Executive Summary, EREO 2025-2027

The 2025-2027 edition of the ECOWAS Regional Economic Outlook (EREO 2025-2027) focused on food security and the challenge of regional integration. Before dwelling on food security as such; the report provides a brief overview of recent economic development throughout the world and the extent to which these developments could affect the ECOWAS region. It then analyses key indicators, trends; and projections with in-depth analysis of the possible challenges that the region could face going forward. Afterwards, the report provides an analysis of the state of food security in the ECOWAS region and the extent to which it could affect regional integration.

The first chapter of the ECOWAS Regional Economic Outlook (ECOWAS) 2025–2027 presents an overview of recent developments in the global and regional economy. It focuses on the dynamics that structure the international economy, growth trends, inflation, tariff pressures and risks that could influence African economic trajectories and, more specifically, those of ECOWAS. It provides a much-needed analytical framework for understanding the environment in which the region's macroeconomic performance and vulnerabilities are embedded.

The global economy is returning to a moderate but stable pace of growth, with projected growth of 2.6 percent and 2.7 percent for 2026 and 2027. However, significant geopolitical tensions persist, including the tariff war unleashed by the United States in February 2025. In Africa, economic performance is diverse. Sub-Saharan Africa is growing by 3.7 percent in 2024, with projections reaching 4.3 percent in 2026. East Africa is the most dynamic region, with growth rates above 5.9 percent. West Africa retains its second place with an expected growth of 4.3 percent in 2025 and 2026.

Inflation remains a major challenge for all economies. Globally, inflation is projected to increase from 4.1 percent in 2025 to 3.4 percent in 2027. In advanced economies, it is expected to return to around 2.2 percent by 2026-2027. In Africa, inflation decreases from 18.7 percent in 2024 to 10.3 percent in 2026. The global dynamics described in this chapter have direct implications for the economic health of ECOWAS. Three main factors are highlighted. Inflationary pressures, global financial tightening and international trade tensions are key factors to consider.

Finally, the chapter highlights that despite these vulnerabilities, several structuring opportunities are emerging for the region, namely the diversification of exports, the rise of digital and financial services, the rise of infrastructure investments, the improvement of agricultural productive capacities, and enhanced regional integration through intra-ECOWAS trade. These elements constitute an essential lever for transforming growth into sustainable and inclusive development.

The second chapter provides an in-depth look at ECOWAS' economic dynamics between 2022 and 2024, as well as growth drivers, macroeconomic vulnerabilities, and ongoing economic reforms in Member States. This is a central chapter of the report, as it establishes the internal diagnosis necessary to understand the challenges of competitiveness, financial stability and regional integration facing the region.

The report recorded real GDP growth of 4.3 percent in 2024, up from 3.6 percent in 2023, but marked by strong disparities between countries. The best-performing economies are Côte d'Ivoire, Benin, Togo, and Cabo Verde, which have rates above 6.0 percent. Conversely, Nigeria, Sierra Leone and The Gambia show more modest returns, often below 4.0 percent.

This growth is still largely driven by the dynamism of services, particularly telecommunications and finance; agriculture, whose performance has improved thanks to more favorable agricultural seasons; infrastructure investments, supported by public-private partnerships and international financing. However, the chapter also highlights a relative slowdown in the secondary sector (manufacturing), which accounted for only 19.2 percent of GDP in 2024, down from 2023.

Inflation remains an endemic problem in the region. The average inflation rate rose from 16.7 percent in 2022 to 24.5 percent in 2024, driven by rising food prices, rising energy costs, currency depreciation (especially the Nigerian naira) and disruptions in global supply chains. The WAMZ, made up of countries not pegged to the euro, has particularly high inflation rates (25.0 percent on average), while the WAEMU, protected by the CFA's peg to the euro, has much lower levels (about 3.2 percent). We also note that central banks have adopted restrictive monetary policies to counter this inflation. This is the case of the BCEAO, which has maintained its key rate at 3.5 percent, the Bank of Ghana and the Central Bank of Nigeria, which opted for rates above 20.0 percent. These measures are slowing down access to credit but gradually stabilizing prices.

As for government revenues, they accounted for an average of 10.8 percent of GDP in the region – a very low level compared to the African and global average. States are implementing several reforms including the digitalization of tax systems (Côte d'Ivoire, Ghana), the elimination of subsidies (Nigeria), and the rationalization of public spending (Benin, Togo). Despite these reforms, public spending continues to grow, reaching 12.4 percent of GDP in 2024, resulting in a budget deficit of 4.4 percent.

Regional public debt reached 48.1 percent of GDP, with critical levels in some countries such as Cabo Verde (110.0 percent), Guinea-Bissau (86.0 percent), and Togo (65.0 percent). High exposure to external debt, often denominated in United States dollar, increases vulnerability to exchange rate volatility.

