Cote d'Ivoire

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	B+
Short-Term IDR	B

Local Currency

Long-Term IDR	B+
Short-Term IDR	B
Country Ceiling	BBB-

Outlooks

Foreign-Currency Long-Term IDR	Stable
Local-Currency Long-Term IDR	Stable

Financial Data

Cote d'Ivoire

(USDbn)	2016
GDP	33.9
GDP per head (USD 000)	1.5
Population (m)	23.3
International reserves	4.8
Net external debt (% GDP)	-7.8
Central government total debt (% GDP)	42.5
CG foreign-currency debt	6.4
CG domestically issued debt (XOFbn)	3,799.5

Related Research

Global Economic Outlook (November 2016)

2017 Outlook: Global Sovereigns (November 2016)

Analysts

Amelie Roux
+33 1 44 29 92 82
amelie.roux@fitchratings.com

Marina Stefani
+44 20 3530 1809
marina.stefani@fitchratings.com

Key Rating Drivers

Strong Growth: Cote d'Ivoire's macroeconomic performance has been stronger than peers since the 2011 post-election crisis, with a five-year real GDP growth rate of 9.2% in 2012-2016 ('B' median of 4%). Growth will likely decelerate in 2016 to around 8%, reflecting the drought-related decline in cocoa and coffee production. Growth remains sustained due to continued public investment, while new growth drivers are likely to keep growth above 7% by 2018.

Macroeconomic Stability: Economic diversification is slightly better than in many sub-Sahara African countries and helps mitigate the country's dependence on cocoa. Inflation, at an expected 1.5% in 2016, remains subdued despite strong credit growth. Membership in the CFA franc zone improves inflation and exchange rate stability, as the peg is supported by pooled FX reserves and by the monetary arrangement with France.

Public Finances Neutral: The budget deficit will rise to 4% of GDP in 2016 (2015: 3%), due to higher security spending following the Grand Bassam terrorist attack in 1H16, lower exceptional revenues and stronger investment spending. It remains below the 'B' median of 4.4% of GDP, and the country targets a gradual consolidation to 3% of GDP by 2019 under its newly signed IMF programme. Contingent liabilities from vulnerable state-owned companies, particularly in the banking and energy sectors, could materialise during the forecast period.

Rising Public Debt: Public debt will likely rise again in 2016 to 42.5% of GDP and peak in 2018 at 43.5% of GDP, still below the 'B' median of 55.8% of GDP. This increase will lead to a gradual rise in interest payments (9.3% of revenues in 2016), which are already higher than peers. Currency composition is better than peers, as nearly 55% of public debt is denominated in local currency ('B' median: 32%), but a large part of public investment will continue to be financed by official creditors in foreign currency.

External Finances Balanced: The export base is large, accounting for 36% of GDP in 2015. The current account deficit is lower than peers, at an expected 2% of GDP in 2016 (against 'B' median of 5.5%) and is largely covered by FDI inflows. Although net external debt is on the rise, Fitch estimates that the country is still a net external creditor. However, Cote d'Ivoire's commodity dependence, at nearly 80% is very high. With cocoa prices declining since early 2016, the current account deficit may deteriorate and become more volatile.

Weak Debt Tolerance: Development indicators, such as GDP per capita or the human development index, are lower than peers, and the ease of doing business indicator remains below the 'B' median. Governance indicators have significantly improved in recent years and are now aligned with medians, and political risk has receded; however, the legislative elections in December will be a further test to political normalisation. Fitch expects continuity in economic policy even if the government is reshuffled after the elections.

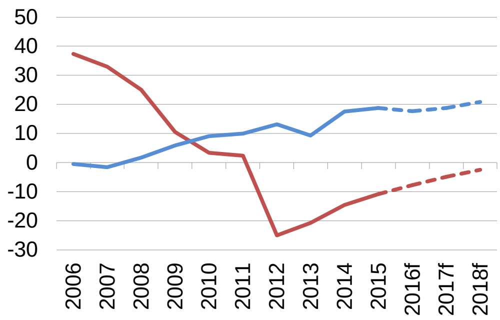
Rating Sensitivities

Growth, Public Debt: A material decline in growth prospects could affect the ratings. A sharp deterioration in public debt dynamics would also be penalising. A significant improvement in public debt dynamics beyond our current projections would be credit positive.

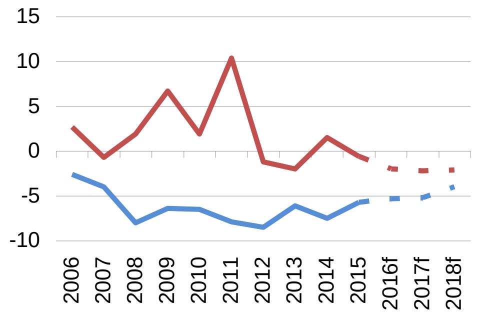
Debt Tolerance: Renewed political instability or security incidents jeopardising macroeconomic prospects or the state's ability to honour its commitments would exert pressure on the rating. Conversely, an improvement in development and governance indicators would be positive.

