



# **NCBA ECONOMIC FORUM**

**THEME: “NAVIGATING UNCERTAINTY - KEY TRENDS  
INFLUENCING THE ECONOMIC AND BUSINESS ENVIRONMENT  
IN 2025.”**

**MACROECONOMIC OUTLOOK 2025**

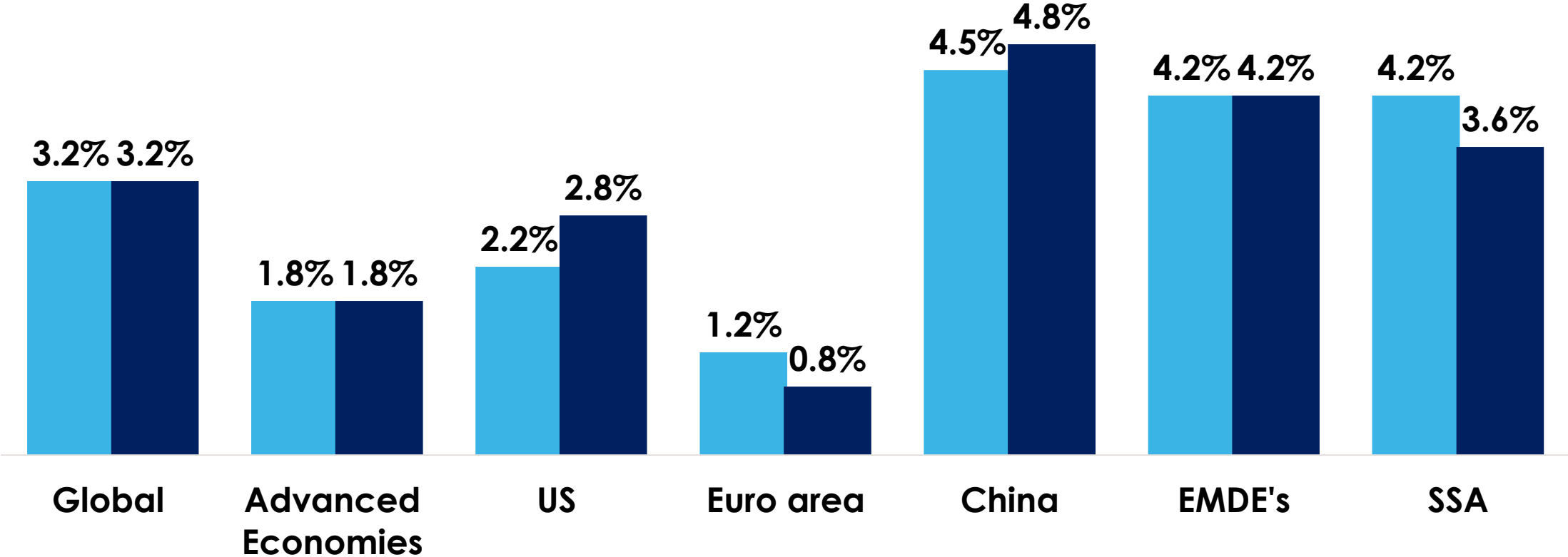
NOVEMBER 2024

# Global Economic Activity is Forecast to be Moderate Into 2025



## Forecast GDP Growth Rate

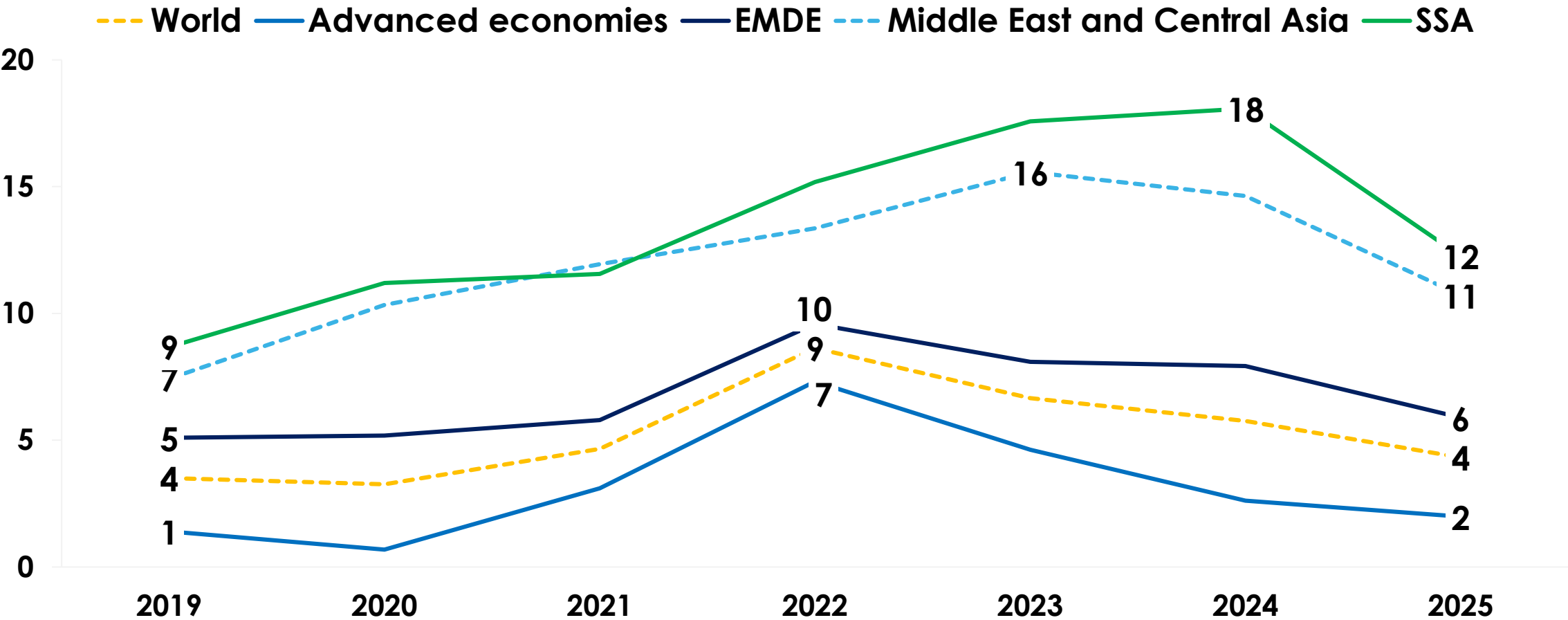
■ 2025f(Oct-24) ■ 2024f(Oct-24)



# Inflation is Easing Globally



Global Inflation Trend (Figures in %)



This makes the external environment a tad more favorable in 2025



## Policy Rate Changes

### UNITED STATES

 **50bps**

Since September'24

Policy rate: 4.75-5.00%.

### EUROAREA

 **75bps**

Since October'24

Policy rate: 3.25%.

