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AFRICA DO OESTE

WEST AFRICAN
MONETARY AGENCY



AGENCE MONETAIRE DE
L'AFRIQUE DE L'OUEST

English Version

**REPORT ON EXCHANGE RATE DEVELOPMENTS OF ECOWAS
CURRENCIES AT END JUNE 2018**

ACRONYMS AND ABBREVIATIONS

WAMA	West African Monetary Agency
ECB	European Central Bank
ECOWAS	Economic Community of West African States
CBN	Central Bank of Nigeria
CBL	Central Bank of Liberia
CFA	African Financial Community
SDR	Special Drawing Rights
FED	Central Bank of the United States of America
IMF	International Monetary Fund
GNF	Guinean franc
EMCP	ECOWAS Monetary Cooperation Programme
GDP	Gross Domestic Product
WAUA	West African Unit of Account
EU	European Union
WAEMU	West African Economic and Monetary Union
USA	United States of America
USD	United States Dollar
REER	Real Effective Exchange Rate
WAMZ	West African Monetary Zone

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INTRODUCTION

This report on exchange rate developments in the first half of 2018 is part of the ECOWAS Monetary Cooperation Programme (EMCP). It reviews developments in the international foreign exchange market, which emphasis on currencies that make up the Special Drawing Right (SDR) to which the West African Unit of Account (WAUA) has a fixed peg¹.

It then provides a detailed analysis of the performance of the nominal exchange rates of ECOWAS member States' currencies against the WAUA during the period under review.

Bilateral exchange rate developments for each currency as well as the external competitiveness of member States will be analysed.

1. Developments in the economic and financial environment

Trends in the global economy will be identified through developments in the economic activity and monetary policy of the major central banks.

1.1 Developments in world economic activity

The global economy is expected to continue to grow at 3.7% in 2018 compared to 3.6% in 2017, reflecting accelerated growth in advanced economies and the expected impact of recently approved tax policy changes in the United States.

The US economy is expected to grow faster at 2.3% in 2018 from 2.2% in 2017, driven by a strong private sector and supported by a strong global recovery.

Growth in the **euro zone** is expected to remain sustained at 1.9% in 2018 as against 2.1% in 2017, driven by a boost in domestic consumption and the recovery in global activity and trade. The United Kingdom, for its part, will experience a decline in its growth due to a decline in business investment against the backdrop of Brexit. The growth rate is expected to drop from 1.7% in 2017 to 1.5% in 2018.

The **Japanese** economy is expected to experience a slowdown to 0.8%, given the «scope of the reduction in the dual labour market and the recovery in wage increases».

In Europe and Central Asia, growth is expected to slow to 2.9% in 2018 from 3.7% in 2017. The recovery is expected to continue in the eastern part of the region under the impetus of commodity-exporting countries, albeit held back by a gradual slowdown in the western part of the region as economic activity in the euro area weakens. Uncertainty surrounding public policies and the further decline in oil prices are likely to translate into weaker than expected growth. Russia is expected to grow at the same rate of 1.7% in 2018 as in 2017. Turkey's growth will slow to 3.5% in 2018 from 6.7% in 2017.

In East Asia and the Pacific, growth will slow to 6.2% in 2018, from 6.4% in 2017, reflecting a slowdown in the Chinese economy, offset by a mild cyclical recovery in the rest of the region. Factors that may affect the prospect of growth evened it out. The much stronger

¹ | WAUA=1 SDR

growth expected in advanced economies could accelerate growth in the region. On the other hand, rising geopolitical tensions and protectionism around the world, the sudden tightening of global financial conditions and the greater-than-expected slowdown in major economies, including China, are obscuring the region's economic outlook. Growth, in China, is expected to slow from 6.8% in 2017 to 6.5% in 2018, while Indonesia's economy is expected to grow to 5.3% in 2018 from 5.1% in 2017.

Growth in South Asia is expected to reach 6.9% in 2018, from 6.5% in 2017, driven by consumption, investment and exports. India's economy is also expected to grow faster by 7.4 % in 2018 up from 6.7% in 2017, while Pakistan's economy is expected to grow by 5.8% in 2018 from 5.5% in 2017.

In Latin America and the Caribbean, growth is expected to move from 1.2% in 2017 to 1.9% in 2018, driven by rising household consumption and investment, particularly in commodity-exporting countries. But new policy uncertainties, natural disasters, rising trade protectionism in the United States or further deterioration in domestic fiscal conditions could dampen this growth. Brazil's economy is expected to grow by 2% in 2018, up from 1% in 2017, as commodity prices improve. The Mexican economy is also expected to growth by 2.1% this year, up from 1.9% last year.

Growth in **sub-Saharan Africa** is expected to pick up to 3.4 % in 2018, based on moderate commodity price increases and reforms to correct macroeconomic imbalances. South Africa's economy is expected to grow from 0.7 per cent in 2017 to 1.1 per cent in 2018. In Nigeria, growth is expected to accelerate to 1.9% in 2018 from 0.8% last year, thanks to an upturn in oil production, improved security in oil-producing regions and higher budget spending.

Table 1: Growth trends in major economies (%)

	2016	2017	2018
Global growth	3.2	3.6	3.7
Advanced economies	1.7	2.2	2
United States	1.5	2.2	2.3
Euro zone	1.8	2.1	1.9
Japan	1.0	1.5	0.7
United Kingdom	1.8	1.7	1.5
Canada	1.5	3.0	2.1
Emerging and developing economies	6.6	6.5	6.5
China	6.7	6.8	6.5
India	7.1	6.7	7.4
Latin America and the Caribbean	-0.9	1.2	1.9
Middle East, North Africa, Afghanistan and Pakistan	5	2.1	3.5
Sub-Saharan Africa	1.4	2.6	3.4
Nigeria	-1.6	0.8	1.9
South Africa	0.3	0.7	1.1
Inflation			
Advanced economies	0.8	1.7	1.7
Emerging and developing economies	4.3	4.2	4.4

Source: IMF World Economic Outlook, October 2017 Edition

Inflation in advanced countries is expected to rise by 1.7% in 2018. In emerging markets and developing economies, inflation is expected to be 4.4% 2018 and 4.3% in 2019.

1.2 Changes in monetary policy and inflation

Monetary policy decisions have sometimes been driven by the desire to contain the risks of economic recession and inflation.

Thus, for the second time in the year, the FED raised its key rates to between 1.75% and 2%. This gradual increase was made possible by the rise in inflation, which now stands at 2% and 1.8% if energy and food prices are excluded from the index. The Central Bank's target remains a price increase of 1.9% in 2018 and 2.0% in 2019.

In the euro zone, the ECB did not change its monetary policy, but nevertheless raised its growth forecasts. It now expects growth of 2.3% in 2018, up from 1.8% in September when it last published its forecasts. The inflation forecast has also been revised upwards, but expected inflation is expected to remain below the 2% target for a long time to come. For the period 2017-2020 the ECB expects inflation to be 1.5%, 1.4%, 1.5% and 1.7% respectively. Solid growth outlook with low inflationary pressures supports expectations for asset buyback program extending to December 2018.

For its part, the Bank of England (BoE), after raising its key rate by 25 bps to 0.50% last November, opted for the monetary status quo in 2018. The central bank also unanimously decided to leave its asset repurchase programme at GBP435 billion and that of non-financial corporate bond repurchases with an investment grade credit rating at up to GBP 10 billion. In addition, the BoE now plans not to reduce asset buybacks before reaching an inflation rate of 2%, instead of 1.5%, in order to help support growth and employment.

The Bank of Japan (BoJ) also maintained its short-term rates, at -0.1% and 10-year bond yields at around 0%. The Central Bank of Japan has also not changed its asset purchase program.

China decided to maintain a prudent and neutral monetary policy in 2018 as it strives to balance growth and risk prevention. The central bank increasingly relies on open market operations to manage liquidity in a more flexible and targeted way, rather than on reducing interest rates or reserve requirements.

