

PRESS RELEASE

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US Foreign Aid Cuts: Malaria Funding Reduction Hurts African Growth Prospects

- **Malaria eradication raises per-capita GDP in sub-Saharan Africa by about 7%**
- **EPoS Economic Research Center publishes latest research results**

Bonn, Mannheim, 17.06.2025 – **The US administration's decision to cut foreign aid has far-reaching economic repercussions in many African countries, as malaria programmes face funding shortfalls. With appropriate financing, the disease can be prevented and eradication will raise per-capita GDP by about 7 percent in sub-Saharan Africa. These findings are published by the EPoS Economic Research Center at the Universities of Bonn and Mannheim in the discussion paper "The Macroeconomic Consequences of Malaria Eradication in Sub-Saharan Africa".**

The latest estimate of approximately 7 percent GDP growth per capita in a typical sub-Saharan country is much higher compared to previous reports. Earlier findings took into account that removing malaria would just lead to a larger population ignoring improved standards of living.

"The results of my research show that living standards can be raised considerably by eradicating the disease," says Minki Kim from the EPoS Economic Research Center. "I find that malaria vaccination could raise average incomes nearly three times more than previously estimated, because my analysis takes children and their education into account. It is not only a leading cause of child mortality in the region, but children with malaria also tend to spend less time in school and learn less while there. By hindering education, the disease is holding back economic progress."

Fewer children and better education

The new study quantifies the macroeconomic consequences of malaria eradication, taking into account factors such as parental decisions to have children and invest in their education. The results are in line with empirical estimates from an anti-malaria campaign in Tanzania: parents have fewer children with better education.

Yet, recent funding cuts to malaria programmes threaten to reverse decades of progress, partly achieved through longstanding investments from the United States, the World Health Organization (WHO) warns. Despite significant progress, malaria still claims nearly 600,000 lives per year – 95 percent in the African region. The WHO warned that the 2025 cuts have put millions of additional lives at risk. In previous years, the United States had been the biggest donor.

Malaria vaccine rollout should be high-priority development policy

"Instead of cutting back on funding, the rollout of malaria vaccines should be accelerated as a high-priority development policy," says Kim. "Eradicating the disease not only saves millions of lives. Vaccination programmes are an effective lever to boost economic growth at relatively low cost. The international community should not forgo this opportunity to bring substantial macroeconomic benefits to the poorest region in the world."

Sub-Saharan-African is the region south of the Sahara, comprising 49 of the 54 African member states of the United Nations. It has experienced low economic growth per capita in the last 30 years, and the number of people living in extreme poverty has been rising, according to the World Bank.

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The Collaborative Research Center (CRC) Transregio 224 EPoS

Established in 2018, the [Collaborative Research Center Transregio 224 EPoS](https://www.crctr224.de), a cooperation of the universities Bonn and Mannheim, is a long-term research institution funded by the German Research Foundation (Deutsche Forschungsgemeinschaft, DFG). EPoS addresses three key societal challenges: how to promote equality of opportunity; how to regulate markets in light of the internationalization and digitalization of economic activity; and how to safeguard the stability of the financial system.

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