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−

Financial Data

Cote d'Ivoire

(USDbn)	2017
(GDP)	37.6
(GDP) per head (USD 000)	1.5
Population (m)	24.3
International reserves	5.2
Net external debt (% GDP)	-21.9
Central government total debt (% GDP)	44.0
CG foreign-currency debt	8.6
CG domestically issued debt (XOFbn)	3,966.9

Related Research

Global Economic Outlook (June 2017)

2017 Outlook: Sub-Saharan Africa Sovereigns (December 2016)

Analysts

Mahmoud Harb
+852 22 63 99 17
mahmoud.harb@fitchratings.com

Jan Friederich
+852 22 63 99 10
jan.friederich@fitchratings.com

Key Rating Drivers

Heightened Security and Political Risks: In 2017, Cote d'Ivoire has witnessed two mutinies by former rebels demanding pay-outs and several attacks on army bases and police stations. These developments reflect an incomplete political normalisation, despite the strides accomplished since the civil war. Heightened security and political risks will persist in the run-up to the 2020 elections and could slow the pace of budget consolidation and reforms.

Budget Deficit Rises in 2017: The payment of bonuses to mutineers, the collapse in cocoa prices and the reduction in the fuel tax will cost the budget 1.9% of GDP in 2017. They will be only partially offset by cuts in investment spending amounting to 0.8% of GDP. Consequently, we forecast the budget deficit to widen to 4.7% of GDP, from 4.0% in 2016 and against an initial budget target of 3.7%.

2019 Budget Target Ambitious: We expect the budget deficit to decline to 3.8% by 2019 against a government target of 3%. The authorities' plan to freeze current outlays and the wage bill in nominal terms will be difficult to realise against a background of increasing social and political tensions. Their revenue mobilisation efforts through public finance management (PFM) reform could also yield less income than envisaged by the government.

Preserved Financing Flexibility: We expect general government debt to increase slowly to 44.8% in 2019, remaining below the 'B' median. Under our baseline scenario, financing flexibility will not be undermined by slightly above-target budget deficits, due to moderate financing needs, strong support from official creditors, compliance with the ongoing IMF programme milestones and improved PFM.

Multiple Sources of Contingent Liabilities: Contingent liabilities for the sovereign are moderate. They mainly stem from the ongoing restructuring and weak profitability of several state-owned companies (SoEs), and the large and expanding portfolio of public-private partnerships (PPPs). Additional risks for the budget arise from the structural weaknesses of the cocoa sector institutions, the arrears in the electricity sector and the relatively low capitalisation ratios in the banking sector.

Strong Growth: GDP will expand by an average 6.8% over 2017-2019, compared with 'B' category median growth of 3.8%. Growth will be lifted by sustained public investment under the national development programme (PND), the ensuing crowding-in of private investment and the increased diversification of the economy. It will, however, slow from the 2012-2016 9.1% average as the recovery matures and low cocoa prices weigh more on domestic demand.

Rating Sensitivities

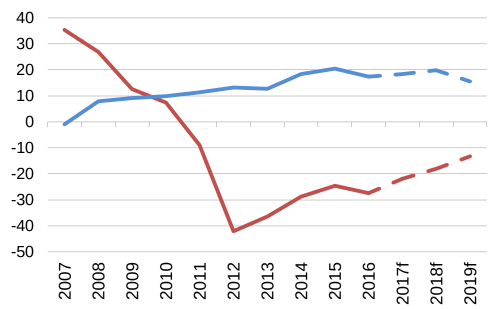
Political Stability and Governance: Deterioration in political stability or aggravation of security incidents, leading to material fiscal slippages or jeopardising the sovereign's ability to honour its commitments, could result in a negative rating action. Conversely, an improvement in development and governance indicators over the medium term would be positive.

Public Debt Trajectory: A significant worsening in public debt dynamics could negatively impact the rating. Conversely, a significant improvement in public finances with smaller-than-projected government deficits, leading to a decline in public debt, could be ratings positive.

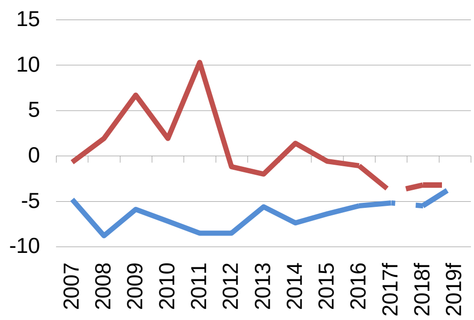
Growth: A material slowdown of growth resulting from external or domestic shocks would be negative for the ratings.