2. Evolution and performance of the exchange rates of the major currencies

2.1 Performance against the euro

In the foreign exchange market, the euro fell against most currencies. The euro depreciated slightly over the first half of 2018. The euro's performance is influenced by the ECB's maintenance of its rates until the end of 2019 and fears of trade tension between the United States and its allies, including the EU. In bilateral terms, the euro depreciated on average

against the US dollar (by 0.29%), the Chinese renminbi (by 4.68%), the Japanese yen (by 3.5%) and the pound sterling (by 0.05%).

Table 2: Percentage change in the exchange rate of the euro against the main currencies

	June 2017		June 2018	
	End of period	Average	End of period	Average
Dollar	6.51	5.85	-2.57	-0.29
Livre sterling	3.89	2.54	-1.12	-0.05
Yuan	4.76	4.96	-3.09	-4.68
Yen	1.79	2.04	-5.33	-3.51

Source: Based on data collected from the Bank of France

In the first half of 2018, the dollar's strong performance against the euro was due to the dynamism of the US economy. Indeed, the year-on-year increase in US GDP went from 2.6% in the fourth quarter of 2017 to 2.9% in the first quarter of 2018, , while growth in the euro area fell from 2.8% to 2.5%,. The rise in the value of the dollar is also due to the FED's policy, which raised its policy rates twice in 2018.

The British pound seems to follow the performance of the Euro and the Dollar. Against the euro, which experienced a downward trend, the pound sterling was stable or even appreciated slightly (+0.04%), because of the good employment figures in the United Kingdom and the drop in inflation. The pound however fell against the dollar (-0.59%). It also fell against the other currencies as the U.K. economy has been sluggish since the Brexit vote. Its GDP, which grew by only 1.7% in 2017, is expected to grow by only 1.5% in 2018 for an economy that used to exceed 2% growth.

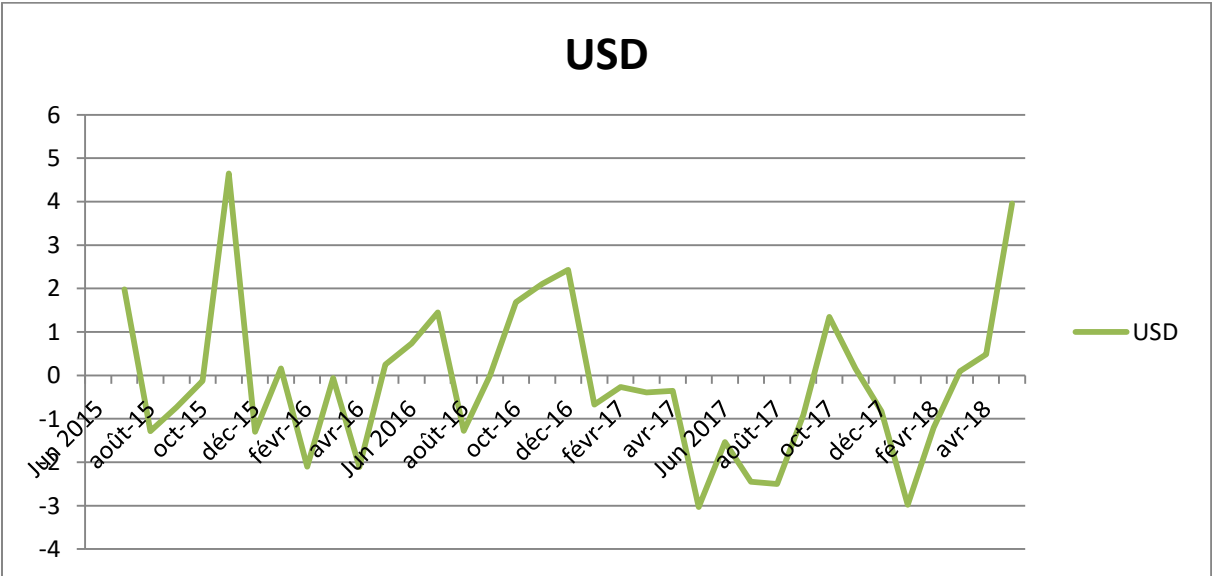
The Japanese yen's rebound since the beginning of the year is explained by the high volatility of the main currencies in recent weeks, which has prompted investors to turn to safe haven stocks such as the Japanese national currency. Indeed, since the market fears a significant increase in the FED's key rates, the yen is appreciated by investors all the more since speculation about a tightening of the Bank of Japan's monetary policy is only in its infancy. The Japanese yen rose sharply in the first quarter of 2018 by +3.4% against the dollar, +4.90% against the euro and +4.80% against the pound sterling.

The Chinese yuan's strong performance is due to the dynamism of the Chinese economy but also to the government's decisions to free itself from the dollar sphere by developing an alternative international exchange market in its national currency in the event of a trade war that the US administration is preparing to impose.

With regard to the fluctuation of monthly averages, it appears that all major international currencies fluctuated strongly against the euro during the first half of 2018. In fact, the monthly average trends hitherto contained at +/-2% sometimes approached 4%, particularly during the first quarter of 2018.

Thus, the US dollar experienced monthly fluctuations of more than 2% against the euro during the first quarter of 2018.

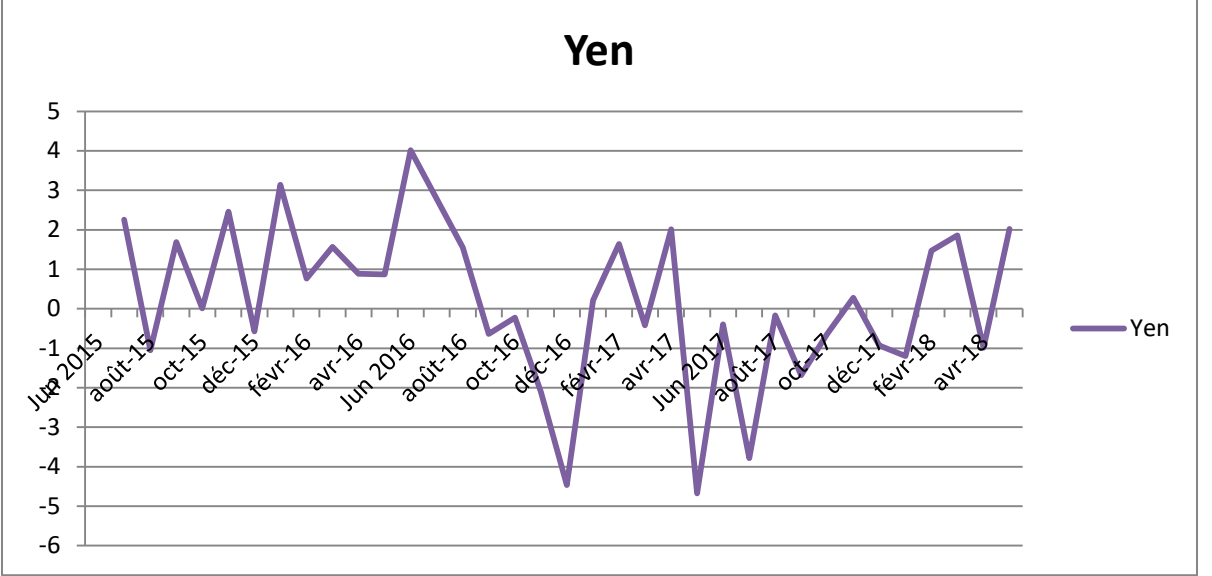
Graph 1: Performance of the euro against the US dollar



Sources: IMF/WAMA/Central banks

The fluctuations of the yen in the first half of 2018 are in ranges of +/- 2% as shown in the graph below.

