



## Africa inflation and banking crisis

### Introduction:

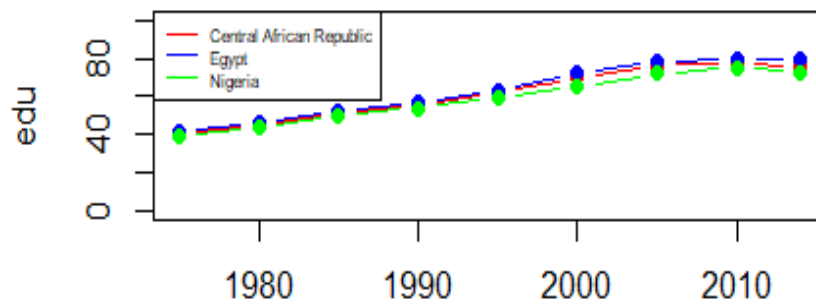
The data includes 520 observation with 18 variables including "case", "cc3", "country", "year", "systemic\_crisis", "exch\_usd", "domestic\_debt\_in\_default", "sovereign\_external\_debt\_default", "gdp\_weighted\_default", "inflation\_annual\_cpi", "independence", "currency\_crises", "inflation\_crises", "banking\_crisis", "population", "crime\_rate", "GDP.bd.", "edu".

### Achievements and Conclusions:

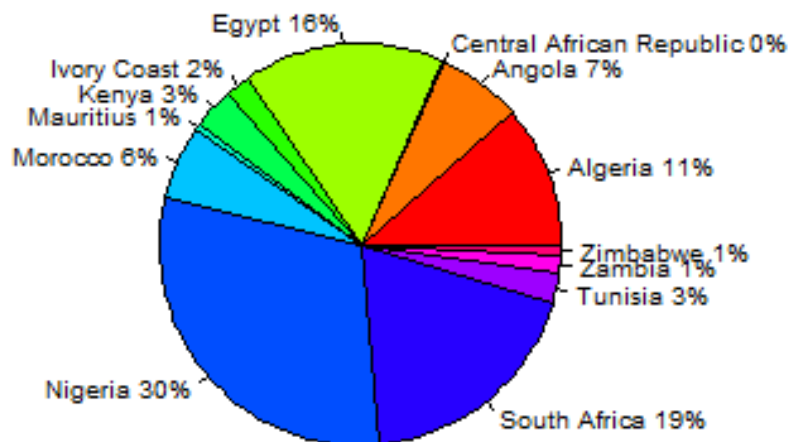
- Of 13 major African countries (Algeria, Angola, Central African Republic, Egypt, Ivory Coast, Kenya, Mauritius, Morocco, Nigeria, South Africa, Tunisia, Zambia, Zimbabwe) which they are independent just Morocco, South Africa and Tunisia has never suffered inflation crisis between 1975 and 2014. 5 countries Angola, Kenya, Nigeria, Zambia and Zimbabwe have the highest inflation rate of more than 35%.

1	Algeria	1	Algeria	1	Angola
2	Angola	2	Angola	2	Kenya
3	Central African Republic	3	Central African Republic	3	Nigeria
4	Egypt	4	Egypt	4	Zambia
5	Ivory Coast	5	Ivory Coast	5	Zimbabwe
6	Kenya	6	Kenya		
7	Mauritius	7	Mauritius		
8	Morocco	8	Nigeria		
9	Nigeria	9	Zambia		
10	South Africa	10	Zimbabwe		
11	Tunisia				
12	Zambia				
13	Zimbabwe				

- Major inflation crisis belonged to 2008 and before that. From 2009 to 2014 we have not seen any evidence of inflation crisis in any of these 13 countries. And In 2008 Zimbabwe had a hyperinflation of 21989695.
- The range of population for these countries is 1259456 for Mauritius and 181137448 for Nigeria in 2014. Although it seems the countries with higher population should have more problem with their education system. The rate of literacy is the same in these two countries by 72.85%.
- Nigeria with 286%, Central African Republic with 335% and Egypt with 262% have the highest rate of population growth since 1975. However, the rate of education for these three countries is a bit less than 200%. In 1975 it was about 40% and at the end of 2014 has increased to almost 75%.



- The highest GDG in 2014 belonged to Nigeria with the highest population. The second rank belongs to South Africa and the third to Egypt. All the 3 countries have high population. Just Central African Republic which has the second highest population doesn't have high GDP respectively.



- The highest average rate of crime for the years between 1975 and 2014 belongs to Tunisia (6.25) while the lowest belong to South Africa (2.65).
- "Inflation rate" is a continuous variable and based on a linear regression model, it depends on "population", "education", "Country's GDP" and "currency exchange rate" compared to USD. Crime rate is not a influential variable on inflation rate. There is positive relation between "inflation" and "population", but negative relation with "GDP", "education" and exchange rate.
- Being in "banking crisis" is a binary variable and based on a logistic regression model, it depends on the "year" crisis happened, "education" and "population". In recent years there has be less banking crisis as the coefficient for year is negative. Higher population and higher education slightly increase the banking crisis.