Côte 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

Senior Unsecured

Foreign-Currency Long-Term IDR	B+

Country Ceiling

Country Ceiling	BBB−

Outlooks

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

Financial Data

Cote d'Ivoire

USDbn	2018
GDP	44.3
GDP per head (USD 000)	1.8
Population (m)	24.9
International reserves	8
Net external debt (% GDP)	-17.4
Central government total debt (% GDP)	44.5
CG foreign-currency debt	11
CG domestically issued debt (XOFbn)	3,810.9

Rating Derivation

Component	Outcome
Sovereign Rating Model (SRM)	B
Qualitative Overlay (QO)	+1
Macroeconomic	+1
Structural features	0
Public finances	0
External finances	0
Long-Term Foreign-Currency IDR (SRM + QO)	B+

Source; Fitch

Related Research

Global Economic Outlook (September 2018)

Fitch 2018 Outlook: Sub-Saharan Africa Sovereigns (December 2017)

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Key Rating Drivers

Ratings and Outlook Affirmed: Fitch Ratings has affirmed Côte d'Ivoire's Long-Term Foreign-Currency IDR at 'B+' with a Stable Outlook. The affirmation and Stable Outlook take into consideration favourable prospects for growth and the government's strong commitment to fiscal consolidation and reforms. This is balanced against high political risks, some uncertainty surrounding the transition to a private sector-led growth model and low tax revenue collection.

Economic Growth a Credit Strength: Fitch projects economic activity to remain buoyant with GDP growth averaging 7% per year in 2018-2020, mainly driven by domestic demand supported by the government's 2016-2020 National Development Plan (PND). However, growth will decelerate from 7.8% in 2017 to 6.8% in 2020 as the rebound effect following a decade-long civil conflict fades, the fiscal impulse turns negative and cocoa production stabilises, while private sector activity is constrained by persistent structural impediments.

Policy Continuity but Political Risks: Policy continuity will prevail in the run-up to the 2020 presidential election against the background of steady progress towards political normalisation, in Fitch's view. However, political risks are high given persistent regional divisions and the history of recent civil conflict, as well as exacerbating rivalries among political parties caused by early positioning ahead of the 2020 election. Security risks are illustrated by recurrent sporadic acts of violence in 2017, including two mutinies by former rebels and military seeking payouts.

Declining Public Debt: Fitch expects general government (GG) debt to peak at 44.5% of GDP in 2018 and to decline afterwards as the authorities achieve their target of narrowing the GG deficit to 3.0% of GDP in 2019 from 4.2% in 2017. The agency projects the composition of the consolidation to be less favourable than assumed by the authorities with a slower rise in tax revenues/GDP offset by under-execution of capital spending. Fitch expects the GG deficit to widen to 3.2% of GDP in 2020, reflecting a moderate fiscal slippage ahead of the elections.

Contingent Liabilities from PPPs: The government aims to execute investment projects through public-private partnerships (PPPs) for a total cost of 54% of GDP. Sovereign guarantees of PPP projects will constitute significant contingent liabilities for the state. The government has progressed in addressing the financial weaknesses of state-owned enterprises (SOEs) in the banking, transport and energy sectors through a blend of asset disposal and restructurings.

Rating Sensitivities

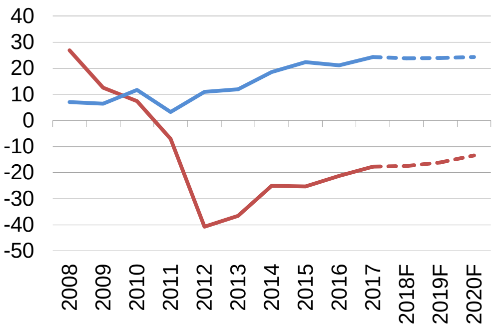
Public Finances: Sustainable improvement in public finances would be ratings positive. Conversely, significant worsening in public debt dynamics could lead to negative rating action.

Political Stability: Evidence of receding political and security risks would be ratings positive. Conversely, deterioration in political stability would be negative for the ratings.

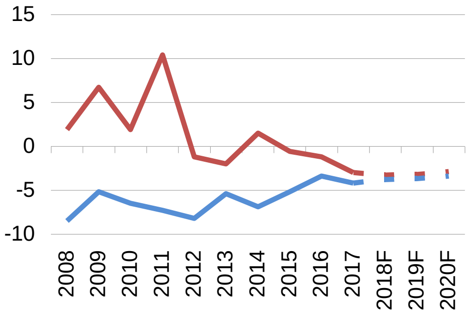
External Finances and Growth: Stronger external finances with a more diversified export base leading to a sustained narrowing of the current account deficit (CAD) could lead to positive rating action. Conversely, a material slowdown of growth resulting from domestic or external shocks would be ratings negative.