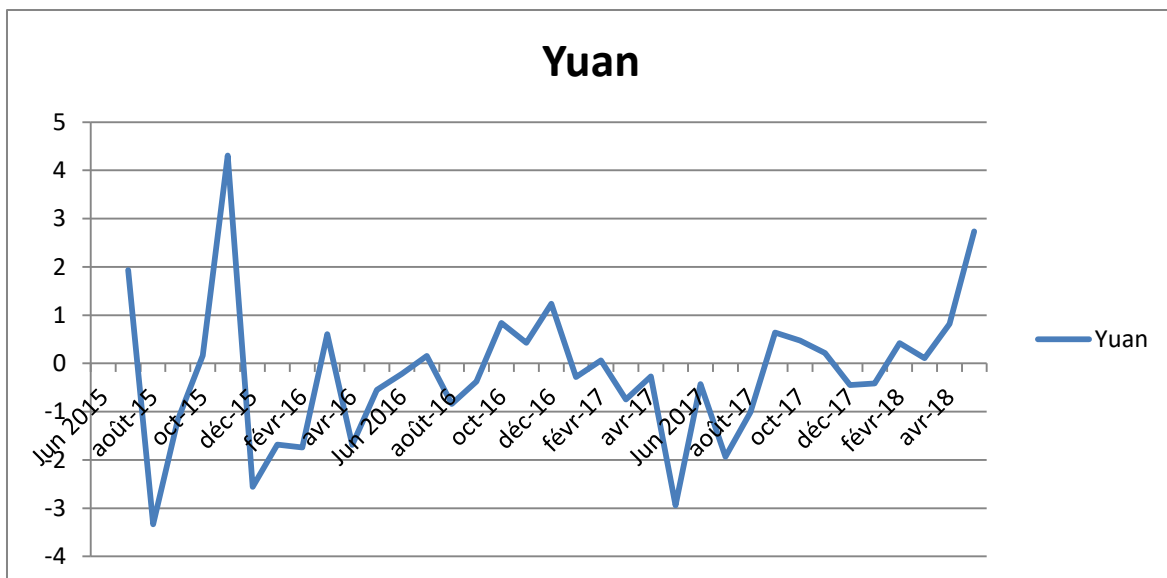
Graph 2: Performance of the euro against the yen



Sources: IMF/WAMA/Central banks

Changes in the monthly exchange rate of the Chinese yuan were more significant between February and April 2018.

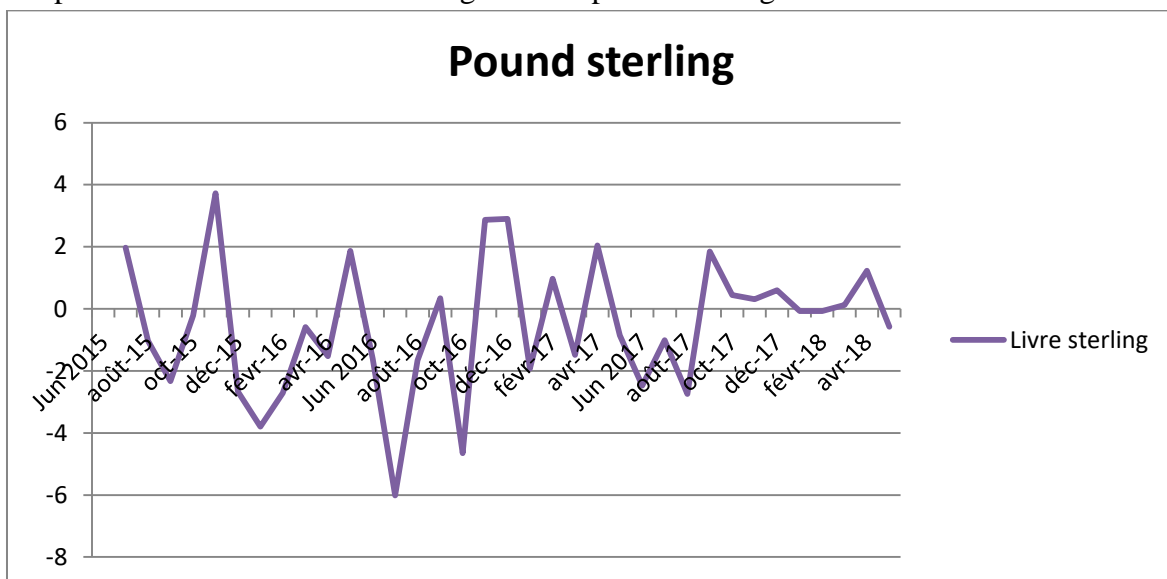
Graph 3: Performance of the euro against the yuan



Sources: IMF/WAMA/Central banks

The pound sterling appreciated slightly against the euro as shown in the following chart.

Graph 4: Performance of the euro against the pound sterling



Sources: IMF/WAMA/Central banks

Apart from its appreciation against the euro, the US dollar strengthened against the pound sterling. However, it depreciated against the Chinese yuan and the Japanese yen.

2.2 Performance against the WAUA

The West African Unit of Account (WAUA), which has a fixed peg to the Special Drawing Right (SDR), recorded the following changes against the main international currencies:

Table 3: Changes in the WAUA exchange rate against the major currencies

	End Dec 2017	End June 2018	Variation in %
Chinese yuan	9.27343	9.22007	-0.58
Euro	1.18747	1.20602	1.56
Japanese yen	160.785	154.51	-3.90
Pound sterling	1.05402	1.06454	1.00
U.S. dollar	1.42413	1.41105	-0.92

Source: IMF/WAMA

Year-on-year, the WAUA depreciated by 0.58%, 3.9% and 0.92% against the yuan, Japanese yen and US dollar respectively in the first half of 2018. It however appreciated by 1.56% and 1% against the euro and the pound sterling respectively.

Changes in the monthly average SDR exchange rate are shown in Table 4 below. It appears that the WAUA depreciated against the Chinese yuan, the Japanese yen, the pound sterling and the euro in the first quarter of 2018. It however appreciated against the dollar.

During the second quarter, the WAUA appreciated on average by 0.7% and 1.3 respectively against the pound sterling and the euro, but fell by 2.4% and 2.6% against the Chinese yuan and the Japanese yen. It was stable against the dollar.

Table 4: Performance of the major international currencies against the WAUA as at end June 2018

	Chinese yuan		US dollar		Japanese yen		Pound sterling		Euro	
	Rate	Var in %	Rate	Var in %	Rate	Var in %	Rate	Var in %	Rate	Var in %
Dec-17	9,330779	0,02	1,415151	0,514	159,8404	0,409	1,055752	-1,057	1,195542	-0,492
Jan-18	9,246777	-0,90	1,438418	1,644	159,5507	-0,181	1,041539	-1,346	1,179521	-1,340
Feb-18	9,15655	-0,98	1,451317	0,897	156,6283	-1,832	1,038951	-0,249	1,175705	-0,324
Mar-18	9,181072	0,27	1,45283	0,104	154,01	-1,672	1,04002	0,103	1,177673	0,167
1st quarter	9,228795	-1,09	1,439429	1,716	157,5073	-1,460	1,044065	-1,107	1,18211	-1,123
Apr-18	9,138049	-0,47	1,450514	-0,159	155,9567	1,264	1,030688	-0,897	1,181431	0,319
May-18	9,075334	-1,66	1,424256	-1,054	156,1655	-0,852	1,056335	1,175	1,204589	1,902
Jun-18	9,106362	-0,35	1,415508	-2,413	155,7492	-0,133	1,062714	3,107	1,210999	2,503
2nd quarter	9,106362	-2,4	1,415508	0,02	155,7492	-2,6	1,062714	0,7	1,210999	1,3

Source: IMF

3. Evolution and performance in exchange rates of ECOWAS currencies

3.1 Performance against the WAUA

a. Quarterly performance

Performances of the exchange rates of ECOWAS currencies against the unit of account (WAUA) during the first half of 2018 are analysed through fluctuations in the region's currencies. In the first half of 2018, the table below shows that all currencies in the region depreciated against the WAUA with the exception of the Naira and the Guinean franc. During the first quarter of 2018, only currencies with a fixed peg against the euro (CFA Franc and Escudo) appreciated against the WAUA.