Peer Comparison

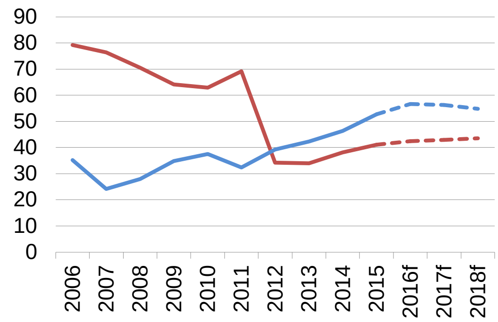
Net External Debt
% of GDP



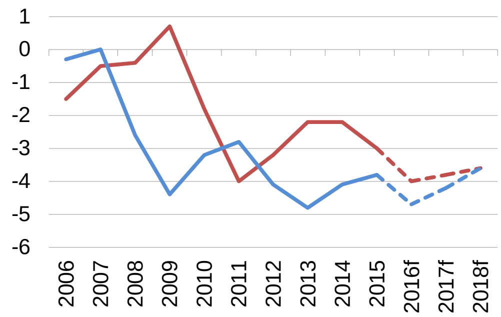
Current Account Balance
% of GDP



General Government Debt
% of GDP

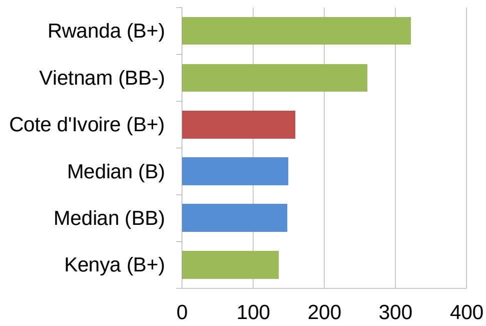


General Government Balance
% of GDP



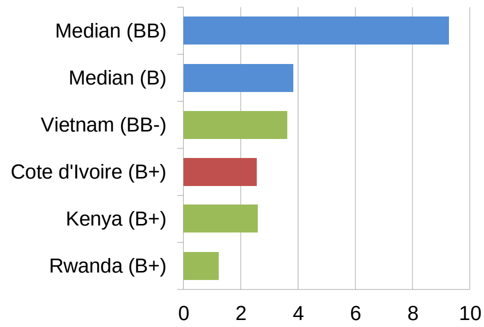
Cote d'Ivoire   Medians

International Liquidity Ratio, 2017
%



GDP per capita Income, 2016e

At market exchange rates, USA=100



Related Criteria

Sovereign Rating Criteria (July 2016)
Country Ceilings (August 2016)

Peer Group

Rating	Country
BB-	Bangladesh
	Bolivia
	Republic of Cyprus
	Dominican Republic
	Georgia
	Serbia
	Seychelles
	Tunisia
	Vietnam
B+	**Cote d'Ivoire**
	Armenia
	El Salvador
	Gabon
	Kenya
	Lesotho
	Nicaragua
	Nigeria
	Rwanda
	Sri Lanka
	Suriname
	Uganda
B	Angola
	Argentina
	Cabo Verde
	Cameroon
	Ecuador
	Egypt
	Ethiopia
	Ghana
	Jamaica
	Pakistan
	Zambia

Rating History

Date	Long-Term Foreign Currency	Long-Term Local Currency
Dec 15	B+	B+
July 14	B	B

Rating Factors

Summary: Strengths and Weaknesses

Rating factor	Macroeconomic	Public finances	External finances	Structural issues
Status	Strength	Neutral	Neutral	Weakness
Trend	Stable	Stable	Stable	Positive

Note: Relative to 'B' category
Source: Fitch

Strengths

- The country has benefitted from a stable currency, moderate inflation and lower macroeconomic volatility than peers, largely reflecting the membership in the West African Economic and Monetary Union (WAEMU), and to a lesser extent some degree of economic diversification.
- GDP growth is currently among the fastest in the region, above 'B' and 'BB' medians.
- As the largest economy of the WAEMU, Cote d'Ivoire has a privileged position as a regional hub, raising investment potential.
- The country has a structural trade surplus (estimated at 8.3% of GDP in 2015) underpinned by diversified agricultural crops, reducing external vulnerabilities. This largely translates into a moderate current account deficit despite the large investment impulse.
- Good relations with the international community since 2012 have locked in substantial amounts of concessional loans and grants to fund reconstruction and development efforts.

Weaknesses

- Entrenched political divisions have led to recurrent violent conflicts between 1999 and 2011, including a post-election crisis in 2011. Although the political situation has normalised since then, political and security risks remain.
- Structural features entrench the rating in the 'B' rating category. Governance and development indicators, while improving, are weak and still rank below 'B' medians. The investment rate, although rising, is low by regional standards and compared to peers, reflecting weak 'doing business' indicators.
- Public finance management (PFM) has been weak, as reflected in the sovereign debt track record, with two sovereign defaults in 2000 and 2012. The wage bill absorbs around 30% of total spending, while government revenues are weak. However, PFM is gradually improving, eg through the clean-up of past supplier arrears and off-budget spending, or the listing of contingent liabilities in state-owned companies.
- Commodity dependence is particularly high, reflecting the large share of agricultural commodities (primarily cocoa) in exports, which expose external performance to swings in international prices.