Peer Comparison

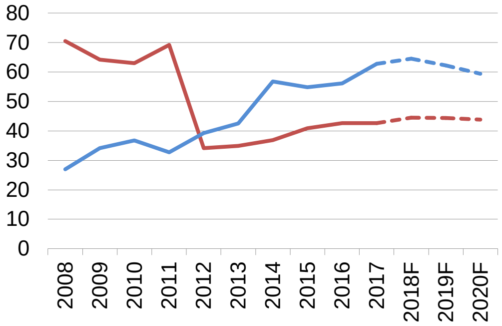
Net External Debt
% of GDP



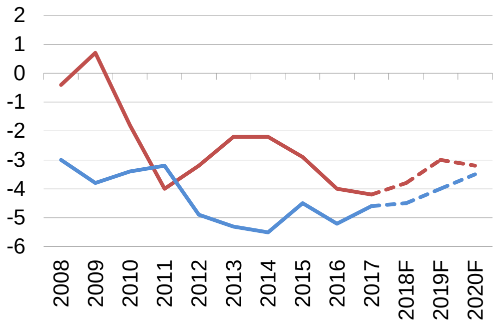
Current Account Balance
% of GDP



General Government Debt
% of GDP

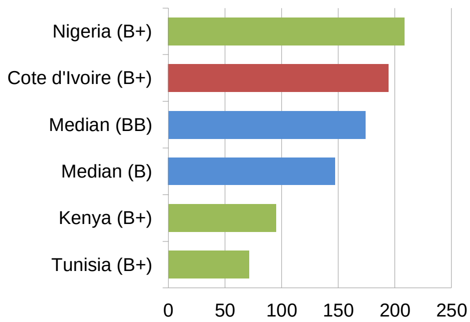


General Government Balance
% of GDP

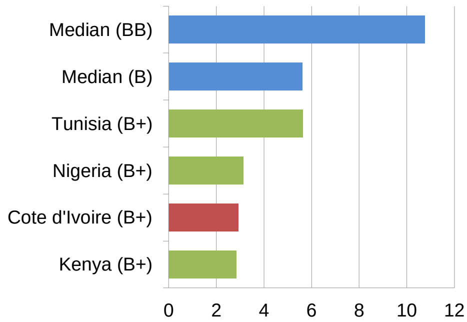


Côte d'Ivoire Median(B)

(International Liquidity Ratio, 2018f)
%



(GDP per capita Income, 2018f)
At market exchange rates, USA = 100



Note: Medians based on data for sovereigns in the respective rating category at the end of each year. Latest ratings are used for the current year and forecast period.

Related Criteria

Sovereign Rating Criteria (July 2018)
Country Ceilings Criteria (July 2018)

Peer Group

Rating	Country
BB−	Bahrain
	Bangladesh
	Bolivia
	Brazil
	Dominican Republic
	Georgia
	Greece
	Seychelles
B+	**Côte d'Ivoire**
	Armenia
	Kenya
	Lesotho
	Maldives
	Nigeria
	Rwanda
	Sri Lanka
	Tunisia
	Uganda
B	Angola
	Argentina
	Belarus
	Cabo Verde
	Cameroon
	Egypt
	Ethiopia
	Gabon
	Ghana
	Jamaica
	Mongolia
	Nicaragua
	Pakistan

Rating History

Date	Long-term foreign currency	Long-term local currency
Dec 15	B+	B+
Jul 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 7% in 2018-2020, is currently among the fastest in the universe of Fitch-rated sovereigns and well above the 'B' category median.
- Côte d'Ivoire is the top producer of cocoa, with around 40% of total world production. The country also has diversified agriculture and mining resources which, along with its position as a regional hub, support its attractiveness for FDI.
- The CAD is moderate despite large capital import needs, reflecting a long-standing trade surplus underpinned by agricultural exports.
- Good relations with the international community since 2012 have guaranteed continued support from official creditors, including debt relief, concessional loans and grants.
- The country has benefitted from a stable currency and moderate inflation, reflecting its membership in the West African Economic and Monetary Union (WAEMU).

Weaknesses

- Deep political and regional divisions have led to recurrent violent conflicts, including post-election strife in 2011. Although stability has prevailed since then, political and security risks linger.
- Côte d'Ivoire's ratings are constrained by two defaults on external commercial debt due to political crisis in 1999 and 2011.
- Commodity dependence is 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.
- Risks for the budget arise from the large and expanding portfolio of public-private partnerships or the weak balance sheets of some SOEs (banking, oil refining, transport).
- Governance, development and "doing business" indicators, remain weak. Although nominal GDP has more than doubled over the last ten years, high poverty rates have declined little, contributing to social tensions.
- The banking sector's credit fundamentals are generally weaker than current 'B' medians and will somewhat improve with the gradual rollout of the Basel II/III regulatory framework.