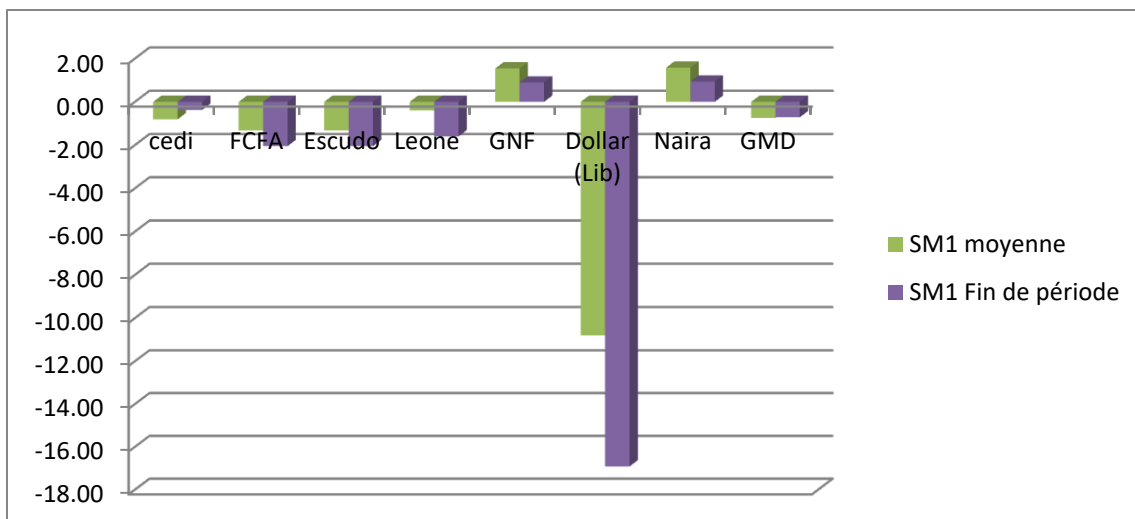
Table 5: Performances of ECOWAS currencies against the WAUA in the first half of 2018

	1st QUARTER		1st HALF	
	Average	End of period	Average	End of period
cedi	-2.68	-1.81	-0.81	-0.38
CFA Franc	1.47	0.64	-1.32	-2.05
Escudo	1.47	0.64	-1.32	-2.05
Leone	-3.60	-2.21	-0.40	-1.59
GNF	-2.67	-1.98	1.55	0.89
Dollar (Lib)	-7.31	-7.12	-10.80	-16.91
Naira	-2.51	-1.96	1.58	0.94
GMD	-2.06	-1.81	-0.74	-0.71

Sources: IMF/WAMA

During the period under review, the Liberian dollar experienced the largest depreciation followed by the CFA franc and the Escudo, as shown in the chart below. The Liberian dollar depreciated by more than 16% at the end of the period, while the CFA francs and the Escudo lost nearly 2% of their value against the WAUA.

Graph 5: Performances of ECOWAS currencies against the WAUA during the first half of 2018 (Changes in %)



Sources: WAMA/Central banks

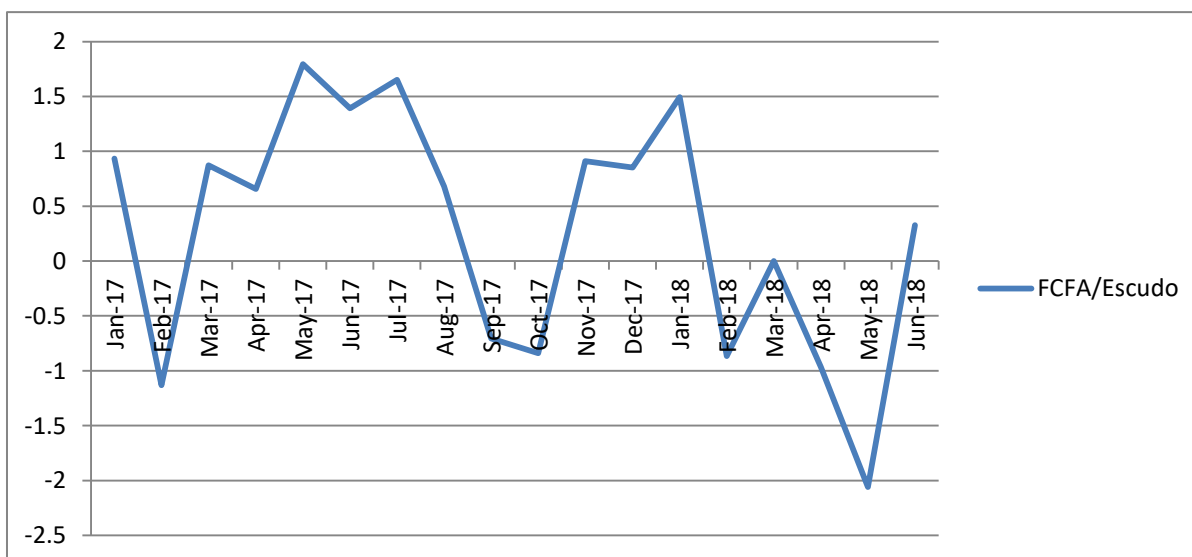
b. Analysis of monthly variations

The scope of the monthly fluctuations in the exchange rates of ECOWAS currencies against the WAUA varies from one currency to another.

i. Currencies quoted against the euro

The depreciation of the euro on the international market is generally reflected in the performance of the CFA franc and the Escudo, which are peg to the euro ².

Graph 6: Monthly variations of the CFAF and the Escudo in %



Sources: WAMA/Central banks

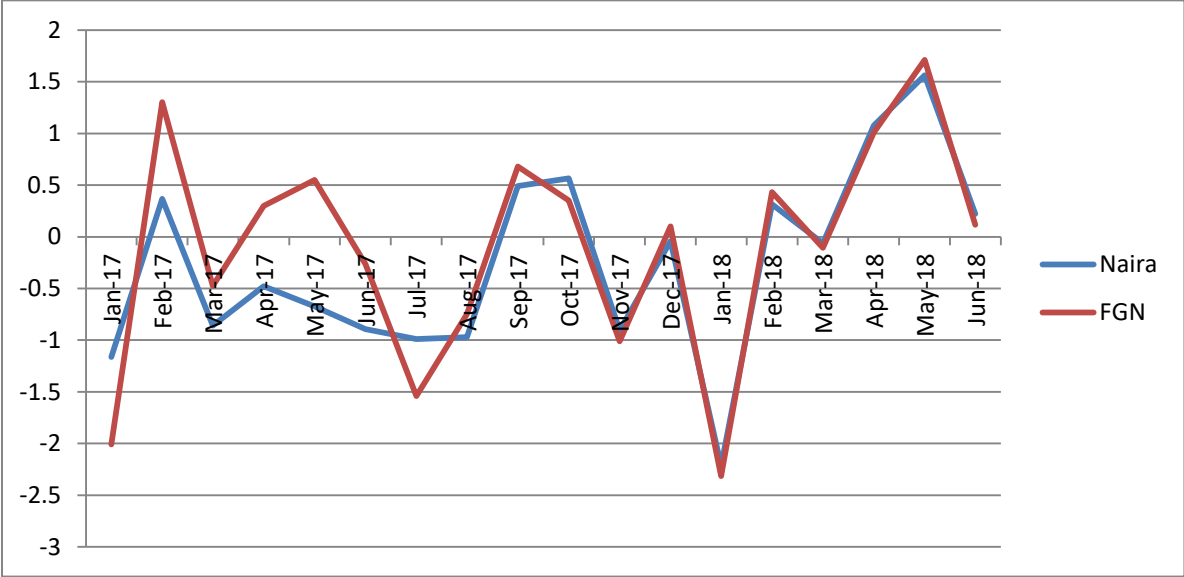
ii. Naira and the Guinean franc

² €1= CFAF655.9570 and CVE110.27

The Naira experienced a significant depreciation in 2017 and early 2018, but recovered strongly in the second quarter of 2018 due to the dynamism of the Nigerian economy and the results of the measures taken by the authorities to stabilize the Naira. Indeed, CBN continued to implement the flexible exchange rate policy framework to improve liquidity and stabilise the foreign exchange market, as well as other measures to stabilise the exchange rate. These measures have made it possible to align the exchange rate with economic realities and to absorb shocks instead of relying on external reserves.

The Guinean franc also recorded the same performance as the Naira, performing better from February 2018 until the end of June 2018. The appreciation of the Guinean franc in the first half of 2018 can be explained by incentives for gold sellers and tighter controls on compliance with regulations on the repatriation of export earnings from precious minerals.