### UK

 **25bps**

Since August'24

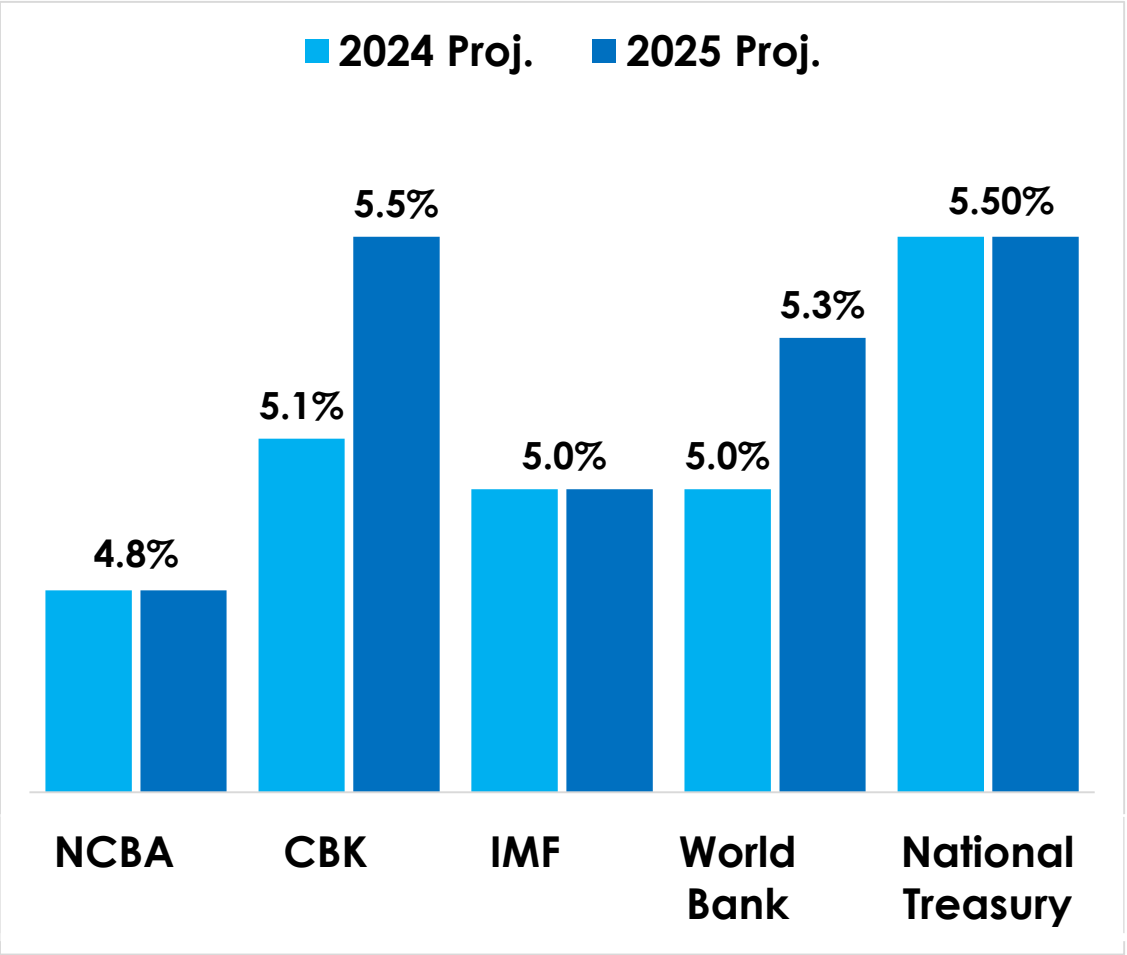
Policy rate: 5.00%.

Other Central Banks that have reduced policy rates: **South Africa, Uganda, Rwanda, Namibia**