As far as foreign trade is concerned, there is a structural deficit despite the dynamism of intra-regional trade. Regional exports reach USD 229.5 billion in 2024, mainly driven by Nigerian oil, Ghanaian gold, and Ivorian cocoa. Imports increased sharply, reaching USD 176.8 billion, due to the strong dependence on food, fuel and capital goods. Intra-ECOWAS trade reached USD 13.9 billion, far exceeding the initial forecasts (USD 7 billion). This performance reflects an improvement in logistics, an increase in bilateral trade, and the rise in re-exports. Nigeria and Côte d'Ivoire contribute more than 80 percent of this trade flow.

In terms of the 2025 to 2027 Outlook, the report forecasts a gradual improvement in regional real GDP, namely 4.8 percent in 2025, 5.0 percent in 2026, 7.1 percent in 2027. The drivers of this acceleration will be the increase in energy and mining production, strategic industrial projects (Dangote refinery, mines in Guinea), massive investments in infrastructure, and the rise of financial and digital services. However, this positive outlook may be undermined by the US tariff war, the suspension of USAID aid, the withdrawal of AES countries from the ECOWAS, climate risks, and low government revenues.

In terms of social indicators, poverty is declining in some countries (Benin, Gambia) but increasing in others, such as Sierra Leone (32.7 percent in 2024). The inequality measured by the Gini coefficient stagnates around 0.3 to 0.4. Unemployment remains officially low, but the economy remains dominated by the informal sector and underemployment. Finally, access to electricity and water is increasing, but remains very unequal across countries.

The third chapter is one of the most critical of the report as it deals with the most pressing structural challenge for ECOWAS: food security. In 2024, more than 34.7 million people were in need of urgent food assistance. Despite the fact that ECOWAS and its Member States rely on continental commitments, namely: The Maputo Declaration (2003) which recommends allocating 10 percent of the budget to agriculture; The Malabo Declaration (2014), which aimed to end hunger by 2025, and the Kampala Declaration (2025), which set new agricultural targets for the 2026-2035 period, most of these countries remain below 10 percent of the agricultural budget, with the exception of Senegal in some years. This limits progress on productivity, irrigation and agricultural transformation. The chapter 3 also covers the 4 pillars of food security, namely: Food availability (fist pillar), the analysis shows that food production is increasing in some countries such as Ghana and Côte d'Ivoire but stagnating or declining in others. Especially because of climate shocks. Dependence on imports remains high: rice in Nigeria and Senegal, cereals in Ghana.

The second pillar concerns access to food. Under this pillar, rising food prices make basic commodities inaccessible to millions of households. This is the case in Ghana where healthy food costs 67.7 percent of the minimum wage and in Nigeria where food inflation remains around 40.0 percent. The third pillar concerns food use. This pillar highlights that malnutrition in the region remains high, especially in Nigeria where 36.9 percent of the population is stunted, and in Ghana where 36.0 percent of women are anaemic. The fourth and final pillar concerns food stability, which is severely compromised due to floods, droughts, conflicts, and fluctuations in world prices.

As regards regional integration, the report shows that national agricultural policies are not sufficiently coherent with each other or aligned with ECOWAP. Member states regularly impose export restrictions (maize, rice), which harms the regional market. Cross-border infrastructure is insufficient, corridors are insecure, and the implementation of regional mechanisms such as the Regional Food Security Reserve (RRSA) is limited by a lack of funding.

The SWOT analysis of regional food security highlights the following as strengths: the existence of a strong regional policy framework, and an information system (ECOAGRIS). In terms of weaknesses, we can point to underinvestment, post-harvest losses, and poor irrigation. As far as opportunities are concerned, we can take into account the AfCFTA and agro-industrial processing. As for the threats, we can remember climate change, dependence on imports, political instability, and price volatility.

The fourth chapter consolidates the overall analysis of the report to identify short-, medium- and long-term strategic priorities. Thus, the overall diagnosis shows that ECOWAS has significant economic potential, but the cumulative challenges - inflation, low revenue mobilization, climate vulnerability, food dependence - weigh on the capacity for structural transformation.

The report makes major recommendations on macroeconomic policies (increasing domestic revenues, reducing tax exemptions, increasing fiscal discipline and controlling public debt), agricultural transformation (i.e., compliance with the Maputo commitments, acceleration of irrigation, mechanization and storage, promotion of local processing and agro-industrial value chains). Other recommendations relate to food security (strengthening maternal and child nutrition and modernizing early warning systems), regional integration (a major strategic lever that requires the harmonization of agricultural and trade policies as well as the facilitation of cross-border trade and the reduction of non-tariff barriers) and climate resilience (which includes investment in resistant varieties, development of agricultural insurance and strengthening of rural infrastructure).