Peer Comparison

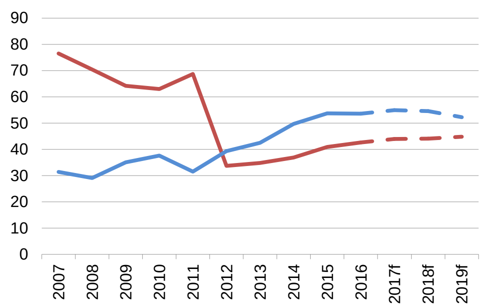
Net External Debt
% of GDP



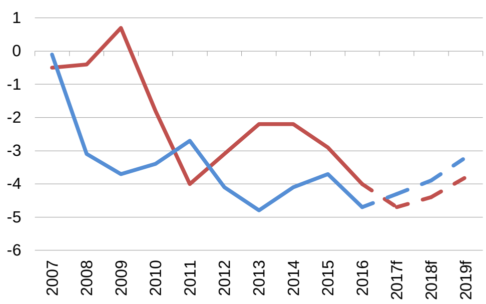
Current Account Balance
% of GDP



General Government Debt
% of GDP

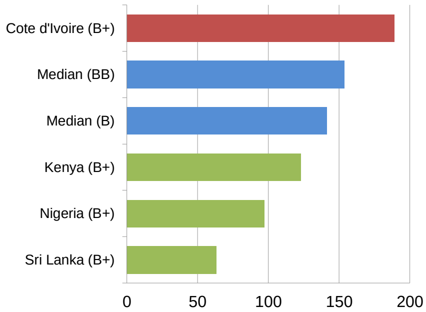


General Government Balance
% of GDP



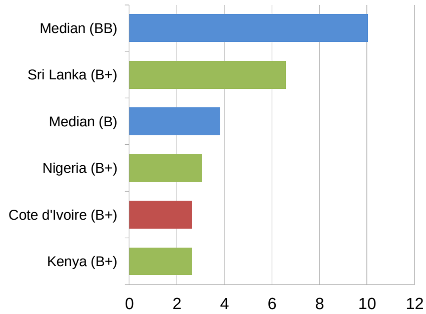
Cote d'Ivoire   Medians

International Liquidity Ratio, 2018
%



GDP Per Capita Income, 2017e

At market exchange rates, USA=100



Related Criteria

Sovereign Rating Criteria (July 2017)
Country Ceilings Criteria (July 2017)

Peer Group

Rating	Country
BB−	Bangladesh
	Bolivia
	Cyprus
	Dominican Republic
	Georgia
	Serbia
	Seychelles
	Vietnam
B+	**Cote d'Ivoire**
	Armenia
	Gabon
	Kenya
	Lesotho
	Maldives
	Nicaragua
	Nigeria
	Rwanda
	Sri Lanka
	Tunisia
	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	Stable

Note: Relative to 'B' category
Source: Fitch

Strengths

- GDP growth, expected to average 6.8% in 2017-2019, is currently among the fastest in sub-Saharan Africa and well above 'B' and 'BB' category medians.
- As the largest economy of the West African Economic and Monetary Union (WAEMU), with high potential in agriculture, mining and light industries, Cote d'Ivoire has a privileged position as a regional hub, enhancing attractiveness for investment.
- The country has a structural trade surplus (averaging 10.2% of GDP in 2012-2016), underpinned by exports of agricultural commodities, including cocoa, of which Cote d'Ivoire is the top producer with 40% of total world production. This translates into a moderate current account deficit despite large capital import needs.
- Good relations with the international community since 2012 have secured substantial amounts of concessional loans and grants to fund reconstruction and development efforts.
- The country has benefitted from a stable currency and moderate inflation, largely reflecting the membership in the WAEMU.

Weaknesses

- Deep political and regional divisions have led to recurrent violent conflicts, including a post-election crisis in 2011. Although stability has prevailed since then, political and security risks linger.
- Commodity dependence is particularly high, reflecting the large share of agricultural products (primarily cocoa) in exports and employment, which exacerbates the country's vulnerability to weather hazards and swings in international prices.
- The financial situation of key sectors is undermined by a high level of arrears (electricity) or the ongoing debt restructuring of major SoEs (banking, oil refining, transport).
- Public finance management has been weak, with two defaults in 2000 and 2011. Budget flexibility is limited, with the wage bill absorbing around 30% of total spending, and domestic revenue mobilisation is weak.
- Governance, development and "doing business" indicators, while improving, are weak. Although nominal GDP has more than doubled over the last ten years, high poverty rates have declined little, contributing to social tensions.

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

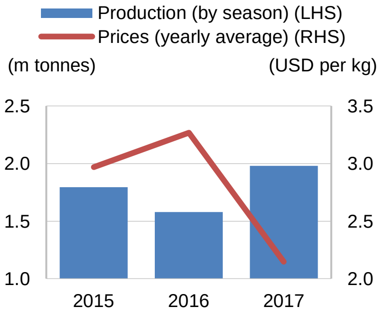
Fitch has affirmed the Country Ceiling of Cote d'Ivoire at 'BBB−' following the revision of its Country Ceiling criteria in August 2016. Cote d'Ivoire's Country Ceiling is four notches above its Foreign-Currency Long-Term IDR, balancing the strength of support provided by France under the monetary arrangement with WAEMU against the risk of capital control imposition in Cote d'Ivoire.

