



United Nations
Economic Commission for Africa

Socioeconomic performance of North Africa: Subregional profile 2023–2024

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1 **Growth Performance and Outlook**

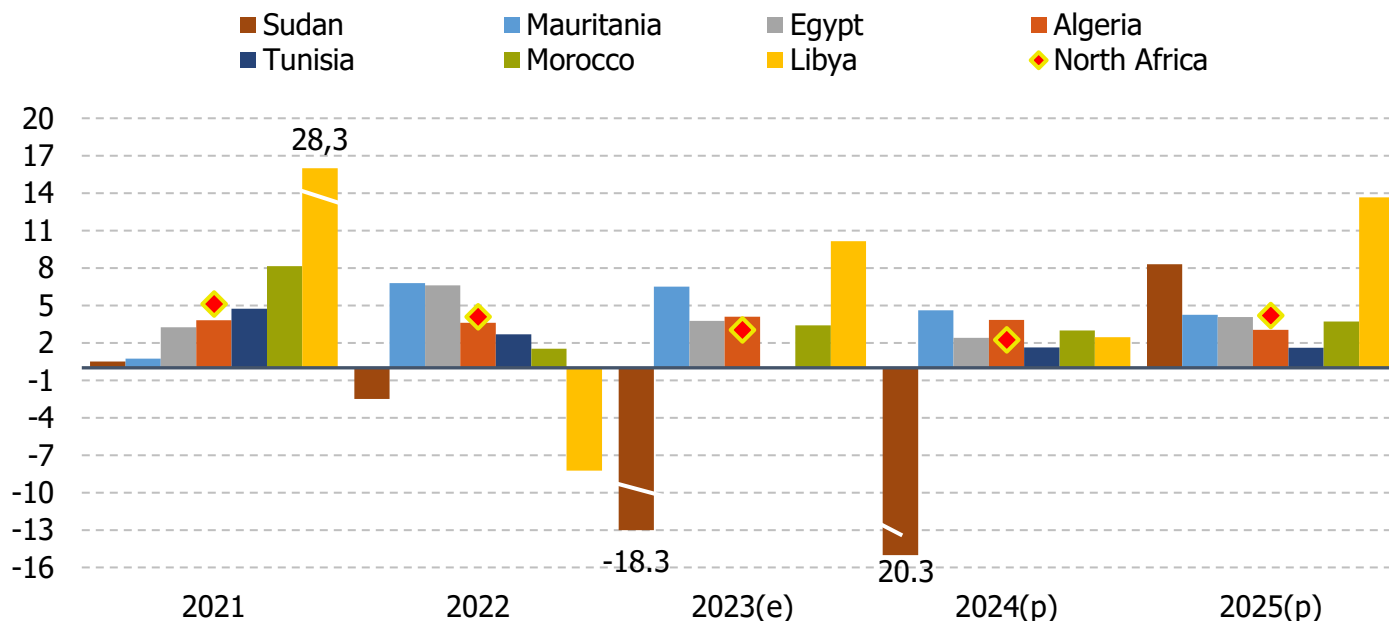
2 **Key Macroeconomic Fundamentals**

3 **Youth unemployment rates**

4 **Policy recommendations**

Growth Performance and Outlook in Africa

Real GDP growth in North Africa (percent), 2021-2025

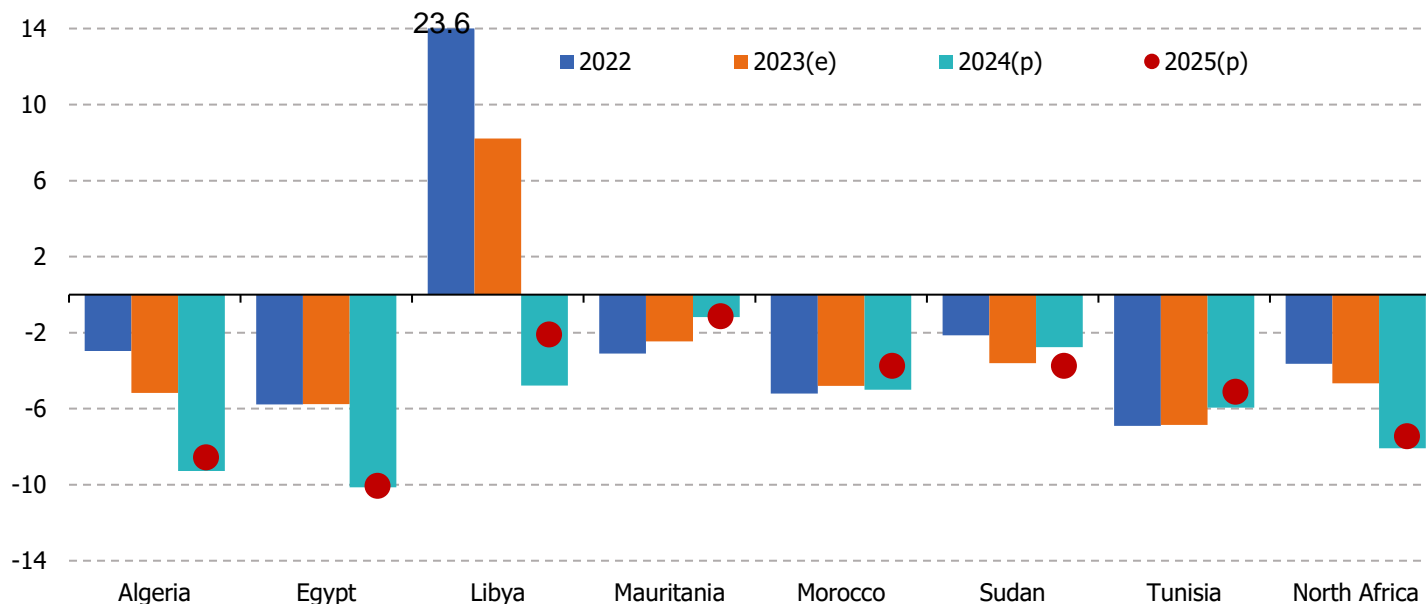


Source: Author's compilation based on ECA calculations, national statistics and IMF WEO figures.
 Note: Figures for 2023 are estimates and figures for 2024 and 2025 are projections.

- **Average real GDP growth estimated at 3.0% in 2023, and projected to slowdown by 2.2% in 2024 before rising to 4.4% in 2025.**
- **Libya, Mauritania, and Morocco were the top three divers of the regional growth in 2023, while Sudan growth collapse by 18.3% in 2023.**
- **Growth in North remains sensible to external shocks and climate related shocks.**
- **Weakness: Private consumption and investment, industrial sector growth**

Fiscal deficits widened in 2023, reversing the modest narrowing seen in 2022. Growing budget pressures are expected to further widen the fiscal deficit over the next two years.

