

WEST AFRICAN MONETARY AGENCY (WAMA)



ECOWAS MONETARY COOPERATION PROGRAMME

FIRST HALF 2013 REPORT

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EXECUTIVE SUMMARY

World activity is expected to grow moderately in 2013, leading to a growth rate of 2.9% against 3.2% in 2012. This growth would more or less stem from advanced countries where production is expected to increase by 1.2% in 2013 against 2.0% in 2012. The strengthening of the American economy and a significant relaxation of budget restrictions (except in Japan) as well as very accommodating monetary policies are the drivers of this expected slight recovery. In the Euro zone, growth will be slowed down by the severe weakness of the periphery countries and would settle at -0.4% in 2013 and 1.0% in 2014. Emerging countries and developing countries would record a growth rate of nearly 4.5% in 2013 and 5.1% in 2014 against 4.9% in 2012. Unemployment will remain high in most advanced countries and some emerging countries especially in the Middle East and North Africa.

In contrast with this heterogeneous situation for emerging and advanced countries, ECOWAS Member States' economies are, on the whole, faring well. ECOWAS would once again experience a year of strong growth, with a rate of 6.3%. This performance would be mainly due to the boom in extractive and oil production activities in some countries (Cote d'Ivoire, Sierra Leone, Burkina Faso and Ghana), the implementation of public investment programmes in infrastructure and improvement in energy supply capacity in most Member States. However, compared to 2012, a marginal drop of 0.1 point in growth was observed as a result of a decline in growth in most member countries.

Economic activity in ECOWAS was conducted against the backdrop of low inflation induced by easing of pressures on global food commodities coupled with the effect of a relaxation of monetary policies in several countries as well as favourable weather conditions in the Sahel. At the end of June 2013, the Community's inflation rate stood at 7.9% against 10.1% during the same period the previous year. Inflation was on a downward trend in almost all Member States, except in Ghana, The Gambia, Cote d'Ivoire and Niger. The lowest levels of inflation were observed in Benin, Mali and Guinea with respective rates of 0.7%, -1.3%, and -0.8%.

With regard to the fiscal sector, despite measures taken by some Member States to strengthen their fiscal position which was largely weakened by the global recession, performance in this sector deteriorated in many Member States in the first half of 2013. The budget deficit excluding grants (as a percentage of GDP) was 2.4% against 1.5% at the end of June 2012. Budget deficit, including grants, accounted for 1.1% of GDP at end of June 2013 against 1.7% at the end of June 2012. This decline performance mainly resulted from deficits recorded by most Member States, especially Niger (-7.0% against -1.2% in June 2012), Ghana (-6.4% against -4.3% in June 2012), Guinea (-6.4% against -2.4% in June 2012) and Cape Verde (-7.4% against -12.4% in June 2012). However, some countries such as Burkina Faso, Guinea Bissau and Sierra Leone improved their fiscal positions which stood at 1.7%, 1.5% and -0.9% of GDP, respectively, in June 2013 against -2.0%, -3.2% and -6.1% in June 2012. Nigeria recorded a slight increase in its deficit which accounted for -1.8% of GDP in June 2013 against -1.3% during the same period the preceding year.

With regards to public debt, the debt level of ECOWAS countries increased marginally in 2013 compared to 2012. Total debt outstanding is expected to decrease by 1.4% to settle at 25.9% of GDP in 2013 against 27.3% of GDP in 2012.

As regards the external sector, the current account balance would record a surplus of 3.4% against 4.2% in 2012. This poor performance would be essentially due to deficits recorded in all member countries, except Nigeria (which posted a surplus of 8.9% of GDP in 2013 against 10.3% of GDP in 2012). The most significant deficit would be recorded by Liberia (-89.7% of GDP), Guinea (-16.5% of GDP), The Gambia (-15.9% of GDP) and Niger (-14.0% of GDP). The increasing import bill and the deterioration of the balance of services as well as the decline in budgetary support received by most member countries and migrant remittances explain the persistence of the deficit on the current account balance. The upward trend in imports was due to the rising supply of capital and intermediary goods driven by the implementation of infrastructure development programmes in most Member States and the rebound of investments, especially in the mining and petroleum sectors. The deterioration in the balance of services was due to the increase of the freight bill, driven by higher imports and rising demand for other specialized services in the mining and petroleum sectors.

The surplus of the overall balance of payment of ECOWAS is expected to narrow down in 2013 to 0.4% of GDP against 3.9% in 2012 as a result of the decline in Nigeria's surplus. This surplus was recorded in all member countries, except Mali, Niger, Ghana and Guinea which recorded deficits on their overall balances.

On the monetary front, BCEAO and the Central Banks of The Gambia, Guinea, and Sierra Leone relaxed their monetary policy by reducing their policy rates. The marginal lending rate and the minimum bidding rate of BCEAO were reduced by 0.25 percentage point on five occasions between 2011 and September 2013. The rates fell from 4.0% and 3.0% at the end of June 2012 to 3.5% and 2.5% respectively at the end of June 2013. The Central Banks of The Gambia, Guinea, and Sierra Leone reduced their policy rates from 12.5%, 22.0%, and 20.0% respectively in December 2012 to 10%, 16.0%, and 15.0% in June 2013. Nigeria and Cape Verde maintained their policy rates at 12.0% and 5.75% respectively. Ghana reviewed its rate upward from 15.0% to 16.0% between December 2012 and June 2013 with the aim of containing inflation or stabilizing the exchange rate. Reserve requirement ratios remained constant during the first half of 2013.

The easing of monetary policy in the majority of member Countries did not have a direct effect on interest rates, especially those of Treasury bills which were on an upward trend, except in Nigeria, Cape Verde, and Sierra Leone. Factoring in 91-day Treasury bill rates, interest rates in many member States remained positive in the first half of 2013, with exception of Sierra Leone. This implies that countries with high levels of inflation apply high nominal interest rates as well.

An analysis of monetary aggregates showed an expansion in money supply by 14.4% at the end of June 2013 against 11.7% at the same period in 2011, indicating an increase of 7.9

percentage points above the Community's growth rate and higher liquidity in the economy. This growth in overall liquidity, driven by money supply counterparts, especially credits to the economy, was reflected in its components, including deposits and currency in circulation. At the zonal level, the situation varied from one zone to the other.

An analysis of financial institutions and capital markets shows that in the UEMOA, apart from a financial market and payments systems already integrated and harmonized, progress is still being made in terms of decentralizing financial and insurance systems. With regard to WAMZ, each country has its own financial system, indicating the low level of integration in the financial sector. On the whole, the financial system of the community is stable and faring well as most banks have complied with the prudential ratios such as adequate capital and liquidity and financial markets are on the right track even though the BRVM is experiencing a downward trend.

In terms of macroeconomic convergence, the level of performance of member countries did not changed much in the first half of 2013 compared to the same period of the preceding year, except a notable drop in compliance with the criterion on gross external reserves. As far as the primary criteria are concerned, there was a slight improvement in performance vis-à-vis the criteria on inflation and Central Bank financing of budget deficit. On the other hand, there was a decrease in performance with respect to the criterion on gross external reserves which deteriorated slightly as UEMOA did not meet this criterion. Similarly, the level of performance in relation to the criterion on budget deficit deteriorated marginally, with two additional countries missing the target. Concerning secondary criteria, the level of performance did not improve significantly compared to the same period the previous year. However, an improvement was noted in with respect to the real interest rate criterion, as two additional countries met this target and, to a lesser extent, the criterion on tax revenue/GDP and public investments financed from domestic resources. The level of performance was maintained for the other secondary criteria, namely the criteria on non accumulation of domestic and external arrears, wage bill and public debt.

In all, none of the countries complied with all the convergence criteria in the first half of 2013. The best performance was recorded by Burkina Faso and Senegal which met each nine (09) out of the eleven (11) convergence criteria. These countries were followed by Mali which observed eight (08) convergence criteria. The lowest performance was recorded by The Gambia, which met only two (02) criteria. During the period under review, the highest improvement (+2 criteria met) was achieved by Guinea, whereas the highest decrease (-3 criteria met) was experienced by The Gambia.

Concerning policy harmonization, significant progress has been made in the harmonization of monetary policy frameworks, regulatory and supervisory frameworks of banks and non-bank financial institutions, accounting and financial reporting frameworks of banks and non-bank financial institutions, and balance of payments statistics, as well as payment systems development. However, more efforts to be made for realization of payments systems interconnectivity and capital account liberalization.

In terms of prospects, the economic and financial situation of the Community indicates a sustainable profile and a favourable outlook. Growth would be sustained by many countries which are expected to achieve growth rates of at least to 7.0%, namely, Burkina Faso, Cote d'Ivoire, Niger, Ghana, Nigeria Liberia and Sierra Leone. The pursuit of investments in infrastructure, commissioning of new mining and oil production sites, positive trends in commodity prices, and improvements in fiscal sector management are factors that would drive this performance. In addition to the favourable trends in the 2013/2014 agricultural production, this performance would be achieved thanks to the expected recovery in Mali and Guinea Bissau to be facilitated by the gradual normalization of the socio-political situation.

INTRODUCTION

This report forms part of activities being carried out by the West African Monetary Agency (WAMA) under the ECOWAS Monetary Cooperation Programme (EMCP). This programme was adopted in Abuja in 1987 by the Authority of Heads of State and Government of ECOWAS Member Countries with the objective of establishing a harmonised monetary system and common management institutions. The short term objective is the harmonisation of rules governing economic and financial management in the region.

The programme also aims at ensuring the achievement of currency convertibility over the medium term to facilitate the use of national currencies in regional transactions, and determination of exchange rates in accordance with market-based rates, and the establishment of a Single Currency in the region through the use of a common convertible currency managed by a common Central Bank.

To facilitate effective implementation of the Monetary Cooperation Programme, the ECOWAS Convergence Council adopted the Single Currency Roadmap in May 2009. This roadmap emphasizes the importance of macroeconomic convergence and the harmonization of structural policies to ensure macroeconomic stability prior to the launch of the Single Currency of West Africa. This macroeconomic stability emphasizes price stability, low budget deficit, restrictions on Central Bank budget deficit financing and maintenance of adequate levels of gross external reserves. The evaluation mechanism designed for this effect was reviewed in 2013 and is based on compliance with eleven convergence criteria. The observance of the four (4) primary criteria remains mandatory for the establishment of a Single Currency. These criteria are as follows:

Primary Criteria

- a) Ratio of budget deficit (commitment basis, including grants): lower than or equal to 3%;
- b) Average annual inflation rate: lower than or equal to 5%;
- c) Central Bank budget deficit financing: lower than or equal to 10% of the previous year's tax revenue;
- d) Gross external reserves: higher or equal to six (06) months of imports;

Secondary Criteria

- 1. Arrears: non-accumulation of new domestic and external arrears and settlement of outstanding arrears ;
- 2. Ratio of tax revenue to GDP: higher than or equal to 20% ;
- 3. Ratio of wage bill to tax revenue ratio: lower than or equal to 35% ;
- 4. Ratio of domestically financed public investment to tax revenue: not less than 20% ;
- 5. Nominal exchange rate: stable at (+/-10%) ; and
- 6. Real interest rate: positive;
- 7. Rate of public debt to nominal GDP: not more than 70%.

This report analyzes the economic and financial situation across the global, regional and national levels during the first half of 2013, whilst emphasizing the activities that fall within the purview of the Agency. It begins with the global economic developments, focusing on the incidences that may affect the economies of the region, and examines the dynamics of economic, monetary and financial activities in ECOWAS as whole. It also evaluates the status of macroeconomic convergence and various policy harmonization programmes and finally analyzes progress made under macroeconomic convergence and policy harmonization at national level.

1.0. GLOBAL ECONOMIC ENVIRONMENT

1.1. Recent economic development and financial developments

Economic uncertainty continued to haunt global economy as it was yet to fully recovery. Uneven economic signals were still prevalent in 2013. Advanced economies were gradually picking up, while the emerging economies slowed the previously envisaged momentum. The economic activities in the UK expanded significantly, and at an encouraging pace, while Japan's economy was propelled by its fiscal and monetary-stimulus amid the weaker yen and stronger external environment. The emerging markets and developing countries witnessed slow economic activities, underpinned by tightening capacity constraints, fluctuating commodity prices, less policy support and slowing credit. Monetary tightening coupled with fiscal challenges in some advanced economies, especially in the US and Euro, remained the downside risks.

Volatility in the financial market was up in the advanced economies, with longer term interest rate on a rising path. The optimal desire for macroeconomic policies to support fragile activity and contain capital outflows were key challenges for most emerging markets and developing countries. Attractive interest rates in the advanced economies, asset price volatility and weaker domestic activity contributed to capital outflows, declines in equity price, and currency depreciation.

The major emerging economies, especially Asia, remained vulnerable to rising financing costs due to its economic rebalancing. The Latin American economies were engulfed by weak economic activities. However, the North African economies are rebounding at a modest level, but remained risk to the Syrian crisis and the renewed political upheaval in Egypt. Economic activity in the sub-Sahara Africa countries was growing at slow pace due to structural constraints.

In all, the global economic outturn was expected to continue below potential. Fiscal consolidations in the United States and Japan, short term risk in the Euro Area and general economic slowdown in developing economies still exists, though they reduced moderately. The policy priorities will however focus on reducing downside risks for output in the short term, enhancing international policy coordination to mitigate negative policy spillovers, and encouraging adequate capital flow to boost the economy of developing countries.

1.1.1. World Economic Growth

The advanced economies were picking up in 2013, though economic activities slowed in most of the emerging economies in 2013. Table 1.1 shows the comparative trend in the output of major economic blocks. The growth pattern suggests prospect for enhanced economic growth across countries.

Table 1.1: Growth trend in major global economies

Major Economic Regions	2011	2012	2013*	2014*
South Africa	3.5	2.5	2.0	2.9
Mexico	4.0	3.6	1.2	3.0
Brazil	2.7	0.9	2.5	2.5
India	6.3	3.2	3.8	5.1
China	9.3	7.7	7.6	7.3
Russia	4.3	3.4	1.5	3.0
Japan	-0.6	2.0	2.0	1.2
Germany	3.4	0.9	0.5	1.4
UK	1.1	0.2	1.4	1.9
USA	1.8	2.8	1.6	2.6

Source: World Economic Outlook, * Projection

The US was anticipated to experience moderate growth of 1.6 percent, down by 0.3 percentage points relative to its initial forecast due to fiscal challenges, though private demand remained strong. The German economy contracted moderately than the 0.6 percent GDP projected for 2013, falling by 0.1 points. The forecast for UK growth in 2013 was significantly revised upward to 1.4 percent relative to the previous estimate of 0.7 percent, driven by higher consumer and business confidence. In Japan, the economy rebounded as the estimated growth for 2013 was revised upward to 2 percent in 2013, up by 0.4 percentage point, supported by expansionary macroeconomic policies.

The growth engines of developing Asia, China, appeared to persistently falter away from double digit growth as reflected in its revised growth of 7.6 percent, down 0.4 percentage points. India failed to meet forecast growth target of 5.7 percent, down by 1.9 percentage points due to structural challenge and weak demand. Economic growth was revised down to 1.5 percent from the initial forecast of 3.4 percent in Russia due to weak investment and low demand for its exports. The giant economy in Latin America, Brazil, was struggling to grow with its revised growth estimated at 2.5 percent, down 0.5 percentage points on account of low private consumption, unfavorable demand for exports and the frequent public protests. Mexico's growth was revised down as well from 3.6 percent to 1.2 percent owing to the disaster it encountered. Tense industrial relations, weaker consumption growth and weak investment constrained Africa's largest economy, South Africa to expand by a modest 2.0 percent, down 0.8 percentage points from its initial forecast.

Consequently, global growth remained weak, held back by ongoing fiscal adjustments mainly in the advanced economies. The global growth for 2013 was below projection with real output expected to expand by 2.9 percent compared to the 3.3 percent originally forecast in the April 2013 World Economic Outlook. In 2014, growth is however forecast to recover. Table 1.0 shows the growth pattern of major economic regions as well as forecast 2014.

Table 1.2: Sources of global growth (2009-2014*)

Major World Region (figure in percent)	2011	2012	2013*	2014*
World	3.9	3.2	2.9	3.6
Advanced Economies	1.7	1.5	1.2	2.0
Other Advanced Economies	3.2	1.9	2.3	3.1
Euro Area	1.4	-0.6	-0.4	1.0
Emerging and Developing Economies	6.2	4.9	4.5	5.1
Central and Eastern Europe	5.4	1.4	2.3	2.7
Commonwealth of Independent States	4.8	3.4	2.1	3.4
Developing Asia	7.8	6.4	6.3	6.5
ASEAN-5	4.5	6.2	5.0	5.4
Latin America and Caribbean	4.6	2.9	2.7	3.1
MENA+	3.9	4.6	2.1	3.8
Sub Saharan Africa	5.5	4.9	5.0	6.0

Source: World Economic Outlook, 2013 October. +Middle east and North Africa, *projection

In the advanced economies, the revised growth for 2013 was unchanged, but dipped by around 0.3 points to 1.5 percent. GDP growth however appeared stronger in the other advanced economies, where it was estimated to increase from 1.9 percent in 2012 and settle at 2.3 percent in 2013. Despite the reduced short-term risks, the recession in the Euro Area was expected to improve, with growth increasing by 0.2 percentage points from negative 0.6 percent in 2012 to negative 0.4 percent in 2013, underpinned mainly by growing business confidence. Nevertheless, the Euro Zone is anticipated to transition into a modestly positive growth by 2014.

The emerging market and developing economies remained strong, though the pace of expansion was expected to be tepid. The growth for 2013 was considerably revised downward to 4.5 percent from 5.3 percent, supported by solid domestic demand, recovering exports and accommodating macroeconomic policies. Growth rate was moderately up in the Central and Eastern Europe, increasing by 0.9 percentage points to 2.3 percent in 2013. Market volatility resulted to lower growth prospects for Latin America and the Caribbean, whose growth was estimated at 2.7 percent in 2013, revised from 3.4 percent due partly to the disruption in economic activity by the disaster in Mexico. The Commonwealth and Independent State (CIS) experienced huge reduction in growth, revised downward to 2.1 percent from 3.4 percent due to weak commodity prices.

The economies in developing Asia weakened modestly in 2013 with the growth revised downward to 6.3 percent, reduced by 0.8 percentage points, compared to growth of 6.4 percent in 2012, though expected to attain greater growth rate than other global regions. In the ASEAN-5, growth was recorded at 5 percent, compared 6.2 percent in 2012. In sub-Saharan Africa, growth remained strong at 5.0 percent in 2013, although marginally down from its initial projection of 5.6 percent due to strong domestic demand, huge return from oil exports and high growth in fragile and low income states(excluding Mali and Guinea Bissau).

However, the revised growth of the MENA¹ from 3.6 percent to 2.1 percent in 2013 was due to subdued oil output and difficult political transitions in some of the countries.

1.1.2. Inflation

The inflationary pressure was generally subdued in 2013. In most economies, public confidence and sound monetary policy stabilized pressure in 2013. Table 1.3 presents the inflation pattern.

Table 1.3: Global inflation trend in economies and commodities

Indicator	2010	2011	2012	2013*	2014*
Advanced	1.6	2.7	2.0	1.4	1.8
Emerging market and developing economies	6.1	7.1	6.1	6.2	5.7
Sub-Sahara Africa+	7.4	9.3	9.0	6.9	6.3
Oil	27.9	-31.6	1.0	-0.5	-3.0
Nonfuel	26.3	17.9	-9.9	-1.5	-4.2

Source: World Economic Outlook, October 2013

In the major advanced economies, inflation further eased downward from 2.0 percent in 2012 to 1.4 percent in 2013 due to weak economy and downward pressure on wages. However, slowing activity and stable commodities resulted to a modest rise in inflation to 6.2 percent in the emerging market and developing economies. In Sub Saharan Africa, inflation was expected to remain in single digit and broadly stable throughout 2013 due to tightened monetary policies as well as reduced pressures on oil and some moderate global food prices.

Commodity prices

Prices of most commodities dropped in 2013 and expected to remain down in 2014 owing to slowdown in global growth.

In 2013, energy prices edged up by 0.7 percent, while the non-energy commodities declined by 8.3 percent. The metal price index was down by 8 percent, and has been down by 32 percent since reaching its peak in February 2013 due to abundant supplies and weakening demand. Although the decline in metal prices was reversed down just 0.4 percentage points from preceding quarter, the overall index remained down by 11 percent since January 2013. The precious metals price index sharply plummeted by 19.2 percent in 2013. Most agricultural commodity prices also declined, with the overall index down by 7.8 percent, more than 34 percent lower than previous year. Given the improved supply conditions, food prices reduced by 7.6 percent from its recent highs. Fertilizer prices are expected to ease by 17 percent in 2013, reflecting lower production costs due to the moderation of natural gas prices. Based on the trend in prices, the biggest commodity price declines were reflected in Silver, ground nut oil, coffee (Arabica) and gold.

¹ Middle East, North Africa

Table 1.4: Trend in prices and variation in prices of major commodities

Commodities	2011	2012	2013f	2013*	2014*	2012-2013* Price variation (%)
crude oil(\$/bbl)	104	105	102.2	104.5	105.7	1.2
Iron Ore (\$/dmt)	168	128	135.5	134	135	4.7
Gold (\$/toz)	1569	1660	1523.3	1380	1360	-16.9
Silver (\$/toz)	3522	3114	2661.4	1480	1450	-52.5
Cocoa (¢/kg)	298	239.2	225.8	240	235	0.3
Coffee Arabica(¢/kg)	597.6	411.1	327.7	310	330	-24.6
Coffee Robusta(¢/kg)	240.8	226.7	221.1	205	200	-9.6
Tea (¢/kg)	292.1	289.8	291.8	280	288.2	-3.4
Cotton (¢/kg)	332.9	196.7	201.2	200	203	1.7
Rubber (¢/kg)	451.9	315.6	303.1	280	290	-11.3
Log(Malaysian) (\$/cum)	390.5	360.5	572.6	310	345	-14
Rice (\$/mt)	505	508	498	500	490	-1.6
Groundnuts oil (\$/mt)	1988.2	2435.7	1930.5	1653.1	1778.1	-32.1
Maize (\$/mt)	291.7	298.4	298.2	250	248	-16.2
Palm-oil (\$/mt)	1125.4	999.3	851.5	840	860	-15.9

Source: World Bank Commodities price data, October 2, 2013, \$ = US dollar, ¢ = US cent bbl = barrel, cum = cubic meter, dmt = dry metric ton, kg = kilogram, mt = metric ton, toz = troy oz

The price of crude oil dropped to US\$102.2/ bbl by June 2013, down from US\$105/bbl from the beginning of the year due to increased production level. In addition, new pipeline infrastructure in the United States allowed surplus crude oil in the mid-continent to reach coastal refineries. With the anticipation of no major macroeconomic shocks or supply disruptions, oil prices are expected to average US\$104.5/bbl in 2013, down from US\$105/bbl in 2012. Although coal and natural gas prices have fallen, oil spot prices are expected to remain modestly above US\$105 a barrel in 2014, reflecting various supply outages and ongoing geopolitical tension in the Middle East and North Africa.

Iron ore price increased by 4 percent in 2013 relative to 2012 when it had dropped by about 24 percent from 168 USD per dried metric ton in 2011. However, prices of other metals such as lead, zinc, copper, aluminum and nickel declined generally by 8.5 percent, 9.5 percent, 10.1 percent, 15.6 percent and 20.9 percent, respectively.

Precious metals fell by 23 percent since the inception of 2013. Prices of gold and silver were down by 17 and 59 percent, respectively. By end December 2013, precious metals prices are expected to drop by almost 20 percent because they are now considered by institutional investors to be less attractive “safe haven” alternative.

Natural rubber has been under pressure, with its price falling by 11.3 percent as at June 2013 due to weakening demand by China. However, supplies of natural rubber have been strong in Thailand and Indonesia. Also, development of synthetic rubber, which is a close substitute to natural rubber (also crude oil by-product), remained a potential threat.

The price of cotton showed modest improvement in 2013 after it fell significantly by about 41 percent in 2012 from 332.9 US per metric ton in 2012 to 196.7 US per metric ton in 2012. This low price is underpinned by increasing production and weak demand from China.

The price of logs was 310 per cubic unit in 2013, indicating a 14.8 percent decline. Compared to 2012, it fell by 8 percent from 391 USD per cubic unit. This is explained by the considerable weakened global demand for timber products.

After declining by 20 percent in 2012, the price for cocoa bean reflected moderate recovery, increasing by 0.3 percent in 2013. The forecast for 2014 however indicate further decline in price, especially with anticipated production rising from Cote d'Ivoire. Arabica coffee is still pressured by the low quality Robusta coffee. The 2.1 million bags surplus emanating from the large Brazilian harvest continued to influence the coffee market, with the prices of Arabica (327.7 USD per kilogram in 2012) reduced by 24.6 percent and Robusta (221.1 USD per kilogram in 2012) fell by 9.6 percent in 2012. Tea also saw a 3.4 percent drop in prices, from US\$289.8 in 2012.

The release of stock by the Thai Government impacted the prices of rice, which averaged US\$498 per ton as at June 2013, and expected to settle at US\$500 per ton, a modest decline by 1 percent compared to 2012. Between 2012 and 2013, maize price declined by 16.2 percent with expectation of further reduction in 2014. The sugar price continued on a downward trend in 2013 and projected to further fall in 2014, as both India and Thailand have large quantities of sugar available for export, while there are good prospects for cane harvests in Asia and Central America. Palm oil price was lower by about 16 percent due to ample supplies from Malaysia and Indonesia (world's top palm oil suppliers), while the price for ground nut oil surprisingly fell by 32.1 percent in 2013 after a 4 percent rise in 2012.

1.1.3. Fiscal Sector and Debt

Amidst the low economic growth, the evolving fiscal crisis was easing, but has not disappeared significantly, especially in the advanced economies. The average fiscal deficit of advanced economies was recorded at -4.5 percent of GDP, narrowing by 1½ percent of GDP in 2013 and expected to stabilize in 2014. While Europe is gradually overcoming its debt crisis, the US debt was around 7 percent of GDP in 2013, and more than 70 from 2008. The IMF warned that the effects of potentially major disruptions in financial markets could erupt if debt settlement fails. The cyclically adjusted balance was however projected to improve the US debt by 2¼ percent of potential GDP in 2013 owing to planned sequester (spending cut). In Japan, consumer led growth continued to be strangled by fiscal consolidation anchorage on the hiking of consumption tax, even though business tax reduction is assured to compensate for loss. Despite recording less than 3 percent deficit-GDP ratio, fiscal vulnerabilities were expected to remain on the high side in the emerging market economies with debt-GDP ratio declining to 30 percent.

1.1.4. Financial and Money Markets

The monetary conditions stayed supportive globally. Near-term financial risks still remained, contrary to earlier expectation cited in the April 2013 WEO. Lending conditions are still tightening in the euro area. Though concerns were raised about short-term threat from the recent US budget crisis, the financial conditions improved. Long-term bond yields edged up and house prices continued on recovery in the US, but those in Japan and core Europe increased modestly. In the euro area, perceptions of earlier-than-expected U.S. tightening led to asset price losses, though financial stresses continued to calm down on account of the liquidity support to the peripheral countries. Policy rates in the Euro were expected to remain at current levels or contract for an extended period underpinned by weak economy. Capital outflows were mainly induced by slowing growth and monetary policy tightening in the emerging markets, resulting to widening risk spreads and equity market losses. Chinese authorities embarked on selective credit control by targeting small businesses with the intention of achieving balanced growth, though it faces financial issues, notably including poor capital discipline in capital spending decisions.

1.1.5. External Sector

In the external sector, world trade showed prospect amidst the downward trend in growth. The global trade imbalance continued on a decrease, but at a stable and positive path. Accumulation foreign exchange reserves in some emerging economies were on course.

1.1.6. World Trade

Increased global economic activities explained international trade. The weakening demand experienced in 2012 was slowly reversing in 2013 with encouraging expansion expected in world trade by 2014. The global trend in the composition of trade is shown in Table 2.0.

Table 1.5: Trend in composition of trade

Trade indicators	2011	2012	2013*	2014*
Volume of world trade (goods and services)	6.0	2.7	2.9	4.9
Exports of advanced countries	5.7	2.0	2.7	4.7
Exports of emerging and developing countries	6.8	4.2	3.5	5.8
Imports of advanced countries	4.7	1.0	1.5	4.0
Imports of emerging and developing countries	8.8	5.5	5.0	5.9
Terms of trade of advanced economies	-1.6	-0.7	0.0	-0.2
Terms of trade of emerging and developing economies	3.2	0.5	-0.5	-0.4
Real growth rate of advanced economies	1.7	1.5	1.2	2.0
Real growth rate of emerging and developing economies	6.2	4.9	4.5	5.1

Source:World Economic Outlook, October, 2013; * projection

Both developed and developing countries showed increased influence on international trade. As shown in Table 3.0, the volume of merchandise trade rose to 2.9 percent, up 0.2

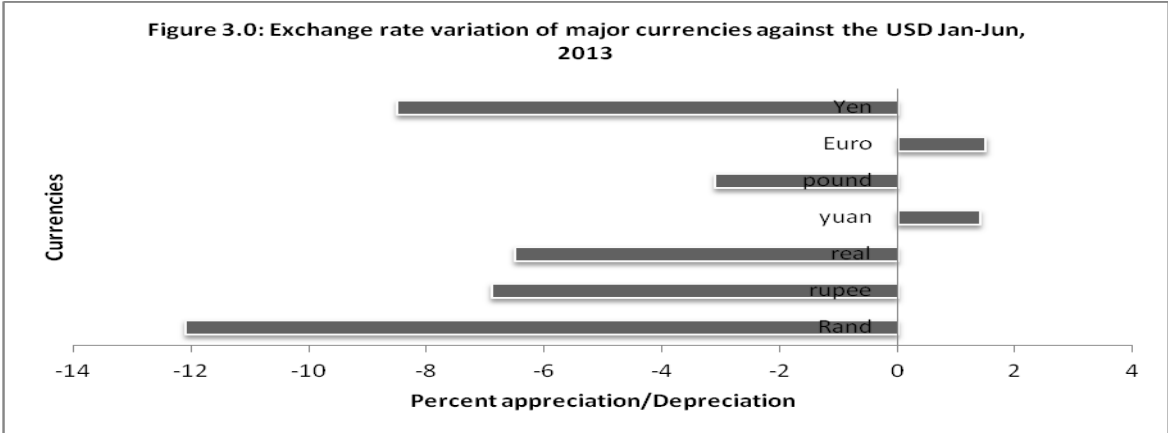
percentage points compared to 2012. After a high of 6 percent in 2011, trade declined to 2.7 percent in 2012. Exports in the advanced economies and imports of the emerging market were the main drivers of global trade due to appreciation of the dollars, though export showed decline in the emerging and developing countries. Both the advanced and emerging markets however enjoyed favorable trade balance, but performance was mixed. The term of trade improved in the advanced economies, though it deteriorated in the emerging and developing economies from 0.5 to -0.5 percent from 2012 to 2013, respectively.

Current Accounts

Imbalances in global current account narrowed supported by surplus among energy exporters. The current account balances of the advanced economies transitioned from deficit in 2012 to modest surplus of 0.1 percent in 2013, driven mainly by increased surplus of 2.3 percent in the Euro and 1.2 percent in Japan. The improvement in advanced economies reflected import adjustment, especially in the Euro Area and rising productivity and trade gains. In the emerging market and developing economies, the current account balances deteriorated modestly for the second time, from 1.4 percent in 2012 to 0.8 percent in 2013. It stood at 1.6 percent in 2011. In sub-Sahara Africa, it worsened further to -4.0 percent, down by 1 point. The decline was on account of booming imports in some, falling transfers in others, and deteriorating income payments.

Exchange Rates

Expectations about the US hint on tapering its quantitative easing stimulated a 3.9 percent spiked in the index of the US dollar, prompting steep losses across emerging market equities and bonds. This event partly contributed to capital outflows and a significant upward pressure on currencies, especially in the emerging economies. The euro gained 1.5 percent, while the pound tumbled by 3.1 percent against the dollars in June 2013, but have been appreciating since July 2013.



Source: FED, ECB

Increased export pressures continued in most emerging market. The Yen appreciated by 3.6 percent against the dollars at end June 2013, but however depreciated by 8.5 percent from

January to June, 2013. Currencies of few large emerging markets were appreciating since 2012 due to capital inflows and reserves accumulation, especially in developing Asia. The Chinese Renimbi (Yuan) further strengthened marginally against the dollars by 1.4 percent in first half of 2013. The Brazilian currency (Real) fell by 6.5 percent from January, reached 6.4 percent as at end June 2013, though it started appreciating since September 2013. The rupee of India and Rand of South Africa slumped sharply by 6.9 and 12.1 percent, respectively, against the U.S. dollar in the first half of 2013.

1.2. Prospects

The growth rate in most of the high income economies is forecast to increase in 2014, except Japan. The inflationary pressure is generally expected to ease. The USA may witness a marginal rise in growth by 2.6 percent in 2014 due to strong private demand. Owing to sound export base, Germany is expected to recover with growth rate of 1.4 percent due to smaller fiscal drag and stronger external demand, while the UK will continue on the encouraging growth trajectory to settle at 1.9 percent in 2014, driven by higher consumer and business confidence. In Japan, the economy rebounded from recession, but the policy of “Abenomics” would keep its 2014 revised growth up at marginally 1.2 percent, 0.8 percentage points below the 2011 and 2012 levels.

The less emerging and developing economies, where inflation is forecast to be above 5 percent level, are projected to grow by 5.1 percent in 2014, with developing Asia (6.5 percent), ASEAN-5 (5.4 percent) and Sub-Saharan Africa (6.0 percent) expected as the major growth drivers. However, unfavorable climate in other regions, weak demand and political instability will remain the external downside and internal risks growth.

The world trade showed good prospects with the volume of trade expected to up by 2 percentage points to 4.9 percent in 2014. Improvement in the exports and imports demand in Developing Asia and the Euro Area are expected to support the rise in trade.

Futures markets showed signal of continued declines across various commodities in 2014. Food price index reflects a fall by 6 percent due to favourable supply outlook in 2014. Contrary to previous expectation, metal prices are projected to decrease by 5 percent in 2014 due to slow growth, especially in China. However, crude oil price is projected to rise by about 1.2 percent at US\$105.7 per barrel in 2014, while energy prices are would increase by 0.8 percent by almost 4 percent, led by increasing demand. The upside risks are weather related uncertainty for food prices, increasing unrest and tension in the Middle East and North could spike in oil prices. Price risks on metals depend on new supplies and Chinese demand.

2.0. ECONOMIC AND FINANCIAL SITUATION IN ECOWAS

Generally, macroeconomic objectives of the Economic Community of West African States in 2013 remained economic growth, price stability, viability of the external sector and poverty reduction. In the course of 2013, the community would record a strong growth at 6.3% against 6.4 the previous year as one of the regions least affected by the financial turbulence and the deterioration of the global environment. Most Member States recorded growth rates above the average rate prior to the crisis and the African average.

This performance would be mainly due to the pursuit of efforts made to finance infrastructure, the commissioning of new oils fields and mining sites, positive trends in commodity prices as well as an improvement in Fiscal Sector management.

2.1 Economic growth and inflation

2.1.1. Production

In 2013, the community would experience a slight deceleration of growth with a 6.3% against 6.4% the previous year. This slowdown would be, to a large extent, due to the result of the downward trend in growth in almost all ECOWAS countries, with the exception of Senegal, Guinea Bissau, Mali, Niger and The Gambia. The more significant declines were observed in Niger where growth slowed down after reaching exceptional levels in 2012 (11.4%) and to a lesser extent in Burkina Faso.

At the zonal level, economic growth within UEMOA is expected in 2013 at 5.1% against 5.4% in 2012. The slight deceleration recorded is due to the slight slowdown in Niger and Burkina Faso. On country basis, the economic growth rates would be as follows: Benin (5.1%), Burkina Faso (7.0%), Côte d'Ivoire (9.0%), Guinea-Bissau (3.5%), Mali (4.8%), Niger (5.8%), Senegal (4.0%) and Togo (5.8%).

At the WAMZ level, economic growth would remain unchanged at 6.7% in 2013 as in 2012 as a result of the slowdown and stability observed in Ghana (7.4% against 7.9%) and in Nigeria (6.6% in 2013 and 2012) respectively. With regard to Cape Verde, the growth rate would decline from 1.0% to 0.5% in 2013 owing to the fall in domestic demand.

On the demand side, growth would be mainly driven by investments. Final consumption would increase slightly as a result of persistent underemployment and the decline in remittances from migrant workers. In terms of external trade, exports would expand, following a recovery in world trade.

Table 2.1: Trends in real GDP growth rates in ECOWAS Member States

	2008	2009	2010	2011	2012*	2013**
Sub Saharan Africa	6.5	2.8	5.3	5.1	5.4	5.3
ECOWAS	5.7	5.7	7.0	6.8	6.4	6.3
UEMOA	4.2	3.0	4.4	3.5	5.4	5.1
BENIN	5.0	2.7	2.6	3.5	5.4	5.1
BURKINA FASO	6.6	3.2	8.5	5.0	9.0	7.0
COTE D'IVOIRE	2.3	3.8	2.4	-4.7	9.8	9.0
GUINEE BISSAU	3.2	3.4	4.4	5.3	-1.5	3.5
MALI	5.0	4.5	5.8	2.7	-1.2	4.8
NIGER	9.6	-0.7	8.2	2.1	11.4	5.8
SENEGAL	3.7	2.1	4.1	2.6	3.5	4.0
TOGO	2.4	3.4	4.0	4.9	5.9	5.8
WAMZ	6.1	6.5	7.8	7.8	6.7	6.7
THE GAMBIA	6.1	4.6	5.5	-4.3	3.9	6.4
GHANA	8.4	4.0	8.0	15.0	7.9	7.4
GUINEA	4.9	-0.3	1.9	3.9	3.9	4.5
LIBERIA	7.1	4.6	6.1	8.2	8.3	8.1
NIGERIA	6.0	7.0	8.0	7.4	6.6	6.6
SIERRA LEONE	5.4	3.2	5.3	6.0	15.2	14.6
CAPE-VERDE	6.1	4.0	5.6	5.1	1.0	0.5

Sources: ECOWAS Central Banks, WAMA * = estimate; **=provisional

2.1.2 Inflation

At the community level, inflation fell slightly in line with the easing of pressures on world commodity markets, combined with the effect of tighter monetary conditions in many countries and an improvement in weather conditions in the Sahel. End of period inflation rate in the community stood at 7.9% at end-June 2013 against 10.1% during the same period the previous year. Compared to June 2013, inflation fell in all Member States of the community, with the exception of Cote d'Ivoire, Niger, Senegal, Togo, The Gambia and Ghana.

Inflationary trends vary depending on the zone. **At the UEMOA level**, inflation rate stood at 1.7% in June 2013 against 2.1% during the same period the previous year. The continuing decline in the prices of local grains and the reflection of the drop in crude oil prices in petroleum product prices by some countries account for this deceleration.

For the WAMZ, inflation fell in June 2013 to settle at 8.6% compared to 12.6% during the same period in 2012. This downturn in inflation in the zone is due to the decline observed in Nigeria (+8.4% against 12.9% at the end of June 2012), Guinea (+9.7% against 15% at the end of June 2012) and Sierra Leone (+10.8% against 12.5% at the end of June 2012). However, in the other countries, an upward trend in inflation was observed.

In Cape Verde, end of period inflation fell as a result of a slump in domestic demand.

Table: 2.2: Trend in end of period inflation in ECOWAS Member States

	2008	2009	2010	2011	June-12	2012*	June-13
Sub Saharan Africa	8.6	8.4	6.9	9.7	8.6	8.6	7.0
ECOWAS	13.4	11.2	9.8	8.5	10.1	10.5	7.0
UEMOA	7.5	2.4	3.9	2.5	2.1	6.7	1.7
<i>BENIN</i>	9.9	-2.9	4	1.8	6.7	6.8	0.7
<i>BURKINA FASO</i>	9.9	-0.3	-0.3	5.1	5.4	1.7	1.8
<i>COTE D'IVOIRE</i>	7.1	-0.1	5.1	1.9	1	3.4	2.9
<i>GUINEA BISSAU</i>	4.6	-4.8	5.6	3.4	1.9	1.7	-0.8
<i>MALI</i>	8.1	1.8	1.8	5.3	6.5	2.4	-1.3
<i>NIGER</i>	10.2	-1.3	2.7	1.4	-0.1	0.7	2.5
<i>SENEGAL</i>	5	-4.5	4.3	2.7	0.2	1.1	0.7
<i>TOGO</i>	9.3	1.5	3.8	1.5	2	2.9	2.1
WAMZ	15.2	14.0	11.7	10.4	12.6	11.7	8.6
<i>THE GAMBIA</i>	6.8	2.7	5.8	4.2	4.2	4.9	5.8
<i>GHANA</i>	18.1	16	8.6	8.6	9.4	8.8	11.2
<i>GUINEA</i>	13.5	7.9	20.8	19	15	12.8	9.7
<i>LIBERIA</i>	9.4	9.7	7.5	8.5	7.1	6.8	7.0
<i>NIGERIA</i>	15.1	14	11.8	10.3	12.9	12	8.4
<i>SIERRA LEONE</i>	12.3	12	17.8	16.6	12.5	11.4	10.8
Others (CAPE-VERDE)	6.8	1	3.4	4.5	1.6	4.1	0.0

Sources: ECOWAS Central Banks, WAMA *estimate; **=provisional

2.2. Fiscal Sector and public debt

2.2.1. Fiscal Sector

In the first half of 2013, the situation of Fiscal Sectors suggested a worsening of the budget deficit in all Member States compared to the same period the previous year. This deterioration in the budget balances is linked to the increase in capital expenditures resulting from investment programmes initiated in most Member States. During the first half of 2013, the budget deficit excluding grants (as % of GDP) of the community stood at 2.4% against 1.5% against the corresponding period of 2012. This counter performance stemmed mainly from deficits in most member countries. Countries which recorded the highest deficits are Niger (-7.0% against -1.2% during the first half of 2012), Ghana (-6.4% against -4.3% during the first half of 2012, Guinea (-6.4% against -2.4% during the first half of 2012) and Cape Verde (-7.4% against -12.4% in over the same period). On the other hand, some member countries such as Burkina Faso, Guinea Bissau, The Gambia and Sierra Leone saw improvements in their fiscal performance. The budget balances of Burkina Faso, Guinea Bissau, the The Gambia and Sierra Leone were 1.7%, -1.5% , -11.2% and -0.9% of GDP respectively in the first half of 2013 against -2.0%, -3.2%, -8% and -6.1% over the corresponding period of 2012. Nigeria which is the giant in zone recorded a moderate widening of the budget deficit by -1.8% of GDP in June 2013 against -1.3% during the same period last year.

In the two zones, the budget balance (excluding grants) was within the limit of 3%. Within UEMOA, the overall deficit excluding grants stood at 2.9% of GDP in June 2013 against 1%

during the same period the previous year. This deterioration is due to the counter performance recorded in most member countries except Burkina Faso and Guinea Bissau.

In the WAMZ zone, the overall deficit (excluding grants) was 2.3% of GDP in June 2013 against 1.6% of GDP in June 2012, indicating a deterioration of 0.7 percentage point of GDP. The deterioration stemmed from the counter performance observed in the other countries of the zone, except The Gambia and Sierra Leone.

In the case of Cape Verde, the deficit (excluding grants) shrank but still remained high with a rate of 7.4% of GDP against 12.4% of GDP in June 2012. The high level of deficit is linked to the government's commitment to take advantage of low interest rates on the international market to mobilize funds for the implementation of priority public investments.

Table 2.3: Budget balances (excluding grants) (as % of GDP)

	2008	2009	2010	2011	June-12	2012*	June-13
Sub Saharan Africa	2.3	-5.3	-3.8	-1.5	-0.7	-0.7	-0.5
ECOWAS	-2.5	-4.7	-5.5	-4.0	-1.5	-3.6	-2.4
UEMOA	-4.9	-6.5	-5.4	-6.4	-1	-5.5	-2.9
BENIN	-3.5	-7.4	-3.1	-4.3	-0.5	-2.4	-3.6
BURKINA FASO	-10.4	-10.7	-8.7	-7.6	-2.0	-8.4	-1.7
COTE D'IVOIRE	-2.2	-2.1	-2.8	-4.5	-0.5	-4.2	-2.8
GUINEA BISSAU	-12.2	-13.1	-11	-9.3	-3.2	-8	-1.5
MALI	-5.6	-8.8	-5.5	-7.5	2.3	-0.3	-0.1
NIGER	-5.4	-10.6	-7.1	-6.3	-1.2	-8	-7.0
SENEGAL	-6.9	-7.9	-7.8	-8.9	-1.2	-8.7	-3.2
TOGO	-2.3	-4.9	-3.6	-6	-0.9	-8.2	-4.5
WAMZ	-1.8	-4.1	-5.5	-3.2	-1.6	-3.0	-2.3
THE GAMBIA	-3.3	-7.2	-6.7	-9	-11.2	-13.5	-8
GHANA	-19.1	-12.5	-8.6	-2.9	-4.3	-7.4	-6.4
GUINEA	-1.5	-7	-14.7	-4.7	-2.4	-5.5	-6.4
LIBERIA	-2.7	-2	4.9	-0.2	0.1	1.8	-3.1
NIGERIA	-0.2	-3.3	-5	-3.1	-1.3	-2.5	-1.8
SIERRA LEONE	-7.1	-8.2	-12.5	-14	-6.1	-8	-0.9
Others (CAPE-VERDE)	-6.8	-11.1	-17.6	-12.5	-12.4	-15.1	-7.4

Sources: ECOWAS Central Banks, IMF, WAMA* = estimates

2.2.2 Public debt

Total outstanding debt of ECOWAS is expected to settle at 25.9% of GDP in 2013, down by 1.4 point compared to 2012. The same trend was observed at the level of the two zones. In the UEMOA zone, outstanding debt would decline by 1.6 points in 2013 against a drop of three points in 2012. This decline would be the result of debt relief obtained under the HIPC Initiative. Cote d'Ivoire which benefitted from this initiative recorded a drastic reduction in outstanding debt (-4.5% in 2012 against -23.6% in 2013). The same applies to Senegal which experienced a drop of 0.8 point in 2013 against 17.3 points in 2012.

In the WAMZ zone, total outstanding debt would decrease by 1.8 point compared to 2012. This trend is attributed to the outstanding domestic debt which shrunk by 3.7% due to the repayment of bonds.

In Cape Verde, total outstanding debt remained very high (hovering around 80% of GDP) as a result of the external component. In relation to GDP Cape Verde's external debt would account for 63.1% of GDP against 55% of GDP in 2012.

In 2013, the Community's outstanding debt would be on a downward trend thanks to efforts observed in all ECOWAS countries, with the exception of Sierra Leone, Niger, Nigeria, Cape Verde and Senegal. In Nigeria, the dominance of domestic debt (19.4% of GDP) in 2013 against 2.5% of GDP for external debt) shows the aversion the authorities have for external debt as well as debt cancellations enjoyed by the country.

Table: 2.4: Debt Components in ECOWAS Member States (2010-2013)

Headings	Total debt				External debt				Domestic debt			
	As % of GDP				As % of GDP				As % of GDP			
	2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013
ECOWAS	25.3	27.3	27.3	25.9	11.5	11.9	9.3	10	13.8	15.4	18	15.9
UEMOA	39.7	40.6	37.6	36.0	32.4	31.2	21.8	17.4	7.3	9.4	15.8	18.6
Benin	25.5	26.0	22.4	20.4	17.9	17.8	16.5	17.1	7.6	8.2	5.9	3.3
Burkina	29.1	29.3	29.1	29.2	22.1	21.9	21.0	20.0	6.5	7.5	8.5	7.7
Cote d'Ivoire	69.1%	73.4	49.7	44.5	51.4	55.1	31.5	27.0	17.7	18.2	18.2	17.5
Guinea Bissau	148.8	38.7	37.9	35.5	124.7	17	16	15.8	24.1	21.7	21.9	19.7
Mali	29.2	29.1	29.2	27.7	21.7	24.3	23.9	29.2	7.5	4.8	5.3	0.9
Niger	20.4	19.5	20.2	24.6	17.1	16.4	17.4	21.6	3.3	3.1	2.8	3
Senegal	35.5	40.1	42.8	46.4	27	29.6	12.3	11.5	8.5	10.5	30.5	34.9
Togo	46.7	47.1	45.8	41.9	16.6	16.6	20.8	18.4	30.1	30.5	25	23.5
WAMZ	21.2	23.3	25.2	23.4	5.8	6.3	5.8	7.7	15.4	17	19.4	15.7
The Gambia	66	71.6	79.4	74	33	35.8	39.7	40.6	33	35.8	39.7	33.4
Ghana	37.9	39	47.9	48.5	19.9	19.5	22.7	24	18	19.5	25.2	24.5
Guinea	167.5	155.1	162.9	42.4	71.2	63.3	19.3	37.4	96.3	91.8	143.6	5
Liberia	40.4	33.2	32.5	32.5	18.8	15.4	15.5	28.7	21.6	17.8	17	3.8
Nigeria	15.4	17.4	19.4	19.4	2	2.4	2.5	2.5	13.4	15	16.9	19.4
Sierra Leone	40.7	38.6	33.8	30.3	30.1	31.3	25.9	21.7	10.6	7.3	7.9	8.6
Cape Verde	80.4	86	97.2	74.9	51.3	50.4	55	63.1	29.1	35.6	42.2	11.8

Source: ECOWAS Central Banks, WAMA

2.3. Balance of payments and exchange rates

2.3.1. Balance of Payments

The overall position of the Balance of Payments of ECOWAS would still record a surplus in 2013 to the tune of +0.6% of GDP. At the end of June 2013, it was 0.2% of GDP against 1.2% of GDP at the same period the previous year. This surplus was observed in all the countries, except Mali, Niger, Ghana and Guinea which recorded deficits on their overall balances. With regard to the current account balance, it would show a deficit of -2.1% of GDP in 2013 against +4.1% in 2012. This counter performance would be on account of deficits recorded in all Member States, except Nigeria which is expected to post a surplus of 8.9% of GDP in 2013 against 10.3% of GDP in 2012. The highest deficits will be recorded in Liberia (-89.7% of GDP), Guinea (-16.5% of GDP), The Gambia (-15.9% of GDP) and au Niger (-

14.0% of GDP). The increasing import bill and the deterioration of the balance of services as well as the decline in budgetary support received by most member countries and migrant remittances explain the persistence of the deficit on the current transactions balance. The trend in import is linked to the increase in food and fuel prices coupled with the rising supply of capital and intermediary goods due to the implementation of infrastructure development programmes in most Member States and the rebound of investment in the mining and petroleum sectors in particular. In terms of services, the deterioration reflects the upward trend in freight as a result of increasing imports and rising demand for other specialized services in the mining and petroleum sectors.

On zonal basis, the external balance would deteriorate in UEMOA countries by -6.1% of GDP in 2013 against -5.9% of GDP. This counter performance would stem from all member countries, without exception. In contrast, in WAMZ countries, the current account balance would record a surplus (6.2% of GDP against +7.3% of GDP in 2012). This surplus would come from Nigeria which would post a surplus of 8.9% of GDP in 2013 against 10.3% in 2012. For the greater part of the countries, there would be a deterioration of the current account balance. As far as Cape Verde is concerned, the external transaction would be marked by a narrowing of its current account deficit which is expected to shrink from 12.1% of GDP in 2012 to 2.3% in 2013.

Table 2.5: Current account balance (as % of GDP)

	2008*	2009	2010	2011*	2012**	2013
Sub Saharan Africa	0.9	-3.1	-2.4	-1.8	-2.0	-2.6
ECOWAS	6.4	3.9	1.1	1.5	4.1	-2.1
UEMOA	-7.3	-3.6	-4.8	-3.0	-5.9	-6.1
BENIN	-8.1	-9.9	-8.1	-9.7	-9.3	-8.3
BURKINA FASO	-14.6	-4.6	-2.0	-1.3	-4.3	-3.1
COTE D'IVOIRE	1.9	7.0	2.0	10.3	-2.2	-2.9
GUINEA BISSAU	-3.4	-5.7	-8.4	-1.6	-7.3	-4.7
MALI	-12.2	-7.3	-12.7	-10.3	-2.8	-6.2
NIGER	-12.9	-24.5	-20.0	-22.5	-14.7	-14.0
SENEGAL	-14.1	-6.7	-4.5	-7.6	-8.0	-7.7
TOGO	-7.0	-5.6	-6.2	-9.2	-11.7	-11.8
WAMZ	10.7	6.3	3.0	3.0	7.3	6.2
THE GAMBIA	-17.3	7.3	-16.2	-14.8	-19.7	-15.9
GHANA	-11.9	-5.4	8.6	-9.0	-12.3	-11.3
GUINEA	-9.2	-8.9	-6.9	-22.9	-18.2	-16.5
LIBERIA	-57.4	-38.3	-31.8	13.6	-96.7	-89.7
NIGERIA	13.7	7.9	3.1	5.2	10.3	8.9
SLEONE	-12.6	-6.5	-11.7	-55.5	-20.1	-11.5
Others (CAPE-VERDE)	-16.0	-17.2	-14.7	-18.1	-12.1	-2.3

Source: WAMA/Central Banks

Table 2.6: Overall Balance of Payments (as % of GDP)

	2008*	2009	2010	2011*	June-12	2012**	June-13	2013
ECOWAS	0.3	-4.6	-2.5	0.6	1.2	3.9	0.2	0.6
UEMOA	0.2	1.2	0.4	0.0	-0.3	-0.7	0.1	0.1
BENIN	1.2	-1.6	2.6	-0.3	0.9	1.8	0.1	0.1
BURKINA FASO	-1.1	5.7	1.9	0.8	0.0	0.0	0.1	0.2
COTE D'IVOIRE	-0.1	1.2	2.1	3.8	-1.0	-2.1	0.3	0.5
GUINEA BISSAU	-3.4	-5.8	2.9	5.6	-3.6	-7.2	0.5	1.0
MALI	-0.9	6.0	-0.4	-0.6	0.0	0.1	-0.5	-1.0
NIGER	3.0	-3.5	3.4	-0.9	2.4	4.7	-0.5	-1.0
SENEGAL	-1.5	1.6	1.8	-0.8	-0.4	-0.7	0.1	0.1
TOGO	2.6	0.3	2.3	1.8	-0.5	-0.9	0.2	0.5
WAMZ	0.3	-6.4	-3.4	0.7	1.7	5.2	0.6	0.0
THE GAMBIA	-15.7	6.5	4.6	3.0	6.0	0.0	0.5	0.9
GHANA	-3.3	4.5	4.5	1.4	-4.9	-3.0	-1.5	0.4
GUINEA	-0.6	1.3	-1.5	13.3	1.5	-3.4	-1.2	-2.4
LIBERIA	-8.8	6.1	63.6	63.0	-11.1	-3.2	0.2	0.5
NIGERIA	0.8	-7.7	-4.4	0.1	2.3	6.2	0.4	0.9
SLEONE	-8.7	4.5	-1.0	0.8	0.5	0.9	0.2	0.4
Others (CAPE-VERDE)	2.3	-0.6	-1.8	1.4	0.4	0.8	1.4	2.8

Source: WAMA/Central Banks

2.3.2. Foreign Reserves and trends in exchange rates

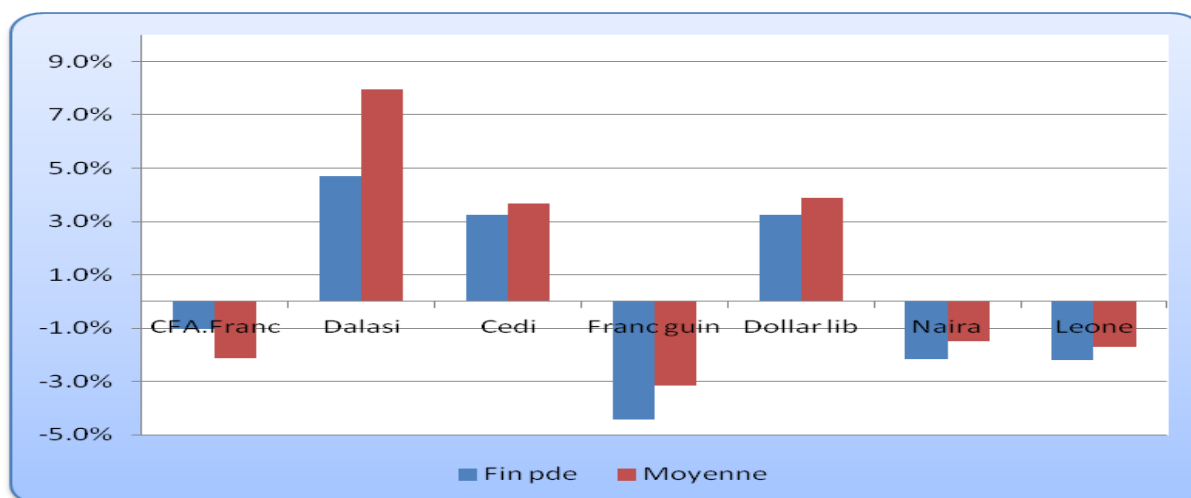
Reserves in terms of months of imports were unsatisfactory in almost all the member countries with the exception of Nigeria which had 10.8 months of imports as at June 2013.

The community recorded 8.3 months in June 2013 against 6.0 months at the same period the previous year. This performance is attributed to Nigeria which saw its reserve increase during the period.

At the zonal level, UEMOA recorded 5.1 months of imports in June 2013 against 6.0 months at the same period the previous year while WAMZ recorded 9.9 months in 2013 against 6.3 months in 2012. This increase in reserves is linked to those of Nigeria.

As regards exchange rate developments, in the first six months of 2013, the Dalasi, Cedi and Liberian Dollar depreciated against the WAUA while the CFA, Escudo and Guinean Franc firmed up slightly against the WAUA. This situation affected trends in bilateral exchange rates. In fact, the Guinean Franc was the only currency which appreciated against all ECOWAS currencies. Aside this currency, it was the Leone which appreciated the most. In contrast, the Dalasi depreciated in relation to all ECOWAS currencies. This currency was followed by the cedi which depreciated against all currencies in the region except the Dalasi. Variations in exchange rate of ECOWAS currencies reached nearly 12%. This poses a major challenge as far as the adoption of the ECOWAS Exchange Rate Mechanism (EERM) is concerned.

Graph 2.1: Half year trend of the value of the WAUA in relation to ECOWAS currencies (variation June 13/Dec.2012 in %).



2.4. Prospects

The economic and financial situation of the Community indicates a sustainable profile and the prospects are favourable. Growth rate is expected to settle at 6.3% in 2013 against 6.4% in 2012. This performance would be sustained by many countries with growth rate at least equal to 7%, namely, Burkina Faso, Cote d'Ivoire, Niger, Ghana, Nigeria Liberia and Sierra Leone. Continued investments in infrastructure the commissioning of new mining and oil production sites, positive trends in commodity prices and improvements in Fiscal Sector management are factors that can sustain this performance.

At the zonal level, economic prospects within UEMOA in 2013 are positive. In fact, real GDP growth rate would settle at 5.1% after reaching 5.4% in 2012. In addition to the positive trends in the results of the 2013/2014 farming season, this performance would be achieved thanks to various factors, including:

- The recovery expected in Mali (4.8% against -1.2% in 2012) due to the gradual return of a peaceful socio-political climate. Guinea Bissau would also follow the same path with a growth rate of 3.5% in 2013 against -1.5% in 2012;
- Maintaining growth rates above 7.0% in Burkina Faso (7.4%), Cote d'Ivoire (9.0%), Togo and Niger (5.8%) through investment in infrastructure and mines in accordance with economic and social development plans and growth acceleration strategies. The growth rate will also improve in Senegal (4.0% against 3.5% in 2012).

In the WAMZ zone, economic activity remained strong as the zone's growth rate is expected to remain high at 6.7% in 2013 as in 2012. With the exception of Guinea, all the other ECOWAS countries would record growth rates above 6%.

In terms of macroeconomic convergence, the situation would improve in most member countries at the end of 2013.

3.0. MONETARY AND FINANCIAL DEVELOPMENTS IN ECOWAS

3.1. Monetary Developments

3.1.1. Monetary action

In the first half of 2013, BCEAO, the Central Banks of The Gambia, Guinea, and Sierra Leone loosened their monetary policy by lowering their interest rates. The marginal lending rate and the minimum tender rate of BCEAO recorded a downturn of 0.25 percentage points on five (5) occasions between 2011 and September 2013. The rates fell from 4.0% and 3.0% at the end of 2012, to 3.75% and 2.75% respectively in June 2013. In March 2013, the Central Bank of the Republic of Guinea decided to reduce its policy rate by 6 percentage points and set it at 16.0%. The Central Banks of The Gambia and Sierra Leone decreased their policy rates from 12.5% and 20% in December 2012, to 10% and 15% respectively in June 2013. Nigeria and Cape Verde maintained their interest rates at a constant rate of 12.0% and 5.75% respectively. In the case of Ghana, its policy rate was reviewed upwards from 15% to 16% between December 2012 and June 2013, probably with the aim of curtailing inflation or stabilizing its exchange rate. The minimum reserve requirements remained at the same level in all the Member countries during the first half of 2013.

3.1.2. Trends in Other Interest Rates

The easing of monetary policy in majority of the countries did not reflect significantly in other interest rates such as Treasury bills where an upward trend was observed except in Nigeria, Cape Verde and Sierra Leone. In the area of lending rates, a response to developments in interest rates was more or less observed in all the countries except Nigeria where commercial lending rates were adjusted upwards from 17% to 24.6% between December 2012 and June 2013. For the UEMOA countries, the interest rates for the 90-day bills and lending rates moved up slightly to 4.2% in June 2013 against 4.17% in December 2012 respectively. The commercial banks' deposit and lending rates also increased in some countries and remained stagnant in others whilst the interest rates for minimum savings remained at their 2012 levels.

Table 3.1a–Trends in some nominal interest rates – ECOWAS

ZONES	INTEREST RATES	2009	2010		2011		2012		2013	
			June	Dec.	June	Dec.	June	Dec.	June	Dec.
UEMOA	Savings	5.1	4.7	5.14	4.6	5.29	4.1	5.04	5.10	-
	Lending rates	8.6	8.4	8.3	8.4	8.4	8.0	8.04	7.80	-
	Tender rates	3.75	3.75	3.25	3.25	3.25	3.0	3.75	2.5	-
	Pension rates	4.75	4.75	4.25	4.25	4.25	4.0	4.75	3.5	-
	Treasury bills	6.47	5.77	5.77	4.14	4.14	4.1	4.17	4.20	-
Cape Verde	Savings	3.05	3.05	3.05	3.05	3.05	3.05	3.7	3.07	-
	Lending rates	10.9	10.8	10.6	10.0	9.6	10.2	13.6	10.3	-
	Base rate	5.25	4.25	4.25	4.25	4.25	5.75	5.75	5.75	-
	Treasury bills	3.5	3.8	4.0	4.0	4.0	4.1	6.30	4.00	-
The Gambia	Savings	4.0	4.0	4.0	3.5	3.5	3.5	3.5	0.50	-
	Lending rates	18	18	18	16	16	16	15	15.0	-
	Base rate	14	14	15	14	14	14	12.5	10.0	-
	Treasury bills	13.7	13.0	13.1	11.2	11.9	11.9	9.5	11.65	-
Ghana	Savings	2.0	2.0	2.0	2.0	0.75	0.1	0.8	1.00	-
	Lending rates	32.9	30.5	27.6	30.5	27.0	24.7	25.3	36.3	-
	Base rate	18.0	15.0	13.5	13.0	12.5	15.0	15.0	16.0	-
	Treasury bills	23.7	12.9	11.9	12.9	10.3	20.6	21.1	21.81	-
Guinea	Savings	16	16	16	16	3.95	3.95	3.95	n/a	-
	Lending rates	-	-	-	-	24.25	24.25	24.25	n/a	-
	Base rate	10.17	10.17	13.4	13.4	22	22	22	22.0	-
	Treasury bills	19.0	19.0	5.6	5.6	12.3	12.3	15.5	15.7	-
Liberia	Savings	2	2.19	2.01	2.01	2.02	2.02	2.02	2.0	-
	Lending rates	14.1	14.17	14.17	13.64	13.85	13.42	13.52	13.4	-
	Base rate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
	Treasury bills	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	-
Nigeria	Savings	2.00	1.17	0.76	0.48	0.45	0.47	0.50	1.9	-
	Lending rates	23.1	23.0	22.5	22.0	22.4	23.3	17.0	24.6	-
	Base rate	7.5	6.0	6.3	7.4	12.0	12.0	12.0	12	-
	Treasury bills	4.5	2.0	3.7	8.2	9.7	15.3	14.3	10.6	-
Sierra Leone	Savings	3.5	3.5	3.5	3.5	4.0	4.0	4.0	3	-
	Lending rates	25.5	25.5	24.5	24.5	27.8	27.8	21.0	21	-
	Base rate	21.0	21.0	23.0	23.0	23.0	20.0	20.0	15	-
	Treasury bills	14.0	14.0	24.5	24.5	23.4	23.3	19.0	5.37	-

Sources: Central Banks, * = estimated; **=provisional

Factoring in inflation, the interest rates of many countries remained positive in the first half of 2013 with the exception of the interest rate of Treasury bills in Sierra Leone. This implies that countries with high levels of inflation also have high nominal interest rates. This scenario applies to majority of the WAMZ countries. In contrast, with regard to the minimum savings interest rates, the inflation rate is higher than the interest rate for all the countries with the exception of Cape Verde and the UEMOA countries.

Table 3.1b—Trends in some real interest rates – ECOWAS

		2009	2010		2011		2012		2013	
			June	Dec.	June	Dec.	June	Dec.	June	Dec.
Treasury bills	CFA	5.3	-0.7	4.5	-4.5	0.4	1.2	1.4	2.2	-
	Escudo	-2.3	3.6	0.9	0.3	1.8	3.1	1.5	1.2	-
	Dalasi	9.9	9.6	8.0	5.5	3.3	3.9	6.4	7.0	-
	Cedi	3.0	-2.2	-2.8	3.8	1.6	1.6	12.0	12.0	-
	GNF	14.3	-8.7	-9.9	-19.8	-9.1	-0.9	0.3	2.4	-
	Dollars Lib	2.4	-8.7	2.5	-6.0	1.3	0.8			-
	Naira	-6.7	-11.1	-8.7	-3.8	2.0	3.0	1.7	2.2	-
	Leone	1.5	-12.0	14.6	-16.8	7.4	8.3	6.1	-6.1	-
Base rates	CFA	-1.2	3.6	3.0	-0.2	0.5	1.1	1.2	1.5	-
	CFA	2.1	-0.7	2.0	-4.5	-0.5	0.1	0.2	0.5	-
	Escudo	-0.6	4.1	1.1	0.6	1.3	2.6	3.2	3.0	-
	Dalasi	9.4	10.6	10.5	8.3	9.2	9.9	8.7	5.4	-
	Cedi	-2.7	-1.7	-3.1	4.3	3.8	6.2	5.8	6.2	-
	GNF	5.5	-8.7	-2.0	0.4	0.6	8.8	6.8	8.7	-
	Dollars Lib	-4.4	-8.7	-4.3	-6.0	-5.5	-6.0	-	-	-
	Naira	-3.7	-7.1	-6.3	-4.6	-0.3	0.7	0.0	3.6	-
Leone	8.5	-12.0	13.1	-16.8	7.0	4.9	7.1	3.5	-	
Lending rates	CFA	2.8	8.2	5.2	4.7	3.9	4.8	5.5	5.0	-
	Escudo	5.1	10.7	7.4	6.3	9.1	10.4	7.7	7.5	-
	Dalasi	13.4	14.6	13.0	10.3	11.2	11.9	11.8	10.4	-
	Cedi	12.2	15.4	12.9	21.4	18.2	18.2	16.1	26.5	-
	GNF		-8.7		-19.8	2.9	11.1	!	-13.3	-
	Dollars Lib	6.7	5.5	6.9	7.6	6.1	5.6	5.0	5.8	-
	Naira	11.9	9.9	10.1	10.0	9.7	10.7	11.8	16.2	-
	Leone	13.0	-12.0	14.6	-16.8	0.5	1.4	8.1	9.5	-
Savings	CFA	2.7	3.0	3.0	-0.8	0.5	1.2	2.3	3.2	-
	Escudo	-2.8	-0.2	-0.1	-0.7	-1.4	-0.2	1.2	0.9	-
	Dalasi	-0.6	0.6	-1.0	-2.2	-1.3	-0.6	-1.1	-4.1	-
	Cedi	-18.7	-13.1	-12.7	-7.1	-6.7	-6.8	-8.7	-8.8	-
	GNF	11.3	-8.7	0.5	-19.8	-17.5	-9.3	-13.7	-11.8	-
	Dollars Lib	-5.4	-6.5	-5.3	-4.0	-6.5	-7.0	-6.5	-5.6	-
	Naira	-9.2	-11.9	-10.2	-11.5	-11.8	-10.8	-10.3	-6.5	-
	Leone	-9.0	-12.0	-6.4	-16.8	-12.0	-11.1	-8.9	-8.5	-

3.1.3. Trends in monetary aggregates

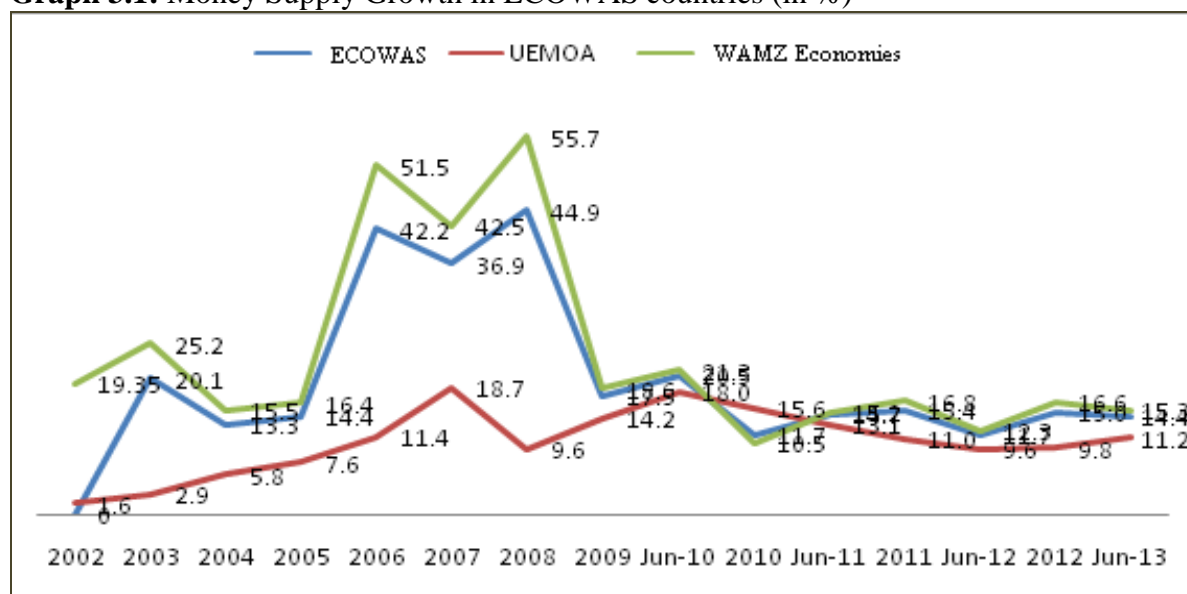
The money supply in the Community grew at the rate of 14.4% at the end of June 2013 as against 11.7% during the same period in 2012. In Sub-Saharan Africa, monetary expansion was 13.8% at the beginning of January 2013, slightly lower than that of the Community. This increase is higher than the economic growth of the Community which is estimated at 6.5% in 2013, and reflects a more liquid economy. This increase in overall liquidity, which is driven by the credits to the economy reflected in its components, particularly deposits and currency in circulation. Indeed, the situation differs from one zone to the other (**See Table below**).

Table 3.2 a– Money supply growth in ECOWAS countries (in %)

	2009*	2010		2011		2012		2013	
		June	Dec	June	Dec	June	Dec	June	Dec
Sub-Saharan Africa	13.1	-	16.4	-	15.7	-	13.8	-	-
ECOWAS	17.5	20.5	11.7	14.7	15.4	11.7	15.0	14.4	-
UEMOA	14.2	18.0	15.6	13.1	11.0	9.6	9.8	11.2	-
BENIN	7.4	4.9	7.2	9.2	8.1	8.3	6.2	9.6	-
BURKINA FASO	21.6	26.5	19.2	10.6	13.8	12.5	16.0	20.9	-
COTE D'IVOIRE	17.2	24.1	18.2	16.6	10.7	9.9	6.9	8.8	-
GUINEA BISSAU	6.8	26.9	29.7	50.5	40.5	7.9	-6.3	-4.3	-
MALI	14.4	18.2	10.4	9.2	15.3	11.1	15.2	19.3	-
NIGER	18.5	10.3	21.8	17.8	6.1	19.6	31.3	18.3	-
SENEGAL	11.4	10.8	13.7	10.0	7.0	7.1	6.5	3.1	-
TOGO	16.1	27.6	16.3	12.9	15.9	7.1	8.9	15.7	-
WAMZ economies	18.6	21.3	10.5	15.2	16.8	12.3	16.6	15.5	-
THE GAMBIA	19.4	21.0	13.7	13.4	11.0	5.8	7.8	14.8	-
GHANA	24.7	25.8	33.8	40.2	33.2	34.2	23.4	14.2	-
GUINEA	25.8	82.8	74.4	40.8	8.5	-1.7	1.1	6.5	-
LIBERIA	46.4	31.9	35.7	35.8	39.2	18.9	3.1	14.3	-
NIGERIA	17.6	19.5	6.9	12.2	15.4	10.8	16.4	15.7	-
SIERRA LEONE	42.1	30.1	28.5	35.0	22.6	10.5	22.5	23.0	-
CAPE VERDE	3.3	4.3	4.7	3.3	2.0	3.2	4.8	11.4	-

Sources :Central Banks, * = estimated ; **=provisional

Graph 3.1: Money Supply Growth in ECOWAS countries (in %)



In the UEMOA countries, money supply increased by 11.2% at the end of June 2013 as against 9.6% for the same period in 2012. The increase in money supply is attributable to net credits to governments and the private sectors, accounting for 5.4% and 7.1% respectively. Net foreign assets reduced money supply by 1.6%. Compared to the period at the end of December 2012, the increase is 3.0%, accounting for 3.7% of net credits to governments and 2.2% to the private sectors, with net foreign assets contributing negatively to the increase in money supply of 3.2%. An assessment on individual basis shows that certain countries

experienced a more significant expansion in money supply, as Burkina topped the list with 20.9% followed by Mali with 19.3%, Niger with 18.3% and Togo 15.7%. The increase is due mainly to net credit to the private sector in most of the countries of the Union. By contrast, like in the preceding half year, countries like Guinea Bissau and Senegal recorded very low levels of monetary expansion or negative levels, thus leading to the problem of financing within these economies. Generally, growth in money supply in the UEMOA zone can be attributed to domestic credits which have a diminishing effect on foreign assets except for Benin, Mali, Niger and Togo where foreign assets have had a positive effect on growth of money supply.

Table 3.2b – Analysis of money supply growth in UEMOA countries as at the end of 2012 (in %)

		Change in aggregates p/r at the end of June 2013		Contribution to money supply growth				Change in aggregates p/r at the end of June 2013		Contribution to money supply growth	
		June 12	Dec. 12	June 12	Dec. 12			June 12	Dec. 12	June 12	Dec. 12
Benin	Money supply (M2)	9.6	7.4	9.6	7.4	Mali	Money supply (M2)	19.3	4.7	19.3	4.7
	Net credits to Govt	17.2	13.8	-1.9	-1.5		Net credits to Govt	12.2	92.4	-0.7	-2.9
	Credit to private sector	12.3	1.6	7.2	1.0		Credit to private sector	10.1	2.9	6.9	1.9
	Net foreign assets	8.3	13.1	4.8	7.1		Net foreign assets	32.2	15.6	13.0	6.3
	Other net headings (-)	10.5	-15.2	0.5	-0.9		Other net headings (-)	-6.0	41.8	-0.1	0.6
Burkina Faso	Money supply(M2)	20.9	9.4	20.9	9.4	Niger	Money supply (M2)	18.3	4.3	18.3	4.3
	Net credits to Govt	-603.6	-307.4	7.4	8.3		Net credits to Govt	-115.5	-103.3	1.6	5.8
	Credit to private sector	31.6	9.7	19.8	6.6		Credit to private sector	18.0	4.5	11.2	2.8
	Net foreign assets	-21.6	-13.1	-10.3	-5.1		Net foreign assets	8.5	-12.6	4.2	-6.7
Côte d'Ivoire	Money supply(M2)	8.8	0.2	8.8	0.2	Senegal	Money supply (M2)	3.1	-2.0	3.1	-2.0
	Net credits to gvt	29.5	8.0	6.2	1.8		Net credits to Govt	-7.9	33.4	-0.4	1.1
	Credit to private sector	8.7	0.7	4.1	0.3		Credit to private sector	5.8	4.0	4.4	3.0
	Net foreign assets	-0.5	-2.1	-0.2	-0.7		Net foreign assets	-0.8	-12.8	-0.2	-3.9
	Other net headings (-)	62.1	75.5	1.3	1.3		Other net headings (-)	7.5	27.8	0.7	2.2
Guinea Bissau	Money supply (M2)	-4.3	17.5	-4.3	17.5	Togo	Money supply (M2)	15.7	5.1	15.7	5.1
	Net credits to	-4.0	0.9	-0.5	0.1		Net credits to Govt	20.9	-2.1	2.7	-0.3
	Credit to private sector	-9.0	3.6	-3.3	1.4		Credit to private sector	17.4	6.7	11.6	4.4
	Net foreign assets	-18.8	12.6	-11.1	6.6		Net foreign assets	11.1	-6.2	3.1	-1.9
	Other net headings (-)	-163.6	-213.9	-10.6	-9.5		Other net headings (-)	23.2	-25.9	1.7	-2.8
UEMOA											
	Money supply (M2)	11.2	3.0	11.2	3.0		Credit to private sector	12.2	3.7	7.1	2.2
	Net credits to Govt	28.2	19.6	5.4	3.7		Net foreign assets	-4.2	-8.5	-1.6	-3.2
							Other net headings (-)	-1.6	-1.9	-0.3	-0.3

Sources: Central Banks, WAMA

In the West African Monetary Zone (WAMZ), money supply grew at 15.5% at the end of June 2013. Credits to the private sectors and foreign assets contributed to the growth of money supply by 8.3% and 9.3% respectively. Credits to governments had a negative effect on growth of money supply within WAMZ. Sierra Leone recorded the highest money supply growth rate with 23% particularly due to the growth of net foreign assets, which accounted for 15% of the growth. For the other countries, the expansion in money supply was around 15% and this was accounted for by the private sector for Nigeria and Liberia, domestic credit for Ghana and Guinea, and by all the money supply counterparts for The Gambia. Guinea recorded the lowest growth rate of money supply of 6.6% and this seems to be logical in order to adjust for the preceding trends observed during the crisis.

Compared to December 2012, the trends in money supply are low. The highest rates were recorded by Ghana and The Gambia and they are below 8%. In the other countries, the rates vary from 0.7% (Nigeria) to 3.9% (Guinea). Compared to June 2013, credits to the private sectors were the main sources of expansion of money supply in most of the WAMZ countries.

With regard to Cape Verde, at the end of June 2013, money supply recorded an increase of 11.4% as against 3.2% during the same period in 2012. This increase was mainly attributable to net credit to government, which accounted for 4.4%, net credit to private sector accounting for 4.8% and net foreign assets 9.3% of GDP. Compared to December 2012, the money supply in Cape Verde increased by 7.2% due to net credit to government and the private sector contributing 4.5% and 4.4% respectively.

Table 3.2c – Analysis of the growth of money supply in WAMZ and Cape Verde at the end of 2012 (%)

	Change of aggregates p/r at the end of June 2013		Contribution to money supply growth			Change of aggregates p/r at the end of June 2013		Contribution to money supply growth			
	June 12	Dec. 12	June 12	Dec. 12		June 12	Dec. 12	June 12	Dec. 12		
Nigeria	Money supply	15.7	0.7	15.7	0.7	The Gambia	Money supply (M2)	14.8	7.9	14.8	7.9
	Net credits to gvt	111.5	-2.3	-9.4	0.4		Net credits to gvt	25.9	10.9	11.9	5.4
	Credit to priv.	6.7	3.6	7.3	3.5		Credit to priv. sector	13.7	9.5	4.2	2.9
	Net foreign assets	19.9	-0.3	11.1	-0.2		Net foreign assets	14.1	3.4	4.2	1.1
	Other Items Net (-)	-11.7	7.4	6.6	-3.0		Other Items Net (-)	82.6	12.0	-5.5	-1.2
S. Leone	Money supply	23.0	1.8	23.0	1.8	Ghana	Money supply (M2)	14.2	3.0	14.2	3.0
	Net credits to gvt	10.2	-2.9	4.3	-1.1		Net credits to gvt	29.9	12.2	13.1	5.6
	Credit to priv.	-99.5	-99.5	-33.5	-29.5		Credit to priv. sector	35.5	15.4	18.2	8.4
	Net foreign assets	22.2	-0.1	15.0	-0.1		Net foreign assets	-10.6	-23.4	-3.8	-8.7
	Other Items Net (-)	-84.9	-85.6	-37.2	-32.5		Other Items Net (-)	43.9	6.1	13.3	2.3
Liberia	Money supply	14.3	7.5	14.3	7.5	Guinea	Money supply (M2)	6.4	3.9	6.4	3.9
	Net credits to gvt	10.1	1.7	3.8	0.6		Net credits to gvt	51.3	2.6	16.2	1.2
	Credit to priv.	17.5	14.2	8.3	6.5		Credit to private sector	38.3	5.6	8.0	1.5
	Net foreign assets	-5.7	-5.3	-3.5	-3.0		Net foreign assets	-13.3	2.0	-6.3	0.8
	Other Items Net (-)	-12.7	-8.6	5.8	3.5		Other Items Net (-)	12780.4	-3.8	-11.5	0.4
ZMAO											
	Money supply	15.5	1.0	15.5	1.0		Credit to private sector	9.0	4.3	8.3	3.8
	Net credit to gvt	102.2	-0.6	-6.6	0.9		Net foreign assets	16.8	-2.8	9.3	-1.1
							Other Items Net (-)	-6.0	6.6	7.0	-2.6
Cap -Vert											
	Money supply	11.4	7.2	11.4	7.2		Credit to priv. sector	6.3	5.9	4.8	4.4
	Net credit to gvt	30.3	32.8	4.4	4.5		Net foreign assets	9.3	-3.1	2.2	-0.8
							Other Items Net(-)	-3.9	2.3	0.8	-0.4

Sources: Central Banks, WAMA

3.2. Financial Markets and Institutions

The analysis focuses essentially on banks, decentralised financial systems, insurance and stock exchanges. Within the UEMOA zone, apart from an already integrated and harmonised financial market and payment system, progress continued to be made consistently particularly in the area of decentralised financing systems and insurance. Unlike the UEMOA countries, in the WAMZ, each country has its own financial system, thus justifying the low level of financial integration in the zone. The Nigerian financial system was one of the most diversified in West Africa in 2012. In the other countries, the financial system generally covers four (4) key sectors: banking, insurance, financial markets and pension funds.

3.2.1. UEMOA

3.2.1.1 Banking System

By the end of June 2013, the UEMOA banking environment had about one hundred and twenty approved credit institutions, with one hundred and seven (107) of them being banks and thirteen (13) bank-like financial institutions. In June 2012, the number stood at one hundred and eighteen institutions. The number of branches stood at one thousand six hundred and ninety-three (1693) and that of ATMs at one thousand one hundred and seventy-eight (1178). The activities of these credit institutions, evaluated on the basis of total assets, increased in 2012 by 1999.8 billion, or by 17.4% to 13470.8 billion after a 12.4% increase in the preceding year. It must be recalled that all the banking institutions of UEMOA countries carry out their activities in a harmonised regulatory environment. To this end, the legal and regulatory texts are implemented by regional supervisory agencies. The supervision framework is organised around two community bodies, the BCEAO and the UMOA Banking Commission.

3.2.1.2 Insurance sector

The insurance sector of the Union still remains in a full growth state after the implementation of restructuring measures. Nevertheless, its share in the economies of the Member States is relatively low, due primarily to the low level of income, the less developed culture of insurance among the population and the inadequate coverage of key segments such as the informal and agricultural sectors. The penetration rate of insurance varied between 0.6% and 1.6% in the countries of the Community for an overall average of 4.8% in Africa. This reality points to the growth potential of the insurance sector in the Community. The key indicators of financial strength show that the insurance sector is solvent and has considerable assets to be able to deal with contractual obligations.

Within the UEMOA context, the analysis of risk factors and financial indicators of insurance businesses does not reveal any major risk for the financial system. The supervision of insurance operations in the Union since February 1995 has been carried out by a Supranational Authority that is the Inter-African Conference on Insurance Markets (CIMA), which brings together UEMOA Member States and those in the Economic and Monetary Community of

Central Africa (CEMAC). Within this framework, a legislation dubbed « Code CIMA » regulates the organisation, functioning and supervision of the insurance sector within this region. The Regional Insurance Control Commission is a body tasked with market supervision through on-site and off-site audits of insurance companies. The supranational status confers on this body an additional independent advantage necessary for effective action by the bodies. Thus, the implementation of control procedures and sanctions contributed significantly to the restructuring of the insurance sector within the CIMA landscape.

3.2.1.3 Decentralised financing systems (DFS)

Microfinance business is growing rapidly particularly in the UEMOA zone. By the end of June 2013, the main structures (106 companies which represent almost 90% of the sector's activity) presented outstanding deposits of 580.7 billion, an increase of 7.5% compared to 2012. The estimates carried out indicate that total deposits of the entire sector account for 7.3% of deposits collected by credit union institutions. In terms of credits granted by the sampled companies, they amounted to 552.1 billion by June 2013, representing a year-on-year rate increase of 16.6%. Based on this, the outstanding credits of all the DFS of the union was 8.6% of credits granted by the credit institutions in UEMOA. In the area of reforms of the micro-finance system, a legal framework law was adopted in 2007 at the regional level to improve regulation of the sector. The specific character of this new law is that it regulates all forms of DFS, apart from savings and loans cooperatives as it establishes a single window and eliminates all forms of agreements. With this new law, the BCEAO and the Banking Commission are an integral part of applications for approval and supervision of DFS of a certain dimension. The BCEAO signed 14 instructions for the implementation of this new law, one of which concerns accounting and reporting principles/standards.

3.2.1.4 Stock Exchanges (BRVM)

In the UEMOA environment, the market confirms the downward trend recorded in 2012 when the BVRM10 index dropped by 4.1% to 171.6 points as against 179.0 points during the same period in 2011. Since the beginning of the 3rd quarter, the market has witnessed an overall downturn by the end of August. In fact, the BVRM composite indices and BVRM 10 recorded downturns of 3.15%, to 201.96 points and 3.86%, to 222.94 points, respectively.

