus of 3.4 predicted in the AEO one year ago.

The *African Economic Outlook* notes that economic growth in **Lesotho** is expected to slow down due in 2009, in part, due to the global financial and economic crisis. The sharp drop in commodity prices has reduced demand for labour in South Africa and put pressure on remittances, a key source of income for Lesotho. Exports to key developed country markets have also contracted due to the global slump. Nonetheless, Lesotho's prudent macroeconomic policies, investment in ICT, and its commitment to regional co-operation offer prospects for future growth and poverty reduction.

The launch will be hosted by the Governor of the Central Bank of Lesotho, Dr. M.P. Senoana, distinguished policy makers and other key stakeholders in Lesotho will be in attendance.