Local Currency Rating

The Long-Term Local-Currency IDR is aligned with the Long-Term Foreign-Currency IDR, in line with Fitch's sovereign methodology for countries in a currency union.

Country Ceiling

Fitch has affirmed the Country Ceiling of Cote d'Ivoire at 'BBB-' following the revision of its Country Ceiling criteria in August 2016. Fitch now considers that transfer and convertibility risks can differ among WAEMU member countries based on their individual risk of exit from the monetary union and the imposition of sector-wide bank closures. Cote d'Ivoire's Country Ceiling is four notches above its Foreign-Currency Long-Term IDR, balancing the strength of support provided by France under the monetary arrangement with WAEMU against the risk of capital control imposition in Cote d'Ivoire.

Strengths and Weaknesses: Comparative Analysis

2016	Cote d'Ivoire B+	B Median[a]	BB Median[a]	Vietnam BB-	Kenya B+	Rwanda B+
Macroeconomic performance and policies						
Real GDP (5yr average % change)	9.2	4.0	3.7	5.9	5.4	6.7
Volatility of GDP (10yr rolling SD)	4.8	2.5	2.3	0.6	2.2	1.7
Consumer prices (5yr average)	1.4	4.7	3.4	4.6	7.0	4.1
Volatility of CPI (10yr rolling SD)	1.9	3.5	2.7	7.0	3.8	4.3
Unemployment rate (%)	8.0	12.5	9.3	2.4	-	-
Type of exchange rate regime	Peg	n.a.	n.a.	Crawling Peg	Managed Float	Managed Float
Dollarisation ratio (% of bank deposits)	n.a.	32.4	21.5	n.a.	15.1	19.6
REER volatility (10yr rolling SD)	3.7	5.0	5.0	8.4	4.7	5.0
Structural features						
GDP per capita (USD, mkt exchange rates)	1,457	3,203	5,233	2,158	1,476	693
GNI per capita (PPP, USD, latest)	3,350	7,720	12,450	5,350	2,890	1,530
GDP (USDbn)	33.9	n.a.	n.a.	203.7	67.3	8.2
Human development index (percentile, latest)	8.5	34.4	59.1	37.4	21.5	12.2
Governance indicator (percentile, latest)[b]	31.1	31.1	49.7	39.0	31.3	51.4
Broad money (% GDP)	41.6	43.5	67.6	146.3	45.5	25.3
Default record (year cured)[c]	2012	n.a.	n.a.	1998	2004	2005
Ease of doing business (percentile, latest)	25.0	37.3	55.4	57.0	43.1	70.8
Trade openness (avg. of CXR + CXP % GDP)	42.8	45.4	52.3	94.1	26.9	34.0
Gross domestic savings (% GDP)	24.8	13.2	16.8	25.8	29.6	5.8
Gross domestic investment (% GDP)	17.8	25.0	21.8	24.7	17.1	26.8
Private credit (% GDP)	23.9	31.1	58.2	122.1	42.0	20.8
Bank systemic risk indicators[d]	-/2	n.a.	n.a.	b/1	-/1	-/2
Bank system capital ratio (% assets)	8.6	16.4	15.8	-	18.0	19.9
Foreign bank ownership (% assets)	68.4	43.5	20.3	-	30.0	43.5
Public bank ownership (% assets)	11.4	13.7	31.0	-	4.5	30.2
External finances						
Current account balance + net FDI (% GDP)	-0.2	-1.9	-0.8	9.2	-4.7	-12.6
Current account balance (% GDP)	-2.0	-5.5	-2.4	4.0	-6.1	-16.9
Net external debt (% GDP)	-7.8	18.7	21.2	11.9	17.6	24.7
Gross external debt (% CXR)	80.7	147.5	129.0	44.7	131.7	168.0
Gross sovereign external debt (% GXD)	70.6	57.4	39.3	58.9	79.0	94.2
Sovereign net foreign assets (% GDP)	-9.5	-15.7	-2.3	-6.7	-12.4	-26.8
Ext. interest service ratio (% CXR)	3.2	3.2	3.3	1.0	3.4	5.1
Ext. debt service ratio (% CXR)	13.4	11.6	12.8	2.2	11.9	8.4
Foreign exchange reserves (months of CXP)	3.9	3.9	4.3	2.4	4.7	3.6
Liquidity ratio (latest)[e]	159.2	162.0	154.3	259.9	135.5	321.6
Share of currency in global reserves (%)	0	n.a.	n.a.	0	0	0
Commodity export dependence (% CXR, latest)	78.2	29.0	17.6	27.3	25.8	30.4
Sovereign net foreign currency debt (% GDP)	5.9	15.0	1.9	6.7	9.2	27.6
Public finances[f]						
Budget balance (% GDP)	-4.0	-4.4	-3.7	-6.4	-7.5	-4.7
Primary balance (% GDP)	-2.1	-2.1	-1.7	-4.2	-4.6	-3.7
Gross debt (% revenue)	202.6	228.4	184.1	233.0	266.5	209.3
Gross debt (% GDP)	42.5	55.8	51.4	53.6	51.1	47.7
Net debt (% GDP)	38.7	49.4	43.1	52.2	49.0	44.4
Foreign currency debt (% total debt)	47.6	68.0	51.3	47.2	41.0	84.8
Interest payments (% revenue)	9.3	8.1	8.9	9.3	17.1	4.4
Revenues and grants (% GDP)	21.0	24.6	29.1	23.0	19.2	22.8
Volatility of revenues/GDP ratio	10.0	8.0	5.7	7.7	2.0	5.1
Central govt. debt maturities (% GDP)	8.2	5.8	4.8	4.2	5.4	3.0