Graph 7: Monthly changes in the Naira and GNF (in %)



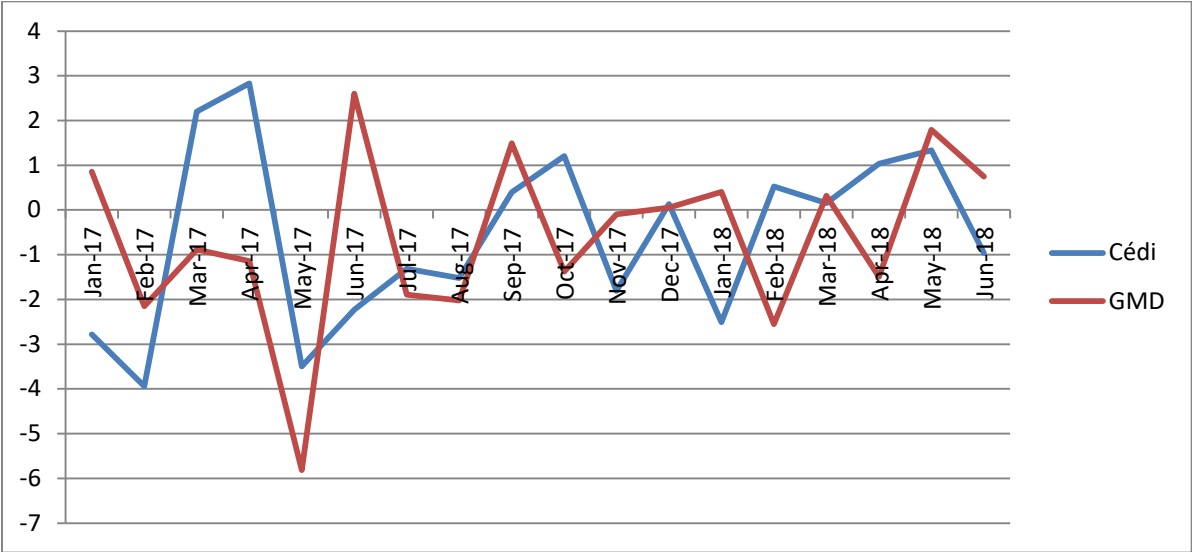
Sources: WAMA/Central banks

iii. The cedi and dalasi

The monthly changes in the exchange rates of the cedi and the dalasi are marked by average fluctuations (+/-1.5%). The Cedi was relatively stable as a result of improved reserves accumulation and developments in the external sector. It fluctuated strongly in the first half of 2017 as shown in the following chart, due to the drop in export earnings caused by falling commodity prices on the international market, particularly for gold and crude oil. But it began to normalize in January 2018.

The fluctuation of the dalasi was stronger between May and June 2017, owing to the sluggish economic recovery observed since the arrival of the new government. The dalasi however began to recover from February 2018, although it still depreciated against the WAUA. This situation was due to the improvement in the economic environment and investment in the private sector and the rebound in the main sub-sectors of the economy, such as re-export trade, wholesale and retail trade, among others.

Graph 8: Monthly changes in the cedi and dalasi (%).



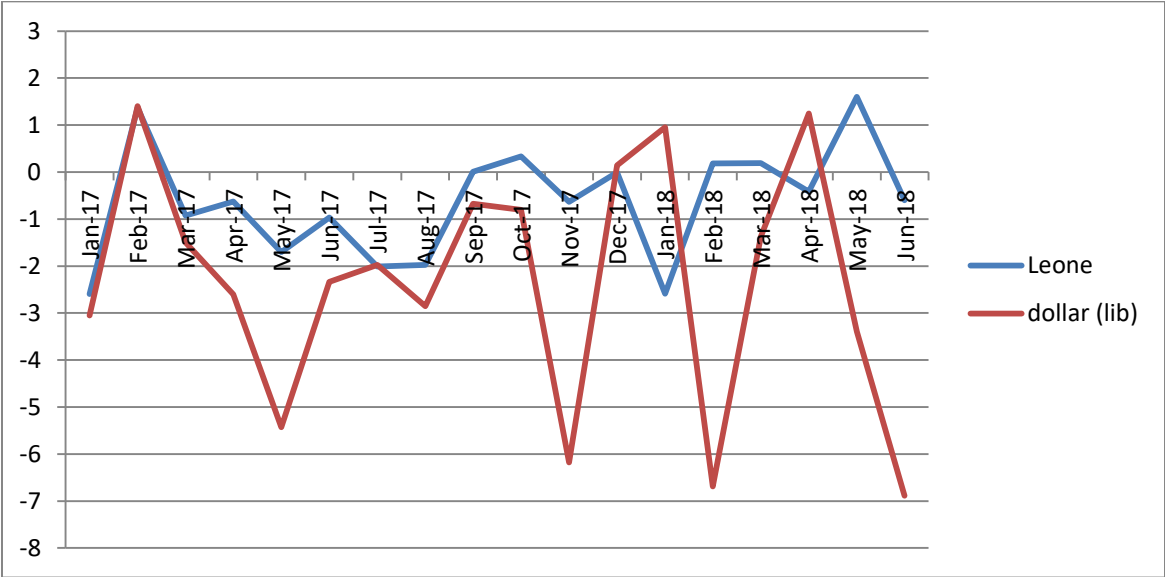
Sources: WAMA/Central banks

iv. The Leone and Liberian dollar

The monthly fluctuations of the Leone and the Liberian dollar remained very strong between January and June 2018, especially for the latter. Pressure on the Liberian dollar continued during the period under review, leading to a 16.9% depreciation at the end of June 2018 compared to 2.3% at the end of May 2017. Similarly, the average exchange rate also depreciated from 2.9% at the end of May 2017 to 10.8%. The depreciation of the Liberian dollar is said to be due to several factors, including the decline in foreign exchange flows, the reduction in the CBL's foreign exchange intervention following the CBL's desire to allow the exchange rate to depreciate in accordance with market laws, the reduction in sales of US dollars to the CBL, the decrease in taxes collected in US dollars and the increase in taxes on the Liberian dollar and the strong demand for foreign currency to facilitate import payments.

The Leone depreciated in 2017 and in early 2018. However, from March 2018 onwards, Leone has shown relative stability, partly due to increased inflows and lower imports.

Graph 9: Monthly changes in the Leone and the Liberian dollar (%).



Sources: WAMA/Central banks

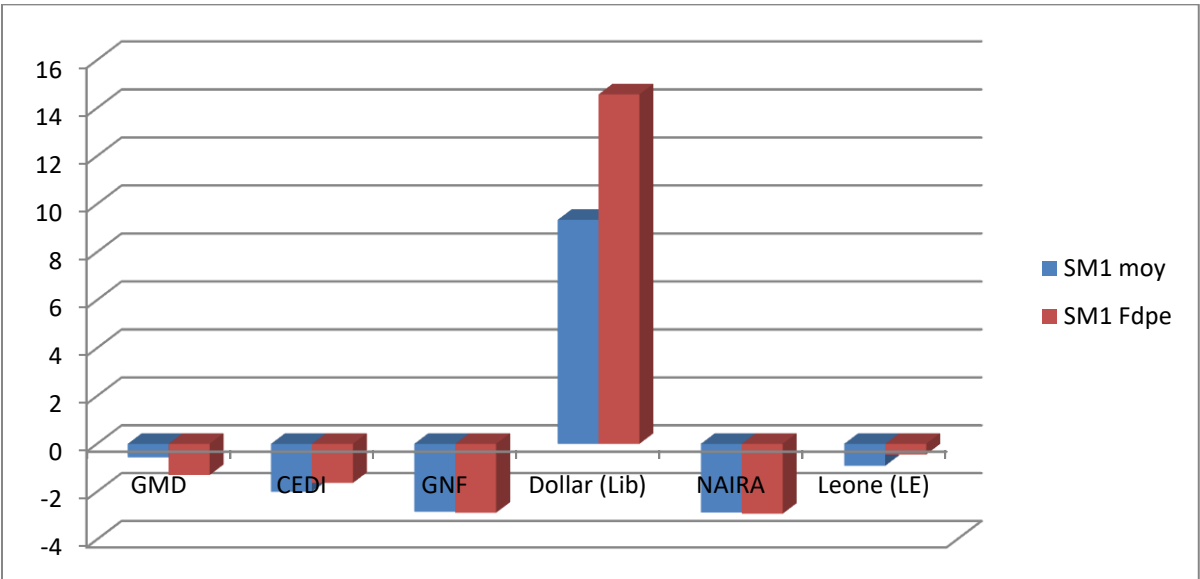
3.2 Bilateral exchange rates

The performance of bilateral exchange rates is determined by the evolution of the exchange rate of each ECOWAS currency.