Strengths and Weaknesses: Comparative Analysis

2017	Cote d'Ivoire B+	B Median[a]	BB Median[a]	Kenya B+	Nigeria B+	Sri Lanka B+
Macroeconomic performance and policies						
Real GDP (5yr average % change)	8.3	3.5	3.3	5.6	2.9	4.4
Volatility of GDP (10yr rolling SD)	4.6	2.3	2.3	2.1	3.0	2.1
Consumer prices (5yr average)	1.3	5.0	2.9	6.6	11.6	4.2
Volatility of CPI (10yr rolling SD)	1.9	3.3	2.4	3.8	2.9	5.9
Unemployment rate (%)	9.3	11.4	11.0	-	15.0	4.0
Type of exchange rate regime	Peg	n.a.	n.a.	Managed float	Managed float	Managed float
Dollarisation ratio (% of bank deposits)	-	32.0	23.9	14.7	0.0	16.5
REER volatility (10yr rolling SD)	3.6	5.0	5.0	5.3	6.9	7.7
Structural features						
GDP per capita (USD, mkt. exchange rates)	1,548	3,124	5,869	1,570	1,820	3,906
GNI per capita (PPP, USD, latest)	3,350	7,435	12,650	2,890	5,680	10,270
GDP (USDbn)	37.6	n.a.	n.a.	73.7	350.4	86.0
Human development index (percentile, latest)	8.5	35.8	59.8	22.4	19.2	61.4
Governance indicator (percentile, latest)[b]	31.1	31.3	50.7	31.3	16.9	48.8
Broad money (% GDP)	37.2	44.4	69.8	40.7	23.0	59.4
Default record (year cured)[c]	2012	n.a.	n.a.	2004	2005	-
Ease of doing business (percentile, latest)	25.0	39.4	60.4	51.6	11.2	42.1
Trade openness (avg. of CXR + CXP % GDP)	36.6	44.1	49.4	25.1	20.0	31.6
Gross domestic savings (% GDP)	20.0	11.3	19.0	5.7	-	22.8
Gross domestic investment (% GDP)	20.5	25.7	21.2	26.0	30.0	29.9
Private credit (% GDP)	22.8	29.0	60.9	32.8	18.6	49.4
Bank systemic risk indicators[d]	-/2a	n.a.	n.a.	-/1	b/1	b/2
Bank system capital ratio (% assets)	-	15.8	15.6	0.0	0.0	15.2
Foreign bank ownership (% assets)	-	46.8	23.3	0.0	0.0	20.3
Public bank ownership (% assets)	-	10.1	31.1	0.0	0.0	44.4
External finances						
Current account balance + net FDI (% GDP)	-2.2	-2.0	0.8	-3.7	1.8	-1.5
Current account balance (% GDP)	-4.0	-5.5	-3.1	-5.8	1.0	-2.2
Net external debt (% GDP)	-21.9	19.3	19.2	19.1	-5.9	47.1
Gross external debt (% CXR)	119.3	149.7	134.1	146.4	109.1	193.2
Gross sovereign external debt (% GXD)	65.8	61.7	38.8	78.2	57.9	63.8
Sovereign net foreign assets (% GDP)	-12.8	-16.2	0.6	-13.2	-2.8	-29.7
Ext. interest service ratio (% CXR)	4.9	3.2	4.6	4.5	2.4	4.1
Ext. debt service ratio (% CXR)	11.5	11.5	12.9	13.7	4.1	15.8
Foreign exchange reserves (months of CXP)	4.3	4.0	4.1	4.9	4.9	3.1
Liquidity ratio (latest)[e]	189.1	171.9	153.2	123.2	97.3	63.6
Share of currency in global reserves (%)	0	n.a.	n.a.	0	0	0
Commodity export dependence (% CXR, latest)	75.7	31.4	19.2	28.5	59.9	13.2
Sovereign net foreign currency debt (% GDP)	9.0	15.3	-1.7	13.2	2.4	21.6
Public finances[f]						
Budget balance (% GDP)	-4.7	-4.3	-3.2	-8.3	-4.4	-4.7
Primary balance (% GDP)	-2.8	-1.7	-0.4	-4.8	-3.2	0.5
Gross debt (% revenue)	223.3	224.4	184.0	257.1	341.2	549.2
Gross debt (% GDP)	44.0	55.6	50.9	54.4	19.4	77.2
Net debt (% GDP)	39.6	50.0	44.5	50.0	14.3	76.6
Foreign currency debt (% total debt)	51.7	64.3	50.4	45.4	20.4	38.8
Interest payments (% revenue)	9.5	9.6	9.5	16.5	20.3	37.3
Revenues and grants (% GDP)	19.7	24.4	29.4	21.2	5.7	14.0
Volatility of revenues/GDP ratio	9.6	7.2	4.8	3.7	39.2	11.0
Central govt. debt maturities (% GDP)	4.4	5.6	5.6	5.9	3.9	17.4

