

**EXECUTIVE  
BOARD  
MEETING**

SM/22/9  
Supplement 1

February 7, 2022

To: Members of the Executive Board

From: The Secretary

Subject: **West African Economic and Monetary Union—Staff Report on Common Policies of Member Countries—Draft Press Release**

Board Action: Executive Directors' **consideration** (Formal)

Tentative Board Date: **Friday, February 11, 2022**

Publication: Yes\*

Questions: Mr. Eyraud, AFR (ext. 35684)  
Mr. David, AFR (ext. 38427)  
Mr. Feler, AFR (ext. 35627)  
Mr. Sever, AFR (ext. 37342)

**\*Unless an objection from the member authorities of the WAEMU countries is received prior to the conclusion of the Board's consideration, the press release will be published.**





## IMF Executive Board Concludes Regional Consultation with West African Economic and Monetary Union

FOR IMMEDIATE RELEASE

- *The WAEMU region has so far demonstrated strong resilience to the Covid crisis, and the economy is recovering on the back of supportive fiscal and monetary policies.*
- *Growth is projected to accelerate this year, mostly driven by a rebound in net exports. But there are important downside risks to the economic outlook, including from the possibility of further deterioration of the security situation and political uncertainty.*
- *A gradual fiscal consolidation is expected to start in 2022 and bring back the regional fiscal deficit towards 3 percent of regional GDP by 2024.*

**Washington, DC – February 11, 2022:** The Executive Board of the International Monetary Fund (IMF) concluded the regional consultation<sup>1</sup> with the West African Economic and Monetary Union (WAEMU) on February 11, 2022.

The WAEMU has so far demonstrated strong resilience to the Covid crisis. Nonetheless, the region has been hard hit by the Omicron variant and security risks continue to increase in some countries. Despite these headwinds, the economic rebound that started in the second half of 2020 firmed up in 2021, while fiscal and monetary policies remained supportive. External reserves have risen to comfortable levels and the financial system appears to be broadly sound. Inflation has exceeded the 3 percent ceiling of the BCEAO's target band since April 2021, mainly on account of higher domestic and imported food prices.

Growth is expected to further accelerate to about 6 percent in 2022, primarily driven by a rebound in net exports and inflation is projected to return to the BCEAO's target band by the end of the year. A gradual fiscal consolidation is expected to start this year and bring the aggregate fiscal deficit to 3 percent of GDP by 2024. There are however significant downside risks to the outlook, particularly given slow and uneven progress with vaccination, the possibility of further deterioration of security risks and political uncertainty, and the likely tightening of global financial conditions.

### Executive Board Assessment<sup>2</sup>

< >

---

<sup>1</sup> Staff reports on the annual consultations with regional institutions of currency unions and the ensuing Board discussion are both considered an integral part of the Article IV consultations with individual member countries. Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. A staff team visits the country, collects economic and financial information, and discusses with officials the country's economic developments and policies. On return to headquarters, the staff prepares a report, which forms the basis for discussion by the Executive Board.

<sup>2</sup> At the conclusion of the discussion, the Managing Director, as Chairman of the Board, summarizes the views of Executive Directors, and this summary is transmitted to the country's authorities. An explanation of any qualifiers used in summings up can be found here: <http://www.IMF.org/external/np/sec/misc/qualifiers.htm>.