The poor performance observed in sectors such as « Agriculture » (-13.06%) and « Public Services » (-3.36%) mainly brought about the downturn in the market. The only positive notes were recorded in the BVRM-Transport index (+0.33%) and the BVRM –Other Sectors index which remained stable at 172.84 points. The stock market capitalisation of all the securities quoted in foreign currency of 3.16%, at CFA francs 4901 billion, the securities consisting of the BVRM 10 index fell by 3.86% at CFA francs 3 799 billion.

By the end of August, the equities market had a total of 2 838 330 traded securities (as against 4 365 828 securities in July 2013) for a total value of CFA francs 6.31 billion (against CFA francs 7.13billion), representing a depreciation of 11.64% of the value of monthly trading on the market.

The «Public Services » sector recorded 163 218 traded securities with a total value of CFA francs 3.58 billion, or 56.78% of the value of monthly market transactions. Only ONATEL BF succeeded in getting a place in the green zone by recording +9.24% at CFA francs 58 990. It must be recalled that the leading firm in telephony in Burkina recorded a satisfactory half year with a net performance of CFA francs 10.7 billion as against 6.9 billion CFA francs over the same period in the preceding year, or a strong progression of 55%. This trend is expected to be maintained for the rest of the year except for unforeseen circumstances. The equities of SODECI, CIE CI and SONATEL SN declined by 6.12%, at CFA francs 46 000, 0.01%, at CFA francs 48 000 and by 4.76%, at CFA francs 18 000 respectively.

The « Finance » sector accounts for 2 637 014 equity securities traded with a total value of CFA francs 1.39 billion, or 22.06% of the value of monthly trading on the market. The performance of the sector was affected by the capital losses incurred by SGB CI (-13.04%, at CFA francs 60 000), BOA CI (-5.36%, at CFA francs 51 105) and BICI CI (-4.76%, at CFA francs 40 000). At the end of the first half of 2013, the latter achieved a net income of CFA francs 3.34 billion, or a decline of 29.1% compared to the same period in the preceding year. However, SAFCA CI and BOA BF progresses from 7.49%, at CFA francs 34 665 and 0.01%, at CFA francs 71 505, respectively.

The « Agricultural » sector recorded 21 243 negotiated securities with a total value of CFA francs 527 million, accounting for 8.37% of the value of monthly trading on the market. The sector witnessed an overall decline in its components through the effect of the price of raw materials which is struggling to take off. In fact, SOGB CI disposes of 22.40%, at CFA francs 38 800; similarly SAPH CI lost ground by 12.68%, at CFA francs 24 450. The price of rubber was affected by the decline in automobile production and the downturn of growth in China leading to drop in demand. In the same vein, PALM CI and SICOR CI recorded capital losses of 5.88%, at CFA francs 16 000 and 7.50%, at CFA francs 3 330.

The « Industrial » sector presented 11 679 traded equity securities for a total value of CFA francs 486 million, representing 7.71% of the value of monthly trading on the market. Generally, the trend is good with the recovery of activities in Côte d'Ivoire. The sector recorded two strong monthly increases in the market through NEI-CEDA CI and UNIWAX CI which provide capital gains of 23.89%, at CFA francs 3 345 and 19.83%, at CFA francs 29 000. Since its repurchase by Act is for a sum of 118 million Euros, VLISCO has tried to draw a clear distinction between its different trademarks. Thus, with the lifting of restrictions on the importation of textiles from Nigeria, one of the largest Sub-Saharan African markets could provide brighter prospects. Similarly, SIVOA CI (+4.17%, at CFA francs 12 500), SITAB CI (+2.14%, at CFA francs 71 500) and SOLIBRA CI (+1,74%, at CFA francs 292 000) also contributed to mitigating the decline of the sector.

The « Transport » sector recorded 1 932 traded equity securities for a total value of CFA francs 190 million, representing 3.03% of the monthly trading on the stock market. Leading sector, BAL CI ends the monthly trading at CFA francs 100 520 and makes a slight monthly capital gain of 0.51%. It must be recalled that to strengthen the development of infrastructure at the ports, Bolloré Africa Logistics (BAL CI) initiated the acquisition of two (2) gantry

cranes for an investment of 12 million Euros which will help to unload large-capacity container ships. In the case of SIVOM CI, a decline of 2.41%, at CFA francs 8 500 was noted.

It must be underscored that the BVRM has not yet met the expectations of the monetary and financial authorities of UEMOA in respect of its geographical coverage. Several initiatives are currently underway for the regionalisation of stock exchange supervision, but for now, the supervisory role is carried out by the Regional Public Savings and Financial Markets Council (CREPMF). Attempts are ongoing to initiate the integration of stock markets within the ECOWAS region, namely the BRVM, Ghana and Nigeria Stock Exchanges. These efforts are primarily intended to ensure the development of cross listings on the different stock exchanges of the region. Already, such transactions have been carried out but they involve just a tiny fraction of equities.

3.2.2. WAMZ

Nigeria

The banking system of Nigeria remained sound in the first half of 2013. All banks met the capital adequacy minimum requirements of 10 percent with 18.5. The liquidity ratio was also met though few banks were above the average ratio of 4.3 percent. Profitability increased with only three banks recording loss against seven in the first half of 2012.

In the stock exchange market, The Nigerian Stock Exchange (NSE) continued its reforms, in collaboration with Clearing and Settlement Systems Ltd (CSCS), which was supported by the Securities and Exchange Commission (SEC). These reforms have the objective of developing a more transparent, liquid and accessible market that would support the delivery of a wider range of investment products. A new website with a real-time live feed to a ticker was launched, alongside X-net, a private network (VPN) that enhances connectivity (20x faster) to the exchange trading systems was launched; procurement of the *NASDAQ OMX X-stream* trading platform was done; approval of market making programs to conduct market making activities in equities with ten market makers was concluded. The NSE also signed an MOU with Lotus Capital (Ltd.) to calculate and market the NSE-Lotus Islamic Index. The CSCS also reviewed charges for its products and services, with new charges introduced for account opening, certificate withdrawal and certificate deposit/e-lodgement report, etc.

During the review, the SEC acted to enforce the market rules by suspending twenty-one operators from all capital market activities following their persistent failure to file returns, another fourteen (14) operators for a variety of regulatory infractions, and referred 11 capital market operators to the authorities for alleged past criminal transactions. Furthermore, the Exchange sanctioned 46 companies for not adhering to the timely disclosure of financial information rule, and dealing members who did not submit their financials in the first quarter were penalized accordingly.

On the side of the insurance sector, The National Insurance Commission (NAICOM) inspected 39 insurance brokers and one was suspended following the inspection. In respect of the risk based supervision of NAICOM, some insurance companies sent to NAICOM information related to the new guidelines on risk management framework. The Commission also organised IFRS (International Financial Reporting Standard) training for the chief financial officers of Insurance Companies and an insurance accounting practice committee was set up. A Self assessment of the Insurance Core Principles (ICP) was also done in respect of compliance. The National Pension Commission (PENCOM) amended its guidelines requiring pension fund managers to invest a minimum of 10 per cent of pension fund in listed equities compared to 25 percent in the previous one.

Ghana

The banking sector remained robust. The number of banks, excluding Apex Bank, reduced to 26 during the review period from 27 in the corresponding period of 2012. This was on account of the takeover of the Trust Bank by Ecobank International. There were 15 foreign banks and 11 domestic banks with total assets of GHC 19.0 billion (60.0 percent of total banking assets) and GHC 12.7 billion (40.0% share), respectively. This brought the total banking assets to GHC 31.7 billion during the review period compared to GHC 27.8 billion in the corresponding period of 2012.

The financial indicators showed that the banking institutions were financially sound. The capital adequacy ratio (CAR) increased from 15.5 percent at end-June 2012 to 18.0 percent, well above the minimum requirement of 10.0 percent. The ratio of liquid assets to total assets (core) stood at 37.0 percent, compared to 42.3 percent at end-June 2012. In terms of profitability, return on equity (ROE) and return on assets (ROA) rose from 40.4 and 6.7 percent at end-June 2012 to 42.1 and 8.4 percent, respectively at end-June 2013. The non-performing loans (NPL) ratio stood at 12.8 percent, compared to 13.2 percent at end-June 2012, while NPL less loss ratio declined to 4.7 percent from 5.9 percent.

Regarding the Non-Bank Financial Institutions sub-sector, the Bank of Ghana was considering introduction new policy measures to enhance supervision. The measures include the establishment of a Non-Bank Financial Institutions Department, a review of relevant legal framework and introduction of regulations aimed at stemming the recent proliferation of microfinance institutions. It also involved the enhancement of the operational capacity and managerial efficiency of these institutions, most of which exhibit weaknesses in these areas.

Activity on the Ghana Stock Exchange (GSE) intensified considerably during the period under review as the total number of transactions increased to 17,454.0 from the level of 11,851.0 transactions in the corresponding period of 2012. In terms of value, the total value traded amounted to GHC 206.1 million against GHC 39.0 million in the preceding period. The GSE composite index also rose by 56.2 percent over the 12-month period to 1,880.3 in June 2012. However, the market capitalization remained virtually unchanged at GHC 55,924.8 million. Similarly, the number of listed companies stood at 34 as at June 2013, with

listings comprising 34 ordinary, 1 depository and 1 preference shares as well as 1 exchange traded funds. Moreover, the GSE traded a few Government of Ghana bonds (2-year, 3-year and 5-year) on the market. In spite of the encouraging performance, the GSC lacks dearth in terms of liquidity and vibrancy due to the low number of equities and bonds listed on the market. Further to the limited range of financial instruments, the prevalence of high interest rates is injurious to growth of the Stock Exchange as the evidence shows that some investors on the market recently sold their equities and re-invested in risk-free financial assets(treasury bills and bonds), which have relatively higher attractive yields.

3.2.3. Cape Verde

3.2.3.1. Banking System

In Cape Verde, the banking system covers five (5) on shore commercial banks, 10 offshore commercial banks and 8 credit institutions. These are commercial banks and credit institutions established in city and town centres and in the agricultural communities.

Through the development of these new tools and the quality of the institutions, the implementation of international accounting standards has been carried out since 2009. However, some bottlenecks were identified, particularly in the classification of transactions and the preparation/production of financial data and information.

The banks' policy in the provision and distribution of products and financial services is developing with the increase in high-performing electronic systems. This situation was evidenced by the significant increase in the volume of transactions in the use of Automatic Teller Machines and payment terminals.

3.2.3.1. Cape Verde's Stock Exchange

After six (6) months of operational restructuring, the stock exchange started its operations in December 2005 with the sale of six equity securities held by the BCA and Caixa Economica banks, Cabo Verde Telecom and the Société Cap-verdienne de Tabacs (SCT), that is Cape Verde Tobacco Company. In fact, at the end of October, it was granted the Stock Market identification code), which empowers it to carry out transactions at the international level and facilitates its communication with stock market operators.

Thereafter, several transactions were carried out, proving that the stock market is one of the more dynamic and attractive markets compared to others in the sub-region. Since its establishment, the market capitalization has inched past 35 000 000 000 ECV.

On the whole, the Cape Verde Stock Exchange is very dynamic against the background of its recorded performance. However, it should open up to the sub-region in order to play a leading role as a bridge between Portuguese-speaking investors on the one hand, and Anglophones and Francophones on the other.

4.0. STATUS OF MACROECONOMIC CONVERGENCE AND POLICY HARMONIZATION

This section analyses the performance of ECOWAS member countries with respect to the macroeconomic convergence criteria during the first half of 2013 and prospects for the end of the year. Apart from the drastic deterioration observed with respect to compliance with the criterion on gross external reserves, the convergence profile indicates that, generally, performance was maintained in comparison to the corresponding period of the preceding year.

4.1. Overview of Macroeconomic Convergence

As shown in table 4.1, the performance level of member countries did not really improve during the first half of 2013, compared to the same period of the preceding year. The only significant decline in performance related to the criterion on gross external reserves.

Table 4.1: Number of Countries that Met the Convergence Criteria in ECOWAS

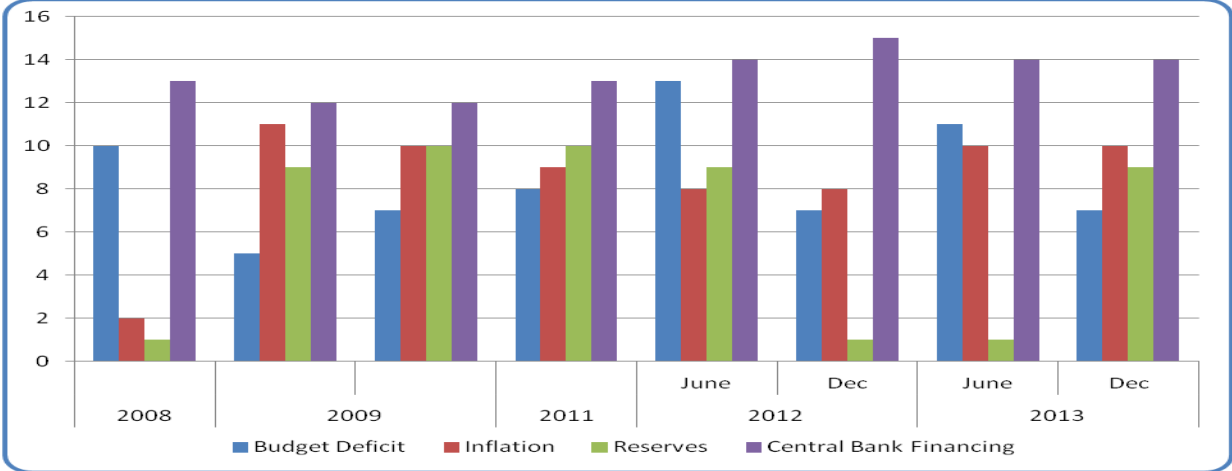
	2008	2009	2010	2011	2012		2013	
					June	Dec	June	Dec
Budget Deficit	10	5	7	8	13	7	11	7
Inflation	2	11	10	9	8	8	10	10
Gross External Reserves	1	9	10	10	9	1	1	9
Central Bank Financing	13	12	12	13	14	15	14	14
Domestic and External Arrears	7	8	9	9	9	9	9	9
Tax Revenue	2	2	2	2	2	1	1	3
Wage Bill	7	6	5	3	6	3	5	4
Investment from Domestic Resources	8	7	7	7	5	9	4	9
Real Interest Rate	4	13	11	9	11	13	13	10
Nominal Exchange Rate	13	10	13	13	13	14	13	14
Public Debt	12	12	13	14	12	13	13	13

Source: WAMA

* Estimates **Projections

Regarding the primary criteria, a slight improvement was noted with respect to the criterion on inflation, with two additional countries having met the target, compared to the first half of 2012. However, performance with respect to budget deficit including grants deteriorated, with two countries less than what was recorded the corresponding period of the preceding year. The largest decrease was experienced by the criterion on gross external reserves due to the fact that the UEMOA, which comprises 8 countries, missed the target. Performance vis-à-vis budget deficit financing by the Central Bank was maintained during the period under review.

Graph 4.1: Performance of ECOWAS Countries in Relation to the Primary Criteria



Source: Central Banks, WAMA * Estimates **Projections

As regards the secondary criteria, the level of performance did not change much, compared to the same period the previous year. An improvement was however noted with regard to the real interest rate criterion, with two additional countries having met the standard, and, to a lesser extent, the ratio of public debt to GDP. Conversely, a slight deterioration was observed with respect to the criteria on tax revenue/GDP, wage bill, and public investments from domestic resources. The same level of performance was maintained relatively to the other secondary criteria, namely non accumulation of domestic and external arrears and nominal exchange rate stability.

As shown in Table 4.2, no country met all the prescribed targets in the first half 2013. The best performance was achieved by Burkina Faso and Senegal, which both complied with a total of nine (9) criteria each out of the eleven (11). These countries were followed by Mali which met eight (8) criteria. The lowest performance was recorded by The Gambia with only two (2) convergence criteria met, followed by Ghana and Sierra Leone, which met four (4) criteria each. The best improvement during the review-period was achieved by Ghana, Guinea and Mali which met one additional criterion, compared to 2012. The lowest achievement was recorded by The Gambia (-3 criteria met), followed by Niger which missed two targets compared to the first of half of 2012. The prospects for end-2013 indicate that Niger and Senegal would record the best performance with a total of ten (10) convergence criteria to be met.

Table 4.2: Total Number of Convergence Criteria Met by Country

	2008	2009	2010	2011	2012		2013	
					June	Dec	June	Dec
BENIN	6	8	8	9	7	6	7	9
BURKINA FASO	5	7	8	9	10	7	9	7
CAP E VERDE	6	6	6	6	5	5	4	5
COTE D'IVOIRE	4	8	8	6	8	7	7	8
THE GAMBIA	6	5	6	5	5	4	2	4
GHANA	3	3	4	5	3	3	4	2
GUINEA	4	5	1	3	5	7	7	7
GUINEA-BISSAU	2	7	7	6	8	7	7	8
LIBERIA	5	4	7	4	6	5	6	5
MALI	6	9	10	8	7	6	8	8
NIGER	7	9	10	10	9	9	7	10
NIGERIA	7	5	5	5	6	7	5	6
SENEGAL	8	9	9	9	10	8	9	10
SIERRA LEONE	2	3	3	4	4	5	4	6
TOGO	6	8	9	9	9	7	7	9
UEMOA	3	6	6	6	9	7	8	0
WAMZ	5	6	4	5	5	5	7	0
CEDEAO	5	5	4	3	6	7	7	0

As far as the primary criteria are concerned, no country met all of them. Eight (8) countries (Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Nigeria and Senegal) were able to meet three (3) primary criteria each. The other countries, with the exception of The Gambia (with 1 only criterion met), met two (2) primary criteria each in the first half of 2013. If forecasts materialize, four countries (Benin, Guinea Bissau, Mali, and Niger) are expected to meet all the primary criteria at the end of 2013.

Table 4.3: Performance of Member Countries in relation to the Primary Criteria

	2008	2009	2010	2011	2012		2013	
					June	Dec	June	Dec
BENIN	2	3	4	4	3	2	3	4
BURKINA FASO	1	3	3	4	4	2	3	3
CAPE VERDE	2	2	2	2	2	2	2	2
COTE D'IVOIRE	2	4	4	3	4	2	3	3
THE GAMBIA	2	2	3	2	3	2	1	2
GHANA	2	1	0	2	2	2	2	2
GUINEA	2	1	0	2	2	2	2	2
GUINEA-BISSAU	1	4	4	3	4	3	3	4
LIBERIA	2	2	2	2	2	2	2	2
MALI	2	3	4	3	3	2	3	4
NIGER	2	3	4	4	4	3	3	4
NIGERIA	3	2	2	2	3	3	3	3
SENEGAL	2	3	3	3	3	2	3	3
SIERRA LEONE	1	1	0	1	2	1	2	2
TOGO	2	4	4	4	4	2	2	3

Source: Central Banks, WAMA

* Estimates **Projections

4.2. Analysis of Performance by Criteria

4.2.1. Primary Criteria

4.2.1.1. Budget Deficit (Including Grants)/GDP ≤ 3%

In the first half of 2013, eleven (11) countries (against thirteen (13) in the corresponding period of the preceding year), were able to maintain their budget deficit within the prescribed threshold. The best improvement in relation to the budget deficit/GDP ratio, including grants, was recorded by Senegal and, to a lesser extent, Cape Verde and Guinea Bissau. Conversely, the highest increase in deficit was recorded by The Gambia and Ghana. Trends observed by the other countries were relatively stable over the period as was the case in Burkina Faso, Cote d'Ivoire, and Nigeria.

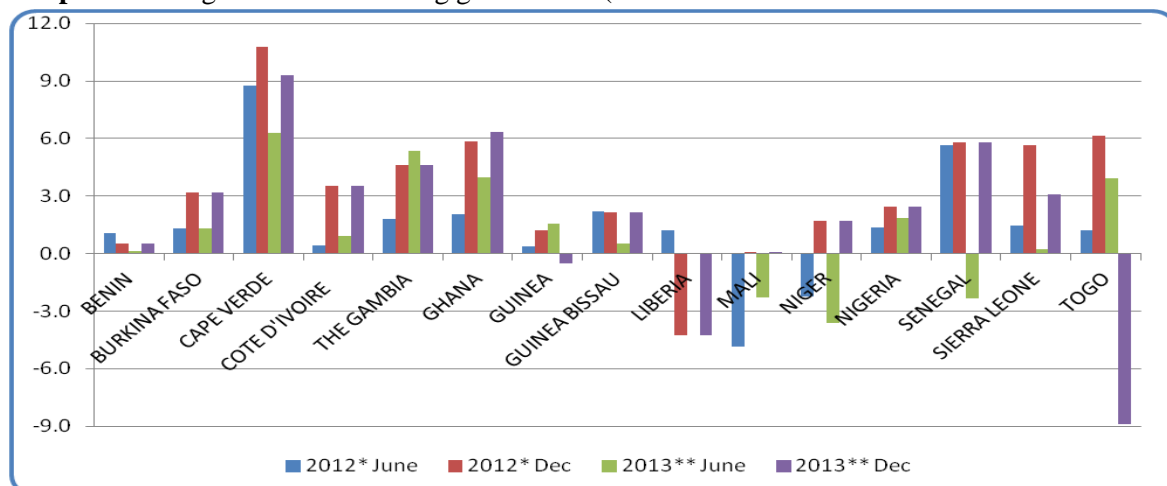
As per the projections for end 2013, performance with respect to this criterion is expected to deteriorate in most countries. However, if projections materialize, seven (7) countries would comply with this criterion by the end of 2013, being the same achievement compared to the preceding year.

At the zonal level, the WAMZ, UEMOA, as well as ECOWAS remained within the prescribed threshold thanks to the economic weight of countries that met the target. However, if forecasts materialize for end 2013, UEMOA would record an overall deficit (including grants) that is somewhat above the target set by the Community.

Table 4.4: Budget Deficit Including Grants as % of GDP

	2008	2009	2010	2011	2012*		2013**	
					June	Dec	June	Dec
BENIN	1.7	4.2	1.6	1.8	1.1	0.5	0.1	0.5
BURKINA FASO	5.4	4.8	4.3	2.4	1.3	3.2	1.3	3.2
CAPE VERDE	1.6	5.9	10.8	9.5	8.8	10.8	6.3	9.3
COTE D'IVOIRE	0.4	-0.9	1.9	4.3	0.4	3.5	0.9	3.5
THE GAMBIA	2.4	2.9	2.7	4.2	1.8	4.6	5.4	4.6
GHANA	7.9	4.0	5.9	0.9	2.1	5.8	4.0	6.3
GUINEA	1.2	6.5	14.3	1.3	0.4	1.2	1.6	1.2
GUINEA-BISSAU	4.1	-3.0	-0.2	-0.4	2.2	2.1	0.5	2.1
LIBERIA	2.0	-0.9	-4.2	-0.6	1.2	-4.2	0.0	-4.2
MALI	2.2	4.2	2.7	3.7	-4.8	0.1	-2.3	0.1
NIGER	-1.6	5.6	2.4	2.5	-2.3	1.7	-3.6	1.7
NIGERIA	0.2	3.3	5.0	3.1	1.3	2.5	1.8	2.5
SENEGAL	4.6	4.9	5.2	6.7	5.7	5.8	-2.3	5.8
SIERRA LEONE	4.1	2.9	5.2	5.1	1.5	5.7	0.2	3.1
TOGO	0.2	0.6	-0.3	1.1	1.2	6.2	3.9	-8.9
UEMOA	2.1	2.6	3.3	3.9	0.5	3.1	0.7	3.1
WAMZ	0.8	3.4	5.2	2.9	1.4	2.7	2.0	2.7
ECOWAS	1.3	3.1	4.6	3.2	1.1	2.9	1.6	2.9
Number of countries that met this criterion	10	5	7	8	13	7	11	7

Graph 4.2: Budget Deficit excluding grants/GDP (between the 1st half of 2009 and the 2nd half of 2012)



Sources: Central Banks, WAMA

* Estimates **Projections

4.2.1.2. Inflation Rate $\leq 5\%$

The number of countries that complied with this criterion rose from eight (8) to ten (10) between the first half of 2012 and the first half of 2013. Benin and Mali came to add up to the list of countries that had met the criterion in the first half of 2012 (Burkina Faso , Cape Verde, Côte d'Ivoire, The Gambia, Guinea Bissau , Niger , Senegal and Togo). During the period under review, four (4) countries namely Mali, Guinea, Benin and Sierra Leone experienced an easing of inflationary pressures. However, Côte d'Ivoire and, to a lesser extent, Niger and The Gambia experienced rising inflationary pressures. Only two (2) countries (Guinea and Sierra Leone) recorded a double-digit inflation toward the end of the first half of 2013. Based on forecasts, the same level of performance is expected to be maintained at the end of 2013

In terms of zonal and regional performance, the situation remained the same for UEMOA which continued to exhibit an inflation rate that is relatively lower than the WAMZ's and, by extension, ECOWAS.

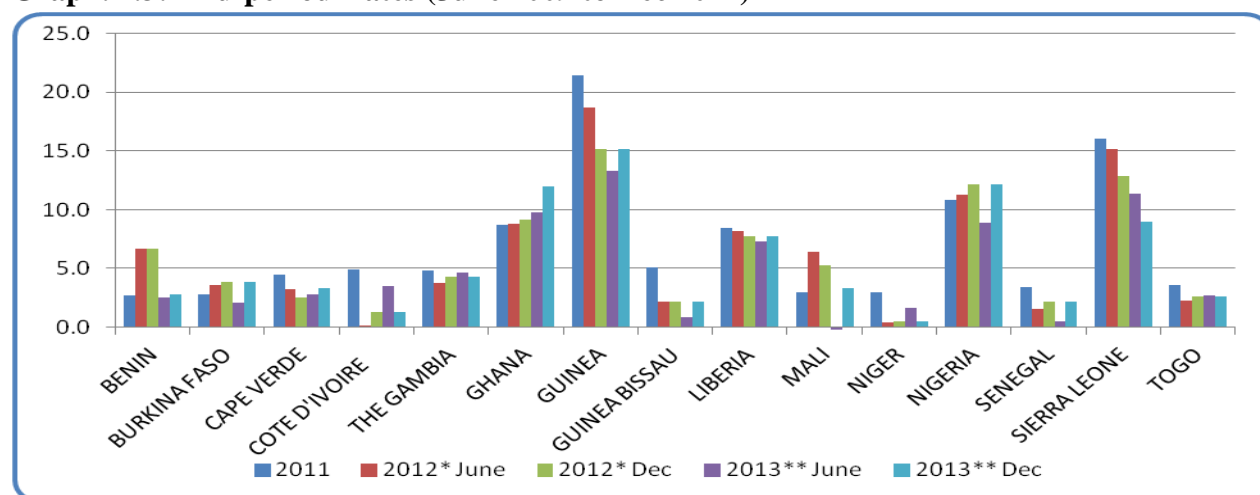
Table 4.5: End-period Inflation Rate in %

	2008	2009	2010	2011	2012		2013**	
					June	Dec	June	Dec
BENIN	7.9	2.2	2.1	2.7	6.6	6.7	2.5	2.8
BURKINA FASO	10.7	0.9	-0.6	2.8	3.6	3.8	2.1	3.8
CAPE VERDE	6.8	1.0	2.1	4.5	3.2	2.5	2.8	3.3
COTE D'IVOIRE	6.3	0.5	1.7	4.9	0.1	1.3	3.5	1.3
THE GAMBIA	4.5	4.6	5.0	4.8	3.8	4.3	4.6	4.3
GHANA	16.5	19.3	10.7	8.7	8.8	9.2	9.8	12.0
GUINEA	18.4	4.7	15.5	21.4	18.7	15.2	13.3	15.2
GUINEA BISSAU	7.9	-2.8	2.2	5.1	2.2	2.1	0.9	2.1
LIBERIA	17.5	7.4	7.3	8.5	8.2	7.7	7.3	7.7
MALI	9.2	2.4	1.2	3.0	6.4	5.3	-0.8	3.3
NIGER	11.3	0.5	0.9	2.9	0.4	0.5	1.6	0.5
NIGERIA	11.5	9.2	12.4	10.8	11.3	12.2	8.9	12.2
SENEGAL	-2.2	1.2	4.1	3.4	1.5	2.1	0.5	2.1
SIERRA LEONE	12.5	9.9	17.1	16.0	15.1	12.9	11.4	9.0
TOGO	8.7	3.7	1.4	3.6	2.3	2.6	2.7	2.6
UEMOA	7.4	0.4	1.4	3.9	2.5	2.4	2.1	2.4
WAMZ	12.0	9.8	12.3	10.8	11.2	12.0	9.0	12.1
ECOWAS	10.5	6.7	8.6	8.5	8.3	8.7	6.7	8.9
Number of countries that met this criterion	2	11	10	9	8	8	10	10

Sources: Central Banks, WAMA

* Estimates **Projections

Graph. 4.3: End-period Rates (June 2009 to Dec 2012)



Sources: Central Banks, WAMA

* Estimates **Projections

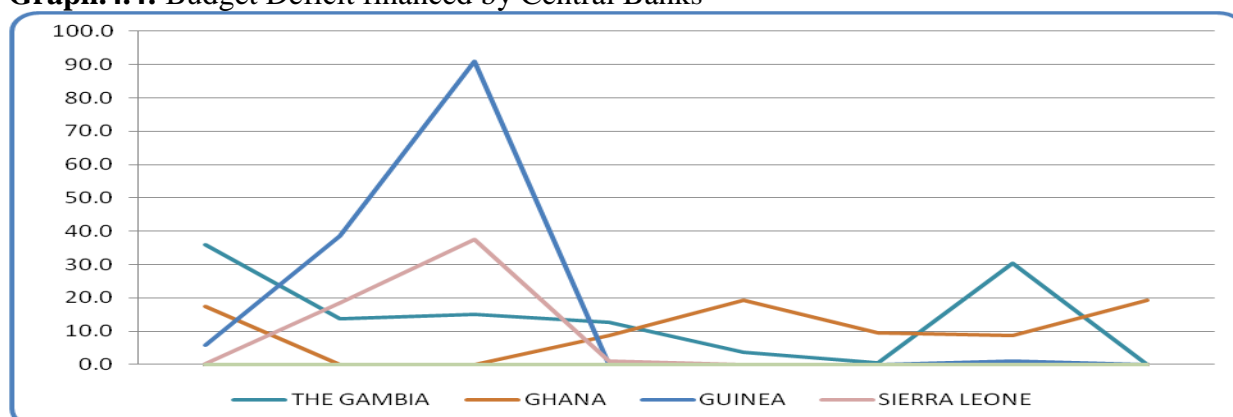
4.2.1.3. Budget Deficit Financing by the Central Bank/Tax Revenue of the Previous Year $\leq 10\%$

All member countries of ECOWAS, with the exception of The Gambia, met the standard on budget deficit financing by the Central Bank. Overall, this type of financing is being increasingly resorted to on an exceptional basis.

Table 4.6: Budget Deficit Financing by the Central Bank as % of Previous Year's Tax Revenue

	2008	2009	2010	2011	2012*		2013**	
					June	Dec	June	Dec
BENIN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BURKINA FASO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPE VERDE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
COTE D'IVOIRE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
THE GAMBIE	35.9	13.7	14.9	12.6	3.7	0.4	30.3	0.0
GHANA	17.3	0.0	0.0	8.8	19.4	9.4	8.6	19.4
GUINEA	5.8	38.7	91.0	0.0	0.0	0.0	1.0	0.0
GUINEA BISSAU	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LIBERIA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MALI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NIGER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NIGERIA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SENEGAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SIERRA LEONE	0.3	18.6	37.6	1.1	0.0	0.0	0.0	0.0
TOGO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
UEMOA	0.0	2.4	4.3	0.0	0.0	0.0	0.0	0.0
WAMZ	1.6	0.9	2.1	0.7	1.5	0.7	0.8	1.5
ECOWAS	1.0	1.4	2.8	0.5	1.0	0.5	0.5	1.0
Number of countries that met this criterion	13	12	12	13	14	15	14	14

Graph.4.4: Budget Deficit financed by Central Banks



Sources: Central Banks, WAMA

* Estimates **Projections

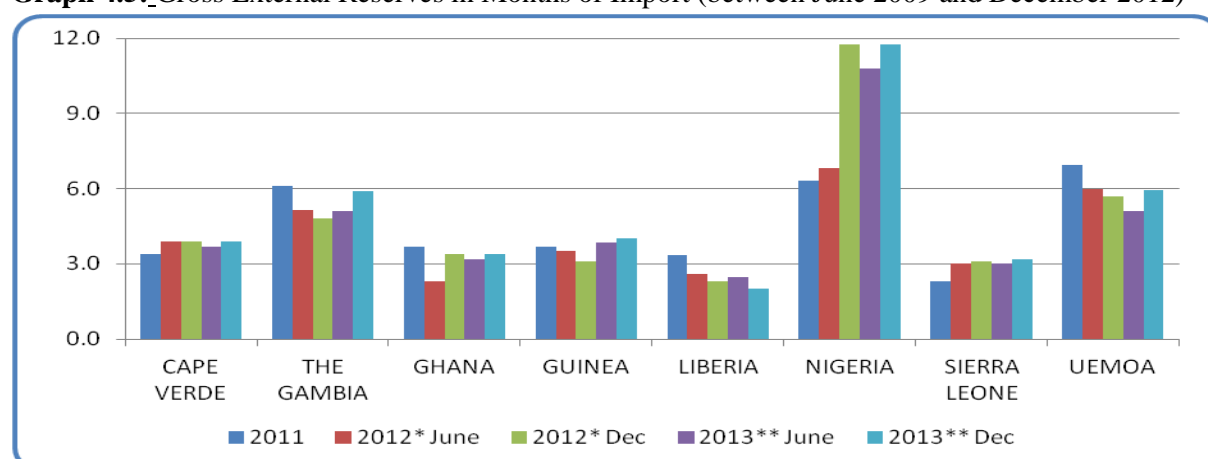
4.2.1.4. Gross External Reserves \geq 6 Months Import Cover

As at end June 2013, only Nigeria met the required standard on gross external reserves. Besides this country which recorded significant improvement in its gross external reserves, other countries have not experienced significant changes in their foreign reserves. Considering the improvement in foreign reserves anticipated in the UEMOA zone, nine (9) countries are expected to comply with this criterion at the end of 2013.

Table 4.7: Gross External Reserves in Months of Imports (CIF)

	2008	2009	2010	2011	2012*		2013**	
					June	Dec	June	Dec
CAPE VERDE	4.1	3.9	3.7	3.4	3.9	3.9	3.7	3.9
THE GAMBIE	4.3	4.7	6.8	6.1	5.2	4.8	5.1	5.9
GHANA	2.2	4.4	4.8	3.7	2.3	3.4	3.2	3.4
GUINEA	0.8	1.4	0.4	3.7	3.5	3.1	3.9	4.0
LIBERIA	0.7	3.7	4.3	3.3	2.6	2.3	2.5	2.0
NIGERIA	15.9	16.3	7.9	6.3	6.8	11.7	10.8	11.7
SIERRA LEONE	4.2	3.8	4.6	2.3	3.0	3.1	3.0	3.2
UEMOA	5.3	6.9	6.3	6.9	6.0	5.7	5.1	6.0
WAMZ	14.3	14.9	7.5	6.0	6.3	10.8	9.9	10.8
WAMZ excluding Nigeria	1.9	3.2	3.3	3.5	2.7	3.1	3.3	3.5
ECOWAS	11.2	12.2	7.0	6.3	6.2	9.0	8.3	9.1
ECOWAS excluding Nigeria	4.4	5.9	5.5	6.0	5.1	5.0	4.6	5.2
Number of countries that met this criterion	1	9	10	10	9	1	1	9

Graph 4.5: Gross External Reserves in Months of Import (between June 2009 and December 2012)



Sources: Central Banks, WAMA

* Estimates **Projections

4.2.2. Secondary Criteria

4.2.2.1. Domestic and External Arrears (prohibition to accumulate new arrears and liquidation of outstanding obligations)

The assessment of this criterion was conducted for only ten (10) countries because of lack of data for the others. Of these ten (10) countries, nine (9) indicated their compliance with this criterion during the period under review. If forecasts materialize, this performance will be maintained for end-2013.

Table 4.8: Situation of Domestic Arrears

	2008	2009	2010	2011	2012*		2013**	
					June	Dec	June	Dec
BENIN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BURKINA FASO	0.0	63.6	0.0	0.0	0.0	0.0	0.0	0.0
CAPE VERDE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
COTE D'IVOIRE	107.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
THE GAMBIA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
GHANA	n/a	yes	yes	yes	yes	yes	yes	yes
GUINEA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
GUINEA BISSAU	4.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LIBERIA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MALI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NIGER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NIGERIA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
SENEGAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SIERRA LEONE	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TOGO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
UEMOA	112.7	63.6	0.0	0.0	0.0	0.0	0.0	0.0
WAMZ								
ECOWAS								
Number of countries that met this criterion	7	8	9	9	9	9	9	9

Sources: Central Banks, WAMA * Estimates **Projections

4.2.2.2. Tax Revenue/GDP \geq 20 %

Performance with respect to this criterion was relatively low. Indeed, only one country, namely Liberia, was able to meet this criterion in the first half of 2013. However, reforms undertaken in recent years and efforts being made by tax Authorities are beginning to yield the expected results. Thus, only six (6) countries posted a tax revenue/GDP ratio lower than 15% during the first half of 2013. During the period under review, Togo recorded the most significant improvement while Guinea experienced the largest decrease. Projections regarding this criterion indicate that two additional countries, namely Cape Verde and Senegal, are likely to meet the required target at the end of 2013.

Table 4.9: Tax Revenue/GDP (in %)

	2008	2009	2010	2011	2012*		2013**	
					June	Dec	June	Dec
BENIN	17.2	16.1	16.2	15.5	15.8	15.9	16.0	17.2
BURKINA FASO	15.0	12.5	12.4	14.2	16.8	16.1	16.3	16.1
CAPE VERDE	24.1	22.1	18.9	21.2	19.2	19.3	18.4	20.9
COTE D'IVOIRE	15.6	17.4	17.0	13.1	17.1	17.7	16.5	17.7
THE GAMBIA	17.9	14.6	13.1	13.0	15.0	14.1	13.9	14.1
GHANA	14.5	13.1	14.1	16.5	16.5	17.3	16.0	19.3
GUINEA	14.7	16.4	14.7	15.4	18.9	19.2	16.7	19.2
GUINEA BISSAU	5.5	6.8	7.9	8.7	8.4	8.3	7.4	9.3
LIBERIA	21.9	23.2	20.2	19.7	24.5	22.7	25.0	26.4
MALI	13.3	14.7	14.6	14.8	15.1	14.7	13.9	14.7
NIGER	11.6	13.5	12.9	21.3	13.7	19.9	13.7	19.9
NIGERIA	17.1	11.7	10.2	13.1	13.8	10.8	13.0	10.8
SENEGAL	18.1	18.0	18.8	18.9	20.3	18.5	18.1	20.3
SIERRA LEONE	8.5	8.5	10.3	9.7	9.6	10.6	8.9	10.3
TOGO	14.9	15.3	15.6	16.7	16.3	17.3	18.3	16.6
UEMOA	15.4	16.0	15.9	15.6	16.9	17.1	16.2	16.8
WAMZ	16.7	11.9	10.6	13.4	14.0	11.4	13.2	11.6
ECOWAS	16.3	13.3	12.4	14.2	15.0	13.4	14.3	13.4
Number of countries that met this criterion	2	2	2	2	2	1	1	3

Sources: Central Banks, WAMA

* Estimates

**Projections

4.2.2.3. Wage Bill/Tax Revenue \leq 35 %

A total of five (5) countries met the target on this criterion during the period under consideration, against six (6) in the first half of 2012. Relative to the first half of the previous year, Nigeria, Ghana, and, to a lesser extent, Niger experienced an increase in their wage bill/tax revenue ratios, whilst Togo recorded a decline. Forecasts indicate that performance is expected to deteriorate marginally at the end of 2013, with Cape Verde missing the target.

At the zonal level, no Zone complied with this criterion in the first half of 2013 and no improvement is expected by the end of the year.

Table 4.10: ECOWAS- Wage Bill as a % of Tax Revenue

	2008	2009	2010	2011	2012*		2013**	
					June	Dec	June	Dec
BENIN	35.6	45.1	45.4	47.4	43.6	46.8	44.9	44.2
BURKINA FASO	44.7	46.2	43.5	40.5	33.2	37.3	32.3	37.3
CAPE VERDE	38.3	48.8	50.2	46.7	51.0	52.2	51.5	49.2
COTE D'IVOIRE	43.8	39.7	41.5	48.2	42.5	42.3	43.8	47.1
THE GAMBIA	30.5	33.7	43.7	45.2	40.8	43.1	41.1	43.1
GHANA	45.5	51.6	48.9	46.0	52.7	52.7	69.7	52.7
GUINEA	28.0	30.6	39.0	34.1	24.2	23.1	27.9	23.1
GUINEA BISSAU	96.4	75.6	79.2	71.3	57.7	64.5	62.4	77.0
LIBERIA	31.7	39.9	34.3	46.1	39.6	46.1	42.1	46.1
MALI	35.8	34.2	31.3	35.8	34.5	36.0	34.9	36.7
NIGER	29.8	27.3	28.5	22.1	30.7	22.6	35.8	22.6
NIGERIA	22.7	32.7	39.6	40.9	39.8	35.4	67.8	39.3
SENEGAL	32.0	33.6	32.8	33.3	29.6	34.6	31.5	31.4
SIERRA LEONE	59.8	59.8	60.9	58.6	57.1	59.2	58.7	58.0
TOGO	32.7	41.2	33.5	35.9	34.6	36.0	29.5	34.4
UEMOA	38.3	38.3	38.0	38.8	36.5	37.7	37.6	
WAMZ	24.8	34.3	40.4	41.2	40.5	36.6	66.8	40.1
ECOWAS	29.4	35.7	39.6	40.4	39.2	37.1	56.9	26.9
ECOWAS	7	6	5	3	6	3	5	4
Number of countries that met this criterion								

Sources: Central Banks, WAMA

* Estimates **Projections

4.2.2.4. Public Investments/Tax Revenue \geq 20 %

Only four (4) countries met this criterion during the review period against five (4) during the same period of the previous year. The most significant improvements with regard to this ratio were recorded by Nigeria, Togo and Liberia, while the largest declines were experienced by Benin, Ghana, Senegal, and Sierra Leone. As in the past, a significant improvement is expected by the end of 2013 insofar as in the majority of member countries, the bulk of investments are carried out in the second half of the year.

This criterion was met by all the zones because of higher investments in countries with significant economic weight.

Table 4.11: Investments from Domestic Resources as a % of Tax Revenue

	2008	2009	2010	2011	2012*		2013**	
					June	Dec	June	Dec
BENIN	20.6	44.3	19.2	20.1	20.5	21.7	14.4	21.7
BURKINA FASO	43.7	47.6	49.0	40.6	30.2	45.2	27.5	45.2
CAPE VERDE	24.5	11.4	9.4	16.4	19.2	9.0	15.7	13.0
COTE D'IVOIRE	13.6	12.6	13.7	15.9	13.7	23.1	17.7	25.7
THE GAMBIA	14.5	15.1	8.7	7.3	3.9	6.3	4.5	8.3
GHANA	35.8	14.6	17.5	19.9	14.8	19.3	4.6	7.6
GUINEA	13.1	35.6	55.3	19.0	39.1	35.4	20.8	35.4
GUINEA BISSAU	7.7	5.1	1.5	0.9	0.0	1.5	0.0	15.2
LIBERIA	12.5	12.5	8.8	14.1	10.8	14.1	17.5	14.1
MALI	23.5	24.4	26.7	25.7	13.5	13.3	18.8	13.3
NIGER	38.3	44.1	26.9	17.9	18.2	31.7	15.1	29.8
NIGERIA	23.2	39.6	25.4	20.3	10.6	38.4	45.3	38.4
SENEGAL	28.9	34.0	36.5	36.9	37.7	36.9	29.7	44.0
SIERRA LEONE	13.4	13.4	40.4	27.9	24.8	29.4	13.1	31.9
TOGO	12.9	16.5	18.7	23.4	4.0	21.4	16.8	28.4
UEMOA	23.3	27.1	25.4	25.8	19.9	28.1	20.9	
WAMZ	23.7	37.2	25.3	20.2	11.5	36.6	41.1	35.7
ECOWAS	23.5	33.6	25.2	22.0	14.3	33.5	34.2	23.7
Number of countries that met this criterion	8	7	7	7	5	9	4	9

Sources: Central Banks, WAMA * Estimates **Projections

4.2.2.5. Positive Real Interest Rates

The use of a market instrument (i.e. the 91-day Treasury bill rate) in assessing member countries' performance in relation to this criterion resulted in significant improvement. Thus, thirteen (13) countries met this criterion in the first half of 2013. During the review-period, twelve countries recorded an increase in their real interest rates, in particular Mali, Sierra Leone, Guinea and Benin. However, if forecasts materialize, the performance of member countries is expected to deteriorate at the end of 2013.

Table 4.12: Positive Real Interest Rates in %

	2008	2009	2010	2011	2012*		2013**	
					June	Dec	June	Dec
BENIN	-2.6	4.3	3.6	1.4	-2.7	-1.2	1.5	0.7
BURKINA FASO	-5.4	5.6	6.4	1.4	0.1	0.4	1.5	-0.3
CAPE VERDE	-0.5	5.3	1.9	-0.5	0.9	1.5	1.2	-0.1
COTE D'IVOIRE	-1.0	5.9	4.0	-0.8	3.8	4.2	0.4	2.2
THE GAMBIA	5.4	6.7	4.8	3.8	5.9	5.2	7.2	7.5
GHANA	4.0	5.5	1.7	2.9	11.8	12.0	13.2	12.0
GUINEA	0.9	11.2	-8.1	-6.9	-3.5	0.3	2.4	3.7
GUINEA BISSAU	-2.6	9.2	3.5	-0.9	1.5	3.3	2.9	1.4
LIBERIA	-7.2	-7.7	-4.6	-9.4	5.2	-5.7	6.3	-5.7
MALI	-3.9	4.1	4.6	1.2	-2.4	0.2	4.8	0.2
NIGER	-6.0	6.0	4.8	1.2	3.5	5.0	2.3	3.0
NIGERIA	-12.0	-5.4	-8.6	-1.1	2.9	1.4	-0.7	-10.5
SENEGAL	7.6	5.2	1.7	0.7	0.7	3.3	1.7	1.4
SIERRA LEONE	-3.4	4.1	7.4	7.4	-11.1	6.1	-5.2	6.1
TOGO	-3.4	2.8	4.3	0.8	2.0	2.8	2.4	1.9
UEMOA	-2.7	4.4	3.3	1.0	1.5	2.1	3.0	
WAMZ	-10.4	-4.1	-7.5	-0.8	3.4	2.3	0.5	-8.3
ECOWAS	-7.8	-1.3	-3.9	-0.3	2.8	2.2	1.3	-5.5
Number of countries that met this criterion	4	13	11	9	11	13	13	10

Sources: Central Banks, WAMA * Estimates **Projections

4.2.2.6. Nominal Exchange Rate Stability $\pm 10\%$

Trends in the exchange rate of ECOWAS currencies against the WAUA (SDR) have been relatively stable in recent years. Thus, in the first half of 2013, thirteen (13) countries met the required target, of which ten (10) recorded fluctuations within the margin of +/-2%.

Table 4.13: Nominal Exchange Rate (% Change)

	2008	2009	2010	2011	2012*		2013**	
					June	Dec	June	Dec
BENIN	3.8	-2.7	-3.9	1.4	5.1	-4.8	-1.2	-4.8
BURKINA FASO	3.8	-2.7	-3.9	1.4	5.1	-4.8	-1.2	-4.8
CAPE VERDE	7.8	-13.4	-4.2	-4.5	3.8	-4.5	-12.7	-4.5
COTE D'IVOIRE	3.8	-2.7	-3.9	1.4	5.1	-4.8	-1.2	-4.8
THE GAMBIA	7.8	-13.4	-4.2	-4.5	3.8	-4.5	-12.7	-4.5
GHANA	-13.9	-23.8	0.1	-8.7	26.5	-14.4	8.8	-14.4
GUINEA	-11.9	-2.9	-15.4	-17.0	-6.1	-2.5	-2.7	-2.5
GUINEA BISSAU	3.8	-2.7	-3.9	1.4	5.1	-4.8	-1.2	-4.8
LIBERIA	-5.9	-5.2	-3.3	-4.4	5.5	1.3	0.3	1.3
MALI	3.8	-2.7	-3.9	1.4	5.1	-4.8	-1.2	-4.8
NIGER	3.8	-2.7	-3.9	1.4	5.1	-4.8	-1.2	-4.8
NIGERIA	3.2	-18.3	0.8	-6.0	-2.8	0.7	-27.1	0.7
SENEGAL	3.8	-2.7	-3.9	1.4	5.1	-4.8	-1.2	-4.8
SIERRA LEONE	-3.1	-11.2	-12.4	-11.8	-11.2	3.3	-0.1	1.5
TOGO	3.8	-2.7	-3.9	1.4	5.1	-4.8	-1.2	-4.8
UEMOA	3.8	-2.7	-3.9	1.4	5.1	-4.8	-1.2	-4.8
WAMZ	1.5	-18.3	0.3	-6.4	-0.6	-0.5	-23.5	-0.6
ECOWAS	2.3	-13.0	-1.1	-3.8	1.3	-2.0	-16.0	-2.0
Number of countries that met this criterion	13	10	13	13	13	14	13	14

Sources: Central Banks, WAMA

* Estimates **Projections

4.2.2.7. Public Debt/GDP ≤ 70 %

With the cancellation of external debt, especially under HIPC, public debt, in the majority of ECOWAS countries, posted a sustainable profile. In the first half of 2013, only two (2) countries missed the target on Public Debt/GDP ratio. During the period under review, Guinea recorded the most significant decline in ratio due to cancellations of 2/3 of the country's external debt in September 2012, following the attainment of the completion point under the HIPC initiative. Conversely, the largest increase was recorded by Cape Verde followed by The Gambia and Benin.

Table 4.13: Public Debt/GDP (% change)

	2008	2009	2010	2011	2012*		2013**	
					June	Dec	June	Dec
BENIN	25.4	30.1	30.3	32.0	24.5	29.5	27.0	29.5
BURKINA FASO	26.7	26.3	27.9	28.7	0.0	28.7	0.0	28.7
CAPE VERDE		63.0	66.4	67.2	72.4	72.4	82.1	74.9
COTE D'IVOIRE	48.4	61.6	65.4	69.4	34.4	34.6	34.4	34.6
THE THE GAMBIA	65.6	68.0	58.4	67.6	71.2	74.0	74.1	74.0
GHANA	30.1	36.2	37.9	39.2	38.5	47.9	48.5	47.9
GUINEA	84.2	84.7	83.5	77.1	125.1	40.0	37.4	37.4
GUINEA BISSAU	132.0	132.6	124.7	17.1	0.0	16.1	0.0	16.1
LIBERIA	277.7	234.1	40.4	33.2	38.9	32.5	29.0	32.5
MALI	27.2	31.6	29.2	29.1	30.1	30.1	30.1	30.1
NIGER	16.3	24.3	20.4	19.5	18.2	18.2	18.2	18.2
NIGERIA	11.5	15.4	15.4	17.5	19.4	19.4	19.4	19.4
SENEGAL	19.6	27.0	27.5	29.6	42.5	42.5	42.5	42.5
SIERRA LEONE	28.7	34.5	40.7	38.6	32.3	37.6	29.0	30.3
TOGO	47.9	51.6	14.9	44.2	44.2	44.3	44.3	44.3
UEMOA				44.0	44.0	32.7	32.7	
WAMZ	15.6	19.5	18.9	20.7	23.2	22.4	22.3	22.2
ECOWAS	15.6	19.5	18.9	30.8	30.4	29.9	29.8	22.2
Number of countries that met this criterion	12	12	13	14	12	13	13	13

Sources: Central Banks, WAMA

* Estimates **Projections

5.0. STATUS OF POLICY HARMONISATION AND INSTITUTIONAL ARRANGEMENTS

Policy harmonisation is an important phase in the roadmap adopted in May 2009 for the establishment of the ECOWAS Single Currency. The current section provides an overview on the progress made in the relevant areas of policy harmonisation as at the end of June 2013.

5.1. Exchange Rate Policy

Two main exchange rate regimes are in place in ECOWAS, namely the fixed regime employed by the UEMOA countries and Cape Verde and the flexible exchange rate regime active in other countries (the The Gambia, Ghana, Guinea, Liberia, Nigeria and Sierra Leone).

Given the importance of a single exchange rate regime for ECOWAS for the harmonisation of some policy frameworks such as the regulations governing current and capital account transactions within ECOWAS, an in-depth review of the issue must be conducted by the expert panel for the roadmap for the creation of a single currency for ECOWAS (in partnership with WAMA).

5.2. Harmonization of Monetary Policy Frameworks

A regional workshop was organized in June, 2013 in Banjul with a view to presenting the proposed monetary policy framework, which is inflation targeting-lite. The various studies which form the basis of the proposed framework were also presented. The workshop participants were from the Central Banks of the ECOWAS Member States and other regional institutions. The participants noted the fact that various frameworks do exist in the region, each having its virtues and vices and recommended the adoption of the inflation targeting-lite regime as the common monetary policy framework for the ECOWAS region.

At the meeting of The Committee of Governors in July 2013, in Accra Ghana, the Committee noted the recommendation for the adoption of the Inflation Targeting-Lite framework and requested WAMA to constitute an expert working group including monetary policy experts and legal experts to further review the proposal. The establishment of the working group is in progress.

5.3. Harmonization of Regulations Governing External Financial Relationships

The West African Monetary Agency (WAMA), in collaboration with the Central Bank of West African States (BCEAO), organised a workshop in BCEAO headquarters in Dakar, from 13th to 15th May 2013, to discuss the development of rules for a fiscal regulation harmonisation scheme governing current and capital account transactions within ECOWAS.

By defining the conditions for successful liberalisation of current and capital accounts, participants emphasised the importance of stability the macroeconomic framework which is mainly based on compliance with the convergence criteria, control of current deficit, strengthening of the institutional and regulatory frameworks, the fight against money laundering and financing of terrorist activities. As regards the harmonisation process, experts have deemed it necessary to focus on the aspects of regulation governing revenue, transfers, foreign exchange market and capital account transactions. In addition, they underscored the importance of strengthening the oversight of financial institutions. They also proposed the adoption of regional-level regulations to govern current and capital account transactions within ECOWAS.

The Experts identified the structural challenges that could hamper the liberalisation process for current and capital accounts if they are not taken into account. They include, among others:

- i. Non-diversification of exports and the lack of value added on primary products
- ii. The larger relative size of the informal sector and the crowding out of the private sector by the public sector
- iii. A weak culture of intellectual property and copyrights
- iv. Limited inputs (power, human resource training) and a lack of storage, conservation and transportation infrastructure
- v. Inadequate policies in support of local production
- vi. Lack of mutual recognition of certification standards
- vii. High levels of corruption and bureaucracy
- viii. The increase in instances of money laundering and financing of terrorist activities
- ix. Non-implementation of the Protocol on Free Movement of Persons, Right of Residence and Establishment
- x. The existence of numerous non-tariff barriers and export taxes in the zone
- xi. The weakness of payment systems and capital markets
- xii. The slowness of member States to ratify regional protocols
- xiii. The socio-political instability of some member States
- xiv. Low literacy rates
- xv. Lack of regional-level policy on services

Therefore, the participants proposed a matrix for the harmonisation of regulatory frameworks governing current and capital accounts with a timeline to accelerate the implementation of prerequisites to facilitate the achievement of a single economic space. This timeline focuses on a number of activities to be implemented in a sequential manner before 2016. These activities will aim to:

- i. Create conditions conducive to the successful implementation of the liberalisation of current and capital account transactions
- ii. Make all member States adopt IMF statute article VIII

- iii. Harmonise export and import regulations
- iv. Harmonise provisions for revenue and transfer payments
- v. Harmonise regulation on services
- vi. Harmonise regulations on capital and financial accounts
- vii. Harmonise exchange rate regimes, exchange rate and financial markets in ECOWAS.

Regarding regulations relating to services in the sub-region, the ECOWAS Commission must partner very closely with regional institutions to facilitate the creation of a regional agreement on regional trade of services by the first half of 2016. For this activity to succeed, a study will have to be undertaken in 2014 to map out the key elements that need to be harmonised.

5.4. Harmonization and Integration of Payments Systems

On the harmonization and integration of payments systems, a regional workshop was organized in Freetown, Sierra Leone which provided the forum for a comparative analysis of regulatory frameworks and payment systems infrastructures in ECOWAS Member States, with the objective of ultimately harmonizing and interconnecting the various payments systems. Important activities that remain relate to the preparation and validation of a study on the harmonization of regulatory frameworks, adoption of a protocol regarding the harmonized framework and interconnection of UEMOA and WAMZ in 2014, 2015 and 2016 respectively.

Significant progress has been registered under the modernization and harmonization of payments systems at the level of both WAMZ and UEMOA. Since October 2002, the African Development Bank in collaboration with the World Bank, has been promoting the growth and economic integration of the West African Economic and Monetary Union (UEMOA) by upgrading the region's basic payments systems infrastructure in its Member States. Both the completed UEMOA project and the ongoing WAMZ project are important pillars for establishing and installing an appropriate set of regional payment mechanisms to address the evolving needs of all market sectors in ECOWAS.

a) UEMOA

Payments system in the UEMOA are relatively modernized, harmonized and integrated. However, some improvements are effected periodically in the form of projects being implemented or finalized in the zone to enhance their payments systems.

b) WAMZ

In the West African Monetary Zone (WAMZ), payments system modernization has reached an advanced stage particularly in Ghana and Nigeria. RTGS systems in Ghana and Nigeria have been operating effectively and their overall payments systems are being upgraded in line with international and regional standards.

To upgrade the payments systems in The Gambia, Guinea, Liberia and Sierra Leone with a view to subsequently interconnecting them, WAMI sought for financial assistance from the African Development Bank (AfDB). The implementation of this project in the member countries concerned has been progressing steadily as detailed below.

Implementation of Automated Cheque Processing/Automatic Clearing House (ACP/ACH)² in The Gambia was completed in December 2011 and the RTGS went live and has been effective since December 2011. Similarly, the Scrip less Security Settlement System (SSS)³ and Core Banking Application (CBA) had gone live and are running effectively. The CBG is also in the process of implementing GAMSITCH, which is a national switching platform for retail payments.

In Guinea, the go-live date with respect to ACP/ACH has been shifted from 13th December 2013 to 3rd February 2014, due to delays in meeting the deadlines agreed upon for the completion of the pre-requisites. Go-live for RTGS and Core Banking Application (CBA) are scheduled for February and January 2014 respectively.

In Liberia, ACP/ACH component is expected to go live on 27th June 2014. Implementation of RTGS will commence with an assessment mission in October 2013 and there will be no change in the agreed go-live date as implementation in Liberia will be run in parallel with Guinea.

In Sierra Leone the RTGS 'went live' on 2nd August, 2013 to provide a platform for large value interbank funds transfer and settlement of interbank transactions on continuous and real time basis. This system is currently the fastest possible money transfer system through the banking industry. The ACP/ACH went live on 5th of August 2013, with all participants fully active in the system. This system handles large volume and low value payment transactions. The ACP system is used to process paper instruments (mainly cheques). The ACH module clears electronic payments, including cheque data from the ACP system, together with electronic direct debits and direct credits. The aggregated ACH transactions are settled in the Real Time Gross Settlement (RTGS) system".

This SSS, which is a computer-based system that is used to conduct auctions and settle government securities transactions electronically on a real-time basis or on a "Delivery Versus Payment" (DvP) basis, 'went live' on 2nd September, 2013. It is essentially a platform for processing T. Bills or Bonds and the first auction was conducted on Thursday, 5th September, 2013.

The Project Steering Committee revised the payments system project completion date from 31st December 2012 to 30th June 2014 at its fourth meeting held in September 2012,

² This component processes paper instruments (mainly cheques) and electronic instruments such as direct credits

³ This is a platform that processes Treasury Bills and Treasury Bonds transactions between the commercial banks and the Central Bank on a real time basis.

following the lifting of the suspension of disbursement by AfDB. Important outstanding activities relate to the seeking of technical and financial assistance for the West African Central Bank (WACB) payments system infrastructure and link the national RTGS systems to the WACB central hub.

5.5. Harmonization of Regulatory and Supervisory Frameworks of Banks and Non-Bank Financial Institutions

The West African Monetary Agency (WAMA) and the West African Monetary Institute (WAMI) collaborated with the Central Bank of the Republic of Guinea (BCRG), in the organization of a regional workshop on the “Harmonization of Regulatory and Supervisory Frameworks of Banks and Non-Bank Financial Institutions in ECOWAS” in Conakry, Guinea, in October 2012. The main objective of the workshop was to propose a scheme of harmonization of the regulatory and supervisory frameworks of banks and non-bank financial institutions in the region and define the modalities towards the adoption of a common platform. Concrete action plans, with timelines for harmonization of the regulatory and supervisory frameworks of banks and non-bank financial institutions were identified.

In the UEMOA Zone, all member countries operate on the basis of a unified/harmonized banking regulation, and banking supervision conducted by the UMOA Banking Commission. A Similar institutional arrangement is being envisaged for the WAMZ as the zone had already initiated important steps to harmonize banking legislations and meet the requirements of Basel Core Principles on banking supervision, adoption of Risk-based Supervision and migration to IFRS. The West African Financial Supervisory Authority (WAFSA) will perform the supervisory functions once established at the level of WAMZ.

On the harmonization towards international standards, all the countries (The Gambia, Ghana, Guinea, Liberia, Nigeria, Sierra Leone and UEMOA countries) adopted Basel I, while there are challenges in the implementation of Basel II and III for all the countries with the exception of Nigeria⁴. The Gambia, Ghana, Nigeria and Sierra Leone adopted IFRS while the rest are at various stages of implementation. All the countries are compliant with the Basel Core Principles (BCPS). Full implementation of IFRS and Risk-Based supervision, under the single currency roadmap, are expected in December 2015.

5.6. Harmonization of Accounting and Financial Reporting Frameworks of Banks and Non-Bank Financial Institutions

In order to implement the above programme which was assigned to the Agency under the ECOWAS Single Currency Roadmap, WAMA organized a regional workshop in Banjul, in April 2012, in collaboration with Central Bank of The Gambia. The objective of the workshop

⁴ Nigeria implemented both Basel II & III

was to conduct a comparative analysis of the existing accounting and reporting frameworks of banks and non-bank financial institutions, with a view to adopting a common framework within a reasonable timeframe. Towards this end, the Committee of Governors decided that member countries should adopt the IFRS and the Agency instructed to map out a monitoring mechanism for migration to IFRS, within the framework of its periodic/multilateral surveillance functions.

In the outlook, given the high cost of migration to IFRS, particularly in terms of IT equipment and training in both member States and regional institutions, it may be critical to mobilize enough resources to fill these capacity gaps. These activities could be implemented from now against end 2015. The Gambia, Ghana, Nigeria and Sierra Leone adopted IFRS while the UEMOA countries, Guinea and Liberia are yet to implement IFRS. IFRS implementation in Liberia is expected to be completed by December 2013.

5.7. Financial Market Integration in ECOWAS

The integration of the financial markets of the ECOWAS countries is part of the roadmap activities for the single currency project. The ECOWAS Commission is responsible for the coordination of the activities of the integration of the regional financial markets in collaboration with WAMA and WAMI. The integration effort has focused on the capital market with consideration for the insurance market being recent. The Bourse Regionale de Valeurs Mobilières (BRVM), Ghana Stock Exchange (GSE) and Nigerian Stock Exchange (NSE) signed a Memorandum of Understanding in December 2009 with a view to establishing The Association of West African Stock Exchange.

In 2010 WAMA conducted a study on the integration of financial markets in ECOWAS with a view to identifying the modalities for effective integration of the capital markets of the region. The study was presented at the meeting of the Committee of Governors in January 2011 and the Committee directed WAMA to work in collaboration with the ECOWAS Investment Bank to finalize the study.

In January 2013, the West African Capital Market Integration Council was inaugurated by the president of the ECOWAS Commission, which was signed by all the stakeholders of the regional capital markets. The Technical Committee of the Council met in May 2013 for the harmonization of capital market rules. The project has been handed over to WAMI for implementation, with support from ECOWAS Commission, including financing of meetings. With regards to integration of insurance companies in ECOWAS, the first meeting was held in July 2013 in Abuja. It was agreed that the West African Insurance Sector Integration Council (WAISIC) be formed to oversee the process, though it is limited to the WAMZ. It was also agreed that a Technical Committee be formed to advise the council on the harmonization of rules and regulatory framework, operational procedures and the creation of a common platform for cross-border insurance operation in the WAMZ.

5.8. ECOWAS Trade Liberalization Scheme

Regarding the implementation of the ECOWAS CET, during the extraordinary summit of the ECOWAS Authority of Heads of State and Government held in DAKAR on 25th October 2013, the Heads of State and Government emphasised the importance of Customs Union as a decisive and irreversible step in the process towards the consolidation of the Common Market. The Heads of State and Government are determined to speed up the process and have ratified the CET's final structure as well as all the associated subsidiary legislations such as those adopted by the 70th Ordinary Session of the ECOWAS Council of Ministers and its special Session held in Abidjan on 30th September. They also ratified the Regulation on Supplementary Protection measures comprising the Import Adjustment Tax (IAT) and the Supplementary Protection Tax (SPT) to enable gradual adjustment of the harmonious application of the CET, which will become operational on 1st January 2015.

The Summit also requested that the President of the Commission take the necessary steps to support the Republic of Cape Verde in its implementation of the CET given its unique structure.

The Heads of State and Government encouraged the President of Burkina Faso in the role and mission entrusted to him on the subject of the Protocol on Free Movement of Persons, the Right of Residence and Establishment by the 43rd Ordinary Session of the Authority held in Abuja on the 17th and 18th July 2013. Moreover, the Authority requests that the President of the Commission put in place a working group for the trade liberalisation scheme.

Regarding the status of negotiations on the Economic Partnership Agreement (EPA), during the extraordinary summit of the Authority of ECOWAS Heads of State and Government held in Dakar on 25th October 2013, the Heads of State and Government reaffirmed their commitment to the attainment of a regional, equitable, and development-focused Economic Partnership Agreement.

The Conference took note of the new scheme for market access developed by the region and which takes into consideration the desired consistency with regards to the CET and the development objectives envisaged under the Agreement. The Heads of States and Government have appointed the President of the Republic of Senegal to supervise the negotiations in the pursuit of mutually beneficial compromises for the relevant stakeholders.

Concerning customs instruments, progress has been made in terms of harmonisation of customs codes and values. A draft Customs Code is in the process of being finalised. A study on the conventions of customs values and the preparation of a draft customs value for goods has also been completed.

As for the free movement of persons, countries must comply with (i) Protocol A/P.1/5/79, on Free Movement of Persons, the Right of Residence and Establishment (ii) Decision

ADEC.2/7/85 dated 6th July, 1985 instituting the travel booklet for ECOWAS member States (cfZatu n° 85- 014 dated 31 December 1985), (iii) Resolution C/RES/4/5/90 that reduces the number of road checkpoints in member States. It should be noted that most countries are yet to implement protocol A/P.1/5/79. In this regard, focus will be organising pilot monitoring units to prevent hustles at borders, facilitate the introduction of the ECOWAS passport as well as international migration and cross-border cooperation.

5.9. Harmonization of Statistics

The harmonization programme of statistical tools is being pursued through the implementation of various regional programmes focusing particularly on national accounts, Consumer Price Indices (CPIs), Foreign trade statistics (with the EUROTRACE software which facilitated statistical update in this sector) and balance of payments statistics. Regional methodological guides for national accounts and consumer price indices were developed and validated whilst the relevant Protocols are in the process being adopted by the ECOWAS Authorities.

Regarding BOP statistics, the implementation of the program is proceeding in accordance with the action plan adopted at the end of the Cotonou Workshop in March 2012. The two institutions involved in the process, namely WAMA and the Department of Research and Statistics, ECOWAS Commission, are working together for effective implementation of this harmonization project. Efforts are currently focused on finalizing the regional Methodological Guide and standard questionnaires, capacity building, preparation of terms of reference for the survey on private transfers and capital flows, and the finalization and adoption of the legal framework.

6.0. COUNTRY REPORTS

6.1. COUNTRIES OF THE WEST AFRICA ECONOMIC MONETARY UNION (UEMOA)

6.1.1. BENIN

In the first half of 2013, economic performance in Benin was marked by a sustained upturn in activities in the primary and tertiary sectors supported by the decline in inflationary pressures observed in 2012. Prospects indicate that economic growth would settle at 5.1% in 2013 against 5.4% in 2012. Inflation was maintained, in the first half of the year, at an average rate of 2.25%.

With regard to the fiscal sector, budget deficit, on commitment basis excluding grants, deteriorated from CFAF 17.6 billion at end-June 2012 to 72.0 billion at the end of June 2013. Budget revenues recorded 6.6% increase in the first half of 2013, due to good performance in customs revenues which grew by 9.2%. Budget expenditure expanded as a result of the 13.2% increase in capital expenditures and 11.6% increase in current expenditure.

Based on projections, the external current account deficit would shrink marginally in 2013 to settle at 8.9% of GDP against 10.1% in 2012 due to the reduction of the balance of goods and services deficit as well net revenues, coupled with a decline in the balance of current transfers. The overall balance surplus is expected drop to settle at CFAF 10.0 billion against 68.9 billion in 2012 as a result of a dwindling surplus in the capital and financial account which would emerge at CFAF 347.3 billion in 2013 against 418.7 billion in 2012.

On the monetary front, money supply expanded by 9.6% compared to June 2012 in line with the increase in domestic credit and net foreign assets which grew by 11.1% and 8.3% respectively.

As regards convergence criteria, three (03) primary and four (04) secondary criteria were met as at end-June 2013. On the whole, the number of criteria met during the period shows an improvement over the previous period (7 criteria against 6 at the end of June 2012).

6.1.1.1. Sector Analysis

Real Sector

Economic growth is expected to settle at 5.1% against 5.4% on the back of ongoing measures to improve the competitiveness of the port and increase food and cotton production.

The real sector benefitted from a good performance in the port sector and a better farming season. The agricultural sector and trade recorded positive trends due to reforms carried out in port sector in order to improve its competitiveness. Favourable weather conditions which were the driver for the improvement in food as well as cotton production which are expected to continue. Mid-term achievements show that activity in the primary sector would record a

4.5% increase in value added against 5.8% in 2012. This growth in the primary sector would result from the expected increase in cotton production, with projections banking on a total production of over 240 tons for the 2012 -2013 farming season thanks to incentive measures and provision of inputs to cotton farmers in good time.

The secondary sector grew by 5.6% against 3.6% in 2012 due to the good performance in the manufacturing, energy and Building and Public Works subsectors as well as the extractive industries with their value added increasing by 6.4%, 5.0%, 4.0% and 3.7% respectively in 2013. In fact, in the first half of 2013, secondary sector indicators show a variation of 16.8% on year- on -year basis at the end of June. Power industries recorded 17.3% growth in the textile industry due to the cotton season. The cement industry recorded a 2.5% rise in industrial production on year-on-year basis. In the food industries, production went up by 28.5% on year-on-year basis at the end of June. Power industries saw a 17.3% rise in year-on-year production.

The tertiary sector would grow by 5.5% against 5.3% in 2012 thanks to positive trends in port activities as a result of a reduction in the vessel processing time at the Cotonou Port due to investments aimed at upgrading the port infrastructures. The transport and communication sub sectors could record a 7.2% increase in value added against 6.7% in 2012 and trading is expected to expand by 5.7% in terms of value added. The turnover index for retail trade went up by 10.1% on year-on-year basis. The turnover index for retail trade would jump by 10.1% on year-on-year basis at the end of June 2013 and by 4.9% over the first six month of the year. Non market services are expected to expand by 5.0% against 4.4% in 2012.

Table 6.1: Trends in GDP and its Components in Benin

	2011*	2012*	2013**	2011*	2012*	2013**
GDP (current and constant in billions of cfaf)	3443.3	3858.3	4049.2	1223.8	1289.4	1355.16
	% Change			As % of GDP		
Supply						
Primary sector	5.7	5.8	4.5	37.8	38.0	37.8
Secondary sector	3.6	3.6	5.6	14.0	13.8	13.8
Tertiary sector	2.3	5.3	5.5	40.4	40.4	40.6
Demand						
Public consumption	2.7	4.3	2.2	12.2	12.1	11.8
Private consumption	3.9	3.9	3.5	72.1	71.1	70.0
Gross Fixed Capital Formation	2.0	5.7	-1.5	14.9	15.0	14.0
Variation of stocks	35.6	61.5	-53.3	1.0	1.5	0.7
Export of goods and services	0.4	9.7	13.6	32.3	33.6	36.3
Import of goods and services	1.0	7.8	3.5	32.5	33.3	32.8
Deflator	5.1	2.7	---	---	---	
Real Growth Rate	3.5	5.4	5.1	---	---	
CPI (average and end of period)	2.7	6.7	2.25	1.8	6.8	0.7

Source: BCEAO/WAMA

Demand is expected to be fuelled mainly by exports which would increase by 13.6% against 9.7% in 2012 in line with good prospects in the agriculture sector, especially the expected rise in cotton production. Imports would record a modest growth of 3.5% against 7.8% in 2012. Besides, private consumption would increase by 3.5% against 3.6% in 2012 while public consumption would inch up by 2.2%.

The first half of the year was marked by a downward trend in inflation which stood on the average at 2.25% against 6.7% at the end of June 2012. On year-on-year basis, inflation settled at 0.72% at the end of June 2012 against 6.74%. The drop is linked with the decline inflation of consumer goods such as foodstuffs and petroleum products. Thus, on year-on-year basis, the food prices went up by 0.6% at the end of June against 5.9% in June 2012. The drop in petroleum prices contributed significantly to the decrease of the transport function inflation which record 1.7% inflation on year-on-year basis. The “accommodation, water, gas, electricity and other fuels” functions recorded 0.6% inflation against 3.2% at the end of June 2012; “goods and other services” 0.9% against 10.3% in 2012 and the communication function -0.1% against 4.2% in 2012.

Fiscal Sector Developments

The execution of the State budget in the first half of the year was marked by an improvement in revenues coupled with a control over expenditures. This performance which led to a reduction in the budget deficit is the result of structural reforms carried out in sectors that are sources of revenues for the State. Consequently, in the first half of 2012, total revenues went up by 6.6% compared to end-June 2012, reaching 52.8% of revenue projections for the year due to positive trends in customs revenues and other taxes which recorded a remarkable performance. In fact, customs revenues expanded by 9.2% compared to end of June 2012 while other fiscal revenues (taxes and VAT) rose by 2.8%. On the whole, tax revenues increased by 6.1% compared to end of June 2012 to settle at 16% of GDP. The good performance of customs revenues stems from reforms initiated in the port sector which involved the inspection of imports in order to apply the right customs value on imports contrary to the old formula based on consensus value which caused significant losses of financial resources to the State. Non tax revenues rose from CFAF 74.8 billion to CFAF 81.4 billion, representing an 8.8% increase. This increase is attributed to the GSM licenses issued. Besides, the Government benefitted from significant grants from partners during the first half of 2013. The amount of grants jumped by 97.6% from CFAF 37.9 billion at end-June 2012 to CFAF 74.9 billion during the period. Overall, total revenues and grants increased by 14.9% to settle at CFAF 480.0 billion (23.7% of GDP) at the end of June 2013 against CFAF 417.9 billion (21.7% of GDP) at end-June 2012.

Total expenditures and net lending stood at CFAF 477.19 billion against CFAF 397.6 billion at the end of June 2013, representing a 20% increase. Total expenditures settled at CFAF 443.6 billion against CFAF 395.9 billion, representing a rise of 12.0% compared to June 2012. These expenditures were driven mainly by the high level of the wage bill which expanded by 9.2% compared to June 2010, and accounted for 44.9% of tax revenues as well as capital expenditures which went up by 13.2% to settle at only 6.0% of GDP. However, government Subsidies and other transfers dropped by 9.4% and interest on public debt went down by 18.3%. Besides, it has been observed that internally funded public investments also dipped by 25.7% to settle at 14.4% of tax revenues. This level was well below the 20% threshold under the convergence criteria.

The overall balance on commitment basis including grant recorded a surplus and stood at 0.1% of GDP against 1.1% at the end of June 2012. However, the budget balance on commitment basis excluding grants recorded a deficit of 3.6% of GDP against a deficit of 0.9% of GDP at the end of June 2012.

Table 6.2: Trends in some budget items in Benin

	2011		2012		2013*	
	% Change	As % of GDP	% Change	As % of GDP	% Change	As % of GDP
TOTAL REVENUES AND GRANTS	9.2	18.0	34.6	21.7	14.9	23.7
DOMESTIC REVENUE	17.5	18.8	17.2	19.7	6.6	20.0
Tax Revenue	16.4	16.7	6.4	15.8	6.1	16.0
Taxes on foreign trade	37.9	9.8	-7.4	8.1	9.2	8.4
Direct and indirect taxes	-4.9	6.8	26.2	7.7	2.8	7.6
Non tax revenue	53.2	2.6	65.5	3.9	8.8	4.0
GRANTS	-14.1	0.4	419.3	2.0	97.6	3.7
TOTAL EXPENDITURE AND NET LENDING	22.7	21.9	5.4	20.6	20.0	23.6
CURRENT EXPENDITURE	9.9	14.1	19.3	15.0	11.6	15.9
Salaries and emoluments	0.5	6.1	26.0	6.9	9.2	7.2
Interest payments	14.6	0.4	-6.5	0.3	-18.3	0.2
Subsidies and other transfers	7.9	5.7	23.7	6.3	-9.4	5.5
CAPITAL EXPENDITURE	112.4	6.9	-10.0	5.6	13.2	6.0
Internally funded	205.1	4.1	-11.2	3.2	-25.7	2.3
Externally fund	47.3	2.8	-8.2	2.3	67.9	3.7
OVERALL BALANCE (commitment basis) (including grants)	189.6	-3.9	-130.5	1.1	-85.7	0.1
OVERALL BALANCE (commitment basis) (excluding grants)	67.7	-3.1	-66.7	-0.9	309.1	-3.6

Sources: BCEAO/WAMA

The budget deficit was still funded with external resources, especially project grants which were mobilised to the tune of 74.6 billion. Besides, other concessions were granted by financial partners leading to debt reliefs amounting to over CFAF12 billion as well as concessional project and programme grants which did not worsen the public indebtedness situation.

External debt policy remained prudent with fiscal consolidation efforts helping to control the country's level of indebtedness which remained within the limits of the convergence criteria. In fact, outstanding public debt (domestic and external) in relation to GDP would stand at 20% in 2012 against 29.5% at the end of 2012

Monetary Sector Developments

The monetary situation indicates an expansion in money supply during the first half of the year by 9.6% compared to the level a year ago. With regards to its components, currency circulation grew by 6.0% compared to end-June 2012 while demand deposits and quasi money went up by 14.1% and 8.2%, respectively between June 2012 and June 2013. The other net items also recorded a 10.5% increase on year-on-year basis. Compared to end-December 2012, the money supply stock grew by 7.4%, demand deposits jumped by 16.2%

against 7.7% for currency in circulation. Quasi money remained almost at the same level as at end-December 2012 with a marginal increase of 0.1% while the other net items dropped by 15.2%.

As regards money supply counterparts, domestic credit surged by 11.1% compared to the first half of 2012. This trend was attributed to a 12.3% increase in credit to the private sector by commercial banks on year-on-year basis in line with the upturn in economic activities in the tertiary sector. Compared to its level at the end of December 2012, the increase was 9.4%. Net credit to government rose from CFAF -159.3 billion to CFAF -186.7 billion at the end of June 2013, indicating a deterioration of the net position of the State vis-à-vis the Central Bank.

Foreign assets also strengthened with an 8.3% year-on-year increase and 13.1% rise compared to end of December 2012. This situation was driven by a decline in domestic credit of 1.05 compared to December 2012, which significantly offset by the increase in foreign assets over the same period. In all, domestic credit contributed to the year-on-year money supply expansion by 5.3 percentage points while foreign assets contributed 4.7 percentage points. Compared to December 2012, the contribution of domestic credit to money supply growth was -0.5 percentage points while that of foreign assets was 6.7 percentage points.

Table 6.3: Half yearly trends in monetary aggregates in Benin (in %)

	% Change (from June to June)			Contribution to Money Supply Growth		
	2011	2012	2013	2011	2012	2013
LIABILITIES				---	---	---
Money supply (M2)	9.2	8.3	9.6	9.2	8.3	9.6
Money supply (M1)	6.5	9.1	10.4	4.0	5.6	6.5
Currency in circulation	10.9	10.8	6.0	3.0	3.1	1.6
Demand deposits	3.1	7.7	14.1	1.1	2.6	5.0
Quasi-money	13.7	7.1	8.2	5.3	2.7	3.1
Other items (net)	-0.8	26.0	10.5	0.0	1.2	0.5
ASSETS	---	---	---	---	---	---
Total domestic credit	6.9	3.5	11.1	3.4	1.7	5.3
Net credit to Government	73.5	58.8	17.2	-5.6	-6.5	-2.0
Central Banks	106.4	1.4	-32.3	-7.3	-0.1	1.3
Deposit money banks	-30.2	594.8	84.7	0.2	-28.0	-6.7
Credit to the private sector	12.6	10.9	12.3	7.2	6.3	7.3
Central Bank						
Commercial banks	12.6	10.9	12.3	7.2	6.3	7.3
Net foreign assets			---	---	---	---
Banking system	10.5	13.9	8.3	5.7	8.0	4.7
<i>Memorandum item</i>	---	---	---	---	---	---
Reserve money	---	---	---	---	---	---

Source: BCEAO/WAMA

External Sector Developments

The outlook for 2013 indicates that the position of the balance of payments would record a deficit of CFAF 10.0 billion (0.2% of GDP) against a deficit of CFAF 68.9 billion (1.8% of GDP) in 2012. The reduction in the deficit may be due to the drop in the current account

deficit. Indeed, projections indicate that the deficit of current transactions would settle at CFAF 33.7 billion against CFAF 349.8 billion in 2012 in line with the reduction in the balance of goods and services deficit as well as that of revenue.

Exports are expected to rise by 9.1% owing to cotton exports which would improve. The favorable prospects of this subsector combined with the 22.8% boost in the cashew nut subsector and the moderate upturn of 4% in imports would contribute to the reduction of the balance of trade deficit by 4.0%.

The deficit of services account would decline from CFAF 62.1 billion in 2012 to CFAF 59.1 billion in 2013 or by 4.7% while the revenues account deficit would narrow by 28.7%. Concerning current transfers, the surplus would reduce by 12.7% to settle at CFAF 71.9 billion against CFAF 82.4 billion due to the expected decline in public transfers from CFAF 34.7 billion in 2012 to CFAF 24.6 billion in 2013 or by 28.9%.

Thus, the current account deficit could shrink by 3.6% and the surplus on the balance of capital and financial operations account would help offset this deficit. In fact, though the surplus of the capital and financial operations account is expected to drop by 17.1% in 2013, the level will nevertheless remain high (from CFAF 418.7 billion in 2012 to 347.3 billion in 2013) and would contribute to the financing of the current account deficit. This trend in the capital and financial operations accounts may be due to the decline in the surplus of the capital account of public administrations by 17.8% and other investments by 42.8%, mitigated by the rise in foreign direct investments by 12.5% and that of portfolio investments by 10.1%.

Consequently, the overall position of the balance of payments would record a surplus of 0.2% of GDP against a surplus of 1.8% of GDP in 2012.

Table 6.4: Some balance of payments indicators in Benin (as % of GDP)

HEADINGS	2011		2012		2013	
	% Change	As % of GDP	% Change	As % of GDP	% Change	As % of GDP
Trade balance	31.4	-9.3	8.6	-9.0	-4.0	-8.3
Export FOB	-14.9	15.7	1.3	14.2	9.1	14.7
Import FOB	-2.1	-25.0	4.0	-23.2	4.0	-23.0
Balance of services	-11.7	-1.8	2.6	-1.6	-4.7	-1.5
Balance of income	-45.5	-0.4	48.2	-0.6	-28.7	-0.4
Balance of current transfers	-19.3	1.8	33.0	2.1	-12.7	1.8
BALANCE OF CURRENT TRANSACTIONS	27.2	-9.7	4.7	-9.1	-3.6	-8.3
CAPITAL AND FINANCIAL OP. ACCOUNT	-5.6	9.4	29.8	10.9	-17.1	8.6
Capital account	30.0	2.7	4.3	2.5	-13.8	2.1
Financial account	-15.2	6.6	40.3	8.3	-18.1	6.5
Direct investment	4.2	2.9	12.8	2.9	12.5	3.2
Portfolio investment	22.9	0.9	6.0	0.8	10.1	0.9
Other investments	-34.0	2.9	78.8	4.6	-42.8	2.5
Overall balance	-114.0	-0.3	-694.0	1.8	-85.5	0.2
Financing or savings	24.5	0.1	17.8	0.1	0.0	0.1
Coverage rate: Export /Imports	65.2		64.1		66.8	
Degree of openness : (import + export)/GDP		26.3		25.0		24.4
Current balance excl. grants/GDP		-10.0		-10.1		-8.9

(*) Estimates (**): Projections

6.1.1.2. Convergence Situation

In the first half of 2013, performance indicates that seven (07) out of the eleven (11) criteria were met against six (06) in the first half of 2012. This performance was achieved on the back of government's efforts to streamline Fiscal Sectors and improve the supply of goods and services. With regards to primary criteria three were achieved, namely the criteria relating to budget deficit, inflation rate and budget deficit financing by the Central Bank

Among the secondary criteria, those relating to the non accumulation of arrears, positive real interest rates, exchange rate stability and outstanding debt were observed. Capital investments funded with internal resources stood at only 14.4% of tax revenues against 20.5% in June 2012. This counter performance was due to delays in the implementation of public investment projects planned under the programme budget for 2013. Tax revenues as a percentage of GDP remained low (16.0%). Despite efforts aimed at revenue collection that led to a significant increase in tax revenues over the period, the tax pressure rate remained below the convergence threshold; reflecting the need for tax reforms to widen the tax base in order to increase levies. The criterion on wage bill was not met due to Government's commitment to employees. The outstanding public debt (domestic and external) as a percentage of GDP was below 30%.