Local Currency Rating

Côte d'Ivoire is a member of WAEMU, a monetary union comprising eight African countries. 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

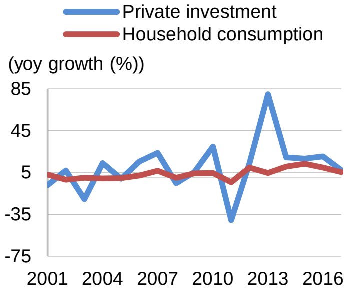
Fitch has affirmed the Country Ceiling of Côte d'Ivoire at 'BBB−' in line with its revised Country Ceiling criteria. Côte d'Ivoire's Country Ceiling is four notches above its Long-Term Foreign-Currency IDR, balancing the strength of support provided by France under the monetary arrangement with WAEMU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

Strengths and Weaknesses: Comparative Analysis

(2018)	Côte d'Ivoire B+	B median[a]	BB median[a]	Kenya B+	Nigeria B+	Tunisia B+
Macroeconomic performance and policies						
Real GDP (5yr average % change)	8.2	4.7	4.2	5.5	2.1	1.7
Volatility of GDP (10yr rolling SD)	4.5	2.8	2.5	1.3	3.1	1.7
Consumer prices (5yr average)	1.0	8.5	5.7	6.5	12.6	5.2
Volatility of CPI (10yr rolling SD)	1.3	4.9	3.5	2.9	2.9	1.2
Unemployment rate (%)	9.3	8.7	9.2	11.5	15.0	15.0
Type of exchange rate regime	Conventional Peg	n.a.	n.a.	Stabilised arrangement	Other managed	Floating
Dollarisation ratio (% of bank deposits)	-	32.0	39.4	14.8	24.3	-
REER volatility (10yr rolling SD)	3.6	6.9	6.8	5.2	7.4	3.4
Structural features						
GDP per capita (USD, mkt exchange rates)	1,781	3,485	6,894	1,772	1,958	3,504
GNI per capita (PPP, USD, latest)	3,590	8,220	14,310	3,130	5,740	11,150
GDP (USDbn)	44.3	n.a.	n.a.	85.5	384.2	40.9
Human development index (percentile, latest)	9.0	40.6	52.0	22.4	19.2	48.1
Governance indicator (percentile, latest)[b]	29.3	37.8	43.7	30.7	16.8	43.0
Broad money (% GDP)	36.5	37.7	47.1	37.4	18.0	71.7
Default record (year cured)[c]	2012	n.a.	n.a.	2004	2005	-
Ease of doing business (percentile, latest)	27.0	38.9	51.4	58.3	23.9	54.0
Trade openness (avg. of CXR + CXP % GDP)	32.5	40.0	47.2	22.4	20.2	56.2
Gross domestic savings (% GDP)	21.4	15.3	17.5	10.7	-72.0	6.9
Gross domestic investment (% GDP)	21.0	22.5	21.9	21.0	12.1	20.1
Private credit (% GDP)	24.9	24.1	35.1	29.5	15.6	86.8
Bank systemic risk indicators[d]	-/2*	n.a.	n.a.	- /1	b/1	- /1
Bank system capital ratio (% assets)	-	15.2	15.5	18.4	10.0	-
Foreign bank ownership (% assets)	60	36.8	35.4	30.7	11.8	-
Public bank ownership (% assets)	10	18.3	16.3	4.6	10.0	-
External finances						
Current account balance + net FDI (% GDP)	-1.8	-1.2	0.8	-6.5	4.1	-7.5
Current account balance (% GDP)	-3.3	-4.2	-2.6	-6.9	3.3	-10.0
Net external debt (% GDP)	-17.4	15.0	9.6	34.4	-21.3	70.7
Gross external debt (% CXR)	134.1	131.5	113.4	235.1	60.0	172.4
Gross sovereign external debt (% GXD)	68.2	62.0	47.3	67.5	30.3	66.3
Sovereign net foreign assets (% GDP)	-10.2	-13.2	-2.8	-20.9	13.3	-45.5
Ext. interest service ratio (% CXR)	4.9	3.7	3.9	7.6	1.9	2.8
Ext. debt service ratio (% CXR)	10.9	11.9	13.4	25.7	4.1	9.5
Foreign exchange reserves (months of CXP)	6.3	3.9	4.4	4.0	8.6	2.5
Liquidity ratio (latest)[e]	194.3	174.0	154.2	95.0	208.6	71.3
Share of currency in global reserves (%)	0	n.a.	n.a.	0	0	0
Commodity export dependence (% CXR, latest)	67.6	33.6	21.7	23.6	63.7	17.2
Sovereign net foreign currency debt (% GDP)	6.6	13.9	2.3	20.2	-9.5	38.7
Public finances[f]						
Budget balance (% GDP)	-3.8	-3.7	-2.7	-7.8	-4.3	-5.9
Primary balance (% GDP)	-2.1	-1.1	-0.3	-4.1	-2.9	-3.3
Gross debt (% revenue)	230.6	204.7	155.3	302.2	309.4	204.8
Gross debt (% GDP)	44.5	46.3	39.0	60.1	20.9	73.8
Net debt (% GDP)	39.7	39.9	32.8	56.1	16.5	72.8
Foreign currency debt (% total debt)	55.6	67.8	61.4	47.9	27.5	72.3
Interest payments (% revenue)	8.9	8.7	9.4	18.2	20.6	10.6
Revenues and grants (% GDP)	19.3	23.7	24.7	19.9	6.8	36.0
Volatility of revenues/GDP ratio	9.3	9.1	6.2	2.6	38.5	4.0
Central Govt. debt maturities (% GDP)	4.0	5.5	5.1	5.9	3.7	4.6