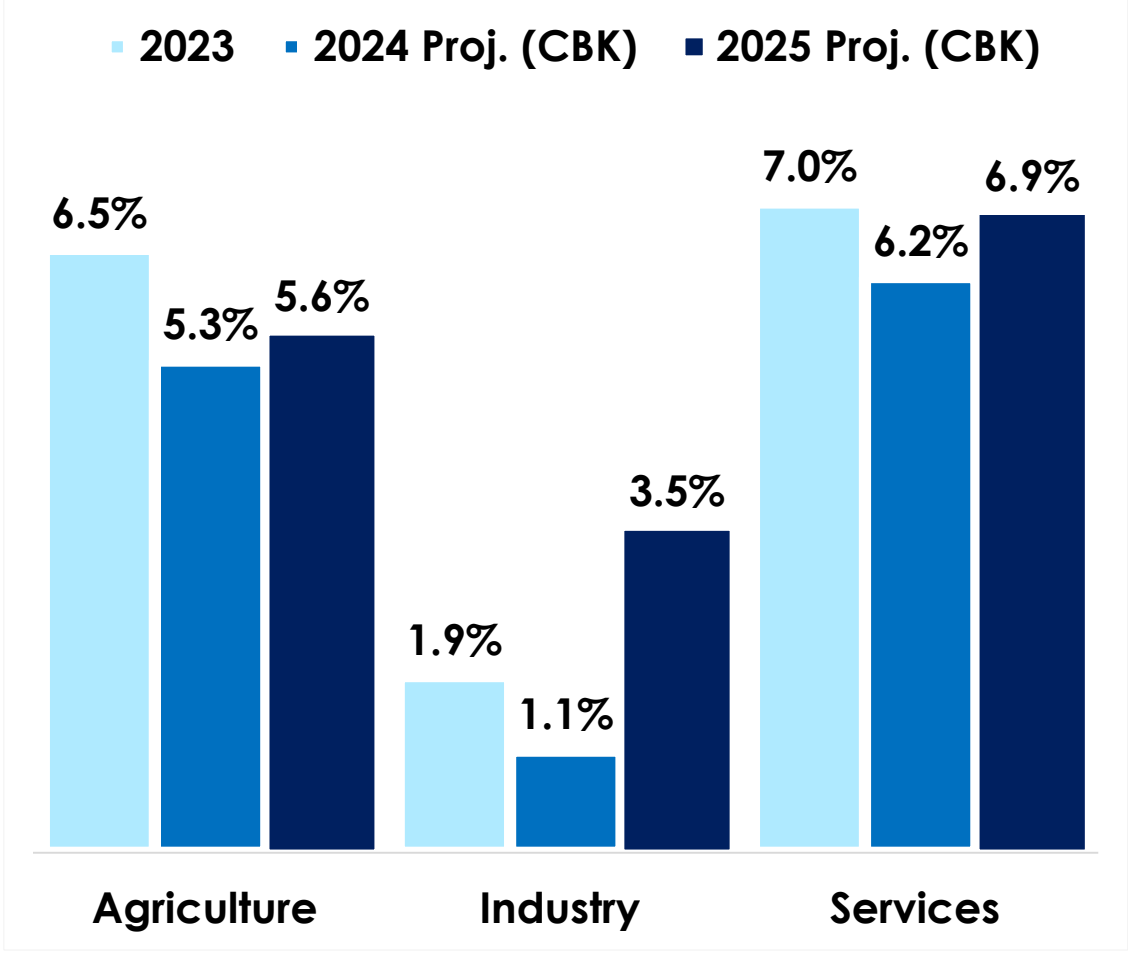
In Kenya, we expect GDP to expand by 4.8% in 2024 and remain flat in 2025