Table 6.5: Status of Convergence in Benin

	Target	2008	2009	2010	2011	2012*		2013**	
						Jun	Dec	Jun	Dec**
Primary criteria									
i) Budget Deficit/GDP (incl.grants)	≤ 3%	1.7	4.2	1.6	1.8	1.1	0.5	0.1	0.5
ii) Inflation Rate (average)	≤ 5%	7.9	2.2	2.1	2.7	6.6	6.7	2.5	2.8
iii) CB Financing	≤ 10%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
iv) UEMOA Reserves	≥6 mths Imp	5.3	6.9	6.3	6.9	6.0	5.7	5.1	6.0
Country Reserves (indicative)		7.4	7.1	7.0	5.5	5.3	4.1	4.9	4.2
Secondary criteria									
i) Domestic Arrears	≤0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ii) Tax Revenue/GDP	≥ 20%	17.2	16.1	16.2	15.5	15.8	15.9	16.0	17.2
iii) Wage Bill/Tax Revenue	≤ 35%	35.6	45.1	45.4	47.4	43.6	46.8	44.9	44.2
iv) Public Invest./Tax Revenue	≥20%	20.6	44.3	19.2	20.1	20.5	21.7	14.4	21.7
v) Real Interest Rate	> 0	-2.6	4.3	3.6	1.4	-2.7	-1.2	1.5	0.7
vi) Nominal Exchange Rate Stability	± 10%	3.8	-2.7	-3.9	1.4	5.1	-4.8	2.8	-4.8
vii) Total outstanding debt as % of GDP	≤ 70%	25.4	30.1	30.3	32.0	24.5	29.5	27.0	29.5
Number of criteria met		6	8	8	9	6	6	7	9

Sources: BECEAO, UEMOA, WAMA *Estimates **Projections

6.1.1.3. Prospects

Economic prospects were generally positive though highly dependent on internal and external shocks. Indeed, the reliance of the agriculture sector on climatic conditions can affect this sector which remains the main engine of economic growth and for that matter other economic sectors. Economic growth is projected at 5.1% for the year 2013 and inflation is expected to

remain within the convergence criteria standards. This upturn in economic growth is linked to the expected growth in agricultural production and rebound in activities at the Cotonou port.

On the budgetary front, stronger measures aimed at consolidating finances will be pursued with the implementation of the Import Inspection Programme which will contribute to a rise in customs revenues. Initiatives are also currently under way to extend the coverage of the Unique Tax Identification Number (TIN) which will curb tax fraud at the level of companies. The government intends to accelerate the pace budget revenue mobilisation by pursuing structural reforms initiated and by adopting new measures while sustaining a prudent policy in the execution of public expenditure. The economic targets stated in the economic programme for 2013 include a reduction of the budget deficit, with a basic primary balance which would settle at 0.75% of GDP; this would help limit the overall deficit on cash basis excluding grant to 3.5% of GDP. These results would contribute to a further reduction of the outstanding public debt over GDP ratio to 28.5%.

The main structural reforms expected to support the achievement of the above targets include the following:

- Capacity building for customs services for a better valuation of imports ;
- Capacity building for tax revenue agencies by continuing the computerization and the spread of the unique tax identification number which in the medium term will have an impact on revenue mobilisation;
- Operationalisation of the ASYCUDA computerised transit module between Cotonou port and all land border post in order to improve transparency in the clearing of goods and reduce fraud;
- Gradual removal of subsidies in the cotton sector ;
- Consolidation of the single window at the Cotonou port through the establishment of a computerised system for information sharing between customs departments
- Holding a round table between the public and private sector in the last quarter of 2013 to boost the level of investments in the productive sectors of the economy.

6.1.1.4. Conclusion and recommendations

Performance in the first half of 2013 was generally in line with government's efforts in implementing its economic policy. However, though some progress was made in the implementation of structural reforms, results remained inadequate. Nonetheless, the economy is expected to grow by 5.1% as a result of the expected increase in food and cotton production. Inflation remained low (2.5%) and could fall further with a good performance in agricultural production. The government pursued is prudent budgetary policy based on improving the level of tax collect and controlling expenditures with the aim of reducing the budget deficit and the level of indebtedness.

However, efforts are still required to implement public investment programmes. The level of public investments remained very low during the first half of the year compared to the previous year. Against this background, the government needs to:

- Improve the level of public investments in order to generate a positive momentum for the growth of economic activities ;
- Accelerate tax reforms so as to improve the tax pressure level which has always remained compared to the target of 20% ;
- Strengthen control over the wage bill whose ratio to tax revenue is one of the highest in the region.

6.1.2. BURKINA FASO

The main economic policy objectives of Burkina Faso for 2013 fell within the logic of consolidating human investment, ensuring social advancement and protection, institutional development and strong governance, the development of pillars for accelerated growth and emergence of new dynamics for the economy.

In 2013, economic growth is expected to hit 7.0% against 9.0 in 2012. This growth would be fuelled by good performance in all sectors of activity particularly the tertiary sector.

With regard to Fiscal Sector, there was an improvement in total revenues in first half of 2013 reflecting the strengthening of internal resource mobilization while the Expenditures and net lending grew marginally. Concerning external accounts, the overall balance would record a surplus in 2013 result of a significant improvement in the current account deficit, mitigated by the decline in the surplus of the capital and financial operation account. In terms of macroeconomic convergence, Burkina Faso complied with nine (09) criteria in first half of 2013 against ten (10) the previous year.

6.1.2.1. Sector Analysis

Real Sector

In 2013, Burkina Faso was expected to record a 7.0% growth against 9.0% in 2012. This growth was sustained by the tertiary (3.06 points), primary (1.9 points) and the secondary (1.4 points) and import duties (0.6 points).

The primary sector was expected to grow by 6.2% in 2013 against 17.3% in 2012 due to the production of food crops (+9.1), cash crops (+ 4%) and to a lesser extent livestock production (4.0%). The good performance in the primary sector may be due, among others, to ongoing initiatives to increase agriculture production (development of 2033 hectares of land at Di in the Sourou valley by the Millennium Challenge Account and the operationalisation of the Bagré growth area).

The secondary sector would record a growth rate of 6.4% in 2013 against 7.2% in 2012, driven essentially by the upturn in activities in cotton ginnery subsectors (+4.1%), extractive industries (+7.4%), BPW (+8.3%) and modern manufacturing industries (+7.5%). The dynamism in the building and public works subsector would stem from the development and strengthening of road infrastructure, the construction of Donsin Airport and administrative buildings, Bagre growth area, the implementation of the Samandemi Integrated Development Programme, extension of other zonal developments to turn them into growth and competitive areas as well as the commencement of work on the Koupela-Cinkanse- Togo border road. Trends in the extractive industries would be reinforced by the expansion of the Essakane Gold Mine and the development of Bissa and SEMAFO gold mines as well as the commissioning of the zinc mine at Perkoa.

The tertiary sector would record an accelerated growth to settle at 6.4% in 2013 against 5.2% in 2012. This performance may be attributed to market and non market subsectors which are

expected to expand by 6.2% and 6.7% respectively. The tertiary sector will benefit from the effect of sustained investments in the telecommunication subsector, expansion in services to mining companies as well as the organization of international events such as the Ouagadougou Panafrican Film Festival (FESPACO) and Ouagadougou International Hotel and Tourism Exhibition (SITHO).

As regards price trends, the average consumer price index in the first six months of 2013 reached 107.3, indicating a 2.1% rise compared to the first half of the previous year. On annual average basis, inflation stood at 3.1% at the end of June 2013.

Table: 6.6: Trends in GDP and its components in Burkina Faso

Headings	2011	2012	2013	2011	2012	2013
GDP at current prices	4793.3	5404.4	6135.8			
GDP at constant prices	3530.8	3847.1	4116.1			
	% Change			As % of GDP		
SUPPLY						
Primary sector	-1.0	17.2	6.2	25.8	27.8	27.0
Secondary sector	28.4	7.2	6.4	21.3	21.0	20.1
Tertiary sector	-1.2	5.2	6.4	44.2	42.7	43.8
DEMAND						
Final consumption	-2.7	6.8	6.8	80.0	78.4	78.3
• Households	0.2	7.1	7.0	61.5	60.5	60.5
• Administrations	-11.3	6.0	6.0	18.4	17.9	17.8
Gross Fixed Capital Formation	-11.0	21.2	4.7	24.3	27.0	26.4
Exports	35.5	8.3	9.6	20.8	20.6	21.2
Imports	-9.4	12.5	5.2	27.3	28.2	27.7
<i>CPI</i>	2.8	3.8	3.1 (June 2013)			
<i>Real Growth Rate</i>	5.0	9.0	7.0			

Source: BCEAO/ UEMOA

Fiscal Sector and public debt

At the end of June 2013, the execution of State financial operations ended up with a surplus of CFAF +40 billion on the overall balance on commitment basis against a deficit of CFAF 34.4 billion at the same period in June 2012. This result is attributable to an increase of CFAF 75.9 billion in total revenues and grants, while total expenditures and net lending went up by only CFAF 1.5 billion compared to June 2012.

The upward trend in the mobilisation of total revenues and grants resulted from an increased mobilisation of total revenues (+10.2%) and a surge in grants (+29.6%) during the period. The upswing in total revenues was essentially sustained by tax revenues which jumped by 10.3% to settle at CFAF 501.5 billion at the end of June 2013 against CFAF 454.7 billion at end of June 2012. Grants were mobilized to the tune CFAF 92.3 billion at the end of June 2013 against CFAF 67.9 billion at the end of June 2013, representing a rise of 29.6% due to the increase in project grants (CFAF+ 23.5 billion).

With regard to total expenditures and net lending, there was a slowdown in commitments at the end of June 2013. In fact, commitments rose to CFAF 609.2 billion at the end of June

2013 against 607.7 billion at the end of June 2012, representing an increase of 1.0%. This trend resulted from the 5.4% growth in current expenditures compared to end-June 2012 on account of personnel expenditures, current transfers and to a lesser extent operational expenditures as well as a drop in capital expenditures (CFAF -8.3 billion) and net lending (CFAF-8.9 billion).

Outstanding public debt increased to CFAF 1,623.4 at the end of June 2013, up by 1.9% compared to end-December 2012.

Table 6.7: Trends in some budget indicators in Burkina Faso

Headings	2010		2011		2012		June 2013
	% Change	As % of GDP	% Change	As % of GDP	% Change	As % of GDP	% Change
TOAL REVENUE AND GRANTS	14.1	19.3	19.0	21.3	21.9	23.0	12,6
DOMESTIC REVENUE	26.4	14.9	16.5	16.2	25.9	18.0	10,2
Tax Revenue	14.4	12.4	23.0	14.2	28.1	16.1	10,3
Non Tax Revenue	159.5	2.5	-15.2	2.0	10.3	1.9	9,1
GRANTS	-14.4	4.4	27.5	5.2	9.4	5.0	29,6
TOTAL EXPENDITURE NET LENDING	13.3	23.7	7.4	23.7	25.0	26.2	1,0
CURRENT EXPENDITURE	6.4	11.6	18.3	12.8	31.9	14.9	5,4
Salaries and Emoluments	7.6	5.4	14.5	5.7	18.1	6.0	7,2
Other operating expenditures	3.9	5.8	20.8	6.5	44.3	8.3	
Subsidies and other transfers	9.0	3.8	28.0	4.5	21.0	4.8	5,4
Interest owed	26.6	0.5	32.5	0.6	29.9	0.7	5,4
CAPITAL EXPENDITURE	11.3	10.5	0.8	9.9	27.8	11.2	-6,3
Internally funded	17.6	6.1	2.0	5.8	42.4	7.3	0,3
OVERALL BALANCE (commit. basis excl. grants)	-5.9	-8.7	-5.9	-7.7	21.9	-8.2	-50,9
OVERALL BALANCE (commitment basis) (incl. grants)	4.6	-4.3	-39.7	-2.4	48.6	-3.2	-212,4
BASIC PRIMARY BALANCE	-13.4	-3.9	-21.2	-2.8	44.3	-3.6	105,9
OVERALL BALANCE (cash basis) (excl. grants)	22.4	-8.7	-9.7	-7.3	6.3	-6.9	
OVERALL BALANCE (cash basis) (incl. grants)	114.8	-4.4	-46.9	-2.2	-1.2	-1.9	-86,0
FINANCING	108.1	4.3	-46.2	2.1	-2.1	1.8	
NET DOMESTIC FINANCING	-378.1	1.0	-108.9	-0.1	-533.0	0.3	
NET EXTERNAL FINANCING	37.5	3.3	-27.8	2.2	-21.4	1.5	

Sources: BCEAO/WAMA

Monetary Sector Developments

The monetary situation at end of June 2013 compared to end-December 2012 was marked by a 9.4% expansion in money supply due to rise of 22.9 of domestic credit, which was mitigated by a 13.1% drop in foreign assets.

The downward trend in net foreign assets was linked exclusively to those of the Central Bank (CFAF-117.2 billion) as the assets of deposits banks grew by 6.3% or CFAF 28.2 billion. The expansion of domestic credit was explained by a rise in private sector credit of CFAF114.8 billion or 9.7%.

Table 6.8: Trends in monetary aggregates in Burkina Faso

	2010		2011		2012		2013	2010		2011		2012		2013
	Jun	Dec	Jun	Dec	Jun	Dec	Jun	Jun	Dec	Jun	Dec	Jun	Dec	Jun
LIABILITIES	% Change							Contribution to M2 growth in %						
Money supply (M2)	14.4	4.2	6.2	7.1	5.0	10.5	9.4							
Money Supply (M1)	5.8	2.1	5.0	13.8	0.3	14.1	11.1							
Currency in circulation	-24.1	12.6	15.6	4.4	10.6	35.9	-26.7							
Demand deposit	23.6	-1.7	13.6	16.7	3.3	8.8	22.5							
Quasi-money	27.9	6.8	7.6	-0.8	11.5	6.0	7.1							
Other items (nets)	-42.8	103.7	28.6	50.9	13.8	49.4	9.7	4.2	4.6	2.5	3.0	1.1	-4.4	0.4
ASSETS	7.4	14.1	15.3	4.0	2.3	17.5	22.9	4.7	7.7	9.1	2.6	1.4	10.7	14.9
Net credits to Government	-	-	330.5	-	145.6	142.8	-	5.6	0.8	4.2	5.7	0.8	-1.8	8.3
Central Bank	-51.6	137.3	-	1423.1	8.3	-4.7	-73.7							
Money Deposit Banks	285.1	38.2	19.7	-7.5	-6.9	47.7	243.5							
Credit to the private sector	-1.3	16.1	8.5	13.9	3.5	20.0	9.7	0.8	8.4	4.9	8.3	2.2	12.5	6.6
Net foreign assets	12.3	2.3	-	11.1	18.4	10.4	-9.7	-13.1	6.9	1.2	5.5	7.6	4.7	-4.7

Source: BCEAO

External Sector Developments

The balance of payments recorded a surplus of CFAF 30 billion in 2013 against a deficit of CFAF 4.2 billion in 2012. This trend resulted from a significant improvement in the current account deficit mitigated by the surplus on the capital and financial operations account.

The current account deficit was expected to settle at 3.1% in 2013 against 4.3% of GDP in 2012 thanks mainly to the improvement in the trade balance due to a higher growth in exports (+9.4%) than imports (+4.9%). As a percentage of GDP, the current balance excluding grants would improve marginally from -7.5% in 2012 to -5.6% in 2013.

Net inflows from financial operations and capital transfers would drop by 18.8 billion to settle at 222.9 billion in 2012 mainly as a result of a decline in other private and public capital.

Table 6.9: Trends in Some Balance of Payments indicators in Burkina Faso

HEADING	2011		2012*		2013**	
	% Change	As % of GDP	% Change	As % of GDP	% Change	As % of GDP
Trade balance	-117.0	0.2	-1166.6	-2.3	-38.8	-1.2
Export	43.9	23.6	6.0	22.1	9.4	21.3
Import	30.9	-23.3	18.3	-24.5	4.9	-22.6
Services balance	30.9	-7.1	18.3	-7.5	4.9	-6.9
Revenues balance	10.7	-0.1	-18.6	-0.1	11.1	-0.1
Current transfers balance	11.3	5.7	8.4	5.4	5.8	5.1
CURRENT ACCOUNT	-30.3	-1.3	281.0	-4.4	-19.2	-3.1
CAPITAL & FINANCIAL ACCOUNT	-40.3	2.2	132.3	4.5	-7.8	3.6
Capital transfers	22.6	2.5	123.2	5.0	7.5	4.7
Public administrations	42.9	1.5	203.8	4.1	9.0	3.9
-Acquisitions /transfer of non produced financial assets	-100.0	0.0	0.0	0.0	4.2	0.0
Financial operations	-122.8	-0.4	68.5	-0.5	135.3	-1.1
Direct investments	4.5	0.4	2.2	0.4	75.8	0.6
Portfolio investments	-40.6	0.2	6.7	0.2	10.0	0.2
Other investments	-213.8	-1.0	27.7	-1.1	93.7	-1.9
NET ERRORS AND OMISSIONS	-167.3	0.0	464.9	-0.1	-100.0	0.0
OVERALL BALANCE	-53.0	0.8	-106.7	0.0	-1213.2	0.5
<i>Memorandum items</i>						
Coverage rate: Export/Imports (%)		79.7		72.5		75.5
Degree of openness: (import + exports)/(2*GDP) (%)		29.8		30.0		29.3
Current balance/GDP (%)		-1.3		-4.3		-3.1
Current balance excl. grants/GDP (%)		-5.0		-7.5		-5.6
Overall balance /GDP (%)		0.8		0.0		0.5

Source: BCEAO (*) Estimates (**): Projections (1) Data per products in CAF

6.1.2.2. Status of Macroeconomic Convergence in Burkina

Performance in terms of macroeconomic convergence indicates that the country complied with nine (9) criteria, including three (3) primary ones (budget deficit, inflation, central bank deficit financing) and six secondary ones, namely, the criterion on arrears (domestic and external), wage bill, internally funded investments, positive real interest rate, exchange rate stability and public debt.

Table 6.10: Status of Convergence in Burkina Faso

	Target	2008	2009*	2010	2011	2012		2013**	
		Dec	Dec	Dec	Dec	June	Dec*	June	Dec
Primary criteria:									
i) Budget Deficit/GDP (incl. Grants)	≤ 3%	5.4	4.8	4.3	2.4	1.3	3.2	1.3	3.2
ii) Inflation rate (average)	≤ 5%	10.7	0.9	-0.6	2.8	3.6	3.8	2.1	3.8
iii) CB Financing	≤ 10%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
iv) UEMOA Reserves	≥ 6 mths Imp	5.3	6.9	6.3	6.9	6.0	5.7	5.1	6.0
<i>Country Reserves (Indicative)</i>		6.3	8.8	5.8	4.1	3.2	3.7	3.2	3.7
Secondary criteria									
i) Arrears (domestic and external)	≤ 0	0.0	63.6	0.0	0.0	0.0	0.0	0.0	0.0
ii) Tax Revenue/GDP	≥ 20%	15.0	12.5	12.4	14.2	16.8	16.1	16.3	16.1
iii) Wage bill /Tax Revenues	≤ 35% TR	44.7	46.2	43.5	40.5	33.2	37.3	32.3	37.3
iv) Pub. Investments /Tax Revenue	≥ 20%TR	43.7	47.6	49.0	40.6	30.2	45.2	27.5	45.2
v) Real Interest Rate	> 0	-5.4	5.6	6.4	1.4	0.1	0.4	1.5	-0.3
vi) Nominal Exchange Rate Stability	± 10%	3.8	-2.7	-3.9	1.4	5.1	-4.8	-1.2	-4.8
vii) Public debt as % of GDP	≤ 70%	26.7	26.3	27.9	28.7		28.7		28.7
Number of criteria met		5	7	8	9	10	8	9	7

Source: BCEAO/UEMOA/IMF *Estimates ** Projections

6.1.2.3. Prospects

In 2013, Burkina Faso is expected to record a growth rate of 7.0%. This growth would be fuelled by all sectors of activity. Inflationary pressures are expected to ease. In the area of Fiscal Sector, the government will pursue its policy of improving tax revenues mobilisation and controlling expenditures. With regard to external trade, it would be marked by the sustained export of gold and cotton as well as strong uncertainties about world petroleum prices. In terms of convergence, the country would comply with seven (07) criteria at the end of 2013.

6.1.2.4. Conclusion and Recommendations

In the first half of 2013, it is worth noting that in Burkina Faso, average inflation rate stood at 3.1% at the end of June against 3.8% in 2012. Fiscal Sectors felt the impact of the high level of current revenues especially tax revenues coupled with a slight increase in total expenditures and net lending. However, the Authorities continued to pursue efforts to achieve all the desired objectives in terms of compliance with convergence criteria. This explains why it is necessary to implement the following recommendations to improve the situation:

- Strengthen reforms and sector policies, especially, those concerning water management, increasing food production, regular power supply as well as the implementation of special programmes that are likely to deliver strong and sustained growth;
- Implement appropriate measures to strengthen and diversify exports;
- Pursue and strengthen measures aimed at improving tax revenue collection.

6.1.3. COTE D'IVOIRE

The development strategy of Côte d'Ivoire over the medium-term is based on the implementation of an economic and financial program, for the period 2012-2014, supported by the Extended Credit Facility (ECF). This programme, which is mainly supported by the National Development Plan (NDP 2012-2015), aims at fostering the expansion of public and private investments with a view to providing the country with quality economic infrastructure and support growth sectors. Thus, the main macroeconomic objectives of the country for the 2012-2014 period are geared toward achieving accelerated economic growth, curbing inflation, and rationalizing public expenditure by reducing the wage bill and operating costs and increasing capital expenditure.

Economic performance, in the first half of 2012, reflected, on the whole, the favourable trends in economic activity. Thus, economic growth rate was expected to settle at 9.0% in 2013. As to price developments, inflation stood at 2.9% in June 2013 against 1.7% the same period of the preceding year. As regards the fiscal sector, developments, in comparison to the first half of 2012, highlighted a marginal decline in the tax revenue/GDP ratio against the backdrop of an increasing trend in total expenditure/GDP; leading to a deterioration in fiscal deficit.

With regard to macroeconomic convergence, the country met seven (07) targets, of which three (03) primary criteria; thus reflecting one target less compared to the same period the previous year.

6.1.3.1. Sectoral Analysis

For 2013, the latest forecasts reveal a real GDP growth rate of 9.0 % after realizing 9.8% in 2012. This growth would mainly be driven by positive performance in the secondary and tertiary sectors prompted by the recovery of investments and the implementation of structural reforms by the Government.

The primary sector was expected to increase by about 3.1% against 0.2 % in 2012, primarily as a result of good performance in agriculture and export. For the export farming, major increases would involve coffee, cotton and, to a lesser extent, cocoa. As far as the mining sector is concerned, favourable trends are expected in oil, gas, and gold production.

In the secondary sector, production is expected to increase by 14.2% in 2013 against 16.1% in 2012, mainly driven by the vibrancy of all sub-sectors, in particular building and construction, food, energy and petroleum products.

The service sector was expected to record an increase of 9.7 % in 2013 against 15.2% in 2012 thanks to the expansion of transport, telecommunications and trade economic activities facilitated by the improvement of the business environment.

Globally, contributions to GDP growth are expected to be 1.1 percentage points for the primary sector, 3.2 for the secondary sector, 3.7 for the tertiary sector, and 1.0 points for the import duties and taxes.

On the demand side, growth was essentially fuelled by public investments which are expected to rise by more than 87.0%. This expansion would mainly be due to the vibrancy of public investments which somewhat reflect the Government's commitment to scale up efforts in the area of social and economic infrastructures. Private investments were also expected to rise significantly as a result of the renewed confidence of economic traders and households. Final consumption increased by only 1.5%, while in foreign trade, imports and exports rose by 8.4% and 14.1 % respectively.

The contributions of the various components of demand to real GDP growth are as follows: 1.1 points for final consumption, 8.2 points for investment, and -0.3 point for foreign trade.

Table 6.11: Trends in GDP and its components in Côte d'Ivoire (in %)

	2010	2011	2012*	2013**	2010	2011	2012*	2013**
	% Change				As % of GDP			
Primary Sector	1.9	-0.1	1.4	3.1	35.1	36.8	34.0	35.0
Agriculture, livestock	1.8	0.1	1.3	3.4	33.7	35.4	32.6	33.7
Fishing, Forestry	4.1	-3.4	4.1	-2.8	1.4	1.4	1.4	1.3
Secondary Sector	-1.9	-7.7	16.1	14.2	21.9	21.3	22.5	25.7
Mining	-17.6	-1.0	-4.5	6.5	3.7	3.9	3.3	3.6
Manufacturing	-2.2	-10.3	20.3	11.8	12.2	11.4	12.5	14.0
Energy	1.8	4.7	6.7	10.0	3.3	3.7	3.6	3.9
Building and Construction	27.2	-20.0	44.3	38.0	2.7	2.3	3.0	4.2
Tertiary Sector	5.3	-5.2	15.2	9.7	36.5	36.3	38.1	41.8
<i>Market Services</i>	6.3	-8.0	19.1	11.6	28.0	27.0	29.3	32.7
Trade	2.6	-9.4	11.0	10.3	14.2	13.5	13.6	15.0
Transport and Communication	0.8	-9.5	23.1	10.0	7.4	7.0	7.9	8.7
<i>Non Market Services</i>	2.0	3.9	3.9	3.2	8.5	9.3	8.8	9.1
GDP at factor price	2.3	-3.9	10.0	8.4	93.5	94.4	94.5	102.5
DIT and Domestic VAT	4.4	-23.6	15.5	19.5	6.5	5.2	5.5	6.5
GDP at constant price	2.4	-4.7	9.8	9.0				
FINAL CONSUMPTION	2.4	-6.9	21.1	1.5	61.5	60.1	66.3	67.3
HOUSEHOLDS	2.4	-7.0	23.1	4.3	47.9	46.8	52.4	54.7
GOVERNMENT	2.4	-6.7	14.1	-9.1	13.6	13.3	13.9	12.6
GROSS CAPITAL FORMATION	2.4	-13.5	92.2	66.3	8.0	7.2	12.7	21.1
CHANGE IN STOCK	2.4	-0.7	2.9	6.0	-3.3	-3.5	-3.2	-3.4
A (= C + I) = Absorption [domestic]	2.4	-7.8	29.8	12.2	66.2	64.1	75.7	84.9
EXPORTS (+XS)	2.4	-3.2	11.1	8.4	62.0	63.0	63.8	69.1
IMPORTS (-MS)	2.4	-8.6	60.0	14.1	28.3	27.1	39.5	45.1

Source: BCEAO/WAMA

* Estimates **Projections

With regard to prices, the year-on-year inflation rate at the end of June 2013 stood at 2.9% against 1.0% in the same period of the previous year. On average, inflation rose from 0.1% in June 2012 to 3.5 % in June 2013. The increase recorded in the first half of 2013 was due to higher prices in education services, clothing and food products. The rise in food prices mainly concerned vegetables, fish, meat and tubers.

Fiscal Sector Developments

In the first half of 2013, total revenue and grants were mobilized to the tune of CFA 1480.8 billion, representing a 15.6% increase compared to the same period of the previous year. This improvement relates both to domestic revenue and grants. Indeed, total revenue went up by 8.5% during the period under review to settle at CFA1,349.9 billion francs, representing 9.6 % of GDP against 9.9% of GDP in the first half of 2012. The improvement in domestic revenue was essentially driven by the 7.9% increase in tax revenue, induced by the recovery of economic activity and positive performance by the revenue Authorities. Grants rose by nearly 240% to settle at 132.9 billion (representing 0.9% of GDP against 0.3% of GDP in the first half of 2012).

Table 6.12: Trends in some budget items in Côte d'Ivoire (in %)

	2011	H1 2012	2012	H1 2013	2011	H1 2012	2012	H1 2013
	<i>Annual % Change</i>				<i>As % of current GDP</i>			
1- TOTAL REVENUE AND GRANTS	-24.4	1.0	30.2	15.6	15.2	10.2	17.8	10.5
1.1 DOMESTIC REVENUE	-22.2	5.1	30.4	8.5	14.9	9.9	17.5	9.6
Tax Revenue	-22.6	6.4	30.6	7.9	13.1	8.5	15.5	8.3
Non Tax Revenue	-19.3	-2.6	29.0	12.3	1.8	1.3	2.0	1.3
1.2 GRANTS	-69.1	-55.1	19.1	239.4	0.3	0.3	0.3	0.9
2 - EXPENDITURE AND NET LENDING	-10.9	15.4	25.6	18.1	19.6	10.4	22.2	11.0
2.1 TOTAL EXPENDITURE	-9.6	22.8	25.6	18.1	19.6	10.4	22.2	11.0
2.1.1 CURRENT EXPENDITURE	-8.5	11.8	19.4	3.0	15.8	8.5	17.0	7.8
Salaries and Emoluments	-10.1	5.9	27.7	11.4	6.3	3.6	7.3	3.6
Other operating costs	-11.4	20.5	17.1	-6.0	7.4	4.2	7.8	3.5
Interests owed	12.0	-3.6	-0.2	14.7	1.9	0.7	1.7	0.7
2.1.2 CAPITAL EXPENDITURE	-18.5	80.8	125.8	110.9	2.4	1.6	4.9	3.0
Domestically financed	-9.7	117.1	122.0	39.7	2.0	1.2	4.0	1.5
externally financed	-43.9	23.6	143.1	307.7	0.4	0.4	0.9	1.5
3 - OVERALL BALANCE (Commitment basis) (Excluding Grants)	65.3	-458.2	10.5	195.7	-4.7	-0.5	-4.7	-1.4
4 - OVERALL BALANCE (Commitment basis) (Including Grants)	131.6	-100.0	9.9	134.7	-4.4	-0.2	-4.4	-0.5
5 - BASIC PRIMARY BALANCE	-166.3	-49.0	101.0	24.6	-0.9	0.9	-1.7	1.0
7 - OVERALL BALANCE (Cash basis) (Excluding Grants)	65.3	-288.7	10.5	225.8	-4.7	-0.5	-4.7	-1.4
8 - OVERALL BALANCE (Cash basis) (Including Grants)	131.6	-123.5	9.9	134.2	-4.4	-0.2	-4.4	-0.5

Source: BCEAO/WAMA

* Estimates **Projections

In the first half of 2013, total expenditure and net lending increased by 18.1%, compared to the corresponding period of the preceding year, to settle at 1,548.6 billion CFA francs. The increase in total expenditure was primarily driven by capital expenditure which rose by 110.9 % to settle at 423.0 billion, a 3.0% growth against 1.6 % in the first half of 2012. This growth

mainly related to capital expenditure financed from external resources which expanded by 307.7 % in the first half of 2013, demonstrating donors' willingness to support the Government's programmers. Capital expenditure financed from domestic resources increased by almost 40% compared to the first half of 2012. As for current expenditure, they grew by approximately 3.0% in conjunction with the increase in wage bill and, to a lesser extent, interest on public debt.

Globally, the implementation of the State budget resulted in an overall surplus, excluding grants, of 198.7 billion, or 1.4% of GDP. The overall balance on cash basis, including grants, stood at 65.8 billion, or 0.5% of GDP. This deficit was mainly financed from external resources.

As far as debt is concerned, the relief obtained in 2012 under the HIPC initiative and the Multilateral Debt Relief Initiative (MDRI), has allowed the country to post a sustainable debt profile.

External Sector Developments

After the huge deficit recorded in 2012, the overall balance of payments was expected to post a marginal surplus in 2013. Indeed, the overall balance was expected to rise from a deficit of 256.0 billion (-2.1% of GDP) in 2012 to a surplus of 10.0 billion (-0.1% of GDP) in 2013. This improvement, which was achieved against the backdrop of deteriorating current account balance, was driven by a significant growth in net inflows under the financial account.

The current account was expected to record a deficit of 396.9 billion (-2.8% of GDP) in 2013 against a deficit of 280.1 billion (-2.2% of GDP) in 2012. This deterioration would likely be due lower surplus in the trade balance, worsening of deficit in service which would be, somewhat, offset by an improvement in the current transfers and income deficit. The surplus in trade balance is expected to settle at 1,631.5 billion in 2013 against 1,726.1 billion in 2012. This decline would be the result of the explosive growth in imports supported by the rising need for equipments under the investment programme. The increase in imports would also contribute to the worsening of the deficit in services. In contrast, the income and current transfers account deficits would experience an improvement in line with the decline in interest payments on debt servicing induced by the debt cancellation under the initiative HIPC and increased budgetary support.

The capital and financial account recorded a surplus of 406.9 billion (2.9% of GDP) in 2013 against a deficit of 23.9 billion (-0.2% of GDP) in 2012. This improvement was driven by the increase in foreign direct investment and public drawings on foreign loans, facilitated by the normalization of the socio-political climate in the country.

Table 6.13: Trends in Some of Balance of Payments Indicators in Côte d'Ivoire (in %)

HEADING	2011*	2012*	2013**	2011*	2012*	2013**
	in billions of CFA			As % of GDP		
1 – Trade balance	2 771.2	1 726.1	1 631.5	24.4	13.7	11.6
Export FOB including :	5 833.8	6 138.4	6 617.9	51.4	48.7	47.0
Cocoa (beans and processed products)	1969.4	1571.4	1622.5	17.3	12.5	11.5
Oil products	1 740.4	1 587.8	1 740.8	15.3	12.6	12.4
Non monetary gold	271.5	404.3	537.6	2.4	3.2	3.8
Import FOB (1) including	-3 062.7	-4 412.3	-4 986.4	-27.0	-35.0	-35.4
Food products	-838.5	-1 046.0	-1 111.0	-7.4	-8.3	-7.9
Capital goods	-509.5	-919.7	-1 320.8	-4.5	-7.3	-9.4
2-Balance of Services	-840.8	-1 175.0	-1 270.5	-7.4	-9.3	-9.0
Including freight	-469.0	-676.6	-767.2	-4.1	-5.4	-5.5
3-Balance of income	-462.2	-474.4	-460.5	-4.1	-3.8	-3.3
including interest on debt	-129.7	-154.2	-106.1	-1.1	-1.2	-0.8
4-Balance of current transfers	-303.0	-356.8	-297.4	-2.7	-2.8	-2.1
Private	-289.2	-322.7	-358.8	-2.5	-2.6	-2.6
Public	-13.8	-34.1	61.4	-0.1	-0.3	0.4
a-CURRENT ACCOUNT BALANCE	1 165.1	-280.1	-396.9	10.3	-2.2	-2.8
b-CAPITAL AND FINANCIAL ACCOUNT	-737.6	-23.9	406.9	-6.5	-0.2	2.9
7- Financial transactions	-810.0	-2 785.8	259.7	-7.1	-22.1	1.8
Direct investments	127.8	231.2	331.8	1.1	1.8	2.4
Portfolio investment	-4.3	234.8	94.2	0.0	1.9	0.7
Other Investments	-933.4	-3 251.8	-166.3	-8.2	-25.8	-1.2
Exceptional financing (Memorandum item)	233.2	2 871.5	-19.4	2.1	22.8	-0.1
d - OVERALL BALANCE (a+b+c)	427.5	-256.0	10.0	3.8	-2.0	0.1
<i>Other typical ratios</i>						
Coverage rate: Export/Imports (%)	144.5	109.1	105.3			
Degree of Openness: (import g&s+ export g&s)/(2*GDP) (%)	46.7	50.7	50.0			
Current Account Balance excluding grants/GDP (%)	10.2	-2.3	-3.6			

Source: BCEAO/WAMA * Estimates ** Projections

Monetary Sector Developments

The aggregate M2 remained relatively stable as at 31 December 2012 because the increase in net domestic assets was offset by the decline in net foreign assets. Indeed, domestic credit went up by 3.1% during the first half of 2013 as a result of the simultaneous growth in net credit to Government and lending to the economy. Thus, net credit to the government increased by 3.1%, driven by the 8.0% increase in net claims of the Central Bank on Government. Credit to the private sector rose by 0.7% to settle at 2,323.5 billion, a funding rate of 16.5% against a ratio of 18.3% at end-2012 and 16.9 % in the first half of 2013. Conversely, net foreign assets experienced a 2.1% decline in the first half of 2013, mainly as result of the drop in net foreign assets of the Central Bank.

Developments in the monetary sector resulted in a 10.6% decrease in currency in circulation and an increase in demand and time deposits by 6.3 % and 4.4 % respectively. As at 30 June 2013, the aggregate broad money supply comprised 28.9% of currency in circulation, 36.0%

of demand deposits and 35.1% of time deposits against 32.9%, 33.9% and 33.7% respectively as at 31 December 2012.

Total contributions to M2 growth were 1.8 points for net credit to Government, 0.3 points for net credit to the economy, -0.7 points for net foreign assets and -1.3 points for other items net.

Table 6.14: Half-yearly Trends in Monetary Aggregates (*in %*)

	2011		2012		2013	2011		2012		2013
	June	Dec	June	Dec	June	June	Dec	June	Dec	June
	Annual % Change					Contribution to M2 Growth				
LIABILITIES										
Money supply (M2)	-1.0	11.8	-1.7	8.7	0.2					
Money supply (M1)	-1.8	16.9	-4.6	8.7	-2.0					
Currency in circulation	-14.9	11.5	-10.0	13.7	-10.6					
Demand deposits	17.7	22.7	0.8	4.3	6.3					
Quasi-money	0.5	2.2	4.6	8.7	4.4					
Foreign Currency deposits										
Other items (net)	168.4	-50.6	1.2	-7.6	75.5	-2.8	2.3	0.0	0.2	-1.3
ASSETS	-7.0	9.0	7.2	11.7	3.1					
Net credit to Government	-12.8	19.7	14.6	20.0	8.0	-2.4	3.3	2.6	4.2	1.8
Central Bank	-18.8	25.7	-2.2	29.9	-0.1					
Deposit Money Banks	-3.1	11.6	40.3	9.4	18.1					
Credit to private sector	-4.8	5.3	4.2	8.0	0.7	-2.4	2.5	1.9	3.8	0.3
Net Foreign Assets	19.9	9.2	-15.5	1.7	-2.1	6.6	3.7	-6.1	0.6	-0.7
Incl. Central Bank	6.0	14.8	-14.1	-8.2	-2.3	1.9	5.1	-5.0	-2.6	-0.6

6.1.3.2. Status of Macroeconomic Convergence

An analysis of the macroeconomic convergence status shows that the country met seven (07) convergence criteria during the period under review, including three (03) primary criteria against four (4) in the corresponding period of 2012.

In the first half of 2013, Côte d'Ivoire met all the primary criteria, except the one on gross external reserves. The inflation rate revolved around 3.5% against 1.3% at the end of 2012. As regards Fiscal Sector, efficient management of the State budget resulted in the rationalization of fiscal balances. Thus, the overall deficit including grants (commitment basis) appeared relatively low during the first half of 2013. In contrast, the level of foreign reserves in the UEMOA zone settled below the regional target set by ECOWAS.

Regarding the secondary criteria, the country met four (4) targets, namely non-accumulation of domestic and external arrears, positive real interest rate, nominal exchange rate stability, and public debt outstanding. The ratio of tax revenue/GDP remained low in spite of the notable improvements. Similarly, the wage bill continued to absorb a significant share of budgetary resources, while the level of public investment financed from domestic resources remained far below the standard by the Community despite the efforts being deployed by the Authorities.

Table 6.15: Status of Convergence in Cote d'Ivoire

	Target	2008	2009	2010	2011	2012		2013**	
			Dec	Dec	Dec**	June	Dec**	June	Dec**
Primary Criteria:		2	4	4	3	4	2	3	3
i) Budget Deficit/GDP (including Grants)	≤ 3%	0.4	-0.9	1.9	4.3	0.4	3.5	0.9	3.5
ii) Inflation (Average)	≤ 5%	6.3	0.5	1.7	4.9	0.1	1.3	3.5	1.3
iii) CB Financing	≤ 10%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
iv) UEMOA Reserves	≥ 6 mths Imp	5.3	6.9	6.3	6.9	6.0	5.7	5.1	6.0
<i>Country reserves</i>		3.5	4.6	4.7	6.5	5.2	4.6	4.8	4.9
Secondary Criteria		2	4	4	3	4	5	4	5
i) Domestic Arrears	≤ 0	107.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ii) Tax revenue/GDP	≥ 20%	15.6	17.4	17.0	13.1	17.1	17.7	16.5	17.7
iii) Wage Bill/Tax Revenue	≤ 35%	43.8	39.7	41.5	48.2	42.5	42.3	43.8	47.1
iv) Publ. Investment./Tax Revenue	≥ 20%	13.6	12.6	13.7	15.9	13.7	23.1	17.7	25.7
v) Positive Real Interest Rate	> 0	-1.0	5.9	4.0	-0.8	3.8	4.2	0.4	2.2
vi) Nominal exchange rate stability	± 10%	3.8	-2.7	-3.9	1.4	5.1	-4.8	-1.2	-4.8
vii) Public Debt/GDP	≤ 70%	48.4	61.6	65.4	69.4	34.4	34.6	34.4	34.6
Number of Criteria met		4	8	8	6	8	7	7	8

If projections materialize, the country would meet eight (8) macroeconomic convergence targets at the end of **2013**, including three primary, namely inflation, budget deficit financing by the Central Bank, and gross external reserves. As regards the secondary targets, performance is expected to improve with respect to investments financed from domestic resources.

6.1.3.3. Conclusion and Recommendations

The implementation of the macroeconomic stability and recovery programme initiated by the Ivorian Government is being satisfactorily pursued. Savings on debt servicing following the attainment of the completion point under the HIPC initiative have facilitated progress in terms of public investment being carried out as part of the modernization of the country's economy. Moreover, the gradual improvement in security is boosting the business environment and helping to attract foreign investors.

However, the analysis shows that the major challenges facing the Ivorian economy primary relate to structural constraints in some segments of the agricultural sector such as cocoa, low ratio of tax revenue to GDP, and high operating costs of the public administration including the Wage bill of civil servants.

To enhance the stability of the macroeconomic framework and improve the country's macroeconomic convergence profile, the implementation of the following recommendations is essential:

- Pursue efforts geared toward improvement of financial authorities' performance by strengthening and modernizing tax administration;
- Rationalize public spending by ensuring better control of operating costs in order to increase the share allocated to investment;

- Pursue the implementation of structural reforms mainly those relating to the agricultural sub-sectors in order to get rid of the structural constraints undermining the effectiveness of the relevant sectors.

6.1.4. GUINEE-BISSAU

The economic objectives of Guinea Bissau Government are grounded on political stability, consolidation of growth and sustained streamlining and rationalisation of Fiscal Sector management, private sector development as well as improved access to basic social services for vulnerable populations.

On the political front, encouraging progress has been made with the formation of a new all-inclusive government comprising all political shades of opinion and members of civil society on 06 June 2013 in accordance with the recommendations of the international community.

At the economic level, economic activity was on a recovery track with a targeted real GDP growth rate of 3.5%. This growth was expected to be sustained by cashew production and financial support from development partners. Inflation rate is expected to reach 2.5%. The assumptions underlying these projections were a good farming season, the return to normalcy in the socio-political situation and a resumption of international financial cooperation. In terms of macroeconomic convergence, there has been a slight regression in Guinea Bissau's performance compared to the same period in 2012. Thus, three (03) primary and four secondary (04) criteria were met in the first half of 2013, against four primary criteria in the first half of 2012.

6.1.4.1. Sectoral Analysis

Real Sector Developments

The economy jumpstarted with a growth rate estimated at 3.5% on the back of expansion in all sectors of activity. The primary sector grew by 2.8% against 0.24% in 2012. This growth stemmed mainly from the increase in food production as well as cashew nut production which on average account for 30% of value added in the primary sector. Food production was expected to go up by 2.5% against 5.8% in 2012 as a result of good rain fall. The cashew sector recorded a 4.3% growth rate in 2013 against -8.9% in the corresponding period of the preceding year. The livestock production sector grew by 4.2% against 5.1% and the forestry sector by 4.6% against 6.5% in 2012. The fisheries sector recorded a growth rate of 4.3% in 2013 against a slump of 2.0% the previous year due to the break in relations with the EU as a result of April 2012 events.

The secondary sector recorded a 4.8% growth against -3.6% in 2012, driven by the improvement in electricity generation and an upsurge of activity in the BPW subsector sustained by public investment, especially, the rehabilitation of roads in the capital and hinterlands with funds provided by BOAD. The BPW grew in real terms by 5.1% against 5.5% in 2012 in line with the recovery in investments. Agribusiness also soared by 2.6% against -3.2% in 2012 in line with the increase in demand and electricity generation.

Similarly, the other industries grew by 2.7% against -3.3% in 2012. With regard to extractive industries, the growth rate would go up from 3.0% in 2012 to 4.7% in 2013.

The tertiary sector also experienced a rebound in activity, with a growth rate of 3.2% against 1.1% in 2012, fuelled by the upsurge in the volume of cashew nuts exports. The increased activity in the cashew nut marketing sector would have a positive effect on the transport and communication sector. This trend was linked to the 2.4% expansion of activities in the trading, catering and hotels subsectors (cashew trading 3.6% against -7.2% and other trading, restaurants and hotels 2.2%) as well as the 4.2% growth recorded in the transport and telecommunication subsectors due an expansion in transport activities, especially those related to the transportation of cashew nuts from production areas to the port. The public administration subsector inched up by 4.1% against 4.8% in 2012.

As regards demand, growth was sustained mainly by the rise in the imports of consumer goods, petroleum products and capital goods due to domestic demand. Gross Fixed Capital Formation would go up by 3.1% in 2013 against -1.4% in 2012 as a result of the 3.5% surge in public investments thanks mainly to the resumption of public projects in all areas, especially road infrastructure. Exports were expected to rise by 22.4% against -35.7% in 2012. This performance was due to the increase in exports of cashew nuts in line with the rise in production and prices of this product which was the leading export of the country. Similarly, imports rose by 6.3% against -15.0%. Food imports increased by 3.0% in 2013 against -9.4% the previous year thanks to the increase in disposable income as a result of a good cashew season.

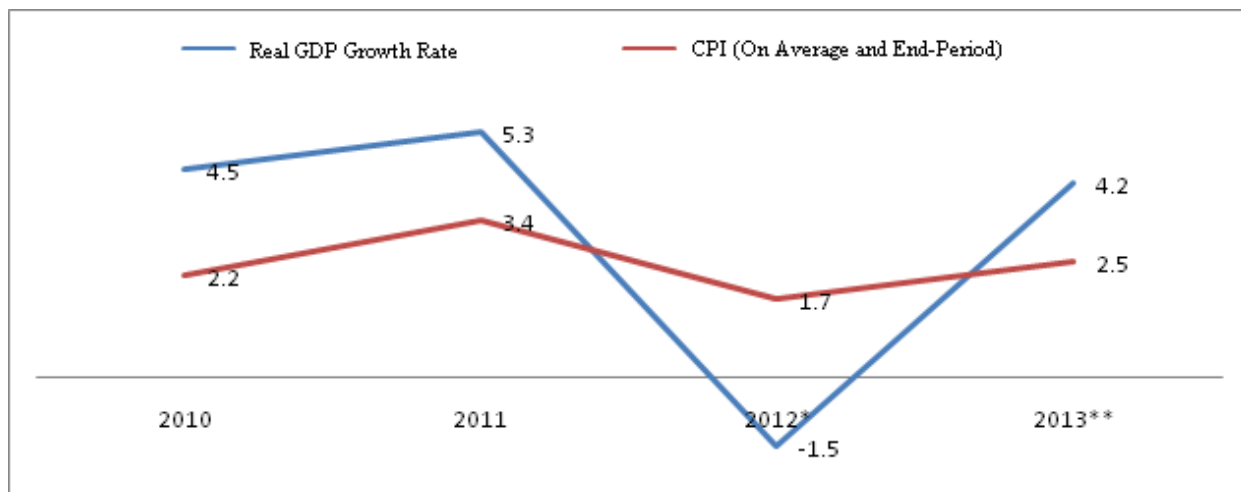
Table 6.16: Trends in GDP and its components in Guinea Bissau

	2011	2012	2013	2011	2012	2013
SOURCE OF GDP (Constant Price).Supply	% Change			As % of GDP		
Primary Sector	5.0	0.2	2.8	40.3	40.9	40.7
Secondary Sector	5.4	-3.6	4.8	12.9	12.7	12.8
Tertiary Sector	5.3	-2.3	3.9	40.3	39.9	40.1
GDP at Factor cost	5.2	-1.4	3.6	93.4	93.5	93.6
DIT and Domestic VAT	7.0	-2.7	3.0	6.6	6.5	6.4
GDP at Constant Price	5.3	-1.5	3.5	100.0	100.0	100.0
GDP Distribution (au prix constant)						
Demand	5.3	-1.5	3.5	100.0	100.0	100.0
FINAL CONSUMPTION	-0.4	-2.0	3.0	101.0	100.5	100.0
HOUSHOLD	4.3	-2.7	3.9	90.1	89.0	89.3
ADMINISTRATION/PUBLIC	-27.5	3.6	-3.7	10.9	11.4	10.6
GROSS CAPITAL FORMATION	51.0	2.3	7.8	10.9	11.3	11.8
A (= C + I) = Absorption [domestic]	3.1	-1.6	3.5	112.0	111.9	111.9
EXPORTS (+XS)	-19.8	-10.8	9.2	15.2	13.8	14.5
IMPORTS (-MS)	-16.6	-7.0	6.4	27.3	25.7	26.4

Sources: BCEAO and WAMA, (*) Estimates (**) Projections

This growth in economic activity occurred within a context of controlled inflation. Annual average inflation measured by the harmonised consumer price index stood at 0.86% at the end of June 2013 against 2.2% at the same period in 2012 while year on year inflation settled at -

0.83% at the end of June 2013 against 1.7% at the same period in 2012. This moderate rate of inflation was due to the sluggish demand and the downward trend in prices of other fuels and in the transport subsector. However, projections indicate that average inflation rate would be 2.5% at the end of 2013.



Fiscal Sector Developments

In the first half of 2013, total revenue and grants were mobilized to the tune of CFAF 28.9 billion against CFAF 33.6 billion during the same period in 2012, representing a drop of CFAF 4.7 billion as a result of a 5.2% contraction in tax revenues, 10.3% decline in non tax revenues and 30.3% decrease in grants. The decline in revenues stemmed from taxes on consumption, incomes and profits. In fact, customs revenues fell by 4.0% due to difficulties in computing revenues of some power operators, a gasoil supply agreement with the State for the benefit of the Water and Electricity Company as well as delays in the marketing of cashew nut. With regard to taxes, the CFAF 0.5 billion contraction is attributable to the downward trend of taxes on industrial inputs and delays in the marketing of cashew nuts.

Expenditure and net lending stood at CFA 29.5 billion against CFAF 31.7 billion at the end of June 2012, indicating a decline of CFAF 2.2 billion. This decline is on account of ordinary expenditures (-63.3%). Excluding ordinary expenditure, current expenditure would decline in the first half of 2013 compared to the same period in 2012 as a result of an increase in salaries and emoluments (2.6%). Other expenditure settled at CFAF 1.1 billion against CFAF 3.0 billion compared to the same period last year, representing a 63.3% drop. Capital expenditures amounted to CFAF 5.3 billion at the end of June 2013 against CFAF 8.5 billion a year earlier. This decline is due the non disbursement of funds in respect of planned expenditure.

At the end of June 2013, the execution of State Budget resulted in a deficit in the overall balance (commitment basic, excluding grants) of 3.3% of GDP against 6.3% the same period of 2012, whilst the overall balance (commitment basis, including grants) stood at 0.2% of GDP against 2.2% in the corresponding period of the preceding year. The overall balance,

cash basis, emerged at -0.4% of GDP; this deficit was however fully covered by domestic financing.

For the year 2013, the budget is estimated at CFA francs 101.6 billion, equivalent to 1.2% increase compared to 2012. Tax revenue is expected to rise by 6.0%, while non-tax revenue would increase by 4.8%. However, current expenditure is expected to decline by 11.7% compared to the 2012 budget, due to an anticipated decrease in expenditure on goods and services.

Table 6.17: Trends in some budget items in Guinea Bissau

	2012				2013			
	H1		H2		H1		H2	
	% Change	As % of GDP	% Change	As % of GDP	% Change	As % of GDP	% Change	As % of GDP
TOTAL REVENUE AND GRANTS	2.5	13.6	-19.0	15.5	-10.6	11.4	-	-
DOMESTIC REVENUE	-2.6	9.5	-12.5	9.7	-6.1	8.4	-	-
Tax revenue	-3.9	8.3	-3.3	8.2	-5.1	7.3	-	-
Non tax revenue	-	0.0	-42.4	1.5	-	1.0	-	-
GRANTS	16.9	4.1	-28.1	5.8	-21.2	3.0	-	-
EXPENDITURE AND NET LENDING	9.6	15.8	-10.5	17.6	-21.3	11.6	-	-
TOTAL EXPENDITURE	9.6	15.8	-10.5	17.6	-21.3	11.6	-	-
CURRENT EXPENDITURE	19.9	12.4	10.5	13.1	-24.5	8.8	-	-
Salaries and emoluments	-	0.0	6.4	5.3	-	4.6	-	-
Other operating expenditures	-21.0	4.8	14.6	7.8	-70.9	1.3	-	-
CAPITAL EXPENDITURES	-16.7	3.4	-42.5	4.5	-33.7	2.1	-	-
Domestically financed	-	0.0	-68.7	0.1	-	1.7	-	-
Externally financed	-	0.0	-41.1	4.4	-	0.4	-	-
OVERAL BALANCE (excl. grants)	35.5	-6.3	-8.0	-7.9	-44.5	-3.3	-	-
OVERAL BALANCE (incl. grants)	92.6	-2.2	282.8	-2.1	-87.9	-0.2	-	-
BASIC PRIMARY BALANCE	370.4	-2.8	387.5	-3.4	-84.6	-0.4	-	-
OVERALL BALANCE (cash basis) (excl. grants)	352.7	-2.9	-21.8	-7.3	-133.8	0.9	-	-
OVERALL BALANCE (cash basis) (incl. grants)	125.0	-1.9	16.8	-1.5	-77.0	-0.4	-	-
FINANCING	-	-	29.6	3.4	-	3.6	-	-
NET DOMESTIC FINANCING	-	-	231.4	2.4	-	3.2	-	-
Bank financing (net)	-	-	160.0	1.9	-	3.2	-	-
Non bank financing (net)	-	-	-	0.5	-	0.0	-	-
NET EXTERNAL FINANCING	-	-	-48.3	1.0	-	0.4	-	-
Drawings	-	-	-44.9	1.1	-	0.4	-	-
Depreciation	-	-	40.8	-0.1	-	0.0	-	-

Sources: BCEAO, CNC and WAMA, (*) Estimates (**) Projections

Public debt

After reaching completion point under the HIPC initiative in December 2010, the external debt situation has improved significantly. In April 2012, Guinea Bissau signed a rescheduling agreement with the Saudi Development Fund and the Kuwaiti Development Fund.

At the end of June 2013, the external debt stock of Guinea Bissau amounted to CFAF 160185 million, with CFAF 74430 being multilateral debt and CFAF 85755 being bilateral debt. Concerning actual disbursements, actual data are not available. The analysis of data on external debt show that the Guinean authorities had difficulties in meeting their commitments

towards their foreign creditors, especially their bilateral and multilateral creditors with whom they have recently signed debt rescheduling agreements, namely the Kuwaiti Fund, Saudi Fund, BADEA and Islamic Development Bank. These difficulties are reflected in the accumulation of external debt payment arrears in spite of the rescheduling agreements signed.

As regards domestic debt, no information is available.

Monetary Sector Developments

Monetary policy decision

i) Monetary market and refinancing

The Central Bank pursued its liquidity injection operation through tenders on the money market. The interest rate of marginal lending window and the minimum rate of open market operations fell from 4.0% and 3.0% at the end of June 2012 to 3.75 and 2.75 respectively in June 2013 before dropping to 3.5% and 2.5% in September 2013. Banks in Bissau participated in these operations despite their cash flow constraints.

ii) Trends in Interest Rates

In Bissau, average minimum and maximum lending rates have not changed significantly. They were 9.7 and 12% respectively. Also, the bank prime rate did not see any major change, it ranged between 6% and 12%.

Trends in Monetary Aggregates

The monetary situation as at end-June 2013 compared to December 2012 was marked by an improvement in net assets, a surge in domestic credit and an expansion in money supply. Net foreign assets increased by CFAF 10.7 billion at the end of June 2013 due to export revenues received from January to June 2013. However, on year-on-year basis, net foreign assets deteriorated by CFAF 22.1 billion. Net credits to the State went up by 5.2 billion at the end of June 2013 compared to end-December 2012 in line with rising commitments of the State towards commercial banks which have subscribed to the tune of CFAF 8.5 billion public securities issues by the Treasury in May 2013. On year-on-year basis, the PNG recorded a deterioration of CFAF 4.9 billion due essentially to the upsurge in ordinary credits which went up by CFAF 8.0 billion. Year-on-year credit to the economy dropped to CFAF 6.6 billion as result of seasonal credits.

Money supply expanded by CFAF 18.8 billion at the end of June 2013 compared to December 2012 owing to the improvement in net foreign assets. In terms of annual variation, money supply shrank by CFAF 18.1 billion due to the deterioration in net foreign assets and a decline in outstanding domestic credit.

Table 6.18: Trends in the Monetary Aggregates (in %)

	% Change				Contribution to M2 Growth			
	2012		2013		2012		2013	
	H1	H2	H1	H2	H1	H2	H1	H2
Money supply (M2)	7.9	-6.3	-4.3	-	7.9	-6.3	-4.3	-
Money supply (M1)	1.4	-9.4	-5.5	-	1.3	-7.9	-4.7	-
Currency in circulation	2.2	-2.9	-11.2	-	1.2	-1.4	-5.8	-
Demand deposit	0.3	-18.8	3.3	-	0.1	-6.4	1.1	-
Quasi-money	67.6	9.9	2.6	-	6.6	1.6	0.4	-
Other items (nets)	16.2	-6.5	-163.6	-	1.0	-0.3	-10.6	-
Total domestic credit	23.6	37.5	-7.9	-	9.8	13.4	-3.8	-
Net credit to government	209.7	165.0	-4.0	-	8.2	7.6	-0.5	-
Central Bank	58.5	80.4	-20.3	-	3.7	5.2	-1.9	-
Deposit money banks	-178.3	-131.3	80.6	-	4.4	2.4	1.5	-
Credit to private sector	4.4	18.7	-9.0	-	1.7	5.8	-3.3	-
Net foreign assets	-1.5	-29.1	-18.8	-	-1.0	-20.0	-11.1	-
Central Bank	-9.4	-31.9	-11.8	-	-5.0	-17.5	-5.3	-
Key banks	38.8	-18.1	-42.4	-	4.1	-2.5	-5.7	-
Reserve Money /M2 (% change)	-3.8	-6.5	-4.6	-	-	-	-	-
M2/GDP (in %)	39.8	37.3	42.6	-	-	-	-	-

Sources: BCEAO and WAMA, (*) Estimates (**) Projections

External Sector Developments

The external sector would be characterized by an improvement in the overall balance which would record a surplus of 2.0 billion in 2013 against a deficit of 34.7 billion in 2012 thanks to an improvement in the current account balance and the surplus recorded in the capital and financial account. The current account deficit would narrow from CFAF 44.6 billion in 2012 to CFAF 33.2 billion in 2013 due to the improvement in the trade balance and the surplus on transfers balance. The trade balance would improve from CFAF -37.9 billion in 2012 to CFAF -31.3 billion in 2013 as a result of a higher value of export than that of imports. Imports would expand by 1.3% to settle at CFAF 105.3 billion in 2013 against CFAF 103.9 billion the previous year on account of the increase in the import of consumer goods, petroleum products and capital goods. Exports depend mainly on cashew nuts (90% of the country's exports). In 2013, the value of cashew nut exports would go up by CFAF 8.0 billion or 23.7% thanks to the surge in the volume of exports and external sale prices. The value of other exports, especially fisheries products, timber were relatively stable. In the first half of 2013, exports grew by 10.6% thanks to the increase in the volume of cashew nut exported.

The balance of services would settle at CFAF -29.0 billion in 2013 compared to -28.4 billion in 2012 as a result of the upward trend in freight. The revenues balance would deteriorate by CFAF 2.5 billion. The surplus on the transfers balance would increase from CFAF 26.3 billion in 2012 to 29.6 billion in 2012 thanks to the disbursement of the financial compensation by the European Union under the fisheries agreements. The capital account balance would settle at CFAF 10.4 billion in 2013 against 15.9 billion a year later due to the increase in public capital transfers. The financial operations account balance would be CFAF 24.8 billion against a balance with a deficit of 0.4 billion in 2012.

Table 6.19: Trends in some balance of payments indicators in Guinea Bissau

HEADINGS	2010		2011		2012*		2013**	
	% Change	As % GDP	% Change	As % GDP	% Change	As % GDP	% Change	As % GDP
Trade balance	-9.2	-8.3	-84.4	-1.2	550.5	-7.5	-23.4	-5.4
Export FOB including :	9.2	15.0	82.2	24.6	-32.7	16.4	22.5	18.8
<i>Cashew nut</i>	36.6	5.3	101.6	22.4	-36.4	14.2	23.7	16.4
Import FOB	1.9	-23.2	22.9	-25.7	-6.4	-23.9	8.1	-24.2
<i>incl foodstuffs</i>	1.6	-9.5	37.8	-8.0	-3.1	-7.7	7.1	-7.7
Balance of services	14.3	-6.9	10.0	-6.9	-6.7	-6.3	17.8	-7.0
Balance of revenues	-78.8	-0.3	445.5	-1.3	-40.0	-0.8	25.0	-0.9
Balance of current transfers	-35.8	7.1	21.5	7.8	-7.4	7.1	26.2	8.4
Current balance	56.1	-8.4	-79.4	-1.6	385.6	-7.5	-30.7	-4.8
Capital & financial account	21.5	11.8	-22.1	8.3	-87.4	1.0	504.1	5.8
Capital transfers	1359	116.0	-93.2	7.1	-46.4	3.8	42.1	5.0
Public administration	1400	115.8	-93.2	7.1	-46.8	3.7	42.9	5.0
Financial transactions	-6068	-104.3	-101.2	1.1	-348.4	-2.8	-130.8	0.8
Direct investments	65.6	3.3	-11.8	2.6	-33.9	1.7	5.0	1.7
Portfolio investments	-385	0.0	1150.0	0.1	30.0	0.1	20.0	0.2
Other investments	46638.3	-107.5	-98.4	-1.6	192.4	-4.6	-76.0	-1.0
OVERALL BALANCE	-11.1	2.9	114.3	5.6	-233.2	-7.4	-114.4	1.0
Coverage rate : (X/M)	57.0		78.5		60.6		65.6	
Degree of openness : X+M/PIB	27.8		33.3		27.4		29.2	
Current balance incl. grants/GDP	-10.6		-4.2		-10.6		-7.7	
Overall balance/GDP (%)	2.9		5.6		-7.2		1.0	

Sources: BCEAO and WAMA, (*) Estimates (**) Projections

6.1.4.2. Status of Convergence in Guinea Bissau

In the first half of 2013, Guinea Bissau's performance in terms macroeconomic convergence deteriorated slightly with attainment of seven (7) targets against eight (8) in 2012.

Primary criteria

With regard to primary criteria, three (3) targets were achieved, those concerning inflation, budget deficit financing by the Central Bank and budget deficit. The criterion on gross reserve in months of imports was not observed.

Secondary criteria

Guinea Bissau did not accumulate arrears in the first half of 2013, however the country was still unable to strengthen the effectiveness of the tax administration in order to mobilize adequate revenues. The tax pressure rate stood at 7.4% at the end of June 2013 against 8.3% during the same period in 2012. The wage bill continued to be huge compared to total revenues mobilized. At the end of June 2012, the ratio was 62.4% against 57.7% over the same period in 2012. The low level of revenues combined with huge personnel cost makes it impossible to allocate adequate resources to investment. Consequently, internally funded investments in 2013 are almost nil. Interest rate was positive at the end of June 2013. The variation in nominal exchange rate and the public debt ratio criteria were met.

Table 6.20: Status of Convergence in Guinea Bissau

	Target	2008	2009	2010	2011	2012		2013**	
						June	Dec**	June	Dec**
Primary Criteria:									
i) Budget Deficit/GDP (incl. grants)	≤ 3%	4.1	-3.0	-0.2	-0.4	2.2	2.1	0.5	2.1
ii) Inflation Rate (average)	≤ 5%	7.9	-2.8	2.2	5.1	2.2	2.1	0.9	2.1
iii) CB Financing	≤ 10% TR n-1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
iv) UEMOA Reserves	≥6 months Imports G/S	5.3	6.9	6.3	6.9	6.0	5.7	5.1	6.0
<i>Country Reserves (indicative)</i>		7.0	8.5	6.6	9.7	9.2	7.5	9.6	7.5
Secondary Criteria									
i) Domestic & external arrears		4.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ii) Tax Revenue/GDP	≥ 20%	5.5	6.8	7.9	8.7	8.4	8.3	7.4	9.3
iii) Wage Bill/Tax Revenue	≤ 35% TR	96.4	75.6	79.2	71.3	57.7	64.5	62.4	77.0
iv) Publ. Investments/Tax Revenue	≥20% TR	7.7	5.1	1.5	0.9	0.0	1.5	0.0	15.2
v) Real Interest Rate	> 0	-2.6	9.2	3.5	-0.9	1.5	3.3	2.9	1.4
vi) Nominal Exchange Rate Stability	± 10%	3.8	-2.7	-3.9	1.4	5.1	-4.8	-1.2	-4.8
vii) Public debt /GDP	≤ 70%	132.0	132.6	124.7	17.1		16.1		16.1
Number of criteria met		2	7	7	7	8	7	7	8

Source: BCEAO, UEMOA, IMF and WAMA

6.1.4.3. Prospects

Guinea Bissau's economic prospects depend largely on the socio-political climate in the country and efforts at consolidating state institutions as well as the smooth running of the cashew nut marketing season and the implementation of public projects. The consolidation of these institutions can only be achieved through the holding of both presidential and parliamentary elections.

The economy is expected to recover in 2013 thanks to the increase in cashew nut exports. Thus, the growth rate for the year is estimated at 3.2% following a projection of 4.2%. The primary sector would grow by 3.5% due to the increase in food and cashew nut production. The secondary sector would record a 4.7% growth thanks to the improvement in electricity supply and an upturn in activity in the BPW subsectors to be sustained public investment, especially, the rehabilitation of roads in the capital and hinterlands with funds provided by BOAD. The tertiary sector would also experience a rebound in activity thanks to the upsurge in the volume of cashew nut exports. The boost in cashew nut marketing would have a positive effect on the transport and telecommunication sub sectors.

Through the issue of government securities, the country began settling its bank commitments in order to increase local banks' capacity to fund the 2013 cashew season. As part of public projects, the rehabilitation of road in the hinterland launched in 2012 with funding from BOAD will be pursued in 2013 (4.5 billion). Similarly, in February 2012, a funding agreement covering twelve billion one hundred and eighty seven million (12 187 000 000) was with BOAD for the rehabilitation of urban roads in the capital (3.9 billion earmarked for 2013). The government intends to rehabilitate and modernize Bissau port (3.0 billion earmarked for 2013) and construct an electricity generating plant (4.0 billion earmarked for

2013) with funding from BOAD. Public investment in agriculture could also reach 8.0 billion with funding from BOAD and the World Bank.

In terms of convergence, measures will be focused on improving fiscal planning and control over budget execution and strengthening internal and external control procedures.

6.1.4.4. Conclusion and recommendations

The economic situation remains fragile and increased efforts are needed to restore constitutional order, reduce public deficit and create an environment conducive to the promotion of private sector activities. Against this background, the following recommendations are made to the Guinea Bissau authorities:

- ✓ Consolidate the socio-political stability and meet requirements for the success of the transition process which should lead to the holding of presidential and parliamentary elections in 2013;
- ✓ Sustain efforts aimed at a rigorous management of Fiscal Sectors;
- ✓ Pursue the support for the development of food production;
- ✓ Increase efforts to improve the quality of the business environment;
- ✓ Pursue reforms in administration, energy, defence and security sectors;
- ✓ Rehabilitate economic infrastructure especially in the energy and water sectors;
- ✓ Review the policy on foreign debt by making efforts to prevent the accumulation of arrears to avoid losing credibility before their foreign creditors;
- ✓ Focus on compiling an inventory of domestic debts and organizing them before reflecting on possibilities for liquidating the debt.

6.1.5. MALI

Initial projections were based on the achievement of a real GDP growth rate of 4.8% and the assumption that there will be an improvement in the country's socio-political situation. Thus projections were based on a rebound of economic activity to be facilitated by the return to normalcy in the socio-political life of the country. Overall, this growth which is expected to be fuelled by good performance in all sectors of economic activity would be conducted against the backdrop of controlled inflation. With regard to the Fiscal Sectors, the Government has prepared the preliminary 2013 budget on prudent bases with the aim of establishing a balance between expenditures and domestic resources available, given that budgetary support has been suspended by most donors.

Despite the wait-and-see attitude observed in the first half of the year, latest assumptions still suggest a 4.8% growth in 2013. The finalisation of the transition process in the second half of the year should pave the way for a recovery in economic activities. Thus, the growth expected in 2013 would be driven by performance in all sectors. In addition, activities would occur within a context of stable prices. At the end of June 2013, the general level of prices experienced a 0.8% correction on annual average and 0.5% year on year. As regards Fiscal Sectors, the execution of the State budget ended up with a deficit on commitment basis excluding grants of 1.4% of GDP against a deficit of 0.5% of GDP in the first half of 2012. Similarly, the overall position of the balance of payments would deteriorate in 2013, by recording a deficit of 1.0% of GDP following a surplus of 0.1% of GDP in 2012.

In terms of macroeconomic convergence, the country's performance improved slightly. The total number of criteria met increased from seven (7) in the first half of 2012 to eight (8) in the first half of 2013, including three primary ones.

6.1.5.1. Sector Analysis

Real Sector Development

In 2013, Mali's economy is expected to record a 4.8% growth rate after a contraction of 1.2% in 2012. This recovery which would occur within the context of a return to normalcy in the socio-political life is expected to be sustained by all sectors of the economy, especially the primary and tertiary sectors.

The primary sector would grow by 5.3% in 2013 against 8.6% in 2012. This growth is expected to be driven by rice and cotton production which will benefit from support from government through the continuation of the policy on input subsidies, farms lands development and increased mechanization in the agricultural sector.

The secondary sector is expected to record a 2.8% growth in 2013 following a 5.3% slump. This performance would be sustained by all the subsectors, especially that of "BPW" which

should expand by 10.0% in 2013 against -35% in 2012. In 2013, only the extractive subsector is expected to decline by 2.2%.

The tertiary sector should be sustained in 2013 by the « trading » as well as « transport and telecommunications » subsectors with the commissioning of a third operator. Consequently, other non financial market services are expected to expand by 10.0% following a 40.0% contraction in 2012. This could propel the tertiary sector growth to 5.6% in 2013 against -8.7% in 2012.

Overall, contributions to real GDP growth in 2013 will be 2.1 % for the primary sector, 0.5 % for the secondary sector and 2.0 % for the tertiary sector and 0.2 % for import duties and taxes.

On the demand front, final consumption is expected to rise by 3.1% as a result of the upswing in household consumption. Similarly, investments would increase by 8.5% following a 23.1% slump in 2012 thanks to the implementation of public investment programmes and the expected improvement in the business environment. With regard to external trade, exports and imports would increase by 8.9% and 4.4% respectively in 2013.

Contributions of the various demand components to real GDP growth rate were as follows: 2.6 % for final consumption, 1.4 % for investments and 0.8 % for external trade.

Concerning consumer price trends, year-on-year inflation stood at -0.5% at the end of June 2013 against 6.5% over the same period in 2012. On average, inflation fell from 6.4% at the end of June 2012 to -0.7% as at 30 June 2013. This decline in the general level of prices is due among others to the easing of prices on the grains market.

Table 6.21: Trends in GDP and its Components in Mali

	2010	2011	2012*	2013**	2010	2011	2012*	2013**
CONTRIBUTION TO GDP (at constant prices)	<i>Annual %Change</i>				<i>As % of GDP</i>			
Primary sector	11.4	-1.3	8.6	5.3	38.4	36.9	40.5	42.7
Secondary sector	-1.4	8.0	-5.3	2.8	17.1	18.0	17.3	17.8
Extractive industries	-12.5	0.0	9.2	-2.2	5.5	5.4	5.9	5.8
Manufacturing industries	0.1	20.8	3.5	3.2	4.5	5.3	5.6	5.8
Energy	10.0	8.0	-2.0	5.0	2.7	2.8	2.8	2.9
Building and public works	7.0	5.0	-35.0	10.0	4.4	4.5	3.0	3.3
Tertiary sector	4.2	3.8	-8.7	5.6	37.5	37.9	35.0	37.0
Market services	4.6	3.8	-8.4	5.8	29.5	29.8	27.6	29.2
Trading	5.5	4.0	1.0	6.0	15.2	15.4	15.7	16.6
Transport and communications	5.0	5.2	0.0	3.8	7.5	7.7	7.8	8.1
Banking, insurance and other services	2.1	1.7	-39.6	9.0	6.8	6.7	4.1	4.5
Non market services	3.0	4.0	-10.0	5.0	8.0	8.1	7.4	7.8
FISIM (PISB)					0.0	0.0	0.0	0.0
GDP at factor cost	5.9	2.5	-1.2	5.0	93.0	92.8	92.8	97.4
DIT and domestic VAT	4.2	6.0	-1.1	2.6	7.0	7.2	7.2	7.4
GDP at constant prices	5.8	2.7	-1.2	4.8				
FINAL CONSUMPTION	4.5	10.3	3.9	3.1	73.8	79.2	83.3	85.9
HOUSEHOLD	4.4	11.7	4.8	4.3	56.5	61.5	65.2	68.0
ADMINISTRATIONS	5.0	5.7	0.8	-1.4	17.2	17.7	18.1	17.8
GROSS FIXED CAPITAL FORMATION	6.9	17.1	-23.1	8.5	19.3	22.0	17.1	18.6
A (= C + I) = Absorption [internal]	6.9	11.4	-3.2	3.9	95.5	103.5	101.4	105.4
EXPORTS (+XS)	6.0	-19.8	5.3	8.9	22.6	17.6	18.8	20.5
IMPORTS (-MS)	12.0	20.0	-5.6	4.4	18.1	21.2	20.2	21.1

Source: BCEAO/WAMA

* estimates ** projections

Fiscal Sector Developments

In the first half of 2013, total revenues and grants jumped 11.9% to settle at 531.4 billion, representing 9.6% of GDP against 9.1% of GDP in the first half of 2012. Given that total revenues were on a downward trend, this rise was due to the surge in grants. Indeed, grants jumped by over 60.0 billion and accounted for 1.2% of GDP against a ratio of 0.1% in the first half of 2012. This increase is on account of the gradual unfreezing of budgetary assistance thanks to the improved socio-political situation in the country. On the other hand, total revenues fell by 1.2% due to a 3.1% drop in tax revenues which settled at 389.9 billion or 6.9% of GDP against 7.6% of GDP in the first half of 2012.

Total expenditure and net lending rose from 348.1 billion (96.6% of GDP) in the first half of 2012 to 467.8 billion (8.4% of GDP) in the first half of 2013. This upsurge stemmed from both current and capital expenditures. Current expenditures jumped by 22.5% to reach 343.7 billion or 6.2% of GDP against 5.4% in the first half of 2013. Apart from salaries and emoluments, which recorded a marginal drop, all the other components of current expenditure expanded in the first half of 2013 compared to the first half of 2012. Capital expenditures rose sharply in the first half of 2013 driven by the component financed from domestic resources.

On the whole, budget execution in the first half of 2013 ended up with an overall deficit excluding grants of 3.9 billion (0.1% of GDP). Including grants, the country recorded a surplus of 63.6 billion (1.1% of GDP).

As regards public debt, outstanding foreign debt, as at 30 June 2013, amounted to 1,350.10 billion while domestic debt was equivalent to 225.6 billion.

Table: 6.22: Trends in Some Budget Items in Mali

	2011	S1 2012	2012	S1 2013	2011	S1 2012	2012	S1 2013
	<i>Annual % Change</i>				<i>As % of current GDP</i>			
1- REVENUE AND GRANT	13.2	15.7	-40.4	11.9	20.3	9.1	12.1	9.6
1.1 DOMESTIC REVENUE	7.9	23.2	-28.6	-1.2	16.6	9.0	11.9	8.4
Tax Revenue	8.2	13.2	-36.4	-3.1	14.1	7.6	9.0	6.9
Non Tax Revenue	-21.4	133.3	323.1	8.5	0.7	1.4	2.9	1.4
1.2 GRANTS	45.1	-81.7	-93.4	1159.3	3.7	0.1	0.2	1.2
2 – EXPENDITURE AND NET LENDING	16.5	-7.0	-24.3	34.4	23.7	6.6	17.9	8.4
2.1 TOTAL EXPENDITURE	18.4	0.7	-24.8	35.7	23.7	6.6	17.8	8.5
2.1.1 CURRENT EXPENDITURE	16.7	19.6	-3.1	22.5	13.4	5.4	13.0	6.2
Salaries and emoluments	13.8	24.2	5.0	-2.0	5.0	2.6	5.3	2.4
Other current expenditure	16.4	13.7	-7.8	46.1	7.8	2.6	7.2	3.6
Interests owed	55.5	54.2	-12.1	41.3	0.6	0.2	0.5	0.2
2.1.2 CAPITAL EXPENDITURE	17.3	-75.1	-69.1	176.7	8.3	0.5	2.6	1.4
Domestically financed	-1.3	-33.0	-43.2	206.4	3.4	0.5	1.9	1.3
Externally financed	35.3	-94.7	-87.4	2.2	4.8	0.1	0.6	0.1
3 – OVERALL BALANCE (commitment basis) (excl. grants)	46.5	529.8	-95.6	-103.2	-7.2	2.3	-0.3	-0.1
4 – OVERALL BALANCE (commitment basis) (incl. grants)	47.9	196.5	-97.9	-49.9	-3.5	2.4	-0.1	1.1
5 – BASIC PRIMARY BALANCE	-101.2	53.1	-33,320.0	-69.7	0.0	3.8	3.2	1.1
7 – OVERALL BALANCE (cash basis) (excl. grants)	14.4	798.8	-88.9	-155.8	-7.4	2.3	-0.8	-1.2
8 – OVERALL BALANCE (cash basis) (incl. grants)	-5.5	196.5	-84.5	-100.3	-3.7	2.4	-0.6	0.0

Source: BCEAO/WAMA

* estimates ** projections

External Sector Developments

Mali's external transactions in 2013 would end up with a deficit of 55.0 billion (1.0% of GDP) against a surplus of 2.8 billion in 2012. This trend would result from a worsening of the current account deficit which will be offset by an improvement in net capital inflows to the capital and financial operations account.

The current account deficit is expected to hit 344.4 billion in 2013 (-6.2% of GDP), indicating a deterioration by 200 billion compared to the level in 2012. This trend would be essentially due to the decline in the trade balance which is expected to record a deficit to the tune of 240.8 billion in 2013 following a surplus of 24.4 billion in 2012. The deterioration in trade balance would be as a result of a 12.8% increase in imports combined with a 5.4% drop in exports. The widening of the services and revenues deficits also contributed to the deterioration of the current account balance.

The surplus on the capital and financial operation account is expected to increase by 95.2% in 2013 thanks to the upsurge in current capital transfers, direct investments and portfolio investments. However, other investment flows would shrink by 25.3% compared to their level in 2012.

Table 6.23: Trends in Some Balance of Payments Indicators in Mali

HEADINGS	2011*	2012*	2013**	2011*	2012*	2013**
	In billions of F CFA			Annual % Change		
1 – Trade balance	-186.0	24.4	-240.8	-44.4	-113.1	-1 088.3
Export FOB including :	1 119.8	1 473.4	1 394.4	10.0	31.6	-5.4
Cotton	90.9	228.6	166.6	9.8	151.4	-27.1
Gold	841.1	1 028.1	979.4	10.4	22.2	-4.7
Import FOB (1)	-1 305.8	-1 449.1	-1 635.2	-3.5	11.0	12.8
Food products	-212.3	-246.7	-277.1	10.2	16.2	12.4
Capital goods	-287.6	-405.0	-504.0	-32.8	40.8	24.4
2-Balance of services	-312.7	-390.6	-483.6	-0.3	24.9	23.8
including freight	-270.7	-318.1	-359.0	-3.3	17.5	12.8
3-Balance of revenues	-238.7	-251.1	-328.4	15.0	5.2	30.8
Including interest on debt	-17.1	-17.9	-20.0	31.3	4.7	11.7
4-Balance of current transfers	218.6	471.8	708.5	-17.9	115.8	50.2
Private	154.6	391.7	419.1	-8.0	153.3	7.0
Public	64.0	80.2	289.4	-34.8	25.3	261.0
a-BALANCE OF CURRENT TRANSACTIONS (1+2+3+4)	-518.8	-145.5	-344.4	-12.0	-72.0	136.8
b-CAPITAL & FINANCIAL OP. ACCOUNT (5+6)	486.7	148.3	289.4	-11.5	-69.5	95.2
5-Capital transfers	175.4	54.0	129.8	53.7	-69.2	140.3
7-Financial transactions	311.7	94.2	159.6	-28.5	-69.8	69.3
Direct investments	141.7	156.3	200.1	-28.2	10.3	28.1
Portfolio investments	6.7	19.3	20.2	-60.7	187.9	4.8
Other investments	163.3	-81.3	-60.8	-26.3	-149.8	-25.3
d – OVERALL BALANCE (a+b+c)	-32.1	2.8	-55.0	56.3	-108.8	-2 055.5
<i>Typical Ratios</i>						
Coverage rate: Export/Imports (%)	72.5	81.5	68.4			
Degree of openness : (import g&s+ export g&s)/(2*GDP) (%)	31.1	35.0	34.8			
Current balance/GDP (%)	-10.3	-2.8	-6.2			
Current balance excl. Grants/GDP (%)	-11.5	-2.9	-8.1			
Direct Investments /GDP	2.8	3.0	3.6			
Overall balance/GDP (%)	-0.6	0.1	-1.0			

Source: BCEAO/WAMA

* estimates ** projections

Monetary Sector Developments:

As at 30 June 2013, broad money supply expanded by 4.7% in comparison to December 2012. This growth in money supply was exclusively from external sources. In fact, net foreign assets rose by 15.6%, reflecting an increase in the Central Bank and deposit money bank components. Foreign assets of the Central Bank surged up by 10.9% to reach 601.3 billion while those of deposit banks increased by 31.8% in the first half of 2013 to settle at 203.8 billion. On the other hand, net domestic credit recorded a slight drop of 1.7% in the first half of 2013. This decline was exclusively attributed to the worsening liability position of the State towards the banking system by 92.4%. The impact of this deterioration was somewhat mitigated by the nearly 3.0% increase in credit to the private sector, which stood at 1 131.4 billion, representing a funding rate of the economy of 20.4% as at 30 June 2013 against 21.0% as at 31 December 2012.

Overall, contributions to the expansion of money supply in the first half of 2013 were 6.3 % for net foreign assets, 1.9 % for credit to the private sector, -2.9 % for net credit to the State and -0.6 % for other net items.

As regards the money supply components, there was a 6.4% increase in currency in circulation, a growth of 1.6% in demand deposits and an 8.1% rise in fixed deposits. As at 30 June, the share of currency in circulation, demand deposits, and fixed deposits in broad money supply were 30.4%, 43.6% and 26.0% respectively against 29.9%, 44.9% and 25.2% at the end of 2012.

Table 6.24: Trends in Monetary Aggregates in Mali

	2011		2012		2013	2011		2012		2013
	June	Dec.	June	Dec.	June	June	Dec.	June	Dec.	June
	Annual % Change					Contribution to M2 Growth				
LIABILITIES										
Money supply (M2)	4.9	9.9	1.1	13.9	4.7					
Money supply (M1)	6.3	11.3	2.4	14.6	3.6					
Currency in circulation	11.5	18.5	16.4	6.4	6.4					
Demand deposits	3.7	7.3	-6.1	20.9	1.6					
Quasi-money	1.4	6.1	-2.5	11.8	8.1					
Foreign exchange deposits										
Other items (net)	597.1	0.0	-27.2	-33.7	41.8	-3.2	0.0	0.9	0.8	-0.6
ASSETS	20.4	22.1	10.5	11.8	-1.7					
Net credit to government	-29.4	6.6	-54.2	-41.7	92.4	6.1	-0.9	7.4	2.6	-2.9
Central Bank	-69.5	-50.4	-737.5	6.3	-69.2					
Deposit Money Banks	-14.3	14.2	-14.4	-20.9	-1.8					
Credit to the private sector	4.5	18.8	-2.1	7.0	2.9	2.9	12.2	-1.4	4.7	1.9
Net foreign assets	-1.8	-2.7	-12.2	14.4	15.6	-1.0	-1.4	-5.7	5.8	6.3
including Central Bank	-0.6	6.6	-22.1	19.0	10.9	-0.3	2.4	-6.2	-2.8	8.5

Source: BCEAO/WAMA

6.1.5.2. Status of Convergence in Mali

The level of performance in terms of macroeconomic convergence improved slightly during the period under review. The total number of criteria met was eight (08) against seven (07) the same period the previous year.

Primary criteria

In the first half of 2013, three (03) primary criteria were observed, namely those relating to budget deficit, inflation and budget deficit financing by the Central Bank. In fact, the budget surplus led to an overall surplus including grants of 2.3% on annual basis against 4.5% in the first half of 2012. Inflation rate fell by 0.8% on annual average against a hike of 6.4% at the end of June 2012. On the other hand, the level of UEMOA reserves was below the community benchmark.

Table 25: Status of Convergence in Mali

	Target	2008	2009	2010	2011	2012		2013**	
			Dec	Dec	Dec	June	Dec	June*	Dec**
Primary criteria :		2	3	4	3	3	2	3	4
i) Budget Deficit/GDP (incl. grants)	≤ 3%	2.2	4.2	2.7	3.7	-4.8	0.1	-2.3	0.1
ii) Inflation Rate (average)	≤ 5%	9.2	2.4	1.2	3.0	6.4	5.3	-0.8	3.3
iii) Central Bank Financing	≤ 10%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
iv) UEMOA Reserves	≥ 6 mths imp	5.3	6.9	6.3	6.9	6.0	5.7	5.1	6.0
<i>Country Reserves (Indicative)</i>		4.1	7.9	4.8	5.3	4.8	5.1	5.4	3.9
Secondary criteria		4	6	6	5	4	4	5	3
i) Domestic Arrears		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ii) Tax Revenue/GDP	≥ 20%	13.3	14.7	14.6	14.8	15.1	14.7	13.9	14.7
iii) Wage bill /Tax Revenue	≤ 35%	35.8	34.2	31.3	35.8	34.5	36.0	34.9	36.7
iv) Public Investment/Tax Revenue	≥ 20%	23.5	24.4	26.7	25.7	13.5	13.3	18.8	13.3
v) Real Interest Rate	> 0	-3.9	4.1	4.6	1.2	-2.4	0.2	4.8	0.2
vi) Nominal Exchange Rate Stability	± 10%	3.8	-2.7	-3.9	1.4	5.1	-4.8	-1.2	-4.8
vii) Public debt/GDP	≤ 70%	27.2	31.6	29.2	29.1	29.2	30.1	28.5	30.1
Number of criteria met		6	9	10	8	7	6	8	8

Source: BCEAO, UEMOA, IMF and WAMA * Estimates ** Projections

Secondary criteria

Five (05) secondary criteria were observed in the first half of 2013. These included the criteria on non accumulation of domestic and external arrears, wage bill, real interest rate, nominal exchange rate stability and outstanding public debt. Indeed, during the period under review, the country did not accumulate any arrears both domestic and external. In addition, the wage bill accounted for 34.9% of tax revenues against a ratio of 34.5% during the same period the previous year. Real interest rate was positive and stood at about 5.0%. The nominal exchange rate recorded a depreciation of 1.2%. The debt to GDP ratio settled at 28.5%, which is well below the community standard. However, the country could not comply with the criteria on tax revenue/GDP ratio and internally funded investments.

