



# EABN Newsletter

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## ECONOMIC OUTLOOK FOR EAC STATES IN 2025

### *Economic growth trends among the EAC Partner states 2023-2025*

Country	2023(%)	2024(%)	2025 *(%)
Uganda	5.3	6	6.5
Kenya	5.6	5	5
Rwanda	8.4	7.5	6.5
Tanzania	5.1	5.4	6
DR Congo	8.7	4.7	5
Burundi	2.7	2.2	3.5
South Sudan	2.5	-26.4	-27.2
Somalia	4.2	4	4

Source: National Statistics Office Web, IMF and World Bank Economic Outlook Database

**As a body of 7 States**, the East African Community (EAC) economic outlook presents both headwinds and tailwinds in 2025. According to the African Development Bank, EAC economic growth is expected to improve significantly, rising from **4.5%** in 2024 to a projected **5.4%** in 2025, above the projected growth for Africa (**4.1%**). This is mainly attributed to prevailing peace (despite rising security challenges from RD Congo), then growth-driven investments in infrastructure (like paved roads, energy, railways, transport trucks and stucks, plus seaports). Others are favorable agriculture for food and agro-processing, oil and gas exploration and production, minerals vibrancy in general, manufacturing and services.

The above are, meanwhile, supported by elevated intra-regional trade facilitated by weeding out issues around the implementation of the EAC Customs Union and African Continental Free Trade Area. The intra-EAC trade grew by **13.1%** to **US\$12.1 billion** in 2023 compared to **9.15%** (**US\$ 7.096 billion**) in 2022.

East Africa's economic outlook for 2025 shows varied growth, with Uganda and Rwanda projecting 6.5%, Tanzania at 6.0%, Kenya and DR Congo at 5.0%, Burundi at 3.5%, Somalia at 4.0%, while South Sudan is facing a sharp contraction of -27.2%. This follows growth patterns in 2023 and 2024, with some countries experiencing accelerating growth while others see a slowdown as highlighted .

**Which way then?** East African countries are poised for moderate economic growth in 2025, however, risks such as global trade wars, M23 rebels' attacks in DRC, climate vulnerabilities, and public health crises like a few cases of Eb la in Uganda and the DRC could undermine economic growth among partner states. To address these issues, regional governments must implement sound fiscal and monetary policies to support transformative development, resolve conflicts to ensure regional stability as EAC together with other regional economic blocs. Then pave way to continue the investments in infrastructure, value addition in agriculrue and minerals, human capital incorporating and mitigating climate risks through the respective national budgets.

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### **EABN MEMBERSHIP**

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