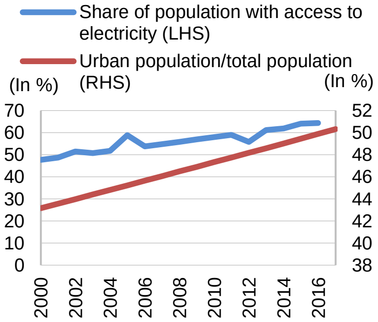
[a] Medians based on actual data since 2000 (excl. forecasts) for all sovereign-year observations where the sovereign was in the respective rating category at year-end. Three-year centred averages are used for the more dynamic variables (e.g. current account and fiscal balance)
[b] Composite of six World 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] Côte 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

The Catch-Up Effect is Tapering Off



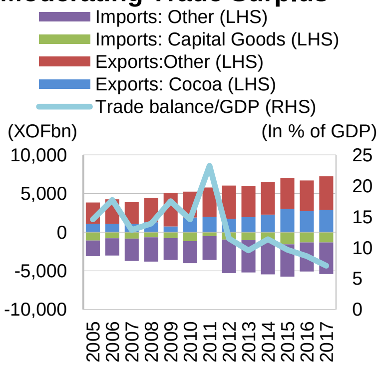
Source: World Bank, National Authorities, Fitch

Sustained Urbanisation, Improving Infrastructure



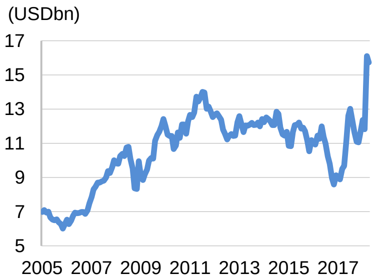
Source: World Bank, Fitch

Moderating Trade Surplus



Source: BCEAO, Fitch

WAEMU FX Reserves Boosted by Eurobond Issuances



Source: IMF, Fitch

Key Credit Developments

Robust GDP Growth, but Private Sector Contribution Moderating

Côte d'Ivoire is currently experiencing one of the longest expansion cycles of its recent history. Real growth has averaged 9% per year over 2012-2017, supported by the rebound following a decade-long civil conflict and the execution of the government's National Development Plan (PND). The country will continue to boast buoyant growth rates, with real GDP expanding by an average of 7% over 2018-2020. However, Fitch expects growth to decelerate moderately from 7.8% in 2017 to 6.8% in 2020 as the rebound effect tapers off, the fiscal impulse turns negative in 2018 and cocoa production stabilises at around 2 million tonnes per year due to government efforts to cap production and improve the state of plantations.

Economic activity will be driven by domestic demand underpinned by strong investment under the 2016-2020 PND, employment gains and sustained urbanisation. Major construction projects are ongoing or about to be launched in the transport and energy sectors, including the extension of the port and airport of Abidjan, the EUR1.4 billion metro for Abidjan, and railway and highway connections to neighbouring countries. These projects will reduce infrastructure bottlenecks and reinforce Côte d'Ivoire's position as a regional hub.

Recent reforms, including the creation of a commercial court and digitalisation of tax payments, have contributed to an improvement in the business climate and are helping to attract investments in mining and light industries. Nonetheless, the growth in private sector activity has slowed recently, possibly pointing to the impact of persistent structural impediments, including infrastructure congestion, barriers to competition and the complexity of the tax system.

The CAD will widen to average 3.1% of GDP in 2018-2020 from 1.1% over the previous five years. Exports will benefit from expanding industrial capacities and the increased diversification of agriculture, but the structural trade surplus will be reduced by the drop in cocoa prices, the rise in oil prices and steady growth in import-intensive investment. Steady annual FDI of 1.5% of GDP will finance half the CAD, while the rest of external financing needs will be covered through external sovereign borrowing. Côte d'Ivoire has a net external creditor position of 18% of GDP at end-2017, which will be eroded by rising external borrowing and a drop in external assets due to efforts by the regional central bank to increase the repatriation of FX earnings.

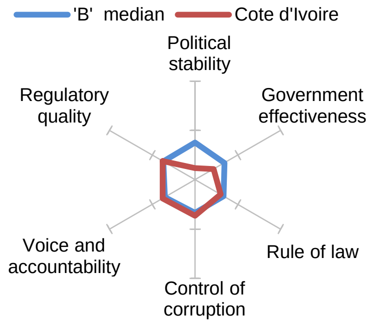
Policy Continuity Beyond 2020 Source of Uncertainty

Significant progress has been achieved towards political normalisation following the end of the post-electoral strife in 2011. Presidential, legislative and senatorial elections were peacefully held in 2015, 2016 and 2018, respectively, a constitutional reform was enacted in 2016 and the United Nations Operation in Côte d'Ivoire (UNOCI) peacekeeping mission withdrew from the country in June 2017, reflecting a return to relative stability. Progress towards national reconciliation is illustrated by a recent presidential pardon of 800 people convicted of political violence, including some opposition leaders. The government is also pressing ahead with the reform of the military, which should reduce the security risks arising from the incomplete integration of former rebels within the army.