Projections show that the country could comply with eight (8) convergence criteria at the end of the year, including all the primary ones.

6.1.5.3. Conclusion and Recommendations

The socio-political instability experienced in Mali has to some extent affected normal economic activity. However, despite the difficult environment, the Government pursued the implementation of some major structural and sector reforms. With the gradual return to socio-political stability, the country should be back on the path of growth in 2013.

In spite of the difficult environment, the country continued to show a good performance in terms of macroeconomic convergence. The main difficulties are linked to the low tax revenue/GDP ratio and inadequate resources allocated to investments.

As part of improving the socio-political climate and strengthening the economic situation, the Authorities need to implement the following recommendations:

- Consolidate the socio-political stability by strengthening dialogue and consultations with communities of the north;
- Sustain support for the agricultural sector in order to increase production and improve supplies to the local market and boost exports;
- Strengthen the modernisation of tax administration so as to improved the level of tax revenue collection ;
- Ensure greater control over current expenditures in order to promote capital expenditures.

6.1.6. NIGER

The economic policy objectives of Niger for 2013 fall within the context of the implementation of the 2012- 2015 Economic and Social Development Plan which aims at ensuring a strong and sustainable economic growth, moderate trends in prices, coordination and more effective management of public policies.

Economic growth is expected to hit 5.8% in 2013 against 11.4% in 2012, in line with the lower than projected agricultural production as well as the drop in uranium production as a result of the temporary suspension of production at SOMAIR. At the end of June 2013, the inflation rate was +1.6% against 0.4% for the same period the previous year. Fiscal Sector was characterized by low revenue mobilization and a significant increase in spending, thus leading to the worsening of the overall deficits, both (excluding grants) and including grants. As regards external accounts, the current account deficit is expected to widen mainly due to rising deficits in the balances of services, income and net current transfers. The monetary situation was characterized by an increase in money supply by 4.3% to settle at CFAF 837.3 billion at the end of June 2013 against 802.5 billion at the end of December 2012.

In terms of convergence, the country met seven (07) criteria including three (03) primary criteria in the first half of 2013.

6.1.6.1. Sector Analysis

Real Sector

In 2013, Niger would record a growth rate of 5.8% against 11.4% in 2012. This downward trend may be mainly due to the decline in agricultural production.

Economic activity in the primary sector grew by 2.0% after a recording a surge of 7.7% in 2012. This poor performance was mainly attributed to the downturn in agricultural production due to the late start of the rains which caused delays in planting.

The secondary sector recorded an upward trend of 17.8% against 54.1% in 2012. The significant growth rate in 2012 stemmed from the refining of crude oil which led in an increase in extractive activities on the whole. In 2013, growth began to slow after hitting a rate of 17.8%.

Growth in the tertiary sector remained dynamic and stood at 5% against 3.7% in 2012. It was mainly driven by the « transportation » sector thanks to the development of oil transportation activities. The other sectors also benefited from the favorable situation linked to the mining activity.

Overall, the primary, secondary and tertiary sector contributions to GDP growth were 2.3, 1.0 and 2.1, percentage points respectively.

From the demand side, economic growth was mainly driven by higher investment and exports. Investments went up by 4.2% due to the expansion in the purchases of capital goods by AREVA and infrastructure works undertaken by the state in the field of road construction and social programs. However, the rate of investment slowed down in 2013 compared to 2012.

Regarding exports, they rose by 17.3% in 2013 in relation to the oil production. On the other hand, imports would decline by 2.9% due to 3N programs put in place to encourage local consumption.

Final consumption increased slightly (0.6%), in line with the upward trend in government consumption (3.7%).

The trend in the general level of consumer prices measured by the harmonized index of consumer prices was 1.6% in June 2013 against 0.4% a year earlier. The hike in food prices, especially vegetables, fish, meat and tubers were the main sources of inflation.

Table 6.26: Trends in GDP and its Components in Niger

Headings	2011	2012	2013	2011	2012	2013
GDP at current prices	3025.7	3458.0	3794.2			
GDP (at constant prices)	2365.1	2635.3	2788.4			
SOURCE OF GDP	% Change	% Change	% Change	As% of GDP	As % of GDP	As% of GDP
Primary sector	-3.1	7.7	2.0	42.9	41.5	40.0
Secondary sector	4.3	54.1	17.8	11.7	16.2	18.0
Extractive industries	0.2	219.9	30.9	2.7	7.6	9.5
Manufacturing industries	4.8	5.0	4.4	5.2	4.9	4.8
Energy	8.8	4.3	9.0	1.3	1.2	1.2
Construction and public works	5.3	5.8	7.9	2.6	2.5	2.5
Tertiary sector	5.7	3.7	5.0	37.0	34.5	34.2
<i>Market services</i>	5.1	3.8	5.8	24.5	22.9	22.9
Trade	4.6	3.0	5.2	13.8	12.7	12.6
Transport and communications	8.3	4.7	5.7	6.4	6.0	6.0
Banking, insurance and other services	2.3	4.9	7.8	4.4	4.1	4.2
<i>Non market services</i>	6.8	3.6	3.4	12.5	11.6	11.3
GDP at factor cost	1.2	12.0	5.9	91.6	92.1	92.1
DTI and domestic VAT	12.7	4.9	4.9	8.4	7.9	7.9
USES OF GDP (at constant prices)						
FINAL CONSUMPTION	6.9	1.4	0.7	89.1	81.1	77.2
HOUSEHOLDS	5.6	2.5	0.0	73.1	67.3	63.6
PUBLIC	12.8	-3.4	3.8	16.0	13.9	13.6
GROSS CAPITAL FORMATION	-9.5	43.0	4.2	24.7	31.7	31.2
EXPORTS (+XS)	8.4	20.6	17.3	20.4	22.1	24.5
IMPORTS (-MS)	4.2	16.8	-2.9	34.2	35.8	32.9
- <i>Real GDP variation in %</i>	2.1	11.4	5.8			

Source: BCEAO/WAMA

Fiscal Sector Developments

In the area of Fiscal Sector, the fiscal policy objective of the government of Niger was aimed at strengthening the efficiency of public expenditure, improving domestic revenue collection and management of public debt.

At the end of June 2013, the overall deficit on cash basis (including grants) stood at 77.4 billion against a surplus of 7.6 billion a year earlier. The widening of the deficit was due to the significant increase in total expenditure. Indeed, total expenditure surged by over 40% between June 2013 and June 2012. This trend was mainly due to capital expenditures which amounted to 173.4 billion during the first half of 2013, up by 66.3 percent compared to the corresponding period of 2012. The soaring capital expenditures reflect the scaling up of public investments in the country. Current expenditures went up slightly during the first half of 2013.

Table 6.27: Trends in Some Budget Items in Niger

HEADINGS	June-12	June-13	Gap (in billion)	% change (June 2013 /June 2012)	As % of GDP at end of June 2013
TOTAL REVENUE AND GRANTS (in bln)	328.5	340.6	12.1	3.7	17.9
DOESTIC REVENUE	247.1	275.4	28.3	11.5	14.5
* Tax revenue	236.2	259.2	23.0	9.7	13.7
* Non tax revenue	7.7	13.7	6.0	77.9	0.7
* Other UNCLASSIFIED revenue	3.2	2.5	-0.7	-21.9	0.1
GRANTS	81.4	65.2	-16.2	-19.9	3.4
EXPENDITURE AND NET LENDING	289.4	409.1	119.7	41.4	21.6
TOTAL EXPENDITURES	289.4	409.1	119.7	41.4	21.6
CURRENT EXPENDITURE	185.1	235.7	50.6	27.3	12.4
* Wage bill	72.4	92.8	20.4	28.2	4.9
* Interest payments	4.7	4.8	0.1	2.1	0.3
* Transfer and subsidies	61.3	94.0	32.7	53.3	5.0
CAPITAL EXPENDITURE	104.3	173.4	69.1	66.3	9.1
Including investment from dom. resources	42.9	39.1	-3.8	-9.0	2.1
OTHER EXPENDITURES		0.0	0.0		0.0
NET LENDING	0.0	0.0	0.0		0.0
BASIC PRIMARY BALANCE	23.8	5.5	-18.4	-77.1	0.3
OVERALL BALANCE (Scheduling basis) (including grants)	39.1	-68.5	-107.6	-275.2	-3.6
OVERALL BALANCE (payment order basis) (excluding grants)	-42.3	-133.7	-91.4	216.1	-7.0
BASIC FISCAL BALANCE	19.1	0.7	-18.5	-96.6	0.0
OVERALL BALANCE (cash basis) (including grants)	7.6	-77.4	-85.0	-1118.4	-4.1
Financing		77.3			
- Domestic		55.9			
Bank		77.3			
Non bank					
- External		21.4			
Errors and omissions					

Source: BCEAO/WAMA

Budget revenues totalled 275.4 billion at the end of June 2013, representing an annual increase of 28.3 billion (+11.5%). Growth in revenue resulted from non tax and tax revenues which jumped by 77.9% and 9.7% respectively between June 2013 and June 2012. On the other hand, unclassified revenues dropped by 21.9% during this period.

Grants were estimated at the end of June 2013 at 65.2 billion, down by 16.2% compared to the first half of 2012.

The basic fiscal balance slipped into a substantial deficit from 42.3 billion in June 2012 to 133.7 billion in June 2013, mainly due to sharp increase in spending.

Budget deficit at the end of June 2013 was financed to the tune of 72.3% from domestic resources. External financing amounted to 21.4 billion.

Monetary Sector Developments

The monetary situation of Niger at the end of June 2013 compared to the end of December 2012 was characterized by an expansion in money supply by 4.3%, due solely to growth in domestic credit (+15.2%).

Compared to December 2012, net foreign assets fell by 54.2 billion CFAF to settle at 377.2 billion at the end of June 2013. The outstanding domestic credit shot up by 15.2% as at 30 June 2013. This trend was mainly due to the deterioration in the net government position vis-à-vis the monetary institutions which stood at 103.3 billion at the end of June 2013 compared to the end of December 2012. Outstanding credit to the economy grew by 22.3 billion or 4.5% at the end of June 2013, compared to its level at the end of December 2012.

Table 6.28: Trends in Monetary Aggregates in Niger

	2010		2011		2012		2013	2010		2011		2012		2013
	June	Dec	Jun	Dec	Jun	Dec	Jun	Jun	Dec	Jun	Dec	Jun	Dec	Jun
	% Change							Contribution to M2 Growth						
LIABILITIES														
Money Supply (M2)	6.2	14.6	2.8	3.2	15.8	13.4	4.3							
Money Supply (M1)	6.8	18.5	0.7	5.1	16.8	14.6	3.9							
Currency in Circulation	0.0	25.0	3.3	11.1	9.5	16.9	5.8							
Demand Deposits	14.3	12.3	-2.0	-1.7	26.3	11.9	1.7							
Quasi-money	4.5	2.3	10.2	-3.1	12.1	8.9	5.9							
Other Items (nets)	16.6	83.1	2.5	1.3	3.1	14.8	-23.9	1.1	6.1	0.3	0.2	0.4	1.5	-2.5
ASSETS	-7.6	22.0	15.7	3.0	3.5	5.0	15.2	-5.0	12.6	9.6	2.1	2.4	3.1	8.6
Net Credit to Government	4600.0	-	730.0	52.1	161.0	366.0	103.3	-3.9	4.4	5.1	-2.9	-4.2	-5.0	5.8
Credit to Private Sector	-1.7	13.5	7.5	7.9	10.0	12.9	4.5	-1.1	8.2	4.5	5.0	6.6	8.1	2.8
Net Foreign Assets	30.1	16.2	-12.7	3.1	32.0	24.1	-12.6	12.3	8.1	-6.5	1.3	13.8	11.8	-6.7

Sources: BCEAO/WAMA

At the end of June 2013, the rate of current account deposits stepped up slightly to stand at 13.9% year on year at the end of June 2013 and 1.7% compared to the end of December 2012. Similarly, currency in circulation rose by 5.8% from 345.2 billion at the end of December 2012 to 365.3 billion at the end of June 2013.

External Sector Developments

The surplus of the overall position of the balance of payments amounted to 30.0 billion, down by 137.9 billion compared to 2012. This trend was due to the fall in the surplus of the capital and financial operations account and a worsening of the current account deficit.

The current account deficit widened from 525.2 billion in 2012 to 544.4 billion in 2013, primarily as a result of the expected deterioration in the deficit of the balance of services, income and net current transfers. On the contrary, the trade deficit is expected to shrink by 37.5 billion, thanks to higher exports (+7.8%), particularly petroleum products and uranium, within a context of slight increase in imports (+2.7%).

Under these conditions, the current account deficit excluding grants would be 15.6% of GDP in 2013 against 17.3% a year earlier.

The surplus of the capital and financial operations account is expected to drop to 118.6 billion, primarily reflecting a decline in foreign direct investments. However, this trend would be offset by an increase in project grants, portfolio investments and other capital flows.

Table 6.29: Trends in Some Balance of Payments Indicators in Niger

<i>(in billions of CFAF)</i>	2010	2011*	2012*	2013**	2011	2012	2013
					% Change	% Change	% Change
HEADINGS							
Trade Balance	-402.7	-435.0	-221.9	-184.4	8.0	-49.0	-16.9
Export	570.1	599.5	765.3	830.1	5.2	27.7	8.5
Import	-972.8	-1 034,5	-987.2	-1 014,5	6.3	-4.6	2.8
Balance of services	-359.2	-378.0	-404.3	-414.1	5.2	7.0	2.4
Balance of Revenue	-21.8	-24.1	-66.8	-81.0	10.6	177.3	21.3
Balance of current transfers	222.0	161.9	167.8	135.1	-27.1	3.7	-19.5
BALANCE OF CURRENT TRANSACTIONS COURANTES (1+2+3+4)	-561.6	-675.2	-525.2	-544.4	20.2	-22.2	3.7
CAPITAL AND FINANCIAL OPERATIONS ACCOUNT (5+6)	664.7	652.1	693.0	574.4	-1.9	6.3	-17.1
Capital Transfer	97.0	71.8	139.3	191.1	-26.0	93.9	37.2
Acquisitions /transfer of non produced financial assets	0.0	-3.3	0.0	-44.6	8202,5	-100.0	0
Financial operations	567.7	583.5	553.8	427.9	2.8	-5.1	-22.7
Direct investments	495.3	498.5	428.5	201.5	0.6	-14.1	-53.0
Portfolio investments	9.6	8.7	4.8	28.8	-9.3	-45.1	504.2
Other investments	62.8	76.3	120.5	197.6	21.6	57.9	64.0
NET ERRORS AND OMISSIONS	-6.5	-5.0	0.0	0.0	-23.1	-100.0	
OVERALL BALANCE	96.6	-28.1	167.9	30.0	-129,1	-697,4	-82.1
<i>Some Memorandum items</i>							
Coverage rate : Export/Imports (%)	45.4	43.7	57.0	60.0			
Degree of openness : (import G&s+ export)	36.1	34.6	32.1	30.8			
Current account balance/GDP (%)	-20.0	-22.5	-14.7	-14.0			
Current account balance excluding grants/GDP (%)	-21.7	-24.4	-17.3	-15.6			
Overall balance/GDP (%)	3.4	-0.9	4.7	0.8			

(*) Estimate (**): Projections (1) Data produced by CIF

6.1.6.2. Status of Convergence in Niger

With respect to convergence, Niger met, seven (07) criteria including three (03) primary criteria namely budget deficit, inflation and deficit financing by the Central Bank during the first half of 2013.

Regarding the secondary criteria, those relating to arrears (internal and external), public debt, nominal exchange rate stability and real interest rate were met. On the other hand, the tax revenue/GDP, wage bill and public investment financed from domestic resources were not observed.

Table 6.30: Convergence Status of Niger

	Target	2008	2009	2010	2011	2012		2013**	
			Dec	Dec	Dec	June	Dec*	June	Dec
Primary criteria:									
i)' Budget deficit/GDP (including grants)	≤ 3%	-1.6	5.6	2.4	2.5	-2.3	1.7	-3.6	1.7
ii)' Inflation rate (average)	≤ 5%	11.3	0.5	0.9	2.9	0.4	0.5	1.6	0.5
iii) CB Financing	≤ 10%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
iv) UEMOA reserves	≥ 6 mths imp	5.3	6.9	6.3	6.9	6.0	5.7	5.1	6.0
<i>Country reserves (indicative)</i>		5.2	3.3	3.7	3.1	3.0	3.8	5.4	3.8
Secondary criteria									
i) Domestic arrears		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ii) Tax revenue/GDP	≥ 20%	11.6	13.5	12.9	21.3	13.7	19.9	13.7	19.9
iii) Wage bill /Tax revenue	≤ 35%	29.8	27.3	28.5	22.1	30.7	22.6	35.8	22.6
iv) Public. investments/ TR	≥ 20%	38.3	44.1	26.9	17.9	18.2	31.7	15.1	29.8
v) Real interest rate	> 0	-6.0	6.0	4.8	1.2	3.5	5.0	2.3	3.0
vi) Nominal exchange rate	± 10%	3.8	-2.7	-3.9	1.4	5.1	-4.8	-1.2	-4.8
vii) Public debt / GDP	≤ 70%	16.3	24.3	20.4	19.5		18.2		18.2
Number of criteria met		7	9	10	11	9	9	7	10

Sources: BCEAO/WAMA *Estimates ** Projections

6.1.6.3. Prospects

Information on the 2013/2014 farming season in Niger suggests a lower than expected increase in agricultural production. In the secondary sector, the slump in uranium production following the temporary suspension by SOMAIR would be offset by scaling up refining activities. Thus, economic growth rate would stand at 5.8% in 2013, representing a drop of 0.4 percentage point compared to the previous forecast.

In terms of convergence, the country's performance will improve by the end of the year with ten (10) criteria met against nine (09) in 2012.

6.1.6.4. Conclusion And Recommendations

In 2013, Niger experienced a slowdown in economic growth rate due to the decline in agricultural production. Growth took place in a context of moderate change in prices, notwithstanding the high level of food prices which was controlled by measures such as the sale of food at moderate prices, free distribution of food to vulnerable populations facing food insecurity and oil price stability.

Furthermore, a strong increase is expected in investment spending and poor performance recorded in customs revenue. To further strengthen the conditions for achieving the primary convergence criteria and improve the profile of the secondary criteria, measures to improve

financial management and the promotion of exportable production in particular are envisaged. These include:

- strengthen tax revenue mobilization measures and controlling current expenditures while focusing on reducing tax exemptions;
- Strengthening the efforts made to raise the level of domestic revenue mobilization for the implementation of public investment;
- Pursuing the water management policy through the « 3N » Initiative and promoting the export sectors in order to build the foundations of economic growth and reduce the current account deficit;
- Ensuring strict monitoring of the management of internal and external public debt.

6.1.7. SENEGAL

In 2013, the main objectives set by the Senegalese authorities centred on macroeconomic stability backed by a sound fiscal policy, increased public revenues mobilisation and a consolidation of progress made in Fiscal Sector management as well as sustained structural reforms to improve the business environment.

Consequently, economic growth is expected to reach 4 % against 3.5% in 2012 thanks to the vibrancy of the tertiary and primary sectors. This economic growth will be achieved within a context of a downward trend in inflation.

The execution of the budget in the first half of 2013 was marked by a decline in recoveries coupled with a moderate growth in public expenditures.

External trade was marked by an improvement in the overall position of the balance of payments.

The monetary situation at the end of June 2013 indicated a contraction of money supply due to a decline in currency in circulation (-0.1%) and bank deposits (-1.9%).

In the first half of 2013, Senegal complied with nine (09) convergence criteria, including three primary ones.

6.1.7.1. Sector Analysis

Real Sector Developments

During the first half of 2013, internal economic activity recorded a 3.6% growth thanks to the buoyancy in the primary and tertiary sectors.

The primary sector recorded on average 7.6% growth over the first half 2013, fuelled mainly by livestock production (9.2%) and fishing (+3.7%) subsectors. In the first half of 2013, livestock production grew by 9.2% compared to the same period in 2012. This trend is partially due to the improvement in the monitoring system set up by the Abattoirs Management Company of Senegal (SOGAS) since the first quarter of 2013. The fisheries subsector recorded 3.7% growth driven by industrial fishing (5.8%). Catches from small-scale fishing also went up by 3.5% over the period.

Regarding the secondary sector, activity slumped by 2.0% in the first half of the year compared to the same period in 2012. This counter performance is attributed to the extractive industries, edible fats and oils and other industries. On average, extractive activities during the first half of the year declined by 19.0% between 2012 and 2013. This downward trend stemmed to a large extent from phosphate production affected by plants at the level of the

mine and chemical industry. Similarly, activities in the refining and chemical industries shrank by 10.7 and 15.6% respectively between 2012 and 2013. On the other hand, “construction” and “energy” subsectors performed well during the period under review with 8.8% and 3.6% growth respectively.

In the tertiary sector, activity improved with a 5.8% cumulative growth during the first half of 2013. This performance is attributable to the positive trend in the post and telecommunication, financial and other services. However, the “trading” and “real estate activities” saw a decline over the period under review.

Contributions of the primary, secondary and tertiary sectors to growth will be 0.5, 0.9 and 2.2 % respectively,

Concerning external trade, demand was marked by higher growth in exports in real terms compared to imports. Exports are expected to rise by 4.3% in 2013 against 2.8% in 2012 while imports would inch up by 0.5% against a decline of 1.1% in 2012.

Trends in economic activity occurred within a context of declining inflationary pressures. In the first half of 2013, inflation on average stood at 0.5%. This followed the downward trend in prices of foodstuffs and non alcoholic beverages (-2.2%).

Table 6.31: Trends in GDP and its Components in Senegal

Headings	2011	2012	2013	2011	2012	2013
GDP at current prices	6,816.4	7,225.0	7,718.1			
GDP at constant prices	4,988.6	5,164.0	5,372.2			
	% Change			As % of GDP		
SUPPLY						
• Primary sector	-10.8	8.1	5.4	12.3	12.9	13.0
• Secondary sector	7.2	2.5	5.0	21.3	21.1	21.3
• Tertiary sector	4.0	3.0	3.4	55.1	54.8	54.5
DEMAND						
➤ Final consumption	-19.2	4.0	2.9	72.2	72.5	71.7
• Households	-22.9	4.9	3.1	59.5	60.2	59.7
• Government	4.2	0.0	2.1	12.7	12.3	12.1
➤ Gross Fixed Capital Formation	2.2	7.6	3.1	24.5	25.5	25.3
• Variation of Stocks	-57.2	65.6	-6.1	-3.1	-4.9	-4.5
EXPORTS (+XS)	-4.3	2.8	4.3	21.6	21.5	21.5
IMPORTS (-MS)	-51.1	-1.1	0.5	15.3	14.6	14.1
Real GDP in %	2.6	3.5	4.0			

Source: National Agency for Statistics and Demography (ANSD) * Projections

Fiscal Sector Developments

The execution of the budget during the first half of 2013 was marked by a decline in revenue collection coupled with a moderate expansion in public expenditures. Resources mobilized as at the end of June 2013 were globally estimated at 798.7 billion, representing a year on year drop of 44.4 billion (-5.3%). Total expenditures and net lending fell by 9.0% to settle at 953.3

billion. On the whole, the overall budget balance (including grants) recorded a deficit of 78.4 billion against a deficit of 100.5 billion in the first half of 2012. In fact, budget revenues stood at 746.4 billion against 799.3 billion during the same period the previous year, representing a contraction of 6.6%. However, budget revenue collected, excluding levies on received calls in 2012, at end of June 2013 indicated an increase of 21.1 billion or 3%. Resources collected by the Customs Department accounted for 32.9% of total revenues and rose by 9.7%. As far as the directorate of customs and excise is concerned, revenues collected inched up by 1.1% compared to the previous year; it mobilized 62.8% of budget revenues. On year-on-year basis, the 3% growth in revenues (excluding telecom levies), at the end of June 2013 is due to the improvement in revenue collection at customs posts (239.1 billion) , corporate taxes (114.6 billion) and land related revenues (9.1 billion) with 21.2 billion, 14.6 billion and 5.1 billion rise respectively.

Non tax revenues stood at 28.9 billion in the first half of 2012, representing a drop of 20 billion over a one year period. This drop is as a result of the removal of levies on incoming telephone calls which were mobilized to the tune of 27.6 billion in the first half of 2012.

Grants were estimated at 52.3 billion at the end of June 2013 and included capital grants estimated at 45.9 billion and budget grants amounting to 9.6 billion. Therefore total grants went up by 8.5 billion (19.4%) compared to the first half of 2012.

Public expenditures were estimated at 853.5 billion at the end of June 2013 against 1045.4 billion in the first half of 2012, representing a decline of 194.7 billion (-9.0%). This downturn reflects in particular efforts made by the authorities to curb government expenditures and the change of priority declared by the authorities. Current expenditures dropped by 6.4% during the period and capital expenditures were also on a downward trend (-12.0%). However, the wage bill continued to surge and the same applied to interest rates on debt.

Table: 6.32: Trends in Some Budget Items in Senegal

HEADINGS	Jun-11	Jun-12	Jun-13	% Change
TOTAL REVENUE AND GRANTS (in billions)	693.1	843.1	798.7	-5.3
DOMESTIC REVENUE	716.1	799.3	746.4	-6.6
* Tax revenue	677.6	734.1	698.6	-4.8
* Non tax revenue	21.9	47.5	28.9	-39.2
*Other non classified revenue	7.3	17.7	18.9	6.8
GRANTS	19.8	43.8	52.3	19.4
EXPENDITURE AND NET LENDING	760.3	1,048.2	953.3	-9.0
TOTAL EXPENDITURE	758.2	1,045.4	853.50	-18.3
Current expenditure	503.9	666.6	623.9	-6.4
* Wage bill	212.9	217.3	231.6	6.6
* Interest payments	23.2	52.8	57.1	8.1
Other current expenditure			335.2	
Capital expenditure	254.3	378.8	333.4	-12.0
Including domestically financed investments	147	277	207.60	-25.1
NET LENDING	14.9	2.8	-4.0	-242.9
BASIC PRIMARY BALANCE	88.5	-91.5	-21.3	-76.7
OVERALL BALANCE (on commitment basis) (incl. grants)	-67.2	-205.1		
OVERALL BALANCE (on commitment basis.)(excl. grants)	-44.1	-248.9		
BASIC BUDGET BALANCE	65.3	-144.3	-130.7	-9.7
OVERALL BALANCE (cash basis)(incl. grants)	85.1	-100.5	-78.4	-22

Source: MEF/DGCPT/DESP

Monetary Sector Developments

Like the monetary situation of UEMOA in the first half of 2013, that of Senegal was marked by a cut in policy rates by 25 percentage points and an expansion in money supply compared to end-June 2012 as a result of the consolidation of credits to the private sector. Broad money supply (M2) at end of June 2013 shrank by 2.0%. This contraction is reflected both in currency in circulation (-0.1%) and bank deposits (-1.9).

Outstanding domestic credit was up by 5.2% at the end of June 2013. This trend is attributed solely to the surge in credit to the private sector. Credit to the private sector grew by 4.0% in the first half of 2013. This upward trend is due to improved supply of resource in line with rising term deposits with the banks. It is also explained by the continued cash flow difficulties of companies with increasing requests for credits and the provision of consumer credits for individuals. Unlike the Union, the net position of government vis-à-vis monetary institutions deteriorated by 33.0% in the first half of 2013. This situation is essentially linked to the increase in the support provided by the Central Bank especially within the framework of subscription to securities issues on the regional financial market by member countries.

Net foreign assets plunged by 12.8% at the end of June 2013 despite gold exports. This trend is attributed exclusively to the decline in the Central Bank's net foreign assets within a context marked by dwindling official reserves as a result of growing imports in the country.

Table 6.33: Trends in Monetary Aggregates in Senegal

Headings	2010		2011		2012		2013	2010		2011		2012		2013
	Jun	Dec	Jun	Dec	Jun	Dec	Jun	Jun	Dec	Jun	Dec	Jun	Dec	Jun
	% Change							Contribution to M2 growth						
Liabilities														
Money supply (M2)	4.6	8.7	1.2	5.7	1.3	5.2	-2.0							
Money supply (M1)	4.3	8.7	3.9	2.8	2.0	5.2	-1.4							
Currency in Circulation	6.1	7.0	3.3	1.6	-2.4	1.6	-0.5							
Demand deposits	3.2	9.7	4.3	3.5	4.4	7.0	-1.8							
Quasi-money	5.1	8.7	-3.1	10.6	0.1	5.1	-3.0							
Other items net	-5.2	34.5	-13.3	29.2	-19.0	-15.9	27.8	-0.5	3.2	-1.5	2.9	-2.3	-1.5	2.2
Assets	-0.9	16.0	0.6	14.0	6.1	-0.3	5.2	-0.6	10.9	0.4	10.1	4.7	-0.2	4.0
Net credit to Government	-52.8	269.7	-74.3	220.0	-16.6	-30.9	33.4	-2.7	6.3	-5.9	4.4	-1.0	-1.5	1.1
Credit to the private sector	3.1	7.0	9.7	8.1	8.0	1.7	4.0	2.1	4.6	6.3	5.7	5.7	1.3	3.0
Net foreign assets	12.2	2.6	-2.0	-3.8	-16.9	13.7	-12.8	4.7	1.1	-0.8	-1.4	-5.8	3.9	-3.9

Source: BCEAO/WAMA

External Sector Developments

The overall position of the balance of payments of Senegal is expected to improve in 2013 with a surplus of 0.1% of GDP (CFAF10.0 billion) following a deficit of 0.7% of GDP (-51.2 billion) a year earlier. This situation is on account of the strengthening of the surplus on the capital and financial operations account whose effects were mitigated by a worsening of the current account deficit.

The current account deficit is expected to settle at 594 billion in 2013 against 579.6 billion, representing a deterioration of 14.5 billion attributable mainly to the trade balance and to a lesser extent transfers.

In fact, the trade balance deficit would settle at 1,227.1 billion in 2013 (-7.7% of GDP) against 1262.1 billion in 2012 (-8.0% of GDP), indicating a slight deterioration of 15.9 billion owing to a higher increase in exports (4.7%) compared to imports (2.9%). Transfers are expected to amount to 824.4 billion in 2013 against 821.6 billion the previous year.

The surplus on the capital and financial operations account is expected to improve by 14.9% to settle at 604.0 billion in 2013 against 523.6 billion the previous year. This trend was supported by capital transfers and the surge in portfolio investments.

Table 6.34: Trends in Some Balance of Payments indicators in Senegal

HEADINGS	2011*		2012*		2013**	
	% Change	As % of GDP	% Change	As % of GDP	% Change	As % of GDP
Trade balance	21.4	-23.1	9.3	-24.4	1.3	-23.8
• Export	12.0	24.1	2.9	23.9	4.6	24.1
• Import	16.4	-47.2	6.1	-48.4	2.9	-47.8
Services balance	75.3	-1.2	10.1	-1.3	1.2	-1.3
Income balance	11.8	-1.6	-8.2	-1.4	0.8	-1.4
Current transfers balance	0.9	15.5	6.1	15.9	0.3	15.3
• Private	2.2	15.0	4.9	15.2	1.6	14.9
• Public	-28.6	0.5	44.5	0.7	-27.5	0.5
Current account balance	80.0	-10.4	11.5	-11.2	2.5	-11.1
Capital & financial s account	13.0	9.3	13.6	10.2	14.9	11.2
Capital transfers	-20.4	2.4	54.9	3.6	51.0	5.3
Acquisitions /transfer of non produced financial assets	-100.2	0.0		0.8	-76.9	0.2
Financial transactions	31.5	6.9	-12.4	5.8	4.4	5.8
• Direct investments	1.5	2.7	2.3	2.6	2.9	2.6
• Portfolio Investments	202.9	6.3	-60.2	2.4	109.8	4.9
• Other investments	-527.7	-2.1	-135.7	0.7	-337.8	-1.7
-NET ERRORS AND OMISSIONS	-100.0	0.0	#DIV/0!	0.1	-100.0	0.0
OVERALL BALANCE	-149.4	-1.1	-10.6	-1.0	-119.5	0.2
<i>Typical ratios</i>						
Coverage rate: Export/Imports (%)		58.8		57.3		58.1
Degree of openness: (import g&s+ export g&s)/(2*GDP) (%)		34.4		33.9		32.8
Current balance/GDP (%)		-7.6		-8.0		-7.7
Current balance excl.grants/GDP (%)		-8.2		-8.7		-8.2
Overall balance/GDP (%)		-0.8		-0.7		0.1

(*) estimates (**) :Projections (1) Data produced in CIF

6.1.7.2. Status of Convergence in Senegal

In the first half of 2013, Senegal complied with nine (9) convergence criteria including three (3) primary ones.

As regards primary criteria, the country met all the criteria prescribed with the exception of the one concerning reserves in terms months of imports cover.

Concerning the secondary criteria, relating to the wage bill, arrears, internally funded investments, nominal exchange rate and real interest rate were met. On the other hand, the tax revenue/GDP criterion was not observed. It stood at 18.1% in June 2013 against 20.3% over the same period the previous year.

Table: 6.35: Status of Convergence in Senegal

	Target	2008	2009	2010	2011	2012		2013**	
			Dec	Dec	Dec	June	Dec*	June	Dec**
Primary criteria:									
i)' Budget Deficit/GDP (grants incl.)	≤ 3%	4.6	4.9	5.2	6.7	5.7	5.8	-2.3	5.8
ii)' Inflation Rate (average)	≤ 5%	-2.2	1.2	4.1	3.4	1.5	2.1	0.5	2.1
iii) CB Financing	≤ 10% TR n-1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
iv) UEMOA Reserves	≥ 6 mths Imp	5.3	6.9	6.3	6.9	6.0	5.7	5.1	6.0
<i>Country Reserves (Indicative)</i>		3.3	5.3	5.3	4.5	4.2	4.4	4.4	3.9
Secondary criteria									
i) Domestic Arrears		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ii) Tax Revenue GDP	≥ 20%	18.1	18.0	18.8	18.9	20.3	18.5	18.1	20.3
iii) Wage Bill/Tax Revenue	≤ 35%	32.0	33.6	32.8	33.3	29.6	34.6	31.5	31.4
iv) Publ. Investments /Tax Revenue	≥ 20%	28.9	34.0	36.5	36.9	37.7	36.9	29.7	44.0
v) Real Interest Rate	> 0	7.6	5.2	1.7	0.7	0.7	3.3	1.7	1.4
vi) Nominal Exchange Rate Stability	± 10%	3.8	-2.7	-3.9	1.4	5.1	-4.8	-1.2	-4.8
vii) Public Debt/GDP	≤ 70%	19.6	27.0	27.5	29.6		42.5		42.5
Number of criteria met		8	9	9	9	9	8	9	9

Source: BCEAO/WAMA *Estimates **Projection

6.1.7.3. Prospects

At the end of 2013, real GDP growth is expected to be 4% against an estimate of 3.5% in 2012, representing a 0.5 percentage point gain. This renewed dynamism would be fuelled by the primary and secondary sectors. In fact, the primary sector would continue to recover after its counter performance in 2011 due to the poor farming season. It is expected to record a 5.4% growth in 2013 against 8.1% in 2012, driven mainly by the expected recovery in agriculture and livestock production subsectors.

In the secondary sector, the downturn which marked 2012 may abate in 2013 thanks, on one hand, to the good performance in sugar production, cotton ginning and textile manufacturing, oil refining, chemical and energy production and, on the other hand, to the recovery in edible fats, meat and fish processing and conservation, tobacco manufacturing, building and public works and building materials subsectors. In total, the sector is expected to register an increase of 5.0 percent during the review period against 2.5 in 2012.

The tertiary sector is expected to grow by 3.4% in 2013 against 3.0% in 2012, indicating a slight deceleration compared to 2012. In spite of the projected slowdown in trading, services activities would be driven mainly by the transport, post and telecommunication, accommodation and catering services as well as financial services.

As regards demand, final consumption is expected to expand by 2.9% against 4.0% in 2012. Gross Fixed Capital Formation (GFCF) would increase by 3.5% in 2013 against 7.6% in 2012. This slowdown in the GFCF may be due to the change in government priorities at the end of some infrastructure projects.

For 2013, budget management would reflect government initiatives aimed at promoting macroeconomic framework stability, low inflation, stabilization of Fiscal Sectors and the consolidation of gains in terms of incentives required for the development of the private sector.

In terms of convergence, the Country would observe nine (09) criteria at end of 2013.

6.1.7.4. Conclusion and recommendations

The Senegalese economy is expected to record a real growth rate of 4.0% against 3.5% in 2012. This performance would be fuelled by the primary and tertiary sectors, public administration, taxes on goods and services and would have a positive impact on the macroeconomic convergence situation. However, the budget deficit could worsen due to the shortfall in revenues recorded this year as a result of tax reforms in force. For these reasons, the authorities should:

- ✓ strengthen measures geared towards increasing budget revenues and streamline certain recurrent expenditures;
- ✓ Take measures to offset the revenue shortfalls observed in 2013 to reduce the budget deficit;
- ✓ Find a lasting solution to the energy problems by improving the supply and distribution of electricity.

6.1.8. TOGO

The economic situation in the first half of 2013 and prospects for the rest of the year indicate that growth slowed down slightly to settle at 5.8% against 5.9% in 2012 due to adverse weather conditions and a decline in mining activity. However, medium term projections indicate that growth should rebound to about 6 % on average over the next three years due to good prospects of the agricultural sector and exports. Inflation was low, reaching 2.7 % on average with brighter prospects.

On the fiscal side, Fiscal Sectors were under pressure during the first half of 2013 partly due to the expansionary fiscal policy characterized by a sharp increase in capital expenditure. Consequently, the authorities took measures through mid-term budget review to stabilize the fiscal situation. Nevertheless, revenues increased in the first half of the year, especially customs revenue, but their growth rate was lower than that of expenditure. The fiscal balance (on commitment basis, including grants) stood at 3.9% of GDP against 1.2% of GDP during the first half of 2012.

As regards foreign trade, the current account deficit of the balance of payments is expected to widen to CFAF 240.8 billion against CFAF 219.7 billion in 2012, reflecting a higher trade deficit as well as a deficit in the income balance due to the increase in interest on debt. However, the surplus of the overall balance was 10 billion against a deficit of 17.3 billion in 2012 in line with the positive trends in the surplus balance of the capital and financial operations account.

The monetary situation indicates an expansion of money supply by 15.7% year-on-year and by 5.1% compared to end-December 2012. Growth in credit to the economy was 18.0% year-on-year and 5.1% compared to end 2012 due to the upsurge in credit to the private sector. Net credit to government recorded an increase of 20.9% year-on-year but a decline of 2.1% compared to the previous half year while net foreign assets shrunk by 11.1% year-on-year and by 6.2% compared to end 2012.

6.1.8.1. Sector Analysis

Real Sector Developments

Economic growth is expected to slow down slightly in 2013 to settle at 5.8% against 5.9% in 2012, due to adverse weather conditions and a decline in mining activity. The strong reliance of the agricultural sector on climatic conditions is an obstacle to strong and sustainable growth. The primary sector would record a growth of 6.2% in real terms against 5.8% in 2012.

In the secondary sector, value added would grow by 11.9% in 2013 against 13.3% in 2012. This is due to the buoyant activity in the extractive and manufacturing industries whose value added increased by 23.1% and 12.8% against 13.8% and 10.6% respectively in 2012. The building and public works and energy sectors recorded less significant growth than the

previous year with growth rates of 6.9% and 4.2% respectively against 16.3% and 17.9% respectively in 2012.

The tertiary sector recorded a marginal growth of 0.8% in value added driven by the trade, transport and communication sectors. Indeed, trade recorded an expansion in value added by 4.9% against 4.7% while transport and communication grew by 5.3% compared to a decline of 0.4% in 2012. However, bank, insurance and other services shrank by 7.0% in 2013 against 3.9% in 2012. Overall, the primary sector contribution to growth was 1.8 percentage points against 1.7 in 2012. The secondary sector contributed 2.4 percentage points compared to 2.6 in 2012 and finally, the tertiary sector also contributed 0.3 percentage points against 0.2 in 2012. Duties and Indirect Taxes and the Value Added Tax (VAT) contributed 1.2 percentage points against 1.4 in 2012.

Demand was driven by growing investments, especially in private sector due to the surge in credit to the private sector. Thus, gross fixed capital formation grew by 21.5% in 2013 against an increase of 42.8% in real terms. In nominal terms, it registered an expansion of 23.7% against 49.5 in 2012. Final consumption fell by 3.6% against 6.3% in real terms due to the contraction in private consumption which fell by 2.8% against only 9.7% in 2012 in real terms. Final public consumption also recorded a decline of 7.8% against an increase of 19.1% in 2012 in real terms. Exports fell by 5.4% in real value but an increase of 10.1% in nominal value to settle at 41.7% of GDP in line with the good prospects in the extractive industries (higher phosphate exports) and agricultural cash crops (mainly cotton). Imports were down by 10.1% to 59.7% of GDP against 60.5% in 2012.

Table 6.36: Trends in GDP and its Components in Togo

	2011*	2012*	2013**	2011*	2012*	2013**
GDP (CFAF billion current and constant)	1,740.4	1,989.9	2,201.3	1,196.2	1,266.3	1,339.6
	% Change			As % OF GDP		
Supply						
Primary Sector	-19.4	5.8	6.2	29.5	29.5	29.6
Secondary Sector	9.5	13.3	11.9	19.2	20.6	21.8
Tertiary Sector	37.1	0.4	0.8	39.2	37.2	35.4
Demand						
Public Consumption	-3.7	19.1	-7.8	12.3	13.8	12.0
Private Consumption	3.3	-9.7	-2.8	92.3	78.7	72.3
Gross Fixed Capital Formation	9.5	42.8	21.5	24.6	33.2	38.2
Change in Stock	706.4	129.2	-318.6	0.5	1.0	-2.1
Exports of Goods and Services	20.4	13.4	-5.4	49.2	52.8	47.2
Imports of Goods and Services	12.4	6.7	-10.1	78.9	79.5	67.6
Deflator			---	---	---	
Real Growth Rate	4.9	5.9	5.8	---	---	
CPI (average and end periods)	4.34	2.27	2.72	4.91	2.0	2.1

Source: BCEAO/WAMA

End-period inflation was moderate in first half and stood at 2.1% at the end of June against 2.0% a year earlier, reflecting a downward trend in prices of consumer goods and a slight fall in the prices of some products. Indeed, year-on-year food prices went up marginally by 1.0% against 1.3% at the end of June 2012. In addition, prices in the «transport», «health» and «leisure and culture» subsectors fell by 0.3%; 2.6% and 2.0% respectively compared to 2012.

On the other hand, « alcoholic beverages, tobacco and narcotics », « restaurants and hotels », « education » and « miscellaneous goods » recorded year-on-year price increases of 5.0% ; 4.7% ; 5.0% and 4.9% respectively against -0.5% ; 1.2% ; 1.8% and 5.0% on year-on-year basis. Average inflation settled at 2.7% in June 2013 against 2.3% in June 2012.

Fiscal Sector Developments

The execution of the state budget in the first half was characterized by a worsening of the deficit linked with a significant surge in expenditure resulting from public investment programs undertaken by the government since 2010. Government revenue and grants grew by 21.8% compared to their level at the end of June 2012 (1.7%). This performance is as a result of 21.8% rise in budget revenue against 19.2% in 2012. This trend in budget revenue is attributed to the increase in customs revenue by 31.8% and miscellaneous taxes by 15.3%. However, non-tax revenue fell by 5.6% against an increase of 21.5% in 2012. Grants were up by 21.5% thanks to significant support from partners for public investment projects. Tax revenues stood at 18.3% of GDP against 16.3% in 2012 thus reflecting domestic revenue mobilization efforts. However, this ratio is below the 20% threshold under the convergence criteria.

Total expenditure and net lending grew sharply by 36.4% compared to their level at the end of June 2012 due to a significant expansion in public investment and current expenditures. Indeed, current expenditure rose by 33.4% against 13.6% at the end of June 2012 as a result of the increase in operating expenses and wage bill. However, despite the expansion in wage bill, its ratio compared to tax revenues remained within the convergence criteria and stood at 29.5% (below 35%). Interest on debt fell by 0.5% in contrast to a notable increase in the previous year.

Capital expenditure also rose sharply by 51.9% compared to the first half of 2012, reflecting efforts towards infrastructure development. Internally funded investments shot up from 6.6 billion CFAF in June 2012 to nearly 34 billion CFAF at the end of June of 2013 representing more than fivefold increase. Domestic financing amounted to only 16.8% of tax revenues against 4.1% at the end of June 2012, far below 20% minimum threshold of the convergence criterion. As a result, budget deficit (excluding grants on payment order basis) at the end of June 2013 stood at CFAF 43.2 billion, corresponding to 3.9% of GDP, thus placing it above the standard of 3% of GDP of the convergence criterion. Primary balance registered a deficit of 21.3 billion CFAF against a surplus of 21 billion CFAF at the end of June 2012. Financing of government deficit is mainly derived from external sources to the tune of 49.1 billion for a deficit on cash basis including grants of 40.5 billion. Regarding the source of domestic funding, the government proceeded to pay its debts vis-à-vis the local financial market.

Table 6.37: Trends in Some Budget Items in Togo

	2011		2012		20123*	
	% Change	As % GDP	% Change	As % GDP	% Change	As % GDP
TOTAL REVENUE AND GRANTS	19.0	20.6	1.7	18.3	21.8	20.2
DOMESTIC REVENUE	0.3	17.0	19.2	17.8	21.8	19.6
Tax Revenue	12.2	15.7	19.0	16.3	24.3	18.,3
Tax on International Trade	15.5	7.1	17.9	7.5	31.8	7.8
Direct and Indirect Taxes	8.4	8.,6	20.3	8.9	15.3	10.6
Non Tax Revenue	-55.0	1.4	21.5	1.4	-5.6	1.2
GRANTS	1084.6	3.5	-82.9	0.5	21.5	0.6
TOTAL EXPENDITURE AND NET LENDING	40.4	20.6	8.2	19.5	36.4	24.1
CURRENT EXPENDITURE	38.0	16.2	13.6	16.1	33.4	19.4
Wages and Salaries	34.2	5.6	14.9	5.7	5.9	5.4
Interest payments	-7.6	0.7	75.0	1.1	-0.6	1.0
Subsidies and other Transfers	49.9	6.3	20.8	6.6	3.1	6.2
CAPITAL EXPENDITURE	60.7	4.4	-11.9	3.4	51.9	4.7
Domestically Financed	2.1	1.7	-55.9	0.7	416.9	3.1
Externally Financed	152.7	2.7	16.1	2.7	-36.0	1.6
OVERALL BALANCE (commit. basis incl. grants)	-102.2	-0.1	2349.0	-1.2	252.6	-3.9
OVERALL BALANCE (commit. basis excl. grants)	-256.5	-3.6	-44.0	-1.8	183.0	-4.5

Source: BCEAO/WAMA

The debt position at the end of December 2012 was characterized by outstanding external debt to the tune of CFAF 278.8 billion CFAF representing 14.01% of GDP against 13.9% of GDP in 2011. At the end of June 2013, the outstanding government securities amounted to CFAF 189.84 billion against 162.86 billion at the end of December 2012, indicating an increase of CFAF 26.98 billion. These securities include treasury bills amounting to CFAF 74.0 billion against CFAF 40.0 billion at the end of December 2012 and bonds totalling CFAF115.84 billion against 122.86 billion at the end of December 2012.

Monetary Sector Developments

The trend in the monetary sector in the first half of 2013 showed an upsurge in money supply by 15.7% year-on-year in June and 2.0% compared to the stock at the end of December 2012. The distribution of this trend according to the various components of money supply reflects an expansion in currency circulation by 1.5% on year-on-year basis and by 2.2 % at the end of December. Demand deposits grew by 22.9% year-on-year against a decline of 1.3% compared to the end of December 2012. Quasi-money increased 16.2% on year-on-year and 12.5% compared to its level at the end of December 2012. Other net items grew by 23.2% year-on-year against a slump of 25.9% compared to their level at the end of December 2012.

Regarding money supply counterparts, domestic credit jumped 18.0% year on year against 5.1% the previous half year to settle at CFAF 768.7 billion at the end of June 2013 against CFAF 731.2 billion at the end of June 2012 and CFAF 651.7 billion at the end of June 2012. This was due to the rise in private sector credit by 17.4% year on year and 6.7% compared to the end of December. Net credit to government grew by 20.9% year on year against a decline of 2.1% compared to the end of December 2012. Net bank credit to government recorded an

expansion of 9.0% year on year and 5.2% at the end of December 2012, thus reflecting higher public sector liabilities towards the banking system. The domestic credit contribution to money supply growth was 13.3 and 3.8 percentage points year on year compared to the end of December 2012 respectively.

At the end of June 2013, net foreign assets of the banking system stood at 256.8 billion against 231.1 billion at the end of June 2012 and 273.8 billion at the end of December 2012 representing an expansion of 11.1% year on year and a deceleration of 6.2% compared to the end of December 2012. This decline in net foreign assets was due to the significant increase in domestic credit which was higher than the expansion in money supply. Thus, the contribution of net foreign assets to money supply growth year on year was 2.9 percentage points and 1.7 percentage points in half yearly variation.

Table 6.38: Trends in Monetary Aggregates in Togo (in %)

	% Change (year on year - June)			Contribution to money supply growth		
	2011	2012	2013	2011	2012	2013
LIABILITIES				---	---	---
Money Supply (M2)	12.9	7.1	15.7	12.2	6.6	14.6
Money Supply (M1)	14.5	-1.5	15.2	8.1	-0.8	7.8
Currency in Circulation	15.3	-10.3	1.5	3.3	-2.3	0.,3
Demand Deposits	13.9	4.2	22.9	4.8	1.4	7.6
Quasi-Money	10.6	19.9	16.2	4.1	7.4	6.8
Other Items (nets)	56.1	3.6	23.2	2.9	0.3	1.6
ASSETS	---	---	---	---	---	---
Total Domestic Credit	17.0	27.7	18.0	10.4	17.1	13.3
Net Credit to Government	-31.8	26.1	20.9	-5.4	2.6	2.5
Central Bank	1.1	44.8	33.3	0.1	1.9	1.9
Money-Making Banks	-45.1	12.2	9.0	-5.4	0.7	0.5
Credit to Private Sector	36.0	28.0	17.4	15.7	14.5	10.8
Central Bank						
Commercial Banks	36.0	28.0	17.4	15.7	14.5	10.8
Net foreign Assets			---	---	---	---
Banking System	12.1	-26.8	11.1	4.7	-10.2	2.9
<i>Memorandum Item</i>	---	---	---	---	---	---
Reserve money	---	---	---	---	---	---

Source: BCEAO/WAMA

External Sector Developments

Projections of the balance of payments indicate that the overall balance would record a surplus of 10.0 billion in 2013 against a deficit of 17.3 billion the previous year to settle at 0.5% of GDP against a deficit of 0.9% of GDP in 2012.

The projections show that current account deficit would widen slightly from CFAF 219.7 billion in 2012 to CFAF 240 billion in 2013, representing a deficit of 11.8% of GDP against 11.7% of GDP in 2012. This is due to the deterioration of the balance of goods and services as well as income. Indeed, increase in investment demand would lead to a significant rise in imports by 10.1% including imports of capital goods and intermediate goods which would surge by 22.9% and 14.4% respectively. Exports would increase by 11.2%; thus leading to a trade deficit of 7.6%.

The services account recorded a slight increase in deficit by 0.5% to settle at CFAF 81.2 billion against CFAF 80.8 billion in 2012 on account of the widening freight deficit which registered an increase of 11.7% from CFAF 108.1 billion in 2012 to CFAF 120.2 billion in 2013. The income account deficit was up by 18.8% compared to 2012 due to the higher interest on debt which rose from CFAF 5.8 billion to CFAF 9.4 billion in 2013, representing an expansion of 61.5%. The surplus of the current transfers account improved by 2.4% as a result of a surge in private transfers by 4.7%. On the other hand, public transfers fell by 5.7%.

The capital and financial operations account is expected to increase by 23.9% from CFAF 202.4 billion in 2012 to 250.8 billion in 2013. This increase is due the 33.2% expansion of the surplus of the capital and financial operations account which would benefit from the increase in foreign direct investments by 19.0% and other investments by 43.2%. On the other hand, the surplus of the capital transfer account could decline by 13.5%.

Table 6.39: Trends in Some Balance of Payments Indicators in Togo

ITEMS	2011		2012*		2013	
	% Change	As % of GDP	% Change	As % of GDP	% Change	As % of GDP
Trade Balance	21.69	-15.73	5.62	-14.53	7.62	-14.13
Export FOB	14.49	31.81	17.26	32.62	11.23	32.80
Import FOB	16.77	-47.53	13.41	-47.15	10.11	-46.93
Balance of services	22.15	-2.70	71.91	-4.06	0.45	-3.69
Balance of revenues	-1.78	-0.65	20.90	-0.69	18.84	-0.74
Balance of current transfers	-2.79	9.84	-4.29	8.24	2.40	7.63
BALANCE OF CURRENT TRANSACTIONS	62.78	-9.24	36.63	-11.04	9.57	-10.94
CAPITAL AND FINANCIAL TRANS. ACCOUNT	47.89	11.06	5.14	10.17	23.87	11.39
Capital Account	-90.65	3.69	-37.35	2.02	-13.53	1.58
Financial Transactions	-123.01	7.37	26.43	8.15	33.16	9.81
Direct Investments	27.49	1.77	5.00	1.62	19.00	1.74
Portfolio Investments	-576.32	1.04	8.14	0.98	0.00	0.89
Other Investments	-113.75	4.57	38.88	5.55	43.18	7.18
Overall Balance	-12.87	1.82	-154.62	-0.87	-157.72	0.45
Funding or Savings	-	-	-	-	-	-
Coverage Rate : Export /Imports	69.9		69.3		70.0	
Degree of openness : (import + export)/GDP		51.9		54.2		54.6
Current Balance excluding grants/GDP		-10.6		-13.0		-13.0

(*) Estimates (**): Projections

6.1.8.2. Status of Convergence

Performance in convergence criteria remained the same as that at the end of June 2012 with seven criteria met out of a total of 11. Indeed, performance recorded in Fiscal Sector impacted the convergence status of Togo. Thus, as in the first half year of 2012 where the country met two criteria, at the end of June 2013, the same primary criteria namely inflation rate and non deficit financing by the Central Bank were met. Since the level of foreign exchange reserves was low throughout the union, Togo also missed this criterion.

Regarding secondary criteria, tax revenue as a percentage of GDP remained low. This criterion stood at 18.3% at the end of June 2013 against 16.3% at the end of June 2012;

reflecting the revenue mobilization efforts made by the government through tax reforms. On the other hand, there is an effort to control wage bill which stood at 29.5% of tax revenue against 34.6% in June 2012. The level of funding capital expenditure from internal resources remained low and amounted to 16.8% of tax revenue against only 4.1% at the end of June 2012 thus reflecting a significant effort to increase investment spending. The real interest rate was positive due to the low level of inflation recorded in the first half of the year. Overall, five secondary criteria out of the seven, namely the non accumulation of domestic arrears, criterion on wage bill, that on interest rate, nominal exchange rate stability and the ratio of public debt to GDP were met.

Table 6.40: Status of Convergence in Togo

	Target	2008	2009	2010	2011	2012		2013**	
						June	Dec**	June	Dec**
Primary Criteria:									
i) Budget Deficit/GDP (including grants)	≤ 3%	0.2	0.6	-0.3	1.1	1.2	6.2	3.9	-8.9
ii) Inflation Rate (Average)	≤ 5%	8.7	3.7	1.4	3.6	2.3	2.6	2.7	2.6
iii) CB Funding	≤ 10%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
iv) Reserves	≥ 6 mths Imp	5.3	6.9	6.3	6.9	6.0	5.7	5.1	6.0
<i>Country Reserves (indicative)</i>		4.9	5.4	5.4	4.9	3.5	2.5	2.9	2.5
Secondary Criteria									
i) Domestic Arrears		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ii) Tax Revenue /GDP	≥ 20%	14.9	15.3	15.6	16.7	16.3	17.3	18.3	16.6
iii) Wage Bill/Tax Revenue	≤ 35%	32.7	41.2	33.5	35.9	34.6	36.0	29.5	34.4
iv) Investment Interest/Tax Revenue	≥ 20%	12.9	16.5	18.7	23.4	4.0	21.4	16.8	28.4
v) Real Interest Rate	> 0	-3.4	2.8	4.3	0.8	2.0	2.8	2.4	1.9
vi) Nominal Exchange Rate Stability	± 10%	3.8	-2.7	-3.9	1.4	5.1	-4.8	2.8	-4.8
vii) Public Debt/GDP	≤ 70%	47.9	51.6	14.9	44.2	44.2	44.3	44.3	44.3
Number of criteria met		6	7	8	8	7	7	7	9

Sources: BCEAO, UEMOA, WAMA *Estimates **Projections

6.1.8.3. Prospects

A fundamental objective of the reforms initiated by the authorities is to ensure that growth is strong, sustainable and inclusive. The weaknesses of the energy sector, especially the financial problems faced by the electricity companies and the rapid increase in demand for electricity could cause power shortages in the medium term, which would weigh on the growth prospects. To address this potential problem, the authorities intend to take measures to support the electricity companies to avoid a worsening of the situation. Among the specific measures aimed at poverty reduction and more sustainable growth, are the construction of mini-dams and expansion of access roads to strengthen the agricultural sector, the engine for the economic growth in Togo.

On the fiscal side, the government aims to significantly increase revenues to fund expenditures required for the development of infrastructure and provision of basic social amenities. Revenue collection should be improved through operational reforms that should be facilitated by the establishment of the Togo revenue Authority. Public Financial Management

Reforms will focus on improving cash flow management, simplification of the expenditure chain and building the technical and operational capacity of the Debt Management Unit.

In addition, the government is committed to implement financial sector reforms to ensure long term stability by building management capacity and improving the monitoring of illegal entities operating in the microfinance sector.

6.1.8.4. Conclusion and recommendations

Overall economic performance in the first half was significant in view of the ambitious government investment program. Budget performance was affected by the implementation of this investment programme with a deterioration in government deficit. However, efforts to control certain expenditures, including the wage bill are to be commended because the streamlining of Fiscal Sectors for a better fiscal performance also played an important role in the control of public expenditure and revenue collection.

In the real sector, the government is striving to improve the economic situation of the country by focusing on economic diversification and sustained growth while seeking to help stabilize Fiscal Sectors. Besides, progress has been made in the mining sector through significant investments that will increase production in this vital sector for economic growth. Thus, the economic growth rate for 2013 was 5.8%, a slight downturn compared to 2012 which was 5.9%. However, given the significant challenges in achieving the objectives expressed in the economic program for the year 2013, it would be necessary to:

- accelerate reforms towards the establishment of the Togo Revenue Authority to improve the level of tax collection to finance projects ;
- adopt a prudent debt management policy through optimal choices focused on concessional or preferential debts;
- increase the level of internally funded investments in order to reduce the country's indebtedness. In this regard, the authorities should focus on tax reforms to improve the level of tax revenue/GDP by broadening the tax base.

6.1.9. INSTITUTIONAL ARRANGEMENTS AND POLICY HARMONISATION ISSUES IN UEMOA/BCEAO

6.1.9.1. Harmonization of Monetary Policy Frameworks

With regard to the monetary policy framework, the situation has not changed much. BCEAO continues to use its new framework based on a multi-criteria strategy of comprehensive analysis (according to the full information available) of risks impacting on price stability as well as foreign assets constraints, especially in terms of the coverage rate. The prioritized objective in this context is the year-on-year annual inflation rate of between 1% and 3% for a period of 24 months. At the operational level, the interest rate and the minimum reserve requirements are applied. In terms of interest rates, the BCEAO has lowered its two base rates for 2013 on three different occasions. The marginal lending window rate applicable to competitive tenders offered by the Central Bank on the marginal lending window is fixed at 3.5% and the minimum tender at 2.5% since 16 September 2013. These rates declined by 0.25 percentage points compared to the rate in June 2013.

Concerning the minimum reserve requirements, they are constituted by the banks over a one month period from the 16th day of every month to 15th day of the following month. Depending on the set objectives, the Central Bank can adjust the level of minimum reserves of (institutions required to comply with the minimum reserve requirements) by acting within their scope of operations, on the basis of calculation or on coefficients in a uniform or differentiated manner on country basis. The coefficient of minimum reserves is harmonized and maintained at 5% within the Union.

Coordination is carried out by the Financial Stability Committee (FSC), which is an official platform for cooperation which unifies the Regulatory and Supervision Authorities of the zone. Since its establishment in May 2010, the FSC has held its quarterly meetings regularly.

6.1.9.2. Harmonisation of Regulatory and Supervisory Frameworks of Banks, Insurance and Micro-finance Institutions

Far-reaching innovations were introduced in terms of institutional reforms in the West African Monetary Union (UMOA) and the BCEAO which came into effect in 2010. In the area of regulation of financial institutions, the prospects for 2013 are structured around the finalization of draft regulatory texts focused essentially on the:

- Establishment of a network of primary dealers in government securities (SVT) ;
- Equity securities of public debt and negotiable debt securities ;
- Establishment of a structure tasked with coordination of the issuance of public debt equity securities ;
- Establishment of a Bank Deposit Guarantee Fund ;
- Review of the UMOA Banking Chart of Accounts ;

- Re-evaluation of the scope of bank securities and guarantees that are prudentially receivable ;
- Pension transactions carried out;
- Information Offices on Credit (BIC).

In terms of banking supervision, the key developments recorded in 2012 touch on the:

- Downward review of the prudential standards in relation to the maturity transformation from a ratio of 75% to 50% ;
- Elimination of the portfolio structure ratio ;
- Adoption of a uniform draft law on disputes over regulatory breaches regarding the external relations of Member States of UMOA ;
- Adoption of a uniform law on the management of dormant assets in the accounting books of financial organisations of UMOA Member States;
- Adoption of a uniform Decree on the authorisation of bank-like financial institutions to receive fund deposits from the general public. These decisions of the UMOA Council of Ministers came into effect on 01/01/2013.

The adoption of risk-based supervision is among the priority projects of the banking supervision body. To create a congenial environment for the emergence of a credit reference mechanism (Dec 2014), the guidelines proposed for this project was validated by the Bank Authorities. A draft community law relating to the BICs is being prepared. With regard to measures taken for the external assessment of the Basel fundamental principles (Dec. 2014), it must be noted that the UMOA banking supervision framework was assessed in 2007 as part of the Regional Financial Sector Assessment Programme (FSAP) conducted by the IMF and the World Bank . At the end of the assessment, the FSAP mission considered the framework as follows:

- 5 principles are in line
- 11 broadly in line with principles
- 13 substantially not in conformity with principles
- 1 principle is not relevant.

With regard to the adoption of a standard Basel 2 approach (Dec 2015), the Bank's departments are working on guideline proposals for the migration project towards Basel 2 incorporated into BCEAO's Priority Action Plan.

6.1.9.3. Harmonisation of Accounting and Reporting Frameworks of Banks and Other Financial Institutions

The adoption of IFRS standards will be envisaged after the finalisation of the review project of the Banking Chart of Accounts. For now, the Bank's departments are working on the organisation of a training workshop in 2013 for the relevant Departments in connection with this issue.

Regarding the adoption of an electronic surveillance system (June 2014), BCEAO launched a restructuring and automated reporting system project in 2010 for credit institutions which could take charge of this project.

6.1.9.4. Harmonisation of Regulations Governing Current and Capital Accounts

Concerning regulations governing external financial relations within UEMOA, major trends were not recorded in that respect during the first half of 2013. In fact, these have always been regulated by the provision n° R°09/2010/CM/UEMOA/ of 1st October 2010 which replaced Regulation n° R09/98/CM/UEMOA of 20 December 1998, relating to external financial relations with Member States of the West African Economic and Monetary Union (UEMOA).

The new regulation establishes freedom of current account transactions in accordance with the spirit of Article IV of the IMF Articles of Agreement. In respect of capital transactions, they are free within UEMOA. On the contrary, in some capital transactions carried out outside the union, there is the need for prior authorisations. The text establishes that an amount of money ranging from FCFA 300 000 to FCA 500 000 can be transferred without having to provide any justification. The authorised intermediaries must simply take note of the identity of the applicant and the beneficiary. The text stipulates that residents must register their import and export transactions with an authorised intermediary. The domiciliary bank must proceed with the actual transfer of 80% of export revenue funds through the BCEAO. For purposes of meeting its current account needs in hard currency, the domiciliary bank is authorised to keep in its own resources in foreign currency, a proportion of export revenue lodged and withdrawn in its records. An instruction from BCEAO fixes the proportion retained by the bank at 20% of export revenue as against 0% under the old regulatory regime.

6.1.9.5. Harmonisation of Balance of Payments Statistics

In UEMOA, all the countries have started to compile their balance of payments according to the methodology prescribed in the 6th manual based on 2011 data. As a reminder, a methodological guide has been compiled, describing the new balance of payments compilation mechanism in UEMOA Member States in line with the 6th BOP Manual as well as the international investment position.

6.1.9.6. Harmonisation of Other Statistics

In the area of statistical activities, the statistical centre was established to review statistical harmonisation issues within the Union and activities have actually taken off. A Decision on the establishment of a Regional Statistical Committee, together with another decision instituting a framework for statistical information sharing in UEMOA was adopted by the Council of Ministers of the Union.

As part of the statistical harmonisation programme, four projects are on-going at the UEMOA Commission in addition to other activities already carried out.

- The automation of the database on multilateral surveillance is intended for the development of an automated computerized platform for multilateral surveillance database (BDSM). The platform was established in 2011 and validated in March 2012. A collaborative link has been established with AFRISTAT concerning this database with a view to establishing an automated mechanism for the publication of statistics. The stabilisation of the BDSM for purposes of its publication is fraught with difficulties nowadays because of changes in the manual used for its initial design, particularly in the area of Fiscal Sector statistics, balance of payments, national accounting system and harmonised industrial production index.
- The harmonised consumer price index has been reviewed. The new base year has been maintained at 2008 and its calculation is carried out by using the PHOENIX-UEMOA software. However, price quotes mainly concern the major cities and therefore do not cover the entire country. The work designed to extend the index to the entire country started in 2013 after the validation of the roadmap in August 2013 for the implementation of the project by Directors-General of national statistical authorities. A project team would be established. The extension works would be given to AFRISTAT and a team of statisticians and computer scientists at the UEMOA Commission and BCEAO will be constituted to gain mastery of the different stages of the project in order to ensure the maintenance and troubleshooting of the software. Work on the ground is scheduled to take off during the first quarter of 2014.
- The harmonized industrial production index has an adopted methodology. Similarly, a computer application has been designed. A Software has been developed based on a harmonised methodology and installed at the UEMOA Commission and in the Member States. It takes into account production indices as well as those pertaining to industrial production. Capacity building workshops were organised in 2012.
- National accounting where UEMOA continues to provide support to States as part of the process of improving the production of national accounts in order to ensure regular publications and reduce delays. To this effect, the Commission established a support programme for States financed by the European Union through AFRISTAT. A support software for the production of complete national accounting data consistent with SNA-93 code-named SUB-IOT (System and Use Balances and Input-Output Tables) was installed in the eight (08) Member States. The UEMOA Commission continues to support Member States to improve the production of national accounting data in order to ensure regular production and reduce delays. To this effect, the Commission has established a support programme financed by the European Union. The technical implementation of the said programme is carried out by AFRISTAT.

Informal sector statistics

One-two-three (1-2-3) type of surveys was conducted in 2001 and 2003, and they helped to compile data on major cities in seven (07) UEMOA member States. These statistics on the urban informal sector were published in the States and at the regional level. The results of these surveys were used to adjust the GDPs produced in the States. Regarding the activities of the new UEMOA Statistical Centre, a feasibility study relating to the 1-2-3 survey is being conducted in the informal sector since the first quarter of 2013. The results are expected latest by the second half of 2014.

External trade statistics

The regional directory on external trade statistics is produced and published regularly. A common software « Eurotrace » was developed and installed in all the Member States and at the UEMOA Commission. A system of trade monitoring based on a sample of indicators was established and an additional module was attached to « Eurotrace » for the inclusion of these indicators.

Convergence Criteria of the Union

In the area of convergence criteria within the Union, a study project is ongoing to consider the possibility of introducing criteria on actual convergence for the analysis of the performance of the States. The study is expected to be reviewed by the second half of 2013.

6.1.9.7. Status of Implementation of Fiscal Sector Reforms

UEMOA adopted six directives on Fiscal Sector in 2009. These directives were complemented by two others. They are:

- Directive n°01/2011/CM/UEMOA of 24 June 2011 concerning financial regime of territorial administrations ;
- Directive n°03/2012/CM/UEMOA of 29 June 2012 concerning stock records.

The transposition of all these directives is ongoing in the Member States. The transposition took place at different stages in the Member States. To ensure the effective implementation of the new directives and the sharing of experiences among the various financial authorities of the States, a Fiscal Sector Observatory was constituted and it comprises four representatives of each Member State.

The harmonisation of Fiscal Sector covers four projects, namely, harmonisation of Fiscal Sector, public procurement reforms, domestic taxation and companies accounting system.

- i. In terms of Fiscal Sector, significant progress has been made in relation to the Finance Law, particularly on the modalities for voting, budgetary controls and implementation as well as the transparency code. Moreover, the formulation of a support programme for the implementation of the directives of the harmonised Fiscal Sector framework helped in achieving progress through communication and sensitisation measures, training and capacity building for managers and trainers including the strengthening of information systems in the Member States.
- ii. With regard to the project of reforms in public procurement, it enjoyed the financial support of technical and financial partners and it achieved far greater success than the other reforms. Thus, it can be noted that the establishment of public procurement management structures such as the ARMP (Public Procurement Regulatory Authority) comprising three representatives of public administration, three representatives from the private sector and three representatives of civil society. An evaluation study of the implementation of these reforms is currently ongoing to review the strengths and weaknesses so as to draw lessons from it.
- iii. The reforms on company accounting was characterised by the establishment of steering structures under SYSCOA (West African Accounting System) through the monitoring of regulations and the permanent advisory opinion of the accounting profession. These structures are represented at the national level. It must be noted that national accounting councils have been established.
- iv. As regards the issue of taxation, UEMOA has developed community-based instruments for harmonising direct and indirect taxation laws in member States. VAT and excise duties are already harmonized within the Union as well as some direct taxes such as the corporate income tax (inclusive rate between 25% and 30%) and the tax on securities income (rate between 10% and 15%). The challenge associated with fiscal transition for States is ensuring that an appropriate level of revenue collection is achieved for sustainable development financing. Therefore, revenue mobilization is the fiscal transition programme's main component and aims to achieve a tax burden of at least 17%. The programme faces implementation problems around the issue of tax and customs exemptions and VAT credit refunds. In 2009, the Commission launched a project aimed at evaluating and publishing tax expenses to address the issue of tax controls/exemptions; this project will enable member States to implement rationalisation measures for these expenses. In 2012 UEMOA adopted a directive to ensure IT-based information sharing between tax and customs authorities to guarantee synergy between them, in order to keep human intervention to a minimum. Member States must report on this directive by the end of 2012.

The regional committee on fiscal transition meets regularly to take stock of the status of fiscal transition in the Union on the basis of Decision 34/2009 addressing the criteria and indicators of fiscal transition. The current situation shows that several States are in line with the trend towards achieving fiscal transition.

In terms of harmonisation of tax legislations in ECOWAS, a series of dialogues have been initiated primarily on two taxes with application and rate inconsistencies with regards to Value Added and excise duties. As a result of these consultations held in October 2009 and April 2013 between both departments responsible for these issues at the level of both Commissions, a roadmap was adopted to consolidate Community legislations.

6.2. COUNTRIES OF THE WEST AFRICAN MONETARY ZONE (WAMZ)

6.2.1. THE GAMBIA

The Gambia is currently implementing its Medium-Term Development Strategy: The Programme for Accelerated Growth and Employment (PAGE), 2012-2015. The objective of this programme is to accelerate and sustain broad-based economic growth, through strategic investments in infrastructure, education, agriculture, tourism, health and energy.

Under this programme, The Gambia Government is committed to reducing the net domestic borrowing to 1.5 percent of GDP in 2013 and to zero percent by the end of the programme i.e. in 2015. The authorities are determined to address the pressures on the exchange rate and reduce inflation to 5.0 percent in 2013.

6.2.1.1. Sector Analysis

Real Sector

Real GDP growth in 2013 was expected to remain strong at 6.4 percent from 3.9 percent in 2012. The Gambian economy is however yet to fully recover from the drought-induced effects of 2011 when GDP declined by 4.3 percent. Although the 6.4 percent growth might be impressive by historical standards, the over reliance on unstable rain-fed agriculture and seasonal tourism may be detrimental to sustainable growth and overall recovery.

Table 6.41: GDP Growth and Sectoral Composition in The Gambia

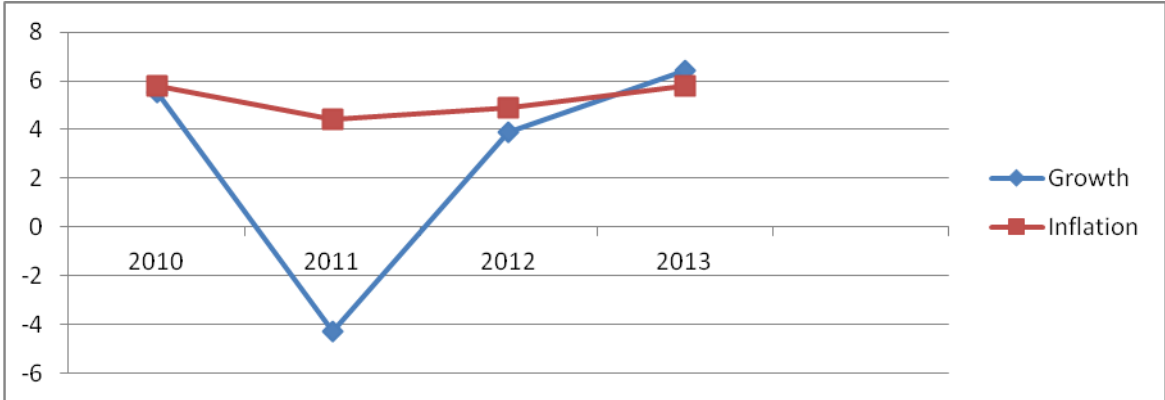
	2008	2009	2010	2011	2012	2013 H1
Real GDP Growth	6.1	4.6	5.5	-4.3	3.9	6.4
Sectoral Growth						
Agriculture	3.6	5.5	14.4	4.0	5.0	7.5
Industry	3.8	3.5	12.3	1.3	1.3	6.6
Services	6.9	5.7	2.3	8.5	8.5	5.8
Sectoral Share of GDP						
Agriculture	31.6	25.3	28.9	29.9	20	30.5
Industry	10.9	13.2	12.5	12.6	13	11.7
Services	57.5	61.5	58.6	57.4	62	57.8
Prices						
Annual Inflation Rate	4.5	4.6	5.0	4.8	3.8	4.6
End Period Inflation Rate	6.8	2.7	5.8	4.2	4.9	5.8

Sources: GBOS and WAMA

Growth in 2013 is expected to be driven by the continued recovery in agriculture, supported by abundant and evenly distributed rainfall across the country as well as the provision of high yielding seeds. The services sector is expected to sustain its growth momentum with increases in the number of tourist arrivals as well as the expansion in ICT. Agriculture value-added is expected to increase by 7.5 percent, industry (6.6 percent) and services (5.8 percent). In terms of contribution to GDP, services would account for 57.8 percent, agriculture (30.5%) and industry (11.7%).

Inflation stood at 5.8 percent as at end-June 2013 compared with 4.2 percent recorded the same period last year. Inflation was mainly driven by food and fuel prices during the first half of 2013. The persistent depreciation of the exchange rate (GMD/\$) as well as opportunistic pricing by some economic agents, following the introduction of VAT also contributed to the rise in inflation. The exchange rate pressures and the related inflationary consequences remained a challenge to overall macroeconomic stability during the review period and beyond.

The following figure shows the evolution of inflation and growth from 2010 to 2013.



Fiscal Developments

The total revenue and grants in the first half of 2013 was mobilized in the tune of D3213.34 million against D3804.9 million during the same period in 2012, accounting for a decline of 15.5 percent. In terms of GDP, the total revenue inclusive of grants also declined from 26.7 percent in first half 2012 to 18.9 percent relative to the first half of 2013. The fall in revenue could be linked to the 25 percent fall in the income tax, which emanated from policy to exempt low income workers from personal income tax (There was an increase in the tax free income from D7500 per annum to D18000 per annum and the reduction in the maximum personal income tax from 35 to 30 percent), as well as poor compliance rate of some public enterprises.

However, the domestic revenue mobilization was impressive, with a 12 percent increase in the first half 2013, from D2468 million in 2012 on account of a rise in corporate tax revenue (37.1 percent), capital gains (18.3 percent,) and indirect taxes (16.5 percent). Notably, the

growing trend in tax revenue is characterised by enhanced methods of tax collection, increased sensitisation particularly with respect to the VAT and tax payer compliance. Since its implementation in January 2013, VAT registered commendable progress recording a compliance rate of 80 percent, surpassing its quarterly revenue targets set. However, the non-compliance of some of the public enterprises in filing tax returns and meeting fully their tax obligations remains a concern.

The total grants received in 2013 dropped to D449.1 million (66.4 percent fall) compared to D1336.9 million in corresponding period of 2012. This was mainly due to low external support (in terms of grant) as a result of the recovery from the drought.

Total expenditure and net lending, which remained high, was characterized by a modest up surge of 1.1 percent in 2013, i.e. from D4059.8 million (24.1 percent of GDP) in the first half of 2012 to 4102.9 million in reference period. Recurrent expenditure, which represented 17.3 percent of GDP, rose by 20.2 percent during the first half of 2013 mainly due to the increase in personnel emoluments (12.7 percent), subsidies and transfers (85 percent) and other charges (40.8 percent). Capital expenditure, on the other hand, declined in 2013 by 26.4 percent, from 1570.6 in 2012 due to huge drop in project grants and external finance by 66 and 30 percent, respectively.

While fiscal deficit (excluding grants) declined to 7.9 percent of GDP, the fiscal deficit (including grants) increased to 5.2 percent of GDP in 2013, from 1.8 percent in 2012. The high fiscal deficit was due mainly to high expenditure outlays, suggesting the rate of revenue movement was far below the expenditure outturn. Domestic financing represented 40 percent, of which borrowing from the banking system accounted for 92.3 percent. As a result, the level of central bank financing of the fiscal deficit was far above the statutory limit of 10 percent of previous year's tax revenue during the period under review.

The ratio of total public debt/GDP stood at 74.1 percent as at the first half of 2013, compared to 74.1 and 74.0 percent in first half and end-2012 respectively, which were both above the regional threshold of 70 percent. Total public debt grew by 13.3 percent in 2013. Domestic debt relative to GDP was 31.3 percent in 2013 compared with 33.4 percent in the previous year. The high level of domestic debt and related interest payments as well as rollover risk due to the short-term maturity profile of the stock of debt instruments would continue to affect the availability of resources for capital expenditures. External public debt (in terms of GDP) rose from 43.8 percent in 2012 to 46.1 in 2013. This could be indicative of unsustainable domestic debt levels, which if left unchecked, could erode the gains made in the aftermath of HIPC debt relief.

Table 6.42: Government Fiscal Operations in The Gambia

	2011	2012	2013	2011	2012	2013
	June	June	June	June	June	June
	Annual Growth			as % of GDP		
Total Revenue and Grants	1.1	56.5	-15.5	18.2	26.7	18.9
Total revenue (excl. grants)	-10.9	31.5	12.0	14.1	17.3	16.3
Tax revenue	-14.6	36.6	11.6	11.8	15.0	14.1
Direct Tax	-35.2	96.8	2.8	2.9	5.4	4.6
Indirect Tax	-4.6	16.7	16.5	8.9	9.7	9.4
Taxes on domestic goods & services	7.7	29.4	18.4	2.7	3.3	3.3
Taxes on international trade & transactions	-9.2	-11.1	15.5	6.1	6.4	6.2
Nontax revenue	14.2	-5.7	14.8	2.3	2.3	2.2
Grants	85.7	-141.1	-66.4	4.2	9.4	2.6
Project	85.7	-141.1	-66.4	4.2	9.4	2.6
Total Expenditure and Net Lending	-2.1	-39.4	1.1	21.8	28.5	24.1
Total expenditure	-2.5	-38.1	2.0	21.8	28.2	24.1
Recurrent expenditure	12.8	-14.4	20.2	16.1	17.2	17.3
Non-interest	14.4	-7.1	28.0	12.6	12.6	13.5
Personnel emoluments	6.5	-9.3	12.7	5.6	5.7	5.4
<i>o/w: Gross wages, salaries and pensions</i>	10.4	-6.8	11.3	6.1	6.1	5.7
Other Charges	21.6	-5.3	40.8	7.0	6.9	8.1
Interest payments	7.2	-41.0	-1.3	3.5	4.6	3.8
Domestic	11.9	-51.2	-8.1	2.9	4.0	3.1
External	-10.7	7.7	51.8	0.6	0.5	0.7
Capital expenditure	-29.2	-104.1	-26.4	5.8	11.0	6.8
Domestic (GLF)	-28.3	44.7	29.6	1.3	0.7	0.7
Loans	-90.6	-229.5	322.8	0.3	1.0	3.4
Grants	38.1	-141.1	-66.4	4.2	9.4	2.6
Primary Balance*	31.0	64.0	-26.1	4.3	6.6	4.1
Budget Deficit/Surplus (commit., excl. grants)	19.2	53.7	-15.9	-7.8	-11.2	-7.9
Budget deficit (Commit. basis, includ. grants)	-15.7	-47.0	248.9	-3.6	-1.8	-5.2
Cash adjustment	-75.8	-386.5	-47.1	3.3	-8.8	-3.9
Overall Balance (Cash basis, includ. grants)	-103.2	3652.1	2.7	-0.3	-10.6	-9.2
Financing	-103.2	3652.1	2.7	0.3	10.6	9.2
Foreign (net)	-146.9	-94.4	-5900.8	-0.8	0.0	2.1
Domestic (net)	-110.8	-809.5	-51.5	1.2	10.2	4.1
Banking system	-122.2	-373.2	-54.8	2.3	10.1	3.8
Central Bank	-165.5	165.1	14.7	-7.4	4.5	4.3
Deposit Money banks	-144.9	38.4	-111.0	9.7	5.6	-0.5
Non-bank sector	90.3	157.5	-35.0	-1.1	0.6	0.3

Sources: The Gambian Authorities and WAMA

Monetary Sector Developments

The Central Bank maintained its tight monetary policy stance, by further tightening monetary policy during the first half of the year. In line with this policy stance, the policy rate was revised upwards twice during the period. After a percentage cut in the rate to 12 in January 2013, the rate was raised to 14 percent in May 2013; taking into account sustained depreciation of the dalasi against the major international currencies, and heightened inflationary pressures. As the combined pressures continued, the policy rate was increased further to 18 percent in June 2013. Furthermore, Central Bank of The Gambia took a number of other measures including raising the reserve requirement twice within the first half of the

year from 10 to 12 and then to 15 percent to further tighten liquidity conditions. The prescribed foreign exchange net open position to be maintained by banks was also lowered to 15 from 25 percent to ease supply conditions in the forex market.

Broad money grew by 14.7 percent in the review period compared with 5.8 percent in the same period last year. With respect to end 2012, broad money grew by 7.9 percent. The growth in broad money was largely influenced by the expansion in net domestic assets which grew by 31.6 percent relative to 3.9 percent in the corresponding period of the previous year. Similarly, reserve money expanded by 23.9 percent compared with 4.0 percent over the same period. However 15 percent growth in reserve money was recorded with respect to end 2012.

The highest contribution to money supply growth emanated from net credit to the Government (4.1%) followed by credit to the private sector (2.9%). The following table gives an overview of the key monetary indicators from 2010 to Mid-2013.

Table 6.43: Trends in Key Monetary Aggregates in The Gambia

	2010	2011_H1	2011	2012_H1	2012	2013_H1
Broad money (M2)	13,292.2	14,123.	14,753.4	14,948.2	15,902.0	17,156.1
Narrow Money (M1)	6,022.0	6,416.9	6,666.8	6,634.2	7,395.8	8,312.1
Currency with Public	2,064.6	2,240.8	2,376.3	2,386.8	2,818.6	2,875.3
Demand deposits	3,957.4	4,176.2	4,290.5	4,247.4	4,577.2	5,436.9
Quasi money (incl. FCDs.)	7,270.3	7,706.8	8,086.6	8,314.0	8,506.2	8,844.0
	Contribution to Money Supply Growth					
Net foreign assets	1.0	7.1	4.0	-0.7	2.4	1.1
Net domestic assets	-10.1	0.8	7.1	-2.6	5.3	1.4
Claims on government (net)	16.4	15.5	7.9	1.7	6.9	4.1
Claims on public enterprises	0.9	0.2	-0.4	-1.4	-0.3	1.3
Claims on private sector	4.7	3.4	2.8	0.1	1.3	2.9
Other items, net	-9.4	-12.9	-3.2	1.6	-2.7	-1.2
	Growth in Key Monetary Aggregates					
Broad Money	13.7	13.4	11.0	1.3	7.8	7.9
Reserve Money	10.5	8.1	12.3	-0.9	6.8	15.0
Net Foreign Assets	3.0	28.2	13.1	-2.2	7.9	3.4
Net Domestic Assets	18.8	8.3	10.1	2.9	7.5	10.1
Net Domestic Assets (CBG)	-1495.0	33.2	0.8	15.8	-9.9	69.1
Net Domestic Assets (DMB)	9.3	5.0	10.6	1.1	6.2	10.0

Sources: Central Bank of The Gambia and WAMA

In tandem with the steady increase in inflation in the review period, the benchmark 91-day Treasury bill rate rose to 11.8 percent in June 2013 from 9.7 percent in June last year. Both lending and deposit rates trended downwards during the period. The commercial banks' average lending rate declined from 22.0 percent in June 2012 to 21.5 percent, in June 2013. Similarly, average savings rate declined from 5.8 percent to 4.3 percent over the same period.

External Sector Developments

The Gambia's external position has weakened over the years. Once a leading trade centre, The Gambia's role as an entrepot diminished considerably due to the moves towards the harmonisation of external tariffs in the region and efficiency improvements in competing port facilities in neighbouring countries.

Total exports are projected to increase by 9.6 percent to \$111.2 million (11.7 percent of GDP) in 2013 from \$101.5 million (11.4 percent of GDP) in 2012, partly stemming from the liberalisation of groundnut marketing arrangements resulting in the increase in farm gate prices. On the other hand, total imports are expected to decline marginally by 2.1 percent to \$355.7 million (37.3 percent of GDP) by the end of 2013, from \$363.5 million (40.7 percent of GDP) as result of the anticipated improvement in crop production. Thus the current account deficit widened to about 16.0 percent of GDP reflecting a decline in export vis-à-vis an increasing import bill particularly with respect to food and agricultural inputs, which remains a major source of worry for overall macroeconomic stability.