Fiscal balance as a share of GDP by country, 2022–2025



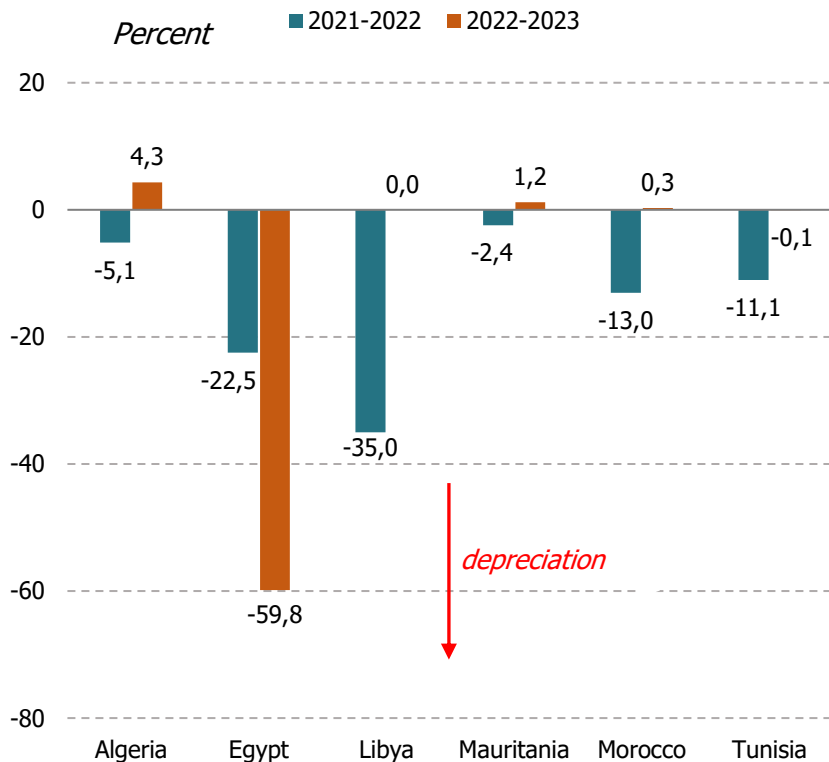
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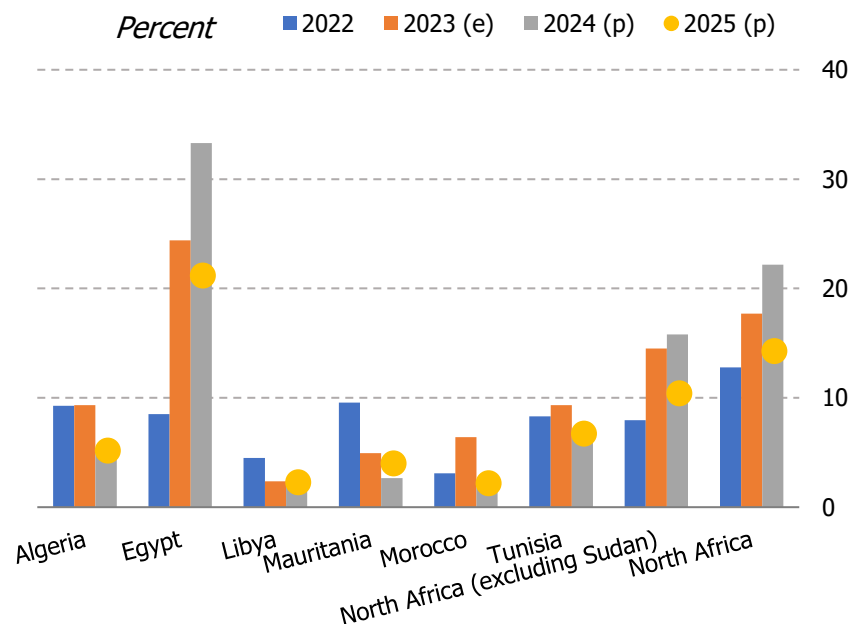
- Despite the slight improvement in 2022, North Africa's fiscal deficit widened from 3.6 per cent of GDP in 2022 to 4.7 per cent in 2023. The deficit is expected to expand in 2024/2025 to 8.1% and 7.5% of GDP respectively
- ***In 2023 only Libya experience fiscal surplus 8.2 per cent of GDP .***