Nonetheless, political and social tensions remain significant given persistent regional divisions and the history of recent civil conflict. Disagreements between the president's RDR party and its main coalition partner PDCI over a possible common candidacy to the presidential election and a merger into a single party have prompted a withdrawal of PDCI from the alliance in September. Additional tensions emanate from frictions between the government on one side and the opposition and PDCI on the other regarding the reform of the independent electoral commission. Security risks are illustrated by recurrent sporadic acts of violence in 2017, including two mutinies by former rebels and military seeking pay-outs.

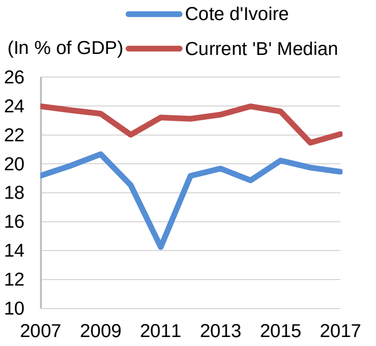
Fitch assumes policy continuity and stability will prevail in the run-up to the 2020 presidential elections. The fallout between the ruling coalition members will not affect policy making, in the

Governance Indicators
Percentile rank



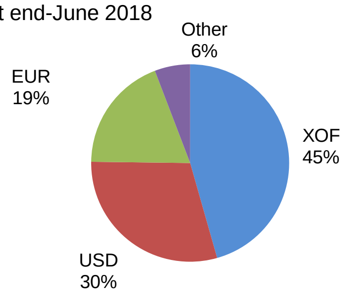
Source: World Bank

GG Revenues Are Yet to Rise



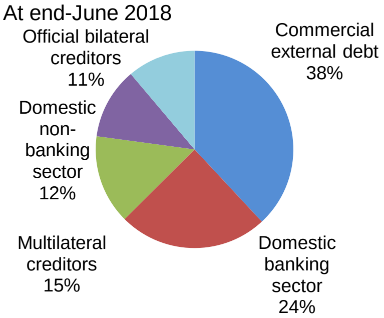
Source: National Government, Fitch Ratings

Cote d'Ivoire: Currency Composition of GG Debt
At end-June 2018



Source: Ministry of Finance

Cote d'Ivoire: GG Debt by Creditor
At end-June 2018



Source: Ministry of Finance, Fitch

agency's view. However, elevated political tensions raise downside risks for the outlook and there is significant uncertainty regarding the policy agenda after the 2020 election.

Addressing Weak Revenue Mobilisation is Key for Fiscal Consolidation

The authorities target a narrowing of the budget deficit from 4.2% in 2017 to 3.75% of GDP in 2018 and further to 3% in 2019. They aim to contain operational spending and reduce the wage bill by replacing only one in two retiring civil servants, except in the education and health sectors. They also foresee an increase in tax revenues, as they are strengthening collection procedures, improving tax coverage of the informal sector and closing tax loopholes. Some indirect and excise taxes have been recently raised, a cashew nut registration tax was created in 2018 and the registration tax on cocoa exports will be re-established in October.

Fitch forecasts the GG deficit will narrow to 3% of GDP in 2019, but expects the composition of the consolidation to be less favourable than assumed by the government. The agency foresees a slower rise in tax revenues/GDP and expects the authorities will offset the shortfall in revenues by under-executing capital spending. Domestic revenue mobilisation compares unfavourably to the 'B' median, constraining available fiscal space and reflecting the large size of the informal economy, losses of administrative capacities during the civil conflict and the complexity and large number of existing tax exemptions. Fitch does not expect the upcoming revision of the Investment Code to lead to significant additional revenues.

The GG deficit will rise to 3.2% of GDP in 2020, owing to a moderate fiscal slippage ahead of the 2020 election, under the agency's forecasts. Downside risks for the outlook arise from rising oil prices against the background of incomplete adjustment of domestic fuel prices and pressures on spending due to social tensions. The latter are illustrated by the private sector's opposition to tax measures worth 0.3% of GDP included in the 2018 budget bill, which led to their watering down by the government.

GG debt will peak at 44.5% of GDP in 2018 and gradually decline thereafter, based on Fitch's forecasts. Tight regional liquidity conditions have led Côte d'Ivoire to increase its recourse to international markets. Recent Eurobond issuances have lengthened the debt maturity profile but have prompted an uptick in the share of FX debt in total debt, which the agency expects will be 58% in 2018, up from 47% in 2015. It will also result in a rise in the interest/revenues ratio from 7.6% in 2015 to 9% in 2018 and further to 12% in 2020. The sovereign's exposure to exchange rate risk is mitigated by the recent hedging of the bulk of the service for the outstanding USD-denominated Eurobonds until 2022 and the peg of the CFA franc to the euro.