### Headline GDP Growth Projections

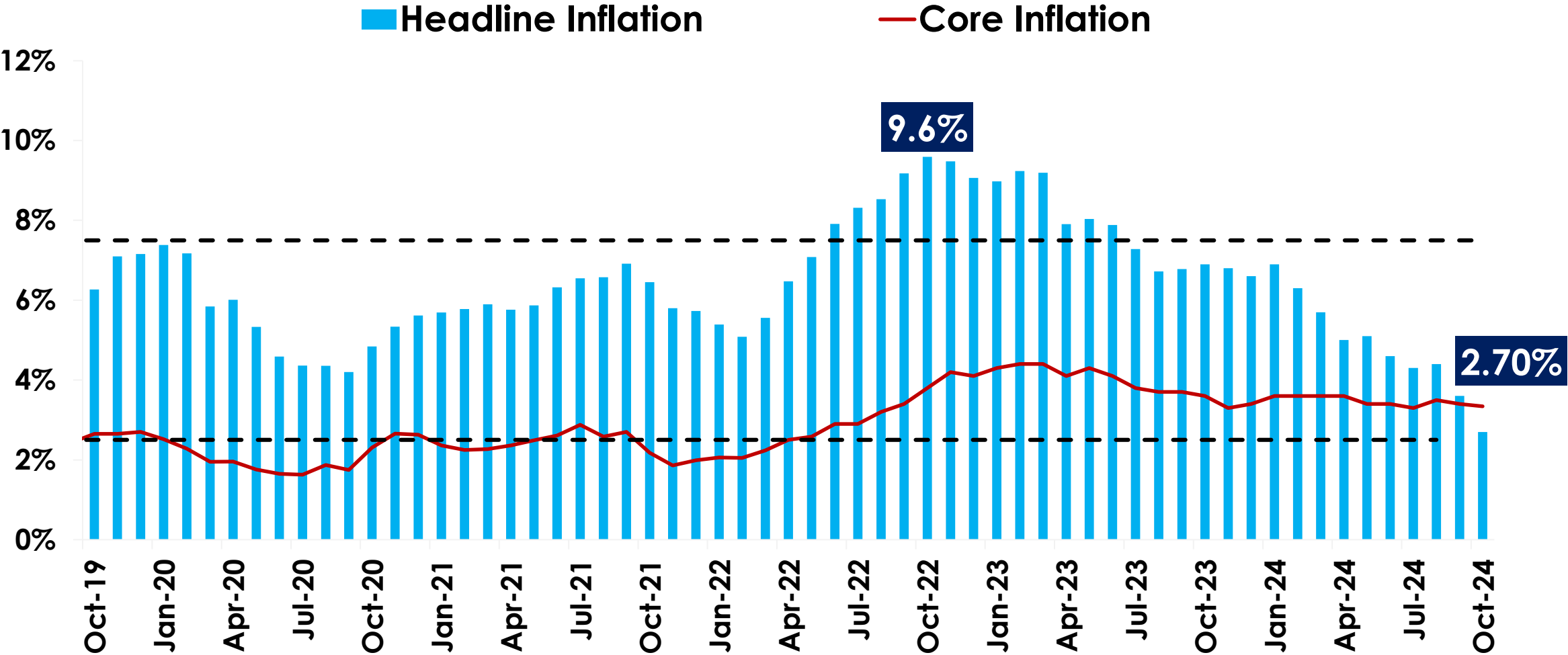


### Sectoral GDP Projections



Source: IMF & CBK