CFAF franc and Escudo

As a result of the depreciation of the euro against the major international currencies during the first half of 2018, the CFA Franc and the Escudo depreciated against all ECOWAS currencies, with the exception of the Liberian dollar as shown in the graph below:

Graph 10: Performance of the CFA Franc and the Escudo against other ECOWAS currencies in the first half of 2018 (average change and end of period in %)

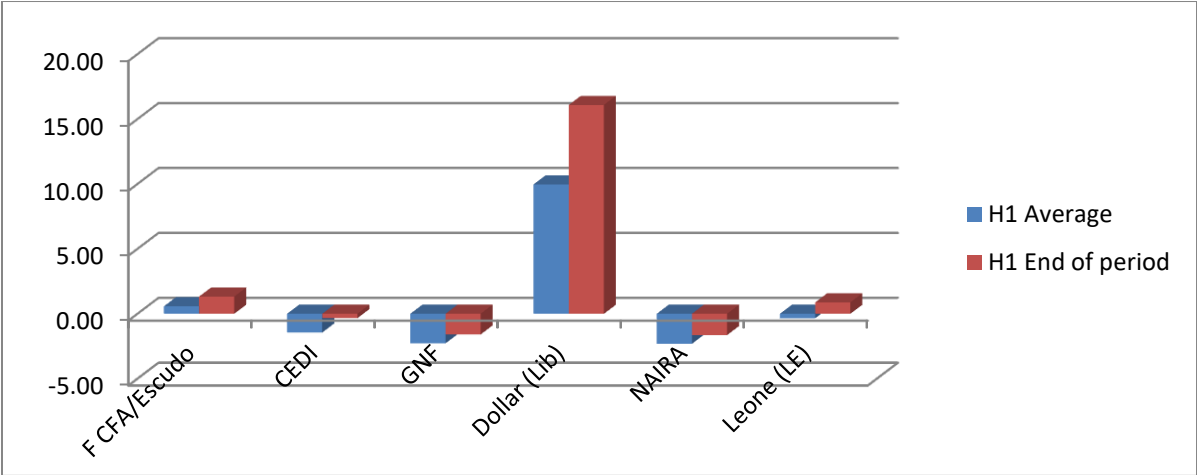


Sources: WAMA/Central banks

Dalasi

During the first half of 2018, the dalasi recorded a somewhat mixed performance against other ECOWAS currencies. It appreciated on average against the CFAF/Escudo and the Liberian dollar but declined against the Cedi, the Guinean franc, Leone and the Naira.

Graph 11: Performance of the Dalasi against other ECOWAS currencies in the first half of 2018 (average change and end of period in %)

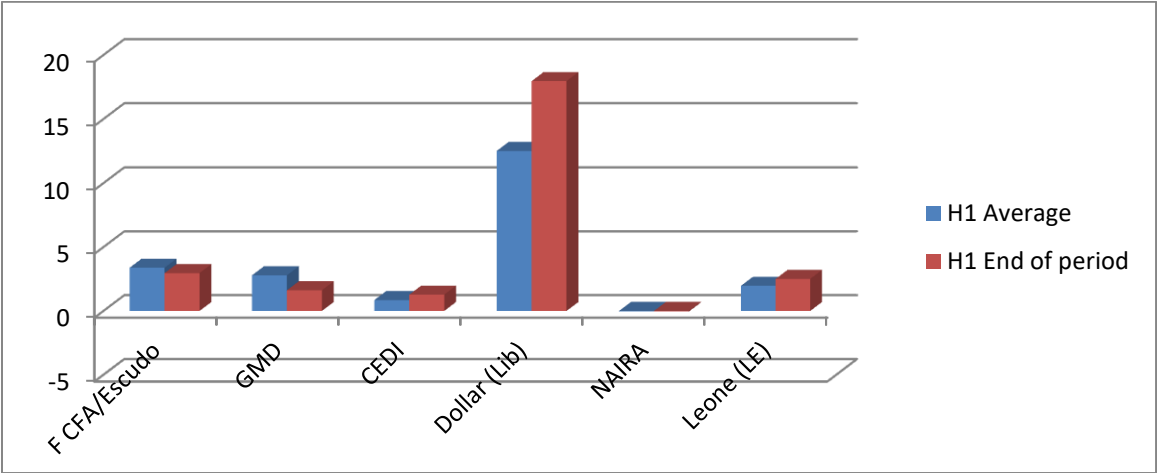


Sources: WAMA/Central banks

Guinean franc

Apart from its depreciation against the Naira, the Guinean franc was stronger against other currencies in the region, particularly against the Liberian dollar and the CFA franc and the Escudo.

Graph 12: Performance of the Guinean franc against other ECOWAS currencies in the first half of 2018 (average change and end of period in %).

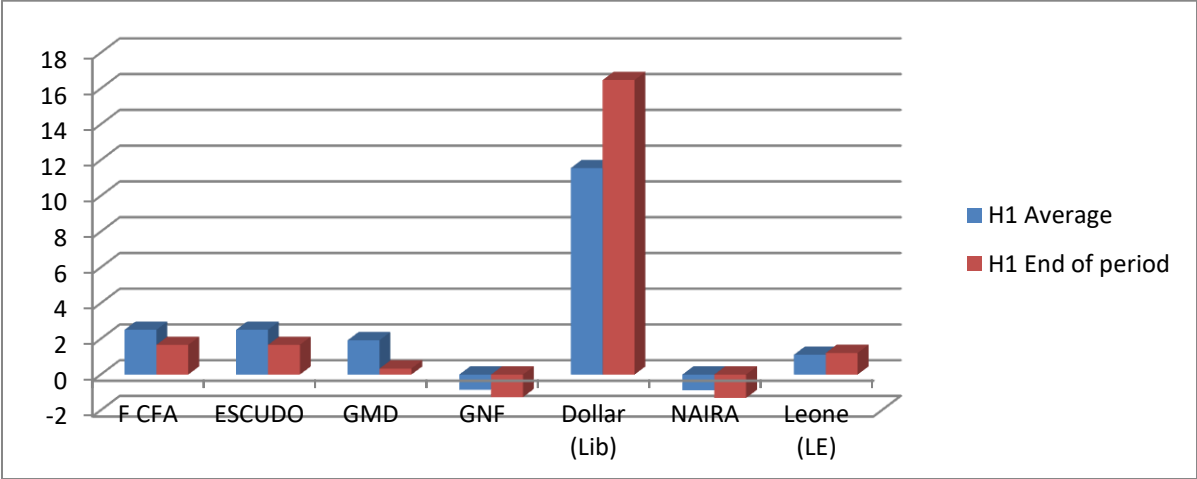


Sources: WAMA/Central banks

Cedi

In the first half of 2018, the cedi strengthened against all ECOWAS currencies except the Naira and the Guinean franc.