The overall balance of payments is projected to record a deficit of \$5.6 million (0.6 percent of GDP in 2013) from a surplus of \$0.1 million (0.01 percent of GDP) in 2012 mainly due to the expected decline in the capital account, resulting from a drop in project grants from \$73.9 million to \$38.6 million as well as the financial account from \$111.0 million to \$100.9 million. However, the current account deficit excluding budget support is expected to improve from \$175.9 million (19.7% of GDP) to \$151.7 million (15.9).

Table 6.44: Trends in Balance of Payments Indicators in The Gambia

	2011	2012	2013	2011	2012	2013
1. Current Account	as % of GDP			Growth		
A. Goods and Services	-17.4	-22.5	-18.7	-8.0	21.9	-11.4
Exports, f.o.b.	11.7	11.4	11.7	16.3	-8.8	9.6
Imports, f.o.b.	-35.3	-40.7	-37.3	7.2	8.6	-2.1
Degree of Openness ((X + M)/GDP)	47.0	52.1	49.0	9.8	10.7	-6.0
Trade balance	-23.6	-29.4	-25.7	3.1	17.3	-6.6
Services (net)	6.1	6.8	6.9	56.9	4.5	8.9
B. Income (net)	-3.5	-3.9	-3.7	10.7	5.4	0.3
C. Current Transfers	6.1	9.2	7.2	5.3	41.3	-16.5
Current Account Balance						
excluding official transfers	-14.8	-19.7	-15.9	-9.1	25.4	-13.8
including official transfers	-14.8	-17.3	-15.2	-9.1	10.0	-6.0
2. Capital and Financial Account	17.0	20.7	14.6	-9.4	14.9	-24.6
A. Capital Account	4.9	8.3	4.0	20.5	59.9	-47.8
B. Financial Accounts	12.1	12.4	10.6	-17.5	-3.2	-9.1
Errors and Omissions	-1.3	-3.4	0.0	-74.0	-146.7	-100.0
Overall balance	0.9	0.0	-0.6	-135.3	-98.8	-5700.0
Financing	-0.9	0.0	0.6	-135.3	-98.8	-5700.0

The depreciation pressures on the dalasi intensified in 2013 due to the weaknesses on the balance of payments which could be linked to another below-average harvest in 2012 as well as the fiscal slippages experienced. Furthermore, the administrative directives to fix the exchange rate of the dalasi against the US dollar below market rate did not also help the situation as it sent mixed signals to market participants. The directive could also be counterproductive in terms of stabilizing the exchange rate.

As a result the dalasi recorded an annual depreciation of 20.9 percent, 20.8 percent and 24.1 percent against the GBP, US dollar and Euro respectively during the first half of 2013. The Dalasi depreciated against the WAUA by 14.8 percent from end-June 2012 to end-June 2013, i.e. from a rate of D46.5/WAUA in June 2012 to D53.4/WAUA in June 2013.

6.2.1.2. Status of Macroeconomic Convergence

The Gambia satisfied one primary criterion namely inflation and slipped on fiscal deficit/GDP, Central Bank financing of budget deficit and gross external reserves criteria. Similarly, one secondary criterion, positive real interest rate was met (see Table below). The country did not meet the domestic arrears, tax revenue/GDP, wage bill/tax revenue, and domestic investment/tax revenue, nominal exchange rate and public debt/GDP criteria. This compares unfavourably with performance during the first half of 2012, when the country met five criteria (three primary and two secondary).

Table 6.45: Status of Macroeconomic Convergence in The Gambia

	Target	2010	2011	2012		2013*	
Primary Criteria		Dec	Dec	June	Dec.	June	Dec
i) Budget deficit(incl. grants)	≤ 3%	2.7	4.2	1.8	4.6	5.4	4.6
ii) Inflation (average)	≤ 5%	5.0	4.8	3.8	4.3	4.6	4.3
iii) CB Financing	≤ 10%	14.9	12.6	3.7	0.4	30.3	0.0
iv) Reserves	≥6 Mths Imp	6.8	6.1	5.2	4.8	5.1	5.9
Secondary Criteria							
i) Domestic arrears		na	na	na	na	na	na
ii) Tax Revenue(TR)/GDP	≥ 20%	13.1	13.0	15.0	14.1	14.6	14.1
iii) Salary Mass /TR	≤ 35%	43.7	45.5	40.8	43.1	40.7	43.1
iv) Dom. investments/TR	≥20%	8.7	8.3	3.9	6.3	5.2	8.3
v) Real Interest Rate	> 0	4.8	-1.3	5.9	5.2	4.5	7.5
vi) Exchange Rate Stability	± 10%	-4.2	-4.5	3.8	-4.5	20.8	-4.5
vii) Total Debt/GDP	≤ 70%	58.4	67.6	71.2	74.0	74.1	74.0
Number of criteria met		6	4	5	4	2	4

6.2.1.3. Policy Harmonization and Institutional Framework

The country participated actively in the implementation of policy harmonisation and institutional arrangements outlined in the Roadmap of the ECOWAS Single Currency Programme. The NCC continued to be operational during the review period but yet to be institutionalised.

Financial Sector Developments/ International Financial Reporting Standards

The financial sector is adequately capitalized, safe, sound and profitable. Non-Performing Loans (NPL) although trending downwards are still within the intolerable limits. All the thirteen banks (13), with the exception of one (which applied for liquidation), met the new capital requirement of D200 million by the deadline of end-December 2012. The liquidation process of the bank that ceased operations last year progressed satisfactorily with about 98 percent of the deposit liabilities settled, and the loan books taken over by other banks. The overall process is expected to be concluded by the end of 2013.

The Central Bank, Insurance and Banking Acts are being reviewed. The Financial Reporting Bill (2013), the legal basis for the implementation of the International Financial Reporting Standards (IFRS) was enacted. Training of stakeholders on IFRS was conducted and a directive issued to the banks to commence reporting on the basis of the IFRS framework. Significant efforts were therefore being undertaken to enhance the capacity of stakeholders towards the implementation of the IFRS (This included the conduct of training/sensitization workshops by the CBG in collaboration with commercial banks.

The central bank is currently implementing a hybrid of compliance and risk-based banking supervision frameworks, and has put in place a transition plan to a wholly risk-based supervision framework. There is need for capacity building for effective off-side analysis and assessment, which is critical for the transition to RBS. The country continued to participate in the activities of the College of Supervisors of the WAMZ (CSWAMZ) during the period under review and conducted a joint bank examination of Nigerian bank subsidiaries in The Gambia. Three such examinations were subsequently concluded during the period.

A Financial Intelligence Unit charged with the responsibility of surveillance and reporting on suspicious financial transactions has been set up and there are plans of transforming it into an independent body.

Payments System Development Issues

Implementation of Automated Cheque Processing/Automatic Clearing House (ACP/ACH)⁵ in The Gambia was completed in December 2011 and the RTGS went live and has been effective since December 2011. Similarly, the Scrip less Security Settlement System (SSS)⁶ and Core Banking Application (CBA) had gone live and are running effectively. The CBG is also in the process of implementing GAMSWITCH, which is a national switching platform for retail payments, which is expected to be operational by end 2013.

⁵ This component processes paper instruments (mainly cheques) and electronic instruments such as direct credits

⁶ This is a platform that processes Treasury Bills and Treasury Bonds transactions between the commercial banks and the Central Bank on a real time basis.

Statistical Harmonization and ECOMAC Database

The Gambia had transited to the System of National Accounts (SNA) 1993 from SNA 1968 and there are also plans to upgrade to SNA 2008. However, this would require the undertaking of an economic census and an integrated household expenditure survey in 2014. GDP is currently being compiled based on the production approach using the EXCEL software. There are plans by GBOS to undertake an establishment survey in 2014 that would facilitate the production of quarterly GDP. Towards this end, the recent introduction of the VAT would also provide a useful database for the generation of high frequency national accounts data.

The compilation of Consumer Price Index (CPI) is based on Classification of Individual Consumption by Purpose (COICOP) using EXCEL software. Coverage of the CPI compilation and reporting is national. There are plans to rebase the CPI from 2004 to 2010, which was the year for the most recent integrated household survey.

The ECOMAC database has been populated with the relevant data and efforts are being made to fill in the remaining gaps by the National Coordinating Committee (NCC).

Perhaps an issue that borders on harmonisation was the weak level of inter-institutional coordination for data reconciliation and validation, which was partly evidenced by the existence of multiple values on some key macroeconomic indicators. This should be addressed at the level of the NCC.

Trade Integration

The country has signed and ratified most of the ECOWAS trade integration protocols, but the level of implementation is mixed. While the implementation of the ECOWAS Trade Liberalisation Scheme (ETLS) and the Convention relating to the Inter-State Road Transit of Goods (ISRT) are beset by a number of challenges, the protocol on free movement of persons, right of residence and establishment is being implemented fairly satisfactorily. For the purpose of effective implementation of the ISRT that commenced in July 2013, a Trade Facilitation Sub-Committee with a broad-based membership under the chairmanship of The Gambia Chamber of Commerce and Industry (GCCCI) was instituted to steer the implementation of the Convention.

The reactivation of the Senegalo-Gambian Permanent Secretariat to further strengthen the bilateral trade relations between the two countries was a welcome development.

6.2.1.4. Prospects

The country's medium-term framework suggests that four criteria (two primary and two secondary convergence criteria) will be met by the end of 2013, a performance that would likely to be maintained in 2014. The outlook is premised on the continued recovery in

agriculture, sustained growth in tourism, deeper fiscal consolidation and consistency in the implementation of other public financial management reforms. However, the risks to the outlook are the country's vulnerability to exogenous shocks, uncertainty, and inconsistency in policy implementation and pronouncements.

6.2.1.5. Conclusion and Recommendations

In general macroeconomic instability has mainly emanated from fiscal pressures and the lingering effects of the drought in 2011. Even though the CBG pursued tight monetary policy over the period, this should be complemented by fiscal consolidation to regain macroeconomic stability. In the short-term, prudent demand management and policy consistencies are encouraged while in the medium to long term, the authorities will need to address the perennial current account disequilibrium and enhance the productive capacity of the economy.

In the light of the above observations, the following recommendations may be considered:

- i. The authorities are urged to consolidate Fiscal Sectors through adherence to budgetary expenditure limits, and strengthening of cash-based budgeting.
- ii. The authorities are encouraged to deepen the tax reform programme, in order to rationalise the tax regime including broadening the tax base and enhancing compliance. Aggressive tax payer awareness campaign may also be critical.
- iii. Public enterprises and government should agree on a payment plan for the settlement of their tax arrears and avoid a recurrence going forward.
- iv. The authorities are urged to accelerate the restructuring of the domestic debt.
- v. The fiscal authorities are urged to accelerate the process of verification of the outstanding stock of domestic arrears, with a view to instituting a settlement plan.
- vi. In its effort to stabilize the economy and minimize exchange rate volatility, the Central Bank is urged to continue to rely more on market based policy instruments such as open market operations, repos, reverse repos among others and less on instruments such as reserve requirements which could adversely affect financial intermediation.
- vii. The authorities are encouraged to increase investment in the national statistical infrastructure; logistics and capacity requirement of data generating departments to enable them produce credible data in a timely manner for effective planning, policy analysis and formulation.

- viii. A multi-sector data reconciliation committee comprising relevant institutions or agencies should be established to facilitate data verification and validation.
- ix. The central bank should shift the financing of fiscal deficit to the non-bank sector in order to guard against the possible inflationary consequences.
- x. To further reduce the level of NPL, authorities should strengthen the operations of the credit reference bureau and expedite the introduction of a collateral registry
- xi. The authorities should allow the dalasi to reflect market conditions in line with the policy agreed with the Fund.

6.2.2. GHANA

The medium term development strategy of the Government of Ghana (enshrined in the ‘Ghana Shared Growth and Development Agenda) aims at ensuring rapid and sustained long-term economic growth. In this regard, the 2013 economic policy focuses on establishing a strong and resilient economy, expanding infrastructure as well as forging transparent and accountable governance. The policy strategy seeks to improve institutional capacity, develop infrastructure and strengthen fiscal prudence whilst sustaining macroeconomic stability. Consistent with these broad objectives, the Authorities outlined the following macroeconomic targets for 2013:

- real overall GDP growth of 8.0 percent and real non-oil GDP growth 6.5 percent;
- average inflation of 8.9 percent and end-period inflation of 9.0 percent;
- overall budget deficit equivalent to 9.0 percent of GDP; and
- gross external reserves of not less than three months of imports cover for goods and services.

In the first half of 2013, the Authorities encountered some challenges, relating to the Supreme Court adjudication of the 2012 elections petition, inadequate and frequent disruptions in energy supply, rampant agitations by some workers of the Trades Union Congress and numerous incidents of fire in some markets. These developments impacted negatively as economic activity slowed down, inflation followed an upward trend, and fiscal policy remained difficult as the demand for higher expenditure persisted within the backdrop of a shortfall in revenue. In addition, the Bank of Ghana strengthened monetary policy to help contain budding inflationary pressures and exchange rate stability.

6.2.2.1. Sectoral Developments

This section reviews performance of the real, fiscal, monetary and external sectors of the economy, assesses performance under the convergence programme. It also discusses the outlook for the second half of 2013 and summarizes activities under various policy harmonization programmes.

Real Sector Developments

To sustain the high growth rates realized in recent years, the Government emphasized agro processing and agriculture mechanization, infrastructure development and initiated concrete actions aimed at stabilizing energy supply. Nevertheless, the provisional data for the first half of the year indicated that output expanded by 6.4 percent against the growth rate of 9.7 percent in corresponding period of 2012. On quarterly basis, the economy grew by 6.7 percent and 6.1 percent in the first and second quarter of 2013 respectively. Overall real GDP growth for 2013 has been projected at 7.4 percent whilst non-oil growth is at 5.8 percent, lingering below the programmed targets of 8.0 percent and 6.4 percent respectively.

The primary sector recorded a negative growth rate 1.3 percent, in contrast to the marginal recovery of 0.9 percent in the first half of 2012. Declines in output in the fishing livestock, forestry and logging sub-sectors accounted for this reduction in activity.

The secondary sector also expanded marginally by 0.8 percent against 15.7 percent in the preceding period, mainly on account of negative growth in the energy, water and sewerage as well as the manufacturing subsectors. However, the value added in mining and quarrying was encouraging due to increases in the production of crude oil and diamond production. The Association of Ghana Industries (AGI) reiterated the continued existence of constraints in manufacturing sub-sector, impacting adversely on the operations of small and medium-scale enterprises (SMEs). In addition to persistent inflation and exchange rate depreciation, the prevalence of high interest rates (cost of credit), high utility (water and electricity) prices, high taxation and other factors relating to poor infrastructure and unfair competition from abroad were issues of concern.

On the other hand, performance in the tertiary sector remained buoyant with a growth rate of 10.6 percent. This growth was underpinned by activities in finance and insurance, information and communication, public administration as well as in real estate, professional administration and support services.

Table: 6.46: -Trends in Real Sector in Ghana

	PERCENTAGE GROWTH (%)				PROPORTION TO GDP (%)			
	2011	2012	2012 H1	2013 H1	2011	2012	2012 H1	2013 H1
AGGREGATE SUPPLY								
Primary sector	0.8	1.3	0.9	-1.3	25.3	22.7	6.4	5.9
Secondary sector	41.6	7.0	15.7	0.8	25.6	27.3	12.6	11.8
Tertiary sector	9.4	10.2	7.9	10.6	49.1	50.9	22.8	23.4
GDP at Current Prices (GHC)	59,816.3	73,109.1	36,500.0	42,388.0				
GDP at Constant prices (GHC)	27,891.4	30,098.9	13,413.4	14,274.0				
GDP Deflator	13.0	13.3			--	--		
Real GDP growth	15.0	7.9	9.7	6.4	--	--		
Average inflation	8.7	9.2	8.6	9.8	--	--		
End-period inflation	8.6	8.8	9.4	11.2	--	--		

Source: Ghana Statistical Service

Movement in the consumer price index indicated mild inflationary pressures. Based on a new series⁷, inflation went up from 10.1 percent in January 2013 to 11.6 percent at end-June 2013, driven mainly by the pass-through effects of upward adjustments in petroleum prices, supply constraints and the lagged effects of the expansionary fiscal policy undertaken in 2012. These developments impacted on food and non-food prices. Whilst food inflation increased to 6.4

⁷ The consumer price index was rebased to 2012 with items in the consumer basket increased from 242 to 267 and number of markets going up from 40 to 42.

percent at end-June 2013 from 3.4 percent in January 2013, non-food inflation rose to 14.0 percent from 11.8 percent.

Fiscal Sector Developments

With the objective of accelerating infrastructure development, the Fiscal Authorities strengthened tax administration and instituted new resource mobilization schemes in the 2013 Budget Statement. The initiatives included upward revisions in vehicle income tax, stamp duties, increase in the VAT rate and restrictions intended to curb capital allowances. Other measures aimed at strengthening expenditure control, public procurement rules as well as avoiding excessive spending.

Comparing performance with developments in the first half of 2012, total revenue (domestic revenue and grants) increased by 21.0 percent, although the returns accrued during the period fell short of the programmed target by 13.9 percent. Domestic revenue, which partly accounted for the shortfall in total revenue due to sub-optimal performance in tax revenue, was equivalent to 10.3 percent of the programmed GDP for the year compared to 10.9 percent in the preceding period. On the other hand, non-tax revenue more-than doubled, reaching 2.1 percent of GDP. Grants, which were equivalent to 0.6 percent of GDP, also contributed to the shortfall in revenue, declining by 35.8 percent due to donor apprehensions and uncertainties surrounding the Supreme Court case on the 2012 election results.

Table: 6.47: Trends in Government Fiscal Operations in Ghana

	PERCENTAGE CHANGE (%)			PROPORTION OF GDP (%)			
	2011	2012	2013H1/2012H1	2011	2012	2012 H1	2013 H1
REVENUE AND GRANTS	45.9	29.7	21.0	21.7	23.2	10.9	10.3
Total Domestic Revenue	51.0	332.8	27.6	19.7	21.6	9.7	9.7
Tax revenue	51.5	28.4	15.5	16.6	17.6	8.3	7.5
Non-tax revenue	48.6	56.6	122.2	3.1	4.0	1.2	2.1
Grants	14.0	-5.8	-35.8	2.0	1.6	1.1	0.6
TOTAL EXPENDITURE	16.0	56.5	31.7	22.6	29.2	11.9	12.3
Recurrent expenditure	20.6	64.6	39.1	16.4	22.2	9.5	10.4
Wages and salaries	42.5	47.0	30.8	7.7	9.3	4.5	4.6
Interest payments	11.9	51.2	128.3	2.7	3.4	1.4	2.4
Goods and services	-27.4	82.6	46.1	1.2	1.8	0.4	0.4
Subsidies and transfers	25.8	78.8	16.3	4.2	6.2	2.5	2.2
Capital expenditure	5.4	35.3	2.6	6.2	6.9	2.4	1.9
Domestically financed	72.8	24.1	-64.5	2.2	2.6	1.3	0.4
Externally financed	-15.8	48.0	75.6	2.9	3.5	1.2	1.6
Overall balance (excluding grants)	-55.2	219.2	141.1	-2.9	-7.6	-2.2	-2.6
Overall balance (including grants)	-80.6	709.2		-0.9	-6.0	-1.1	-2.0
Memorandum							
Public Debt/GDP				39.2	47.9	38.1	50.0
External Debt /GDP				19.6	22.7	19.8	24.0
Debt service payment/exports				3.3	3.9	1.9	3.3
Domestic Debt/GDP				19.6	25.2	18.3	26.0

Source: Ministry of Finance and Economic Planning, Ghana

Total expenditure, which rose by 31.7 percent, accounted for 12.3 percent of GDP. Recurrent expenditure increased to 10.4 percent of GDP from 9.5 percent in the corresponding period of 2012. In relative terms, all the major components of recurrent expenditure recorded significant increases, especially, in respect of interest payments that more-than doubled on account of higher borrowings from both domestic and external sources. Salaries and wages also hiked by 30.8 percent, exceeding the programmed target (by 2.4 percent), mainly due to an increase in the minimum wage and payment of certain allowances following intense labour agitations. In addition, outlays on subsidies/transfers were quite moderate, representing 2.2 percent of GDP. On the other hand, capital expenditure declined to 1.9 percent of GDP from 2.4 percent in the corresponding period of the preceding year. The reduction in investment was attributable to the shortfall in total revenue and upward pressure in recurrent expenditure.

Thus, in spite of the policy initiatives outlined in the 2013 Budget Statement, the overall budget deficit (including grants) widened to 2.0 percent of GDP against the 1.1 percent deficit recorded in the first half of 2012. Annualizing on the assumption of a steady growth, this performance reflected an overall budget deficit of 4.0 percent.⁸ The resultant public sector borrowing requirement was financed mainly from domestic sources (80.4%), especially, the non-bank private sector with the domestic banking system contributing moderately. The rest (19.6%) was financed through project loans from external sources.

Outstanding stock of public debt was equivalent to 50.0 percent of GDP as at end-June 2013, up from 47.9 percent at end-2012. The external debt position, which was of long-term duration, increased to 24.0 percent of GDP from 22.7 percent (at end-2012), mainly on account of an issuance of sovereign bonds on the international capital market during the review period. Debt service payments represented 3.3 percent of total exports. The domestic debt also stood at 26.0 percent with a significant proportion (54.2%) thereof held by the non-bank private sector.

Monetary Sector Developments

With the objective of stemming inflationary pressures, the Bank of Ghana strengthened monetary policy, with the policy rate increasing further from 15.0 percent to 16.0 percent during the review period. Reserve money declined by 7.2 percent in contrast to the 12.5 percent expansion recorded in the first half of 2012.

In line with the restrictive policy stance, the Bank of Ghana contained the expansion in broad money supply, moderating at 3.0 percent against the expansion of 11.3 percent recorded in the first half of 2012. The moderation was largely attributed to developments in net foreign assets (NFA) which dampened the growth in liquidity, contributing negatively by 8.7 percent. However, the growth in liquidity was driven by net domestic assets (NDA), which contributed 11.7 percent.

⁸ Excluding grants, the budget deficit was 5.2% of GDP.

Intensive open market operations led to a relative reduction in narrow money, especially in the component relating to currency in circulation. The growth in demand money and quasi-money slowed down during the period, reflecting an easing in credit conditions by the deposit money banks.

Generally, interest rates trended upwards in the review period. The already high 91-day Treasury bill rate increased further to 21.8 percent at end-June 2013 from 21.7 percent at end-2012. Over the same period, 12-month time deposit rate rose to 22.8 percent from 13.5 percent. The increasing yield on these two financial assets contributed to an upward pressure on commercial lending rates, with the average rising by 1,090.0 basis points to 36.3 percent. Nevertheless, the average savings rate declined marginally (20.0 basis points) to 5.1 percent. Thus, the widening interest rate spread suggests relative relaxation in the financial intermediation function of the deposit money banks as most of these entities increased their investment into risk-free government treasury bills and bonds. This assertion is supported by the fact that the interbank rate exhibited a downward trend, albeit declining marginally to 17.0 percent.

Table 6.48: Trends In Key Monetary Aggregates in Ghana

	PERCENTAGE CHANGE (%)				CONTRIBUTION (%)			
	2011	2012	2012 H1	2013 H1	2011	2012	2012 H1	2013 H1
ASSETS								
Net Foreign Assets(NFA)	-8.9	60.1	37.3	-23.4	-3.7	17.2	10.7	-8.7
Net Domestic Assets (NDA)	65.5	8.7	0.8	18.6	37.9	6.2	0.6	11.7
Net Claims On Government (NCG)	51.9	19.9	13.0	18.0	16.1	7.0	4.6	6.2
Claims on Public Institutions	8.6	79.7	19.0	-4.0	1.1	7.9	1.9	-0.6
Claims On Private Sector	23.6	30.7	14.2	16.6	12.4	14.8	6.8	8.4
Other Items Net(OIN)	-22.2	107.3	58.0	6.3	8.4	-23.5	-12.7	-2.3
LIABILITIES								
Broad Money (M2+)	34.2	23.4	11.3	3.0	34.2	23.4	11.3	3.0
Narrow Money (M ₁)	38.3	26.0	4.6	-1.8				
Currency In Circulation	28.6	30.7	-3.3	-12.6				
Demand Deposits	46.5	22.6	10.5	6.6				
Quasi Money	30.6	20.9	17.5	7.8				
O/W Foreign Currency Deposits	45.0	29.4	36.7	7.6				
MEMORANDUM								
Reserve Money (monetary base)	59.5	11.7	12.5	-7.2				
Money Multiplier(M2+/RM)	2.6	2.9	3.3	3.2				
Velocity (GDP/M2+)	3.3	3.2	1.8	1.8				
Currency in Circulation/M2+	20.5	21.7	17.8	18.5				

Source: Bank of Ghana

External Sector

Comparing performance with developments in the first half of 2012, constraints in the balance of payments eased considerably in the review period as the overall deficit balance narrowed to 1.5 percent of GDP compared to the deficit outturn of 4.9 percent in the corresponding period of the preceding year. This outcome was due to favourable developments in both the current and capital/financial accounts.

The deficit balance on the current account declined to 5.2 percent of GDP from 6.9 percent, driven by favourable developments on the merchandise trade as well as the services and income accounts. Total exports, which was equivalent to 16.8 percent, declined in comparison to the outturn in the first half of 2012 mainly on account of a relative reduction in earnings from the traditional export commodities, due especially to falling prices on gold and cocoa beans. On the other hand, non-traditional exports increased moderately during the period. Merchandise imports also dwindled by 2.2 percent, influenced mainly by a lower demand for non-oil imports. The net outflows on the services and income accounts also declined by 32.2 percent and 43.1 percent, respectively.

Table 6.49: Trends in Balance of Payments Indicators in Ghana

	PERCENTAGE CHANGE (%)			PROPORTION TO GDP (%)			
	2011	2012	2013H1-2012H1	2011	2012	2012 H1	2013 H1
Merchandise Trade Balance	3.0	38.3	-7.0	-7.8	-10.6	-3.3	-2.8
Exports	60.6	5.9	-1.4	32.6	33.8	18.6	16.8
Imports	45.0	12.2	-2.2	-40.4	-44.4	-21.9	-19.6
Services (net)	-354.2	42.8	-32.2	-1.2	-1.7	-3.8	-2.4
Freight (net)	41.5	6.9	-17.0	-2.4	-2.6	-1.4	-1.1
Income (net)	123.3	68.8	-43.1	-3.1	-5.3	-2.2	-1.1
Current Transfers (net)	11.8	-7.1	-2.9	1.1	0.4	2.4	2.1
CURRENT ACCOUNT BALANCE	27.9	38.9	-18.1	-6.9	-12.2	-6.9	-5.2
CAPITAL & FINANCIAL ACCOUNT	10.2	-31.0		11.4	8.1	1.9	3.5
Capital account	31.9	-67.5	-84.9	1.1	0.4	0.3	0.1
Financial account	8.2	-27.0	130.2	10.3	7.4	1.6	3.4
Foreign Direct Investments (inward)	28.5	1.4	-5.6	8.3	8.2	3.9	3.4
Portfolio Investment	-81.1	854.2	-71.4	0.3	2.8	0.2	0.1
Other Investments (net)	19.9	-311.6	-98.2	1.8	-3.6	-2.5	0.0
Short-term capital			-100.0	1.0	0.0	-3.2	0.0
OVERALL BALANCE	-62.6	-321.6	-65.5	1.4	-3.0	-4.9	-1.5
Financing (USD)	-546.5	1210.9	677.8	--	--	--	--
Memorandum :							
Gross External Reserves (USD'million)				5,474.6	5,348.9	4,090.9	4,912.5
Gross External Reserves (months of imports cover)				3.7	3.4	2.4	3.2
Coverage: exports/imports				86.1	76.2	84.9	85.7
Degree of openness: (export+import)/GDP				75.2	77.4	40.5	36.5

Source: Bank of Ghana

The surplus outturn on the capital and financial account enhanced moderately to 3.5 percent of GDP against 1.9 percent in the corresponding preceding period. This performance was driven by net inflows of short-term capital, a development that outweighed a reduction in foreign direct and portfolio investments.

Thus, transactions on the balance of payments resulted in a net financing of USD 677.4 million, impacting negatively on external reserves. In effect, gross external reserves declined to USD 4,912.5 million (3.2 months of imports cover) at end-June 2013 from USD 5,348.9 million (3.4 months of imports cover) at end-2012. In spite of the reduction in reserves, the domestic currency (the cedi) remained relatively stable as the official exchange rate depreciated by 3.4 percent against the USD compared to the high 17.2 percent depreciation

recorded in the preceding period⁹. Relative to the West African Unit of Account (WAUA), the cedi depreciated by 8.8 percent in the review period.

6.2.2.2. Status of Macroeconomic Convergence

Ghana continued to grapple with its performance under the ECOWAS macroeconomic convergence criteria. The country met four (4) out of the eleven (11) targets, comprising the primary criterion relating to central bank budget deficit financing and three secondary criteria on positive real interest rate, nominal exchange rate stability and public debt.

Primary Criteria

With a re-orientation in the sources of financing, Ghana met the prescribed target on budget deficit financing at 8.6 percent, which compares favourably with the outcome of 19.4 percent recorded in the first half of 2012. Nevertheless, performance on the other primary benchmarks deteriorated. Fiscal operations resulted in an overall annualized budget deficit (including grants) of 4.0 percent of GDP against 2.1 percent in the corresponding period of 2012. Inflationary pressures remained moderate with the average increasing to 9.8 percent, quite above the prescribed target of 5.0 percent. Measured in terms of months of imports cover, gross external reserves also declined to 3.2 months of imports.

Table 6.50: Status of Convergence in Ghana

	Target	2009	2010	2011	2012		2013	
					H1	H1+H2	H1*	H1+H2 **
PRIMARY CRITERIA								
i). Budget def./GDP (incl. grants)	≤3%	4.0	5.9	0.9	2.1	5.8	4.0	6.3
ii). Inflation (average)	≤5%	19.3	10.7	8.7	8.8	9.2	9.8	12.0
iii). Budget deficit financing	≤ 10%	0.0	0.0	8.8	19.4	9.4	8.6	19.4
iv). Gross external reserves	≥6 mths.	4.4	4.8	3.7	2.3	3.4	3.2	3.0
SECONDARY CRITERIA								
i). Arrears (external+domestic)	=0	yes	yes	Yes	Yes	yes	yes	Yes
ii). Tax revenue/GDP	≥ 20%	13.1	14.1	16.5	16.5	17.3	16.0	19.3
iii). Salary mass/tax revenue	≤35%	51.6	48.9	46.0	52.7	52.7	69.7	52.7
iv). Public investment/tax revenue	≥ 20%	14.6	17.5	19.9	14.8	19.3	4.6	7.6
v). Positive real interest rate	> 0	5.5	1.7	2.9	11.8	12.0	12.0	12.0
vi). Nominal exchange rate stability	± 10%	-23.8	0.1	-8.7	-11.1	-14.4	-8.8	-14.4
vii). Public debt/GDP	≤ 70%	36.3	37.9	39.2	38.2	47.9	48.5	50.0
NUMBER OF CRITERIA REALIZED		3	4	5	3	3	4	2

Source: Bank of Ghana, MOFEP, GSS, WAMA calculations; *projection

Secondary Criteria

With the relative stabilization of the exchange rate, Ghana met three targets out of the seven secondary criteria. In spite of efforts made to liquidate outstanding contractual obligations (road arrears, deferred wages etc.), arrears remained high. Performance on tax revenue, salary

⁹ On the foreign exchange bureaux market, the currency depreciated by 6.0 percent against 14.9 percent in the first half of 2012.

mass and public investment continued to deteriorate, especially, with respect to the latter where investments financed from tax revenue declined to 4.6 percent from 14.8 percent in the first half of 2012. In respect of public debt relative to GDP, although Ghana met the prescribed target, the performance in recent years shows a deteriorating trend. Real interest rates (measured as the difference between the 91-day Treasury bills rate and inflation) remained positive due to the prevailing high treasury bills (91day) rate. The domestic currency depreciated by 8.8 percent against the West African Unit of Account (WAUA), thereby, meeting the maximum fluctuation band of ± 10.0 percent.

6.2.2.3. Prospects for the Second Half of 2013

Coupled with the uncertainty surrounding the 2012 electoral petition and the difficulties relating to weak infrastructure, inadequate energy supply and high cost business operations may have contributed to a relative slowdown in economic activity during the first half of the year. Nevertheless, the peaceful environment prevailing in the aftermath of the Court case, coupled with the massive investments in agriculture and mining (including crude oil) would help sustain economic activity subsequently, although it is likely that Ghana would slightly miss the growth target of 8.0 programmed for the year.

The moderate inflationary pressures observed since the beginning of 2013 would persist during the second half of the year¹⁰, thus, risking the likelihood of government meeting its single-digit inflation target. This prospect is based on the expectation for lower output, increasing prices of petroleum products and the continued accommodation of the government's fiscal operations, which would, invariably, impact adversely on consumer prices and the exchange rate.

The fiscal sector would also experience some challenges containing the budget deficit, in view of the limited revenue and increasing demand for higher government expenditure. The rising interest payments and upward pressure on public sector wage bill (in view of the budding agitations of Trade Union groups) would certainly impact negatively on fiscal policy.

In the monetary sector, the central bank would continue to face some challenges in maintaining macroeconomic stability, given the expectations for higher inflation and exchange rate depreciation. The contending issues relate to controlling the budding inflationary pressures, avoiding budget deficit financing, lowering interest rates and sustaining the foreign exchange intervention policy given the declining foreign exchange reserves.

Prospects in the external sector remain mixed in spite of the favourable trends observed in the first half of the year. It is expected that the current account balance would deteriorate in the second half of the year in view of the expectation for a higher demand for imports to address

¹⁰ Movement in the consumer price index in the first half of 2013 indicated a growth rate of 12.8%.

the supply constraint. An expected shortfall in grants and other official inflows would further worsen the reserve position of the country.

Regarding the convergence criteria, the projections show that performance would deteriorate in the second half of the year, especially, with regards to inflation, budget deficit, budget deficit financing and nominal exchange rate stability.

6.2.2.4. Policy Harmonisation and Institutional Arrangements

This section provides information on some policy harmonization agenda and activities under the monetary cooperation programme, particularly, with respect to financial sector integration, trade integration and statistical harmonization.

Financial Sector Integration and Developments

The banking sector remained robust. The number of banks, excluding Apex Bank, reduced to 26 during the review period from 27 in the corresponding period of 2012. This was on account of the takeover of the Trust Bank by Ecobank International. There were 15 foreign banks and 11 domestic banks with total assets of GHC 19.0 billion (60.0 percent of total banking assets) and GHC 12.7 billion (40.0% share), respectively. This brought the total banking assets to GHC 31.7 billion during the review period compared to GHC 27.8 billion in the corresponding period of 2012.

The financial indicators showed that the banking institutions were financially sound. The capital adequacy ratio (CAR) increased from 15.5 percent at end-June 2012 to 18.0 percent, well above the minimum requirement of 10.0 percent. The ratio of liquid assets to total assets (core) stood at 37.0 percent, compared to 42.3 percent at end-June 2012. In terms of profitability, return on equity (ROE) and return on assets (ROA) rose from 40.4 and 6.7 percent at end-June 2012 to 42.1 and 8.4 percent, respectively at end-June 2013. The non-performing loans (NPL) ratio stood at 12.8 percent, compared to 13.2 percent at end-June 2012, while NPL less loss ratio declined to 4.7 percent from 5.9 percent.

Regarding the Non-Bank Financial Institutions sub-sector, the Bank of Ghana was considering introduction new policy measures to enhance supervision. The measures include the establishment of a Non-Bank Financial Institutions Department, a review of relevant legal framework and introduction of regulations aimed at stemming the recent proliferation of microfinance institutions. It also involved the enhancement of the operational capacity and managerial efficiency of these institutions, most of which exhibit weaknesses in these areas.

Activity on the Ghana Stock Exchange (GSE) intensified considerably during the period under review as the total number of transactions increased to 17,454.0 from the level of 11,851.0 transactions in the corresponding period of 2012. In terms of value, the total value traded amounted to GHC 206.1 million against GHC 39.0 million in the preceding period. The GSE composite index also rose by 56.2 percent over the 12-month period to 1,880.3 in

June 2012. However, the market capitalization remained virtually unchanged at GHC 55,924.8 million. Similarly, the number of listed companies stood at 34 as at June 2013, with listings comprising 34 ordinary, 1 depository and 1 preference shares as well as 1 exchange traded funds. Moreover, the GSE traded a few Government of Ghana bonds (2-year, 3-year and 5-year) on the market. In spite of the encouraging performance, the GSC lacks dearth in terms of liquidity and vibrancy due to the low number of equities and bonds listed on the market. Further to the limited range of financial instruments, the prevalence of high interest rates is injurious to growth of the Stock Exchange as the evidence shows that some investors on the market recently sold their equities and re-invested in risk-free financial assets(treasury bills and bonds), which have relatively higher attractive yields.

Trade Integration and Development

Ghana continued to trade with all ECOWAS Member States. Total ECOWAS trade during the period under review was GHC1.8 billion, compared to GHC2.3 billion in the corresponding period of 2012. Total exports to other ECOWAS countries stood at GHC1.3 billion in June 2013, compared to 1.9 billion in June 2012. The reduction in trade was partly attributable to the energy crisis that curtailed export of electricity to Togo and Benin during the review period. Imports from the sub- region amounted to GHC498.1 million during the review period, compared GHC326.9 million in the first half of 2012.

The ECOWAS Trade Liberalization Scheme (ETLS) was fraught with a number of challenges including:

- i. High costs (including delay) of transportation of goods from one country to another especially along the Abidjan-Lagos corridor;
- ii. Non-compliance of documents with ETLS documentation requirements;
- iii. Avalanche of fake products (cloning of ETLS compliant products) in destination markets; and
- iv. Existence of prohibition list in Nigeria which prevents some ETLS goods from being exported to the country.

Concerning the ECOWAS CET, the country participated actively in all meetings and other activities relating to consensus on a draft ECOWAS-wide CET, which was awaiting adoption by the ECOWAS Authority of Heads of State and Government at its mid-year ordinary summit of 2013. Meanwhile, the authorities were deliberating on the newly proposed upward adjustment of the community levy of 1.5 percent from the current 0.5 percent.

Concerning the implementation of ECOWAS programmes, a second national stakeholders' retreat on the theme 'Towards a Harmonized People-Oriented National Economic Development and Investment Expansion Framework within an Integrated Region', was organized at Elmina from 30 June to 2 July 2013 to discuss issues relating to the regional integration process within ECOWAS. The retreat recommended, among others, that:

- i. all MDAs working in the various frontiers of the regional integration process within ECOWAS should regularly inter-share information and harmonize their activities to avoid duplication of efforts and dissipation of resources;
- ii. the security and revenue generation agencies should urgently work to eliminate harassment at the country's borders and reduce the number of roadblocks on Ghana's international transport corridors in order to facilitate the free movement of people as well as promote intra-Community trade and tourism;
- iii. the ECOWAS trade liberalization Scheme (ETLS) should be further strengthened in order to promote Ghanaian business interests;
- iv. the Government of Ghana (as well as all other governments in the region) should show greater commitment towards the harmonization and domestication of ECOWAS protocols, conventions and decisions; and
- v. the role of non-state actors in the regional integration process should be strengthened in pursuance of the ECOWAS Vision 2020 which is aimed at transforming ECOWAS from an 'ECOWAS of States' to an 'ECOWAS of People.'

Statistical Harmonization

The country was actively involved in the statistical harmonization programme (CPI, national accounts and external trade) and population of the ECOMAC database. The CPI, which is based on 12 COICOP functions using the ECOWAS-approved PRIMA software, was rebased during the period under review, with the reference basis year moving from 2002 to 2012. The rebase was necessary to accurately determine household consumption patterns, which change over time in response to changes in products and consumption patterns of households. Under the new CPI, the markets covered increased from 40 to 42, 13 of them were urban and 29 rural while the items covered increased from 242 to 267. The new CPI which reflected current expenditure patterns would be published alongside the old CPI until December 2013.

In addition, Ghana continued to produce the Producer Price Index (PPI) which measures the average change over time in the prices received by domestic producers for the production of their goods and services. The PPI for Ghana reports the producer price indices with reference to September 2006 as the base period.

As regards the national accounts, Ghana produces quarterly GDP data based on 1993 System of National Accounts (SNA 93) and International Standard Industrial Classification (ISIC) Revision 4 published by the United Nations. The estimates of real GDP are based on 2006 base year. In addition, efforts were being made to migrate to full SNA 2008 although Ghana is currently implementing partial SNA 2008 as it captures Research and Development.

The Ghana Statistical Service (GSS) has made significant strides in improving data quality, frequency and availability as well as in facilitating the statistical harmonization programme. In spite of the successes realized in recent years, the GSS is limited by inadequate resources (human and financial). This problem constrains the Service from conducting regular short-term (quarterly and/or annual) surveys, activities necessary for ensuring regular updating of

the informative and administrative databases and generating relevant statistics on labour (including unemployment), informal sector and other real sector indicators.

6.2.2.5. Conclusion and Recommendations

The economy of Ghana slowed down relatively in the first half of 2013, with difficulties emanating from the real sector, inadequate infrastructure and erratic power supply. Fiscal policy was pressed by a growing demand for higher government expenditure and over-runs in recurrent expenditure, especially, with respect to the public sector wage bill, high interest payments and subsidies continued to be major concerns. Monetary policy also faced some challenges in controlling inflationary pressures, lowering high interest rates and maintaining nominal exchange rate stability. The major challenges in the balance of payments relate to the increasing imports demand and declining foreign exchange inflows, especially, grants.

In the light of the above observations, the following recommendations may be necessary:

- i) The government should accelerate efforts aimed at achieving energy sufficiency in order to facilitate the drive towards establishment of agro-processing industries and development of SMEs.
- ii) The government should engender business confidence through sensitization of prospective investors, institute an open-door policy and create fora for regular exchange of views on government programmes and policies as well as to address the problems relating to infrastructure and other constraints militating against the manufacturing and the service sector.
- iii) The AGI should foster closer collaboration with government in addressing the operational difficulties facing SMEs and forge public-private sector partnerships to facilitate provision of relevant infrastructure and storage facilities so as to enhance market access and minimize post harvest losses.
- iv) The government should extend the tax base to cover identifiable productive/commercial units, especially, entities in the informal sector so as to avoid the incidence of over-taxation of a few registered concerns in the formal sector, thereby, minimizing the risks of tax avoidance/evasion and unemployment that could result from down-sizing of operational workers by productive units.
- v) The government should assist the Bank of Ghana and other banking system operators in facilitating the lowering of lending rates through adherence to the principles of fiscal prudence.
- vi) The Bank of Ghana should advise government on the implications of continuous accommodation of fiscal operations and comply strictly with relevant statutory requirements regarding liquidity creation.
- vii) The government should de-emphasize its influence on price controls and allow smooth implementation of the pricing mechanism on petroleum products, which are most often suspended on account of political considerations.
- viii) The government should rationalize its expenditure and strengthen budgetary control so as to minimize the budget deficit and curtail spending on unproductive projects.

- ix) The government should prioritize and execute its programs strictly on the basis of considerations regarding cash availability whilst de-emphasizing the government's over-reliance on external budgetary support, which are most often unreliable.
- x) The government should limit the huge interest payments on its domestic borrowings by adopting a balanced budgetary system aimed at minimizing the public sector borrowing requirement.
- xi) The government should minimize the public sector wage burden by undertaking public sector reforms, automating the payroll to eliminate 'ghost workers', streamlining work procedures to enhance productivity and efficient allocation of responsibilities as well as divesting its interest in some of the sub-vented organizations that could be managed effectively by the private sector.
- xii) The Bank of Ghana should ensure that the microfinance institutions comply strictly with good managerial tenets, institute relevant capacity building programmes and strengthen regulation of microfinance institutions.
- xiii) The government should provide the GSS with adequate resources to enable the Service improve on its technical and human resource capacities to enable them undertake regular surveys and generate timely and reliable data.
- xiv) The GSS should explore the possibility of collaborating with the Bank of Ghana in enhancing synergy for generating inflation, trade and other relevant statistics.
- xv) The government, working through the Registrar General's Department and other regulatory bodies such as Bank of Ghana, National Insurance Commission and the National Pensions Regulatory Authority should encourage companies to list on the GSC as a way of enhancing the operations of the latter. In this regard, the granting of new licenses should be tied to a condition of listing on the Exchange within a specified period of operation after commencement of business.

6.2.3. GUINEE

The short and medium term economic outlook of Guinea falls within the framework of policy orientations outlined in the Economic and Financial Programme concluded with Breton Wood institutions at the beginning of 2012 and supported by the Extended Credit Facility. Thus in 2013, real GDP growth rate was projected to reach 4.5% thanks to the improvement in the business environment and good prospects in the agricultural and mining sectors. This accelerated growth was expected to occur within the context of a downward trend in inflation consistent with the implementation of stringent monetary policies combined with a rigorous fiscal policy. As far as Fiscal Sector is concerned, projections indicated a budget surplus of 0.5% of GDP due to the improvement in revenues and controlled expenditures. For the external sector, the overall position of the balance of payment was expected to record a marginal surplus in 2013 in order to accumulate exchange reserves.

At the close of the first half of 2013, economic activity was mixed due to the persistence of socio-political tensions and difficulties in completing the transition process. Consequently the expected growth rate was revised downward to 2.9%. However, economic activity was conducted against the backdrop of easing inflationary pressures. At the end of June 2013, average inflation was 13.3% against 18.7% during the same period in 2012. With regard to Fiscal Sectors, the execution of State financial operations ended up with a worsening overall deficit compared to the overall balance at end-June 2012. Trends in the external sector were marked by a deterioration of the overall balance due to the worsening of the current transactions balance mitigated by an improvement in net capital inflows in respect of the capital and financial operations account. Monetary policy was characterized by the relaxation of the key rate by the Central Bank to 16% against 22% previously.

In terms of macroeconomic convergence, the country observed, in the first half of 2013, seven (07) criteria, including two of the primary criteria relating to the budget deficit and its financing by the Central Bank.

6.2.2.6. Sector Analysis

Real Sector Developments

Latest assumptions were based on a growth rate of 2.9% in 2013 against an initial target of 4.5%. The downward review of growth prospects for the 2013 was attributed to the slowdown in activity observed in the first half of the year as a result of the socio-political situation as well as the suspension of operations by some mining companies. The growth expected in 2013 would depend on performance in all sectors, especially the secondary sector.

In the secondary sector, value added was expected to grow by 4.8% in 2013 against 3.8% in 2012, driven by the agriculture subsector. In fact, agricultural production increased by 5.3%, following a rise of 4.0% in 2012 thanks to the impact of government support measures.

Indeed, government pursued in 2013 the support programme for agricultural production through the provision of farming inputs and the expansion of irrigated areas. The livestock subsector was expected to record an expansion of 4.0% in the volume of production against 4.1% in 2012 owing to the support aimed at improving productivity mainly through the spread of new livestock production techniques. The fisheries subsector is also expected to grow by 4.0% in 2013 as a result of the implementation of the modernization programme planned by the Government.

In the secondary sector, production was expected to inch up by 1.0% in 2013 following a 3.5% growth in 2012. This slowdown was due to the drop in minerals production and reduced expansion in the building and public works subsector. Indeed, minerals production was expected to decline by 3.0% due to the slump in bauxite and diamond production as well as a halt in alumina production. Building and public works recorded a 4.7% growth rate in 2013 against 8.7% in 2012. This slower pace of growth was due to the slowdown in the construction of houses. The manufacturing subsector expanded by 2.5% while that of water and electricity grew by 2.0% in 2013.

In the tertiary sector, projections indicated a 2.2% growth in 2013 against 3.3% in 2012. Activities in the sector were mainly sustained by trading and transportation which benefited from the positive results of the 2011-2012 farming season. Thus, trading and transportation subsectors grew by 2.5% and 3.5% respectively.

Contributions to growth in 2013 were 1.1 point for the primary sector, 0.3 point for the secondary sector and 0.8 point for the tertiary sector and 0.7 points for import duties and taxes.

With regard to demand, economic growth in 2013 was expected to be driven by consumption and investments. In fact, final consumption inched up 5.5% in 2013 due a 4.7% increase in private consumption and 6.7 % rise in the consumption of public administrations. Gross Fixed Capital Formation jumped by 5.7% on the back of 11.9% and 3.8% rise in public and private investments respectively. On the other hand, trends in external trade would reflect a 4.8% increase in imports and a 5.2% decline in exports.

Contributions of the various components of demand to real GDP growth in 2013 were as follows: 4.7% for final consumption, 3.0 points for investments and -4.8% for external trade.

As far as prices are concerned, year-on-year inflation stood at 12.0% in June 2013 against 12.8% in December 2012 and 15.0% during the same period of the previous year. During the first six months of the year the general level of prices went up by 5.4% against 6.2% in the first half of 2012. The inflation recorded in the first half of 2012 stemmed essentially from the rising food prices, especially fish, oils and fats. The other significant upward trends were recorded in the “health”, “leisure, entertainment and culture” and “clothing and footwear” sub groups.

Table 6.51: Trends in GDP and its Components in Guinea

	2010	2011	2012	2013	2010	2011	2012	2013
	Annual variation in %				as % of real GDP			
Primary sector incl.	3.2	4.5	3.8	4.8	21.8	22.0	22.0	22.3
Agriculture, hunting	3.6	5.0	4.0	5.3	14.1	14.3	14.3	14.6
Secondary sector	2.3	4.4	3.5	1.0	32.6	32.8	32.6	32.0
Incl. Mines	1.1	4.3	-2.1	-3.0	14.5	14.6	13.7	12.9
BPW	4.5	5.0	8.7	4.7	11.9	12.0	12.6	12.8
Tertiary sector	1.3	3.2	3.3	2.2	37.8	37.6	37.4	37.1
Incl. Trade	1.0	5.3	4.5	2.5	15.2	15.4	15.5	15.4
Transport	1.4	5.0	5.0	3.5	6.6	6.7	6.7	6.8
D T I	-0.2	3.1	9.0	9.1	7.7	7.7	8.0	8.5
GDP	1.9	3.9	3.9	2.9	100.0	100.0	100.0	100.0
Imports	29.4	48.7	10.1	4.8	44.6	63.8	67.6	68.9
Final consumption	1.3	7.6	7.5	5.5	80.8	83.6	86.5	88.6
Public	80.7	-9.1	18.0	6.7	33.6	29.4	33.4	34.6
Private	-22.9	19.5	1.8	4.7	47.1	54.2	53.1	54.0
GFCF	26.6	33.5	4.3	5.7	40.7	52.3	52.5	53.9
Government	55.1	-38.8	14.4	11.9	18.5	10.9	12.0	13.0
Private	9.7	93.9	1.7	3.8	22.2	41.4	40.5	40.8
Exports	11.6	25.2	6.8	-5.2	23.1	27.8	28.6	26.4

Source: MP Guinea / WAMA

Fiscal Sector Developments

In the first half of 2013, the execution of state financial operations was marked by the continuation of operations on cash basis. However, the execution of State financial operations in the first half of 2013 was affected by the socio-political disturbance the country experience during the said period. Against this background, the targets set for end-June 2013 in terms of resource mobilisation and expenditures commitments could not be achieved.

During the first half of 2013, total revenues and grants were mobilised to the tune of GNF 4455.44 billion (10.1% of GDP), indicating a shortfall of GNF 274.2 billion compared to projections. Nonetheless, total revenue and grants mobilized went up by 3.2% compared to the first half of 2012 due mainly to the upsurge in grants. Indeed, grants jumped 16.2% to reach 464.80 billion (1.0% of GDP). These were exclusively earmarked grants since the country did not benefit from unrestricted grants during the period under review. Total revenues increased by 1.9% to settle at 3990.6 billion or 9.0% of GDP. This increase was recorded in both tax and non tax revenues which surged by 1.7% and 5.5% respectively. This poor performance in total revenues mobilisation was attributable to the decline in mining revenue mobilisation following the halt of activities by Rio Tinto, mitigated by an increase of 94.6 billion (+3.0%) in non mining revenues. This was also as a result of the situation prevailing in the country during the period which prevented revenue authorities from conducting effectively their revenue collection activities on the field. Besides, the wait-and-

see attitude of economic operators during the first half of the year also explains this poor performance.

Total expenditures and net lending accounted for 12.3% of GDP. This represented a shortfall of GNF 274.2 billion compared to commitments projections at the end of June 2013. Compared to the first half of 2012, expenditures and net lending jumped 23.8% as a result of a surge in both current and capital expenditures. Current expenditures went up by 27.6% compared to the first half of 2012 due to a rise in all components of current expenditures. Capital expenditures increased 18.8% over the period owing to the expansion externally funded expenditures.

On the whole, the execution of State financial operations during the first half of 2013 led to an overall balance of GNF 355.3 billion, indicating a deterioration compared to the overall balance at end-June 2012 which settled at GNF 62.6 billion. The overall balance on cash basis recorded a deficit of GNF 284.46 billion. This deficit was offset by both internal and external funding.

Table 6.52: Trends in Some Budget Items in Guinea

	2011		2012		2013		2011		2012		2013	
	June	Dec.	June	Dec	June	Dec	June	Dec.	June	Dec	June	Dec
	Annual variation in %						As % of nominal GDP					
Total revenue and grants	31.8	60.1	48.1	41.5	3.2	16.6	8.7	20.3	10.9	24.4	10.1	25.4
Domestic revenues	27.1	36.3	39.8	40.9	1.9	15.7	8.3	16.8	9.9	20.1	9.0	20.8
Tax revenue	21.1	30.3	45.2	46.8	1.7	16.2	7.6	15.4	9.4	19.2	8.6	19.2
Incl. Mining sector	6.6	25.6	-0.7	24.0	-2.8	11.9	2.2	3.8	1.9	4.1	1.6	4.1
Non tax revenue	184.7	169.1	-20.2	-22.5	5.5	5.0	0.7	1.4	0.5	0.9	0.4	0.9
Grants	1323.2	974.7	252.5	44.8	16.3	20.8	0.3	3.4	1.0	4.3	1.0	4.6
Total expenditure and net lending	-27.0	-9.9	61.0	40.0	23.8	8.7	8.1	21.5	11.1	25.6	12.3	24.9
Total expenditure	-27.0	-10.1	60.6	36.9	23.9	11.5	8.1	21.4	11.1	25.0	12.2	24.9
Current expenditure	-2.5	-1.3	12.6	11.0	27.6	17.7	6.7	16.3	6.4	15.4	7.3	16.2
Salaries and emoluments	22.4	13.7	2.5	-0.4	16.9	30.0	2.6	5.2	2.3	4.4	2.4	5.2
Other goods and services	-32.9	-28.7	32.9	29.8	17.3	14.4	1.9	5.4	2.2	5.9	2.3	6.1
Subsidies and transfers	20.2	34.8	1.4	20.6	47.8	4.0	1.6	3.7	1.3	3.8	1.8	3.5
Interest owed (internal and external)	5.0	23.2	22.0	-28.1	61.1	32.2	0.6	2.0	0.6	1.2	0.8	1.4
Capital expenditures	-66.3	-29.9	283.6	118.8	18.8	-8.8	1.4	5.2	4.7	9.6	5.0	7.8
Domestically financed	63.0	169.6	30.9	47.7	258.3	-19.7	0.9	2.2	1.0	2.8	3.2	2.0
Externally financed	-85.4	-55.3	702.4	173.3	-45.9	-4.2	0.5	2.9	3.7	6.8	1.8	5.8
							0.0					
Overall balance commitment basis (incl. grants)	-112.3	-88.8	-139.3	15.1	381.9	-147.2	0.6	-1.3	-0.2	-1.2	-0.8	0.5
Overall balance commitment basis (excl. grants)	-104.9	-59.2	-736.3	36.9	205.5	-183.1	0.2	-4.7	-1.2	-5.5	-3.3	4.1
Overall balance on cash basis	-110.6	-92.0	-393.8	236.7	-35.6	-108.2	0.4	-0.8	-1.1	-2.4	-0.6	0.2

Sources: MEF/WAMA

As at 30 June 2012, total outstanding debt stood at US\$1.2 billion or 19.4% of GDP while debt servicing amounted to US\$29.8 million. In accordance with IMF recommendations, the country did not accumulate arrears in respect of external debt servicing. Guinea reached completion point under the enhance initiative for heavily indebted poor countries (HIPC) on

26 September 2012, leading to the cancellation of nearly 2/3 of the external debt stock or US\$ 2.1 billion out of a total of US\$ 3.1 billion.

Monetary Sector Developments

During the first six months of 2012, the implementation of monetary policy focused on maintaining the mandatory reserves at 22% in order to control money creation in the banking system, and reducing the key rate from 22.0% to 16%. These measures combined with the BCRG interventions on the exchange market helped to control liquidity in the banking systems.

In the first half of 2013, money supply expanded by 3.9% to settle at GNF 11, 898.0 billion. This money creation resulted from 2.0% increase in net domestic assets (NDAs) and 5.2% rise in net foreign assets (NEAs).

The strengthening of NEA during the first half of 2013 is attributed to a 13.8% expansion in the net external position of commercial banks mitigated by a 4.5% contraction of the Central Bank's exchange reserves. In fact, foreign assets of commercial banks went up from GNF 1,598.6 billion in December 2012 to GNF 1,819.4 billion at the end of June 2013. However, foreign assets of the Central Bank stood at 2,792.1 billion as at 30 June against GNF 2,972.1 billion in December 2012.

At the end of June 2012, NIAs surged by 5.2% thanks to the 3.7% increase in domestic credit and 3.8 % hike in other net items. The increase in net credit to the tune of GNF 307.3 billion resulted from the 1.4% rise in net credits to the State and 5.6% surge in credit to the private sector.

Table 6.53: Trends in Key Monetary Aggregates in Guinea (from 2009 to June 2012)

	2010		2011		2012		2013	2010		2011		2012		2013
	June	Dec.	June	Dec.	June	Dec.	June	June	Dec.	June	Dec.	June	Dec.	June
Net foreign assets	-24.6	-46.7	796.6	-28.4	8.2	-14.9	2.0	-7.7	-8.3	58.8	-17.1	3.6	-7.1	0.8
Central Bank	-24.7	-74.6	2 421.7	-25.4	-20.2	-19.2	-4.5							
Commercial Banks	-24.5	7.7	49.5	-51.6	347.4	-5.8	13.8							
Net domestic assets	60.0	44.5	-53.0	42.0	-8.5	18.1	5.2							
Domestic credit		34.0	-1.0	-28.4	-16.8	40.9	3.7							
Net credit to the State		43.2	-6.3	-51.5	-9.5	49.3	1.4	39.3	31.2	-5.1	-35.5	-3.2	15.2	0.6
Central Bank		48.9	-13.6	-71.4	-7.3	134.0	1.0							
Commercial Banks	-4.6	26.6	18.3	-2.5	-11.1	-14.7	2.1							
Credit to public institutions.	-95.8	11.4	22.5	7.1	-4.4	-21.8	94.2							
Credit to the private sector	8.1	-0.2	27.3	64.1	-25.9	31.0	5.6	1.9	0.0	4.0	10.9	-7.2	6.5	1.5
Other items net (assets +)		-55.0	1 413.0	-87.9	-98.4	13 288.4	-3.8		5.3	-48.0	41.3	5.7	-12.2	1.0
Money supply (M2)	33.4	28.3	9.7	-0.4	-1.3	2.4	3.9	33.4	28.2	9.7	-0.4	-1.2	2.4	3.9
Reserve money	75.9	35.9	2.6	-7.5	-6.9	4.3	0.2							
Money and Quasi-money	12.3	32.3	1.2	-0.6	-5.6	2.5	3.5							
Money in circulation	33.2	36.5	-10.9	-8.2	15.3	-1.5	7.5							
Deposits in GNF	0.4	29.2	10.7	4.3	-17.4	5.6	0.5							
Foreign exchange deposits		6.9	66.1	0.2	16.0	2.2	5.3							

Source: BCRG

As regards money supply components, there was a 7.5% growth in currency in circulation, 2.2% rise in Guinean francs deposits and 5.3% surge in foreign exchange deposits. As at 30 June 2013, money supply was made up of 33.5% of notes and coins in circulation, 42.7% of deposits in Guinean francs, and 23.8% of foreign exchange deposits against 32.4%, 44.0% and 23.6% respectively at the end of 2012.

External Sector Developments

In the first half of 2013, the overall position of the balance of payments of Guinea recorded a deficit of US\$ 76.9 million (-2.4% of GDP) against a surplus of US\$ 43.1million (1.5% of GDP) over the same period in 2012. This situation emanated from the deterioration of the current transactions balance somewhat mitigated by an improvement in net capital inflows under the capital and financial operations account.

Table 6.54: Trends in Balance of Payments Indicators (in millions of US\$ unless otherwise indicated)

	2010	2010	2011	2011	2012	2012	2013
	June		June		June		June
Export of goods (FOB)	673.9	1 471.2	824.1	1 432.7	1 194.70	1 927.6	670.8
Import of goods (FOB)	-667.7	-1 404.9	-880.5	-2 105.6	-1 177.32	-2 254.0	-832.8
Trade balance	6.3	66.3	-56.4	-672.9	17.4	-326.4	-162.0
Services : Credit	23.6	62.4	43.8	77.4	78.76	168.7	49.9
Services : Debit	-129.8	-395.5	-215.1	-572.0	-495.26	-891.4	-357.8
Balance of services (Net)	-106.3	-333.1	-171.3	-494.6	-416.5	-722.7	-308.0
Balance of goods and services	-100.0	-266.9	-227.7	-1 167.5	-399.1	-1 049.1	-470.0
Investments revenue – Credit	6.9	14.9	9.3	22.2	17.49	31.5	1.2
Investment revenue – Debit	-39.2	-92.0	-69.6	-155.6	-50.62	-153.5	-112.9
Balance of investment revenue	-32.2	-77.1	-60.3	-133.4	-33.1	-122.0	-111.8
Balance of goods, services and revenues	-132.2	-344.0	-288.0	-1 300.8	-432.3	-1 171.1	-581.7
Balance of transfers	-1.5	17.1	71.5	139.5	51.0	132.5	44.2
Current transfers - Public	22.9	83.8	195.4	407.5	144.58	305.3	113.6
Current transfers - Private	-24.4	-66.8	-123.9	-268.0	-93.62	-172.9	-69.4
Current account balance	-133.8	-326.9	-216.5	-1 161.4	-381.3	-1 038.6	-537.5
Capital account	29.6	47.3	98.0	139.7	75.3	248.4	128.7
Capital account: credit	29.6	49.7	100.5	143.8	77.09	251.3	129.7
Capital account :debit	0.0	-2.4	-2.5	-4.2	-1.78	-2.9	-1.1
Financial account	116.1	206.6	966.2	1 692.1	348.3	594.2	331.4
Direct investments	2.6	101.4	776.9	954.7	361.08	603.55	24.1
Portfolio investments	-0.1	-0.1	-1.2	211.6	-1.54	-3.08	
Errors and Omissions	4.2	0.0	-46.9	5.7	0.76	1.29	0.5
Overall balance	16.2	-73.0	800.8	676.1	43.1	-194.7	-76.9
Funding	-16.2	73.0	-800.8	-676.1	-43.1	194.7	76.9
MEMORANDUM ITEM							
Trade balance /GDP (in %)	0.3	1.4	-2.1	-13.2	0.6	-5.7	-5.0
Current account balance/GDP (%)	-5.9	-6.9	-8.2	-22.9	-13.5	-18.2	-16.5
Capital account balance /GDP (in %)	1.3	1.0	3.7	2.7	2.7	4.4	3.9
Financial account balance/GDP (in %)	5.1	4.4	36.7	33.3	12.3	10.4	10.2
Overall balance/GDP (in %)	0.7	-1.5	30.4	13.3	1.5	-3.4	-2.4
Gross international reserves	216.8	253.7	1 040.1	852.0	772.1	637.3	669.7
Number of months of imports	1.7	1.9	6.2	4.3	3.5	3.1	3.9
Importation of goods CIF	-667.7	-1 610.4	-1 008.1	-2 393.5	-1 322.8	-2 507.0	-1 041.1

Source: BCRG

The deficit of the transactions balance widened from US\$ 381.3 million (13.4% of GDP) in the first half of 2012 to US\$ 537.5 million in the first half of 2013 (17.4% of GDP) in line with the deterioration observed in the balance of goods and services. In fact, the trade balance recorded a deficit of US\$ 162.0 million against a surplus of US\$ 17.4 million.

The surplus recorded on transactions linked to the capital and financial operations account improved by US\$ 36.5 million to settle at US\$ 460.1 million in the first half of 2013. This improvement was essentially due to the increase in capital transfers and drawing on public borrowings.

Concerning trends in the exchange rate, the Guinean franc appreciated against the US dollar and Euro on the official market by 2.4% and 3.5% and on the parallel market by 2.0% and 1.4% respectively. The premium between the two markets was maintained at 2.2% for the US dollar and 3.1 for the Euro. This relative stability of the Guinean franc is on account of the BCRG's interventions on the interbank exchange market to the tune of US\$ 97.7 million in the first half of 2013 against US\$ 123.1 million the previous year.

6.2.2.7. Status of Convergence

In the first half of 2013, Guinea met seven (07) of the macroeconomic convergence targets including two (02) primary ones. This performance represented a slight improvement compared to the situation in the first half of 2012.

Table 6.55: Status of Convergence in Guinea

	Target	2008	2009	2010	2011	2012*		2013**	
						June	Dec*	June	Dec*
Primary criteria:		2	1	0	2	2	2	2	2
I) Budget Deficit/GDP (incl. grants)	≤ 3%	1.2	6.5	14.3	1.3	0.4	1.2	1.6	-0.5
ii) Inflation (average)	≤ 5%	18.4	4.7	15.5	21.4	18.7	15.2	13.3	15.2
iii) CB Financing	≤ 10%	5.8	38.7	91.0	0.0	0.0	0.0	1.0	0.0
iv) Gross external reserves	≥6 months Imp	0.8	1.4	0.4	3.7	3.5	3.1	3.9	4.0
Secondary criteria		2	4	1	1	3	5	5	5
i) Domestic arrears		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
ii) Tax Revenue/GDP	≥ 20%	14.7	16.4	14.7	15.4	18.9	19.2	16.7	19.2
iii) Wage Bill/Tax Revenue	≤ 35%	28.0	30.6	39.0	34.1	24.2	23.1	27.9	23.1
iv) Publ. Investments/Tax Revenue	≥20%	13.1	35.6	55.3	19.0	39.1	35.4	20.8	35.4
v) Real Interest Rate	> 0	0.9	11.2	-8.1	-6.9	-3.5	0.3	2.4	3.7
vi) Nominal Exchange Rate Stability	± 10%		-2.9	-	-				
		-11.9		15.4	17.0	-6.1	-2.5	-2.7	-2.5
vii) Public debt/ GDP	≤ 70%	84.2	84.7	83.5	77.1	125.1	40.0	37.4	37.4
Number of criteria met		4	5	1	3	5	7	7	7

Primary criteria

With regard to primary criteria, the country complied with two criteria, namely those concerning the budget deficit and the financing of the deficit by the Central Bank. Despite the

shortfall in revenue mobilisation, the Government maintained the rigour in the management of Fiscal Sectors by operating on cash basis. On the other hand, exchange reserves have shown slight improvement, although it remained largely below the community standard. In spite of efforts to control price, inflation hovered in the double digit range.

Secondary criteria

As far as secondary criteria are concerned, five (05) were met, namely those concerning the wage bill, internally funded investments, real interest rate, nominal exchange rate stability and outstanding public debt. The wage bill accounted for 27.9% of tax revenues in the first half of 2013 against a ratio of 24.2% during the same period the previous year. Internally funded investments reached 20.8% against 39.1% a year earlier. Similarly, real interest rate was slightly positive while the national currency experienced marginal fluctuations. Since the cancellation of 2/3 of the national external debt in September 2012, the country has a more sustainable debt profile. However, the country did not put in place a mechanism for monitoring domestic arrears. Moreover, the tax pressure rate remained relatively low and on a downward trend.

Based on projections, the country is likely to maintain its level of performance at the end of 2013 by observing the same criteria as in the first half of 2012.

6.2.2.8. Harmonisation of policies and institutional arrangements

a- Development of payment systems

The implementation of the project launched by WAMI and funded by ADB is still on-going and the model regulations prepared by WAMZ experts and approved by the Convergence Council for adoption by Member States have been forwarded to BCRG and commercial banks are taking measures to put in place the required payments instruments, including electronic payments and standardization of cheques. Many banks have already adopted the standardized cheques. The building which will house the equipment is completed. The components of the project include:

- RTGS settlement and delivery system ;
- Automatic clearing house and automatic processing of cheques; and
- Banking Application (CBA)
- Infrastructure and power supply.

The system will be fully operational by February 2014.

b- National Coordinating Committee (NCC)

The NCC is performing its functions in spite of some difficulties. Thus, quarterly reports are not produced and validated within the prescribed timelines. The country has not yet produced

a multi-annual convergence report. In addition, the ECOMAC database is not updated. The ECOWAS Commission is paying for the salaries of the personnel and the CNC is working with a budget financed by the ECOWAS Commission (25%), Ministry of Finance and Economy (45%) and the Central Bank (30%). On the legal front, all related regulatory texts have been signed.

c- Free Movement of persons and their goods

Even though transitional measures were occasionally adopted, the Guinean Authorities are of the view that the country complies with ECOWAS directives on the free movement of goods and persons. According to estimates, Guinea is engaged in very dynamic trade with its neighbouring countries. There are twenty (20) entry points) with the six neighbouring countries. The bulk of the trade is conducted through informal channels.

6.2.3.4. Conclusion and recommendations

Guinea continued with its macroeconomic stabilisation programme in 2013. However, disruptions in economic activity in the first half of 2013 due to socio-political tensions combined with the halt of operations by some mining companies hampered the expected acceleration in economic growth.

Against this back drop, the major challenges are socio-political stability and an improvement in the business environment for both foreign and local investors.

In view of this situation, to strengthen macroeconomic stability and improve the level of performance under the ECOWAS convergence programme, the implementation of the following recommendations is required:

- i. Sustain socio-political stability to enhance the business environment in order to attract the investments necessary to boost economic growth;
- ii. Accelerate the removal of structural constraints that influence the level of prices, especially the opening up of production arrears and improvement in water and electricity supply;
- iii. Take the necessary measures to ensure the actual repatriation of export earnings by identifying the body in charge of implementing the related directive.
- iv. Pursue institutional and operational reforms initiated at the level of revenue authorities to improve customs and tax revenue mobilisation.

6.2.4. LIBERIA

6.2.4.1. Policy Thrust and Macroeconomic Developments

The macroeconomic policy of Liberia during the first half of 2013 was built on the country's second Poverty Reduction Strategy (PRS-II¹¹), *Agenda for Transformation (AfT)* (2012-2017) to strengthen infrastructure and improve reforms for inclusive and shared economic growth. With the anticipated rise in the production of iron ore and cement, the 2013 projection for the real GDP growth was revised upwards from 7.5 percent to 8.1¹² percent. Table 1.0 provides comparative analysis of the real sector for 2012 and 2013.

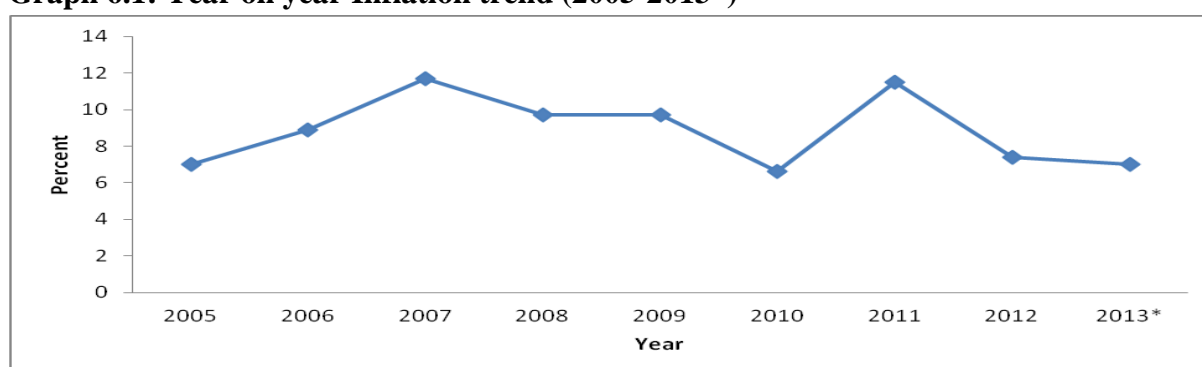
Table 6.56: Performance of real sector (Half year 2012 & half year 2013) in Liberia

Commodity	In million USD		As Percent of GDP		Percentage change	
	2012	2013*	2012	2013*	2012	2013*
Agriculture and fisheries	452.8	449.6	26.1	22.7	1.9	-0.7
Mining and panning	206	288.4	11.9	14.6	129.1	40.0
Manufacturing	63.4	97.9	3.7	5.0	3.1	8.9
Services	781.5	849.5	45.1	43.0	4.7	8.7
Nominal GDP	1734	1977			8.3	8.1
	Average				End Period	
Inflation	6.8	7.7			7.7	7.0

Source: Liberian Authorities and IMF Estimates, *Projection

Most of the sectors revealed promising growth potential in 2013. The Industrial Sector with mining and panning activities increased by 40.0 percent, while manufacturing recorded 8.9 percent growth compared to 3.1 percent in 2012. The service sector, which grew by 8.9 percent, accounted for 43.0 percent of GDP, led mainly by services activities (telecommunication and financial activities). The share of the primary sector (agriculture) to GDP represented by 22.7 percent was projected to record a negative growth of 0.7 percent largely due to declines in production of rubber, timber and cocoa.

Graph 6.1: Year on year Inflation trend (2005-2013*)



¹¹ The four pillars of the Agenda for Transformation (PRS II) include consolidating peace, revitalizing the economy, ensuring good governance and rule of law, and strengthening infrastructure and basic services

¹² The IMF initially projected growth to be 8.3 percent, but has been revised upward due to expected upturn from the mining, especially iron ore. However, the revised growth by the CBL is due to uncertainty in rubber export, which did not show increase in growth consistent with expectation.

Sources: CBL WAMA, * estimate

Average inflation in the first six month of 2013 was 7.7 percent, 0.5 percentage points lower than the same period of 2012. The headline inflation stood at a single digit of 7.0 percent at end-June 2013, compared to 7.7 percent at end-December 2012 and 7.1 percent at end-June 2012. In the early part of 2013 (January-April), the inflationary pressures mounted due to 15 percent hike in food prices around February, thereby pushing the rate of inflation to 8.7 percent. Intervention by the monetary authority in the foreign exchange market to contain the exchange rate pressure led to the relative stability in the food and non-food inflation, which eased inflation by June 2013.

Fiscal Sector Developments

The fiscal policy objective in the first half of 2013 remained consistent with the medium term expenditure framework that aimed at guiding government spending, encouraging investment, supporting private sector led growth as well as ensuring that borrowing was undertaken with fiscal prudence.

Table 6.57: Government First Half Fiscal Operations (in percent), 2012-2013

Fiscal indicators (%)	2009	2010	2011	June 2012	2012	June 2013*
Total Revenue and Grants/GDP	29.9	33.3	26.1	29.9	29.0	31.9
Total Domestic Revenue/GDP	26.7	31.2	32.8	25.8	26.5	23.6
Tax revenue/ GDP	23.2	23.9	26.4	23.8	22.4	20.0
Total expenditure & lending/GDP	29.0	29.1	34.4	26.7	24.7	31.9
Deficit(incl. grant) / GDP	0.9	4.2	0.9	3.3	4.3	0.0
Wages and Salaries/Tax revenue	39.8	37.8	46.1	41.0	42.1	53.0
Investment expenditure/Tax Revenue	13.3	9.9	14.1	5.3	9.7	4.5
Central Bank financing/Previous yr.'s tax revenue	0.0	0.0	0.0	0.0	0.0	0.0

Source: Ministry of Finance, Central Bank of Liberia

Total domestic revenue and grants during the review period was US\$312.9 million (31.7 percent of GDP), exceeding outturn by 19.1 percent in the first half 2012. Total domestic revenue during the first half of 2013 increased by 20.4 percent relative to same period of 2012, but accounted for 28.6 percent of GDP and 90.2 percent of total revenue. Compared to the first half of 2012, total tax revenue increased by 14.0 percent to US\$246.9 million from US\$216.5 million. This was on account of 151.0 percent increase in tax revenue from other sources from US\$22.9 million in June 2012 to US\$57.5 million in June 2013. Income tax revenue also contributed to the improved tax outturn as it rose by 7.3 percent from US\$78.3 million to US\$84.0 million. However, compared to the first half of 2012, domestic tax revenue on goods & services and import tax revenue declined by 13.7 and 6.2 percent, respectively, during the review period. Non-tax revenue recorded a significant increase of 97.1 percent to US\$22.5 million in June 2013 from US\$11.5 million in June 2012. This was due to improved performance of divestiture receipts and receipts from royalties, licenses and road user fees. Total grants rose by 8.5 percent to US\$30.7 million during the review period from US\$28.3 million in corresponding period of 2012.

Total expenditure plus net lending for the first half of 2013 stood at US\$313.0 million, representing 31.7 percent of GDP and an increase of 34.0 percent over that of the first half of 2012. While recurrent expenditure stood at US\$206.4 million, indicating 1.9 percent decline relative to the first half of 2012, capital expenditure amounted to US\$106.0 million, of which domestic financing was US\$43.1 million and external financing, US\$62.9 million. In terms of GDP, capital expenditure rose to 10.7 percent during the review period from 2.6 percent in the corresponding period of 2012. This was largely attributed to improved disbursement of grants by development partners.

Capital expenditure continued to be financed substantially from the scarce domestic sources. In the face of structural constraints, the fiscal authorities were still challenged by securing external loans to implement priority investments in critical infrastructure as a result of the 3.0 percent to GDP borrowing threshold stipulated by development partners. In addition, the arduous procurement process usually stalled the implementation of key projects, including Millennium Challenge Accounts (MCA) projects.

The overall fiscal balance including grants was negligible (US\$0.2 million) in the first half of 2013, indicating that the total revenue did not deviate much from the total expenditure. However, the fiscal balance excluding grants recorded a deficit of US\$30.9 million, accounting for 3.1 percent of GDP as against a surplus of 0.1 percent of GDP in the first half of 2012. The deficit was financed mainly from domestic sources by way of a drawdown on government deposits at the CBL.

Table 6.58: Analysis of Debt Stock (2012-2013) in Liberia

Indicator	Debt stock (million USD)		Percent change		Debt as GDP (percent)	
	2012	2013	2012	2013	2012	2013
Total debt	564.8	572.6	9.3	1.4	32.1	29.2
External debt	269.3	284.1	13.0	5.5	15.0	14.5
Domestic debt	295.5	288.5	6.1	-2.4	16.8	14.7

Source: Ministry of Finance, Liberia

The total public debt of Liberia was US\$572.6 million (29.0 percent of GDP) as at end-June 2013. This debt increased by 1.4 percent from US\$564.8 million when compared with the end-June 2013. The total domestic debt stock stood at US\$288.5 million as at June 2013, representing 14.6 percent of GDP and a decline by 2.4 percent from US\$ 295.5 million in June 2012. The main holder of domestic debt (95.6 percent) was the CBL as a result of the role played by the Bank during the war period and recapitalisation of debt owed by the government. The external debt stock stood at US\$ 284.1 million, representing an increased by 5.5 percent from US\$269.3 million in corresponding period of 2012. This was made up of a bilateral debt stock of US\$123.0 million, of which 30.1 percent (US\$85.4 million) was owed to the Taiwanese Government, and a multilateral debt stock of US\$161.2 million.

In terms of debt sustainability, the total debt to GDP ratio of 29.0 percent during the review period remained stable, as evidenced by the ratio falling below the global thresholds of 60 percent and the ECOWAS regional threshold of 70 percent. The total debt service amounted to US\$18.2 million in 2013, about 1 percent of GDP and 6.3 percent of the total exports. The total debt stock accounted for more than twice the overall receipt from exports as at end- June 2013. Given the current real GDP growth, inflation and interest rates, the total debt stock could be described as being sustainable over the medium term.

Monetary Sector Development

The monetary policy thrust during the review period was to contain inflation by limiting volatility in the exchange rate and building up foreign exchange reserves to ensure adequate coverage of about three months of imports, excluding UNMIL service and iron ore related imports.

Table 6.59: Growth in Some Monetary Aggregates (2009-2013*) in Liberia

Monetary indicator (%)	2009	2010	2011	Jun-12	2012	2013*
Broad money growth	36.7	36.1	39.5	21.6	-1.4	14.3
Net foreign asset growth	- 21.3	297	11.7	7.5	2.2	-3.5
Net domestic asset growth	-363.8	-89.3	121.9	30.1	16.2	14.3
Net foreign asset/M2	57.6	267.5	30.3	10.8	8.5	17.8
Net domestic asset/M2	57.6	267.5	30.3	10.8	8.5	17.8
Deposits/M2	55.5	58.5	53.8	57.3	51.1	86.7
Reserve money growth	32.2	35.1	62.2	18.4	10.7	5.7
Velocity (GDP/M2)	2.6	2.2	1.9	1.5	3.0	2.9
Money multiplier (M2/RM)	1.6	1.6	1.5	2.0	1.5	3.4

Sources: Central Bank of Liberia, WAMA

Reserve money declined by 4.1 percent during the first half, compared to a decline of 6.6 percent in the corresponding period of 2012. On year-on-year basis, however, reserve money grew by 5.7 percent. Broad money (M2) grew by 7.5 percent between end-December 2012 and end-June 2013. On year-on-year basis, the growth of broad money supply during the first half of 2013 was 14.3 percent, compared to 21.6 percent in the corresponding period of 2012. The decline in broad money growth was due to a 5.3 percent reduction in net foreign assets (NFA), which dampened the 45.3 percent expansion in net domestic assets (NDA). Considering the shares of the two components, NFA and NDA contributed -3.5 and 17.8 percent, respectively, to the 14.3 percent growth in broad money supply.

The CBL launched the treasury-bill market with the first auction conducted on May 2, 2013 on behalf of the Government of Liberia (GOL). This was a 91-day Liberian dollar instrument offered to commercial banks only because of their liquidity position and their understanding of the risk associated with investment, though risk-free by nature. As of the time of the Joint Surveillance Mission, the CBL had conducted five successful auctions with an aggregate offer of L\$756.0 million and a redemption of L\$377.0 million. The average weighted yield on the five offers was 2.18 percent. The initial auctions were overly subscribed. To restrict commercial banks' from offloading their entire excess reserves in Liberian dollars on the

market, the CBL accepted only bids not exceeding 30.0 percent of amount being offered and within 5.0 percent interest rate.

Notably, the 91-day CBL-bill launched in July 2013 was purely for liquidity management purposes since the amount raised from GOL-Bill was for cash-flow smoothing with a month lag. Four such auctions were conducted as of the time of the Mission to raise L\$1,197.5 million (US\$15.5 million) at a cost of US\$80,740.82, representing an average yield of 2.02 percent.

The average lending rate inched up by 21 basis points from 13.42 percent in June 2012 to 13.63 in June 2013. The 3-month time deposit rate also went up by 6 basis points from 3.80 percent to 3.86 percent over the same period. The savings rate, however, registered a basis point decline from 2.02 percent in June 2012 to 2.01 percent in June 2013. In terms of the Liberian dollar, the real savings and 3-month time deposit rates remained negative, a clear disincentive for saving in Liberian dollar.

The CBL claims on deposit money banks (DMBs) rose from L\$0.95 billion in June 2012 to L\$2.53 billion in June 2013, representing an increase of 165.3 percent. This was on account of several stimulus initiatives that were undertaken by the CBL to promote financial inclusion and ease supply-side constraints in the economy. Key among these initiatives were the L\$200.0 million Loan Extension and Availability Facility extended through the DMBs to microfinance institutions, credit unions and village savings & loans associations; a US\$10.0 million CBL Mortgage Stimulus Initiative to facilitate home ownership by Liberians; and a US\$7.0 million Agricultural Stimulus Initiative that aimed at stimulating private investment in the agricultural sector.

Total outstanding DMBs' claims on the private sector rose from L\$19.5 billion at end-June 2012 to L\$23.1 billion at end-June 2013, representing an increase of 18.8 percent, compared to an increase of 30.0 percent in the corresponding period of 2012. The outstanding DMBs' claims on public enterprises rose by 57.1 percent, from L\$1.5 billion in June 2012 to L\$2.3 billion at end-June 2013, compared to 63.2 percent increase during the first half of 2012. The increasing claims on the public sector were due principally to permission granted by the Debt Management Committee to some state enterprises to borrow from the banking system for their operations.

Decomposing the total credit directed to the private sector during the first half of 2013, the trade and construction subsectors accounted for 42.8 and 14.7 percent, respectively, while 9.0 percent went to the transport, storage and communication subsectors. The agriculture received 7.3 percent; 2.5 percent went to the manufacturing, and mining and quarrying took 1.1 percent. The remaining share of the credit went to the hospitality industry. The small share credit directed to the mining and quarrying was due to the fact that the sub-sector had been

thriving mainly on foreign direct investment. The agriculture credit¹³ appeared to be relatively small, raising concerns about the importance attached to the agricultural sector and the effectiveness of the CBL agricultural stimulus package.

External sector Developments

The external policy thrust was aimed at maintaining a healthy and sustainable external sector by building up adequate reserves to cushion the economy from external shocks through periodic domestic foreign exchange interventions.

Table 6.60: Some External Sector Indicators n Liberia

External indicators	2009	2010	2011	2012*	2012	2013*
Stock of external reserves (million of US\$)	139.9	255.5	289.7	266.8	257.5	231.4
Gross reserves in Month of Import Cover	3.6	4.3	3.3	3.3	2.3	2.5
Imports of good/ GDP (%)	65.3	52.3	69.6	97.8	69.8	54.2
Exports of goods (Million US\$)	254	153	372	254.9	578.6	287.4
Exports of goods/ GDP (%)	17.4	16.7	24	30.0	32.9	29.1
Current Account (Net)/ GDP (%)	(38.0)	(31.8)	13.6	(96.0)	(96.7)	(89.7)
Balance of Current Transfers	110.3	83.9	78.4	14.4	59.6	7.1
Capital Account (Net)/ GDP (%)	173.3	111.7	-	12.8	-	13.2
Financial Account (Net)/ GDP (%)	(131.3)	(-23.6)	48.7	128.0	95.2	99.9
Overall balance/ GDP (%)	6.1	63.6	46.1	(10.9)	0.2	0.5
Degree of Openness^ (%)	(113.2)	(88.5)	(98.9)	(169)	(108.4)	(79.3)
Nominal GDP market prices (in million of US\$)	879.2	1289.3	1546.9	880	1760	988.5

Sources: Central Bank of Liberia, WAMA, ^= (import + export)/GDP, * first half

During the period under review, export receipts increased to US\$287.4 million from US\$254.9 million in the first half of 2012, representing a growth of 12.8 percent. This was due to improved performance of iron ore exports which rose by 94.4 percent, from US\$81.4 million in June 2012 to US\$158.2 million in June 2013. However, receipts from rubber and non-iron ore exports declined by 25.3 percent, from US\$173.0 million to US\$129.2 million over the same period. The dwindling performance of rubber exports was attributed to decline in production as a result of replanting that was undertaken by the main producer, Firestone Natural Rubber Company.