[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

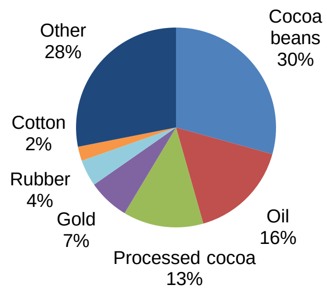
Cocoa: Record Production, Fall in Prices



Source: ICCO, Fitch

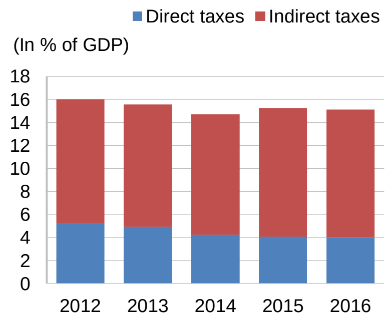
Exports Dependent on Agricultural Commodities

2014-2016



Source: BCEAO, FItch

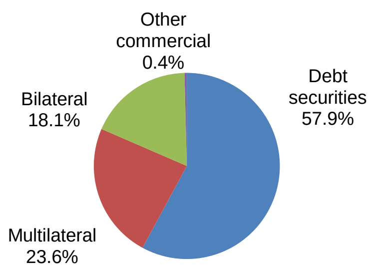
Little Improvement in Tax Revenues



Source: Authorities, IMF, Fitch

External Public Debt by Type of Creditor

At end-June 2017



Source: Authorities, Fitch

Key Credit Developments

Heightened Security Risks to Persist

Security risks have increased in 2017, with Cote d'Ivoire witnessing several attacks on army bases and police stations, and two mutinies by former rebels and military demanding the payment of allegedly promised bonuses. The accommodation of mutineers' demands has staved off a crisis, but raised worries of similar uprisings by other groups seeking pay-outs and of a potential loosening of the government's control over the armed forces.

Incomplete integration of former rebels within the army, imperfect disarmament, partial national reconciliation and persistent regional rifts pose continued risks to stability. These risks are mitigated by the progress achieved towards political normalisation. Relative calm has prevailed since the end of a ten-year civil war in 2011, paving the way to a withdrawal of the UNOCI peacekeeping mission in June 2017. The institutional framework has been consolidated and a new constitution was approved by referendum. Presidential and legislative elections were also held peacefully in 2015 and 2016.

We expect policy continuity to prevail in the run-up to the 2020 presidential elections, but heightened security and political tensions could slow the pace of reforms. The question of the succession to President Ouattara has come early to the fore, causing deepening political divisions. The unity of the ruling RHDP coalition is waning and the probability of several candidates emerging from its ranks is growing, as rivalries intensify between and within its member parties (RDR and PDCI). The government reshuffle in July has consolidated the power of President Ouattara's allies and reassured their ability to implement their reform agenda.

Cocoa Prices Fall and Mutinies Delay Fiscal Consolidation

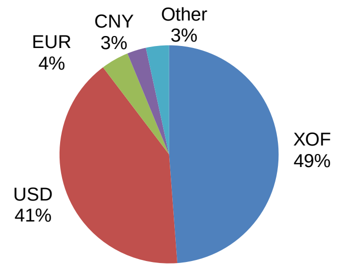
We forecast the budget deficit to widen to 4.7% of GDP, from 4% in 2016. This compares to a current government forecast of 4.5%, up from the budget target of 3.7%. Budget consolidation was stymied by pay-outs to mutineers, the fall in cocoa prices and the reduction of the fuel tax. These developments will cost the budget XOF440 billion (1.9% of GDP), to be partially offset by a XOF178 billion (0.8% of GDP) cut in investment spending from the initially budgeted level.

The collapse in cocoa prices will constrain the authorities' fiscal space over the medium term. Revenues derived from the sector (9% of initially budgeted revenues in 2017) will decline, as the 5% registration tax was suspended and the 14.6% single export duty will yield less income. The loss will be limited to 0.5% of GDP in 2017 due to the offsetting impact of a record crop owed to favourable weather, forward sales above spot prices until end-March and a 36% cut in the guaranteed farm-gate price from April. Cocoa revenues will be further eroded in 2018, as sale prices will be lower for the full year and will feed through to the sector's profits and domestic demand, while production might decrease.

On the expenditure side, lower cocoa prices might increase pressure for higher social spending, by reducing the purchasing power of one-third of the population, while 42% of cocoa farmers live under the national poverty line (IFC 2016). The government's budget headroom to support the sector has been reduced by the reported rundown of the two earmarked stabilisation funds. A negative weather shock would aggravate these risks, as cocoa farming is a rain-fed activity.