Moderate SOE Debt; Contingent Liabilities From PPPs

The government has progressed in addressing the financial weaknesses of SOEs in the banking, transport and energy sectors through a blend of asset disposal and restructurings. SOE debt is moderate, at 4.2% of GDP, according to the IMF. Government-guaranteed SOE debt of 0.2% of GDP will rise as a result of an upcoming 1.5% of GDP loan, which will be contracted by the national refinery SIR to finance its restructuring and a 1.1% of GDP loan by CIE-Energy to clear arrears to independent power producers. Government arrears in the electricity sector have been cleared. Arrears of at least 1% of GDP arising from commitments made prior to 2010 are being audited and the government will devise a plan to clear them.

Additional contingent liabilities for the sovereign stem from the expanding portfolio of PPPs as the government aims to execute 98 investment projects through such schemes for a total cost of 54% of GDP. The national PPP steering committee has identified several large projects, including the third bridge in Abidjan and the upcoming Abidjan metro, that entail significant fiscal risks. Frequent recourse to bilateral arrangements to award PPP contracts outside the standard tendering process raises risks. The exposure of banks to the cocoa sector raises some risks for the budget, following the 2017 collapse in cocoa prices. The default of one big operator with debt to domestic banks worth 0.6% of GDP could lead to a two percentage-point uptick in the ratio of non-performing loans from 8.7% of total loans at end-June 2018.

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

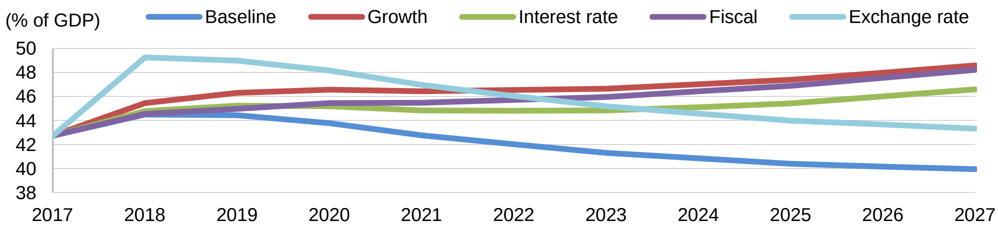
GG debt will peak at 44.5% of GDP in 2018 and gradually decline towards 40% of GDP over the following decade, under Fitch's baseline scenario. These projections are premised on continued adherence to fiscal prudence, strong albeit gradually tapering real GDP growth and a 0.5% average annual depreciation of the XOF against the USD over the projection horizon. Fiscal slippages or moderate shocks on growth would lead GG debt/GDP to breach 48% of GDP by 2027.

Debt Dynamics: Fitch's Baseline Assumptions

	2017	2018	2019	2020	2021	2022	2027
Gross general government debt (% of GDP)	42.7	44.5	44.4	43.8	42.8	42.0	40.0
Primary balance (% of GDP)	-2.6	-2.1	-1.6	-0.9	-1.0	-1.0	-1.0
Real GDP growth (%)	7.8	7.3	7.0	6.8	6.5	6.0	5.0
Avg. nominal effective interest rate (%)	4.2	5.1	5.0	5.0	5.1	5.2	5.3
XOF/USD (annual avg.)	582.1	571.9	596.9	596.9	591.0	579.1	523.5
GDP deflator (%)	3.1	0.5	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 2.3% lower (half standard deviation lower)
Interest rate	Marginal interest rate 250bp higher
Fiscal	No change in primary balance from 2018 level
Exchange rate	20% devaluation at end-2018

Forecast Summary

	2014	2015	2016	2017	2018f	2019f	2020f
Macroeconomic indicators and policy							
Real GDP growth (%)	8.8	8.8	8.3	7.8	7.3	7.0	6.8
Unemployment (%)	9.4	9.3	9.3	9.3	9.3	9.3	9.3
Consumer prices (annual average % change)	0.4	1.3	0.7	0.8	1.8	2.0	2.0
Short-term interest rate (bank policy annual avg.)(%)	2.5	2.5	2.5	2.5	2.5	2.8	3.0
General government balance (% of GDP)	-2.2	-2.9	-4.0	-4.2	-3.8	-3.0	-3.2
General government debt (% of GDP)	36.9	40.9	42.7	42.7	44.5	44.4	43.8
XOF per USD (annual average)	512.04	591.45	593.01	582.09	571.94	596.92	596.92
Real effective exchange rate (2000 =100)	119.2	114.1	114.3	114.3	119.5	119.5	119.5
Real private sector credit growth (%)	16.5	26.3	11.0	15.3	5.9	7.0	6.8
External finance							
Current account balance (% of GDP)	1.5	-0.6	-1.2	-3.0	-3.3	-3.2	-2.9
Current account balance plus net FDI (% of GDP)	2.7	0.9	0.4	-1.5	-1.8	-1.6	-1.3
Net external debt (% of GDP)	-25.1	-25.3	-21.3	-17.7	-17.4	-16.1	-13.4
Net external debt (% of CXR)	-58.3	-62.8	-60.7	-53.3	-56.4	-50.9	-43.1
Official international reserves including gold (USDbn)	4.8	4.8	5.2	6.2	8.0	9.5	9.7
Official international reserves (months of CXP cover)	4.0	4.3	4.8	5.1	6.3	7.1	6.8
External interest service (% of CXR)	3.7	4.4	4.8	4.5	4.9	5.7	5.8
Gross external financing requirement (% int. reserves)	8.7	20.3	24.8	54.2	37.0	29.4	26.6
Real GDP growth (%)							
US	2.6	2.9	1.5	2.2	2.9	2.6	2.1
China	7.3	6.9	6.7	6.9	6.6	6.1	6.1
Eurozone	1.4	2.1	1.9	2.4	2.0	1.8	1.6
World	2.8	2.8	2.5	3.2	3.3	3.1	3.0
Oil (USD/barrel)	98.9	52.4	45.1	54.9	70.0	65.0	57.5