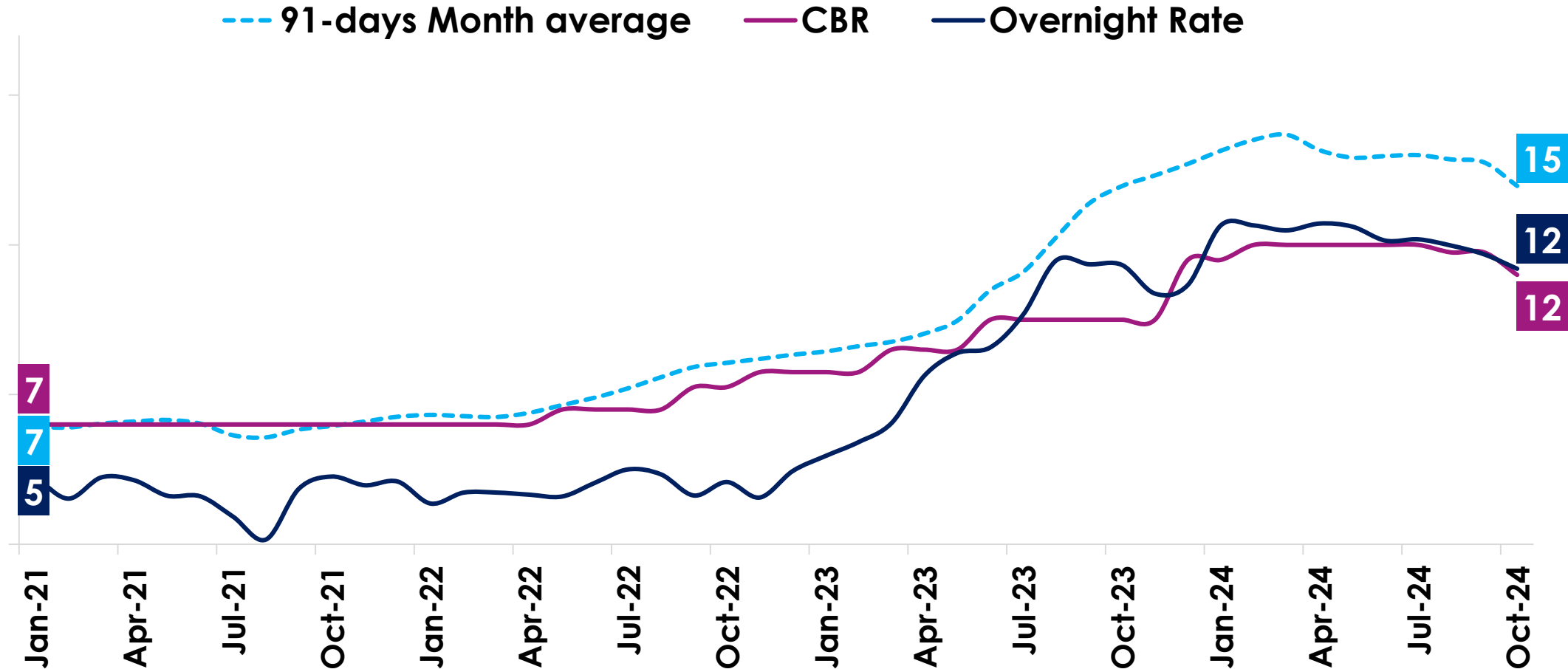
Low inflation could spur demand. However, weather and geopolitics pose upside risks in 2025.