Total imports declined by 37.7 percent to US\$535.4 million during the review period from US\$860.0 million in the corresponding period of 2012. This was on account of 52.8 percent decline in oil imports from US\$251.1 million to US\$118.5 million arising from decline in global crude oil prices. Non-oil imports also declined by 31.5 percent, from US\$608.9 million to US\$416.9 million, largely due to 47.1 percent reduction in imports of the “others” category (excluding oil, rice, and plant and machinery) during the review period compared with the corresponding period in 2012.

The trade balance improved as the deficit narrowed by 59.0 percent, from US\$605.6 in the first half of 2012 to US\$248.0 million in June 2013. However, the current account registered

¹³ The CBL’s Credit stimulus initiative towards the Agriculture was initiated as pacesetter for increased investment in agriculture

deterioration by 6.5 percent from a deficit of US\$832.7 million in June 2012 to a deficit of US\$887.0 million in the review period. This was on account of deterioration in the net investment income from a deficit of US\$435.4 million in June 2012 to a deficit of US\$723.2 million in June 2013. The current transfers also declined from a surplus of US\$125.2 million to US\$70.1 million over the same period. The overall balance of payments registered a surplus of US\$4.6 million, as against a deficit of US\$95.9 million in the corresponding period of 2012.

Gross external reserves stood at US\$231.4 million, equivalent of 2.5 months of import cover at end-June 2013, compared to US\$266.8 million amounting to 2.6 months of import cover at end-June 2012. The reduction in the gross external reserves could be attributed to the CBL's foreign exchange market intervention to the tune of US\$51.0 million to dampen the depreciation of the Liberian dollar against the US dollar from 5.2 percent in May 2013 to 3.7 percent in June 2013.

6.2.4.2. Status of Macroeconomic Convergence

The convergence position of Liberia is shown in Table 6. The emphasis is on the primary and secondary macroeconomic convergence in relation to fiscal and monetary benchmarks of ECOWAS.

Table 6.61: Status of Macroeconomic Convergence in Liberia, 2010-2013

	Target	2010	2011	2012	2012	2013	2013
Primary criteria							
i). Budget deficit/GDP	≤3%	-4.2	-0.6	1.2	H1	H1+H2	H1
ii). Inflation	≤5%	7.3	8.5	8.2	-4.2	6.9	7.6
iii). Bank budget deficit financing	≤ 10%	0.0	0.0	0.0	0.0	0.0	0.0
iv). Gross external reserves	≥6 months	4.3	3.3	2.6	2.3	2.5	2.7
Secondary criteria							
i). Domestic arrears		n/a	n/a	n/a	n/a	n/a	n/a
ii). Tax revenue/GDP	≥ 20%	23.2	19.7	23.8	26.4	24.9	25
iii). Wage bill/tax revenue	≤35% RF	37	46.1	39.6	46.1	42.1	42.1
Public investment/tax revenue	≥ 20% RF	8.8	14.1	22.2	9.7	17.5	14.1
Real interest rate	> 0	-4.6	-9.4	-6.5	-5.7	-5.6	-5.7
Nominal exchange rate stability	± 10%	-3.2	-4.4	5.5	0.0	0.3	1.3
Public debt/GDP	≤ 70%	41.4	33.4	32.1	32.8	29.2	27.9
Number of criteria attained		5	4	5	5	5	5

Sources: Liberian Authorities and WAMA Staff, *Projection

The deficit to GDP was negligible, implying that the convergence criterion was achieved. Fiscal rationalization driven by scaling down on spending consistent with potential shortfall in revenues induced the realization of this target. The high single digit inflation continued to puts the country outside of the convergence threshold of less than 5 percent. The country however attained the convergence criterion of persistent reduction in deficit financing in 2013. Inflation inched up as a result of the hike in the prices of food in 2013. Over the last four years including 2013, Liberia failed to meet the convergence criterion on months of import cover.

This figure shows that the country could not maintain its reserve in the threshold of at least 6 months of imports.

The different fiscal benchmarks do not favour the country in terms of meeting the convergence criteria, except tax revenue to GDP and public debt to GDP ratios which records 24.9 and 29.2 percent, respectively. The government wage burden (salary mass/tax revenue) accounting for 42.1 percent does not fall in the threshold of the convergence requirement. The convergence criterion of public investment financed from domestic resources was also not attained in spite of the expansion on capital investment projects. Also looking at the secondary criteria, the real exchange rate appreciated by 0.3 against the West Africa Unit of Account (WAUA) in first half of 2013, thus falling within convergence requirement. However, the real interest rate, which records negative 5.5 percent, was not met.

On the overall, Liberia met two of the four primary criteria, namely: central bank financing of fiscal deficit as a percentage of the previous year's tax revenue and the ratio of budget deficit (including grants) to GDP. On the secondary criteria, the country achieved three of the seven which include public investment from domestic receipts, nominal exchange rate stability and total debt stock to GDP.

6.2.4.3. Prospects for 2013

The macroeconomic situation of the country presents a mixed outlook. The real GDP is projected to decline to 6.8 percent in 2014 before rebounding to 8.6 percent in 2015. The mining sector, particularly iron ore production, is expected to drive the growth in 2014. In addition, other agricultural activities such as rubber, cocoa and food production showed favourable outlook, expecting to boost agricultural output. The Services sector will continue to grow, supported by continued boom in telecommunications and expansion in mining-related services coupled with efforts to improve infrastructure. However, competition from cheap imports is likely to constrain domestic output in the manufacturing.

Consistent with the MTEF, the fiscal policy is expected to focus on increasing the fiscal space to implement high-priority public investments for sustainable growth. Thus, the authorities are expected to consolidate fiscal efforts geared towards domestic revenue mobilisation through broadening of the tax base and enforcing tax compliance. Domestic revenues excluding grants are anticipated to plummet in 2014 before increasing in 2015. However, total expenditure would surge up in 2014 and 2015, with implication of potential deterioration in the fiscal position of the country. Overall, the country is likely to achieve all the four primary criteria of the WAMZ Project and two of the ECOWAS primary criteria in 2014 and 2015, based on the Liberian Authorities' medium-term projections.

6.2.4.4. Policy Harmonization and Institutional Framework

Trade Integration

ECOWAS Common External Tariff (CET)

Liberia is committed to the ratification of the CET. However, preliminary findings of a study commissioned by the Government on the ETLS and the Common External Tariff (CET) show that Liberia stands to incur a revenue loss of US\$14 million under the ETLS. The loss could likely be reduced by a gain from tariff revenue increase of 6 percent under CET. Given the potential revenue shortfall when the CET is implemented, Liberia would be seeking compensation in line with Protocol A/P.2/01/03, even though the compensation regime has lapsed. Despite the outcome of the study notwithstanding, Liberia affirmed its commitment to the regional integration agenda including the ETLS and CET.

ECOWAS Trade Liberalisation Scheme (ETLS)

Liberia remained on the path of adopting the ETLS. The protocols relating to the ETLS particularly Protocol A/P.1/01/03 “Relating to the Definition of the Concept of Products Originating from Member States of the Economic Community of West African States (ECOWAS)” and Protocol A/P.2/01/03 “Relating to the Application of Compensation Procedures for Loss of Revenue Incurred by ECOWAS Member States as a Result of the Trade Liberalisation Scheme” were in the process of being transmitted to the Legislature for ratification.

Economic Partnership Agreement (EPA)

ECOWAS Commission was representing the interest of the Liberian government at the on-going negotiations on the Economic Partnership Agreement (EPA) with the European Union. The country participated in all regional meetings of ECOWAS on the EPA negotiations which were yet to be concluded.

Statistical Harmonisation and ECOMAC Database Development

The country uses the Classification of Individual Consumption by Purpose (COICOP) in the construction of the consumer price index (CPI). The Harmonized Consumer Price Index (HCPI) is regarded as representative of the entire country, although plans are underway to cover the entire country in subsequent surveys. There are 236 items in the CPI basket. The country uses PRIMA software, instead of Excel software, for the capture and computation of CPI indices in conformity with the ECOWAS requirement.

On the national accounts, no updated and comprehensive national accounts data are available. Figures currently used are based on projections of the IMF. A household expenditure and income survey is planned for 2014 and it is expected to provide data for the generation of national account estimates. The provisional estimates of GDP produced by the country are

based on SNA 2008 platform, which is a higher platform than the ECOWAS requirement of SNA 93 for all its member States.

As regards trade statistics, the Mission observed that optimal use of the ASYCUDA for the generation of intra-ECOWAS trade statistics has not been utilized. Bureau of Customs and Excise, Ministry of Commerce and Liberia Institute for Statistics and Geo-Information Services (LISGIS) are connected to the ASYCUDA server at the ports. However, real time data on trade flows are not generated for policy making purposes. To address the challenge of data generation and data inconsistency, monthly reconciliation meetings are held among Ministries of Commerce, Finance, and Transport as well as LISGIS, Forestry Board and Central Bank of Liberia.

Concerning ECOMAC database, the Mission observed that efforts had been made to fill the tables but data gaps still remain. Most of the data has been updated to 2012.

The Mission noted that an inter-ministerial committee had been formed to meet periodically to validate trade statistics. In the meantime, the Bureau of Customs and Excise in the Ministry of Finance has become the source of all trade statistics.

Financial Sector Development and Integration

Banking financial institutions

The number of banks remained at nine (9) during the review period, same as in 2012. The number of bank branches, however, increased from 78 in June 2012 to 80 branches. The banking system remained relatively stable as indicated by financial soundness and performance indicators. Capital adequacy ratio (CAR) rose from 22.7 percent at end-December 2012 to 25.0 percent at end-June 2013, far above the minimum required ratio of 10.0 percent. Net loans – total deposits ratio also witnessed an increase to 46.8 percent during the review period, from 45.9 percent at end-December 2012. The liquidity ratio for the industry stood at 40.2 percent, which was far in excess of the 15.0 percent minimum requirement.

In addition, asset quality improved as non-performing loans-to-total loans ratio declined from 24.9 percent at end-December 2012¹⁴ to 18.8 percent. Consequently, provision to non-performing loans (net of interest suspense) reduced from 61.0 percent at end-December 2012 to 55.3 percent at end-June 2013. The improved NPL ratio was due to several developments that had taken place in the Liberian financial sector including “naming and shaming” of recalcitrant delinquent borrowers and effective functioning of the commercial court by way of pre-trial arbitration between parties involved in a suit, leading to a reduction in legal fees.

As regards profitability, return on assets (ROA) and return on equity (ROE) remained in the negative with ratios standing at -0.7 and -5.3 percent, respectively, compared to -0.1 and -0.5 percent at end-December 2012. The negative returns emanated largely from the banks’

¹⁴ Need June 2012 data for comparative analysis in this section.

unwillingness to carry out effective intermediation in view of the high rate of loan default, insider fraud and theft, and high operating costs. Non-interest income to total revenue stood at 57.9 percent during the review period, compared to 55.3 percent at end-December 2012, while net interest margin over average assets was 3.7 percent in June 2013, compared to 7.4 percent in December 2012. Thus, the DMBs were earning most of their revenue from non-conventional sources or on non-interest transactions, largely fees and commissions.

Non-bank financial institutions

Implementation of the Insurance Reform Road Map (IRRM) which was issued to insurance companies in September 2011 to enhance regulatory compliance continued during the review period. The IRRM focused on full compliance with existing minimum capital requirements, effective corporate governance and risk management system, and effective and adequate reinsurance cover. During the period under review, four insurance companies were issued new licences by the CBL, bringing the total number of licensed companies to eighteen. The number of insurance brokers and loss adjustors remained unchanged at 3 and 1, respectively, during the review period. The industry offered a total of 17 non-life products and 6 life and pension products during the period.

The CBL, with technical assistance from the First Initiative/ World Bank, developed an Insurance Bill to be forwarded to the Office of the President, Ministry of State for Presidential Affairs (MSPA), for onward submission to the Legislature for passage into law. The Bank also put in place preparatory works for participation in the Inaugural Stakeholders' Meeting for the integration of insurance markets in the West African Monetary Zone (WAMZ), held in July 2013 in Abuja, Nigeria.

Microfinance Institutions, Credit Unions and Village Savings & Loans Associations

During the review period, the CBL continued to implement the Loan Extension and Availability Facility (LEAF) Programme which sought to provide soft loans to microfinance institutions (MFIs), credit unions and village savings and loan associations (VSLAs) in order to promote financial inclusion in the country. As at end-June 2013, there were 19 microfinance institutions, of which 9 were registered, 7 were in the process of registering and the remainder unregistered. Latest available data indicated that as at end-December 2012, the number of active borrowers of non-deposit taking MFIs was 35,257, of which 32,132 (91.1 percent) were women, with a total outstanding loan portfolio of L\$4.4 million. To access the LEAF, an MFI should have, among others, a client base of at least 150 and a loan portfolio greater than L\$500,000.

The CBL's continued engagement with credit unions and village savings & loan associations (VSLAs) also saw registration of 154 credit unions during the review period. This brought the total number of credit unions to 305, spread across all the 15 counties in the country. The number of VLSAs stood at 723 at the end of the review period. Accessing the LEAF required the credit unions to have, among others, a membership base of at least 200 members who have been paying dues for at least six months and should demonstrate need for requested funds

with stated purpose to use funds on lending to target market business and or commercial farming. For VSLAs, LEAF accessibility required, among others, alignment with a collective umbrella/ apex organisation such as marketing associations and a demonstration of need for requested funds with stated purpose to use funds on lending to business and or commercial farming.

Payments System Development

The main system of payments of large value amounts is through the SWIFT system whilst cheques are largely utilized for small value payments. In addition to these major modes of payments, a few commercial banks operate western union and money transfer schemes as well as the visa card and automatic teller machine systems which are not interoperable. Furthermore, implementation of the African Development Bank (AfDB) funded WAMZ Payment Systems Development Project (PSDP) for The The Gambia, Guinea, Sierra Leone and Liberia had commenced and progressed appreciably. The contracts for the Infrastructure Upgrade for the PSDP had been signed with the Solution Providers and it was expected to commence by end-December 2013.

As part of its overall payments system reforms, the CBL was making efforts to acquire Electronic Payments Switch which would serve as a National Switch to provide efficient, reliable, secure and cost-effective interbank electronic funds transfer and clearing services. This would enable customers of one bank to use their debit, credit or prepaid cards to transact business at automated teller machines (ATMs) of other banks and to purchase goods and services at any point of sales (POS) with different merchants. A Payments System Bill was also drafted and undergoing legislative process. When passed and signed, the Payments System Act would provide legal and regulatory framework that is consistent with international best practice.

Sensitisation

The NCC Secretariat conducted two sensitization programmes (radio and workshop) on the multilateral surveillance mechanism during the period under review.

National Coordinating Committee (NCC)

The Secretariat of the National Coordinating Committee (NCC) remained functional since its establishment in 2010. The Secretariat of the NCC was also coordinating the implementation of other ECOWAS regional integration programmes such as the Community Development Programme (CDP) and the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA).

During the first half of 2013, the Secretariat collected and analyzed macroeconomic data and subsequently prepared its quarterly Economic Performance Reports. The Secretariat secured a national budgetary allocation from the government of Liberia for its operations. The NCC was institutionalized by the relevant authorities during the review period.

Challenges

The following challenges were observed by the Mission:

The continued use of hard-earned foreign currency for interventions on the foreign exchange market as the Central Bank of Liberia (CBL) auctioned the sum of US\$51 million in auction contributed to a decline in the country's foreign exchange reserves. The low foreign exchange earning capacity raises questions relating to the continued sustainability of the foreign exchange interventions policy.

Purchasing of the financial instruments is restricted to the commercial banks. Further, the GOL-bill, which is currently used for cash-smoothing purposes by the fiscal authorities, is not appropriate for mopping up of excess liquidity as it is re-injected immediately into the system through payments to contractors and meeting other financial obligations.

There are growing constraints on the external account relating to the declining exports demand and deteriorating terms of trade. The increasing demand for higher imports, especially of basic food items such as rice places an upward pressure on the merchandize trade account.

Generating reliable data on timely basis remains the core mandate of LISGIS, which does not effectively produce Gross Domestic Product (GDP), Consumer Price Index (CPI) and trade statistics. The difficulty is attributable to inadequate capacity and financial constraints.

There is notably non-optimal use of the ASYCUDA software for generation and dissemination of trade statistics to some relevant agencies (Ministry of Commerce and LISGIS) since their access to the system is not in real time.

Existence of an apparent lull in the banking sector is due to absence of an active interbank market and limited competition, prevalence of wide interest spread in spite of existence of excess liquidity within the banking system and low/negative profitability emanating from high operational cost, loan loss provisions and insider fraud.

The banking system continues to face challenges of high non-performing loans (NPL: 19.0%) and low profitability (with generally negative returns on assets and on equity) which could have a long-term adverse impact on capital adequacy, thus, providing a long-term systemic risk to the banking sector.

Failure to effectively implement fiscal policy in the review period in view of an unplanned shortfall in revenue relative to programmed targets (especially, on taxes of goods and services) and thereby constraining expenditure. In addition, the bases for determining the extra revenue sourced by the National Legislative in the budget are not very explicit.

Liberia is yet to ratify 29 of 54 ECOWAS protocols due to weak inter-ministerial coordination among Ministries of Planning, Foreign Affairs and Justice regarding transmission of ECOWAS Protocols and Conventions to the Legislature for ratification.

The ratification and implementation of the ETLS faces a number of challenges including: reluctance on the adoption of the ETLS because of non-assurance by ECOWAS Commission of compensation for revenue loss; an avalanche of sub-standard goods as a result of smuggling and false declaration of goods on invoices; insufficient capacity of personnel on trade facilitation and poor road infrastructure including the Community road axes, especially, Monrovia-Ganta-Tapeta.

6.2.4.5. Conclusion and Recommendations

The growth prospects for the Liberian economy are promising anchorage on expected boost in iron ore and cement production. The vibrancy of the external sector ensures that the exchange rate was relatively stable, albeit at a cost of dwindling foreign reserves. Thus, compliance with gross external reserves criterion has become elusive. In view of this and several other challenges, the Liberian authorities are urged to consider these recommendations:

The CBL should accelerate the creation of medium to long-term (180- day, one-year, three-year bonds, etc) financial instruments for monetary policy purposes to deepen the financial market. The CBL should extend dealings in the market to include participation of private sector entities so as to help de-emphasize dependence on the use of scarce foreign exchange for intervention.

Considering the limited foreign exchange resources and need to sustain the government's developmental agenda, the authorities should take proactive measures aimed at minimizing the continued impact of the above phenomena and other forms of external economic shocks.

- a. That is, the government should create regional demand for its export by increasing the country's access to the sub-regional market through value addition. In this regard, the government should prioritize developments of small and medium scale industries to add value to agricultural products and tradeable goods.
- b. The government should minimize the use of scarce foreign exchange by encouraging the production and consumption of domestically produced rice, given Liberia's relative potential in rice production. In this regard, the government may encourage provision of necessary incentives such as inputs, and storage and processing facilities aimed at minimizing the cost of production.

In connection with the challenges facing LISGIS, the Mission commended the Government of Liberia and development partners for allocating US\$1.0 million and US\$2.0 million, respectively, to LISGIS for the impending Household Income and Expenditure Survey. The Government of Liberia is further urged to continue resourcing this very important organization adequately and endow it with the requisite capacity building programmes to enable it discharge its role effectively in generating GDP, CPI, trade and labour statistics. In the same vein, the Management of LISGIS is urged to source funds from development partners for retooling of the Institute and for capacity building of its staff.

In relation to trade statistics generation, the Ministry of Commerce & Industry and LISGIS should make efforts to link their systems to the ASYCUDA server located in Customs for real time generation and dissemination of trade statistics.

Regarding the lull in the banking sector, the CBL should undertake reforms aimed at creating a vibrant financial sector. In this regard, it may be useful to:

- c. Deepen the financial market by creating opportunity for large scale investment projects through public –private partnerships which can issue medium to long-term bonds for project financing.
- d. Accelerate the establishment of the proposed Banking Institute of Liberia, which has been running several pilot courses and facilitate the design of capacity building initiatives for the banking system operators, strengthen operational rules and regulations aimed at minimizing fraud and instilling professional integrity and business ethics.

In connection with high NPLs and low profitability in the banking sector, the Mission commends the CBL and DMBs for the efforts being made to improve loan recovery and minimize the high NPL, including moral suasion, naming, shaming and restricting recalcitrant delinquent borrowers from accessing financial services from banks and regulated non-bank financial institutions, and establishment of a commercial court. However, the CBL is urged to:

- e. continue on strengthening banking supervision, ensuring compliance with prescribed prudential regulations and reinforcing macro-prudential approach in evaluating the performance of the banking system in order to forestall the possible occurrence of systemic risks arising from the gradual erosion of the capital base of the banking system.
- f. accelerate establishment of a Collateral Registry and Credit Reference Bureau to facilitate effective credit management in the banking system, including minimization of the NPLs.

To address the challenge of revenue shortfall relative to budgetary targets,

- a) The Ministry of Finance should remain committed with the autonomy of the Liberia Revenue Authority (LRA) to enhance the effectiveness of tax administration in the country, even though the Act has been passed for the LRA to become functional as at July 1, 2014 (date set).
- b) The Ministry of Finance should strengthen its sensitization of the citizenry on the necessity of the proposed Value Added Tax before its introduction to encourage compliance.
- c) The Ministry of Finance should continue with broadening the tax base to cover identifiably productive and service units in the informal sector.

- d) The revenue forecasting mechanism could be strengthened and operational strategies reviewed to ensure realization of program targets. To this end, the Legislature is implored to submit its proposals well in advance to be factored into the Budget and to halt budgetary increment without recommending the identified revenue sources to avoid revenue-expenditure mismatch during budget implementation.

For speedy ratification of the remaining 29 ECOWAS Protocols, the ECOWAS National Unit should ensure effective inter-ministerial coordination of the outstanding protocols (ETLS, CET) for transmission to the Legislature for ratification.

To address the challenges facing the ratification and implementation of the ETLS, the Ministry of Commerce & Industry is urged to:

- g. share the findings of the commissioned study on the ETLS with stakeholder institutions including ECOWAS Commission and WAMI for comments.
- h. accelerate the ISO certification for the National Standards Laboratory (NSL) of Liberia to minimize the importation of sub-standard goods.
- i. continue to improve capacity of inspectors on inspection issues such as ISO standards, etc.

The Government should continue to create the environment (for operationalisation of ETLS protocols, development of energy, telecommunication and road infrastructure) to enhance private sector development.

6.2.5. NIGERIA

6.2.5.1. Macroeconomic Policy Outcome

The macroeconomic policy thrust of Nigeria was anchored on price stability, external sector viability, and jobs creation for inclusive and shared growth in 2013. Thus, economic activities in Nigeria appeared buoyant during the first half of 2013. The growth of real gross domestic product (GDP) stood at 6.6 percent, a rise of 0.2 percentage points higher than the corresponding period and modestly lower than the 6.7 percent in December 2012. The non-oil sector, which accounted for huge chunk of GDP, was the main driver of the growth. .

Real Sector Analysis

The services sector was represented by 40.8 percent of the GDP in June 2013. This figure was however lower than the 41.9 percent recorded in 2012. Agriculture explained 36.9 percent of GDP, slightly lower than 37.7 percent recorded in corresponding period of 2012. Industry reflected a two percentage point increase relative to June 2012 accounting for 22.3 percent in June 2013. The oil sector (crude petroleum and natural gas) contributed 13.8 percent to the overall GDP during the review period, while it was 14.8 percent for the first half of 2012.

Table 6.62: Real Sector trends in Nigeria

Indicators	Sectoral Growth Rate (%)				Sectoral Contribution to GDP (%)			
	2010	2011	2012	2013	2010	2011	2012	2013*
Supply								
Primary Sector (Agriculture)	5.8	5.6	4.0	4.2	40.9	40.2	39.2	36.9
Secondary Sector (Industry)	8.3	6.7	6.4	3.0	20.4	19.3	18.3	22.3
Tertiary Sector (services)	12.2	12.4	11.9	11.2	38.8	40.5	42.5	40.8
Real GDP Growth	8.0	7.4	6.6	6.6				
	Average				End Period			
CPI Inflation	13.7	10.8	12.2	8.9	12.8	10.3	12.0	8.4

Sources: CBN, WAMA

The service sector recorded a growth of 11.2 percent at end-June 2013, following a decline from 13.9 percent in 2012. Compared to June 2012, which stood at 11.6 percent, the 2013 growth was, however, a mild decrease. The growth was explained by the telecommunication subsector (25.2 percent), followed by real estate (9.7 percent) as well as wholesale and retail trade (8.4 percent).

Agriculture showed a 4.2 percent rise in growth at end June 2013. This growth reflected a 0.1 percentage point rise over the growth rate recorded in June 2012. Growth sustenance in the sector was being supported by government intervention through direct provision of seeds, fertilizers, as well as Subsidies to farmers, complemented by enhanced method of giving loans. These initiatives helped to surmount the expected flood damage in related agricultural produce shortages.

Growth in the industry sector remained modest, though expanded by 3.0 percent due to building and construction (15.6 percent) and manufacturing (8.5 percent). Comparatively, this

growth represented an improved performance over the 1.7 and 1.3 percent growth rates recorded in June and December 2012, respectively. However, the crude petroleum subsector declined by 0.6 percentage points, though the figure was better compared to the -1.6 percent growth rate it recorded in June 2013. Perennial oil theft in Nigeria, weak external demand emanating from new alternative energy source as well as discovery of oil in the region continued to hinder the performance of oil industry.

Headline inflation was recorded in single digit at 8.4 percent in June 2013, compared to 12.0 percent and 12.8 percent at end December and June 2012, respectively. It was in the single digit level from January to June 2013, representing a 4.4 percentage points cut. Core inflation exhibited downward trend, from 13.6 percent in December 2012 to 5.4 percent at end-June 2013. Food inflation was 9.3 percent as at June 2013, reflecting a marginal decline from 10.2 percent in December 2012. The headline, core and food inflations averaged 8.9, 8.0 and 9.9 percent, respectively during the period. Tight monetary policy accompanied by government's support to the agricultural sector during the review period helped to moderate the inflationary pressure.

Fiscal Sector

The fiscal policy objective of Nigeria in the first half of 2013 was consistent with the 2012, which emphasized fiscal consolidation for private sector-led growth, infrastructure (especially energy) development, inclusive growth and boost job creation through careful management of finances in line with the government's agenda. Table 2.0 shows indicators of the fiscal operations of Nigeria for the first half of 2013.

Table 6.63: The Fiscal performance of Nigeria (Percent of GDP)

Fiscal Indicators	2010	2011	2012*	2012	2013*
Total Revenue	20.4	22.3	23.7	18.5	15.0
Domestic Revenue	20.4	22.3	23.7	18.5	15.0
Oil Revenue (Net)	10.1	9.9	11.1	10.1	8.5
Total Expenditure & Lending	25.4	25.4	25.1	20.7	19.0
Current expenditure	9.1	7.7	7.5	6.4	5.5
Wages and Salaries	4.3	5.2	5.0	4.6	3.8
Investment Expenditure	17.2	18.5	17.6	11.5	10.5
Domestic	2.8	2.2	1.3	1.7	2.5
External	0.0	0.0	0.0	0.0	0.0
Transfers	14.4	16.3	16.3	9.8	8.8
Overall deficit(commitment basis)	-5.0	-3.1	-1.3	-3.8	-1.8
Domestic Investment Expd./Domestic Revenue	52.5	32.5	10.6	49.0	45.3
Central Bank Financing/Previous Year's Tax Rev.	0.0	0.0	0.0	0.0	0.0
External sources	0.3	0.3	0.0	0.0	0.0
Domestic	0.7	3.3	2.2	2.4	2.3
Banking system	0.0	2.3	0.0	1.2	0.0
Central Bank	0.0	0.0	0.0	0.0	0.0
Commercial Banks	0.0	2.3	0.0	1.2	0.0
Non-Bank public	0.7	0.9	1.6	0.7	2.3
Nominal GDP Current market prices (Billion N)	47045.9	55095.8	19310.8	59852.4	20367.6

Source: Nigerian Authorities, Expd=expenditure, Rev=Revenue, *= 1st half

The fiscal performance of Nigeria during the first half of 2013 reflected total revenue (excluding grants) of N3501.5 billion against the expenditure of N3876.3 billion. More than half of the revenues were generated from the oil sector. Compared to the first half of 2012, there was a quarter drop in revenue from January-June, 2013. In terms of GDP, recurrent and capital expenditures represented 5.5 and 2.5 per cent as at June 2013, compared to 7.5 and 17.7 per cent, respectively in same period 2012.

The overall fiscal balance excluding grants recorded a deficit of N374.8 billion, equivalent to 1.8 per cent of GDP, which was slightly greater than 1.3 per cent in the corresponding period of 2012. The government commitment to prudent fiscal management during the review period contributed to the low deficit that was mainly financed from domestic sources (3.0 per cent), in particular the FGN Bond and FGN Share from the stabilization fund. This development portrayed consistency with the fiscal deficit criterion.

The outstanding public debt of Nigeria as at end-June 2013 was N8007.45 billion (estimated at 19.4 per cent of GDP). This debt grew by 4.9 per cent from N7628.46 billion when compared with the end-December 2012. The total domestic debt stock stood at N6918.93 billion as at June 2013, accounting for 16.9 per cent of GDP and rose by 4.8 per cent from N6601.75 billion in December 2012. The external debt stock grew by 6.0 per cent, increasing from N1026.71 billion in December 2012 to 1088.53 billion at end-June 2013. Notably, the proportion of debt to GDP was sustainable, falling below the country specific (25 per cent) or global (40 per cent) as well as the regional (ECOWAS) thresholds of 70 per cent.

Monetary Sector

The monetary policy thrust of 2013 remained the sustenance of price stability and single digit inflation via maintenance of tight monetary policy stance. The monetary policy objectives of the CBN are being achieved by employing monetary targeting framework.

The monetary policy rate (MPR) was kept at 12.0 per cent by the Monetary Policy Committee (MPC), thereby maintaining the symmetric corridor at ± 2.0 percent. Along the same line, the cash reserve requirement (CRR) was retained at 12 per cent while the minimum liquidity ratio (LR) was maintained at 30.0 per cent.

Growth of broad money (M2+) stood at 2.0 per cent in June 2013. This was driven mainly by quasi-money, which constitutes the time and savings deposits (7.3%) and foreign currency deposits (9.4%), along with the decline in both components of M1 that include currency with public (-13.3%) and demand deposits (-5.0%). The broad money growth in the review period reflected a sharp fall compared to the 16.9 per cent growth it recorded in June 2012. M2 reflected a modest growth of 0.71 per cent at end-June 2013 compared to 2.7 per cent in corresponding period of 2012. This figure showed a wide variation relative to the benchmark of 15.0 per cent set for 2013. Reserve money also decreased by 12.6 per cent, compared with the negative 9.1 per cent substantial slump in the growth in June 2013.

Table 6.64: Trends in Monetary Aggregates in Nigeria

Indicators	Change in Growth rate				
	2010	2011	June 2012	2012	2013*
Broad money (M2+)	6.9	15.4	1.4	13.7	2.0
Narrow Money (M1)	11.0	21.5	-2.5	4.3	-6.5
Currency outside bank	16.7	15.0	-12.6	4.2	-13.3
Demand deposit	9.8	23.0	-0.3	4.3	-5.0
Time and Savings deposits	3.3	9.7	5.5	23.4	6.3
Foreign Currency deposit	4.0	30.0	5.2	38.7	9.4
Net foreign assets	-14.3	10.4	5.4	27.5	-0.3
Net domestic assets	57.5	21.9	-3.3	2.0	2.1
Net claims on government	-51.3	-52.7	128.2	167.2	-2.3
Claims of private sector	-3.8	31.6	3.7	7.8	3.6
Other items net	-22.0	70.3	1.1	5.4	7.4
Reserve Money	11.6	50.9	-9.8	26.7	-12.6
	Contribution to M2 (percent)				
Net foreign assets	-10.1	5.5	2.9	11.3	-0.2
Net domestic asset	16.9	9.9	-1.5	3.6	0.9
Net claims on govt	10.9	5.4	-4.8	-9.8	0.4
Claims of private sector	-4	38	-4	3.3	0.4
Net other items	10	-33	-1	10	-3

Sources: CBN, WAMA

The huge growth in foreign liabilities (151.3 percent) influenced the decline in the Net foreign asset (NFA) by 0.3 percentage point in June 2013. While this also represented a sharp decline when compared to the growth rate of 25.9 percent recorded in end-December 2012, the NFA grew by 5.4 percent in June 2012. The net domestic assets (NDA) grew by 2.11 at end-June 2013, compared to negative 2.6 percent growth in same period of 2012, reflecting an increase in domestic credit and lower claims on government. Owing to the monetary tightening stance of the CBN, credit to the private sector reduced significantly to 3.6 percent in end-June 2013, while it was 18.4 percent in end-June 2012.

In the money market, the 91-day Treasury Bill Rate (TBR) decreased steadily from 14.5 percent at end-June 2012 to 9.9 percent in February 2012 before it settled at 11.7 percent in end June 2013. While the interbank call rate was around 12.0 percent during the review period, it increased by 12.2 percent at end-June 2013. The interest margin between maximum lending and savings rates remained large, while the prime and maximum lending rates stood at 16.7 and 24.6 percent, respectively.

External Sector

The external sector policy of the CBN continued with the aim of augmenting accumulation of international reserves to hedge negative external shock. Thus, the CBN continued with periodic interventions in the foreign exchange market to contain wide fluctuation in the exchange rate.

In the first half of 2013, the Naira remained relatively stable, compared to June 2012. The exchange rate was N157.31/US\$1 as at end-June 2013, reflecting a marginal appreciation of

0.12 referencing June 2012. Compared with end-December 2012 and June 2012, the rates were N157.33/US\$1 and N157.5, respectively. Intervention and confidence in the market induced the relative stability.

The gross international reserves increased modestly to US\$44.96 billion (or 10.78 months of imports). Compared to end-June and end-December, 2012, the reserves were US\$35.4 billion (i.e. 6.82 months of imports) and US\$43.83 billion (i.e. 11.75 months of imports), respectively.

Table 6.65: Performance of external sector (percent of GDP) in Nigeria

Indicators	2010	2011	Jun-12	2012	2013*
Current Account	3.3	5.4	5.4	7.2	8.9
Trade balance	11.2	14.8	14.9	15.3	14.4
Merchandise exports (FOB)	32.9	41.1	49.4	36.7	33.5
Oil	31.7	39.7	39.0	35.5	32.1
Non-oil	1.2	1.4	1.3	1.2	1.3
Merchandise imports (FOB)	-21.7	-26.3	-31.1	-21.4	-19.1
Services (net)	-8.6	-9.0	-8.8	-8.2	-7.4
Income (net)	-8.3	-9.7	-9.4	-8.5	-6.0
Current Transfers (Net)	9.0	9.3	8.7	8.5	8.2
Capital account	0.0	0.0	0.0	0.0	0.0
Financial account (net)	-3.1	-2.3	1.2	-3.9	0.9
Direct investment portfolio (abroad)	0.0	0.0	-0.3	0.0	-0.4
Direct investment portfolio (Nigeria)	2.3	3.4	-0.8	2.1	-2.9
Portfolio Investment (net)	1.2	1.5	5.2	6.3	10.2
Other Investment Assets (net)	-6.6	-7.1	-2.6	-8.8	-6.6
Average exchange rate (N/US\$)	150.3	158.3	157.7	157.5	156.0
Stock of external reserves (billions US \$)	32.3	32.9	35.4	39.6	45.0
Months of import cover	7.9	6.4	6.8	9.3	10.8
Nominal GDP (billion US\$)	226.1	236.4	122.5	257.4	130.6

Sources: CBN, WAMA

In the first half of 2013, the total export receipts decreased by 5.3 percent (from US\$49.4 billion in June 2012), while the total imports recorded huge decline of 19.8 percent (from US\$31.2 billion). This was indicative of a fall in the importation of the oil and non-oil commodities, thereby influencing the surplus on the current account balance to \$11.82 billion, 8.9 percent of GDP, at end June 2013 compared to \$6.59 billion (5.4 percent of GDP) in June 2012. The capital and financial account balance recorded a 14.4 percent fall, from US\$ 1.46 billion (1.2 percent of GDP) as at June 2012 to 1.25 billion (0.94 percent of GDP). The overall balance of payments (BOP) in at end June 2013 was in surplus of 0.9 percent of GDP. This figure was lower than the 2.29 and 6.23 percent in June and end-December 2012, respectively.

6.2.5.2. Status of Macroeconomic Convergence

Looking at the ECOWAS macroeconomic convergence criteria, Nigeria met six targets three primary and three secondary) during the first half of 2013. Table 1.0 reflects the trend in the macroeconomic convergence performance of Nigeria.

Table 6.66: Status of Macroeconomic Convergence in Nigeria

Primary Criteria	Target	2010	2011	2012 H1	2012 H1+H2	2013 H1	2013 H1+H2
Fiscal Deficit, including grant (% of GDP)	≤ 3 %	5.0	3.1	1.3	2.5	1.8	2.5
Inflation Rate	≤ 5 %	12.4	10.8	11.3	12.2	8.4	12.2
CB Def. Financing(% of Previous year's tax revenue	≤ 10 %	0.0	0.0	0.0	0.0	0.0	0.0
Gross External Reserves(Months of Import)	≥ 6	7.9	6.3	6.8	11.7	10.8	11.7
Secondary Criteria							
Arrears		nd	nd	nd	nd	nd	nd
Tax Revenue (% of GDP)	≥ 20	10.2	13.1	13.8	10.8	13.0	10.8
Salary Mass (% of Tax Revenue)	≤ 35	39.6	40.9	39.8	35.4	67.8	39.3
Public Investment (% Tax Revenue)	≥ 20	25.4	20.3	10.6	38.4	45.3	38.4
Real Interest Rate	> 0	-4.9	-1.1	2.9	1.4	-0.7	-10.5
Stability of the Nominal Exchange Rate (%)	± 10	0.8	-6.0	-2.8	0.7	-27.1	0.7
Total Public Debt (% of GDP)	≤ 70	15.4	17.5	19.4	19.4	19.4	
Number of Criteria Met		4	5	5	5	5	4

Sources: Nigerian Authorities and WAMA

Primary

The performance of Nigeria on the primary convergence scale was steady during the first half of 2013 as the country made no improvement relative to corresponding period of 2012. However, the performance in 2013 was more remarkable than that of 2010, where the country attained four criteria. The primary criteria met as at June 2013 were those on fiscal deficit that recorded at 1.8 percent, central bank financing of the deficit, which stood at zero, and the gross external reserves that accounted for 10.8 months of import cover. Though inflation moderately reduced to 8.4 percent as at June 2013 from double digit in 2012, the country has consistently failed to achieve the criterion on inflation criterion remained unmet.

Secondary

Nigeria achieved one-thirds of the secondary criteria during the first half of 2013, similar to the 2012. The criteria satisfied were those of the rate of public investment to tax revenue of (45.3 percent) and public debt to GDP (19.4 percent). The country however fell short of meeting the criteria on tax revenue/GDP, salary mass/tax revenue, exchange rate stability and positive real interest rate from domestic receipts.

6.2.5.3. Prospects

Nigeria's growth is expected to remain on the increasing trajectory. The oil along with huge concentration on the non-oil production activities are expected to drive a robust growth in GDP. Notwithstanding, the security challenges and macroeconomic instability could be potential downside risks to the imminent growth.

The focus of monetary policy in the medium-term will be on containing inflation at a single digit level, facilitating the attainment of positive real interest rates, and emphasizing exchange rate stability. The reserve is expected to increase, but risked on uncertainty in the global economy, which is however anticipated to improve.

The outlook for fiscal performance is positive with further emphasis on expenditure rationalization to ensure fiscal prudence, reduce reliance on domestic debt via fiscal retrenchment and achieve the deficit threshold in line with the Fiscal Responsibility Act.

With the country's massive efforts to expand on the energy sector, the outlook for Nigeria suggests that inflation may further ease and the primary macroeconomic convergence criteria could all be met. The challenges, however, remain in the three of the six secondary criteria that the country has not consistently met.

6.2.5.4. Policy Harmonisation and Institutional Arrangements

Payments System Development

The implementation of *Cash-Lite* pilot program is steadily on course, as the second phase of the project took up during the review period. The activities were ongoing on the recommendation for a dedicated backbone; *Glo* and *MTN* systems were adopted as the infrastructural backbone of the *Cash-Lite* project, while other facilities (such as *Wi-Fi shared services*) were encouraged to support the scheme.

The Bank continued to collaborate with the Ministry of Telecommunication and Technology and other stakeholders to remove barriers that could impede construction and configuration of communication infrastructure and ensure the effectiveness of the up-time for data on the ATM. The Mission was informed, however, of some challenges that still exist, including infrastructure, apathy in the usage and putting POS facilities in shops.

ECOWAS Common External Tariff (CET)

ECOWAS Ministers of Finance met on 20 March 2013 in Praia where the ECOWAS CET draft texts were considered and endorsed for the consideration and adoption of the Council of Ministers and the Authority of Heads of State and Government. Nigeria did not participate in the extraordinary meeting due to unexplained constraints. However, the country had reservations on the CET, the Community Levy and the EPA. Outstanding issues are agreement on trade defence measures to accompany the regime, a common exemption policy, and the proposed new community levy of 1.5% from 0.5%. Nigeria would like to know how the levy will be managed and used. Further consultations are on-going within the country prior to the extraordinary ECOWAS Summit scheduled for October 2013 in Dakar. A proposal by WAMI is under consideration by the authorities.

ECOWAS Trade Liberalization Scheme (ETLS)

Nigeria has not fully complied with the ETLS. The scheme requires for member states to allow entry of all ETLS compliant goods from other member states without payment of import duty, quota restriction or ban. Nigeria continued to maintain a list of prohibited items

that affect products trading under the ETLS. Of the forty four initial items, twenty three were reported to remain on the list at end-June 2013.

In relation to the implementation of the ETLS, Nigeria pointed at Liberia's failure to comply with the scheme with respect to 7UP products from Nigeria. Data were not available on the number of registered enterprises and products, active and inactive. A survey to ascertain the number of participating companies and employees, products and cross border trade under the ETLS was being planned for the end of the first quarter of 2014. This exercise would allow the authorities to ascertain performance of the scheme in the country.

The Ministry of Industry, Trade and Investment reported that they had sent a request to the Presidency highlighting the need for them to coordinate the activities of the National Approvals Committee (NAC) of the ETLS. This is against the background that the activities of NAC are under their purview.

Statistical Harmonization and ECOMAC Database Development

In the first half of 2013, the National Bureau of Statistics made significant progress on the harmonization of statistics, in line with the ECOWAS Commission's requirements. Nigeria remains one of the few countries in the region producing quarterly GDP, using both production and expenditure approaches.

The Mission was briefed that efforts were ongoing to rebase the GDP taking 2010 as the base year for two reasons. First, there were no major disruptions to economic activities during the year and second, it was not an election year. The rebasing would take into account the informal sector, which, from an earlier study by the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), is about 60 percent of the size of the Nigerian economy, and therefore understates the country's GDP. The rebasing would be anchored on a new census of industrial firms and survey of the agriculture sector. In addition, the States of the Federation were sensitized to show interest in the State GDP produced by the Bureau.

On prices, the coverage remains national, with rural-urban classification. Production of the monthly consumer price index (CPI) covers the entire federation and is based on the 12 Classification of Individual Consumption by Purpose (COICOP) functions. Moreover, the CPI is in four categories: namely, Country Composite Index, Urban Composite index, Rural Composite index, and Combined Urban and Rural State Composite Index. In addition, efforts are on-going to commence the production of Producer Price Index (PPI).

With respect to the ECOMAC database, the country made efforts to populate the Tables, however, data gaps still remain in updating to 2012.

Financial Sector Developments

The banking system remained sound as evidenced by key performance measures. All the banks were adequately capitalized. The industry capital adequacy ratio was 19.2 percent as at end-June 2013. All banks were liquidity ratio compliant; the industry average liquidity ratio stood at 67.8 percent as at end June 2013. Cumulative unaudited banking industry profit before tax for June 2013 stood at N300.5 billion compared with a profit of N264.4 billion for June 2012.

The capital market improved during the first half of 2013 due to ongoing reform and related activities in the market. For example, the total value of equity traded increased substantially, to N70.3 billion at end-June 2013, from N2.23 billion in December 2012. The domestic participation in Nigeria's capital market improved to 50.8 percent in June 2012, from 38.6 percent in end-December 2012.

Sustained growth was realized in the NSE All Share Index (ASI) during the review period. The number of listed securities however reduced slightly from 256 in December 2012 to 254 as at end-June 2013. The major challenges confronting capital market development in Nigeria include: shallowness of the market in comparison to the developed or some emerging economies; low level of secondary market bond transactions on the Exchange; lack of awareness and low participation in collective investment schemes (CIS). The outlook, however, is positive, given the quality of strategic reforms being rolled out by the Security and Exchange Commission (SEC) and other stakeholders, including Nigeria Stock Exchange (NSE).

In terms of efforts towards integration, SEC is part of the West African Capital Market Integration Council (WACMIC). The commission continued to collaborate and participate actively in the various ongoing activities undertaken during the review period. The Commission hosted, in January 2013, the WACMIC and Technical Committee meetings held in Abuja.

The National Insurance Commission (NAICOM) engaged in activities that improve insurance sector, especially micro-insurance and *Takaful* operations; collaborated with GIZ and others partners to conduct a diagnostic study on micro-insurance in Nigeria. The final report was published in June 2013. A draft framework is being reviewed by stakeholders and consultants, and will be released to provide standards for operation of micro insurance activities. The Commission also worked in collaboration with ECOWAS and WAMI to deepen insurance integration in West Africa. During the review period, the National Insurance Commission (NAICOM) regulated 2,250 agents, 579 brokers, 57 insurance companies, 2 reinsurance companies, and 66 loss adjusters.

National Coordinating Committee

The National Coordinating Committee, located at the Federal Ministry of Finance, remained functional. The Secretariat of the NCC did not reveal any major operational challenge.

Challenges

Notable challenges were the following:

The high and increasing proportion of recurrent expenditure in total expenditure remains a challenge, as it has adverse implication on the satisfaction of the convergence criterion on wage-bill to tax revenue ratio.

There is inaccurate estimation of the country's budget deficit-to-GDP ratio and tax revenue-GDP ratio, given that budget deficit and tax revenue are derived from federal government account, while GDP covers the entire economy.

Continued oil theft and vandalization of pipeline posed a lingering challenge with adverse implication on government revenue as well as the real sector of the economy.

Inadequate synergy among government blueprints, including the budget and resource allocation to priority projects and programmes, has adverse implication on effective budgeting and the achievement of key deliverables.

The Inter State Road Transport (ISRT) scheme is yet to take off due to lack of commitment by the national guarantor (NEXIM Bank), the Federal Ministry of Transport and other stakeholders.

Conflict in the implementation of the regional and domestic trade policies compromises the goal of integration, especially with respect to the issue of prohibition list, which affects Nigeria's exports to member states and affecting trade integration in the ECOWAS region.

The weak coordination between the Ministry of Foreign Affairs (MOFA) and the Ministry of Industry, Trade and Investment may undermine the effective implementation of the ETLS.

6.2.5.5. Conclusion

Growth in the Nigerian economy increased modestly, underpinned mainly by the nonoil sector in 2013. Inflationary pressure eased with the inflation rate subsiding from double to single digit. The external reserves remained on upward trajectory, though at a modest pace. Improvement was made relative to the macroeconomic convergence scale where six criteria

were achieved compared to five in 2012. The country has not fully adhered to the CET and ETLS. Thus, the following recommendations were made:

- Strengthen fiscal consolidation to enhance efficiency in tax administration and rationalising expenditures in favour of growth promoting activities.
- It is recommended that during the Joint Tax Board and Federation Allocation Committee (FAAC) meetings, states should be encouraged to provide information on tax revenue and expenditure profile.
- The authorities are encouraged to step up security in the oil sector and expedite the ongoing privatization of the refineries.
- The Mission recommends effective coordination and collaboration of MDAs, planning and budgeting.
- The Ministry of Transport and NIACOM are urged to facilitate the operationalization of the convention Inter State Road Transport (ISRT).
- The authorities are urged to exempt ETLS products from prohibition and pursue regular dialogue with member states on cross-border trade relations
- The Office of the President should promote effective coordination between the Secretariat of the National Approvals Committee of the ETLS at the Ministry of Foreign Affairs and the Ministry of Industry, Trade and Investment for effective implementation of the scheme.
- Streamline the spending of the ECOWAS community levy fund to cover integration activities of all MDAs.

6.2.6. SIERRA LEONE

6.2.6.1. Sectoral Analysis

Development in the Real Sector

The thrust of macroeconomic policy in 2013 revolved on the activities and programmes in the five year development plan and poverty reduction strategy, contained in the *Agenda for Prosperity*, which points out the strategies for taking Sierra Leone to a middle income status.

The macroeconomic performance of Sierra Leone in the first half of 2013 was encouraging. Real GDP (including iron ore) is projected to grow at 14.6 percent in 2013, against 15.2 in 2012. Excluding iron ore, it is projected to grow at 5.2 percent, against 5.3 percent in 2012. As in 2012, the expansion of the economy is expected to be driven mainly by the expansion of the mining sector, especially iron ore production. Agriculture, construction, manufacturing (and Handicraft) and services are the sectors expected to drive the non-iron ore growth. The strengthening of the small holder commercialisation programme and other interventions to boost agricultural output, including rural private sector development projects would be key factors behind the expansion in agricultural output. The growth of the agricultural sector is projected at 4.5 percent in 2013 compared to the observed growth of 3.9 percent in 2012. The crop, livestock, forestry and fishery sub-sectors which grew by 4.3, 4.1, 3.4 and 2.6 percent respectively in 2012 are projected to grow by 5.1, 4.1, 3.4, and 2.6 percent respectively in 2013.

The industrial sector which grew by 127.5% in 2012 is projected to grow by 62.4% in 2013. Within the industrial sector, the sectors are expected to grow with the exception of electricity and water supply. However, with the exception of construction sub-sector, these growth rates are expected to be lower than the growth rates of 2012. Mining and quarrying, manufacturing and handicrafts, electricity and water supply and the construction sub-sectors are projected to grow by 84.2, 8.71, -18.7 and 8.8 percent respectively, compared to their respective growth of 297, 4.0, 5.6 and 12.0 percent respectively in 2012.

The service sector is projected to grow by 5.6 percent in 2013, which is lower than the growth of 6.1 percent recorded in 2012. The expected slowdown is driven by the expected slowdown in each sub-sector, with the exception of trade and tourism. Trade and tourism is projected to grow at 7.7 percent compared to 5.5 percent in 2012. Transport, storage and communication sub-sector is projected to grow by 4.2 percent, and finance and insurance is projected to grow by 4.1 percent. Administration and public services, education and health are projected to grow by 10.16, 5.0, and 2.3 percent respectively..

The end-period (year on year) inflation rate decreased from 12.5 percent in June 2012 to 10.8 percent in June 2013 and the average (year on year) inflation rate fell from 15.5 percent in June 2012 to 11.5 percent in June 2013. The decline in inflation was due to the stability of international prices of key commodities, improvement on domestic food production, the

stability of the exchange rate, prudent monetary policy and the Government's fiscal restraint of the first half of 2013, especially the zero borrowing from the banking sector. Table 6.67 shows the summary of the performance of the real sector of Sierra Leone.

Table 6.67: Real Sector Performance in Sierra Leone

GDP in Millions of Leones	Current Price			Constant Price (1990 Prices)		
	2011	2012	2013	2011	2012	2013
	12,752,935	16,452,411	19,119,829	7,322,532	8,435,965	9,668,210
	Sectoral Contribution to GDP (%)			Sectoral Real Growth Rate (%)		
	2011	2012	2013	2011	2012	2013
Primary Sector (Agriculture)	52.3	47.2	43.0	4.9	3.9	4.5
Secondary Sector (Industry)	8.5	16.8	23.8	10.2	127.5	62.4
Tertiary Sector (services)	39.2	35.0	32.3	6.5	6.1	5.6
Real GDP Growth				2011	2012	2013
	Including Iron Ore			6.0	15.2	14.6
	Excluding Iron Ore			5.8	5.3	5.2
CPI Inflation (Year on Year)	End Period			Period Average		
	June2011	June2012	June2013	2011	June 2012	June 2013
	16.8	12.5	10.8	16.2	15.5	11.5

Source: Statistics Sierra Leone and WAMA

Developments in the Fiscal Sector

The Government of Sierra Leone set the theme for the 2012 budget as "Celebrating Five Years of Transformative Change" with the objective being to use a coherent macro-economic policy framework that supports growth, private sector development, domestic governance and human development in the country. Among the key targets of the budget were spending on infrastructure and provision of basic necessities to achieve the Millennium Development Goals.

Total domestic revenue during the first half of 2013 stood at Le1101.9 billion compared to the value of Le 870.7 billion in the first half of 2012. Total grant for programmes and projects for the first half of 2013 was Le 65.2billion compared to the projection of Le 157.1 billion and total grants of Le243.3 billion in the first half of 2012. Revenue consisted of: income tax to the value of Le 423.7 billion (compared to the target of Le411.0 billion and the value of Le 441.7 billion in the first half of 2012), Goods and Services Tax (GST) to the value of Le224.9 billion (compared to the target of Le223.8billion and the value of Le204.5 billion in the first half of 2012), customs and excise duties to the value of Le232.0132.5 billion (compared to the target of Le250.2 billion and the value of Le132.5 billion in the same period of 2012) and revenue from other sources (mining royalties and licences, road user charges and vehicle licences and others), which amounted to Le 221.2 compared to 91.9 billion in the first half of 2012. Mining revenue accounts of 60 percent of revenue from these other sources.

Total expenditure and net lending during the review period stood at Le 1185.2 billion (12.4 percent of GDP) compared to its projected value of Le1293.8 billion and the amount of Le1369.1 billion (16.6 percent of GDP) in the same period of 2012. The shares of recurrent expenditure, capital expenditure and net lending in total expenditure were 86.1, 18.3 and -4.4

percent respectively. Wages and salary, goods and services, transfers (transfers to local councils, educational institutions, road maintenance fund and elections and democratisation fund), and interest payments took 43.6, 17.1, 12.3 and 13.1 percent of total expenditure. Domestic interest payments took 90 percent of total interest payments.

Fiscal operations in the first half of 2013 resulted in an overall deficit on commitment basis (excluding grants) of Le 83.2 billion, representing 0.9 percent of GDP, compared to Le 498.4 billion (6.1 percent of GDP) in the same period of 2012. Including grant, fiscal deficit was Le 18.1 billion, representing 0.2 percent of GDP, compared to Le 255.1 billion (3.1 percent of GDP) in the same period of 2012. As in the first half of 2012, the reduction in fiscal deficit was due to increase in total domestic revenue and the tight control on expenditure. On cash basis, the overall deficit was Le 40.3 billion, including grant (0.4 percent of GDP). Contingency expenditure and payments to domestic suppliers on outstanding commitments of previous years constituted the difference between the cash budget deficit and the commitment budget deficit, with shares of 20.7 and 79.3 percent respectively.

Total financing of the deficit was Le 40.3 billion. The financing of the deficit was largely foreign driven as in the same period of 2012, representing Le 69.1 billion, accounting for 171.5 percent of total financing, compared to Le 188.7 billion (57.2 percent of total financing) in the same period of 2012. Within foreign financing, borrowing (loans) was Le 98.2 billion while external debt amortisation (a resource outflow) was Le 29.1 billion, making total foreign financing being Le 69.1 billion. Domestic financing of the deficit was Le 50.6 billion (compared to Le 124.8 billion in the same period of 2012) which was 124.1 percent of total financing (compared to 37.8 percent in the same period of 2012). Privatisation and other receipts and float (the commitments carried over to the next period) represented Le 1.7 billion and Le 81.1 billion respectively, compared to Le 8.6 billion and Le 7.9 billion in the same period of 2012 (accounting for 4.2 and 201.2 percent of total financing respectively, compared to 2.6 and 2.4 percent respectively in the same period of 2012).

Domestic financing was dominated by bank financing. Bank financing and non-bank financing accounted for 66.6 and 33.4 percent of domestic financing of the deficit which were Le 33.7 billion and Le 16.8 billion respectively, compared to 54.6 (Le 68.1 billion) and 45.4 (Le 56.7 billion) percent respectively of total domestic financing in the same period of 2012. Commercial bank financing was Le 65.9 billion (132.2 percent of domestic financing) while central bank financing was negative as in the same period of 2012, implying a reduction of the central bank's obligation, by a value of Le 32.1 billion compared in the same period of 2012.

Sierra Leone's total debt stock at end June 2013 was US\$ 1.28 billion (Le 5.54 trillion), which is 33.6 percent of 2012 GDP and 29.0 percent of the projected GDP for 2013. The composition of total debt stock was 77 and 23 percent for external debt and domestic debt respectively. Total external debt as at June 2013 was US\$ 979.79 million. The bulk of it, 63.9%, is owed to multilateral institutions while 22.2% is owed to commercial creditors and the rest (13.8 %) is owed to bilateral creditors.

Total domestic debt outstanding at end-June 2013 amounted to Le1299.4 billion compared to Le 1506.9 billion at end-June 2012. Financial institutions were the major holders of the debt securities, with the central bank, deposit money banks and non-bank public accounting for 0.8 percent, 69.6 and 29.6 percent respectively of the total.

Monetary Sector Developments

Monetary policy implementation during the review period was proactive. The monetary policy rate (MPR) was reduced from 20.0 percent in December 2012 to 17 percent in February and 15.0 percent in April, remaining at this value until June 2013. The reduction in the MPR was precipitated by the observed decline in the national consumer price index in February 2013.

Reserve money increased by 5.2 percent against a decline of 0.7 percent during the same period of 2012. Broad money grew by 1.8 percent compared to 1.3 percent during the same period of 2012 while narrow money declined by 0.4 percent compared to the growth of 2.2 percent in the same period of 2012. The decline in the growth of broad money was mainly on account of the decline in currency in circulation, by 12.9 percent, compared to the growth of 1.4 percent in the same period of 2012.

Net foreign assets (NFA) declined by 0.1 percent compared to the decline of 1.0 percent in the first half of 2012 while net domestic assets increased by 6.0 percent compared to 6.7 percent in the first half of 2012, suggesting that broad money growth was on account of the growth in net domestic assets. Net domestic assets and net foreign assets contributed 1.9 and -0.1 percentage points to the growth of broad money during the first half of 2013. Within the net domestic assets, claims on public institutions contributed about 3.8 percentage points and claims on the government and private sector contributed 0.9 and -0.8 percentage points respectively to the growth of broad money. The following table shows the trend of key monetary aggregates.

The contributions of credit to the private sector, credit to public institutions, credit to the government and credit to the rest of the economy to the growth of broad money were -0.8, 3.8, 0.9, -2.0 percent respectively, compared to -0.02, 0.5, -0.3 and 0.2 percent in the same period of 2012.

Movement in the market interest rates revealed a downward trend with the 91-day Treasury bill rate decreasing from 19.0 percent at end-December 2012 to 5.4 percent at end-June 2013, the 182-day Treasury bill rate decreased from 25.5 percent at end-December 2012 to 9.7 percent at end-June 2013, the 364-day Treasury bill rate fell from 25.8 percent at end-December 2012 to 8.1 percent at end-June 2013. Commercial bank savings rate fell from an average of 6.5 percent at end-December 2012 to 6.0 percent at end-June 2013. However, lending rates remained sticky with an average of 25.3 percent at end-June 2013 from an average of 25.00 at end-December 2012. The inter-bank rate decreased from an average of 19.5 percent to 3.0 percent and the 3-month time deposit rate and 12-month time deposit rate

declined from 9.8 and 11.9 percent respectively at end-December 2012 to 8.2 and 10.7 percent respectively at end-June 2013.

Table 6.68: Trends in Key Monetary Aggregates in Sierra Leone

	2008	2009	2010	2011	2012		2013
					June	Dec.	June
Growth Rate of Monetary Aggregates							
Reserve Money	7.7	21.2	34.6	15.9	-0.7	18.5	5.2
Net Foreign Assets	-5.7	80.0	9.6	24.8	-1.0	21.0	-0.1
Net Domestic Assets	137.0	-45.6	136.0	17.7	6.7	14.3	6.0
Broad money supply (M2)	22.5	27.5	32.7	22.6	1.3	22.5	1.8
Narrow money (M1)	12.8	21.1	29.8	15.4	2.2	16.4	-0.4
Currency in circulation	9.8	23.7	32.4	15.2	1.4	23.1	-12.9
Demand deposits	36.1	18.5	27.0	15.6	3.2	8.8	15.7
Quasi money	35.8	26.8	35.4	28.1	0.7	26.7	3.2
Foreign currency deposits	12.4	42.3	50.6	29.3	-8.5	20.9	-11.1
Percentage Contribution to The Growth of Broad Money Supply (M2)							
Net foreign assets	0.9	54.1	6.1	16.9	-0.7	14.6	-0.1
Net Domestic Assets	14.3	9.0	29.5	10.6	0.4	10.6	1.9
Net claims on government	4.7	-0.2	15.2	2.8	-0.3	7.5	0.9
Claims on private sector	8.4	7.7	10.7	7.2	-0.02	2.0	-0.8
Claims on public institutions	0.6	0.6	1.3	-0.02	0.5	0.7	3.8
Claims on rest of economy	0.6	0.9	2.3	0.6	0.2	0.7	-2.0
Other items net	-0.7	-39.1	-2.9	-4.8	-1.6	-2.7	2.1

Source: Bank of Sierra Leone and WAMA Estimate

The spread between deposit and lending rates remained high with the spread between maximum lending rate and maximum saving rate being 20.5 percent compared to 20.0 percent at end-December 2012. The spread between the average lending and average saving rates was 19.25 percent at end-June 2013, compared to 18.5 percent at end-December 2012. The credit reference bureau and the commercial court continued to play important roles in abating information asymmetry problems though the bureau is not developed to the level of biometric system, thereby posing problems of identification of common names. The Non-Performing loan was about 14.0 percent, which comprises more of very old loans.

External Sector Developments

Provisional data on the balance of payments of Sierra Leone is available on a projection basis for the year 2013. The data shows that the overall balance is expected to decrease from a surplus of 0.9 percent of GDP in 2012 to 0.4 percent in 2013. The current account deficit would reduce from 28.8 percent of GDP in 2012 to 10.3 percent in 2013, driven by improvement in the trade balance and reduction in the deficit on services (net). Trade deficit would reduce from 22.5 percent of GDP in 2012 to 5.1 percent in 2013. The improvement in the trade balance would be driven by increase in export from 30.7 percent of GDP in 2012 to 35.9 percent in 2013 and reduction of imports from 53.3 percent of GDP in 2012 to 41.0 percent in 2013. The increase in export would come mainly from increases in iron ore exports from 9.4 percent of GDP in 2012 to 21.0 percent in 2013 while reduction in iron ore related

machinery and transport equipment import would be the main factor behind the decrease in import.

The deficit on services (net) would reduce from 9.2 percent of GDP in 2012 to 4.5 percent in 2013 and the deficit on income (net) would increase from 3.5 percent of GDP in 2012 to 5.9 percent in 2013, driven by increase in the debit on direct investment income. The surplus on current transfers (net) is expected to reduce from 6.5 percent in 2012 to 5.2 percent in 2013, driven mainly by fall in transfers for budget support and other aids.

The capital and financial account would continue to be dominated by transactions in the financial account. Moreover, the surplus in the capital and financial account would decrease from 30.1 percent in 2012 to 10.7 percent in 2013, emanating from deterioration in both the capital and financial accounts. The surplus in the capital account would decrease from 3.3 percent of GDP in 2012 to 2.2 percent in 2013 and the surplus in the financial account would decrease from 26.9 percent of GDP in 2012 to 8.5 percent in 2013. The deterioration in the financial accounts would be precipitated by reduction in foreign direct investment in the mining sector, especially the iron ore component. Direct investment in Sierra Leone would reduce from 14.3 percent of GDP in 2012 to 8.5 percent in 2013, while portfolio investment would reduce from 2.0 percent of GDP to 0.2 percent and other investment would decline from a surplus of 10.6 percent of GDP in 2012 to a deficit of 0.02 percent in 2013.

Gross external reserves increased to US\$434.6 million at end-June 2013, which is equivalent to 3.0 months of import cover, compared to US\$ 420.3 million (3.1 months of import cover) at end-December 2012.

The exchange rate remained relatively stable, with the Leone appreciating against the U.S dollar by 0.1 percent during the review period, compared to an appreciation of 0.9 percent during the same period of 2012. The relative stability of the exchange rate was partly due to increase in export and the prudent monetary policy of the Bank of Sierra Leone.

6.2.6.2. Status of Macroeconomic Convergence

The performance under the macroeconomic convergence programme continued to be challenging in the first half of 2013 as the country met only two primary and two secondary criteria.

Primary Criteria

Sierra Leone met two of the four primary convergence criteria, which are those related fiscal deficit (including grant) and central bank financing of fiscal deficit in the first half of 2013. Fiscal deficit was 0.2 percent of GDP in the first half of 2013 and central bank financing was zero. Year-on-year inflation rate remained high at 11.4 percent though lower than the 14.3

percent recorded in the same period of 2012. Gross external reserves was 3.0 months of import cover at end-June 2013, which is the same as its level at end-June 2012.

Secondary Criteria

Sierra Leone met two secondary criteria during the review period, which were, the criterion relating to nominal exchange rate stability and public debt. Nominal exchange rate appreciated by 0.1 percent and total public debt was 29.0 percent of GDP. Tax GDP ratio was 8.9 percent, wage bill was 58.7 percent of tax revenue, public investment was 13.1 percent of tax revenue and real interest rate on the 91-day Treasury bill was -5.2 percent. The following table shows the country's performance under the macroeconomic convergence criteria.

Table: 6.69: Status of Macroeconomic Convergence in Sierra Leone

Primary Criteria	Target	2009	2010	2011	2012 June	2012	2013 June
Fiscal Deficit, including grant (% of GDP)	≤ 3 %	2.9*	5.2	5.1	3.1*	5.7	0.2*
Inflation Rate	≤ 5 %	9.9	17.1	16.0	14.3	12.9	11.4
Central bank Deficit Financing(% of Previous year's tax revenue	≤ 10 %	37.6	37.6	1.1*	0.0*	0.0*	0.0*
Gross External (Months of Import)	≥ 6	3.8	4.6	2.3	3.0	3.1	3.0
Secondary Criteria							
Arrears	No Arrears	yes	yes	yes	Yes	yes	yes
Tax Revenue (% of GDP)	≥ 20	8.5	10.3	9.7	9.6	10.6	8.9
Wage Bill (% of Tax Revenue)	≤ 35	59.8	60.9	58.6	57.1	59.2	58.7
Public Investment (% Tax Revenue)	≥ 20	13.4	40.4*	27.9*	24.8*	29.4*	13.1
Real Interest Rate	> 0	4.1*	7.4*	7.4*	9.0*	6.1*	-5.2
Stability of the Nominal Exchange Rate (%)	± 10	-11.2	-12.4	-11.8	-0.9*	3.3*	-0.1*
Total Public Debt (% of GDP)	≤ 70	34.5*	40.7*	38.6*	32.3*	37.0*	29.0*
Number of Criteria Met		3	3	4	6	5	4

Sources: WAMA staff estimates and Sierra Leonean Authorities; * Indicates the criterion was satisfied

6.2.6.3. Institutional Arrangements and Policy Harmonization

National Coordinating Committee (NCC)

The NCC Secretariat is based at the Ministry of Finance and Economic Development under the technical supervision of the Director of Economic Policy and Research Unit (EPRU). It is fully functional with a macroeconomist. However, the vacant position of bilingual secretary is yet to be filled. The macroeconomist was part of the Multilateral Surveillance Mission in September 2013. There are however lapses in the regular production and submission of quarterly macroeconomic convergence reports. In addition, updating the ECOMAC data for Sierra Leone is not regular.

Statistical Harmonization

The ECOWAS harmonised standard in the computation of Consumer Price Index (CPI) and National Accounts is used in Sierra Leone. The country uses the System of National Accounts (SNA) 1993 though National Accounts data is produced only on annual basis. Statistics Sierra Leone (SSL) has rebased the GDP estimates to 2006 from 2001, and it has been revised

backward to 2008. With respect to the CPI, Sierra Leone uses the Standard Classification of Individual Consumption by Purpose (COICOP), adopted in 2007 and the consumer price index for all urban towns is being revised.

Statistics Sierra Leone (SSL) is supported by the ECOWAS Commission in producing external trade data using the EUROTRACE software. However, there are difficulties in the production of reliable and timely external trade data. A major challenge is in the area of harmonising external trade statistics, which is produced by different government agencies and ministries.

Payments System Development

The payment system modernisation programme, initiated by the Bank of Sierra Leone in collaboration with the West African Monetary Institute (WAMI) and funded by the African Development Bank (AfDB) with counterpart contribution, has undergone significant progress. The development includes the setting up of project implementation teams for each component, the formation of a National Payments System Committee and the development of the required infrastructure. The solution providers for the various components have completed the process of delivery and installation following the lifting of the suspension on payments to them in December 2012. The Temenos T24 Core Banking Application (T24 CBA) went live in June 2013. The Real Time Gross Settlement (RTGS) system, which is a same-day-realisation value, went live in August 2013 and the Automated Cheque Processing (ACP) solution went live in August 2013. The Bank of Sierra Leone has the network and physical infrastructure for these solutions. A key issue of concern relates to capacity building for oversight and other payments systems related issues.

ECOWAS Trade Liberalization Scheme (ETLS) and Common External Tariff (CET)

The implementation of the ECOWAS Trade Liberalisation Scheme (ETLS) is in progress. The National Approval Committee which was set up in June 2011 and granted approvals to twenty-one import applications in 2012 approved nine import applications in the first half of 2013. However, while the national approval committee received applications from three companies, no Sierra Leonean company exported under the scheme. Inadequate sensitisation and the weak capacity of local companies to meet the 'Rules of Origin' criterion are still binding constraints of the scheme.

Regarding the ECOWAS Common External Tariff (CET), Sierra Leone is a member of the joint ECOWAS-UEMOA CET and it is committed to its implementation. A local content policy was developed in the first half of 2013 in accordance with the Trade Policy Action Plan, 2011-2015. In spite of the tariff adjustments made by The National Revenue Authority (NRA) on more than 700 tariff lines to reflect the CET standard, there are huge tariff lines that have not been adjusted to reflect the CET standard.

6.2.6.4. Prospects

The growth prospect of Sierra Leone for the rest of 2013 is bright given the continued production of iron ore and the commencement of commercial agricultural projects. The output of the mining sector is expected to increase in the remaining period of 2013. The services sector is expected to expand, drawing from the growth in the telecommunications, mining related services and efforts to strengthen infrastructure. Driven by expansion in the iron ore sub-sector, the economy is expected to grow by 14.6 percent in 2013 with the key contributors being the mining sector, especially iron ore production.

Export performance is expected to improve, driven by the expansion in the mining sector, especially iron ore export. Import bill is expected to fall driven by decrease in iron ore related machinery and equipment. The deficits in the trade balance and the current account are expected to reduce and the exchange rate is expected to remain stable, resting on increased inflow of foreign exchange from domestic export activities and the prudent monetary policy of the Bank of Sierra Leone.

The stability of the exchange rate, tight monetary policy, increased food production and stable international commodity prices are expected to contain inflation to a single digit, though the 5 percent convergence criterion would be difficult to meet. Maintaining fiscal restraint could be threatened by the payment of domestic arrears, in which case, the fiscal deficit criterion may not be satisfied for the year 2013. In addition, tax performance would remain low except if the tax reforms could have extension to lowering the levels of tax exemptions and duty waivers.

In 2013, Sierra Leone is expected to meet the two primary and two secondary macroeconomic convergence criteria met in the first half of 2013, which are those on budget deficit (excluding grant), central bank financing of the budget deficit, exchange rate stability and external debt.

6.2.6.5. Conclusion and Recommendations

Conclusion

The economy of Sierra Leone is projected to be strong in 2013 with GDP growth estimated at 14.6 percent, though lower than the growth of 15.2 percent in 2012, driven by iron ore growth. With the exclusion of iron ore, the economy is estimated to grow at 5.2 percent, which is lower than the 5.3 percent recorded in 2012. While agriculture and services are the leading sectors in terms of contribution to GDP, industry and services are the leading sectors in terms of growth rate. The economy is faced with water and energy challenges though the authorities are committed to building infrastructure.

The external sector is expected to be favourable in 2013 with improvement in the trade balance, and current account. The financial and capital account as well as the overall balance are expected to deteriorate in 2013. Increased exports, driven by iron ore mining and reduction in iron ore related imports are the main factors expected to drive the improvement in the trade balance. The exchange rate was relatively stable in the first half of 2013 and the

external reserves in months of import cover was in June 2013 was the same as in June 2012 though lower than December 2012.

Inflationary pressure dampened in the first half of 2013, compared to the same period of 2012, though remaining double digit. The budget deficit reduced in the first half of 2013 compared to the same period of 2012, driven by the fiscal restraint of the government. Monetary policy was tight during the review period with interest rates decreasing in general and Central Bank's financing of fiscal deficit was kept at zero.

The performance of the country under the convergence criteria deteriorated in the first half of 2013, compared to the same period of 2012 with the country meeting four criteria compared to five in the first half of 2012. Two primary and two secondary criteria were met during the review period. The country is making significant progress in the policy harmonization programmes relating to statistics and payments systems development as well as on the ECOWAS Trade Liberalisation Scheme and Common External Tariff.

Recommendations

In the light of the above developments, the following recommendations are useful:

1. The Authorities are urged to fast track the realignment of the civil service in order to contain the wage bill.
2. The Authorities should consider reviewing the policy on granting of tax exemptions and discretionary duty waivers in a bid to boost tax revenue.
3. The Authorities should consider taking the ECOWAS benchmark on fiscal operation in the preparation of the budget.
4. The Authorities are encouraged to expedite the planned automation of tax collection process and the implementation of the Small and Medium Size Enterprise tax payer regime and establish a single treasury account.
5. In respect of mobilising long term funds, the Authorities should expedite the privatisation process.
6. Moreover, providing a biometric system for the Credit Reference Bureau is useful as it can scale down credit risk problems.
7. The Authorities should consider creating a social security court for prosecution of social security defaulting institutions. In addition, the cost of deducting the social security contributions from Subsidies of public institutions should be weighed against the current situation where these institutions pay their contributions directly to the Trust, which poses a threat to the success of the social security system due to weak cooperation from most public institutions.
8. Strengthening of the effort at reconciling fiscal and monetary data as well as harmonisation of trade data should be considered.
9. The Authorities should strengthen the drive to diversification of exports in order to boost competitiveness and increase foreign exchange earnings.

10. The Authorities should expedite the sensitisation process of the public on the ETLS to ensure effective participation. In addition, the Authorities are urged to expedite the passage of the Local Content Policy into a law for its effective implementation.

6.3. CAPE-VERDE

In 2013, the economic objectives of Cape Verde focused on macroeconomic stability, improved management of Fiscal Sectors, renewed growth, poverty reduction and an improvement in the level of foreign reserves. To attain these objectives, the government developed a strategy based on the important role of the public investment programme (PIP) in infrastructure as well as the improvement of the business environment, using a marketing and certification approach.

In terms of results, Cape Verde recorded a growth rate of 0.5% in 2013 against 1.0% in 2012. The average rate of inflation stood at 2.8% in the first half 2013 against 3.2% during the same period in 2012. The execution of State financial operations led to an overall deficit on commitment basis including grants of CVE 4,492.0 million at the end of June 2013 against CVE 7,956.0 million during the same period in the previous year. The balance of payment surplus narrowed and settled at CVE 2,012.1 million during the first half of 2013 against a surplus of CVE 2,919.4 million during the same period in the previous year. With regard to the monetary situation, the key rate was maintained at 5.75% and coefficient of mandatory reserves at 18%. Money supply expanded by 3.5% in the first half of 2013 and amounted to CVE 126, 408.3 million at end of June 2013 against CVE 122 141.78 million at the end of December 2012 due to the consolidation of net foreign assets and the increase in domestic credit.

In terms of convergence, the level of Cape Verde's performance stagnated compared to the previous year. The country complied with only two primary criteria and three secondary ones.

6.3.1 Sector Analysis

Real sector Developments

Cape Verde conducted a reform of its national accounts system in 2012 by moving from SNC68 to SNC93. It was on the basis of the new system that final national accounts for the period 2008 -2011 were prepared. In this context, major gaps were observed in relation to estimates previously determined on the basis of SNC68. Thus, there was a 1.3% drop in real GDP growth in 2009 in accordance with the final accounts prepared, using SNC93 against a 4.0% growth estimated on the basis of SNC68 National accounts for 2012 and 2013 are not yet available. In view of this change, the Central Bank, which was preparing estimates based on SNC68, has adapted its database to the new system and proceeded with the estimation of GDP growth rate for 2013. This rate is estimated at 0.5%.

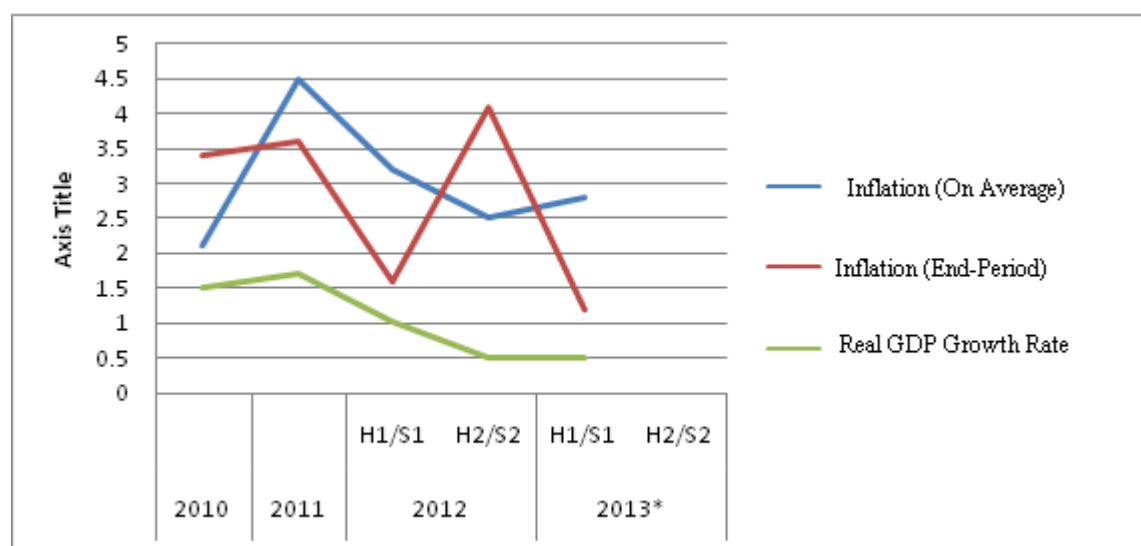
The weak growth in economic activity is due to the downward trend in activities in the primary and secondary sectors. Only the tertiary sector made a positive contribution to growth thanks to a good performance in the tourism sector. On the demand side, the slow growth is attributed to a contraction in private consumption (-0.8%) and gross capital formation (-8.0%). However, in terms of external trade, demand was affected by a disproportionate decline in imports compared to exports.

Table 6.70: Analysis of Trends in GDP and its Components in Cape Verde (in %)

	2010	2011	2012*	2013**	2010	2011	2012*	2013**
GDP (at constant and current prices)	130316	132532	133857	134526	138568	140216	142333	143045
Supply	% Change				as % of GDP			
Primary sector	-2.5	-2.5	-2.5	-3.5	8.5	8.8	8.9	9.1
Secondary sector	-3.8	-2.4	-5.4	-2.5	17.6	17.8	18.5	18.0
Tertiary sector and non market services	3.6	2.4	4.7	3.8	61.2	74.0	76.3	73.1
Demand								
Public consumption	3.4	1.9	-0.6	4.1	18.4	18.6	18.2	18.8
Private consumption	0.6	1.6	-11.8	-0.8	63.0	63.3	55.0	54.3
Fixed Gross Capital Formation	19.7	5.7	1.8	-8.0	45.2	47.2	47.3	43.3
Change in stock	-52.6	11.3	0.5	5.4	2.5	2.7	2.7	2.8
Export of goods and services	9.2	11.3	-0.3	4.0	28.9	31.8	31.2	32.3
Import of goods and services	11.8	10.4	-11.8	-4.7	58.0	63.3	55.0	52.1
Prices								
Real GDP growth rate	1.5	1.7	1.0	0.5	4.5	5.3	-1.5	4.2
Variation of GDP deflator	0.5	-0.3	0.3	-0.3	2.6	5.5	2.4	2.5
CPI(average and end of period)	2.1	4.5	S1/3.2 S2/2.5	S1/2.8 S2*/3.5	3.4	3.6	S1/1.6S2/4.1	S1/1.2

Sources: BCV and WAMA, (*) Estimates (**) Projections

Concerning prices, a downward trend in inflationary pressures was observed in first half of 2013. In fact, year-on-year inflation stood at 1.2% at end of June 2013 against 1.6% in corresponding period of 2012. Similarly, average annual inflation settled at 2.8% in June 2013 against 3.2% during the same period a year earlier. The drop in inflation is as a result of falling prices in the “communication, leisure and culture” and “education sub sectors”. This is also due to a moderate increase in the prices of clothing, health and transportation.



Fiscal Sector Developments

The execution of State financial operations resulted in an overall deficit on commitment basis including grants of CVE 4,492.0 million at the end of June 2013 against CVE 7,956.0 million during the same period the previous year. The deficit accounted for 3.3% of GDP in the first half of 2013 against 4.4% during the same period in 2012. This improvement in the overall

balance resulted from a more substantial drop in total expenditures than that of total revenues. In fact, total revenues shrank by 0.5% in the first half of 2013 to settle at CVE 16,329.0 million against CVE 16,415 million at the end of June 2012 due essentially to the 3.9% drop (CVE -538 million) in tax revenues. This decline was on account of the 11% slump in direct tax revenues and 0.2% drop in indirect tax revenues. The impact of the decline in tax revenues was mitigated by the 38.4% increase (+CVE 227 million) in grants. The downward trend in expenditures is due to the sharp fall of 22.4% of capital investments, which was mitigated by a 1.2% rise in current expenditures. In view of this unfavourable trend in revenues, measures were taken to control operating and capital expenditures in order to contain the budget deficit to 8.0% of GDP in 2013.

The stock of public debt stood at 82.3% of GDP at end of June 2013 (CVE 145,685.2 million), with domestic debt accounting for 21.7% of GDP, and external debt 60.6% of GDP. This high level of indebtedness is due to the pace of implementation of public investment programme financed mainly with foreign concessional loans.

Table 6.71: Trends in Some Budget Items in Cape Verde

	2012*				2013**			
	H1		H2		H1		H2	
	% Change	As % of GDP	% Change	As % of GDP	% Change	As % of GDP	% Change	As % of GDP
TOTAL REVENUE AND GRANTS	-	11.5	-	24.5	-0.5	11.4	24.7	30.6
Domestic revenue	-	11.1	-	22.6	-2.0	10.8	20.0	27.1
Tax revenue	-	9.6	-	19.2	-3.9	9.2	20.2	23.1
Direct	-	3.2	-	6.0	-11.3	2.8	13.7	6.9
Indirect	-	6.4	-	13.2	-0.2	6.4	23.1	16.3
On goods and services	-	4.2	-	8.7	3.7	4.3	28.9	11.2
Taxes on M	-	2.0	-	4.0	-6.7	1.8	7.7	4.3
Others	-	0.3	-	0.5	-15.1	0.2	49.3	0.7
Non tax revenues	-	1.5	-	3.3	10.3	1.6	19.2	4.0
DONS	-	0.4	-	1.9	38.4	0.6	79.4	3.5
TOTAL EXPENDITURE	-	15.9	-	35.3	-8.1	14.6	13.8	40.1
Current expenditures	-	9.6	-	20.9	1.2	9.7	10.5	23.1
Salaries and emoluments	-	4.9	-	10.0	-2.9	4.7	11.7	11.2
Goods and services	-	0.6	-	1.9	6.7	0.6	6.4	2.0
Current transfers	-	1.0	-	2.5	17.7	1.2	14.3	2.9
Subsidies	-	1.1	-	2.5	4.6	1.2	1.8	2.6
Interest payments	-	1.1	-	2.0	8.6	1.2	28.4	2.6
<i>Incl. Domestic</i>	-	0.6	-	1.2	-2.4	0.6	7.9	1.3
Capital expenditures	-	6.3	-	14.4	-22.4	4.9	18.6	17.1
Domestically financed	-	1.5	-	1.7	-22.6	1.2	136.8	4.0
Externally financed	-	4.8	-	12.7	-22.4	3.7	2.8	13.0
NON FINANCIAL ACTIVITIES	-	5.0	-	11.4	-27.6	3.6	6.3	12.1
BASIC BALANCE	-	-4.4	-	-10.8	-28.1	-3.1	-13.3	-9.3
BALANCE (excl. grants)	-	-4.8	-	-12.7	-22.3	-3.7	0.8	-12.8
FINANCING	-	4.6	-	10.3	-23.4	3.5	-9.1	9.3
DOMESTIC	-	1.0	-	2.7	32.0	1.4	-30.4	1.9
EXTERNAL	-	3.5	-	7.5	-39.7	2.1	-1.4	7.4

Sources: MF, BCV and WAMA, (*) Estimates (***) Projections.

External Sector Developments

As regards the external sector, the balance of payment surplus reduced modestly to settle at CVE 2012.1 million during the first half of 2013 against a surplus of CVE 2919.4 million during the same period the previous year. This reduction was due to the slashing of the surplus on the capital and financial operations account which was mitigated by the narrowing of the deficit of current transaction balance.

Indeed, the deficit of the current transaction balance settled at CVE 1,647.1 million at the end of June 2013 against CVE 8,993.6 million during the same period in 2012, representing a reduction of 81.7%. This drop in the deficit was due to a 13.6% slump in the import of goods and a surge in net revenues and current transfers by 18.1 and 11.9% respectively. Specifically, the 1.0% increase in tourism revenues and the 20.2% jump in net private transfers (despite the 10.7% shortfall in net remittances by migrant workers) contributed to the narrowing of the current account deficit.

On the other hand, the surplus on the balance of the capital and financial operations account shrank by 75.7% to settle at CVE 2,923.4 million against a surplus of CVE 12 028.4 million during the same period a year earlier. This situation resulted mainly from the reduction in project grants and the surplus of “other investments” due to the decline in the disbursement of foreign loans and debt service payments by residents. The fall in foreign direct investments also contributed to the contraction of the surplus on the capital and financial operations account.