Source: Fitch

Fiscal Accounts Summary

(% of GDP)	2015	2016	2017	2018f	2019f	2020f
General government						
Revenue	**20.2**	**19.8**	**19.2**	**19.3**	**19.0**	**19.2**
Expenditure	**23.1**	**23.7**	**23.4**	**23.1**	**22.1**	**22.4**
O/w interest payments	1.5	1.7	1.6	1.7	1.4	2.3
Primary balance	-1.3	-2.3	-2.6	-2.1	-1.6	-0.9
Overall balance	**-2.9**	**-4.0**	**-4.2**	**-3.8**	**-3.0**	**-3.2**
General government debt[a]	**40.9**	**42.7**	**42.7**	**44.5**	**44.4**	**43.8**
% of general government revenue	202.1	216.0	222.7	230.6	233.6	227.7
Central government deposits	4.5	4.7	5.1	4.8	4.5	4.2
Net general government debt	36.4	37.9	37.6	39.7	39.9	39.6
Central government						
Revenue	**20.2**	**19.8**	**19.2**	**19.3**	**19.0**	**19.2**
O/w grants	1.5	1.4	1.1	1.2	1.1	1.0
Expenditure and net lending	**23.1**	**23.7**	**23.4**	**23.1**	**22.1**	**22.4**
O/w current expenditure and transfers	16.6	17.1	16.9	16.3	15.5	16.6
- Interest	1.5	1.7	1.6	1.7	1.4	2.3
O/w capital expenditure	6.4	6.7	6.5	6.7	6.5	5.8
Current balance	3.6	2.7	2.2	3.0	3.5	2.7
Primary balance	-1.3	-2.3	-2.6	-2.1	-1.6	-0.9
Overall balance	**-2.9**	**-4.0**	**-4.2**	**-3.8**	**-3.0**	**-3.2**
Central government debt	40.9	42.7	42.7	44.5	44.4	43.8
% of central government revenues	202.1	216.0	222.7	230.6	233.6	227.7
Central government debt (XOFbn)[a]	**7,914.8**	**9,023.2**	**10,045.1**	**11,281.8**	**12,294.5**	**13,195.4**
By residency of holder						
Domestic	3,425.7	4,049.1	4,275.1	3,810.9	3,777.9	4,034.2
Foreign	4,489.1	4,974.2	5,770.0	7,470.9	8,516.7	9,161.2
By currency denomination						
Local currency	4,200.9	4,809.4	5,121.7	4,740.7	4,658	5,363.1
Foreign currency	3,713.9	4,213.9	4,923.4	6,541.1	7,636.6	7,832.3
In USD equivalent (eop exchange rate)	6.2	6.8	9.0	11.0	12.8	13.1
Average maturity (years)	6.7	6.6	6.7	6.7	6.7	6.7
Memo						
Nominal GDP (XOFbn)	19,362.6	21,146.4	23,510.0	25,352.4	27,669.6	30,142.1

[a] Excluding Contrat de Désendettement et de Développement (C2D) debt of 4.1% of GDP at end-2017
Source: Ministry of Finance and Fitch estimates and forecasts

