

African economies have maintained growth despite disruptions linked to the Iran war, but falling development assistance is leaving the continent with less room to withstand future shocks, the International Monetary Fund (IMF) has warned.

Zeine Zeidane, director of the IMF's African Department, said Thursday that economic growth across Africa was projected at 4.5% in 2026, slightly above the fund's previous estimate, before accelerating to 5% in 2027.

However, development assistance to the continent fell sharply in 2025 and is expected to decline by a further 12% this year, increasing pressure on governments already facing competing demands for limited public resources.

"That leaves the region with little room to absorb another shock," Zeidane told reporters during the IMF and World Bank meetings in Bangkok.

He cited possible renewed disruptions to energy supplies, a sharp rise in global investor risk aversion and a strong El Niño weather pattern as risks that could intensify economic pressures.



*Zeine Zeidane, director of the IMF's African Department*

Conflict and insecurity are also weighing on regional economies and threatening food security in some areas.

Despite the risks, Zeidane said African economies had demonstrated an ability to adapt. Many governments have introduced reforms intended to strengthen economic resilience, while some mineral-exporting countries are benefiting from higher prices for resources used in advanced technologies.

The challenge, he said, is to translate these gains into more sustainable and diversified economic growth.

Guinea's Minister of Economy, Finance and Budget, Mariama Cire Sylla, said the railway project connecting the Simandou iron ore deposits to the coast formed part of a broader effort to transform the country's economy.

Although Guinea has substantial mineral resources, about half of its population lives in poverty. The government hopes that the Simandou project will generate revenue

and support development beyond mining.

“How can we leverage mining to really develop other sectors and diversify the economy?” Sylla asked, stressing the need to direct scarce financial resources towards investment that creates wider economic opportunities.

Burkina Faso’s Finance Minister, Aboubakar Nacanabo, also called for African countries to capture more value from strategic resources such as gold, cobalt and copper.

His government has opened the country’s first gold refinery as it pursues greater control over its natural resources.

Across West Africa, governments have increasingly sought to expand domestic processing, revise mining rules and increase state participation in resource projects.

The IMF has also encouraged African countries to use revenue gains from minerals carefully and adopt artificial intelligence to improve productivity and competitiveness.

Zeidane said wider AI adoption could raise economic growth by more than 4% over a decade, with potential applications in agriculture, education, healthcare and public services.

He cautioned, however, that the region’s risks remained tilted towards weaker outcomes, making stronger economic foundations increasingly important.