[a] Medians based on three-year centred averages
[b] Composite of six World Bank Governance Indicators used in the Sovereign Rating Model; Government Effectiveness; Rule of Law; Control of Corruption; Voice and Accountability; Regulatory Quality; and Political Stability and Absence of Violence
[c] Cote d'Ivoire defaulted in 2011 and its default was cured in 2012, the same year as the country reached completion point under HIPC
[d] Bank systemic indicator, which equates to a weighted average Viability Rating; and macro prudential indicator, with 1 'low' systemic risk through to 3 'high'
[e] Ratio of liquid external assets, defined as the stock of official FX reserves including gold at the end of the previous calendar year plus banks' liquid external assets, to liquid external liabilities, defined as scheduled external debt service in the current year, plus the stock of short-term external debt and all non-resident holdings of marketable medium- and long-term local-currency debt at the end of the previous calendar year
[f] General government unless stated
Note: Acronyms used: Consumer price inflation (CPI), gross domestic product (GDP), current external receipts (CXR), current external payments (CXP), gross national income (GNI), purchasing power parity (PPP), standard deviation (SD), foreign direct investment (FDI)
Source: Fitch

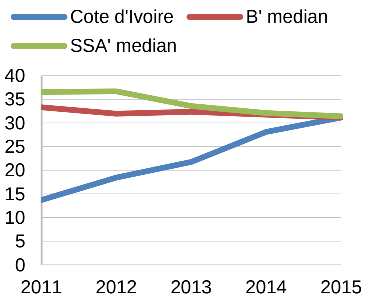
Key Credit Developments

Current Elections Contribute to Political Normalisation

The electoral calendar has been heavy since 2015, but the relative smoothness of the presidential election and the referendum has contributed to political normalisation so far, as illustrated by improving World Bank governance indicators for Cote d'Ivoire. The latest example is the referendum held at end-October 2016, which enabled the adoption of a new constitution clarifying eligibility criteria for presidential candidates and creating a Senate and a Vice President position; the latter could improve political stability, as it reduces transition risks. The new constitution was favoured by 93.4% of the electorate, with a turnout estimated at 42% (the opposition had called to boycott the election); security incidents were contained.

Legislative elections will be held on 18 December 2016 and will again serve as a test for the country's political normalisation. While the main opposition party FPI will participate, it remains divided and faces internal opposition, while parties of the current majority coalition (RHDP, coalition between RDR and PDCI) will present common candidates. Fitch's baseline is that economic policy continuity will prevail, even if the government could partially be reshuffled early 2017. The stakes around the municipal, regional and senatorial elections in Spring 2017 are likely to be lower and the election calendar will be calmer until the next presidential election in 2020.

Better Governance
Composite WB governance indicators - percentile rank

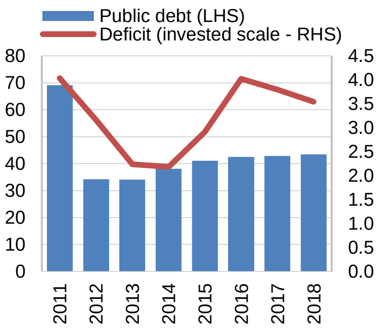


Source: WorldBank, Fitch

Widening Budget Deficit in 2016, Risks Contained

Following a revised bill adopted in November 2016, the budget deficit will likely reach 4% of GDP in 2016, up from 3% in 2015. This increase largely reflects higher security spending (worth 0.3% of GDP) following the terrorist attack in March 2016 in Grand Bassam, and to a lesser extent weaker exceptional revenues (after a 0.3% of GDP sale of its 4G licence in 2015) and higher capital spending than in 2015. The wage bill will likely grow at a slower pace than revenues for the first time since 2012, to a projected 41% of fiscal government revenues (2015:43.2%), although still higher than WAEMU's convergence framework. This fiscal deterioration will drive public debt up to 42.5% of GDP, against our previous forecast of a decline in 2016

Slightly Rising Public Debt
% GDP

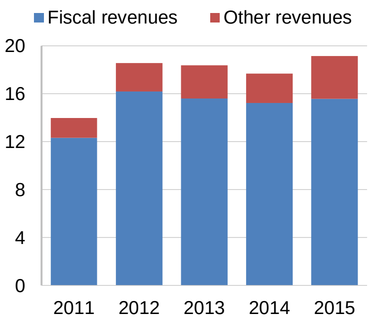


Source: Authorities, IMF, Fitch

The authorities have committed to reducing the budget deficit to 3% of GDP by 2019 under the newly agreed IMF programme, in line with WAEMU's convergence criteria. The authorities therefore target a tightening of the deficit over the next three years. The 2017 budget adopted by Parliament in late November targets a 3.7% of GDP deficit, based on the containment of current spending, including the wage envelop.