External Debt and Assets

(USDbn)	2013	2014	2015	2016	2017	2018f
Gross external debt	**9.1**	**12.1**	**12.3**	**13.4**	**16.6**	**18.3**
% of GDP	29.1	35.6	37.5	37.7	41.2	41.4
% of CXR	66.8	82.6	93.2	107.4	124.4	134.1
By maturity						
Medium- and long-term	7.5	10.0	10.1	11.0	13.7	15.1
Short -term	1.6	2.2	2.2	2.4	3.0	3.3
% of total debt	17.8	17.8	17.8	17.8	17.8	17.8
By debtor						
Sovereign	**6.0**	**6.6**	**7.6**	**8.4**	**11.0**	**12.5**
Monetary authorities	1.5	1.6	1.8	3.3	3.5	3.6
General government	4.5	4.9	5.8	5.1	7.5	8.9
O/w central government	5.5	6.1	7.5	8.0	10.5	12.5
Banks	**0.8**	**1.0**	**1.1**	**1.4**	**2.1**	**2.3**
Other sectors	**2.3**	**4.5**	**3.6**	**3.6**	**3.5**	**3.5**
Gross external assets (non-equity)	**20.5**	**20.7**	**20.6**	**21.0**	**23.8**	**26.1**
International reserves, incl. gold	4.1	4.8	4.8	5.2	6.2	8.0
Other sovereign assets nes	0.0	0.0	0.0	0.0	0.0	0.0
Deposit money banks' foreign assets	1.4	1.4	1.4	2.0	2.4	2.5
Other sector foreign assets	14.9	14.8	14.4	14.9	15.1	15.5
Net external debt	**-11.4**	**-8.6**	**-8.3**	**-7.6**	**-7.1**	**-7.7**
% of GDP	-36.6	-25.1	-25.3	-21.3	-17.7	-17.4
Net sovereign external debt	1.7	2.1	2.9	4.3	4.8	4.5
Net bank external debt	-0.5	-0.4	-0.3	-0.6	-0.3	-0.2
Net other external debt	-12.6	-10.2	-10.8	-11.3	-11.6	-12.0
Net international investment position	**1.3**	**1.5**	**1.1**	**0.8**	**-1.3**	**-1.5**
% of GDP	4.2	4.4	3.5	2.3	-3.1	-3.4
Sovereign net foreign assets	**-1.7**	**-2.1**	**-2.9**	**-4.3**	**-4.8**	**-4.5**
% of GDP	-5.5	-6.1	-8.8	-12.0	-11.9	-10.2
Debt service (principal & interest)	**1.0**	**1.4**	**1.3**	**1.4**	**2.2**	**1.5**
Debt service (% of CXR)	7.5	9.6	10.2	11.0	16.4	10.9
Interest (% of CXR)	3.7	3.7	4.4	4.8	4.5	4.9
Liquidity ratio (%)	222.9	179.7	177.6	175.7	157.5	194.3
Net sovereign FX debt (% of GDP)	4.5	0.4	4.1	4.4	6.9	6.6
Memo						
Nominal GDP	31.3	34.1	32.7	35.7	40.4	44.3
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 2018

(USDm)[a]	2018	2019	2020	2021	2022	2023	2024+
Sovereign: Total debt service	485	1,226	1,199	920	895	863	12,561
Amortisation	317	744	730	464	453	434	9,231
Official bilateral	182	400	375	74	89	87	1,488
Multilateral	93	190	201	248	243	227	1,495
O/w IMF	72	142	144	173	156	138	295
Other commercial	5	62	62	50	9	9	0
Bonds placed in foreign markets	37	92	92	92	111	111	6,248
Interest	168	483	470	455	443	429	3,330

[a] Using Fitch's forecasts for the XOF/USD exchange rate for 2018-2020 and assuming a constant exchange rate at the 2020 level afterwards
Sources: Ministry of Finance and Fitch

Balance of Payments

(USDbn)	2015	2016	2017f	2018f	2019f	2020f
Current account balance	**-0.2**	**-0.4**	**-1.2**	**-1.5**	**-1.5**	**-1.4**
% of GDP	-0.6	-1.2	-3.0	-3.3	-3.2	-2.9
% of CXR	-1.5	-3.3	-9.2	-10.7	-10.0	-9.2
Trade balance	**3.2**	**3.1**	**2.9**	**3.0**	**3.0**	**3.5**
Exports, fob	11.7	10.9	11.8	12.2	12.8	13.8
Imports, fob	8.6	7.8	9.0	9.2	9.8	10.4
Services, net	**-2.0**	**-2.0**	**-2.3**	**-2.7**	**-2.7**	**-2.9**
Services, credit	0.8	0.9	1.0	0.7	0.9	0.9
Services, debit	2.8	2.9	3.3	3.4	3.6	3.8
Income, net	**-1.0**	**-1.1**	**-1.2**	**-1.3**	**-1.4**	**-1.5**
Income, credit	0.2	0.3	0.2	0.2	0.2	0.2
Income, debit	1.2	1.4	1.4	1.5	1.6	1.7
O/w: Interest payments	0.6	0.6	0.6	0.7	0.8	0.9
Current transfers, net	**-0.3**	**-0.4**	**-0.5**	**-0.4**	**-0.4**	**-0.5**
Capital and financial accounts						
Non-debt-creating inflows (net)	0.6	0.7	0.8	0.9	0.9	0.9
O/w equity FDI	0.4	0.5	0.6	0.6	0.6	0.7
O/w portfolio equity	0.0	0.0	0.0	0.0	0.0	0.0
O/w other flows	0.3	0.2	0.2	0.3	0.3	0.2
Change in reserves	0.7	-0.4	1.7	1.8	1.5	0.2
Gross external financing requirement	1.0	1.2	2.8	2.3	2.4	2.5
Stock of international reserves, incl. gold	4.8	5.2	6.2	8.0	9.5	9.7

Source: IMF and Fitch estimates and forecasts

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