Tighter global financial conditions have fueled pressure on African currencies, adding to inflationary pressures

Percentage change of currencies in North Africa per United States dollar, 2021–2022 and 2022–2023



Inflation in North Africa, 2022–2025 (Percentage)

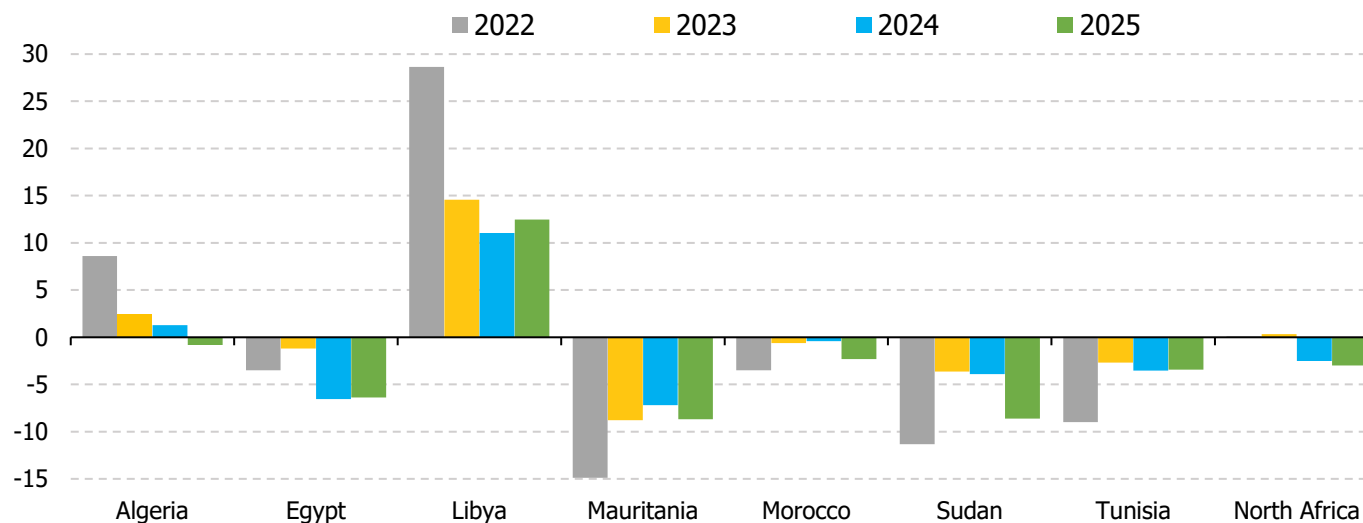


Source: Author's compilation based on ECA calculations, national statistics and IMF figures (Oct. 2024).
 Note: Negative change represents depreciation.