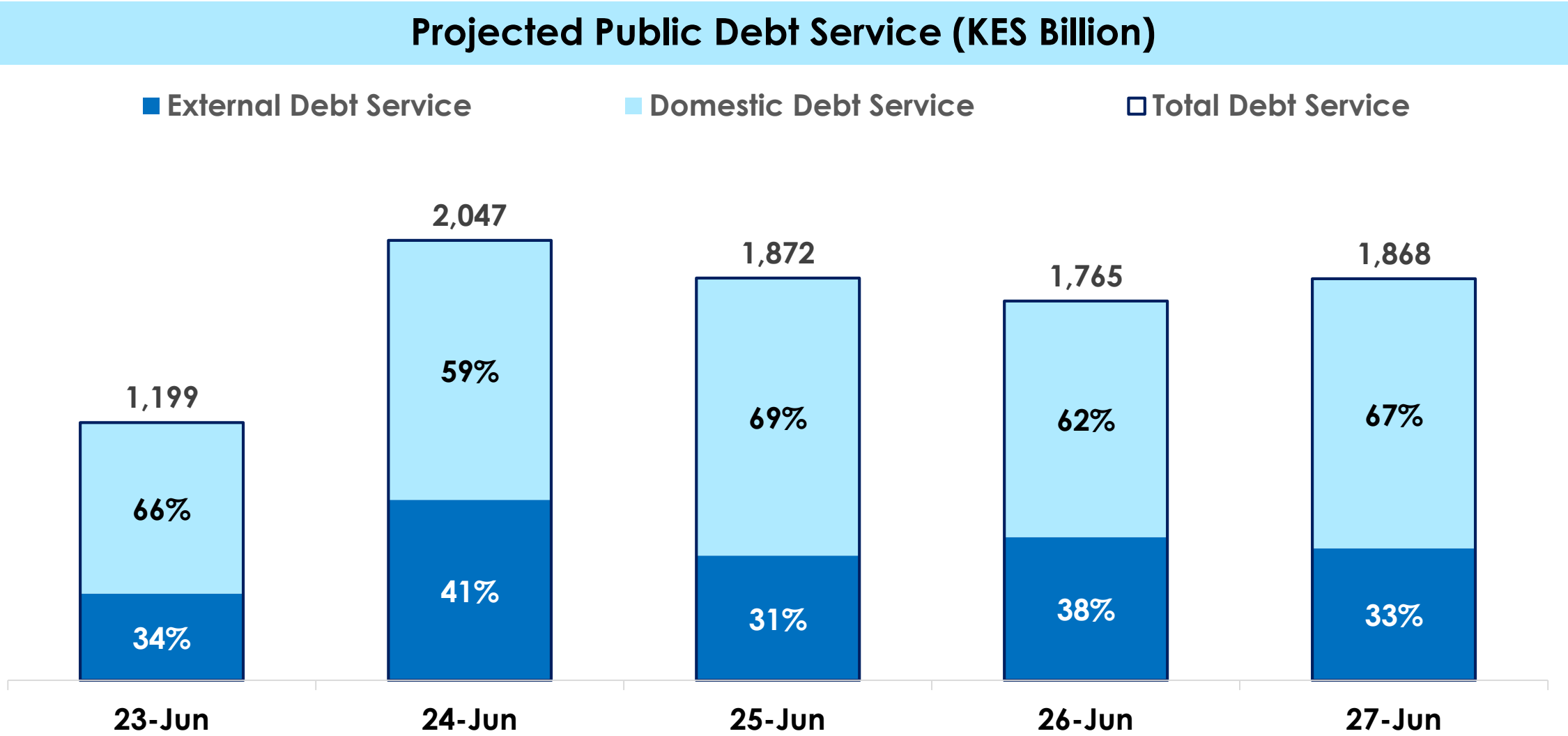
This implies a gradual decline in the CBR and related financing costs