The consolidation path envisaged by the authorities does not rely on strong revenue measures, but rather on gradual tax collection improvement and spending containment (eg wages). The growth in public investment will also probably stall as the authorities get closer to their objective of 9% of GDP. The gradual clean-up of supplier arrears and strengthening of public finance management (including through a reduction in off-budget spending) reduce risks of budget slippages, but the overall target appears to be dependent on continued economic growth.

Limited Fiscal Revenues
% GDP



Source: Authorities, IMF, Fitch

Additionally, risks stem from state-owned companies' contingent liabilities. The authorities estimate that their debt amounted to 3.7% of GDP at end-2015 (2014: 3%). More importantly, budgetary costs could emerge from the restructuring of public banks, which already cost 0.2% of GDP in 2016; the largest one, CNCE, is under provisional administration and the government may have to inject capital beyond the 0.1% of GDP planned for 2017. Energy companies, mainly SIR and Petroci, face significant vulnerabilities and could also require state funds in the coming years. The IMF assumes that these contingent liabilities, together with the settling of past extra-budgetary spending, could cost around 2% of GDP in 2016-2019, which the authorities believe may be overestimated.

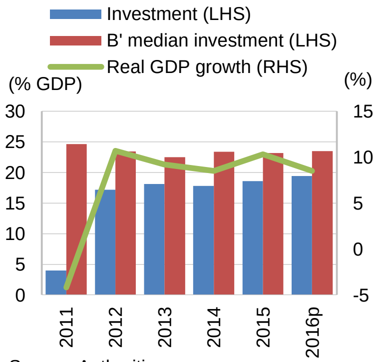
Lower Cocoa Production and Prices to Affect Growth

The authorities revised their growth estimate for 2015 to 9.2% (from 9.8%) and project the same level for 2016. However, Fitch estimates that growth will likely decelerate in 2016, to an estimated 8.2%, reflecting the effect of drought on agricultural production. In particular, cocoa production, which accounts for roughly 10%-15% of GDP, declined 26.5% yoy over the first nine months of 2016; the decline in international prices of cocoa since early 2016 has penalised the agricultural sector.

Macroeconomic performance remains strong however, driven by dynamic public investment (public capital spending is expected to rise by 26% yoy in full year 2016), strong mining growth, rising FDI and strong private consumption. Macro-financial stability is also preserved, with average inflation of 0.9% over the first nine months of the year, well below WAEMU's criteria of 3%.

Prospects for 2017 are better for cocoa production, as weather conditions appear more favourable and processing capacity is expanding. However, Fitch estimates that real GDP growth rate could slightly decelerate if cocoa prices continue declining and as fiscal policy will be slightly less expansionary (see above).

Rising Investment



Source: Authorities

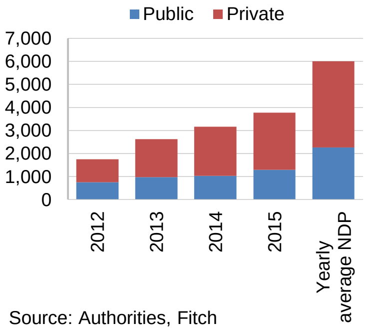
Financing of Domestic Investment in Question

As the catch up effect from a lost decade is expected to gradually fade, growth prospects over the medium term largely depend on the private sector's development, which the authorities intend to stimulate through an ambitious growth in public and private investment: under the National Development Plan (NDP) 2016-2020, the authorities target a 25% of GDP investment rate by 2020 (2015: 20.2%), implying a 33% nominal increase in investment on average over 2015 levels (see Figure 5). Financing of the public investment (an expected 38% of the total) could be largely financed by multilateral partners following their large commitments in May 2016.

The financing of private sector investment remains in question. Even if FDI is on an upward trend, they still account for less than 2% of GDP in 2016. Financing of domestic private investment could be affected by the vulnerability of the banking sector: the domestic bank's capital adequacy ratio was 8.6% only at June 2016 (2014: 10.1%, against a minimum regulatory threshold of 8%) and NPLs were on the rise at 11% (2014: 10.3%). Also, liquidity has significantly declined as banks increasingly invest in government papers on the regional market, potentially crowding out the private sector.