Source: Author's compilation based on ECA calculations, national statistics and IMF figures.
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Despite persistent economic uncertainties, the current account balance has shown a surplus in 2023.

Current account deficit or surplus as a percentage of GDP in North African countries, 2022–2025

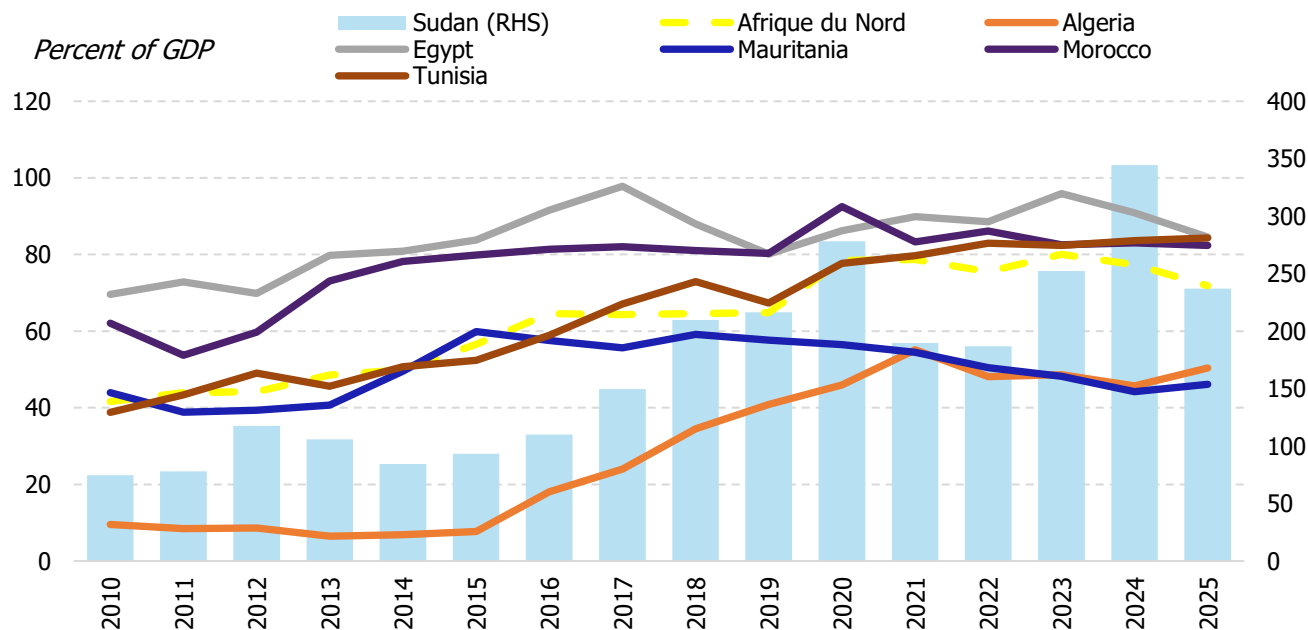


Source: Author's compilation based on ECA calculations, national statistics and IMF WEO figures (Oct. 2024).

- In 2023, the current account surplus increased from 0.1 percent of GDP in 2022 to 0.3 percent. However, the current account deficit is expected to widen in 2024-2025.** Libya and Algeria recorded surpluses of 11.1 percent and 1.3 percent of GDP, respectively, in 2023. During the same period, current account deficits in other North African countries also narrowed.
- In 2024, Egypt (6.6%), Mauritania (8%), Sudan (6.3%) and Tunisia (3.5%) will experience on average substantial current account deficits.** Morocco (0.4%) current account deficit is expected to narrow slightly in 2024. Only Libya is expected to experience an average current account surplus of 11.8 percent in 2025.

The rising Gross debt continues to be a significant challenge in many North African countries, with notable increases in Egypt in 2023.