Table 1. WAEMU: Selected Economic and Social Indicators, 2018–26<sup>1</sup>

Social Indicators											
GDP		Poverty (2015 or latest available)									
Nominal GDP (2020, millions of US Dollars)	159,277	Headcount ratio at \$1.90 a day (2011 PPP)									
GDP per capita (2020, US Dollars)	1,218	Undernourishment (percent of population)									
Populations characteristics		Inequality (2015 or latest available)									
Total (2020, millions)	131	Income share held by highest 10 percent of population									
Urban Population (2020, percent of total)	40.8	Income share held by lowest 20 percent of population									
Life expectancy at birth (2019, years)	61.3	Gini index									
Economic Indicators											
	2018	2019	2020		2021		2022	2023	2024	2025	2026
			SM/21/5 <sup>2</sup>	Est.	SM/21/5 <sup>2</sup>	Proj.	Projected				
(Annual percentage change)											
National income and prices											
GDP at constant prices <sup>3</sup>	6.5	5.8	0.3	2.0	5.4	5.7	6.1	7.0	7.2	6.1	5.8
GDP per capita at constant prices	3.4	2.8	-2.5	-1.0	2.5	2.8	3.1	3.9	4.1	3.1	2.8
Consumer prices (average)	1.0	-0.1	1.7	2.3	1.6	3.3	2.5	1.9	1.9	1.9	1.9
Terms of trade	-1.9	-3.2	18.4	19.4	2.3	-3.1	-1.7	-2.6	-2.2	-0.5	-0.6
Nominal effective exchange rate	4.1	-0.5	...	3.7	...	...	...	...	...	...	...
Real effective exchange rate	2.2	-3.7	...	3.7	...	...	...	...	...	...	...
(Percent of GDP)											
National accounts											
Gross national savings	18.6	19.4	18.6	20.1	19.4	19.5	20.1	20.7	21.0	21.4	21.5
Gross domestic investment	24.4	24.2	24.0	24.6	25.1	25.4	25.9	26.0	25.5	25.8	26.0
Of which: public investment	6.4	6.1	7.1	7.1	7.1	7.5	7.8	7.4	6.9	7.0	7.1
(Annual changes in percent of beginning-of-period broad money)											
Money and credit											
Net foreign assets	4.6	6.6	0.3	0.7	-0.5	2.5	-0.1	0.7	1.8	1.3	1.0
Net domestic assets	7.9	3.7	10.1	15.9	7.4	5.5	8.0	8.0	7.2	6.7	6.7
Broad money	12.5	10.3	10.4	16.5	6.9	8.0	8.0	8.7	9.0	8.0	7.7
Credit to the economy	5.9	4.2	5.6	4.1	3.3	2.6	2.5	3.8	4.6	3.9	3.8
(Percent of GDP, unless otherwise indicated)											
Government financial operations											
Government total revenue, excl. grants	14.6	15.6	14.7	15.2	15.5	15.3	15.9	16.3	16.5	16.9	17.2
Government expenditure	19.7	19.8	23.1	22.9	22.3	22.9	22.4	21.6	21.0	21.2	21.4
Overall fiscal balance, excl. grants	-5.0	-4.1	-8.4	-7.6	-6.9	-7.6	-6.5	-5.4	-4.4	-4.3	-4.2
Overall fiscal balance, incl. grants	-3.3	-2.3	-5.9	-5.7	-4.9	-5.9	-4.7	-3.8	-3.0	-3.0	-3.0
External sector											
Exports of goods and services <sup>4</sup>	19.2	19.6	17.0	18.7	18.1	18.9	19.9	19.7	20.3	20.2	19.8
Imports of goods and services <sup>4</sup>	25.5	25.4	23.4	24.2	24.3	25.8	26.6	25.7	25.4	25.0	24.8
Current account, excl. grants	-6.7	-6.1	-6.9	-5.9	-6.8	-6.8	-6.8	-6.3	-5.4	-5.3	-5.3
Current account, incl. grants	-5.6	-4.9	-5.4	-4.5	-5.7	-5.9	-5.9	-5.3	-4.5	-4.5	-4.6
External public debt	28.0	30.2	32.9	33.6	33.3	36.4	35.1	33.5	31.8	30.3	29.4
Total public debt	43.4	45.5	48.5	52.1	49.6	55.6	55.5	54.5	52.7	51.5	50.8
Broad money											
	33.0	34.3	37.1	38.6	37.1	38.6	...	...	...	...	...
Memorandum items:											
Nominal GDP (billions of CFA francs)	83,301	88,519	90,231	91,545	96,476	98,891	106,762	116,024	126,456	136,513	147,001
Nominal GDP per capita (US dollars)	1,217	1,190	1,198	1,218	1,322	1,332	1,394	1,494	1,600	1,692	1,784
CFA franc per US dollars, average	555	585.9	...	574.8	...	...	...	...	...	...	...
Gross international reserves <sup>5</sup>											
In months of next year's imports (of goods and services)	4.6	5.6	5.5	5.5	5.0	5.8	5.5	5.3	5.3	5.2	5.0
In percent of this year's GDP	10.3	11.7	...	12.8	...	13.9	12.9	12.2	11.9	11.5	11.0
In percent of the BCEAO's sight liabilities	79.6	81.4	...	77.3	...	86.4	89.4	84.2	81.9	79.2	76.1
In millions of US dollars	14,853	17,547	19,275	21,764	19,497	24,228	24,898	25,827	27,626	29,035	30,043

Sources: IMF, African Development database; World Economic Outlook; World Bank World Development Indicators; IMF staff estimates and projections.

<sup>1</sup> All projections presented in this staff report were prepared in the first half of December 2021 and do not incorporate any further developments.

<sup>2</sup> Shows data from the IMF Country Report No. 21/49, published on January 21, 2021 (Board document number SM/21/5).

<sup>3</sup> The acceleration in GDP growth in 2023 is due to the start of production of large hydrocarbon projects in Niger and Senegal.

<sup>4</sup> Excluding intraregional trade.

<sup>5</sup> Projections for 2021 include the 2021 SDR allocation which is equivalent to US\$2,327 million, or 0.6 months of imports and 9.6 percent of the BCEAO's sight liabilities.