Table 6.72: Trends in Some balance of payments indicators in Cape Verde

HEADINGS	2012				2013*			
	H1		H2		H1		H2**	
	% Change	As % GDP	% Change	As % GDP	% Change	As % GDP	% Change	As % GDP
Trade balance	-14.6	-19.7	-3.9	-23.2	-10.6	-17.6	1.4	-23.4
Exports FOB	19.7	5.9	-24.2	5.2	-23.9	4.5	16.5	6.0
Imports FOB	-8.6	-25.6	-8.4	-28.3	-13.6	-22.0	4.1	-29.4
Balance of services	58.2	9.5	25.4	10.4	18.1	11.2	-30.5	7.2
Net revenues	-4.7	-2.5	23.8	-1.7	-23.1	-1.9	24.0	-2.0
Balance of current transfers	-26.5	6.4	-24.4	8.5	11.9	7.1	-4.6	8.1
Public	-3.0	1.5	-11.1	2.0	-14.3	1.3	-43.3	1.2
Private	16.9	4.9	23.2	6.5	20.2	5.8	7.5	7.0
Balance of current transactions	-	-	-	-5.8	-81.7	-1.2	73.7	-10.1
Capital account	72.2	0.4	-23.3	0.3	-63.4	0.2	83.6	0.6
Financial operations	-50.3	8.0	14504.2	8.4	-76.4	1.9	6.8	8.9
Direct investments	-76.0	0.8	61.9	3.5	-20.2	0.7	3.8	3.6
Portfolio investments	-	-	-	-	267.4	0.0	-239.5	0.0
Other investments	-2.9	7.2	625.0	4.9	-83.2	1.2	9.3	5.3
Overall balance	-139.3	2.1	-71.1	0.8	-31.1	1.4	-229.5	-1.0
Financing	-139.3	-2.1	-71.1	-0.8	-31.1	-1.4	1.4	-23.4

Sources: BCV and WAMA, (*) Estimates (**) Projections

Thanks to these trends, the coverage of imports of goods and services by gross external reserves would increase and settle at 4.3 months at the end of June 2013 against 3.1 months during the same period the previous year.

Monetary sector Developments

As far as the monetary sector is concerned, the Central Bank's monetary policy on sustaining the parity between the Escudo and the Euro did not change in the first half of 2013. Thus, the key rate¹⁵ was maintained at 5.75% and the mandatory reserves coefficient at 18%.

Against this background, money supply expanded by 11.4% in the first half of 2013 and settled at CVE 126,408.3 million at the end of June 2013 against CVE 113, 452.93 million at the same period in 2012. This expansion in money supply led to an increase in the reserve money (due to the upsurge in commercial banks' reserves) and was driven by the consolidation of net foreign assets and the upward trend in domestic credit.

In fact, the net external position of monetary institutions improved by 9.3% and accounted for 2.2% of money supply growth. The contribution of domestic credit to money supply expansion was 8.8%. This high contribution is on account of the 32.2% deterioration in the net position of government compared to the same period in 2012 due to credits granted to both the central government and local authorities.

The growth in money supply reflected in the increase of quasi money¹⁶ which went up by 5.3% at the end of June 2012 against 6.7% during the same period in 2012. On the other hand, the currency in circulation inched up by 0.1% in the first half of 2013 as was the case at the same period in 2012.

Table 6.73: Trends in Key Monetary Aggregates in Cape Verde

	% Change				Contribution to M2 Growth			
	2012		2013**		2012		2013	
	H1 S1	H2 S2	H1 S1	H2 S2	H1 S1	H2 S2	H1 S1	H2 S2
Liabilities								
Money supply (M2)	3.3	4.8	11.4	-	3.3	4.8	11.4	-
Money supply (M1)	-8.0	3.6	18.2	-	-2.6	1.2	6.3	-
Currency in circulation	2.0	-4.5	2.0	-	0.1	-0.3	0.1	-
Demand deposit	-10.1	5.9	22.1	-	-2.7	1.5	6.4	-
Quasi-money	10.0	5.5	8.1	-	6.7	3.7	5.3	-
Foreign currency deposits	-8.4	4.3	-20.2	-	-0.3	0.2	-0.6	-
Net domestic assets								
Net domestic credit	2.5	0.9	8.7	-	2.4	0.8	8.2	-
Net credit to the State	-12.6	-8.9	32.2	-	-1.7	-1.2	5.3	-
Net credit to State enterprises	29.8	-4.5	-7.0	-	0.2	0.0	0.0	-
Credit to the private sector	1.3	-1.1	6.3	-	1.0	-0.8	4.6	-
Net foreign assets								
Banking system	26.1	23.4	9.3	-	6.3	6.2	2.2	-
Central Bank	31.1	16.7	11.4	-	8.5	4.6	3.1	-
Deposit money banks	91.2	-48.8	28.4	-	-2.8	0.5	-1.0	-
Memorandum item								
Reserve money (in thousands of escudos)	32.6	32.6	33.9	33.9	-	-	-	-
M2/GDP	78.3	80.2	79.7	82.8	-	-	-	-

Sources: BCV and WAMA, (*) Estimates (**) Projections

¹⁵ The permanent liquidity absorption rate was reduced to 1% in August 2013 against 3.25% previously but the liquidity transfer rate was maintained at 8.75%.

¹⁶ Quasi money includes migrants' deposits, fixed deposits, foreign deposits by residents and savings deposits.

6.3.2 Status of Convergence

With regard to the ECOWAS macroeconomic convergence criteria, the level of performance stagnated compared to the same period the previous year. The country complied with two primary criteria and three secondary ones.

Concerning the primary criteria, the country met those relating to the financing of the budget deficit by the Central Bank and inflation. The level of exchange reserves in terms of months of imports improved slightly to 3.7. However, the budget deficit improved significantly from CVE 7.9 billion at the end of December 2012 to CVE 4.4 million at the end of June 2013. This deficit is expected to be 9.3% of GDP at the end of December 2013.

As regards secondary criteria, Cape Verde achieved three (03) out of the seven (07), namely, the non accumulation of domestic arrears, real interest rate and real exchange rate stability. However, the country continued to face difficulties with the wage bill and internally funded investments.

In addition, contrary to previous years, the country missed the target on tax pressure rate due to the decline in revenues.

Table 6.74: Convergence situation of Cape Verde

	Target	2008	2009	2010	2011	2012**		2013**	
						June	Dec**	June	Dec**
Primary criteria									
i) Budget Deficit/GDP (incl. grants)	≤ 3%	1.6	5.9	10.8	9.5	8.8	10.8	6.3	9.3
ii) Inflation Rate (average)	≤ 5%	6.8	1.0	2.1	4.5	3.2	2.5	2.8	3.3
iii) CB Financing	≤ 10%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
iv) Gross external reserves	≥ 6 mths imp	4.1	3.9	3.7	3.4	3.9	3.9	3.7	3.9
Secondary criteria									
i) Domestic and External Arrears		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ii) Tax Revenue/GDP	≥ 20%	24.1	22.1	18.9	21.2	19.2	19.3	18.4	20.9
iii) Wage Bill/Tax Revenues	≤ 35%	38.3	48.8	50.2	46.7	51.0	52.2	51.5	49.2
iv) Int. Investments/Tax Revenues	≥ 20%	24.5	11.4	9.4	16.4	19.2	9.0	15.7	13.0
v) Real Interest Rate	> 0	-0.5	5.3	1.9	-0.5	0.9	1.5	1.2	-0.1
vi) Nominal Exchange Rate Stability	± 10%	4.2	-3.5	-3.9	1.4	8.3	-4.0	-1.2	-4.0
vii) Total debt/GDP	≤ 70%	63.0	63.0	66.4	67.2	72.4	72.4	82.3	74.9
Number of criteria met		7	7	7	7	5	5	5	6

Sources: BCV, MFCV and WAMA, (*) Estimates (**) Projections

6.3.3 Harmonisation of policies

With respect to the Common External Tariff (CET), the technical work has been done together with the ECOWAS Commission to take into account the peculiarities of Cape Verde as recommended by ECOWAS Ministers of Finance during their meeting in Praia in March 2013. Discussions focused mainly on the rate applicable to products such as clothing, footwear, vegetables, fruits and fish which have a weak protection (proposed CET of 10%) and highly protected products such as rice, oils, cement, gasoil, wheat, pharmaceuticals and transportation products. With regard to the EPA, the country has been monitoring negotiations at the community level.

As far as the ratification of ECOWAS protocols is concerned, there have been delays in the transmission of texts to be ratified in Portuguese by the ECOWAS Commission. These require translation before submission to Parliament. However, efforts are being made at the Foreign Ministry to accelerate the ratification and implementation of ECOWAS protocols. In addition, the difficulties associated with the free movement of goods are being resolved, especially through the establishment of the National Approvals Committee on certificates of origin.

In terms of integrating of financial markets, the Cape Verde Stock Exchange has taken measures to make the national financial market more dynamic; however, the country is not participating in community initiatives aimed at the integration of financial markets.

Concerning the harmonisation of statistics, the country participated in community initiatives on the issue, especially those relating to consumer prices. In terms of national accounts, the review of the base year and the migration to a new national account system were conducted with technical assistance of the Spanish Cooperation Agency. Thus, the base year was shifted from 1980 to 2007 and the SNC93 was adopted with the prospects of adopting SNC2008. Currently, the country does not compile the infra-annual GDP. Similarly, the ECOMAC database does not have information from the country.

At the institutional level, the Centre for Strategic Policies is in the process of defining an appropriate development framework for Cape Verde.

6.3.4. Prospects for 2013

In terms of prospects, the non recovery in economic activity in developed countries, particularly the EU and the US, would continue to entail risk for Cape Verde's performance, especially in the area of grants which have continued to dwindle. However, the country could benefit from tourists moving away from conflict areas in Africa and the Middle East, as reflected in the upturn observed in the last three years.

Against this background, projections indicate a growth rate of 0.5% at the end of 2013 against 1 % in 2012 in a context marked by moderate inflationary pressures. In terms of convergence, the number of criteria met in the first half of 2013 could improve at the end of 2013 with the increase in tax revenues

6.3.5. Conclusion and recommendations

In 2013, Cape Verde is expected to record a decline in economic activity in 2013. The level of budget deficit remained high despite the reduction experience during the period under review. The ratio of wage bill to tax revenue as well as the debt level also remained high whilst the share of public investments financed from domestic resources were on the low side. However, measures have been taken to reduce the budget deficit to 7.8% in 2013, including the rationalisation of public investments, improvement in revenue collection, and the freeze on recruitments into the public service, with the exception of the health, education and

security sectors. These problems also affected the country's performance under the macroeconomic convergence programme. To address these challenges and reinforce economic performance, Cape Verde's authorities must take into consideration the following recommendations:

1. Encourage the diversification of the source countries of tourists in order to reduce risks inherent in the dependence of Cape Verde's tourism sector on the economic situation in Europe. The authorities must continue to encourage high quality tourism;
2. Improve management of the Fiscal Sector for higher revenue mobilization (improve efficiency in tax administrations, broaden the tax base, eliminate tax exemptions for consumer goods and establish of a database on wholesale/retail sales outlets in order to monitor effectively revenues from VAT);
3. Strengthen the fiscal policy so as to reduce to the minimum the level of budget deficits and ensure the sustainability of public debt (domestic and foreign) ;
4. Diversify the production base of tradable goods in order to increase the volume of exports and, for that matter, sources of foreign exchange;
5. Increase productive capacities by improving the level of investments to support sustainable economic growth, particularly quality infrastructure for fishing ;
6. Ensure the withdrawal of the State from unproductive companies in order to reduce the public sector wage bill;

GENERAL CONCLUSION ET RECOMMENDATIONS

Economic uncertainty remained a threat to global economy as output in emerging economies trended downward by 0.4 percentage points against a gradual upturn in the advanced economies, due to fiscal bottlenecks, weak external demand and slowing credit. The ECOWAS region however remained resilient to diverse structural constraints by reflecting a 6.3% upsurge in output, underpinned by increasing domestic demand as well as heightened investments in the primary and tertiary sectors. Inflationary pressure dampened, in spite of the negative spill-over effects from the upward trend in prices of food and transportation.

In spite of the commitment by member states adhering to macroeconomic prudence, fiscal policy is still being challenged by shortfalls in tax revenue and increasing demand for recurrent expenditures in majority of the countries, resulting to inadequate capital investments and increasing budget deficit. Monetary policy has been enduring the built-up in excess liquidity, amidst widening interest rates spread and low exposures of credit to the private sectors. The financial sector exhibited robustness in the face of increasing external competitiveness and enhanced activities to modernized payments systems. The external sector improved modestly on account of growing exports and easing debt burdens in most of the countries, but trade deficit still looms.

Strides towards steady realization of the macroeconomic convergence benchmarks remained a formidable contest with none of the countries meeting all the primary targets in 2013; despite improved performance in few of the countries. Various policy harmonization programmes of ECOWAS are in an advanced stage of implementation, although most of the countries still have several outstanding protocols to ratify. Despite the unanimous accession by member states to promote regional trade in ECOWAS, persistent lack of free mobility of goods and people in the region is impeding cross border trade, in particular the implementation of protocol relating to ETLS.

Nevertheless, the economic outlooks in majority of the countries are promising with growth anticipated to hover around 6.7 % on the back of recovering commodity prices, strong domestic demand and output growth in the primary sector. But weak external demand, inadequate public investments, precarious socio-political environment and unfavorable weather condition are critical downside risks to a sustained economic outturn in the region. In view of the profound implications of the foregoing challenges on macroeconomic convergence/performance and harmonization of policies, the following recommendations are advanced in addition to the country specific contained in this report:

- 1) Strengthen and sustain governance structures of tax administration to minimize incidence of tax leakages through wider use of technology and enhancing audit surveillance. This would also accelerate the capturing of more firms outside the tax net for a steady revenue streams;

- 2) Rationalize public expenditure in favour of capital outlays (high return) as against recurrent expenditure with particular emphasis on controlling wage bill to boost economic efficiency and growth;
- 3) Sustain ongoing agricultural reforms by strengthening domestic capacities to augment production of basic commodities, especially food stuffs in order to ease inflationary pressure emanating from external sector imbalances;
- 4) Address the underlying constraints in the financial system underpinning the built-up in excess liquidity to encourage more lending to the private sectors. In this regard, the use of moral suasion could be amongst other policy measures;
- 5) Re-enforce implementation of the ETLS by intensifying sensitization and awareness to ease cross border complications relating to movement of people and goods; and
- 6) Support socio-political stability in the region, especially in Mali and Guinea Bissau, to enhance conducive economic activities.

APPENDICES

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	juin-12	2012	juin-13
Taux de croissance économique/Economic growth rate													
BENIN.....	4,6	3,9	3,1	2,9	3,8	4,6	5,0	2,7	2,6	3,5	3,5	5,4	5,1
BURKINA FASO.....	4,7	8,0	3,9	8,6	5,5	3,6	6,6	3,2	8,5	5,0	9,0	9,0	7,0
CABO VERDE.....	5,3	4,7	4,4	6,5	10,1	8,6	6,1	-1,3	1,5	1,7	4,3	1	0,5
COTE D'IVOIRE.....	-1,7	-1,4	1,2	1,7	0,7	1,6	2,3	3,8	2,4	-4,7	8,1	9,8	9,0
THE GAMBIA.....	1,3	7,4	6,6	6,9	7,7	6,9	6,1	4,6	5,5	3,3	4,9	3,9	9,0
GHANA.....	4,5	5,2	5,6	5,9	6,2	6,5	8,4	4,0	8,0	14,4	7,1	7,1	7,9
GUINEA.....	5,2	1,2	2,3	3,0	2,5	1,8	4,9	-0,3	1,9	3,9	4,8	3,9	4,5
GUINEA BISSAU.....	-7,2	0,3	2,8	4,3	2,1	3,2	3,2	3,4	4,4	5,3	-1,5	-1,5	3,5
LIBERIA.....	2,7	2,8	2,9	5,3	7,8	9,4	7,1	4,6	5,5	8,2	9,5	8,3	8,1
MALI.....	4,3	7,6	2,3	6,1	5,3	4,3	5,0	4,5	5,8	2,7	-3,1	-1,5	4,4
NIGER.....	5,8	3,8	-0,8	7,4	5,8	3,1	9,6	-0,7	8,2	2,1	11,4	11,4	5,8
NIGERIA.....	4,6	9,6	6,6	6,5	6,0	6,4	6,0	7,0	8,0	7,4	0,0	6,6	6,6
SENEGAL.....	1,2	6,7	5,8	5,7	2,5	4,9	3,2	2,1	4,1	2,6	3,5	3,5	4,0
SIERRA LEONE.....	26,6	9,5	6,5	4,4	4,3	8,0	5,4	3,2	5,3	6,0	18,2	15,2	14,6
TOGO.....	-1,3	4,8	2,5	1,2	3,9	2,1	2,4	3,4	4,0	4,9	5,9	5,9	5,8
Taux d'inflation en moyenne annuelle/Inflation rate (period average)													
BENIN.....	1,2	0,7	1,0	5,4	3,8	1,3	7,9	2,2	2,1	2,7	4,6	6,7	2,2
BURKINA FASO.....	2,3	2,0	-0,4	6,4	2,4	2,0	10,7	0,9	-0,6	2,8	4,4	3,8	2,1
CABO VERDE.....	3,0	-2,3	-0,3	1,7	2,1	4,4	6,8	1,0	2,1	4,5	3,2	2,5	2,8
COTE D'IVOIRE.....	3,1	3,3	1,5	3,9	2,5	2,5	6,3	0,5	1,7	4,9	1,9	1,3	3,5
THE GAMBIA.....	8,6	17,0	14,2	3,2	2,1	5,4	4,5	4,6	5,0	4,8	4,1	4,3	4,6
GHANA.....	14,8	23,7	12,6	15,4	11,7	10,7	16,5	19,3	10,7	8,7	8,8	9,2	9,8
GUINEA.....	3,0	12,9	17,5	31,4	34,7	22,9	18,4	4,7	15,5	21,4	13,2	15,2	10,6
GUINEA BISSAU.....	3,3	-3,5	0,8	3,4	2,0	3,0	7,9	-2,8	2,2	5,1	3,2	2,1	0,9
LIBERIA.....	14,1	10,3	3,6	11,1	7,4	11,4	17,5	7,4	7,3	8,5	9,0	7,7	7,6
MALI.....	2,7	-1,8	0,4	7,8	0,1	0,0	9,2	2,4	1,2	3,0	4,9	5,3	-0,8
NIGER.....	2,7	-1,8	0,4	7,8	0,1	0,0	11,3	0,5	0,9	2,9	1,6	0,5	1,6
NIGERIA.....	13,7	14,0	15,0	17,8	8,3	5,4	11,5	9,2	12,4	10,8	11,3	12,2	8,9
SENEGAL.....	2,3	0,0	0,5	1,7	2,1	5,4	5,8	-2,2	1,2	3,4	2,1	1,4	0,5
SIERRA LEONE.....	-3,2	7,6	14,2	12,0	7,3	13,8	12,5	9,9	17,1	16,0	15,1	12,9	11,5
TOGO.....	3,1	-0,9	0,4	6,8	2,2	3,2	8,7	3,7	1,4	3,6	2,5	2,6	2,7
Masse monétaire en % du PIB/Money Supply in % of GDP													
BENIN.....	25,7	26,8	23,5	26,8	29,5	32,9	37,2	38,2	39,2	40,0	37,2	37,9	38,8
BURKINA FASO.....	19,0	27,1	23,1	20,9	24,4	28,9	30,8	28,1	29,6	31,3	29,2	32,2	31,1
CABO VERDE.....	72,0	71,5	76,6	84,3	88,5	77,6	75,8	77,6	79,7	80,2	82,3	82,7	88,4
COTE D'IVOIRE.....	28,0	19,9	22,2	23,1	25,4	30,0	28,8	32,3	36,6	36,6	35,9	39,0	35,0
THE GAMBIA.....	43,5	62,4	31,3	34,3	41,5	40,3	45,0	48,5	49,9	51,7	105,7	54,0	100,9
GHANA.....	3,1	3,2	3,3	31,4	36,8	24,8	27,1	28,7	29,7	30,4	41,7	30,9	55,0
GUINEA.....	13,7	15,8	18,2	18,9	21,5	19,6	22,7	26,9	38,3	33,6	27,7	28,9	26,2
GUINEA BISSAU.....	31,3	36,5	15,8	17,3	18,2	20,8	23,6	24,4	29,5	37,3	42,6	34,7	38,2
LIBERIA.....	8,6	10,9	16,2	20,1	22,4	25,4	31,5	38,7	35,4	39,4	63,5	34,8	64,8
MALI.....	28,0	32,0	29,1	29,6	29,1	29,7	26,2	27,7	27,8	29,7	28,8	32,8	32,5
NIGER.....	9,7	12,6	15,2	14,2	15,2	17,3	16,5	18,7	20,3	20,2	20,5	23,2	22,1
NIGERIA.....	18,0	20,0	19,8	18,0	21,7	28,1	37,2	42,7	33,9	35,7	69,8	38,2	76,6
SENEGAL.....	26,2	32,1	34,1	34,1	35,8	36,5	33,5	37,1	39,9	39,9	38,1	40,1	36,8
SIERRA LEONE.....	13,7	13,7	14,4	16,8	18,0	18,5	20,6	23,7	23,5	23,2	18,2	22,0	18,6
TOGO.....	22,8	26,7	30,1	28,2	33,2	37,1	37,5	41,3	45,3	47,8	41,3	45,5	43,2
Solde budgétaire global en % du PIB/Fiscal balance in % of GDP													
BENIN.....	-3,3	-4,5	-3,6	-4,6	-2,5	-1,8	-3,5	-7,4	-3,1	-4,3	-0,5	-2,4	-3,6
BURKINA FASO.....	-10,0	-8,2	-8,6	9,3	12,6	14,0	10,4	10,7	8,7	7,6	2,0	8,4	1,7
CABO VERDE.....	-10,5	-9,1	-8,4	-11,4	-10,4	-3,6	-6,8	-11,1	-17,6	-12,5	-12,4	-15,1	-7,4
COTE D'IVOIRE.....	-1,9	-2,9	-2,6	-2,7	-1,6	-1,4	-2,2	-2,1	-2,8	-4,5	-0,5	-4,2	-2,8
THE GAMBIA.....	-9,1	-10,4	-6,1	-7,4	-2,7	-1,0	-3,3	-7,2	-6,7	-9,0	-11,2	-13,5	-8,0
GHANA.....	-7,5	-7,9	-8,8	-6,3	-12,7	-14,4	-19,1	-12,5	-8,6	-2,9	-4,3	-7,4	-6,4
GUINEA.....	-6,7	-8,3	-6,5	-1,6	-2,0	-0,9	-1,5	-7,0	-14,7	-4,7	-2,4	-5,5	-6,4
GUINEA BISSAU.....	-8,9	-11,9	-16,6	-13,0	-9,0	-10,8	-12,2	-13,1	-11,0	-9,3	-3,2	-8,0	-1,5
LIBERIA.....	-1,1	-0,5	-0,7	-0,7	12,2	7,0	-2,7	-2,2	2,1	-0,2	0,1	1,8	-3,1
MALI.....	-7,6	-5,3	-7,0	-7,3	-7,6	-7,9	-5,6	-8,8	-5,5	-7,5	2,3	-0,3	-0,1
NIGER.....	-8,9	-7,8	-9,3	-9,6	-6,8	-6,7	-5,4	-10,6	-7,1	-6,3	-1,2	-8,0	-7,0
NIGERIA.....	-3,9	-2,0	-1,2	-1,3	-0,6	-0,6	-0,2	-3,3	-5,0	-3,1	-1,3	-2,5	-1,8
SENEGAL.....	-1,8	-3,3	-5,4	-4,6	-7,2	-5,9	-6,9	-7,9	-7,8	-8,9	-1,2	-8,7	-3,2
SIERRA LEONE.....	-10,9	-9,3	-8,6	-9,6	-8,5	-5,0	-7,1	-8,2	-12,5	-14,0	-6,1	-8,0	-1,0
TOGO.....	-1,0	1,2	0,6	-4,1	-4,2	0,6	-2,3	-4,9	-3,6	-6,0	-0,9	-8,2	-4,5
solde du compte courant de la balance des paiements en % du PIB (hors transferts public)/Current account balance in % of GDP (excluding public transfert													
BENIN.....	-3,1	-4,1	-7,1	-6,2	-6,9	-11,1	-9,3	-11,4	-9,2	-11,0	-10,3	-10,3	-8,9
BURKINA FASO.....	-9,1	-8,6	-10,4	-14,9	-14,0	-14,5	-18,9	-9,1	-3,5	-2,7	-5,7	-5,7	-4,4
CABO VERDE.....	-16,9	-17,2	-20,1	-9,1	-11,7	-17,4	-19,5	-19,7	-19,1	-21,0	-8,1	-15,7	-2,5
COTE D'IVOIRE.....	6,2	-0,5	1,5	0,4	3,0	-1,5	0,9	4,9	4,3	12,8	0,3	0,3	-0,3
THE GAMBIA.....	-15,8	-0,4	-7,3	-7,9	-10,8	-7,8	0,3	3,7	-0,8	1,3	4,3	-19,2	-36,0
GHANA.....	-0,5	-14,1	-24,2	-28,4	-28,2	-17,4	-20,6	-14,4	-16,1	-10,0	-11,9	-18,8	-14,8
GUINEA.....	-4,3	-0,6	-3,5	-4,8	-7,3	-9,2	-9,2	-8,8	-7,3	-30,9	-18,6	-23,6	-20,0
GUINEA BISSAU.....	-0,7	-8,8	2,6	8,0	-12,8	-9,5	-11,0	-13,7	-12,1	-5,7	-10,9	-10,9	-9,4
LIBERIA.....	3,6	10,9	2,5	-19,9	-17,2	-176,0	-56,6	-37,3	-33,4	-48,2	-102,3	-151,8	-93,1
MALI.....	-4,9	-9,9	-8,2	-10,1	-6,3	-9,8	-16,2	-10,8	-14,8	-11,6	-4,3	-4,3	-11,4
NIGER.....	-8,0	-8,5	-8,0	-12,7	-10,9	-10,4	-15,1	-22,1	-22,1	-25,1	-17,0	-17,0	-16,1
NIGERIA.....	-3,5	5,0	18,0	33,0	26,4	15,5	9,8	10,9	8,6	4,6	-5,6	7,2	8,5
SENEGAL.....	-4,8	-4,6	-6,4	-9,0	-9,8	-12,6	-14,6	-7,1	-5,1	-8,0	-8,5	-8,5	-8,0
SIERRA LEONE.....	-18,0	-16,9	-19,4	-22,0	-11,3	-8,1	-8,8	-5,5	-45,5	-110,3	-61,5	-61,5	-20,6
TOGO.....	-10,3	-11,7	-10,6	-22,8	-9,2	-9,9	-8,6	-8,2	-9,4	-11,6	-12,8	-12,8	-12,5

BENIN (Données en mds CFA sauf indications contraires)	2002	2003	2004	2005	2006	2007	2008	2009	2010*	2011	juin-12	2012*	juin-13	2013**	BENIN (Data in billions of CFA unless otherwise specification)
DETERMINATION DU PIB															GDP DETERMINATION
Consommation publique	241,1	261,0	258,7	275,8	297,9	323,7	351,9	328,6	385,4	400,0	436,4	436,4	409,1	409,1	Public consumption
Consommation privée	1 525,8	1 595,1	1 621,1	1 802,1	1 889,6	2 129,0	2 347,6	2 488,0	2 492,1	2 689,3	3 028,8	3 028,8	3 249,7	3 249,7	Private consumption
Formation brute de capital fixe	370,2	404,1	415,5	444,9	481,1	526,0	602,5	651,6	666,0	712,9	766,2	766,2	771,0	771,0	Gross fixed capital formation
Variation des stocks	-9,2	15,7	27,0	-27,6	24,6	21,7	13,1	13,4	17,5	22,7	37,7	37,7	13,3	13,3	Stocks variations
Exportation de biens et services	434,8	433,7	430,5	407,2	498,1	646,2	730,0	682,7	821,2	715,1	734,6	734,6	793,5	793,5	Exports of goods and services
Importation de biens et services	605,8	642,2	612,7	603,8	731,0	1 007,7	1 074,6	1 054,8	1 134,2	1 096,7	1 145,4	1 145,4	1 187,4	1 187,4	Imports of goods and services
PIB aux prix courants	1 956,9	2 067,5	2 140,0	2 298,7	2 460,2	2 638,9	2 970,5	3 109,4	3 248,0	3 443,3	3 858,3	3 858,3	4 049,2	4 049,2	GDP at current price
PIB courants en millions de USD	2 816,2	3 565,1	4 051,7	4 356,2	4 707,0	5 506,1	6 198,0	6 590,8	6 561,8	7 519,3	7 538,9	7 538,9	8 106,1	8 106,1	GDP at current price in millions of USD
PIB aux prix constants (base 1985)	893,6	928,5	957,4	984,9	1 021,7	1 069,2	1 122,8	3050,7	1182,1	1223,8	1289,4	1 289,4	1 355,2	1 355,2	GDP at constant price
Taux de croissance réel du PIB (en %)	4,6	3,9	3,1	2,9	3,8	4,6	5,0	2,7	2,6	3,5	3,5	5,4	5,1	5,1	Real GDP growth rate (in %)
Structure du PIB (en %)															GDP COMPOSITION (in %)
Secteur primaire	33,8	32,1	32,3	32,3	32,4	31,3	32,3	32,4	32,4	32,4	33,4	32,5	32,0	32,0	Primary sector
Secteur secondaire	13,6	13,7	13,3	13,3	13,0	13,0	12,6	13,0	13,2	13,2	13,3	12,9	13,4	13,4	Secondary sector
Secteur tertiaire	52,7	54,2	54,4	54,4	54,6	55,7	55,2	54,6	54,3	44,2	43,7	45,0	44,9	44,9	Tertiary sector
INFLATION															INFLATION
Inflation (en glissement fin décembre) en %	2,4	0,7	2,7	3,8	5,2	0,3	9,9	-2,9	4,0	1,8	6,7	6,8	0,7	.....	Inflation (end of period) in %
Inflation (en moyenne annuelle) en %	1,2	0,7	1,0	5,4	3,8	1,3	7,9	2,2	2,1	2,7	4,6	6,7	2,2	.....	Inflation (period Average) in %
Déflateur implicite du PIB	116,5	123,1	127,4	136,9	146,5	157,1	176,9	180,3	183,6	188,1	193,8	198,6	203,6	208,7	GDP deflator
MONNAIE														419,09	MONETARY LIABILITIES & ASSETS
Masse monétaire M2 en mds de CFA	503,8	554,6	502,7	615,4	726	869,40	1106,50	1188,90	1274,70	1377,70	1434,00	1463,00	1571,00	.....	Broad money M2
M2/PIB (en %)	25,7	26,8	23,5	26,8	29,5	32,9	37,2	38,2	39,2	40,0	37,2	37,9	38,8	.....	M2/GDP (in %)
Taux de change moyen par rapport au dollar US	694,9	579,9	528,2	527,7	522,7	479,3	479,3	471,8	495,4	471,8	511,8	511,8	499,5	499,5	Exchange Rate (Period Average) in USD
Variation du taux de change par rapport au dollar US (en %)	-5,4	-16,5	-8,9	-0,1	-1,0	-8,3	0,0	-1,6	5,0	-4,8	12,3	8,5	-2,4	.....	Exchange Rate variation in USD (in %)
Réserves brutes de change (en millions de USD)	369,6	372,9	305,8	365,6	453,0	1 192,4	1 327,9	1 226,3	1 202,5	894,7	914,0	692,0	839,0	.....	External Reserves - Stock (US \$ million)
Réserves de change en mois d'importation	7,6	6,0	7,7	9,6	8,6	7,2	7,4	7,1	7,3	5,5	5,3	4,1	4,9	.....	Number of Months of Imports Equivalent
Taux d'intérêt minimum (en %)	3,5	3,5	3,5	3,5	4,5	4,0	3,7	3,8	3,9	5,4	4,0	4,95	4,22	.....	Minimum Interest Rate (in %)
BUDGET DE L'ETAT															FISCAL OPERATIONS of GOVERNMENT
Recettes courantes (en % du PIB)	16,3	17,0	16,4	16,7	17,0	20,8	19,6	18,5	18,6	17,6	19,7	18,7	20,0	.....	Domestic Revenue as % of GDP
Dépenses courantes (en % du PIB)	13,3	13,9	13,9	15,0	14,8	15,0	15,7	15,8	15,5	15,0	15,0	15,4	15,9	.....	Current Expenditure as % of GDP
Dépenses en capital (en % du PIB)	8,5	7,3	7,7	6,3	4,6	7,5	5,9	9,7	5,5	6,6	2,8	5,6	6,0	.....	Capital Expenditure as % of GDP
Solde primaire de base (en % du PIB)	3,3	3,7	3,6	-1,4	0,4	3,1	0,7	-3,9	0,5	-0,1	1,8	0,6	2,0	.....	Primary balance as % of GDP
Solde global dons exclus (base engagements) en % du PIB	3,3	4,5	3,6	4,6	2,5	-1,8	-3,5	-7,4	-3,1	-4,3	-0,5	-2,4	-3,6	.....	Overall deficit (commitment basis exclud. grant) / GDP (%)
BALANCE DES PAIEMENTS															BALANCE of PAIEMENTS
Exportations FOB (en milliard de FCFA)	295,8	280,3	300,4	305,0	574,2	578,3	574,168	578,328	634,75	539,87	546,85	546,85	596,58	596,58	Exports fob in billions of CFA
Importations (en milliard de FCFA)	405,9	420,6	482,6	501,6	846,2	820,6	846,211	820,553	879,202	860,99	895,6	895,60	931,37	931,37	Imports fob in billions of CFA
Exportations biens /PIB (en %)	15,1	13,6	14,0	13,3	23,3	21,9	19,3	18,6	19,5	15,7	14,2	14,2	14,7	14,7	Exports fob as % of GDP
Importations/PIB (en %)	20,7	20,3	22,6	21,8	34,4	31,1	28,5	26,4	27,1	25,0	23,2	23,2	23,0	23,0	Imports fob as % of GDP
Couverture export.FAB / import. CAF (en %)	72,9	66,6	62,2	60,8	67,9	70,5	67,9	70,5	72,2	62,7	61,1	61,1	64,1	64,1	Export fob/Import fob (in %)
Compte courant (n. c Trans publics)	-61,2	-84,9	-152,4	-142,4	-169,1	-292,1	-276,2	-355,3	-297,9	-380,0	-397,5	-397,5	-384,5	-384,5	Current Account Balance (Excl public transfert)
Compte courant en % du PIB	-3,1	-4,1	-7,1	-6,2	-6,9	-11,1	-9,3	-11,4	-9,2	-11,0	-10,3	-10,3	-8,9	-8,9	Current Account Balance as % of G.D.P
Solde global	-38,5	22,4	-61,4	49,4	131,4	141,3	36,9	-48,9	83,1	-11,6	68,9	68,9	10,0	10,0	Overall Balance
Sole global en % du PIB	-2,0	1,1	-2,9	2,1	5,3	5,4	1,2	-1,6	2,6	-0,3	1,8	1,8	0,2	0,2	Overall Balance as % of G.D.P
DETTE EXTERIEURE															EXTERNAL DEBT POSITION
Encours de la Dette (en milliard de FCFA)	941,63	832,59	826,25	919,40	519,76	299,73	415,1	463,3	582,9	613,7	638,9	638,9	690,5	690,5	External Debt Outstanding in billions of CFA
Encours de la Dette (en % du PIB)	48,1	40,3	38,6	40,0	21,1	11,4	14,0	14,9	17,9	17,8	20,2	16,6	17,1	17,1	External Debt Outstanding as % of GDP
Service Dette pub.extérieure	33,1	32,4	30,1	25,7	14,8	13,8	17,0	34,4	23,9	15,7	35,7	35,7	32,9	32,9	External Debt service
Service Dette (en % des export.de biens. & serv.)	7,6	7,5	7,0	6,3	3,0	2,1	2,3	5,0	2,9	2,2	4,9	4,9	4,1	4,1	External Debt Service as % of Exports of goods & serv

BURKINA FASO (Données en mds CFA sauf indications contraires)	2002	2003	2004	2005	2006	2007	2008	2009	2010*	2011*	juin-12	2012*	juin-13	2013**	BURKINA FASO (Data in billions of CFA unless otherwise specification)
DETERMINATION DU PIB															GDP DETERMINATION
Consommation publique	576,9	549,9	583,4	569,6	618,8	630,9	614,9	854,9	918,0	994,0	1086,9	1086,9	1274	1274	Public consumption
Consommation privée	1632,2	1820,0	2066,9	2065,0	1813,9	1787,5	1959,4	2532,6	2744,2	3026,4	3658,9	3658,9	3978,3	3978,3	Private consumption
Formation brute de capital fixe	393,2	433,4	520,4	567,3	706,6	893,1	976,8	887,4	1014,3	936,4	995,0	995,0	1302,1	1302,1	Gross fixed capital formation
Variation des stocks	-26,1	-0,5	-106,3	127,0	-2,6	-39,5	19,5	86,7	108,0	167,2	193,7	193,7	82,6	82,6	Stocks variations
Exportation de biens et services	202,1	218,3	289,9	282,8	347,1	342,4	369,6	477,9	935,6	1297,5	1400,9	1400,9	1546,7	1546,7	Exports of goods and services
Importation de biens et services	485,6	539,2	655,2	730,3	768,6	802,8	982,5	897,6	1266,3	1628,1	1930,9	1930,9	2047,9	2047,9	Imports of goods and services
PIB aux prix courants	2 292,8	2 481,9	2 699,0	2 881,4	2 715,2	2 811,6	2 957,6	3 941,8	4 453,9	4 793,3	5 404,4	5 404,4	6 135,8	6 135,8	GDP at current price
PIB courants en millions de USD	3299,7	4279,8	5110,0	5460,4	5194,9	5866,5	6171,0	8355,3	8990,7	10160,4	10559,9	10559,9	12283,4	12283,4	GDP at current price in millions of USD
PIB aux prix constants (n/n-1)	2156,8	2476,3	2596,1	2890,6	3040,3	2811,6	2957,6	3051,2	3362,9	3530,8	3847,1	3847,1	4116,1	4116,1	GDP at constant price
Taux de croissance réel du PIB (en %)	4,7	8,0	3,9	8,6	5,51	3,55	6,61	3,16	8,55	4,99	9,0	9,0	7,0	7,0	Real GDP growth rate (in %)
Structure du PIB (en %)															GDP COMPOSITION (in %)
Secteur primaire	32,6	33,4	30,6	31,9	30,3	29,5	30,4	32,4	32,4	31,3	33,1	33,1	33,1	33,1	Primary sector
Secteur secondaire	19,8	20,3	21,6	21,2	19,5	19,3	19,1	16,5	18,7	20,9	19,0	19,0	19,9	19,9	Secondary sector
Secteur tertiaire	47,6	46,2	47,8	46,8	50,1	51,2	50,5	51,1	40,3	40,5	41,0	41,0	39,2	39,2	Tertiary sector
INFLATION															INFLATION
Inflation (en glissement fin décembre) en %	2,3	3,9	0,7	4,5	1,5	2,3	9,9	-0,3	-0,3	5,1	5,4	1,7	1,8	.....	Inflation (end of period) in %
Inflation (en moyenne annuelle) en %	2,3	2,0	-0,4	6,4	2,4	2,0	10,7	0,9	-0,6	2,8	4,4	3,8	2,1	.....	Inflation (period Average) in %
Déflateur implicite du PIB	110,5	110,7	115,0	117,8	118,3	119,3	124,7	161,2	172,8	178,3	186,1	186,7	194,8	192,3	GDP deflator
MONNAIE															MONETARY LIABILITIES & ASSETS
Masse monétaire M2	436,8	673,3	624,3	601,0	661,6	813,2	910,6	1 107,1	1 319,5	1 501,1	1 576,2	1 741,5	1 905,2	.....	Broad money M2
M2/PIB (en %)	19,0	27,1	23,1	20,9	24,4	28,9	30,8	28,1	29,6	31,3	29,2	32,2	31,1	.....	M2/GDP (in %)
Taux de change moyen par rapport au dollar US	694,9	579,9	528,2	527,7	522,7	479,3	479,3	471,8	495,4	471,8	511,8	511,8	499,5	.....	Exchange Rate (Period Average) in USD
Variation du taux de change par rapport au dollar US (en %)	-5,4	-16,5	-8,9	-0,1	-1,0	-8,3	0,0	-1,6	5,0	-4,8	12,3	8,5	-2,4	.....	Exchange Rate variation in USD (in %)
Réserve brutes de change (en millions de USD)	190,1	391,0	318,1	245,1	275,2	953,5	916,6	1292,7	1070,5	963,6	831,5	994,8	741,9	.....	External Reserves - Stock (US \$ million)
Réserve de change en mois d'importation	7,6	6	6,8	4,5	4,8	8,0	6,3	8,8	6,3	4,7	3,2	3,7	3,2	.....	Number of Months of Imports Equivalent
Taux d'intérêt minimum (en %)	3,5	3,5	3,5	3,5	3,9	4,2	4,4	4,6	4,4	5,7	4,2	4,9	4,5	.....	Minimum Interest Rate (in %)
BUDGET DE L'ETAT															FISCAL OPERATIONS of GOVERNMENT
Recettes courantes (en % du PIB)	11,3	12,2	12,8	12,7	14,5	15,7	16,4	13,7	14,9	16,2	18,7	18,5	18,1	.....	Domestic Revenue as % of GDP
Dépenses courantes (en % du PIB)	11,1	10,5	10,9	11,4	14,2	16,0	15,4	12,7	11,6	12,8	13,0	15,3	12,1	.....	Current Expenditure as % of GDP
Dépenses en capital (en % du PIB)	16,4	17,4	15,3	10,8	13,2	12,5	10,8	11,0	10,5	9,9	4,6	11,5	7,6	.....	Capital Expenditure as % of GDP
Solde primaire (en % du PIB)	8,3	8,3	8,5	-3,0	-5,0	-6,1	-5,4	-5,2	-3,9	-2,8	1,1	-3,7	2,1	.....	Primary balance as % of GDP
Solde dons exclus (base engagements) en % du PIB	10,0	8,2	8,6	-9,3	-12,6	-14,0	-10,4	-10,7	-8,7	-7,6	-2,0	-8,4	-1,7	.....	Overall deficit (commitment basis exclud. grant) / GDP (%)
BALANCE DES PAIEMENTS															BALANCE of PAIEMENTS
Exportations	164,2	196,8	253,2	247,1	307,6	298,6	310,4	425,2	785,2	1129,5	1197,0	1197,0	1309,8	1309,8	Exports fob in millions of USD
Importations	381,7	398,3	497,9	540,5	562,1	585,1	711,7	652,8	854,2	1117,8	1322,1	1322,1	1386,4	1386,4	Imports fob in millions of USD
Exportations biens /PIB (en %)	7,2	7,9	9,4	8,6	11,3	10,6	10,5	10,8	17,6	23,6	22,1	22,1	21,3	21,3	Exports fob as % of GDP
Importations/PIB (en %)	16,6	16,0	18,4	18,8	20,7	20,8	24,1	16,6	19,2	23,3	24,5	24,5	22,6	22,6	Imports fob as % of GDP
Couverture export.FAB / import. CAF (en %)	43,0	49,4	50,9	45,7	54,7	51,0	43,6	65,1	91,9	101,0	90,5	90,5	94,5	94,5	Export fob/import fob (in %)
Compte courant (n.c.transf.pub.)	-208,0	-213,4	-280,5	-430,5	-380,6	-406,6	-557,6	-359,8	-154,1	-128,5	-309,2	-309,2	-268,3	-268,3	Current Account Balance (Excl public transfert)
Compte courant (n.c.transf.pub.) en % du PIB	-9,1	-8,6	-10,4	-14,9	-14,0	-14,5	-18,9	-9,1	-3,5	-2,7	-5,7	-5,7	-4,4	-4,4	Current Account Balance as % of G.D.P
Solde global	8,4	22,5	-57,0	-103,7	49,6	188,1	-33,4	224,7	86,0	40,4	-2,7	-2,7	30,0	30,0	Overall Balance
Sole global en % du PIB	0,4	0,9	-2,1	-3,6	1,8	6,7	-1,1	5,7	1,9	0,8	0,0	0,0	0,5	0,5	Overall Balance as % of G.D.P
DETTE EXTERIEURE															EXTERNAL DEBT POSITION
Encours de la Dette	970,8	924,1	998,1	1 170,1	591,1	664,2	737,5092	802,966	982,84	1049,418	.....	1290,548	1154,889	1154,889	External Debt Outstanding in millions of USD
Encours de la Dette (en % du PIB)	42,3	37,2	37,0	40,6	21,8	23,6	24,9	20,4	22,1	21,9	.....	23,3	18,8	18,8	External Debt Outstanding as % of GDP
Service Dette pub.extérieure	49,0	47,6	49,4	46,9	37,0	22,0	22,1	21,3	26,4	34,1	.....	38,4	42,5	42,5	External Debt service
Service Dette (en % des export.de biens. & serv.)	24,2	21,8	17,0	16,6	10,7	6,4	6,0	4,4	2,8	2,6	.....	2,7	2,7	4,9	External Debt Service as % of Exports of goods & serv

COTE D'IVOIRE

(Données en mds CFA sauf indications contraires)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	juin-12	2012*	juin-13	2013**	
DETERMINATION DU PIB															
Consommation publique	1 135,7	1 030,8	971,3	952,4	1 279,5	1 390,9	1 525,9	1 531,1	1 640,1	1 581,5	1 819,3	1 819,3	1 707,5	1 707,5	
Consommation privée	5 684,3	6 176,7	6 274,8	6 429,2	5 932,2	6 532,2	6 966,6	6 991,8	7 641,4	7 640,0	8 320,1	8 320,1	9 604,2	9 604,2	
Formation brute de capital fixe	866,6	734,2	817,6	826,1	804,8	906,2	1 048,8	973,2	1 025,5	928,0	1 720,0	1 720,0	2 252,3	2 252,3	
Variation des stocks	-377,1	196,9	-35,7	194,7	117,1	124,5	129,3	131,8	144,9	-719,9	189,4	189,4	144,9	144,9	
Exportation de biens et services	4 084,4	3 726,7	4 058,3	4 496,7	4 874,3	4 601,5	5 111,2	5 829,7	6 240,3	6 270,7	6 594,2	6 594,2	7 128,1	7 128,1	
Importation de biens et services	2 788,3	2 969,2	3 340,9	3 887,4	3 974,6	4 115,7	4 356,4	4 576,9	5 340,0	4 340,4	6 043,1	6 043,1	6 767,1	6 767,1	
PIB aux prix courants	8 605,7	8 896,2	8 745,5	9 011,8	9 033,3	9 439,6	10 425,3	10 880,7	11 352,2	11 360,0	12 600,0	12 600,0	14 070,0	14 070,0	
PIB courants en millions de USD	12 384,6	15 340,5	16 557,8	17 077,7	17 282,8	19 695,7	21 752,3	23 063,2	22 915,9	24 079,7	24 619,7	24 619,7	28 166,9	.....
PIB aux prix constants (1985)	4 097,8	4 042,0	4 091,8	4 162,3	4 191,4	4 258,7	4 357,3	10821,5	4631,2	4413,5	4846,2	4846,2	5282,8	5282,8	
Taux de croissance réel du PIB (en %)	-1,7	-1,4	1,2	1,7	0,7	1,6	2,3	3,8	2,4	-4,7	8,1	9,8	9,0	9,0	
Structure du PIB (en % du PIB)															
Secteur primaire	27,3	28,8	23,6	22,6	23,0	24,0	24,6	25,8	26,5	29,7	27,9	27,9	25,9	25,9	
Secteur secondaire	21,1	21,1	22,0	22,8	26,0	24,9	25,9	24,2	23,9	23,4	24,9	24,9	26,3	26,3	
Secteur tertiaire	51,6	50,1	54,4	54,6	50,9	51,0	49,6	50,0	41,1	39,5	39,5	39,5	39,2	39,2	
INFLATION															
Inflation (en glissement fin décembre) en %	3,1	-0,1	4,4	2,6	2,0	3,0	7,1	-0,1	5,1	1,9	1,0	3,4	2,9	.....
Inflation (en moyenne annuelle) en %	3,1	3,3	1,5	3,9	2,5	2,5	6,3	0,5	1,7	4,9	1,9	1,3	3,5	.....
Déflateur implicite du PIB	112,8	116,6	114,6	118,1	118,4	123,7	136,6	137,4	140,0	147,0	149,8	148,4	151,3	151,8	
MONNAIE															
Masse monétaire M2	2 409,0	1 768,5	1 937,2	2 081,0	2 294,8	2 836,6	2 997,4	3 511,8	4 152,3	4 152,3	4 518,6	4 910,6	4 918,4	.....
M2/PIB (en %)	28,0	19,9	22,2	23,1	25,4	30,0	28,8	32,3	36,6	36,6	35,9	39,0	35,0	.....
Taux de change moyen par rapport au dollar US	694,9	579,9	528,2	527,7	522,7	479,3	471,8	471,8	495,4	471,8	511,8	511,8	499,5	.....
Variation du taux de change par rapport au dollar US (en %)	-5,4	-16,5	-8,9	-0,1	-1,0	-8,3	0,0	-1,6	5,0	-4,8	12,3	3,3	9,6	.....
Réserves brutes de change (en millions de USD)	1148,6	677,2	809,1	768,6	888,7	1051,3	1051,3	3248,2	3637,7	4356,2	3972,9	3813,1	3992,8	.....
Réserves de change en mois d'importation	7,6	6	7,7	3,3	3,3	3,9	3,5	4,6	4,7	7,3	5,2	4,6	4,8	.....
Taux d'intérêt minimum (en %)	3,5	3,5	3,5	3,5	4,5	4,9	5,2	5,5	5,4	5,5	3,5	5,6	5,3	.....
BUDGET DE L'ETAT															
Recettes courantes (en % du PIB)	16,6	15,2	16,4	16,3	17,7	19,3	19,0	19,7	19,2	14,9	19,7	20,1	19,2	.....
Dépenses courantes (en % du PIB)	14,6	14,5	14,8	15,3	15,4	16,6	16,7	17,1	17,3	16,0	17,0	18,8	15,7	.....
Dépenses en capital (en % du PIB)	3,0	2,4	3,0	2,6	2,6	2,7	2,9	3,0	3,1	2,5	1,6	4,9	6,0	.....
Solde primaire (en % du PIB)	3,4	1,8	2,0	1,5	1,5	2,4	1,9	2,4	1,3	-1,3	1,7	-0,9	1,9	.....
Solde dons exclus (base engagements) en % du PIB	-1,9	-2,9	-2,6	-2,7	-1,6	-1,4	-2,2	-2,1	-2,8	-4,5	-0,5	-4,2	-2,8	.....
BALANCE DES PAIEMENTS															
Exportations	3 601,0	3 521,5	3 655,4	4 060,1	4 432,7	4 154,7	4 652,7	5 348,4	5 722,8	5 833,8	6 138,4	6 138,4	6 617,9	6 617,9	
Importations	1 690,9	2 168,9	2 267,1	2 769,8	2 807,0	2 925,7	3 165,4	3 345,9	3 941,1	3 062,7	4 412,3	4 412,3	4 986,4	4 986,4	
Exportations biens /PIB (en %)	41,8	39,6	41,8	45,1	49,1	44,0	44,6	49,2	50,4	51,4	48,7	48,7	47,0	47,0	
Importations/PIB (en %)	19,6	24,4	25,9	30,7	31,1	31,0	30,4	30,8	34,7	27,0	35,0	35,0	35,4	35,4	
Couverture export.FAB / import. CAF (en %)	213,0	162,4	161,2	146,6	157,9	142,0	147,0	159,8	145,2	190,5	139,1	139,1	132,7	132,7	
Compte courant (n.c.transf.pub.)	537,2	-42,0	127,2	32,5	269,0	-144,9	89,1	529,7	483,0	1 454,4	42,6	42,6	-38,1	-38,1	
Compte courant (n.c.transf.pub.) en % du PIB	6,2	-0,5	1,5	0,4	3,0	-1,5	0,9	4,9	4,3	12,8	0,3	0,3	-0,3	-0,3	
Solde global	563,0	80,0	203,4	62,3	112,8	212,6	-13,5	128,3	234,7	427,5	-256,0	-256,0	10,0	10,0	
Sole global en % du PIB	6,5	0,9	2,3	0,7	1,2	2,3	-0,1	1,2	2,1	3,8	-2,0	-2,0	0,1	0,1	
DETTE EXTERIEURE															
Encours de la Dette	6 155,9	5 486,4	4 976,3	4 667,4	4 472,6	4 099,4	6 209,9	5 802,0	5 666,7	5 680,2	.....	3 867,3	1 985,3	1 985,3
Encours de la Dette (en % du PIB)	71,5	61,7	56,9	51,8	49,5	43,4	59,6	53,3	49,9	50,0	.....	30,7	14,1	14,1
Service Dette pub.extérieure	795,1	632,7	547,3	491,7	460,9	405,2	419,7	414,9	438,4	363,5	.....	642,2	338,8	338,8
Service Dette (en % des export.de biens. & serv.)	19,5	17,0	13,5	10,9	9,5	8,8	8,2	7,1	7,0	5,8	.....	9,7	4,8	4,8

COTE D'IVOIRE

(Data in billions of CFA unless otherwise specification)

GDP DETERMINATION
Public consumption
Private consumption
Gross fixed capital formation
Stocks variations
Exports of goods and services
Imports of goods and services
GDP at current price
GDP at current price in millions of USD
GDP at constant price
Real GDP growth rate (in %)
GDP COMPOSITION (in %)
Primary sector
Secondary sector
Tertiary sector
INFLATION
Inflation (end of period) in %
Inflation (period Average) in %
GDP deflator
MONETARY LIABILITIES & ASSETS
Broad money M2
M2/GDP (in %)
Exchange Rate (Period Average) in USD
Exchange Rate variation in USD (in %)
External Reserves - Stock (US \$ million)
Number of Months of Imports Equivalent
Minimum Interest Rate (in %)
FISCAL OPERATIONS OF GOVERNMENT
Domestic Revenue as % of GDP
Current Expenditure as % of GDP
Capital Expenditure as % of GDP
Primary balance as % of GDP
Overall deficit (commitment basis exclud. grant) / GDP (%)
BALANCE of PAIEMENTS
Exports fob in millions of USD
Imports fob in millions of USD
Exports fob as % of GDP
Imports fob as % of GDP
Export fob/Import fob (in %)
Current Account Balance (Excl public transfert)
Current Account Balance as % of G.D.P
Overall Balance
Overall Balance as % of G.D.P
EXTERNAL DEBT POSITION
External Debt Outstanding in millions of USD
External Debt Outstanding as % of GDP
External Debt service
External Debt Service as % of Exports of goods & serv

GUINEE BISSAU (Données en mds CFA sauf indications contraires)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	juin-12	2012*	juin-13	2013**	GUINEE BISSAU (Data in billions of CFA unless otherwise specification)
DETERMINATION DU PIB															GDP DETERMINATION
Consommation publique	42,0	46,4	40,1	46,0	45,8	50,4	33,8	33,0	42,1	47,3	49,7	49,7	52,1	52,1	Public consumption
Consommation privée	234,5	220,8	224,6	242,6	272,5	286,2	352,5	396,3	411,9	421,3	453,8	453,8	476,6	476,6	Private consumption
Formation brute de capital fixe	16,9	20,7	34,2	40,3	32,5	39,8	41,1	23,2	27,2	32,4	30,3	30,3	34,1	34,1	Gross fixed capital formation
Variation des stocks	0,1	0,3	0,3	1,1	-1,9	0,5	0,3	1,4	0,9	1,4	0,1	0,1	0,1	0,1	Stocks variations
Exportation de biens et services	43,9	44,0	44,1	49,9	44,8	56,7	77,0	65,0	84,5	136,2	99,7	99,7	118,3	118,3	Exports of goods and services
Importation de biens et services	61,4	61,7	67,2	77,8	91,2	102,6	127,2	128,5	148,1	173,5	164,5	164,5	180,3	180,3	Imports of goods and services
PIB aux prix courants	276,1	270,5	276,1	302,2	302,5	331,0	377,6	390,5	418,5	465,1	469,0	469,0	501,0	501,0	GDP at current price
PIB courants en millions de USD	397,3	466,4	522,7	572,6	578,8	690,7	787,8	827,7	844,9	985,8	916,3	916,3	1 003,0	1 003,0	GDP at current price in millions of USD
PIB aux prix constants (base 2005)	280,8	281,7	289,7	302,3	308,7	318,7	328,9	400,1	364,3	383,6	377,9	377,9	391,3	391,3	GDP at constant price
Taux de croissance réel du PIB (en %)	-7,2	0,3	2,8	4,3	2,1	3,2	3,2	3,4	4,4	5,3	-1,5	-1,5	3,5	3,5	Real GDP growth rate (in %)
Structure du PIB (en %)															GDP COMPOSITION (in %)
Secteur primaire	42,4	42,1	41,3	43,0	41,6	41,9	45,8	43,6	45,1	45,5	46,1	46,1	45,7	45,7	Primary sector
Secteur secondaire	37,9	37,6	35,8	33,4	33,0	34,0	32,1	12,8	12,7	12,3	12,0	12,0	12,3	12,3	Secondary sector
Secteur tertiaire	19,7	20,3	22,9	23,5	25,4	24,1	22,1	43,6	36,6	36,7	36,5	36,5	36,7	36,7	Tertiary sector
INFLATION															INFLATION
Inflation (en glissement fin décembre) en %	3,3	0,7	2,2	1,0	1,0	2,0	4,6	-4,8	5,6	3,4	1,9	1,7	-0,8	.....	Inflation (end of period) in %
Inflation (en moyenne annuelle) en %	3,3	-3,5	0,8	3,4	2,0	3,0	7,9	-2,8	2,2	5,1	3,2	2,1	0,9	.....	Inflation (period Average) in %
Déflateur implicite du PIB	92,7	90,9	92,7	101,5	101,6	111,2	126,8	123,8	127,0	134,0	138,3	137,1	141,6	140,6	GDP deflator
MONNAIE															MONETARY LIABILITIES & ASSETS
Masse monétaire M2	86,4	98,8	43,5	52,4	55,2	68,9	89,2	95,3	123,6	173,7	199,8	162,8	191,3	.....	Broad money M2
M2/PIB (en %)	31,3	36,5	15,8	17,3	18,2	20,8	23,6	24,4	29,5	37,3	42,6	34,7	38,2	.....	M2/GDP (in %)
Taux de change moyen par rapport au dollar US	694,9	579,9	528,2	527,7	522,7	479,3	479,3	471,8	495,4	471,8	511,8	511,8	499,5	499,5	Exchange Rate (Period Average) in USD
Variation du taux de change par rapport au dollar US (en %)	-5,4	-16,5	-8,9	-0,1	-1,0	-8,3	0,0	-1,6	5,0	-4,8	12,3	8,5	-2,4	.....	Exchange Rate variation in USD (in %)
Réserves brutes de change (en millions de USD)	64,5	17,1	34,5	44,7	40,6	41,5	41,5	168,4	157,1	221,7	215,8	161,7	193,0	.....	External Reserves - Stock (US \$ million)
Réserves de change en mois d'importation	7,6	6,0	7,7	9,6	6,3	6,5	7,0	8,5	8,3	9,7	9,2	7,5	9,6	.....	Number of Months of Imports Equivalent
Taux d'intérêt minimum (en %)	3,5	3,5	3,5	3,5	3,5	2,2	2,4	2,3	2,7	3,4	3,5	4,7	4,6	.....	Minimum Interest Rate (in %)
BUDGET DE L'ETAT															FISCAL OPERATIONS of GOVERNMENT
Recettes courantes (en % du PIB)	7,9	7,7	8,9	9,3	10,4	8,0	9,2	9,1	10,7	11,3	9,6	9,8	8,5	.....	Domestic Revenue as % of GDP
Dépenses courantes (en % du PIB)	12,2	12,9	15,2	14,6	12,9	11,5	14,2	11,7	11,9	11,7	12,6	13,3	10,0	.....	Current Expenditure as % of GDP
Dépenses en capital (en % du PIB)	4,5	5,7	5,7	7,4	5,8	7,2	7,2	10,5	9,7	8,9	1,7	4,5	0,0	.....	Capital Expenditure as % of GDP
Solde primaire (en % du PIB)	-2,1	-2,4	-3,2	-3,1	-0,8	-2,2	-3,1	-2,4	-1,0	-0,4	-2,9	-3,4	-1,5	.....	Primary balance as % of GDP
Solde dons exclus (base engagements) en % du PIB	-8,9	-11,9	-16,6	-13,0	-9,0	-10,8	-12,2	-13,1	-11,0	-9,3	-3,2	-8,0	-1,5	.....	Overall deficit (commitment basis excl. grant) / GDP (%)
BALANCE DES PAIEMENTS		14,665													BALANCE of PAIEMENTS
Exportations	37,7	38,0	40,0	47,2	38,8	51,3	57,4	57,4	62,7	114,2	76,8	76,8	94,1	94,1	Exports fob in millions of USD
Importations	40,8	37,8	43,8	55,8	66,4	80,5	89,0	95,5	97,3	119,6	111,9	111,9	121,0	121,0	Imports fob in millions of USD
Exportations biens /PIB (en %)	13,7	14,0	14,5	15,6	12,8	15,5	15,2	14,7	15,0	24,6	16,4	16,4	18,8	18,8	Exports fob as % of GDP
Importations/PIB (en %)	14,8	14,0	15,9	18,5	22,0	24,3	23,6	24,5	23,2	25,7	23,9	23,9	24,2	24,2	Imports fob as % of GDP
Couverture export.FAB / import. CAF (en %)	92,4	100,5	91,4	84,6	58,4	63,7	64,5	60,1	64,4	95,5	68,6	68,6	77,7	77,7	Export fob/Import fob (in %)
Compte courant (n.c.transf.pub.)	-2,0	-23,7	7,3	-24,1	-38,7	-31,6	-41,6	-53,6	-50,5	-26,7	-51,0	-51,0	-47,3	-47,3	Current Account Balance (Excl public transfert)
Compte courant (n.c.transf.pub.) en % du PIB	-0,7	-8,8	2,6	-8,0	-12,8	-9,5	-11,0	-13,7	-12,1	-5,7	-10,9	-10,9	-9,4	-9,4	Current Account Balance as % of G.D.P
Solde global	15,2	-35,4	19,5	7,6	1,8	12,1	14,665	13,7	12,2	26,1	-34,8	-34,8	5,0	5,0	Overall Balance
Sole global en % du PIB	5,5	-13,1	7,1	2,5	0,6	3,7	3,9	3,5	2,9	5,6	-7,4	-7,4	1,0	1,0	Overall Balance as % of G.D.P
DETTE EXTERIEURE															EXTERNAL DEBT POSITION
Encours de la Dette	488,7	515,3	506,8	478,7	482,8	564,2	510,7	517,9	522	79,3	.....	79,3	79,3	79,3	External Debt Outstanding in millions of USD
Encours de la Dette (en % du PIB)	177,0	190,5	183,6	158,4	159,6	170,4	135,3	132,6	124,7	17,1	.....	16,9	15,8	15,8	External Debt Outstanding as % of GDP
Service Dette pub.extérieure	33,7	22,8	23,0	18,4	43,8	14,6	16,4	15,5	452,0	0,6	.....	5,2	6,7	6,7	External Debt service
Service Dette (en % des export.de biens. & serv.)	76,7	51,9	52,2	36,9	107,9	21,7	28,6	26,9	720,9	0,5	.....	5,3	.....	.....	External Debt Service as % of Exports of goods & serv

MALI (Données en mds CFA sauf indications contraires)	2002	2003	2004	2005	2006	2007	2008	2009	2010*	2011*	juin-12	2012*	juin-13	2013**	MALI (Data in billions of CFA unless otherwise specification)
DETERMINATION DU PIB															GDP DETERMINATION
Consommation publique	368,1	445,3	472,6	490,4	553,5	596,8	687,7	733,9	788,3	859,2	808,0	808,0	827,9	827,9	Public consumption
Consommation privée	1 548,1	1 554,2	1 796,7	2 008,1	2 145,8	2 419,9	2 974,2	2 922,7	3 374,5	3 505,6	3702,9	3702,9	4368,2	4368,2	Private consumption
Formation brute de capital fixe	439,5	442,5	446,6	446,7	528,6	664,4	715,8	868,3	985,9	1 114,3	848,5	848,5	1 055,2	1 055,2	Gross fixed capital formation
Variation des stocks	-82,8	196,6	131,2	190,4	123,3	74,0	75,0	30,9	155,0	43,8	246,0	246,0	13,4	13,4	Stocks variations
Exportation de biens et services	728,0	669,6	643,2	725,4	974,5	926,4	1 142,5	999,8	1 213,1	1 312,1	1 615,4	1 615,4	1 564,8	1 564,8	Exports of goods and services
Importation de biens et services	766,3	854,7	858,3	967,1	1 124,2	1 256,9	1 682,5	1 322,7	1 861,1	1 810,8	1 981,6	1 981,6	2 289,2	2 289,2	Imports of goods and services
PIB aux prix courants	2 234,6	2 453,6	2 632,1	2 893,9	3 201,5	3 424,5	3 912,8	4 232,9	4 655,7	5 024,2	5 239,3	5 239,29	5 540,22	5 540,22	GDP at current price
PIB courants en millions de USD	3 215,9	4 230,9	4 983,3	5 484,0	6 125,2	7 145,3	8 164,0	8 972,3	9 398,1	10 649,9	10 237,3	10 237,3	11 091,0	11 091,0	GDP at current price in millions of USD
PIB aux prix constants (base 1987)	1 153,3	1 241,2	1 269,1	1 347,0	1 418,4	1 478,7	1 552,4	4 087,4	1 715,7	1 762,6	1 741,874	1 741,874	1 825,432	1 825,432	GDP at constant price
Taux de croissance réel du PIB (en %)	4,3	7,6	2,3	6,1	5,3	4,3	5,0	4,5	5,8	2,7	-3,1	-1,5		4,4	Real GDP growth rate (in %)
Structure du PIB (en %)															GDP COMPOSITION (in %)
Secteur primaire	29,8	35,3	34,2	34,6	33,2	32,6	36,1	35,1	36,5	35,3	38,4	38,4	38,1	38,1	Primary sector
Secteur secondaire	29,6	24,4	26,0	26,7	26,9	26,0	23,9	18,9	18,1	19,9	19,9	19,9	21,6	21,6	Secondary sector
Secteur tertiaire	40,6	40,3	39,8	38,7	39,9	41,4	40,0	45,9	35,1	34,5	32,0	32,0	32,4	32,4	Tertiary sector
INFLATION															INFLATION
Inflation (en glissement fin décembre) en %	2,6	-1,5	3,6	4,2	0,3	2,0	8,1	1,8	1,83	5,26	6,50	2,40	-1,32	.....	Inflation (end of period) in %
Inflation (en moyenne annuelle) en %	2,7	-1,8	0,4	7,8	0,1	0,0	9,2	2,4	1,2	3,0	4,9	5,3	-0,8	.....	Inflation (period Average) in %
Déflateur implicite du PIB	118,2	129,8	139,2	153,1	169,3	181,1	207,0	214,3	222,8	233,8	245,2	243,2	255,0	251,0	GDP deflator
MONNAIE															MONETARY LIABILITIES & ASSETS
Masse monétaire M2	626,3	786,2	767,2	856,8	932,0	1 018,3	1 024,8	1 172,7	1 294,5	1 492	1 508,8	1 718,5	1 799,3	.....	Broad money M2
M2/PIB (en %)	28,0	32,0	29,1	29,6	29,1	29,7	26,2	27,7	27,8	29,7	28,8	32,8	32,5	.....	M2/GDP (in %)
Taux de change moyen par rapport au dollar US	694,9	579,9	528,2	527,7	522,7	479,3	479,3	471,8	495,4	471,8	511,8	511,8	499,5	499,5	Exchange Rate (Period Average) in USD
Variation du taux de change par rapport au dollar US (en %)	-5,4	-16,5	-8,9	-0,1	-1,0	-8,3	0,0	-1,6	5,0	-4,8	12,3	8,5	-2,4	.....	Exchange Rate variation in USD (in %)
Réserves brutes de change (en millions de USD)	370,2	495,1	410,5	477,2	481,2	511,4	511,4	1 599,9	1 347,9	1 388,9	1 136,9	1 317,6	1 480,7	.....	External Reserves - Stock (US \$ million)
Réserves de change en mois d'importation	7,6	6,0	7,7	8,7	6,00	5,40	4,10	7,90	4,8	5,3	4,8	5,1	5,4	.....	Number of Months of Imports Equivalent
Taux d'intérêt minimum (en %)	3,5	3,5	3,5	3,5	4,4	4,3	4,3	4,2	4,2	4,4	3,5	4,5	4,8	.....	Minimum Interest Rate (in %)
BUDGET DE L'ETAT															FISCAL OPERATIONS of GOVERNMENT
Recettes courantes (en % du PIB)	16,6	17,7	17,2	17,5	17,3	16,6	15,5	17,1	17,3	17,4	17,9	17,6	16,7	.....	Domestic Revenue as % of GDP
Dépenses courantes (en % du PIB)	13,8	13,0	13,1	13,0	12,9	12,8	11,7	13,0	12,9	14,2	10,7	13,0	12,4	.....	Current Expenditure as % of GDP
Dépenses en capital (en % du PIB)	9,1	8,6	9,8	9,4	10,6	11,4	7,5	10,8	7,9	8,9	0,5	2,6	2,8	.....	Capital Expenditure as % of GDP
Solde primaire (en % du PIB)	0,8	1,9	1,4	1,8	1,4	-0,4	1,0	0,9	0,9	0,0	7,5	3,2	2,2	.....	Primary balance as % of GDP
Solde dons exclus (base engagements) en % du PIB	-7,6	-5,3	-7,0	-7,3	-7,6	-7,9	-5,6	-8,8	-5,5	-7,5	2,3	-0,3	-0,1	.....	Overall deficit (commitment basis exclud. grant) / GDP (%)
BALANCE DES PAIEMENTS															BALANCE of PAIEMENTS
Exportations	660,2	525,1	515,8	580,7	810,7	745,9	939,129	837,5	1 018,1	1 119,8	1 473,4	1 473,4	1 394,4	1 394,4	Exports fob in millions of USD
Importations	498,0	545,4	577,4	656,9	771,5	884,7	1 223,8	937,9	1 352,4	1 305,8	1 449,1	1 449,1	1 635,2	1 635,2	Imports fob in millions of USD
Exportations biens /PIB (en %)	29,5	21,4	19,6	20,1	25,3	21,8	24,0	19,8	21,9	22,3	28,1	28,1	25,2	25,2	Exports fob as % of GDP
Importations/PIB (en %)	22,3	22,2	21,9	22,7	24,1	25,8	31,3	22,2	29,0	26,0	27,7	27,7	29,5	29,5	Imports fob as % of GDP
Couverture export.FAB / import. CAF (en %)	132,6	96,3	89,3	88,4	105,1	84,3	76,7	89,3	75,3	85,8	101,7	101,7	85,3	85,3	Export fob/Import fob (in %)
Compte courant (n.c.transf.pub.)	-109,1	-243,9	-216,1	-292,0	-200,4	-335,3	-632,4	-456,5	-687,5	-582,8	-225,6	-225,6	-633,8	-633,8	Current Account Balance (Excl public transfert)
Compte courant (n.c.transf.pub.) en % du PIB	-4,9	-9,9	-8,2	-10,1	-6,3	-9,8	-16,2	-10,8	-14,8	-11,6	-4,3	-4,3	-11,4	-11,4	Current Account Balance as % of G.D.P
Solde global	65,6	25,7	-64,1	47,0	85,1	-10,7	-33,3	252,0	-20,5	-32,1	2,8	2,8	-55,0	-55,0	Overall Balance
Sole global en % du PIB	2,9	1,0	-2,4	1,6	2,7	-0,3	-0,9	6,0	-0,4	-0,6	0,1	0,1	-1,0	-1,0	Overall Balance as % of G.D.P
DETTE EXTERIEURE															EXTERNAL DEBT POSITION
Encours de la Dette	1 776,8	1 653,5	1 615,4	1 801,8	629,0	661,8	743,2	907,7	1 010,0	1 222,5	.....	1 256,0	1 620,4	1 620,4	External Debt Outstanding in millions of USD
Encours de la Dette (en % du PIB)	79,5	67,4	61,4	62,3	19,6	19,3	19,0	21,4	21,7	24,3	.....	24,0	29,2	29,2	External Debt Outstanding as % of GDP
Service Dette pub.extérieure	50,5	61,4	77,9	75,4	53,0	45,2	42,0	46,4	47,3	74,0	.....	55,2	48,1	48,1	External Debt service
Service Dette (en % des export.de biens. & serv.)	6,9	9,2	12,1	10,4	5,4	4,9	4,5	5,5	4,6	6,6	.....	4,1	4,1	4,1	External Debt Service as % of Exports of goods & serv

NIGER (Données en mds CFA sauf indications contraires)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	juin-12	2012*	juin-13	2013**	NIGER (Data in billions of CFA unless otherwise specification)
DETERMINATION DU PIB															GDP DETERMINATION
Consommation publique	254,2	247,4	263,3	280,1	286,2	321,9	363,1	196,5	224,0	321,7	252,5	252,5	288,10	288,10	Public consumption
Consommation privée	1 082,2	1 170,9	1 213,8	1 330,8	1 421,1	1 517,0	1 686,4	2 171,0	2 238,5	2 310,2	2 592,0	2 592,0	2 387,0	2 387,0	Private consumption
Formation brute de capital fixe	170,5	231,8	258,1	373,5	430,2	468,0	746,5	838,8	1 101,6	1 204,8	1 232,3	1 232,3	1 717,57	1 717,57	Gross fixed capital formation
Variation des stocks	33,3	18,8	-34,8	25,8	19,5	6,7	30,0	1,5	29,9	2,0	7,4	7,4	0,0	0,0	Stocks variations
Exportation de biens et services	230,0	261,3	280,0	298,1	313,0	366,5	467,1	517,9	633,9	632,2	830,3	830,3	897,0	897,0	Exports of goods and services
Importation de biens et services	364,8	395,8	450,0	553,2	563,1	623,4	873,5	1 192,3	1 395,8	1 445,2	1 456,5	1 456,5	1 495,54	1 495,54	Imports of goods and services
PIB aux prix courants	1 405,4	1 534,3	1 530,4	1 755,0	1 906,9	2 056,7	2 419,7	2 533,4	2 832,1	3 025,7	3 458,0	3 458,0	3 794,18	3 794,18	GDP at current price
PIB courants en millions de USD	2 022,6	2 645,7	2 897,6	3 325,9	3 648,4	4 291,3	5 048,6	5 369,9	5 717,0	6 413,6	6 756,7	6 756,7	7 595,6	8 106,1	GDP at current price in millions of USD
PIB aux prix constants (Base 1987)	1 564,6	1 676,4	1 661,7	1 802,1	1 906,8	1 966,8	2 155,4	2 402,7	2 316,6	2 365,1	2 635,3	2 635,3	2 788,4	2 788,4	GDP at constant price
Taux de croissance réel du PIB (en %)	5,8	3,8	-0,8	7,4	5,8	3,1	9,6	-0,7	8,2	2,1	11,4	11,4	5,8	5,8	Real GDP growth rate (in %)
Structure du PIB (en %)															GDP COMPOSITION (in %)
Secteur primaire	42,9	44,1	40,2	42,8	42,9	40,9	43,2	39,0	40,9	38,2	38,2	38,2	35,5	35,5	Primary sector
Secteur secondaire	11,5	11,5	11,9	11,1	11,3	13,4	14,2	15,0	15,6	16,1	20,4	20,4	24,6	24,6	Secondary sector
Secteur tertiaire	48,3	44,4	47,8	46,1	45,9	45,7	42,6	46,0	36,0	37,2	35,1	35,1	32,0	32,0	Tertiary sector
INFLATION															INFLATION
Inflation (en glissement fin décembre) en %	2,6	-1,5	3,6	4,2	0,3	2,0	10,2	-1,3	2,7	1,4	-0,1	0,7	2,5	.....	Inflation (end of period) in %
Inflation (en moyenne annuelle) en %	2,7	-1,8	0,4	7,8	0,1	0,0	11,3	0,5	0,9	2,9	1,6	0,5	1,6	.....	Inflation (period Average) in %
Déflateur implicite du PIB	119,6	130,6	130,3	149,4	162,3	175,1	206,0	217,2	222,5	233,1	236,8	249,5	262,9	252,3	GDP deflator
MONNAIE															MONETARY LIABILITIES & ASSETS
Masse monétaire M2	136,4	194,1	233,3	248,7	289,1	356,2	399,2	473,1	576	611,2	707,8	802,5	837,3	.....	Broad money M2
M2/PIB (en %)	9,7	12,6	15,2	14,2	15,2	17,3	16,5	18,7	20,3	20,2	20,5	23,2	22,1	.....	M2/GDP (in %)
Taux de change moyen par rapport au dollar US	694,9	579,9	528,2	527,7	522,7	479,3	479,3	471,8	495,4	471,8	511,8	511,8	499,5	499,5	Exchange Rate (Period Average) in USD
Variation du taux de change par rapport au dollar US (en %)	-5,43	-16,54	-8,92	-0,09	-0,95	-8,30	0,00	-1,56	5,00	-4,8	12,3	8,5	-2,4	.....	Exchange Rate variation in USD (in %)
Réserves brutes de change (en millions de USD)	84,5	135,5	120,8	141,0	183,6	207,2	207,2	652,3	762,9	680,1	812,8	996,6	920,1	.....	External Reserves - Stock (US \$ million)
Réserves de change en mois d'importation	7,6	6	7,7	4,1	4,3	5,7	5,2	3,3	3,7	3,14	3,04	3,8	5,4	.....	Number of Months of Imports Equivalent
Taux d'intérêt minimum (en %)	3,5	3,5	3,5	3,5	4,6	4,6	4,8	4,7	4,6	4,9	3,5	5,0	6,3	.....	Minimum Interest Rate (in %)
BUDGET DE L'ETAT															FISCAL OPERATIONS of GOVERNMENT
Recettes courantes (en % du PIB)	11,4	10,2	11,3	10,8	13,0	15,0	18,3	14,4	13,7	21,9	14,3	21,1	14,5	.....	Domestic Revenue as % of GDP
Dépenses courantes (en % du PIB)	11,5	9,9	11,1	9,4	9,1	11,6	12,0	11,8	13,0	21,4	10,7	18,0	12,4	.....	Current Expenditure as % of GDP
Dépenses en capital (en % du PIB)	8,3	7,5	9,4	11,0	10,6	10,1	11,7	13,2	7,7	6,9	3,0	12,0	9,1	.....	Capital Expenditure as % of GDP
Solde primaire (en % du PIB)	-0,4	-0,4	-1,5	-1,0	1,4	0,1	2,1	-3,2	-2,6	-2,9	1,4	-2,8	0,3	.....	Primary balance as % of GDP
Solde dons exclus (base engagements) en % du PIB	-8,9	-7,8	-9,3	-9,6	-6,8	-6,7	-5,4	-10,6	-7,1	-6,3	-1,2	-8,0	-7,0	.....	Overall deficit (commitment basis excl. grant) / GDP (%)
BALANCE DES PAIEMENTS															BALANCE of PAIEMENTS
Exportations	211,1	222,5	230,7	251,9	265,6	317,9	408,5	470,7	570,1	599,5	765,31	765,31	830,10	830,10	Exports fob in millions of USD
Importations	257,9	285,6	311,5	405,9	391,3	438,4	604,4	847,2	972,8	1034,5	987,21	987,2	1014,5	1014,5	Imports fob in millions of USD
Exportations biens /PIB (en %)	15,0	14,5	15,1	14,4	13,9	15,5	16,9	18,6	20,1	19,8	22,1	22,1	21,9	21,9	Exports fob as % of GDP
Importations/PIB (en %)	18,4	18,6	20,4	23,1	20,5	21,3	25,0	33,4	34,3	34,2	28,5	28,5	26,7	26,7	Imports fob as % of GDP
Couverture export.FAB / import. CAF (en %)	81,9	77,9	74,1	62,1	67,9	72,5	67,6	55,6	58,6	58,0	77,5	77,5	81,8	81,8	Export fob/Import fob (in %)
Compte courant (n.c.transf.pub.)	-112,8	-130,7	-122,0	-222,7	-207,9	-213,1	-365,3	-636,8	-626,9	-758,1	-589,4	-589,4	-610,7	-610,7	Current Account Balance (Excl public transfert)
Compte courant (n.c.transf.pub.) en % du PIB	-8,0	-8,5	-8,0	-12,7	-10,9	-10,4	-15,1	-25,1	-22,1	-25,1	-17,0	-17,0	-16,1	-16,1	Current Account Balance as % of G.D.P
Solde global	4,2	8,6	-10,3	12,4	87,3	68,3	72,7	-87,9	96,6	-28,1	167,9	167,9	30,0	30,0	Overall Balance
Sole global en % du PIB	0,3	0,6	-0,7	0,7	4,6	3,3	3,0	-3,5	3,4	-0,9	4,9	4,9	0,8	0,8	Overall Balance as % of G.D.P
DETTE EXTERIEURE															EXTERNAL DEBT POSITION
Encours de la Dette	1 103,0	978,1	888,0	957,0	282,2	322,1	394,00	475,90	483,50	494,90	.....	603,20	791,60	791,60	External Debt Outstanding in millions of USD
Encours de la Dette (en % du PIB)	78,5	63,7	58,0	54,5	14,8	15,7	16,3	18,8	17,1	16,4	.....	17,4	20,9	20,9	External Debt Outstanding as % of GDP
Service Dette pub.extérieure	55,2	63,0	43,5	52,1	39,4	37,7	12,5	12,9	15,0	24,3	.....	28,4	26,1	26,1	External Debt service
Service Dette (en % des export.de biens. & serv.)	24,0	24,1	15,5	17,5	12,6	10,3	3,1	2,7	2,6	4,1	.....	3,3	3,1	3,1	External Debt Service as % of Exports of goods & serv

SENEGAL														SENEGAL	
(Données en mds CFA sauf indications contraires)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011*	juin-12	2012*	juin-13	2013**	(Data in billions of CFA unless otherwise specification)
DETERMINATION DU PIB															GDP DETERMINATION
Consommation publique	493,2	518,3	581,6	594,9	668,1	767,1	806,4	870,7	944,2	1058,3	1058,8	1058,8	1081,5	1081,5	Public consumption
Consommation privée	2 973,2	3 062,8	3 243,5	3 351,7	3 871,5	4 270,6	4 890,0	4 844,3	4 964,6	5 111,7	5 298,4	5 298,4	5 767,8	5 767,8	Private consumption
Formation brute de capital fixe	922,7	857,6	954,4	1 251,0	1 279,7	1 414,1	1 607,6	1 388,0	1 414,5	1 529,3	1 646,5	1 646,5	1 697,3	1 697,3	Gross fixed capital formation
Variation des stocks	-280,7	30,5	-9,7	102,6	-70,8	168,0	267,1	-55,1	30,4	331,5	549,3	549,3	516,2	516,2	Stocks variations
Exportation de biens et services	1 061,3	1 061,5	1 151,4	1 240,8	1 254,0	1 376,2	1 566,3	1 471,8	1 592,6	1 736,1	1 785,3	1 785,3	1 862,2	1 862,2	Exports of goods and services
Importation de biens et services	1 452,1	1 544,3	1 687,3	1 948,4	2 109,0	2 587,6	3 142,9	2 490,3	2 577,8	2 950,5	3 113,2	3 113,2	3 206,8	3 206,8	Imports of goods and services
PIB aux prix courants	3 717,6	3 986,4	4 233,9	4 592,6	4 893,6	5 408,3	5 994,5	6 029,4	6 368,6	6 816,4	7 225,0	7 225,0	7 718,1	7 718,1	GDP at current price
PIB courants en millions de USD	5 350,1	6 874,1	8 016,0	8 703,2	9 362,6	11 284,4	12 507,4	12 780,1	12 855,8	14 448,8	14 117,3	14 117,3	15 451,0	8106,1	GDP at current price in millions of USD
PIB aux prix constants	3 440,2	3 669,7	3 883,2	4 104,1	4 205,1	4 411,1	4 575,3	6 118,0	4 862,2	4 988,6	5 164,0	5 164,0	5 372,2	5 372,2	GDP at constant price
Taux de croissance réel du PIB (en %)	1,2	6,7	5,8	5,7	2,5	4,9	3,2	2,1	4,1	2,6	3,5	3,5	4,0	4,0	Real GDP growth rate (in %)
Structure du PIB (en %)															GDP COMPOSITION (in %)
Secteur primaire	13,6	15,1	13,7	14,6	12,9	11,9	14,0	15,0	15,2	13,8	14,6	14,6	14,7	14,7	Primary sector
Secteur secondaire	22,3	21,4	21,8	20,5	20,7	20,8	20,1	20,6	20,7	22,0	22,0	22,0	22,5	22,5	Secondary sector
Secteur tertiaire	64,0	63,4	64,6	64,8	66,4	67,3	65,9	64,3	51,6	51,3	50,8	50,8	50,2	50,2	Tertiary sector
INFLATION															INFLATION
Inflation (en glissement fin décembre) en %	1,5	-1,4	1,7	1,4	4,0	2,0	5,0	-4,5	4,3	2,7	0,2	1,1	0,7	.....	Inflation (end of period) in %
Inflation (en moyenne annuelle) en %	2,3	0,0	0,5	1,7	2,1	5,4	5,8	-2,2	1,2	3,4	2,1	1,4	0,5	.....	Inflation (period Average) in %
Déflateur implicite du PIB	111,6	119,6	127,1	137,8	146,9	162,3	179,9	177,3	179,9	187,7	191,7	191,8	195,9	196,5	GDP deflator
MONNAIE															MONETARY LIABILITIES & ASSETS
Masse monétaire M2	974,1	1 280,6	1 445,8	1 564,9	1 751,2	1 972,0	2 006,60	2 234,60	2 540,80	2 718,70	2 752,7	2 896,90	2 836,90	.....	Broad money M2
M2/PIB (en %)	26,2	32,1	34,1	34,1	35,8	36,5	33,5	37,1	39,9	39,9	38,1	40,1	36,8	.....	M2/GDP (in %)
Taux de change moyen par rapport au dollar US	694,9	579,9	528,2	527,7	522,7	479,3	479,3	471,8	495,4	471,8	511,8	511,8	499,5	499,5	Exchange Rate (Period Average) in USD
Variation du taux de change par rapport au dollar US	-5,4	-16,5	-8,9	-0,1	-1,0	-8,3	0,0	-1,6	5,0	-4,8	12,3	8,5	-2,4	.....	Exchange Rate variation in USD
Réserves brutes de change (en millions de USD)	403,6	577,3	659,0	663,8	661,2	767,1	767,1	2114	2053,9	1965,4	1896,3	2044,4	1868,2	.....	External Reserves - Stock (US \$ million)
Réserves de change en mois d'importation	7,6	6,0	7,7	5,2	4,2	3,9	3,3	5,3	5,3	4,5	4,2	4,4	4,4	.....	Number of Months of Imports Equivalent
Taux d'intérêt minimum (en %)	3,5	3,5	3,5	3,5	3,2	3,5	4,1	4,1	4,0	3,8	3,5	4,0	5,3	.....	Minimum Interest Rate (in %)
BUDGET DE L'ETAT															FISCAL OPERATIONS of GOVERNMENT
Recettes courantes (en % du PIB)	17,9	18,1	18,3	19,2	19,7	20,3	19,2	18,6	19,4	20,2	14,3	20,0	19,1	.....	Domestic Revenue as % of GDP
Dépenses courantes (en % du PIB)	12,9	13,3	13,3	13,7	16,9	16,0	16,3	16,6	15,6	18,1	10,7	17,2	15,4	.....	Current Expenditure as % of GDP
Dépenses en capital (en % du PIB)	7,4	8,5	9,7	9,9	9,7	10,5	9,9	10,1	11,6	10,5	3,0	11,3	6,8	.....	Capital Expenditure as % of GDP
Solde primaire (en % du PIB)	2,1	1,1	0,9	0,1	-3,2	-1,8	-1,7	-3,3	-2,1	-3,4	1,4	-2,5	-0,2	.....	Primary balance as % of GDP
Solde dons exclus (base engagements) en % du PIB	-1,8	-3,3	-5,4	-4,6	-7,2	-5,9	-6,9	-7,9	-7,8	-8,9	-1,2	-8,7	-3,2	.....	Overall deficit (commitment basis exclud. grant) / GDP (%)
BALANCE DES PAIEMENTS															BALANCE of PAIEMENTS
Exportations	765,2	767,5	797,4	832,4	833,5	802,2	987,9	990,1	1071,9	1200,4	1235,7	1235,7	1292,7	1292,7	Exports fob in millions of USD
Importations	1 085,2	1 054,1	1 318,5	1 523,7	1 669,9	1 995,5	2 510,4	1 947,8	2 022,4	2 354,1	2 496,8	2 496,8	2 569,8	2 569,8	Imports fob in millions of USD
Exportations biens /PIB (en %)	20,6	19,3	18,8	18,1	17,0	14,8	16,5	16,4	16,8	17,6	17,1	17,1	16,7	16,7	Exports fob as % of GDP
Importations/PIB (en %)	29,2	26,4	31,1	33,2	34,1	36,9	41,9	32,3	31,8	34,5	34,6	34,6	33,3	33,3	Imports fob as % of GDP
Couverture export.FAB / import. CAF (en %)	70,5	72,8	60,5	54,6	49,9	40,2	39,4	50,8	53,0	51,0	49,5	49,5	50,3	50,3	Export fob/Import fob (in %)
Compte courant (n.c.transf.pub.)	-179,2	-185,2	-271,1	-414,0	-478,9	-680,8	-876,2	-426,2	-322,3	-543,8	-614,1	-614,1	-619,0	-619,0	Current Account Balance (Excl public transfert)
Compte courant (n.c.transf.pub.) en % du PIB	-4,8	-4,6	-6,4	-9,0	-9,8	-12,6	-14,6	-7,1	-5,1	-8,0	-8,5	-8,5	-8,0	-8,0	Current Account Balance as % of G.D.P
Solde global	107,0	105,0	106,6	-14,1	99,0	70,8	-88,4	96,4	116,0	-57,3	-51,2	-51,2	10,0	10,0	Overall Balance
Sole global en % du PIB	2,9	2,6	2,5	-0,3	2,0	1,3	-1,5	1,6	1,8	-0,8	-0,7	-0,7	0,1	0,1	Overall Balance as % of G.D.P
DETTE EXTERIEURE															EXTERNAL DEBT POSITION
Encours de la Dette	2 294,9	2 030,4	1 865,5	1 942,8	864,0	968,5	1 171,6	1 624,3	1 792,3	2 050,9	.....	882,0	885,0	885,0	External Debt Outstanding in millions of USD
Encours de la Dette (en % du PIB)	61,7	50,9	44,1	42,3	17,7	17,9	19,5	26,9	28,1	30,1	.....	12,2	11,5	11,5	External Debt Outstanding as % of GDP
Service Dette pub.extérieure	120,7	112,8	162,1	102,6	96,8	40,3	67,6	64,84	70,8	134,2	.....	147,2	143,0	143,0	External Debt service
Service Dette (en % des export.de biens. & serv.)	11,4	10,6	14,1	8,3	7,7	2,9	6,8	6,5	6,6	11,4	.....	11,5	11,1	3,7	External Debt Service as % of Exports of goods & serv