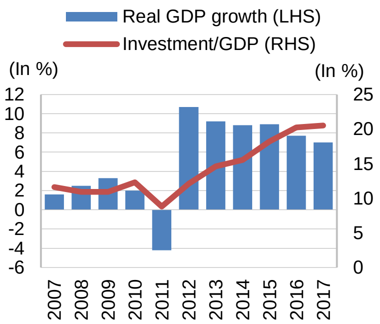
Reaching the government's deficit target of 3% in 2019, in line with the WAEMU convergence norm, requires a significant additional adjustment. The government's two-pillar consolidation strategy relies on containing spending growth by freezing current outlays and the wage bill in nominal terms, while enhancing revenue mobilisation. It does not envisage significant increases in tax rates but targets an improvement in collection by pursuing PFM reforms, phasing out inefficient tax exemptions identified through the audit of the Investment Code, which is expected to be concluded in August, and closing tax loopholes.

Currency Composition of Public Debt
At end-June 2017



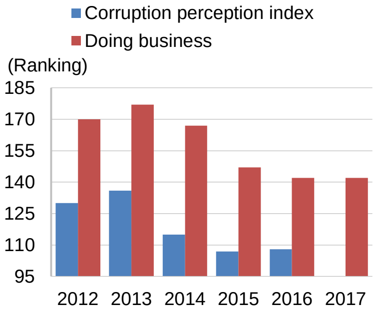
Source: Authorities, Ftich

Strong Growth Lifted by Investment



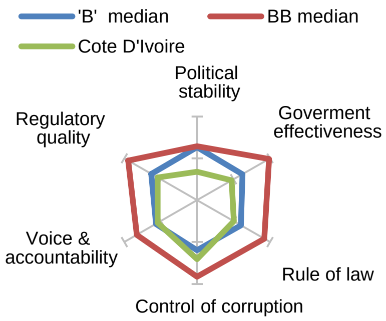
Source: BCEAO, IMF, Fitch

Steady Improvement in the Business Climate



Source: Transparency International, World Bank, Fitch

Governance Indicators
Percentile ranks



Source: World Bank, Fitch

We forecast the deficit to decrease more slowly, to 3.8% by 2019. At 8.4% in 2018-2019, the government growth forecasts seem ambitious (see below). Freezing current outlays will be challenging in the run-up to the 2020 elections and given recently enacted social reforms (mandatory schooling and universal health coverage) that could lead to cost over-runs. Further concessions to unions could also increase current spending. The risk is illustrated by the government's recent decision to recognise arrears to civil servants claimed by their unions worth 1.1% of GDP (to be paid over eight years from 2018). Finally, revenue mobilisation efforts could yield less income than envisaged by the government. Despite persistent earlier efforts in this direction, the tax revenues-to-GDP ratio has been stable over the last five years.

SoEs, PPPs and Banks Sources of Moderate Contingent Liabilities

Fitch expects government debt to rise to 44 % of GDP at end-2017, still well below the 'B' category median of 56%. Above-target deficits will not undermine the sovereign's financing flexibility, which is supported by moderate financing needs, continued support from bilateral and multilateral creditors, compliance with the IMF programme milestones and improved PFM. Recent issuance on the international and regional markets have smoothened the debt repayment profile, but the increasing recourse to non-concessional and foreign-currency financing has increased debt service costs and the sovereign's exposure to exchange rate risk.

The debt of SoEs is low, at 3.2% of GDP based on official figures. However, the ongoing restructuring and weak profitability of several SoEs in the energy (SIR, PETROCI), transport (SOTRA) and banking sectors (CNCE) could require transfers from the government. The clearance of arrears in the electricity sector of 1.1% of GDP due to the drop in the bill settlement rate by domestic and external customers could also weigh on the budget. Moreover, the collapse in prices has shed light on the structural weaknesses of the cocoa marketing system, with poor contract enforcement reflected in defaults by exporters on forward contracts and low transparency. These shortcomings could also generate costs for the sovereign.

Furthermore, the country's large portfolio of PPPs could give rise to transfers to contractors to cover shortfalls against guaranteed income, as is currently the case for the Henri Konan Bédié bridge in Abidjan (with annual payments close to XOF12 billion). The portfolio of PPPs is poised to expand further with the execution of the 2016-2020 XOF30 trillion National Development Plan (PND), 62% of which is privately financed, mainly through PPPs. The government is currently in the process of creating an inventory of its PPP commitments and its associated risks for the budget.

Risks arising from the banking sector are also moderate. The sector's capital adequacy ratio is only at the minimum regulatory level of 8%. The gradual phasing-in of the Basel II framework decided by the regional regulators will require significant bolstering of equity to reach the new minimum of 11.5% in 2022. Non-performing loans are declining but still elevated, at 10.3% at-end June 2017 and risks are aggravated by the concentration of the loan portfolio. These weaknesses are mitigated by the sector's moderate size and high foreign ownership.