### Short-end Rates *(Figures in %)*



# With less focus on external debt service in 2025, focus shifts to tax revenue growth and domestic debt service



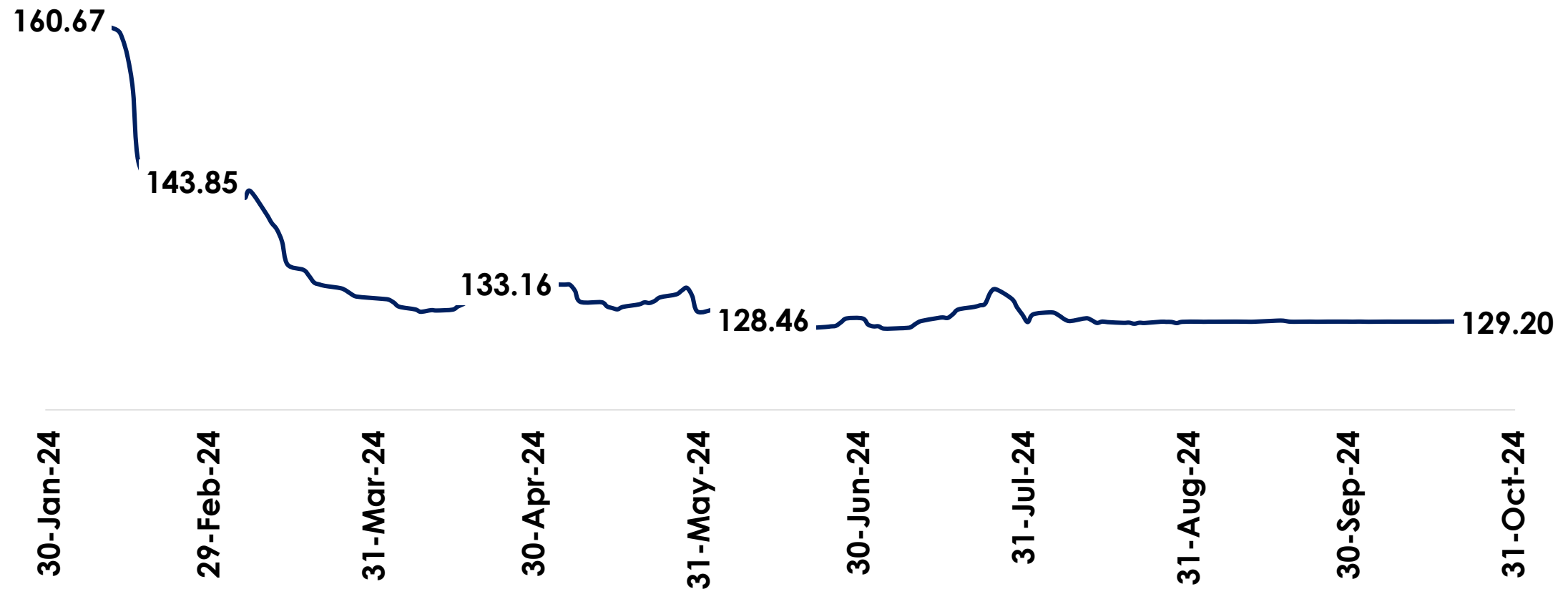
Source: National Treasury