TOGO (Données en mds CFA sauf indications contraires)	2002	2003	2004	2005	2006	2007	2008	2009	2010*	2011*	juin-12	2012*	juin-13	2013**	TOGO (Data in billions of CFA unless otherwise specification)
DETERMINATION DU PIB															GDP DETERMINATION
Consommation publique	122,6	127,0	135,6	150,4	142,4	148,8	190,3	211,5	190,2	206,1	255,0	255,0	248,5	248,5	Public consumption
Consommation privée	878,4	850,9	910,5	1 098,2	1 016,5	1 109,5	1 215,2	1 236,2	1 357,9	1 515,7	1 582,1	1 582,1	1 776,1	1 776,1	Private consumption
Formation brute de capital fixe	158,0	166,6	169,2	183,1	194,5	174,2	203,3	248,7	283,2	309,2	462,3	462,3	571,8	571,8	Gross fixed capital formation
Variation des stocks	13,3	-17,1	-11,6	5,3	6,5	2,9	47,4	30,1	13,4	30,0	60,3	60,3	-2,8	-2,8	Stocks variations
Exportation de biens et services	358,3	402,5	396,7	441,5	445,6	452,0	508,6	565,0	642,1	744,9	833,4	833,4	917,3	917,3	Exports of goods and services
Importation de biens et services	504,4	557,2	577,2	765,3	645,4	674,6	746,2	797,9	905,5	1 065,6	1 203,3	1 203,3	1 309,6	1 309,6	Imports of goods and services
PIB aux prix courants	1 026,2	972,6	1 023,2	1 113,1	1 160,1	1 212,8	1 418,5	1 493,5	1 581,4	1 740,4	1 989,9	1 989,9	2 201,3	2 201,3	GDP at current price
PIB courants en millions de USD	1 476,9	1 677,2	1 937,2	2 109,3	2 219,5	2 530,6	2 959,8	3 165,7	3 192,2	3 689,1	3 888,2	3 888,2	4 406,9	8106,1	GDP at current price in millions of USD
PIB aux prix constants (Base 2000)	898,1	941,6	965,5	977,5	1 015,6	1 036,7	1 061,2	1 466,1	1 140,7	1 196,2	1 266,281	1 266,3	1 339,6	1 339,6	GDP at constant price
Taux de croissance réel du PIB (en %)	-1,3	4,8	2,5	1,2	3,9	2,1	2,4	3,4	4,0	4,9	5,9	5,9	5,8	5,8	Real GDP growth rate (in %)
Structure du PIB (en %)															GDP COMPOSITION (in %)
Secteur primaire	38,2	35,8	36,2	39,3	36,3	36,0	40,8	42,8	40,8	41,1	42,0	42,0	41,3	41,3	Primary sector
Secteur secondaire	18,3	18,4	17,1	17,2	18,3	18,6	18,1	16,0	16,5	16,3	18,9	18,9	20,3	20,3	Secondary sector
Secteur tertiaire	43,5	45,8	46,6	43,5	45,4	45,4	41,1	41,2	31,7	30,7	27,7	27,7	26,9	26,9	Tertiary sector
INFLATION															INFLATION
Inflation (en glissement fin décembre) en %	3,1	-1,7	3,9	5,5	1,5	1,6	9,3	1,5	3,8	1,5	2,0	2,9	2,1	.....	Inflation (end of period) in %
Inflation (en moyenne annuelle) en %	3,1	-0,9	0,4	6,8	2,2	3,2	8,7	3,7	1,4	3,6	2,5	2,6	2,7	.....	Inflation (period Average) in %
Déflateur implicite du PIB	111,4	105,6	111,1	120,8	125,9	131,6	154,0	156,8	159,7	167,9	172,1	172,3	176,7	177,5	GDP deflator
MONNAIE															MONETARY LIABILITIES & ASSETS
Masse monétaire M2	233,99	260,2	307,5	313,6	385,0	449,5	531,4	616,7	717	831,3	822,7	905,3	951,6	.....	Broad money M2
M2/PIB (en %)	22,8	26,7	30,1	28,2	33,2	37,1	37,5	41,3	45,3	47,8	41,3	45,5	43,2	.....	M2/GDP (in %)
Taux de change moyen par rapport au dollar US	694,9	579,9	528,2	527,7	522,7	479,3	479,3	471,8	495,4	471,8	511,8	511,8	499,5	499,5	Exchange Rate (Period Average) in USD
Variation du taux de change par rapport au dollar (US en %)	-5,4	-16,5	-8,9	-0,1	-1,0	-8,3	0,0	-1,6	5,0	-4,8	12,3	8,5	-2,4	.....	Exchange Rate variation in USD (In %)
Réserves brutes de change (en millions de USD)	107,9	106,4	172,3	108,4	185,1	215,5	215,5	699	717,8	783,3	561,0	433,4	507,6	.....	External Reserves - Stock (US \$ million)
Réserves de change en mois d'importation	7,6	6,0	7,7	2,1	3,9	3,9	4,9	5,4	5,4	4,9	3,5	2,5	2,9	.....	Number of Months of Imports Equivalent
Taux d'intérêt minimum (en %)	3,5	3,5	3,5	3,5	3,9	5,0	4,1	4,0	4,0	4,6	3,5	4,6	5,2	.....	Minimum Interest Rate (in %)
BUDGET DE L'ETAT															FISCAL OPERATIONS of GOVERNMENT
Recettes courantes (en % du PIB)	12,5	17,6	17,5	16,9	18,3	16,8	15,6	16,9	18,8	18,2	17,8	18,7	19,6	.....	Domestic Revenue as % of GDP
Dépenses courantes (en % du PIB)	11,8	14,7	14,7	16,5	17,0	17,1	14,3	21,8	22,4	24,1	16,1	18,1	19,4	.....	Current Expenditure as % of GDP
Dépenses en capital (en % du PIB)	1,4	1,1	1,5	3,3	4,1	2,0	3,5	6,2	7,8	8,3	1,7	8,8	4,7	.....	Capital Expenditure as % of GDP
Solde primaire (en % du PIB)	1,9	3,8	3,6	-0,9	0,3	0,0	0,1	-0,5	2,2	-0,9	2,1	-2,0	-1,9	.....	Primary balance as % of GDP
Solde dons exclus (base engagements) en % du PIB	-1,0	1,2	0,6	-4,1	-4,2	0,6	-2,3	-4,9	-3,6	-6,0	-0,9	-8,2	-4,5	.....	Overall deficit (commitment basis exclud. grant) / GDP (%)
BALANCE DES PAIEMENTS															BALANCE of PAIEMENTS
Exportations	282,7	325,4	317,5	348,2	329,6	324,4	381,8	426,4	483,5	553,5	649,1	649,1	722,0	722,0	Exports fob in millions of USD
Importations	403,5	427,8	450,8	618,4	496,2	513,8	585,393	621,003	708,4	827,2	938,2	938,2	1033,0	1033,0	Imports fob in millions of USD
Exportations biens /PIB (en %)	27,5	33,5	31,0	31,3	28,4	26,7	26,9	28,5	30,6	31,8	32,6	32,6	32,8	32,8	Exports fob as % of GDP
Importations/PIB (en %)	39,3	44,0	44,1	55,6	42,8	42,4	41,3	41,6	44,8	47,5	47,1	47,1	46,9	46,9	Imports fob as % of GDP
Couverture export.FAB / import. CAF (en %)	70,1	76,1	70,4	56,3	66,4	63,1	65,2	68,7	68,3	66,9	69,2	69,2	69,9	69,9	Export fob/Import fob (in %)
Compte courant (n.c.transf.pub.)	-105,7	-113,5	-108,7	-253,8	-106,6	-119,9	-122,0	-121,8	-148,6	-202,2	-255,7	-255,7	-274,7	-274,7	Current Account Balance (Excl public transfert)
Compte courant (n.c.transf.pub.) en % du PIB	-10,3	-11,7	-10,6	-22,8	-9,2	-9,9	-8,6	-8,2	-9,4	-11,6	-12,8	-12,8	-12,5	-12,5	Current Account Balance as % of G.D.P
Solde global	15,2	10,2	74,3	-11,0	70,0	0,5	37,0	5,0	36,4	31,7	-17,3	-17,3	10,0	10,0	Overall Balance
Solde global en % du PIB	1,5	1,0	7,3	-1,0	6,0	0,0	2,6	0,3	2,3	1,8	-0,9	-0,9	0,5	0,5	Overall Balance as % of G.D.P
DETTE EXTERIEURE															EXTERNAL DEBT POSITION
Encours de la Dette	893,5	827,0	781,4	820,4	840,0	847,2	707,4739	795,3	267,7	279,2	.....	414,9	404,6	404,6	External Debt Outstanding in millions of USD
Encours de la Dette (en % du PIB)	87,1	85,0	76,4	73,7	72,4	69,9	49,9	53,3	16,9	16,0	.....	20,8	18,4	18,4	External Debt Outstanding as % of GDP
Service Dette pub.extérieure	51,406	55,195	54,9	38,2	33,176	33,1	29,6	25,3	20,5	5,6	.....	12,7	32,3	32,3	External Debt service
Service Dette (en % des export.de biens. & serv.)	14,3	13,7	13,8	8,7	7,4	7,3	7,8	5,9	4,2	1,1	.....	2,0	4,6	4,6	External Debt Service as % of Exports of goods & serv

UEMOA (Données en milliards CFA sauf indications contraires)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	juin-12	2012*	juin-13	2013**	WAEMU (Data in billions of CFA unless otherwise specification)
DETERMINATION DU PIB															GDP DETERMINATION
Consommation publique	3233,9	3226,0	3306,6	3359,7	3892,2	4230,5	4574,1	4760,1	4994,8	5313,2	6147,3	5631,6	.....	5865,4	Public consumption
Consommation privée	15558,7	16451,4	17351,9	18327,8	18363,1	20052,0	22392,0	23583,0	25701,0	26500,4	26599,8	28573,6	.....	31189,4	Private consumption
Formation brute de capital fixe	3337,7	3291,0	3616,0	4132,8	4458,0	5085,9	5942,3	5879,2	6281,8	6836,4	7989,6	8162,6	.....	9338,8	Gross fixed capital formation
Variation des stocks	-729,1	441,3	-39,7	619,2	215,7	358,7	581,7	240,5	482,4	-213,9	514,5	912,5	.....	799,9	Stocks variations
Exportation de biens et services	7142,9	6817,6	7277,6	7942,3	8751,4	8767,9	9972,2	10609,8	12163,4	12874,6	14112,1	13740,6	.....	14851,9	Exports of goods and services
Importation de biens et services	7028,6	7564,2	8232,3	9533,3	10007,1	11171,3	12985,8	12461,0	14628,8	14555,0	15882,4	16971,1	.....	18290,4	Imports of goods and services
PIB aux prix courants	21515,4	22663,0	23280,2	24848,6	25673,2	27323,7	31267,6	32647,3	34854,7	36845,7	40447,3	40447,3	43855,9	43855,9	GDP at current price
PIB courants en milliards de USD	31,0	39,1	44,1	47,1	49,1	57,0	65,2	69,2	70,4	78,1	79,0	79,0	87,8	8106,1	GDP at current price in billions of USD
PIB aux prix constants (n/n-1)	20653,0	22180,8	23258,7	24223,7	25576,7	26497,7	21940,9	22552,1	23583,7	23795,5	25346,0	25346,0	26964,4	26964,4	GDP at constant price
Taux de croissance réel du PIB (en %)	1,1	3,1	2,6	4,1	2,9	3,2	3,9	3,0	4,4	0,63	5,9	5,79		6,56	Real GDP growth rate (in %)
Structure du PIB (en %)															GDP COMPOSITION (in %)
Secteur primaire	27,8	29,6	26,4	27,0	26,4	26,0	27,8	28,5	29,2	29,6	28,8	29,5	.....	29,0	Primary sector
Secteur secondaire	20,0	19,5	20,1	19,4	21,0	20,5	20,4	19,6	20,0	20,4	21,4	21,3	.....	21,9	Secondary sector
Secteur tertiaire	52,0	51,1	53,3	53,2	52,7	53,5	51,9	51,9	50,8	50,1	40,5	49,2	.....	49,1	Tertiary sector
INFLATION															INFLATION
Inflation (en glissement fin décembre) en %	2,9	-0,7	3,8	2,9	2,7	2,5	7,5	2,4	3,9	2,5	2,1	2,8	1,7	.....	Inflation (end of period) in %
Inflation (en moyenne annuelle) en %	2,9	1,1	0,6	4,3	2,3	3,0	7,4	0,4	1,4	3,9	2,7	2,4	2,1	.....	Inflation (period Average) in %
Déflateur implicite du PIB	113,5	118,8	121,7	129,5	135,2	143,7	160,3	149,1	170,7	178,1	182,9	183,2	189,0	187,8	GDP deflator
MONNAIE															MONETARY LIABILITIES & ASSETS
Masse monétaire M2	5 494,5	5 652,6	5 979,8	6 434,6	7 170,8	8 511,5	9 327,2	10 653,3	12 313,0	13 669,9	13 904,4	14 995,7	15 466,7	.....	Broad money M2
M2/PIB (en %)	25,5	24,9	25,7	25,9	27,9	31,2	29,8	32,6	35,3	37,1	34,4	37,1	35,3	.....	M2/GDP (in %)
Taux de change moyen par rapport au dollar US	694,87	579,92	528,18	527,69	522,67	479,27	479,27	471,78	495,38	471,76	511,79	511,79	499,52	499,5	Exchange Rate (Period Average) in USD
Variation du taux de change par rapport au dollar US (en %)	-5,4	-16,5	-8,9	-0,1	-1,0	-5,6	-5,6	-1,6	5,0	-4,8	12,3	8,5	-2,4	.....	Exchange Rate variation in USD (in %)
Réserves brutes de change (en millions de USD)	3657,40	3717,30	7060,9	7142,3	7678,6	10006,0	10544,5	13196,7	13667,9	15460,0	13624,2	13630,5	13736,9	.....	External Reserves - Stock (US \$ million)
Réserves de change en mois d'importation	8,76	8,13	7,72	6,00	5,70	6,20	5,60	7	6,4	6,1	5,7	5,7	5,1	.....	Number of Months of Imports Equivalent
Taux d'intérêt minimum (en %)	3,5	3,5	3,5	3,5	4,2	4,4	4,7	4,8	4,7	4,8	3,5	4,9	5,1	.....	Minimum Interest Rate (in %)
BUDGET DE L'ETAT															FISCAL OPERATIONS of GOVERNMENT
Recettes courantes (en % du PIB)	16,7	17,1	16,5	16,1	17,1	18,4	18,0	17,7	17,8	17,3	19,2	19,4	18,4	.....	Domestic Revenue as % of GDP
Dépenses courantes (en % du PIB)	14,3	14,5	14,0	13,9	14,8	15,4	15,2	15,2	15,0	16,0	15,1	16,8	14,6	.....	Current Expenditure as % of GDP
Dépenses en capital (en % du PIB)	5,7	5,7	6,7	6,7	7,0	7,4	6,7	8,0	7,1	6,9	2,8	7,5	6,1	.....	Capital Expenditure as % of GDP
Solde primaire (en % du PIB)	1,8	1,8	0,9	0,1	-0,3	0,2	0,1	-0,9	-0,2	-1,5	1,6	-1,1	1,3	.....	Primary balance as % of GDP
Solde dons exclus (base engagements) en % du PIB	3,8	4,2	4,4	-5,2	-5,3	-5,0	-4,9	-6,5	-5,4	-6,4	-1,0	-5,5	-2,9	.....	Overall deficit (commitment basis excl. grant) / GDP (%)
BALANCE DES PAIEMENTS															BALANCE of PAIEMENTS
Exportations	6017,9	5886,9	6110,4	6672,6	7403,1	7196,7	8312,0	9134,0	10349,0	11090,7	12082,6	12082,6	12857,6	12857,6	Exports fob in millions of USD
Importations	4763,9	5366,0	5911,7	7027,6	7311,2	8191,5	9736,3	9268,7	10827,9	10682,6	12613,2	12613,2	13677,8	13677,8	Imports fob in millions of USD
Exportations biens /PIB (en %)	28,0	26,0	26,2	26,9	28,8	26,3	26,6	28,0	29,7	30,1	29,9	29,9	29,3	29,3	Exports fob as % of GDP
Importations/PIB	22,1	23,7	25,4	28,3	28,5	30,0	31,1	28,4	31,1	29,0	31,2	31,2	31,2	31,2	Imports fob as % of GDP
Couverture export.FAB / import. CAF (en %)	126,3	109,7	103,4	94,9	101,3	87,9	85,4	98,5	95,6	103,8	95,8	95,8	94,0	94,0	Export fob/Import fob
Compte courant (n.c.transf.pub.)	-253,5	-1027,1	-1016,2	-1747,0	-1313,1	-2224,4	-2673,4	-1815,3	-2306,5	-1549,2	-2868,1	-2868,1	-3437,2	-3437,2	Current Account Balance (Excl public transfert)
Compte courant (n.c.transf.pub.) en % du PIB	-1,2	-4,5	-4,4	-7,0	-5,1	-8,1	-8,6	-5,6	-6,6	-4,2	-7,1	-7,1	-7,8	-7,8	Current Account Balance as % of G.D.P
Solde global	739,9	228,0	81,9	98,1	537,8	777,9	-7,3	583,3	139,5	-10,4	-263,4	-263,4	50,0	50,0	Overall Balance
Solde global en % du PIB	3,4	1,0	0,4	0,4	2,1	2,8	0,0	1,8	0,4	0,0	-0,7	-0,7	0,1	0,1	Overall Balance as % of G.D.P
DETTE EXTERIEURE															EXTERNAL DEBT POSITION
Encours de la Dette	14625,2	13247,4	12457,8	12757,6	8681,4	8427,1	10889,5	11389,4	11308,0	11470,0	.....	8796,8	7611,6	7611,6	External Debt Outstanding in millions of USD
Encours de la Dette (en % du PIB)	68,0	58,5	53,5	51,3	33,8	30,8	34,8	34,9	32,4	31,1	.....	21,7	17,4	17,4	External Debt Outstanding as % of GDP
Service Dette pub.extérieure	1188,9	1027,8	987,7	850,9	778,9	611,9	626,95	752,12	753,12	754,12	.....	755,12	756,12	756,12	External Debt service
Service Dette (en % des export.de biens. & serv.)	16,6	15,1	13,6	10,7	8,9	7,0	7,5	8,2	7,3	6,8	.....	6,2	5,9	5,9	External Debt Service as % of Exports of goods & serv

GAMBIE (Données en millions de dalasi sauf indication contraire)	2002	2003	2004	2005	2006	2007	2008	2009	2010*	2011	juin-12	2012*	juin-13	2013	GAMBIA, The (Data in millions of Dalasi unless otherwise specification)
DETERMINATION DU PIB															GDP DETERMINATION
Consommation publique	.....	.....	1 404,1	1 261,5	1 164,0	983,9	1 746,5	.....	.....	.....	.....	.....	.....	.....	Public consumption
Consommation privée	.....	.....	13 857,8	14 682,3	15 868,0	18 084,8	18 988,5	.....	.....	.....	.....	.....	.....	.....	Private consumption
Formation brute de capital fixe	.....	.....	5 120,8	4 978,9	5 712,3	5 796,6	5 956,6	.....	.....	.....	.....	.....	.....	.....	Gross fixed capital formation
Variation des stocks	.....	.....	625,3	653,3	640,5	699,3	625,9	.....	.....	.....	.....	.....	.....	.....	Stocks variations
Exportation de biens et services	2 813,2	.....	342,4	201,0	288,2	312,2	277,3	.....	.....	.....	.....	.....	.....	.....	Exports of goods and services
Importation de biens et services	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	Imports of goods and services
PIB aux prix courants	7 364,3	7 364,3	17 381,0	17 934,5	18 684,9	20 555,9	21 749,4	24 134,4	26 658,6	28 532,5	14 266,3	29 435,0	17 007,0	17 007,0	GDP at current price
PIB courants en millions de USD	312,6	312,6	583,3	630,1	665,7	842,8	963,0	905,8	951,7	947,9	446,8	892,6	953,4	.....	GDP at current price in millions of USD
PIB aux prix constants (Base 2004)	670,6	720,3	17 381,0	17 322,0	883,4	944,6	1 002,3	1 118,7	1 180,2	1 129,5	1 214,699	1 173,6	1 279,2	1 279,2	GDP at constant price
Taux de croissance réel du PIB (en %)	1,3	7,4	6,6	6,9	7,7	6,9	6,1	4,6	5,5	3,3	4,9	3,9	9,0	9,0	Real GDP growth rate (in%)
Structure du PIB (en %)															GDP COMPOSITION (in %)
Secteur primaire	17,9	21,3	26,8	26,8	21,9	28,2	31,6	33,2	28,0	30,0	27,0	27,8	30,5	.....	Primary sector
Secteur secondaire	11,6	11,4	13,6	13,9	14,5	11,4	10,9	12,5	12,0	12,0	12,0	12,8	11,7	.....	Secondary sector
Secteur tertiaire	59,6	57,0	53,2	53,9	57,8	60,4	57,5	54,3	55,0	53,0	57,0	59,4	57,8	.....	Tertiary sector
INFLATION															INFLATION
Inflation (en glissement fin décembre) en %	13,0	17,6	8,0	4,9	0,4	6,0	6,8	2,7	5,8	4,4	4,2	4,9	5,8	.....	Inflation (end of period) in %
Inflation (en moyenne annuelle) en %	8,6	17,0	14,2	3,2	2,1	5,4	4,5	4,6	5,0	4,8	4,1	4,3	4,6	.....	Inflation (period Average) in %
Déflateur implicite du PIB	133,7	170,3	100,0	103,8	105,3	109,9	112,5	117,1	122,6	127,0	.....	.....	.....	.....	GDP deflator
MONNAIE															MONETARY LIABILITIES & ASSETS
Masse monétaire M2	3202,52	4593,05	5431,96	6145,19	7757,6	8273,9	9796,4	11695,0	13292,2	14753,4	15081,8	15902,0	17156,1	.....	Broad money M2
M2/PIB (en %)	43,5	62,4	31,3	34,3	41,5	40,3	45,0	48,5	49,9	51,7	105,7	54,0	100,9	.....	M2/GDP (in %)
Taux de change moyen par rapport au dollar US	23,6	31,1	29,8	28,5	28,1	24,4	22,6	26,6	28,0	29,5	30,8	32,0	38,6	.....	Exchange Rate (Period Average) in USD
Variation du taux de change par rapport au dollar US (en %)	41,1	32,0	-4,2	-4,5	-1,4	-13,1	-7,4	18,0	5,1	5,2	5,7	8,6	25,1	.....	Exchange Rate variation in USD (in %)
Réserves brutes de change (en millions de USD)	64,9	62,3	84	96,6	118,6	141,6	112,6	103,"	163,5	176,3	126,9	183,8	203,3	.....	External Reserves - Stock (US \$ million)
Réserves de change en mois d'importation	2,9	3,1	4,7	5,2	4,9	4,4	4,3	6,0	5,4	5,0	4,7	4,8	5,1	.....	Number of Months of Imports Equivalent
Taux d'intérêt minimum (en %)	8,0	10,0	5,0	5,0	5,0	5,0	5,0	4,0	4,0	3,5	3,5	0,5	0,5	.....	Minimum Interest Rate (in %)
BUDGET DE L'ETAT															FISCAL OPERATIONS of GOVERNMENT
Recettes courantes (en % du PIB)	16,3	21,4	14,4	20,8	21,0	21,8	19,7	16,2	16,0	14,8	17,3	16,0	16,1	.....	Domestic Revenue as % of GDP
Dépenses courantes (en % du PIB)	17,9	23,1	12,4	18,1	17,5	16,9	16,8	15,0	14,6	15,8	17,2	17,7	17,3	.....	Current Expenditure as % of GDP
Dépenses en capital (en % du PIB)	8,4	9,2	8,9	9,4	6,2	5,8	5,6	7,8	8,2	8,0	11,0	11,8	6,8	.....	Capital Expenditure as % of GDP
Solde primaire de base (en % du PIB)	4,0	7,6	6,9	3,2	3,8	4,2	0,7	-4,1	3,8	5,8	6,6	9,4	4,2	.....	Primary balance as % of GDP
Solde dons exclus (base engagements) en % du PIB	-9,1	-10,4	-6,1	-7,4	-2,7	-1,0	-3,3	-7,2	-6,7	-9,0	-11,2	-13,5	-8,0	.....	Overall deficit (commitment basis exclud. grant) / GDP (%)
BALANCE DES PAIEMENTS															BALANCE of PAIEMENTS
Exportations en millions GMD	2575,1	1654,36	3028,57	2745,41	2868,80	3047,22	4180,24	4535,71	2743,53	4533,5	1407,7	3234,4	4552,4	.....	Exports fob in millions of GMD
Importations en millions GMD	3536,4	3722,0	6089,2	6361,1	6236,6	6809,2	6094,8	6928,5	5007,9	8690,3	2648,9	11616,5	14135,7	.....	Imports fob in millions of GMD
Exportations biens /PIB (en %)	69,9	44,9	34,8	30,6	30,7	29,6	38,4	37,6	20,6	31,8	19,7	22,0	53,5	.....	Exports fob as % of GDP
Importations/PIB	48,0	50,5	35,0	35,5	33,4	33,1	26,5	30,0	37,6	60,9	37,1	78,9	166,2	.....	Imports fob as % of GDP
Couverture export.FAB / import. CAF (en %)	72,8	44,4	49,7	43,2	46,0	44,8	68,6	65,5	54,8	52,2	53,1	27,8	32,2	.....	Export fob/import fob (in %)
Compte courant (n.c.transf.pub.) en millions GMD	-1166,2	-26,5	-1261,6	-1410,3	-2009,8	-1593,7	69,9	894,1	-211,5	371,5	610,7	-5637,1	-6118,8	.....	Current Account Balance (Excl public transfert)
Compte courant (n.c.transf.pub.) en % du PIB	-15,8	-0,4	-7,3	-7,9	-10,8	-7,8	0,3	3,7	-0,8	1,3	4,3	-19,2	-36,0	.....	Current Account Balance as % of G.D.P
Solde global en millions de GMD	294,5	-147,4	346,7	1057,6	309,3	741,7	670,5	-171,6	1433,3	826,7	823,2	3,2	320,2	.....	Overall Balance
Sole global en % du PIB	4,0	-2,0	2,0	5,9	1,7	3,6	3,1	-0,7	5,4	2,9	5,8	0,0	1,9	.....	Overall Balance as % of G.D.P
DETTE EXTERIEURE															EXTERNAL DEBT POSITION
Encours de la Dette (millions USD)	546,9	601,4	658,9	688,4	737,8	797,9	343,6	377,1	341,2	339,1	335,2	354,8	387,5	.....	External Debt Outstanding in millions of USD
Encours de la Dette (en % du PIB)	175,0	192,4	113,0	109,2	110,8	94,7	35,7	41,6	35,9	35,8	75,0	39,7	40,6	.....	External Debt Outstanding as % of GDP
Service Dette pub.extérieure (millions USD)	75,0	107,8	129,2	37,2	33,3	38,8	24,5	17,22	31,5	35,313	27,79	4,6	17,6	.....	External Debt service
Service Dette (en % des export.de biens. & serv.)	62,8	.....	1124,0	26,4	16,4	12,2	11,1	21,1	14,1	16,2	10,2	11,3	24,8	.....	External Debt Service as % of Exports of goods & serv

GHANA														GHANA	
(Données en millions de Cedi sauf indication contraire)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	juin-12	2012*	juin-13	2013**	(Data in millions of Cedi unless otherwise specification)
DETERMINATION DU PIB															GDP DETERMINATION
Consommation publique	859,4	1 174,9	1 319,7	1 489,1	1 654,3	1 836,3	2 056,7	....	....	....	....	....	....	....	Public consumption
Consommation privée	3 703,9	4 734,1	6 077,8	7 884,5	9 172,8	11 428,4	12 799,8	....	....	....	....	....	....	....	Private consumption
Formation brute de capital fixe	969,3	1 521,0	2 265,7	2 817,1	3 371,0	4 045,2	4 530,7	....	....	....	....	....	....	....	Gross fixed capital formation
Variation des stocks	....	....	....	....	....	....	....	....	....	....	....	....	....	....	Stocks variations
Exportation de biens et services	2 072,7	2 697,5	3 139,9	3 510,4	4 426,7	5 533,3	6 197,3	....	....	....	....	....	....	....	Exports of goods and services
Importation de biens et services	2 676,3	3 496,3	4 822,6	5 997,7	7 392,8	9 093,1	10 184,3	....	....	....	....	....	....	....	Imports of goods and services
PIB aux prix courants	49 292,8	66 157,7	79 803,7	9 701,8	11 490,3	23 154,0	30 179,0	35 598,0	46 042,0	59 816,0	35 923,0	73 109,0	42 388,0	....	GDP at current price
PIB courants en millions de USD	62 141,7	7 951,7	8 862,5	10 718,0	12 721,1	24 702,3	28 527,3	25 614,4	31 715,6	38 918,8	21 698,0	38 918,8	21 797,8	....	GDP at current price in millions of USD
PIB aux prix constants	5 600,8	5 894,7	6 235,9	6 588,7	18 705,1	19 913,0	21 592,0	22 454,5	24 252,0	27 742,0	12 918,4	29 718,0	14 274,6	....	GDP at constant price
Taux de croissance réel du PIB (en %)	4,5	5,2	5,6	5,9	6,2	6,5	8,4	4,0	8,0	14,4	7,1	7,1	7,9	....	Real GDP growth rate (in %)
Structure du PIB (en %)															GDP COMPOSITION (in %)
Secteur primaire	34,8	36,5	37,9	37,5	35,6	33,9	29,4	31,0	28,0	23,7	21,6	21,1	19,7	....	Primary sector
Secteur secondaire	25,1	25,2	24,7	25,1	26,0	25,3	19,4	18,5	18,0	23,9	25,9	25,4	26,0	....	Secondary sector
Secteur tertiaire	29,8	29,1	28,7	28,9	30,1	32,1	46,2	47,9	48,2	45,8	46,3	46,5	46,8	....	Tertiary sector
INFLATION															INFLATION
Inflation (en glissement fin décembre) en %	15,2	23,6	11,8	13,9	10,9	12,7	18,1	16,0	10,3	8,6	9,4	8,8	11,2	....	Inflation (end of period) in %
Inflation (en moyenne annuelle) en %	14,8	23,7	12,6	15,4	11,7	10,7	16,5	19,3	10,7	8,7	8,8	9,2	9,8	....	Inflation (period Average) in %
Déflateur implicite du PIB	165,2	212,5	243,1	183,7	203,8	229,8	271,5	314,8	341,8	371,2	409,5	404,0	455,4	....	GDP deflator
MONNAIE															MONETARY LIABILITIES & ASSETS
Masse monétaire M2	1 536,8	2 117,4	2 666,7	3 041,8	4 230,3	5 750,6	8 190,6	10 211,4	13 663,2	18 195,2	14 994,6	22 618,5	23 303,4	....	Broad money M2
M2/PIB (en %)	3,1	3,2	3,3	31,4	36,8	24,8	27,1	28,7	29,7	30,4	41,7	30,9	55,0	....	M2/GDP (in %)
Taux de change moyen par rapport au dollar US	0,8	0,9	0,9	0,9	0,9	0,9	1,1	1,4	1,4	1,5	1,9	1,9	1,9	....	Exchange Rate (Period Average) in USD
Variation du taux de change par rapport au dollar US (en %)	10,6	9,6	3,5	0,8	1,1	1,9	13,2	33,2	1,4	5,8	23,7	24,3	4,8	....	Exchange Rate variation in USD (in %)
Réserves brutes de change (en millions de USD)	640,4	1 425,6	1 732,4	1 894,9	2 266,7	2 836,7	2 036,2	3 164,8	4 680,0	5 474,6	4 090,9	5 348,9	4 912,5	....	External Reserves - Stock (US \$ million)
Réserves de change en mois d'importation	2,6	3,9	3,0	3,8	3,0	2,7	2,1	2,9	4,8	3,7	2,3	3,4	3,2	....	Number of Months of Imports Equivalent
Taux d'intérêt minimum (en %)	....	....	....	....	1,63	1,50	2,10	1,90	2,0	4,1	0,1	5,1	5,1	....	Minimum Interest Rate (in %)
BUDGET DE L'ETAT															FISCAL OPERATIONS of GOVERNMENT
Recettes courantes (en % du PIB)	18,0	20,8	23,8	23,8	13,7	14,8	15,9	15,5	16,8	19,5	18,9	21,2	21,2	....	Domestic Revenue as % of GDP
Dépenses courantes (en % du PIB)	20,2	18,7	20,2	18,66	13,22	15,58	17,43	15,39	17,48	16,22	18,5	21,85	22,85	....	Current Expenditure as % of GDP
Dépenses en capital (en % du PIB)	6,1	9,5	11,7	11,9	7,5	8,7	9,1	7,1	7,6	6,2	4,7	6,8	4,8	....	Capital Expenditure as % of GDP
Solde primaire (en % du PIB)	1,3	2,7	1,1	2,8	-2,1	-4,5	-5,4	0,2	-0,7	2,7	0,6	-0,6	2,7	....	Primary balance as % of GDP
Déficit global dons exclus (base engagements) en % du PIB	-7,5	-7,9	-8,8	-6,3	-12,7	-14,4	-19,1	-12,5	-8,6	-2,9	-4,3	-7,4	-6,4	....	Overall deficit (commitment basis exclud. grant) / GDP (%)
BALANCE DES PAIEMENTS															BALANCE of PAIEMENTS
Exportations en millions USD	2 015,2	2 562,6	2 704,5	2 802,2	3 726,7	4 172,1	5 269,7	5 839,7	7 960,1	12 785,4	7 535,1	13 541,4	7 426,1	....	Exports fob in millions of USD
Importations en millions USD	2 707,0	3 232,8	4 297,3	5 347,3	6 753,7	8 066,1	10 268,5	8 046,3	10 922,1	15 968,4	8 865,0	17 762,8	8 669,2	....	Imports fob in millions of USD
Exportations biens /PIB (en %)	32,7	32,2	30,5	26,1	29,3	16,9	18,5	22,8	25,1	32,9	34,7	34,8	34,1	....	Exports fob as % of GDP
Importations/PIB (en %)	43,9	40,7	48,5	49,9	53,1	32,7	36,0	31,4	34,4	41,0	40,9	45,6	39,8	....	Imports fob as % of GDP
Couverture export.FAB / import. CAF (en %)	74,4	79,3	62,9	52,4	55,2	51,7	51,3	72,6	72,9	80,1	85,0	76,2	85,7	....	Export fob/Import fob (in %)
Compte courant en millions USD (Tranfers Publics exclus)	-252,1	-1 121,0	-2 146,8	-3 040,2	-3 588,8	-4 299,8	-5 871,5	-3 676,5	-5 092,1	-3 903,8	-2 580,4	-7 324,8	-3 220,7	....	Current Account Balance (Excl public transfert)
Compte courant (n.c.transf.pub.) en % du PIB	-0,5	-14,1	-24,2	-28,4	-28,2	-17,4	-20,6	-14,4	-16,1	-10,0	-11,9	-18,8	-14,8	....	Current Account Balance as % of G.D.P
Solde global	558,32	-10,46	84,34	415,12	530,64	-1 273,4	1 311,0	1 462,7	1 462,7	-1 964,55	-1 209,8	-677,4	....	Overall Balance	
Sole global en % du PIB	7,0	-0,1	0,8	3,3	2,1	-4,5	5,1	9,2	7,5	-18,1	-6,2	-6,2	....	Overall Balance as % of G.D.P	
DETTE EXTERIEURE															EXTERNAL DEBT POSITION
Encours de la Dette (millions USD)	6 491,3	8 023,7	6 777,9	6 347,8	2 177,2	3 590,4	4 035,1	5 007,8	6 320,7	7 589,5	7 704,3	8 835,6	9 343,0	....	External Debt Outstanding in millions of USD
Encours de la Dette (en % du PIB)	10,4	100,9	76,5	59,2	17,1	14,5	14,1	19,6	19,9	19,5	35,5	22,7	42,9	....	External Debt Outstanding as % of GDP
Service Dette pub.extérieure (millions USD)	204,0	126,1	194,9	215,2	166,7	192,6	302,8	332,8	307,6	421,4	246,7	529,3	247,3	....	External Debt service
Service Dette (en % des export.de biens. & serv.)	0,3	4,9	7,2	8,1	4,9	4,7	5,9	5,7	3,6	3,3	1,9	3,9	3,3	....	External Debt Service as % of Exports of goods & serv

GUINEE															GUINEA
(Données en milliards de GNF sauf indications contraires)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	juin-12	2012*	juin-13	2013**	(Data in billions of GNF unless otherwise specification)
DETERMINATION DU PIB															GDP DETERMINATION
Consommation publique	467,4	538,8	566,2	670,7	1 065,1	1 156,3	1 270,76	1 889,12	3 550,62	3 355,31	4 449,65	4 118,23	4 865,06	4 865,06	Public consumption
Consommation privée	4 497,1	4 872,4	5 837,8	7 696,9	11 262,1	13 859,3	16 253,1	17 904,0	20 539,7	31 459,0	35 537,3	35 542,6	41 041,3	41 041,3	Private consumption
Formation brute de capital fixe	1 083,8	1 355,3	1 858,2	2 490,0	3 385,1	3 339,0	4 429,2	3 631,8	4 634,4	6 741,4	9 915,5	9 288,7	10 294,3	10 294,3	Gross fixed capital formation
Variation des stocks	33,7	123,3	136,5	216,8	123,9	93,9	140,85	-8,47	2,41	5,05	6,69	5,50	6,74	6,74	Stocks variations
Exportation de biens et services	1 602,3	1 675,0	1 905,7	3 382,9	5 769,8	5 231,4	7 009,0	5 356,9	9 135,2	10 172,2	12 067,3	11 512,5	12 973,2	12 973,2	Exports of goods and services
Importation de biens et services	1 855,3	1 724,0	2 146,8	3 703,3	6 079,4	6 374,2	8 322,36	6 640,75	10 780,74	18 036,27	21 481,28	20 877,40	23 701,35	23 701,35	Imports of goods and services
PIB aux prix courants	5829,13	6840,95	8157,72	10 754	15 094,2	17 354,2	20 780,4	22 132,6	27 081,6	33 696,7	40 495,1	39 590,2	45 479,2	45 479,2	GDP at current price
PIB courants en millions de USD	2 950,3	3 444,6	3 597,0	2 954,4	2 867,4	4 152,5	4 581,1	4 561,5	4 500,5	5 080,3	2 825,5	5 693,3	3 259,8	6 519,5	GDP at current price in millions of USD
PIB aux prix constants (2003)	6 756,6	6 841,0	7 001,0	7 210,9	7 390,9	7 520,8	7 892,1	7 870,0	8 022,5	8 333,3	8 732,6	8 661,7	9 052,4	9 052,4	GDP at constant price
Taux de croissance réel du PIB (en %)	5,2	1,2	2,3	3,0	2,5	1,8	4,9	-0,3	1,9	3,9	4,8	3,9	4,5	4,5	Real GDP growth rate (in %)
Structure du PIB (en %)															GDP COMPOSITION (in %)
Secteur primaire	21,6	20,8	23,3	22,3	21,9	23,4	22,8	23,6	20,3	18,8	22,0	22,0	22,0	18,7	Primary sector
Secteur secondaire	31,3	31,7	30,5	32,1	36,7	36,5	38,7	36,8	41,1	39,0	32,9	32,6	32,7	37,7	Secondary sector
Secteur tertiaire	47,0	47,5	46,2	37,9	33,4	32,4	29,9	30,9	30,5	33,6	37,1	37,4	36,8	36,8	Tertiary sector
INFLATION (en %)															INFLATION (in %)
Inflation (en glissement fin décembre) en %	6,1	12,9	27,6	29,7	39,1	12,8	13,5	7,9	20,8	19,0	15,0	12,8	9,7	9,7	Inflation (end of period) in %
Inflation (en moyenne annuelle) en %	3,0	12,9	17,5	31,4	34,7	22,9	18,4	4,7	15,5	21,4	13,2	15,2	10,6	10,6	Inflation (Period Average) in %
Déflateur implicite du PIB	0,4	15,9	16,5	1,6	2,3	2,3	2,6	2,8	3,4	4,0	4,6	4,6	5,0	9,9	GDP deflator
MONNAIE															MONETARY LIABILITIES & ASSETS
Masse monétaire M2	801,0	1083,3	1484,6	2036,8	3247,3	3398,2	4727,2	5945,1	10367,9	11325,6	11204,1	11449,9	11898,0	10232,8	Broad money M2
M2/PIB (en %)	13,7	15,8	18,2	18,9	21,5	19,6	22,7	26,9	38,3	33,6	27,7	28,9	26,2	22,5	M2/GDP (in %)
Taux de change moyen par rapport au dollar US	1975,8	1986,0	2267,9	3640,0	5264,0	4179,3	4594,1	4778,5	5730,6	6632,9	7005,8	6953,8	6975,9	6975,9	Exchange Rate (Period Average) in USD
Variation du taux de change par rapport au dollar US (en %)	1,3	0,5	14,2	60,5	44,6	-17,4	-17,4	4,0	19,9	15,7	3,5	4,8	-0,4	0,3	Exchange Rate variation in USD (in %)
Réserves brutes de change (en millions de USD)	168,8	160,1	130,3	122,2	71,9	43,3	70,07	164,47	253,67	759,56	772,12	637,27	669,72	1057,7	External Reserves - Stock (US \$ million)
Réserves de change en mois d'importation	2,3	2,0	1,8	1,5	0,8	0,4	0,6	1,4	1,9	3,8	3,4	3,1	3,9	4,0	Number of Months of Imports Equivalent
Taux d'intérêt minimum (en %)	7,40	6,50	8,4	14,7	14,7	14,7	14,0	16	16	3,95	3,95	.....	.....	.....	Minimum Interest Rate (in %)
BUDGET DE L'ETAT															FISCAL OPERATIONS of GOVERNMENT
Recettes courantes (en % du PIB)	13,1	11,0	11,5	14,5	16,0	14,3	15,7	15,4	15,6	16,8	19,8	20,1	17,5	20,3	Domestic Revenue as % of GDP
Dépenses courantes (en % du PIB)	13,3	13,6	12,5	11,4	13,4	11,3	13,4	15,3	21,1	16,3	12,8	15,4	14,2	15,8	Current Expenditure as % of GDP
Dépenses en capital (en % du PIB)	6,3	5,7	5,4	4,7	4,5	3,9	4,0	7,1	9,2	5,2	9,4	15,6	1,3	7,7	Capital Expenditure as % of GDP
Solde primaire (en % du PIB)	0,1	-1,7	-0,5	4,5	4,1	3,8	3,0	-3,8	-12,0	-0,5	0,77	-1,5	1,5	-0,6	Primary balance as % of GDP
Solde dons exclus (base engagements) en % du PIB	-6,7	-8,3	-6,5	-1,6	-2,0	-0,9	-1,5	-7,0	-14,7	-4,7	-2,4	-5,5	-6,4	-4,0	Overall deficit (commitment basis exclud. grant) / GDP (%)
BALANCE DES PAIEMENTS															BALANCE of PAIEMENTS
Exportations en millions USD	531,2	708,4	548,8	669,4	667,0	1070,1	1342,0	1049,7	1471,2	1432,7	1194,7	1927,6	670,8	1628,6	Exports fob in millions of USD
Importations en millions USD	668,5	554,4	661,0	739,5	950,6	1206,4	1364,2	1060,1	1404,9	2105,6	1177,3	2254,0	832,8	-2614,3	Imports fob in millions of USD
Exportations biens /PIB (en %)	18,0	20,6	15,3	22,7	23,3	25,8	29,3	23,0	32,7	28,2	42,3	33,9	20,6	25,0	Exports fob as % of GDP
Importations/PIB (en %)	22,7	16,1	18,4	25,0	33,2	29,1	29,8	23,2	31,2	41,4	41,7	39,6	25,5	-40,1	Imports fob as % of GDP
Couverture export.FAB / import. FAB (en %)	79,5	127,8	83,0	90,5	70,2	88,7	98,4	99,0	104,7	68,0	101,5	85,5	80,5	-62,3	Export fob/import fob (in %)
Compte courant (y c.transf.pub.) en millions USD	-199,8	-8,9	-152,9	-160,4	-221,4	-455,6	-423,2	-403,5	-326,9	-1568,8	-525,9	-1343,9	-651,1	-1391,2	Current Account Balance (Excl public transfert)
Compte courant (y c.transf.pub.) en % du PIB	-4,3	-0,6	-3,5	-4,8	-7,3	-9,2	-9,2	-8,8	-7,3	-30,9	-18,6	-23,6	-20,0	-21,3	Current Account Balance as % of G.D.P
Solde global	-63,3	-41,5	-101,0	-67,4	-9,4	-87,6	-28,7	60,2	-73,0	676,1	43,1	-194,7	-76,9	193,7	Overall Balance
Sole global en % du PIB	-2,1	-1,2	-2,8	-2,3	-0,3	-2,1	-0,6	1,3	-1,6	13,3	1,5	-3,4	-2,4	3,0	Overall Balance as % of G.D.P
DETTE EXTERIEURE															EXTERNAL DEBT POSITION
Encours de la Dette (millions USD)	3046,0	3364,1	3276,6	3215,9	3141,5	3102,0	3079,1	3089,4	3061,7	3213,5	3213,5	1101,4	.....	2690,4	External Debt Outstanding in millions of USD
Encours de la Dette (en % du PIB)	103,2	97,7	91,1	108,8	109,6	74,7	67,2	66,6	67,7	63,3	113,7	19,3	.....	42,4	External Debt Outstanding as % of GDP
Service Dette pub.extérieure (millions USD)	134,2	166,7	180,4	195,9	208,7	202,5	189,7	196,2	131,7	204,8	62,7	229,2	.....	298,6	External Debt service
Service Dette (en % des export.de biens. & serv.)	8,4	10,0	9,5	5,8	3,6	3,9	2,7	10,8	8,6	14,3	5,2	11,9	.....	16,5	External Debt Service as % of Exports of goods & serv

NIGERIA (Données en milliards de naira sauf indication contraire)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	juin-12	2012*	juin-13	2013**	NIGERIA (Data in billions of Naira unless otherwise specification)
DETERMINATION DU PIB	34 494,6	37 936,7	45 296,5												
Consommation publique	1 365,0	1 787,6	2 120,8	2 281,6	3 656,9	4 583,4	2 871,4	3 269,9	4 156,1	4 726,2	....	5 587,9	....	....	GDP DETERMINATION
Consommation privée	5 002,2	5 709,0	5 534,7	11 475,4	11 244,1	15 568,2	16 090,5	18 981,0	22 845,1	22 940,7	....	25 903,2	....	....	Public consumption
Formation brute de capital fixe	1 477,1	1 797,5	2 160,9	1 046,9	2 331,3	2 858,5	2 053,0	3 050,6	4 012,9	4 207,4	....	5 399,3	....	....	Private consumption
Variation des stocks	....	....	....	1,6	1,9	2,9	1,6	1,6	2,0	2,6	....	3,1	....	....	Gross fixed capital formation
Exportation de biens et services	2 296,5	3 746,5	5 182,6	3 909,0	7 864,2	6 871,8	9 837,3	7 764,8	13 472,3	19 467,0	....	25 757,0	....	....	Stocks variations
Importation de biens et services	2 345,0	3 127,1	3 588,0	3 980,2	6 390,2	9 227,4	6 188,471	7 831,818	9 993,935	13 407,13	....	17 353,93	....	....	Exports of goods and services
PIB aux prix courants	7 795,8	9 913,5	11 411,0	14 572,2	18 564,6	20 657,3	24 665,2	25 236,1	33 984,8	37 303,4	19 310,8	40 541,6	20 367,6	....	Imports of goods and services
PIB courants en millions de USD	64 443,9	76 637,4	85 881,2	112 963,1	146 154,9	174 751,5	192 096,2	165 637,3	226 112,8	235 699,2	118 217,1	257 407,2	130 006,9	....	GDP at current price
PIB aux prix constants	451,8	495,0	527,6	561,9	595,8	634,3	672,20	718,98	776,33	834,00	....	889,14	947,83	....	GDP at constant price
Taux de croissance réel du PIB (en %)	4,6	9,6	6,6	6,5	6,0	6,4	6,0	7,0	8,0	7,4	....	6,6	6,6	....	Real GDP growth rate (in %)
Structure du PIB (en %)															GDP COMPOSITION (in %)
Secteur primaire	36,5	32,8	29,4	32,0	32,0	32,7	42,1	41,7	40,8	40,2	40,7	39,2	36,9	....	Primary sector
Secteur secondaire	41,2	41,8	41,8	40,3	40,3	39,1	21,8	20,8	20,4	19,3	29,5	18,3	22,3	....	Secondary sector
Secteur tertiaire	9,3	11,1	28,9	11,5	11,5	12,1	36,1	37,5	38,8	40,5	29,9	42,5	40,8	....	Tertiary sector
INFLATION															INFLATION
Inflation (en glissement fin décembre) en %	12,2	23,8	10,0	11,6	8,5	6,6	15,1	14,0	11,8	10,3	12,9	12,0	8,4	....	Inflation (end of period) in %
Inflation (en moyenne annuelle) en %	13,7	14,0	15,0	17,8	8,3	5,4	11,5	9,2	12,4	10,8	11,3	12,2	8,9	....	Inflation (period Average) in %
Déflateur implicite du PIB	115,1	139,0	167,2	210,2	228,1	235,5	235,5	....	....	....	....	....	....	....	GDP deflator
MONNAIE															MONETARY LIABILITIES & ASSETS
Masse monétaire M2	1 402,3	1 985,2	2 263,6	2 626,5	4 027,9	5 809,9	9 166,7	10 780,6	11 525,5	13 303,5	13 483,1	15 483,8	15 593,3	....	Broad money M2
M2/PIB (en %)	18,0	20,0	19,8	18,0	21,7	28,1	37,2	42,7	33,9	35,7	69,8	38,2	76,6	....	M2/GDP in %
Taux de change moyen par rapport au dollar US	120,587	129,222	132,888	132,15	128,65	125,83	118,53	153,5	150,3	158,3	163,4	157,50	156,67	....	Exchange Rate (Period Average) in USD
Variation du taux de change par rapport au dollar US (en %)	8,4	7,2	2,8	-0,6	-2,6	-2,2	-5,8	29,5	-2,1	5,3	8,0	-0,5	-4,1	....	Exchange Rate variation in USD (in %)
Réserves brutes de change (en millions de USD)	7 681,1	7 467,8	16 965,6	28 289,6	42 298,0	51 333,2	53 000,4	42 384,5	32 339,3	32 639,8	35 412,5	43 830,4	44 957,0	....	External Reserves - Stock (US \$ million)
Réserves de change en mois d'importation	9,9	8,5	16,1	11,0	17,3	21,6	15,9	16,3	7,9	6,4	7,6	9,5	10,8	....	Number of Months of Imports Equivalent
Taux d'intérêt minimum (en %)	2,5	2,4	2,0	1,5	1,5	3,2	3,0	2,9	0,9	1,4	0,4	1,0	1,7	....	Minimum Interest Rate (in %)
BUDGET DE L'ETAT															FISCAL OPERATIONS of GOVERNMENT
Recettes courantes (en % du PIB)	22,2	26,0	34,2	45,0	33,5	27,7	32,4	19,5	20,4	22,3	23,7	13,8	17,2	....	Domestic Revenue as % of GDP
Dépenses courantes (en % du PIB)	17,7	21,6	30,9	37,4	7,7	7,7	8,7	8,6	8,7	8,2	7,5	5,9	5,5	....	Current Expenditure as % of GDP
Dépenses en capital (en % du PIB)	8,3	6,4	4,5	4,2	26,4	20,5	23,9	14,2	16,7	17,2	17,6	1,8	2,5	....	Capital Expenditure as % of GDP
Solde primaire (en % du PIB)	-3,9	-2,0	-1,2	3,4	0,8	0,5	1,1	-2,4	-3,9	-3,1	-1,3	-2,5	-1,8	....	Primary Balance as % of GDP
Solde dons exclus (base engagements) en % du PIB	-3,9	-2,0	-1,2	-1,3	-0,6	-0,6	-0,2	-3,3	-5,0	-3,1	-1,3	-2,5	-1,8	....	Overall deficit (commitment basis exclud. grant) / GDP (%)
BALANCE DES PAIEMENTS															BALANCE of PAIEMENTS
Exportations en millions USD	14 466,1	23 950,1	34 607,4	55 144,5	57 443,9	66 606,0	8 631,65	5 678,91	7 853,21	9 716,38	49 387,2	9 603,16	4 376,68	....	Exports fob in millions of USD
Importations en millions USD	12 546,2	16 134,6	14 940,2	25 976,3	22 630,0	28 533,8	40 097,0	31 119,98	46 760,47	62 161,39	31 169,51	53 556,8	25 013,0	....	Imports fob in millions of USD
Exportations biens /PIB (en %)	22,4	31,3	40,3	48,8	39,3	38,1	44,9	34,3	34,7	41,2	41,8	37,3	33,7	....	Exports fob as % of GDP
Importations/PIB (en %)	19,5	21,1	17,4	23,0	15,5	16,3	20,9	18,8	20,7	26,4	26,4	20,8	19,2	....	Imports fob as % of GDP
Couverture export.FAB / import. CAF (en %)	115,3	148,4	231,6	212,3	253,8	233,4	215,3	182,5	167,9	156,3	158,4	179,3	175,0	....	Export fob/import fob (in %)
Compte courant (n.c.transf.pub.) en millions USD	-2 225,3	3 851,2	15 461,1	37 225,1	38 569,7	27 096,48	18 787,27	18 086,33	19 506,59	10 927,31	5 615,061	18 656,11	11 005,74	....	Current Account Balance (Excl public transfert)
Compte courant (n.c.transf.pub.) en % du PIB	-3,5	5,0	18,0	33,0	26,4	15,5	9,8	10,9	8,6	4,6	-5,6	7,2	8,5	....	Current Account Balance as % of G.D.P
Solde global en million de USD	-4 673,5	-1 258,8	8 452,3	11 324,0	14 018,9	9 035,1	-9 887,7	-9 880,9	-10 072,2	7 208,9	8 051,4	7 951,9	1 307,6	....	Overall Balance
Sole global en % du PIB	-7,3	-1,6	9,8	10,0	9,6	5,46	-5,1	-6,0	-4,4	0,1	2,3	4,3	0,9	....	Overall Balance as % of G.D.P
DETTE EXTERIEURE															EXTERNAL DEBT POSITIONING
Encours de la Dette (millions USD)	30 992,0	32 330,1	35 944,6	20 478,0	3 544,5	3 628,6	3 720,4	3 947,3	4 578,7	5 666,6	....	6 276,0	....	....	External Debt Outstanding in millions of USD
Encours de la Dette (en % du PIB)	48,1	42,2	41,9	18,1	2,4	2,1	1,9	2,4	2,0	2,4	....	2,6	....	....	External Debt Outstanding as % of GDP
Service Dette pub.extérieure (millions USD)	1 168,5	1 809,3	1 754,8	8 943,5	6 727,8	1 023,2	464,6	428,0	354,4	....	....	....	....	....	External Debt service
Service Dette (en % des export.de biens. & serv.)	8,1	7,6	5,1	16,2	11,7	1,5	0,6	0,7	0,5	....	....	....	....	....	External Debt Service as % of Exports of goods & serv

SIERRA LEONE (Données en milliards de leone sauf indication contraire)	2002	2003	2004	2005	2006	2007	2008	2009	2010*	2011	juin-12	2012*	juin-13	2013**	SIERRA LEONE (Data in billions of leone unless otherwise specification)
DETERMINATION DU PIB															GDP DETERMINATION
Consommation publique	265,1	335,2	446,2	691,1	761,7	756,1	721,1	873,4	1 066,6	1 289,14	1 693,1	1 693,1	1 907,4	1 907,4	Public consumption
Consommation privée	3 551,6	3 871,7	4 161,3	4 355,0	4 428,4	4 476,2	6 772,3	7 617,3	7 627,7	10 933,6	12 540	12 540,3	15 724,9	15 724,9	Private consumption
Formation brute de capital fixe	190,6	230,2	263,7	356,0	360,2	355,3	684,4	799,4	3 150,3	5 315,87	4 082,9	4 082,9	2 993,8	2 993,8	Gross fixed capital formation
Variation des stocks	-364,8	36,3	-235,7	-211,6	258,8	1 418,4	29,5	30,9	38,3	49,952	293,05	293,054	64,721	64,721	Stocks variations
Exportation de biens et services	298,8	483,3	665,0	870,6	918,6	1 009,6	1 009,9	1 121,6	1 722,4	2 081,75	4 588,7	4 588,709	8 748,6	8 748,6	Exports of goods and services
Importation de biens et services	1 189,5	1 607,9	1 682,8	1 791,0	1 927,0	2 260,0	1 919,4	2 321,0	3 536,4	7 144,96	7 051,6	7 051,6	9 872,2	9 872,2	Imports of goods and services
PIB aux prix courants	2 751,7	3 348,8	3 831,4	4 307,6	4 875,1	5 825,1	7 470,5	8 308,3	10 256,1	12 752,9	16 452,4	16 452,4	19 864,0	19 864,0	GDP at current price
PIB courants en millions de USD	1 310,8	1 427,8	1 418,3	1 490,7	1 645,9	1 951,8	2 506,0	2 454,0	2 578,2	2 932,3	3 790,4	3 787,4	4 593,7	4 593,7	GDP at current price in millions of USD
PIB aux prix constants	4 341,4	4 755,2	5 062,7	5 283,3	5 511,7	5 952,5	6 356,5	6 559,7	6 910,5	7 322,5	8 436,0	8 436,0	9 668,2	9 668,2	GDP at constant price
Taux de croissance réel du PIB	26,6	9,5	6,5	4,4	4,3	8,0	5,4	3,2	5,3	6,0	18,16	15,2	14,6	14,6	Real GDP growth rate
Structure du PIB (en %)															GDP COMPOSITION (in %)
Secteur primaire	40,7	42,2	45,3	49,6	51,0	53,4	54,1	54,5	53,9	55	52	51,4	49,0	49,0	Inflation (end of period) in %
Secteur secondaire	9,9	11,5	11,2	9,7	8,3	9,9	8,4	7,8	7,8	8,1	15,2	14,6	18,9	18,9	Inflation (period Average) in %
Secteur tertiaire	49,4	46,2	38,6	37,3	36,4	32,8	33,8	34,0	34,3	34,1	30,7	32,3	29,6	29,6	GDP deflator
INFLATION															INFLATION
Inflation (en glissement fin décembre) en %	-3,1	11,3	14,6	13,1	7,3	13,8	12,3	12,0	17,8	16,6	12,5	11,4	10,8	.....	Consumer price (end of period) in %
Inflation (en moyenne annuelle) en %	-3,2	7,6	14,2	12,0	7,3	13,8	12,5	9,9	17,1	16,0	15,1	12,9	11,5	.....	Consumer price (period Average) in %
Déflateur implicite du PIB	98,1	106,1	113,6	118,4	126,5	142,6	153,9	126,3	147,7	173,8	189,7	195,0	205,5	205,5	GDP deflator
MONNAIE															MONETARY LIABILITIES & ASSETS
Masse monétaire M2	376,8	459,1	551,2	724,2	879,6	1 078,7	1 321,2	1 878,1	2 413,9	2 958,3	2 997,9	3 623,2	3 688,3	.....	Broad money M2
M2/PIB (en %)	13,7	13,7	14,4	16,8	18,0	18,5	20,6	23,7	23,5	23,2	18,2	22,0	18,6	.....	M2/GDP (in %)
Taux de change moyen par rapport au dollar US	2 099,2	2 345,4	2 701,3	2 889,6	2 961,9	2 984,5	2 981,1	3 385,7	3 978,1	4 349,16	4 340,5	4 344,0	4 324,2	.....	Exchange Rate (Period Average) in USD
Variation du taux de change par rapport au dollar US (en %)	5,7	11,7	15,2	7,0	2,5	0,8	-0,1	13,6	17,5	9,3	-0,1	-0,1	-0,4	.....	Exchange Rate variation in USD (in %)
Réserves brutes de change (en millions de USD)	85,0	66,5	122,1	144,5	184,2	215,5	209,5	336,3	344,8	376,8	377	420,6	434,6	.....	External Reserves - Stock (US \$ million)
Réserves de change en mois d'importation	3,1	1,7	3,3	4,8	4,9	5,2	4,2	6,2	1,9	2,6	2	2,5	3,0	.....	Number of Months of Imports Equivalent
Taux d'intérêt minimum (en %)	4,0	4,0	6,0	5,5	5,5	5,5	4,0	3,5	3,5	4	4	4,0	3,0	.....	Minimum Interest Rate (in %)
BUDGET DE L'ETAT															FISCAL OPERATIONS of GOVERNMENT
Recettes courantes (en % du PIB)	8,7	8,6	9,3	9,7	10,2	9,2	10,2	10,2	11,8	16,2	10,6	11,4	12,9	.....	Domestic Revenue as % of GDP
Dépenses courantes (en % du PIB)	16,4	14,5	14,5	14,4	14,3	11,1	13,5	13,6	15,1	17,8	18,3	12,3	11,9	.....	Current Expenditure as % of GDP
Dépenses en capital (en % du PIB)	3,1	3,4	3,5	4,7	4,4	3,0	4,0	6,2	9,2	12,4	5,5	7,0	1,9	.....	Capital Expenditure as % of GDP
Solde primaire (en % du PIB)	-5,5	-4,3	-2,5	-2,5	-2,6	-0,7	-2,4	-3,5	-5,6	-1,2	-2,4	-2,0	2,0	.....	Primary Balance as % of GDP
Solde dons exclus (base engagements) en % du PIB	-10,9	-9,3	-8,6	-9,6	-8,5	-5,0	-7,1	-8,2	-12,5	-14,0	-6,1	-8,0	-1,0	.....	Overall deficit (commitment basis exclud. grant) / GDP (%)
BALANCE DES PAIEMENTS															BALANCE of PAIEMENTS
Exportations en millions USD	48,7	111,0	144,5	172,5	250,4	292,0	278,1	271,25	362,89	385,19	.....	1 164,6	1 583,2	1 583,2	Exports fob in millions of USD
Importations en millions USD	227,3	311,0	274,3	361,7	351,2	395,6	471,7	457,89	735,03	1 725,9	.....	2 020,6	1 808,9	1 808,9	Imports fob in millions of USD
Exportations biens /PIB (en %)	3,7	7,8	10,2	11,6	15,2	15,0	11,1	11,1	28,2	26,3	.....	61,5	68,9	68,9	Exports fob as % of GDP
Importations/PIB (en %)	17,3	21,8	19,3	24,3	21,3	20,3	18,8	18,7	57,0	117,7	.....	106,7	78,8	78,8	Imports fob as % of GDP
Couverture export.FAB / import. FAB (en %)	21,4	35,7	52,7	47,7	71,3	73,8	59,0	59,2	49,4	22,3%	.....	0,6	0,9	87,5%	Export fob/Import fob (in %)
Compte courant (n.c.transf.pub.) en millions USD	-236,1	-241,8	-274,5	-327,6	-185,7	-157,1	-221,4	-134,4	-587,1	-1616,6	.....	-1 164,9	-472,1	-492,4	Current Account Balance (Excl public transfert)
Compte courant (n.c.transf.pub.) en % du PIB	-18,0	-16,9	-19,4	-22,0	-11,3	-8,1	-8,8	-5,5	-45,5	-110,3	.....	-61,5	-20,6	-21,4	Current Account Balance as % of G.D.P
Solde global	-71,1	-186,0	-142,1	-209,1	49,8	95,6	-191,5	108,1	-25,7	23,1	-90,7	35,4	16,4	-22,0	Overall Balance
Sole global en % du PIB	-5,4	-13,0	-10,0	-14,0	3,0	4,9	-7,6	4,4	-2,0	1,6	-2,5	1,9	0,7	-1,0	Overall Balance as % of G.D.P
DETTE EXTERIEURE															EXTERNAL DEBT POSITION
Encours de la Dette (millions USD)	1 536,0	1 662,2	1 710,2	1 689,6	1 610,9	533,7	620,2	692,9	767,9	890,1	891,7	932,2	981,6	.....	External Debt Outstanding in millions of USD
Encours de la Dette (en % du PIB)	117,2	116,4	120,6	113,3	97,9	27,3	24,7	28,2	29,8	30,4	23,5	24,6	21,4	.....	External Debt Outstanding as % of GDP
Service Dette pub. extérieure (millions USD)	46,4	45,7	44,9	26,1	17,3	9,36	3,6	4,5	6,4	18,5	25,2	31,5	7,5	.....	External Debt service
Service Dette (en % des export.de biens. & serv.)	47,2	26,1	20,3	45,7	5,5	3,1	1,9	2,8	3,6	4,8	5,8	2,7	0,5	.....	External Debt Service as % of Exports of goods & serv

CAP VERT (Données en millions d'escudos sauf indication contraire)	2002	2003	2004	2005	2006	2007	2008	2009	2010*	2011	juin-12	2012*	juin-13	2013**	CABO VERDE (Data in millions of escudos unless otherwise specification)
DETERMINATION DU PIB															GDP DETERMINATION
Consommation publique	13 409,8	15 947,5	17 471,6	18 521,6	19 001,9	21296,3	22739,3	24708,4	25536,4	26 016,3	26 759,8	25 862,9	26 916,57	26 916,57	Public consumption
Consommation privée	64 421,9	68 750,9	68 694,3	70 066,8	80 106,8	76770,2	81863,7	86838,7	87328,2	88 709,6	108 156,4	78 241,8	77 615,9	77 615,9	Private consumption
Formation brute de capital fixe	26 150,5	24 734,8	31 961,7	30 858,1	37 645,7	53943,8	57285,2	52336,7	62624,9	66 175,2	54 691,9	67 366,3	61 977	61 977	Gross fixed capital formation
Variation des stocks	-88,6	-62,9	434,5	196,7	-595,0	6786,6	8091,0	7163,9	3399,2	3 781,7	572,8	3 799,0	4004,347	4004,347	Stocks variations
Exportation de biens et services	15 209,2	11 606,8	11 364,3	16 183,6	19 400,5	36823,2	35280,8	35168,7	40320,3	44 565,8	34 875,1	44 437,2	46203,26	46203,26	Exports of goods and services
Importation de biens et services	46 344,7	41 450,3	47 839,8	49 641,5	58 175,7	75293,52	78522,72	71867,21	80378,89	88 701,6	87 293,0	78 212,9	74538,07	74538,07	Imports of goods and services
PIB aux prix courants	72 758,1	79 526,7	82 086,5	86 185,3	97 384,2	121 973,7	134 698,4	135 879,1	138 568,5	140 216,0	137 763,0	142 333,0	143 045,1	143 045,1	GDP at current price
PIB courants en millions de USD	621,0	814,0	925,0	1 000,0	1 200,0	1 427,3	1 700,0	1 711,8	1 663,9	1 768,7	1 603,1	1 658,1	1 703,3	1 703,3	GDP at current price in millions of USD
PIB aux prix constants	20 496,5	21 456,4	22 374,7	23 833,7	26 250,9	28 521,4	30 269,9	128 433	130 316,8	132 532,2	36 422,3	133 857,5	134 526,8	134 526,8	GDP at constant price
Taux de croissance réel du PIB (en %)	5,3	4,7	4,4	6,5	10,1	8,6	6,1	-1,3	1,5	1,7	4,3	1,0	0,5	0,5	Real GDP growth rate (in %)
Structure du PIB (en %)															GDP COMPOSITION (in %)
Secteur primaire	33,7	32,1	32,3	32,3	32,4	9,2	8,5	8,9	8,5	8,8	8,9	8,9	9,1	9,1	Primary sector
Secteur secondaire	13,6	13,7	13,3	13,3	13,0	16,2	18,0	18,7	17,6	17,8	18,5	18,5	18,0	18,0	Secondary sector
Secteur tertiaire	52,7	54,2	54,4	54,4	54,5	61,0	59,8	60,2	61,2	74,0	76,3	76,3	73,1	73,1	Tertiary sector and non-financial services
INFLATION															INFLATION
Inflation (en glissement fin décembre) en %	3,0	-2,3	-0,3	1,7	4,7	4,4	6,8	1,0	3,4	4,5	1,6	4,1	1,2	.....	Inflation (end of period) in %
Inflation (en moyenne annuelle) en %	3,0	-2,3	-0,3	1,7	2,1	4,4	6,8	1,0	2,1	4,5	3,2	2,5	2,8	.....	Inflation (period Average) in %
Déflateur implicite du PIB	100,9	105,3	104,2	106,4	112,0	118,8	118,8	114,6	116,4	121,6	121,1	124,7	124,4	.....	GDP deflator
MONNAIE															MONETARY LIABILITIES & ASSETS
Masse monétaire M2	52356,8	56883,4	62848,3	72641,3	86215,8	94607,9	102088,9	105451,7	110388,7	112444	113388,6	117748,5	126413,6	.....	Broad money M2
M2/PIB (en %)	72,0	71,5	76,6	84,3	88,5	77,6	75,8	77,6	79,7	80,2	82,3	82,7	88,4	.....	M2/GDP (in %)
Taux de change moyen par rapport au dollar US	117,3	97,8	88,7	88,6	87,9	80,6	75,3	79,4	83,3	79,3	85,9	85,8	84,0	.....	Exchange Rate (Period Average) in USD
Variation du taux de change par rapport au dollar US (en %)	-4,8	-16,7	-9,1	-0,2	-0,3	-0,5	-0,5	5,4	4,9	-4,8	9,3	8,3	-2,3	.....	Exchange Rate variation in USD (in %)
Réserves brutes de change (en millions de USD)	80	94	140	174	209	354,7267	409,5326	384,3	404,2	347,3	365,5	393,4	.....	External Reserves - Stock (US \$ million)	
Réserves de change en mois d'importation	2,02	1,83	2,37	3,4	3,6	4,09	4,1	3,9	3,7	3,4	3,9	3,9	3,7	3,7	Number of Months of Imports Equivalent
Taux d'intérêt minimum (en %)	7,9	6,4	6,3	6,3	6,3	6,3	6,3	6,3	6,3	3,2	3,05	.....	.....	.....	Minimum Interest Rate (in %)
BUDGET DE L'ETAT															FISCAL OPERATIONS of GOVERNMENT
Recettes courantes (en % du PIB)	32,6	27,8	31,8	24,1	26,4	27,0	28,1	27,1	28,3	26,9	23,0	24,6	21,7	.....	Domestic Revenue as % of GDP
Dépenses courantes (en % du PIB)	21,1	21,4	20,4	22,1	23,4	21,7	21,8	19,5	19,8	20,5	19,9	20,9	21,9	.....	Current Expenditure as % of GDP
Dépenses en capital (en % du PIB)	13,4	10,3	10,8	13,5	14,1	13,0	14,4	13,2	19,4	16,0	15,5	16,8	9,7	.....	Capital Expenditure as % of GDP
Solde primaire (en % du PIB)	-1,8	-3,9	0,6	-4,2	-3,9	1,3	-1,8	-5,7	-10,8	-9,5	-10,2	-13,1	0,9	.....	Primary Balance as % of GDP
Solde dons exclus (base engagements) en % du PIB	-10,5	-9,1	-8,4	-11,4	-10,4	-3,6	-6,8	-11,1	-17,6	-12,5	-12,4	-15,1	-7,4	.....	Overall deficit (commitment basis exclud. grant) / GDP (%)
BALANCE DES PAIEMENTS															BALANCE of PAIEMENTS
Exportations en millions d'escudo	4909,3	5150,0	5092,6	7891,4	8429,2	781,4	1651,1	2049,3	3022,3	4399,0	8457,0	4119,7	6381,6	.....	Exports fob in millions of USD
Importations en millions d'escudo	32602,3	35215,0	38748,9	38851,4	49122,8	57723,9	63278,9	58426,8	66216,4	81269,8	-36765,4	74097,9	31512,9	.....	Imports fob in millions of USD
Exportations biens /PIB (en %)	6,7	6,5	6,2	8,9	8,4	0,6	1,2	1,5	2,2	3,1	6,1	2,9	4,5	.....	Exports fob as % of GDP
Importations/PIB (en %)	44,8	42,3	47,2	43,8	43,7	47,3	47,0	43,0	47,8	58,0	-26,7	52,1	22,0	.....	Imports fob as % of GDP
Couverture export.FAB / import. CAF (en %)	15,0	15,4	13,1	20,3	19,2	1,4	2,6	3,5	4,6	5,4	-23,0	5,6	20,3	.....	Export fob/Import fob (in %)
Compte courant (n.c.transf.pub.) en millions d'escudo	-12264	-13643	-16500	-7841	-11398	-21241	-26311	-26772	-26468	-29479	-11184	-22380	-3526	.....	Current Account Balance (Excl public transfert)
Compte courant (n.c.transf.pub.) en % du PIB	-16,9	-17,2	-20,1	-9,1	-11,7	-17,4	-19,5	-19,7	-19,1	-21,0	-8,1	-15,7	-2,5	.....	Current Account Balance as % of G.D.P
Solde global en million d'escudo	-6280,55	-6385,59	-9714,07	-1715,97	-5673,97	7120,26	2611,47	569,2	2252,7	-3484,2	2919,4	3962,2	2012,1	.....	Overall Balance
Solde global en % du PIB	-8,6	-8,0	-11,8	-2,0	-5,8	5,8	1,9	0,4	1,6	-2,5	2,1	2,8	1,4	.....	Overall Balance as % of G.D.P
DETTE EXTERIEURE															EXTERNAL DEBT POSITION
Encours de la Dette (millions USD)	384,18	440,41	466,87	482,28	713	788,3	858,2	794,3	853,6	891,4	.....	912,0	1210,3	.....	External Debt Outstanding in millions of USD
Encours de la Dette (en % du PIB)	61,9	54,1	50,5	48,2	59,4	52,1	48,0	46,4	51,3	50,4	.....	55	63,1	.....	External Debt Outstanding as % of GDP
Service Dette pub.extérieure (millions USD)	20,93	19,11	23,08	31,8	25,8	23,3	21,4	24,4	22,7	21,4	.....	20,2	.....	.....	External Debt service
Service Dette (en % des export.de biens. & serv.)	50,1	36,2	40,3	35,7	11,7	5,1	4,6	5,5	4,7	3,8	.....	3,9	.....	.....	External Debt Service as % of Exports of goods & serv

LIBERIA (Données en millions de dollars libérien sauf indication)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	June_2012	2012*	June_2013	2013**	LIBERIA (Data in millions of Liberian dollar unless otherwise)
DETERMINATION DU PIB															GDP DETERMINATION
Consommation publique	...	...	...	...	...	...	...	...	...	...	...	...	...	...	Public consumption
Consommation privée	...	...	...	...	...	...	...	...	...	...	...	...	...	...	Private consumption
Formation brute de capital fixe	...	...	...	...	...	...	...	...	...	...	...	...	...	...	Gross fixed capital formation
Variation des stocks	...	...	...	...	...	...	...	...	...	...	...	...	...	...	Stocks variations
Exportation de biens et services	...	...	...	...	...	...	...	...	...	...	...	...	...	...	Exports of goods and services
Importation de biens et services	...	...	...	...	...	...	...	...	...	...	...	...	...	...	Imports of goods and services
PIB aux prix courants	34 625,6	30 013,3	28 913,4	31 594,7	37 522,0	45 847,0	54 742,8	61 087,6	90 496,0	110 252,7	66 277,7	128 446,7	74 165,5	...	GDP at current price
PIB courants en millions de USD	560,7	432,6	526,6	541,5	627,7538	754,4354	862,092	900,8636	1289,3	1546,9	885,0	1 734,0	988,5	1962,71	GDP at current price in millions of USD
PIB aux prix constants en millions de USD	546,1	419,3	507,8	402,0	433,3	474,2	508,0	531,5	710,2	768,0	835,1	835,1	901,5	...	GDP at constant price
Taux de croissance réel du PIB (en %)	2,7	2,8	2,9	5,3	7,8	9,4	7,1	4,6	5,5	8,2	9,5	8,3	8,1	...	Real GDP growth rate (in %)
Structure du PIB (en %)															GDP COMPOSITION (in %)
Secteur primaire	49,1	54,6	52,3	66,9	63,8	65,5	67,2	63,1	63,4	63,5	41,8	41,8	37,5	...	Primary sector
Secteur secondaire	4,8	3,6	5,0	7,3	7,7	7,9	7,1	6,6	6,4	9,5	14,0	14,0	18,1	...	Secondary sector
Secteur tertiaire	19,2	20,5	23,9	25,6	28,5	26,6	25,7	30,3	30,2	27,1	44,2	44,2	43,0	...	Tertiary sector and non-financial services
INFLATION															INFLATION
Inflation (en glissement fin décembre) en %	11,1	5,0	0,0	7,0	8,9	11,7	9,4	9,7	6,6	11,4	7,1	7,7	7,0	...	Inflation (end of period) in %
Inflation (en moyenne annuelle) en %	14,1	10,3	3,6	11,1	7,4	11,4	17,5	7,4	7,3	8,5	9,0	7,7	7,6	...	Inflation (period Average) in %
Déflateur implicite du PIB	103,3	103,8	104,3	134,7	139,4	156,1	169,7	169,5	181,5	201,4	106,0	207,6	109,7	...	GDP deflator
MONNAIE															MONETARY LIABILITIES & ASSETS
Masse monétaire M2	2983,0	3266,0	4687,1	6361,9	8413,1	11661,6	17222,7	23627,9	32071,2	43398,2	42068,3	44742,4	48085,5	...	Broad money M2
M2/PIB (en %)	8,6	10,9	16,2	20,1	22,4	25,4	31,5	38,7	35,4	39,4	63,5	34,8	64,8	...	M2/GDP (in %)
Taux de change moyen par rapport au dollar US	61,8	69,4	54,9	54,7	56,9	60,8	63,5	67,8	70,2	71,3	74,9	74,1	75,0	...	Exchange Rate (Period Average) in USD
Variation du taux de change par rapport au dollar US	27,1	12,3	-20,9	-0,4	4,0	6,8	4,5	6,8	3,5	1,5	3,2	3,9	0,2	...	Exchange Rate variation in USD
Réserves brutes de change (en millions de USD)	3	7	19	25	71,9	119,3	139,0	171,0	255,5	289,7	266,8	257,5	231,4	...	External Reserves - Stock (US \$ million)
Réserves de change en mois d'importation	0,00	0,5	0,20	0,10	4,15	0,70	2,0	3,6	4,4	3,3	2,8	2,3	2,5	...	Number of Months of Imports Equivalent
Taux d'intérêt minimum (en %)	5,00	3,55	3,40	3,10	2,7	2,6	2,3	2,1	2,0	2,0	2,0	2,0	2,0	...	Minimum Interest Rate (in %)
BUDGET DE L'ETAT															FISCAL OPERATIONS of GOVERNMENT
Recettes courantes (en % du PIB)	...	...	...	...	31,3	37,9	24,2	26,7	31,2	25,1	26,5	26,9	28,6	...	Domestic Revenue as % of GDP
Dépenses courantes (en % du PIB)	...	...	...	...	16,5	19,2	24,2	25,9	26,8	23,0	23,8	19,6	20,9	...	Current Expenditure as % of GDP
Dépenses en capital (en % du PIB)	...	...	...	...	2,6	3,0	2,7	3,1	2,4	2,8	2,6	2,2	10,7	...	Capital Expenditure as % of GDP
Solde primaire (en % du PIB)	...	...	...	...	12,4	4,3	-4,7	-2,1	1,8	-1,7	0,7	2,1	-4,4	...	Primary Balance as % of GDP
Solde dons exclus (base engagements) en % du PIB	-1,1	-0,5	-0,7	-0,7	12,2	7,0	-2,7	-2,2	2,1	-0,2	0,1	1,8	-3,1	...	Overall deficit (commitment basis exclud, grant) / GDP (%)
BALANCE DES PAIEMENTS															BALANCE of PAIEMENTS
Exportations en millions USD	166	109	104	131,3	157,85	208	254	153	215	622,2	254,9	578,6	287,4	...	Exports fob in millions of USD
Importations en millions USD	145	128	236	309,9	466,7	499	709	574	674	1076,2	860	1229,2	535,4	...	Imports fob in millions of USD
Exportations biens /PIB (en %)	29,6	25,2	19,7	24,2	25,1	27,6	29,5	17,0	16,7	40,2	28,8	33,4	29,1	...	Exports fob as % of GDP
Importations/PIB (%)	25,9	29,6	44,8	57,2	74,3	66,1	82,2	63,7	52,3	69,6	97,2	70,9	54,2	...	Imports fob as % of GDP
Couverture export,FAB / import, CAF (en %)	114,5	85,2	44,1	42,4	33,8	41,7	35,8	26,7	31,9	57,8	29,6	47,1	53,7	...	Export fob/Import fob (in %)
Compte courant (n c,transf,pub,) en millions USD	20,0	47,0	13,0	-108,0	-108,0	-1328,0	-488	-336	-430	-745,7	-905,6	-2633,03	-920,4	...	Current Account Balance (Excl public transfert)
Compte courant (n c,transf,pub,) en % du PIB	3,6	10,9	2,5	-19,9	-17,2	-176,0	-56,6	-37,3	-33,4	-48,2	-102,3	-151,8	-93,1	...	Current Account Balance as % of G,D,P
Solde global	-81	-75	-79	-115	-126	-156	-1315	-1490	-781	975,4	-95,9	-55,23	4,59	...	Overall Balance
Sole global en % du PIB	-14,9	-17,3	-15,0	-21,2	-20,1	-20,7	-152,5	-165,4	-60,6	63,1	-10,8	-3,2	0,5	...	Overall Balance as % of G,D,P
DETTE EXTERIEURE															EXTERNAL DEBT POSITION
Encours de la Dette (millions USD)	...	...	3 105,0	3 080,4	3 132,6	4 892,9	3 162,9	1 638,5	222,9	238,6	341,4	269,3	284,1	...	External Debt Outstanding in millions of USD
Encours de la Dette (en % du PIB)	...	...	589,6	568,8	499,0	648,6	366,9	181,9	17,3	15,4	38,6	15,5	28,7	...	External Debt Outstanding as % of GDP
Service Dette pub,extérieure (millions USD)	...	...	215,2	166,75	192,6	305,8	332,8	307,6	421,4	246,7	505,7	...	...	...	External Debt service
Service Dette (en % des export,de biens, & serv,)	...	...	...	8,1	4,9	4,7	5,9	5,7	3,9	3,3	...	3,7	...	...	External Debt Service as % of Exports of goods & serv