Growth to Lose Some Steam

GDP will expand by an average 6.9% in 2017-2018, down from 9.1% in 2012-2016 but still strong relative to rating peers. The slowdown reflects the waning of the rebound effect that followed the end of the civil war in 2011 and the pass-through of lower cocoa prices to domestic demand. Public investment will be boosted by the PND and private investment will be stimulated by the improvements in the business climate and infrastructure. Exports will benefit from the increased diversification of industry and agriculture and higher mining output.

The current account deficit will widen, averaging 3.5% of GDP in 2017-2019 (0.2% in 2012-2016) due to the fall in cocoa prices (40% of exports in 2014-2016) and growth in import-intensive investment. The risks to external financing are moderate due to the below-median level of external debt (41% of GDP against 49%), sustained FDI inflows and the WAEMU's stable reserve coverage (foreign exchange reserves being pooled at the regional level).

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

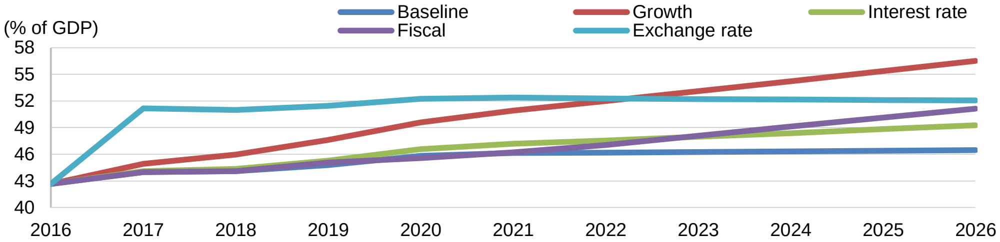
Under our baseline scenario, general government debt will grow slowly, reaching 44.8% of GDP in 2019. The risks of fiscal slippages in the run-up to the 2020 elections are high. The exchange rate risk is significant, as more than half of the debt stock at end-June 2017 was in foreign currencies. The main risk to debt sustainability stems from the growth trajectory.

Debt Dynamics: Fitch's Baseline Assumptions

	2016	2017	2018	2019	2020	2021	2026
Gross general government debt (% GDP)	42.7	44	44.1	44.8	45.8	46.1	46.5
Primary balance (% of GDP)	-2.3	-2.8	-2.2	-1.7	-2.5	-1.7	-1.0
Real GDP growth (%)	7.7	7.0	6.8	6.5	6.3	6.0	5.0
Avg. nominal effective interest rate (%)	4.5	4.5	4.7	4.8	4.8	4.9	5.0
XOF/USD (annual avg.)	593	616	610	610	610	610	610
GDP deflator (%)	1.4	2.5	2.0	2.0	2.0	2.0	2.0

Sensitivity Analysis

Gross general government debt



Source: Fitch Debt Dynamics Model

Debt Sensitivity Analysis: Fitch's Scenario Assumptions

Growth	GDP growth 2.% lower (half standard deviation lower)
Interest rate	Marginal interest rate 100bp higher
Fiscal	Primary balance stable at -2% starting 2019
Exchange rate	30% devaluation at end-2017

Forecast Summary

	2013	2014	2015	2016	2017f	2018f	2019f
Macroeconomic indicators and policy							
Real GDP growth (%)	9.2	8.8	8.9	7.7	7.0	6.8	6.5
Unemployment (%)	9.4	9.4	9.3	9.3	9.3	9.3	9.3
Consumer prices (annual average % change)	2.6	0.5	1.2	0.7	1.5	2.0	2.0
Short-term interest rate (bank policy annual avg.) (%)	2.5	2.5	2.5	2.5	2.5	2.5	2.5
General government balance (% of GDP)	-2.2	-2.2	-2.9	-4.0	-4.7	-4.4	-3.8
General government debt (% of GDP)	34.8	36.9	40.9	42.7	44.0	44.1	44.8
XOF per USD (annual average)	494.04	512.04	591.45	593.01	616.17	610.04	610.04
Real effective exchange rate (2000 = 100)	117.1	118.2	113.1	113.4	112.3	112.3	112.3
Real private sector credit growth (%)	19.7	19.6	27.3	11.8	8.1	6.8	6.5
External finance							
Current account balance (% of GDP)	-2.0	1.4	-0.6	-1.1	-4.0	-3.2	-3.2
Current account balance plus net FDI (% of GDP)	-0.7	2.6	0.9	0.6	-2.2	-1.7	-1.2
Net external debt (% of GDP)	-36.4	-28.8	-24.6	-27.4	-21.9	-18.0	-13.3
Net external debt (% of CXR)	-83.9	-67.9	-60.5	-77.7	-63.4	-52.6	-38.6
Official international reserves including gold (USDbn)	4.1	4.8	4.8	5.2	5.2	5.5	5.3
Official international reserves (months of CXP cover)	3.4	4.1	4.3	4.8	4.3	4.2	3.7
External interest service (% of CXR)	3.7	3.7	4.3	4.8	4.9	4.8	4.6
Gross external financing requirement (% int. reserves)	30.5	9.2	20.3	24.5	45.6	41.6	41.4
Real GDP growth (%)							
US	1.7	2.4	2.6	1.6	2.2	2.5	2.2
China	7.8	7.3	6.9	6.7	6.7	6.3	6.1
Eurozone	-0.3	1.2	2.0	1.8	2.0	1.8	1.4
World	2.6	2.8	2.7	2.5	2.9	3.1	3.0
Oil (USD/barrel)	108.8	98.9	53.0	45.1	52.5	55.0	60.0