Gross debt stock dynamics as percent of GDP, 2010–2025



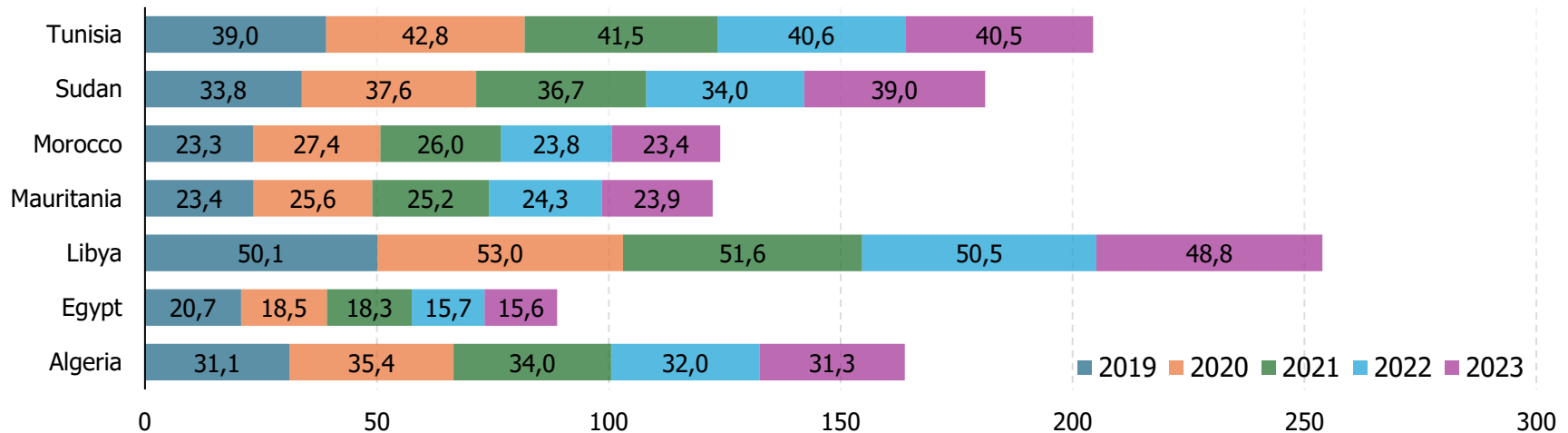
Source: ECA calculations based national statistics and on IMF World Economic Outlook (Oct. 2024).

- Gross debt in North Africa reached 80 percent of GDP in 2023, and is expected to gradually decline to 77.4 percent in 2024 and 71.8 percent in 2025.
- In 2023, most North African countries—except for Algeria and Mauritania,— exceeded 70 percent of GDP threshold for the gross debt. The debt stock is anticipated to continue rising in Sudan, Morocco and Tunisia in 2024

Persistently high levels of youth unemployment rate

Youth unemployment rate in North Africa, 2019–2023

(Percentage of the total labour force)



Source: ECA, based on data from the International Labour Organization, ILO Modelled Estimates (ILOEST) Database.

- Youth unemployment remains one of the core challenges in North Africa, with rates exceeding 20 percent across the subregion. According to the ILO, the total unemployment rate rose from 10.9 percent in 2022 to 11.3 percent in 2023.
- From 2019 to 2023, youth unemployment worsened in Mauritania, Sudan, and Tunisia, increasing from 23.4 to 23.9 percent, 33.8 to 39.0 percent, and 39.0 to 40.5 percent, respectively.
- Despite a substantial reduction of youth unemployment in Morocco from 27.4 percent in 2020 to 23.4 percent in 2023, the rate remains high.
- In Egypt, youth unemployment declined from 20.7 percent in 2019 to 15.6 percent in 2023, reflecting the potential effectiveness of youth employment policies and signs of economic recovery.

- **In the Short Term:** North African countries should focus on fiscal adjustments by implementing quick tax reforms, restructuring subsidies, and enhancing public spending efficiency. Additionally, they should stabilize macroeconomic conditions through prudent public spending, targeted employment programs, and exchange rate management.
- **In the Medium Term:** Countries should work toward sustainable debt reduction, economic diversification, and structural reforms to reduce reliance on commodities. This includes attracting private sector investment, enhancing institutional capacity, and building resilience to economic and climate-related shocks.
- Egypt, Libya, Tunisia, and Sudan should prioritize exchange rate stability, address fiscal imbalances, and support conflict recovery to achieve macroeconomic stability.



THANK YOU!

Ideas
to
Action