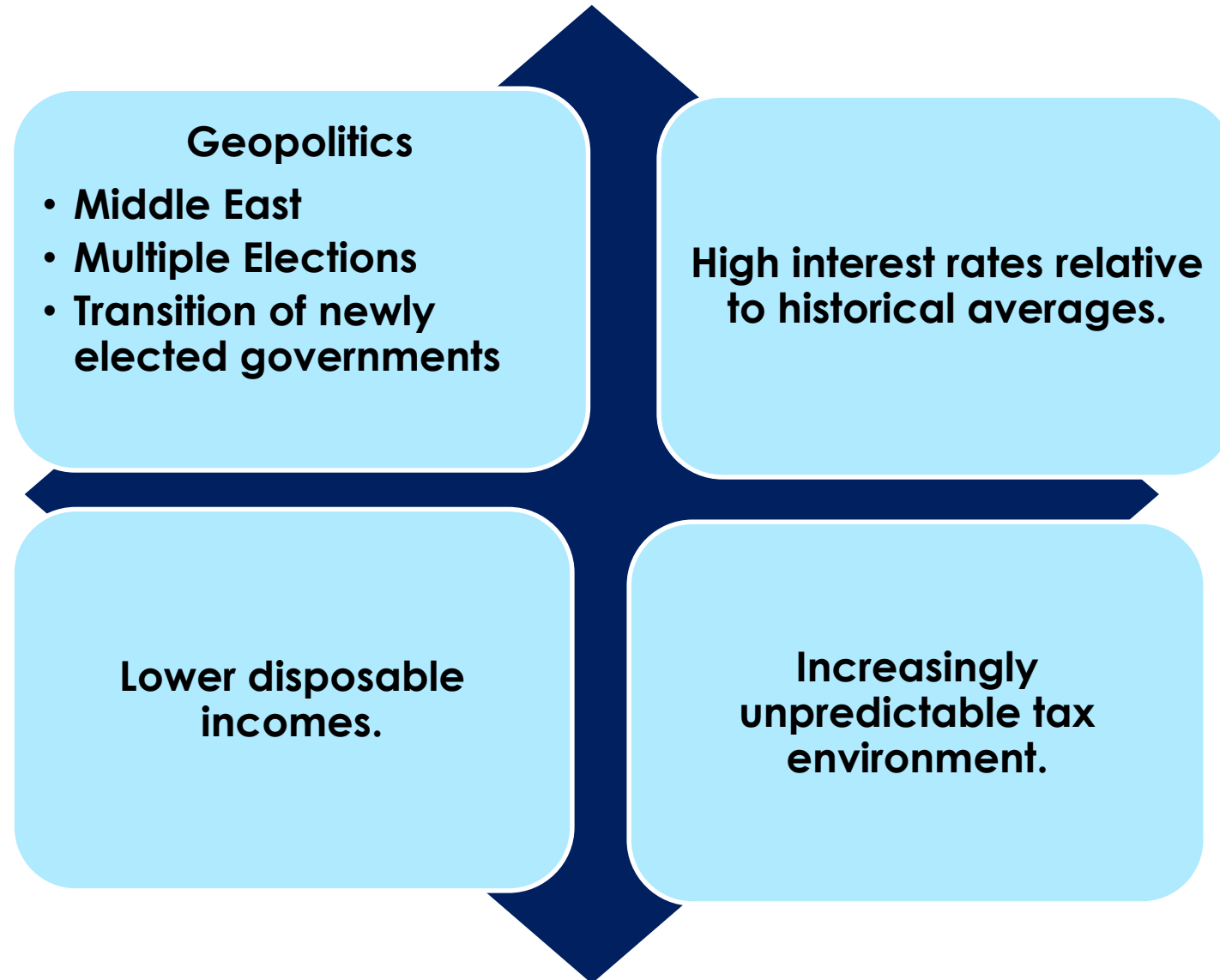
# Gradual movement expected on the USD/KES exchange rate into 2025 - anticipated to trade around 132-136



## Stable USDKES Trading



## However, there are risks to this outlook



**THANK YOU**