Source: Fitch

Fiscal Accounts Summary

(% of GDP)	2014	2015	2016	2017f	2018f	2019f
General government						
Revenue	**18.8**	**20.2**	**19.8**	**19.7**	**19.9**	**20.2**
Expenditure	**21.0**	**23.1**	**23.7**	**24.4**	**24.3**	**24.1**
O/w interest payments	1.2	1.5	1.7	1.9	2.1	2.1
Primary balance	-0.9	-1.3	-2.3	-2.8	-2.2	-1.7
Overall balance	**-2.2**	**-2.9**	**-4.0**	**-4.7**	**-4.4**	**-3.8**
General government debt[a]	**36.9**	**40.9**	**42.7**	**44.0**	**44.1**	**44.8**
% of general government revenue	195.9	202.1	216.0	223.3	221.3	221.6
Central government deposits	3.2	4.5	4.7	4.4	5.2	3.5
Net general government debt	33.6	36.4	37.9	39.6	39.0	41.4
Central government						
Revenue	**18.8**	**20.2**	**19.8**	**19.7**	**19.9**	**20.2**
O/w grants	1.7	1.5	1.4	1.5	1.6	1.6
Expenditure and net lending	**21.0**	**23.1**	**23.7**	**24.4**	**24.3**	**24.1**
O/w current expenditure and transfers	15.3	16.6	17.1	17.2	16.9	16.5
- Interest	1.2	1.5	1.7	1.9	2.1	2.1
O/w capital expenditure	5.7	6.4	6.7	7.2	7.4	7.6
Current balance	3.5	3.6	2.7	2.5	3.1	3.8
Primary balance	-0.9	-1.3	-2.3	-2.8	-2.2	-1.7
Overall balance	**-2.2**	**-2.9**	**-4.0**	**-4.7**	**-4.4**	**-3.8**
Central government debt	36.9	40.9	42.7	44.0	44.1	44.8
% of central government revenues	195.9	202.1	216.0	223.3	221.3	221.6
Central government debt (XOFbn)	**6,451.7**	**7,914.8**	**9,023.2**	**10,199.8**	**11,153.0**	**12,305.4**
By residency of holder						
Domestic	3,143.0	3,425.7	4,049.1	3,966.9	4,099.9	4,249.8
Foreign	3,308.7	4,489.1	4,974.2	6,232.9	7,053.1	8,055.6
By currency denomination						
Local currency	3,792.0	4,200.9	4,809.4	4,977.5	4,940.0	5,565.3
Foreign currency	2,659.7	3,713.9	4,213.9	5,222.3	6,213.0	6,740.0
In USD equivalent (eop exchange rate)	4.9	6.2	6.8	8.6	10.2	11.0
Average maturity (years)	6.7	6.7	6.6	6.7	6.7	6.7
Memo						
Nominal GDP (XOFbn)	17,488.6	19,363.0	21,145.9	23,191.8	25,264.2	27,444.5

[a] Excluding Contrat de Désendettement et de Développement (C2D) debt, which is expected to amount to 4.8% of GDP at end-2017
Source: Ministry of Finance and Fitch estimates and forecasts