Ambitious Investment Targets

XOFbn



Source: Authorities, Fitch

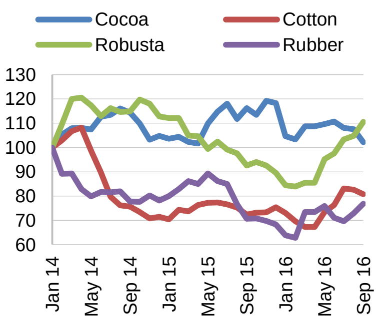
External Finance Developments Reflect Continued Dependence on Agricultural Commodities

The current account deficit will likely deteriorate in 2016 to around 2% of GDP after an estimated 0.6% deficit in 2015. Over the first nine months of 2016, exports declined by 5.3% while imports stagnated. This largely reflects lower cocoa and cotton exports, both driven by declining volumes (cocoa beans exports declined by 9.2% yoy in season 2015-2016) and prices. In parallel, investment-related imports have remained dynamic. Even if FDI is increasing, we are expecting it to only cover the current account deficit this year and next.

Despite this slight deterioration in external accounts, risks related to external finances appear commensurate with 'B' rating category. Contrary to tensions on FX reserves observed in CEMAC in the context of low oil prices, FX reserves are broadly stable within WAEMU, covering more than four months of current account payments by end-2016, as all countries are oil importers. The IMF estimates that Cote d'Ivoire's REER is broadly in line with fundamentals. Even if the vulnerability related to cocoa dependence, and more generally commodity dependence, remains, the gradual diversification of exports (with significant prospects in mining exports, including gold and oil) could reduce that risk going forward.

Lower Cocoa Prices

January 2014 = 100



Source: BCEAO, Fitch

Fitch uses stylised projections for a sovereign's gross general government debt/GDP ratio to illustrate the sustainability of its debt burden and its sensitivity to economic growth, the cost of borrowing, fiscal policy and the exchange rate.

Public Debt Dynamics

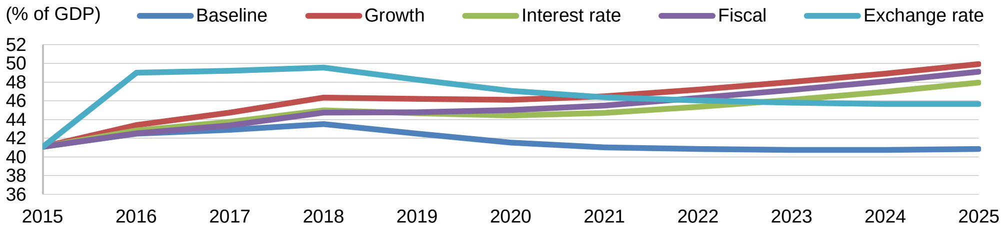
Although the deepest shock to public debt would be related to a devaluation, such a scenario appears remote to date under the current monetary arrangement of the WAEMU. More realistically, risks on public finances stem from lower growth and a failure to consolidate the primary deficit after 2016 by Fitch.

Debt Dynamics: Fitch's Baseline Assumptions

	2015	2016	2017	2018	2019	2020	2025
Gross general government debt (% GDP)	41.1	42.5	42.9	43.5	42.5	41.5	40.8
Primary balance (% of GDP)	-1.4	-2.1	-1.7	-1.3	-1.0	-0.8	-1.0
Real GDP growth (%)	9.2	8.2	7.2	7.0	6.5	6.0	5.5
Avg. nominal effective interest rate (%)	4.2	4.2	4.2	4.3	4.4	4.6	5.2
Local currency/USD (annual avg.)	591	612	630	649	658	658	658
GDP deflator (%)	2.9	1.0	1.5	2.5	2.3	2.5	2.0

Sensitivity Analysis

Gross general government debt



Source: Fitch debt dynamics model

Debt Sensitivity Analysis: Fitch's Scenario Assumptions

Growth	GDP growth 1% lower
Interest rate	Marginal interest rate 100bp higher
Fiscal	No change in primary balance from 2016 level
Exchange rate	30% devaluation at end-2016

Forecast Summary

	2012	2013	2014	2015	2016f	2017f	2018f
Macroeconomic indicators and policy							
Real GDP growth (%)	10.1	9.3	8.5	9.2	8.2	7.8	7.5
Unemployment (%)	9.4	9.0	8.5	8.5	8.0	8.0	8.0
Consumer prices (annual average % change)	1.3	2.6	0.4	1.2	1.5	2.0	2.3
Short-term interest rate (bank policy annual avg.) (%)	4.0	3.5	3.5	3.5	3.0	3.5	3.5
General government balance (% of GDP)	-3.2	-2.2	-2.2	-2.9	-4.0	-3.8	-3.6
General government debt (% of GDP)	34.2	34.0	38.1	41.1	42.5	42.9	43.5
XOF per USD (annual average)	510.53	494.04	494.42	591.45	611.55	629.90	648.80
Real effective exchange rate (2000 = 100)	112.7	117.8	118.9	113.3	113.3	113.3	114.4
Real private sector credit growth (%)	10.8	19.7	19.8	27.4	13.3	12.7	12.4
External finance							
Current account balance (% of GDP)	-1.2	-2.0	1.5	-0.6	-2.0	-2.2	-2.1
Current account balance plus net FDI (% of GDP)	0.0	-0.7	2.8	0.7	-0.2	0.0	0.5
Net external debt (% of GDP)	-25.1	-20.8	-14.6	-10.9	-7.8	-4.9	-2.5
Net external debt (% of CXR)	-49.3	-47.8	-33.9	-26.8	-18.6	-11.3	-5.8
Official international reserves including gold (USDbn)	3.9	4.2	4.5	4.7	4.8	4.8	5.0
Official international reserves (months of CXP cover)	3.4	3.6	3.8	4.3	3.9	3.5	3.5
External interest service (% of CXR)	4.4	3.7	2.4	3.1	3.2	3.2	0.0
Gross external financing requirement (% int. reserves)	30.9	31.1	10.5	27.0	44.8	39.2	41.3
Real GDP growth (%)							
US	2.2	1.7	2.4	2.6	1.5	2.1	2.3
China	7.8	7.7	7.3	6.9	6.7	6.4	5.7
Eurozone	-0.9	-0.3	1.1	2.1	1.6	1.4	1.4
World	2.5	2.4	2.5	2.6	2.5	2.9	2.9
Oil (USD/barrel)	112.0	108.8	98.9	52.6	42.0	45.0	55.0