Graph 13: Performance of the cedi against other ECOWAS currencies in the first half of 2018 (average change and end of period in %)

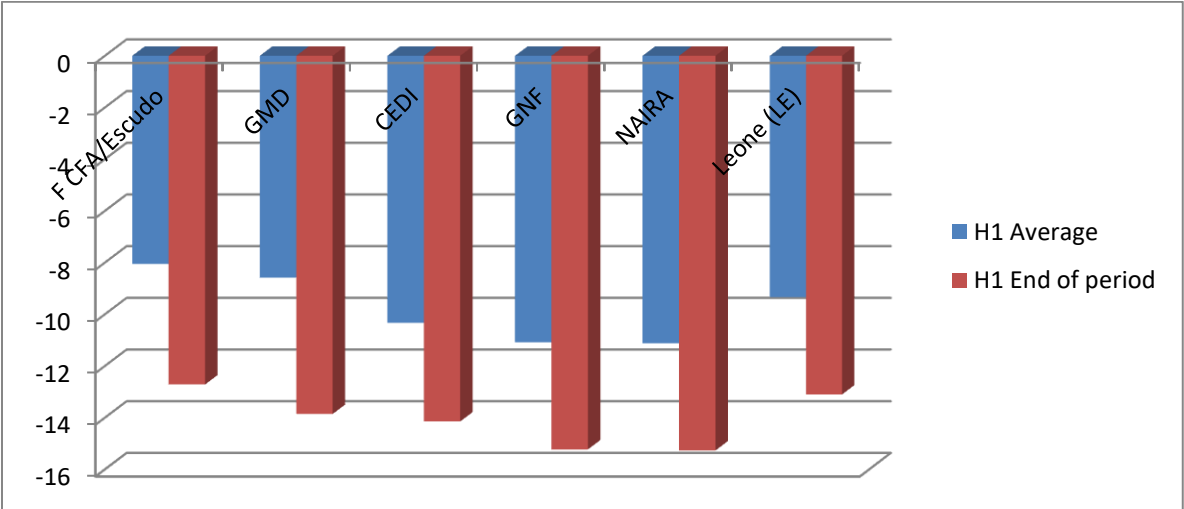


Sources: WAMA/Central banks

Liberian dollar

The Liberian dollar is the only ECOWAS currency that declined against all other currencies in the first half of 2018. The most significant depreciations of the Liberian dollar were against the Naira and the Guinean franc.

Graph 14: Performance of the Liberian dollar against other ECOWAS currencies in the first half of 2018 (average and end-period percentage change)

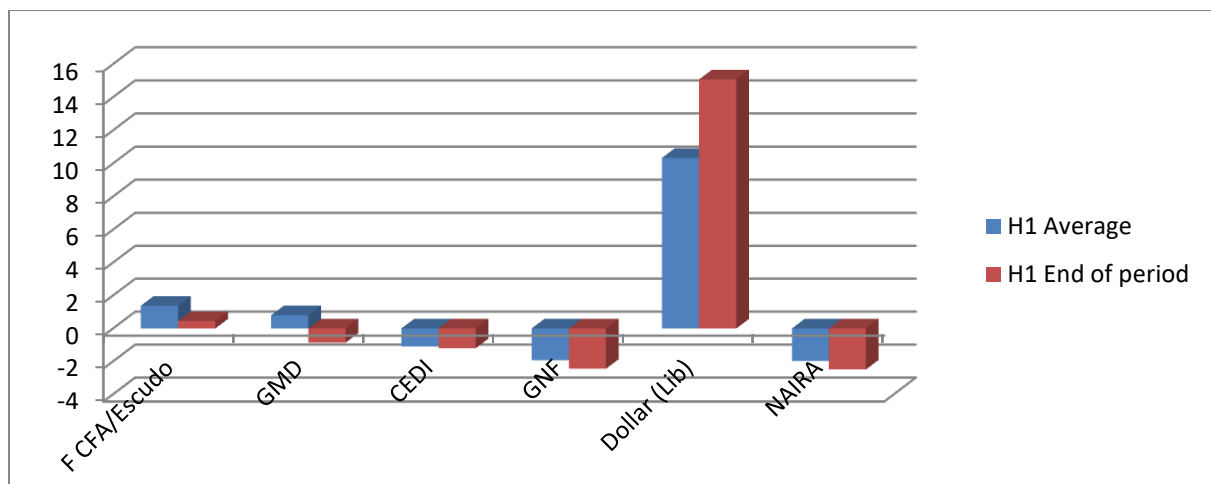


Sources: WAMA/Central banks

Leone

In the first half of 2018, the Leone was stronger against three regional currencies (CFAF/Escudo, Dalasi and Liberian Dollar) but weakened against three others (Naira, Guinean Franc and the Cedi).

Graph 15: Performance of the Leone against other ECOWAS currencies in the first half of 2018 (average change and end of period in %)

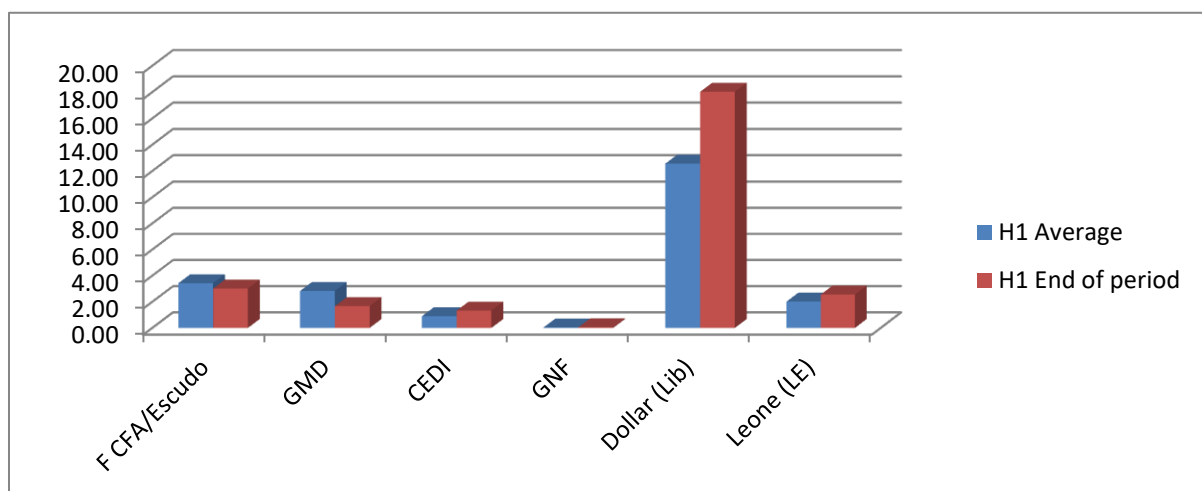


Sources: WAMA/Central banks

Naira

In the first half of 2018, the Naira appreciated against all other currencies in the region.

Graph 16: Performance of the Naira against other ECOWAS currencies in the first half of 2018 (average change and end of period in %)



Sources: WAMA/Central banks

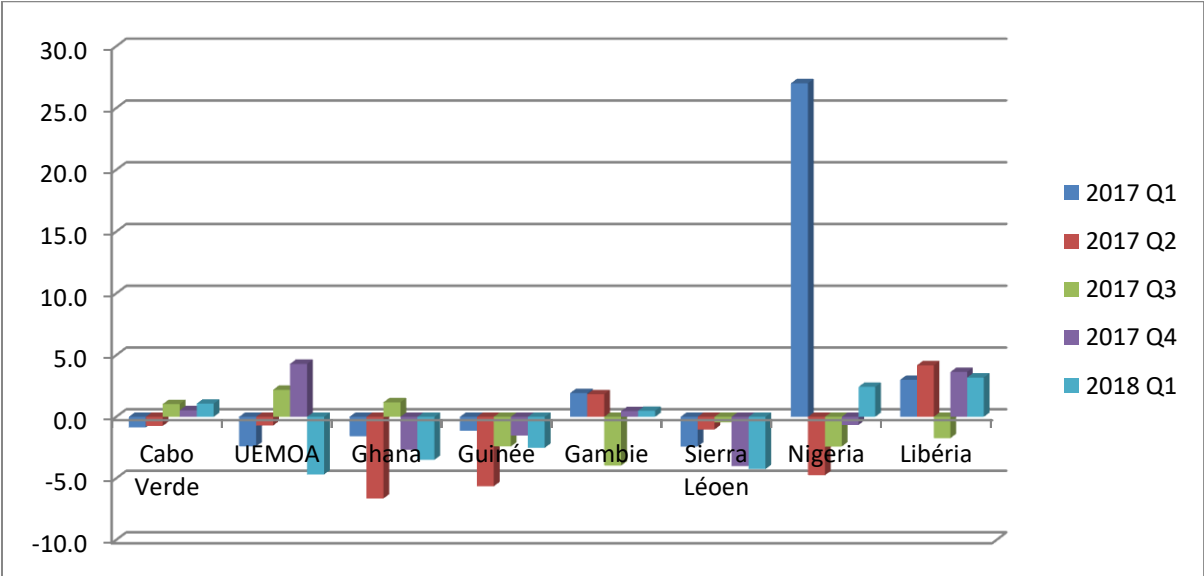
3.3 Trends in the external competitiveness of ECOWAS countries

The change in nominal exchange rates has an impact on the competitiveness of majority of the countries of the region. This will be analysed through the evolution of the real effective exchange rate (REER). It appears that, on average, fluctuations in the REER index are moderate (+/-5%) except for Nigeria in the first quarter of 2017. The WAEMU countries experienced a depreciation of around 4.7% in the first half of 2018 of their REER on average. This situation, which corresponds to a greater competitiveness, is due to the depreciation of the euro against the major currencies. This depreciation contributed to lower prices for the region's local products, which are becoming more competitive.