External Debt and Assets

(USDbn)	2012	2013	2014	2015	2016	2017
Gross external debt	**6.7**	**9.1**	**12.0**	**12.9**	**13.0**	**15.5**
% of GDP	24.8	29.1	35.2	39.4	36.5	41.3
% of CXR	49.2	67.0	83.1	96.9	103.5	119.3
By maturity						
Medium- and long-term	5.5	7.5	9.9	10.6	10.7	12.8
Short -term	1.2	1.6	2.1	2.3	2.3	2.8
% of total debt	17.8	17.8	17.8	17.8	17.8	17.8
By debtor						
Sovereign	**4.8**	**5.5**	**6.1**	**7.5**	**8.0**	**10.2**
Monetary authorities	1.3	1.5	1.6	1.8	2.8	2.7
General government	3.5	4.0	4.5	5.7	5.2	7.5
O/w central government	4.8	5.5	6.1	7.5	8.0	10.2
Banks	**0.8**	**0.8**	**1.0**	**1.1**	**1.4**	**1.5**
Other sectors	**1.1**	**2.8**	**4.9**	**4.3**	**3.6**	**3.8**
Gross external assets (non-equity)	**18.1**	**20.5**	**21.9**	**20.9**	**22.8**	**23.8**
International reserves, incl. gold	3.8	4.1	4.8	4.8	5.2	5.2
Other sovereign assets	0.0	0.0	0.0	0.0	0.0	0.0
Deposit money banks' foreign assets	1.3	1.4	1.4	1.4	2.0	2.1
Other sector foreign assets	12.9	14.9	15.5	14.5	15.4	16.3
Net external debt	**-11.4**	**-11.4**	**-9.8**	**-8.1**	**-9.8**	**-8.2**
% of GDP	-42.0	-36.4	-28.8	-24.6	-27.4	-21.9
Net sovereign external debt	0.9	1.3	1.2	2.5	2.6	4.8
Net bank external debt	-0.5	-0.5	-0.4	-0.3	-0.6	-0.6
Net other external debt	-11.7	-12.1	-10.6	-10.2	-11.8	-12.5
Net international investment position	**1.5**	**1.3**	**2.7**	**2.3**	**4.0**	**1.5**
% of GDP	5.4	4.2	7.9	6.9	11.1	4.1
Sovereign net foreign assets	**-0.9**	**-1.3**	**-1.2**	**-2.5**	**-2.6**	**-4.8**
% of GDP	-3.3	-4.0	-3.5	-7.5	-7.3	-12.8
Debt service (principal & interest)	**1.2**	**1.0**	**1.4**	**1.3**	**1.4**	**1.5**
Debt service (% of CXR)	8.5	7.6	9.7	10.0	11.0	11.5
Interest (% of CXR)	4.4	3.7	3.7	4.3	4.8	4.9
Liquidity ratio (%)	150.1	229.5	179.8	178.9	170.4	189.1
Net sovereign FX debt (% of GDP)	3.7	4.5	0.5	4.1	4.4	9.0
Memo						
Nominal GDP	27.1	31.3	34.2	32.7	35.7	37.6
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-June 2017[a]

(USDm)	2016	2017	2018	2019	2020	2021	2022+
Sovereign: Total debt service	**n.a.**	**934**	**1,110**	**1,134**	**1,201**	**663**	**7,186**
Amortisation	**n.a.**	594	694	736	797	406	5,842
Official bilateral	**n.a.**	350	355	395	366	36	1,189
Multilateral	**n.a.**	147	189	205	225	232	927
O/w IMF	**n.a.**	107	138	142	143	164	333
Other	**n.a.**	9	48	9	79	9	0
Bonds placed in foreign markets	**n.a.**	88	102	128	128	128	3,726
Interest	**n.a.**	335	414	396	403	258	1,344
Non-sovereign public sector	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

[a] Excluding payments due on the 2025 and 2033 Eurobonds that were issued on 15 June 2017
Source: Ministry of Finance, Central Bank and Fitch

Balance of Payments

(USDbn)	2014	2015	2016	2017f	2018f	2019f
Current account balance	**0.5**	**-0.2**	**-0.4**	**-1.5**	**-1.3**	**-1.4**
% of GDP	1.4	-0.6	-1.1	-4.0	-3.2	-3.2
% of CXR	3.4	-1.5	-3.2	-11.6	-9.4	-9.2
Trade balance	**3.7**	**3.2**	**3.3**	**2.4**	**2.9**	**3.1**
Exports, fob	12.5	11.7	10.6	10.7	11.7	12.8
Imports, fob	8.8	8.6	7.3	8.3	8.8	9.7
Services, net	**-2.1**	**-2.0**	**-2.4**	**-2.6**	**-2.9**	**-3.2**
Services, credit	1.1	0.8	1.0	1.1	1.2	1.3
Services, debit	3.2	2.8	3.4	3.8	4.1	4.5
Income, net	**-0.9**	**-1.0**	**-1.0**	**-1.1**	**-1.2**	**-1.3**
Income, credit	0.3	0.2	0.3	0.3	0.3	0.2
Income, debit	1.2	1.2	1.3	1.4	1.5	1.6
O/w: Interest payments	0.5	0.6	0.6	0.6	0.7	0.7
Current transfers, net	**-0.3**	**-0.3**	**-0.3**	**-0.1**	**-0.1**	**-0.1**
Capital and financial accounts						
Non-debt-creating inflows (net)	0.5	0.6	0.7	0.7	0.7	0.9
O/w equity FDI	0.2	0.4	0.5	0.5	0.5	0.7
O/w portfolio equity	0.0	0.0	0.0	0.0	0.0	0.0
O/w other flows	0.3	0.3	0.2	0.2	0.2	0.2
Change in reserves	0.0	0.0	-0.4	0.0	0.3	-0.2
Gross external financing requirement	0.4	1.0	1.2	2.4	2.2	2.3
Stock of international reserves, incl. gold	4.8	4.8	5.2	5.2	5.5	5.3

Source: IMF and Fitch estimates and forecasts

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