Source: Fitch

Fiscal Accounts Summary

(% of GDP)	2013	2014	2015	2016f	2017f	2018f
General government						
Revenue	**19.7**	**19.5**	**20.6**	**21.0**	**21.4**	**21.7**
Expenditure	**21.9**	**21.7**	**23.6**	**25.0**	**25.2**	**25.3**
O/w interest payments	1.4	1.2	1.6	1.9	2.2	2.3
Primary balance	-0.8	-0.9	-1.4	-2.1	-1.7	-1.3
Overall balance	**-2.2**	**-2.2**	**-2.9**	**-4.0**	**-3.8**	**-3.6**
General government debt	**34.0**	**38.1**	**41.1**	**42.5**	**42.9**	**43.5**
% of general government revenue	173.0	195.5	199.0	202.6	200.7	200.9
Central government deposits	2.6	3.4	4.6	3.8	3.3	3.3
Net general government debt	31.4	34.8	36.5	38.7	39.7	40.2
Central government						
Revenue	**19.7**	**19.5**	**20.6**	**21.0**	**21.4**	**21.7**
O/w grants	1.3	1.8	1.5	1.4	1.5	1.5
Expenditure and net lending	**21.9**	**21.7**	**23.6**	**25.0**	**25.2**	**25.3**
O/w current expenditure and transfers	15.9	15.9	16.8	18.1	18.2	18.0
- interest	1.4	1.2	1.6	1.9	2.2	2.3
O/w capital expenditure	6.0	5.8	6.6	6.8	7.0	7.3
Current balance	3.8	3.6	3.9	2.8	3.2	3.7
Primary balance	-0.8	-0.9	-1.4	-2.1	-1.7	-1.3
Overall balance	**-2.2**	**-2.2**	**-3.0**	**-4.0**	**-3.8**	**-3.6**
Central government debt	34.0	38.1	41.1	42.5	42.9	43.5
% of central government revenues	173.0	195.5	199.0	202.6	200.7	200.9
Central government debt (XOFbn)	**5,257.2**	**6,438.5**	**7,914.8**			
By residency of holder						
Domestic	2,651.8	3,129.8	3,425.7			
Foreign	2,605.4	3,308.7	4,489.1			
By currency denomination						
Local currency	2,651.8	3,129.8	4,149.1			
Foreign currency	2,605.4	3,308.7	3,765.7			
In USD equivalent (eop exchange rate)	5.5	6.1	6.0			
Average maturity (years)	-	6.7	7.4			
Memo						
Nominal GDP (XOFbn)	15,445.8	16,890.9	18,774.5	20,732.2	22,684.6	24,995.6