Ghana, and Sierra Leone also experienced a depreciation of their real effective exchange rates of 3.5%, 2.5% and 4.2% respectively. These two countries also benefited from the weakening of their currencies to make their economies more competitive in the first quarter of 2018. Guinea registered a gain in external competitiveness despite its appreciation with respect to the WAUA.

Compared to these countries, the REER of Nigeria, Cabo Verde, The Gambia and Liberia appreciated in the first quarter of 2018. This resulted in losses of competitiveness for these member countries. In Nigeria, for example, the appreciation of the Naira against the WAUA triggered a rise in the cost of the country's products, which are becoming less competitive unlike the last three quarters of 2018. On the other hand, Cabo Verde, Gambia and Liberia were unable to take advantage of the depreciation of their currencies to boost their level of competitiveness.

Graph 17: Changes in REER of ECOWAS countries (quarterly variations in %)



Sources: WAMA/Central banks

CONCLUSION AND RECOMMENDATIONS

This report has reviewed developments in the exchange rates of ECOWAS currencies in the first half of 2018. It emerged from the report that the performance of the exchange rates of the sub region is strongly impacted by the trends observed on the international foreign exchange market. Thus, the document showed that all the currencies in the region depreciated against the WAUA with the exception of the Naira and the Guinean Franc. The highest depreciation was recorded by the Liberian dollar.

With regard to bilateral exchange rate developments, the Liberian dollar is the only currency that has declined against all other ECOWAS currencies. Conversely, the Naira strengthened against all other ECOWAS currencies. The other currencies that depreciated most significantly were the CFAF and the Escudo due to the depreciation of the Euro. On the other hand, the Guinean Franc and the Cedi strengthened against most of the region's currencies.

Compared with the changes in competitiveness, it appears that countries in the CFA zone have recorded a gain in competitiveness. Ghana and Sierra Leone were also able to benefit from the weakening of their currencies to make their economies more competitive in the first quarter of 2018. On the other hand, the REER index of Nigeria, Cabo Verde, The Gambia and Liberia appreciated in the first quarter of 2018, leading to loss in competitiveness for these countries.

In order to preserve or enhance exchange rate stability, ECOWAS States are urged to implement the following recommendations:

- Pursue policies aimed at ensuring accelerated economic growth, particularly through the implementation of strategies to diversify exports, which would improve economic fundamentals ;
- Identify and implement strategies to promote local production in order to meet local consumption needs and reduce demand pressures on their respective exchange rates as a result of the high import bill;
- Pursue stabilisation policies aimed at reducing the high exchange rate depreciations in order to better promote macroeconomic stability in these countries; and
- Identify measures likely to increase the competitiveness of the external sector by reducing for instance the high cost of doing business and improve energy and transportation infrastructure.

ANNEXES

Annex 1: Changes in the average monthly exchange rate of the WAUA against the major international currencies

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-2017	Jul-2017	Aug-17	Sept-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Pound sterling	0,84	0,86	0,85	0,86	0,84	0,85	0,88	0,89	0,91	0,89	0,89	0,88	0,88	0,88	0,88	0,88	0,87	0,87
USD	1,054	1,061	1,064	1,068	1,072	1,105	1,123	1,151	1,180	1,191	1,175	1,173	1,184	1,219	1,235	1,2336	1,227	1,18091
Chinese yuan	7,298	7,319	7,314	7,3692	7,389	7,613	7,646	7,796	7,876	7,826	7,789	7,772	7,807	7,839	7,8078	7,798	7,735	7,528
Japanese yen	122,39	122,13	120,16	120,68	118,29	124,09	124,58	129,48	129,70	131,92	132,76	132,39	133,64	135,25	133,29	130,86	132,16	129,541

Source: IMF, Central banks, WAMA

Annex 2: Changes in the average monthly exchange rate of WAUA against ECOWAS currencies

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sept-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Cedi	5,7	5,9	6,1	5,7	5,8	6,0	6,1	6,2	6,3	6,2	6,2	6,2	6,35	6,4	6,4	6,39	6,29	6,29
Leone	982,63	982,83	980,19	988,52	10028,9	10142,4	10277,1	10493,1	10652,1	10621,5	10612,4	10671,39	10852,63	10997,99	11055,56	11110,38	10919,74	10714,01
CFA F	834,5	835,1	832,0	833,9	816,8	808,6	796,1	784,2	781,8	786,3	788,2	784,1917	773,749	771,0482	772,6854	774,7043	790,277	794,5526
Escudo	140,3	140,4	139,9	140,2	137,3	129,5	133,8	131,8	131,4	132,1	132,505	131,8	130,01	129,6	129,8	130,2	132,9	133,6
GNF	12511,3	12593,2	12573,4	12459,6	12517,8	11814,6	12572,6	12675,0	12774,9	12683,4	12674,6	12742,97	12953,38	13067,45	13083,14	13058,31	12807,64	12546,06
Lib. Doll	139,7	138,4	140,9	157,8	144,3	148,5	157,6	162,2	166,4	166,9	173,5	177,6148	183,03	184,1139	190,5987	190,2903	191,353	196,80
Naira	411,7	413,1	414,4	415,7	419,3	401,9	431,9	430,6	433,7	430,2	430,0	432,6987	439,3453	443,3605	443,5758	442,65	434,6123	425,8537
Dalasi	60,7	60,6	62,0	62,2	63,4	62,4	64,8	66,3	65,5	66,6	66,8	66,6	66,2	67,5	68,0	68,0	68,1	67,1
												6039	1082	4111	303	9696	9948	5465

Source: IMF, Central banks, WAMA

Annex 3: Changes in the monthly exchange rate (end of period) of WAUA against ECOWAS currencies

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sept-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Cedi	5,8	6,0	5,9	5,7	5,9	6,1	6,1	6,2	6,2	6,1	6,3	6,29	6,45	6,41	6,40	6,34	6,25	6,31
Leone	992,4,2	978,8,1	987,8,5	994,0,7	10109,9	10207,9	10412,8	10618,4	10617,6	10581,9	10648,7	10733,61	11011,7	10991,44	10970,54	11016,16	10839,85	10904,7
CF AF	828,8	838,1	830,8	825,4	810,5	799,3	786,1	780,7	786,2	792,8	785,6	778,9293	767,286	773,9243	773,9177	781,3891	797,4928	794,8756
Escudo	139,3	140,9	139,7	138,7	136,3	134,4	132,14	131,24	132,17	133,28	132,07	130,94	128,99	130,10	130,10	131,36	134,06	133,62
GNF	12650,7	12486,0	12545,3	12508,0	12439,1	12472,0	12663,9	12758,7	12672,2	12627,7	12755,4	12821,9	13118,5	13062,0	13075,9	12944,2	12722,6	12707,7
Lib. doll	142,0	140,0	142,1	145,8	153,7	157,3	160,4	165,0	166,1	167,5	177,8	178,75	177,04	188,88	191,48	189,09	195,51	208,98
Naira	414,1	412,6	416,1	418,1	420,9	424,7	428,9	433,1	430,9	428,5	432,4	435,07	444,713	443,31	443,59	438,82	431,96	431,00
dala si	59,5	60,8	61,4	62,1	65,7	64,0	65,2	66,5	65,5	66,4	66,47	66,76	66,49	68,19	67,97	68,98	67,75	67,24

Source: IMF, Central banks, WAMA