Source: Ministry of Finance and Fitch estimates and forecasts

External Debt and Assets

(USDbn)	2011	2012	2013	2014	2015	2016f
Gross external debt	**14.1**	**6.7**	**7.1**	**8.7**	**10.3**	**11.4**
% of GDP	55.1	25.0	22.6	25.6	32.0	33.8
% of CXR	99.5	49.2	52.0	59.3	78.6	80.7
By maturity						
Medium- and long-term	11.4	5.4	5.7	7.1	8.3	9.3
Short -term	2.7	1.3	1.4	1.7	2.0	2.2
% of total debt	19.1	19.1	19.1	19.1	19.1	19.1
By debtor						
Sovereign	**12.4**	**4.8**	**5.5**	**6.1**	**7.1**	**8.1**
Monetary authorities	1.1	1.3	1.5	1.6	1.8	1.8
General government	11.2	3.5	4.0	4.5	5.4	6.3
O/w central government	12.4	4.8	5.5	6.1	7.1	8.1
Banks	**0.5**	**0.8**	**0.8**	**1.0**	**1.1**	**1.3**
Other sectors	**1.3**	**1.1**	**0.8**	**1.6**	**2.0**	**2.1**
Gross external assets (non-equity)	**13.6**	**13.4**	**13.6**	**13.7**	**13.8**	**14.1**
International reserves, incl. gold	4.3	3.9	4.2	4.5	4.7	4.8
Other sovereign assets nes	0.0	0.0	0.0	0.0	0.0	0.0
Deposit money banks' foreign assets	0.8	1.3	1.4	1.4	1.4	1.6
Other sector foreign assets	8.4	8.2	8.0	7.8	7.6	7.6
Net external debt	**0.6**	**-6.7**	**-6.5**	**-5.0**	**-3.5**	**-2.6**
% of GDP	2.3	-25.1	-20.8	-14.6	-10.9	-7.8
Net sovereign external debt	8.0	0.9	1.3	1.6	2.4	3.2
Net bank external debt	-0.3	-0.5	-0.5	-0.4	-0.3	-0.4
Net other external debt	-7.1	-7.1	-7.2	-6.2	-5.6	-5.5
Net international investment position	**-6.2**	**1.5**	**1.3**	**-3.0**	**-7.2**	**-10.0**
% of GDP	-24.3	5.4	4.2	-8.9	-22.5	-29.4
Sovereign net foreign assets	**-8.0**	**-0.9**	**-1.3**	**-1.6**	**-2.4**	**-3.2**
% of GDP	-31.3	-3.3	-4.0	-4.8	-7.6	-9.5
Debt service (principal & interest)	**1.4**	**1.6**	**1.1**	**1.3**	**1.4**	**1.9**
Debt service (% of CXR)	10.2	11.8	8.0	8.9	10.9	13.4
Interest (% of CXR)	4.4	4.4	3.7	2.4	3.1	3.2
Liquidity ratio (%)	105.7	119.5	219.9	210.9	192.2	159.2
Net sovereign FX debt (% of GDP)	31.3	-0.3	0.4	1.2	4.2	5.9
Memo						
Nominal GDP	25.7	26.8	31.3	34.2	31.8	33.9
Inter-company loans	0.0	0.0	0.0	0.0	0.0	0.0

Source: Central Bank, IMF, World Bank and Fitch estimates and forecasts

External Debt Service Schedule on Medium- and Long-Term Debt at end-2015

(USDm)	2016	2017	2018	2019	2020	2021	2022+
Sovereign: Total debt service	**796.3**	**889.2**	**920.1**	**946.9**	**903.9**	**594.1**	**6,227.4**
Amortisation	514.5	602.7	641.9	679.5	651.0	352.5	4,967.3
Official bilateral	358.5	357.1	349.4	355.2	325.5	31.2	714.2
Multilateral	98.6	149.7	184.2	191.5	193.5	188.9	656.1
O/w IMF	56.4	105.3	136.6	141.1	147.9	150.8	231.0
Other	8.3	8.4	8.4	8.4	8.4	8.3	0
Bonds placed in foreign markets	49.1	87.4	99.9	124.3	123.7	124.0	3,597.0
Interest	281.8	286.5	278.2	267.5	252.9	241.7	1,260.1
Non-sovereign public sector	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Source: Ministry of Finance, Central Bank and Fitch

Balance of Payments

(USDbn)	2013	2014	2015	2016f	2017f	2018f
Current account balance	**-0.6**	**0.5**	**-0.2**	**-0.7**	**-0.8**	**-0.8**
% of GDP	-2.0	1.5	-0.6	-2.0	-2.2	-2.1
% of CXR	-4.6	3.5	-1.5	-4.7	-5.2	-4.9
Trade balance	**3.0**	**3.9**	**3.2**	**3.2**	**3.6**	**3.9**
Exports, fob	12.0	13.0	11.6	12.3	13.4	14.4
Imports, fob	9.1	9.1	8.5	9.1	9.8	10.5
Services, net	**-2.3**	**-2.2**	**-2.2**	**-2.6**	**-2.8**	**-3.1**
Services, credit	0.9	0.9	0.8	0.9	0.9	1.0
Services, debit	3.2	3.1	2.9	3.4	3.7	4.0
Income, net	**-0.9**	**-0.9**	**-0.9**	**-1.3**	**-1.5**	**-1.6**
Income, credit	0.2	0.3	0.3	0.3	0.3	0.4
Income, debit	1.1	1.2	1.2	1.6	1.8	2.0
O/w: Interest payments	0.5	0.3	0.4	0.5	0.5	0.0
Current transfers, net	**-0.4**	**-0.3**	**-0.3**	**0.0**	**-0.1**	**-0.1**
Capital and financial accounts						
Non-debt-creating inflows (net)	0.3	0.7	0.8	1.0	1.2	1.5
O/w equity FDI	0.1	0.5	0.4	0.6	0.8	1.0
O/w portfolio equity	0.0	0.0	0.0	0.0	0.0	0.0
O/w other flows	0.2	0.3	0.4	0.4	0.4	0.5
Change in reserves	0.1	1.3	-0.5	0.1	0.0	0.2
Gross external financing requirement	1.2	0.4	1.2	2.1	1.9	2.0
Stock of international reserves, incl. gold	4.2	4.5	4.7	4.8	4.8	5.0

Source: IMF and Fitch estimates and forecasts

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.