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INFORMATION NOTE

REPUBLIC OF NIGER

Presentation of Sovereign issuers of **West African Monetary Union (WAMU)**

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Summary

ACRONYMS

ADF	: African Development Fund
AFD	: French Development Agency
BCEAO	: Central Bank of West African States
BOAD	: West African Development Bank
BOOT	: Build-Own-Operate-Transfer
CFAF	: CFA Franc
EBID	: ECOWAS Bank for Investment and Development
ECA	: Economic Commission for Africa
EIB	: European Investment Bank
FCFA	: Franc de la Coopération Financière Africaine (XOF)
FDI	: Foreign Direct Investment
FEC	: Extended Credit Facility
GDP	: Gross Domestic Product
HIPC	: Highly Indebted Poor Country
I3N	: Nigeriens Feed Nigeriens Initiative
IDA	: International Development Association
IDB	: Islamic Development Bank
IFAD	: International Fund for Agricultural Development
ILO	: International Labour Organization
IMF	: International Monetary Fund
INS	: National Statistical Institute
MDRI	: Multilateral Debt Relief Initiative
PDES	: Economic and Social Development Plan
SDR	: Special Drawing Rights
SFD	: Saudi Fund for Development
WAEMU	: West African Economic and Monetary Union
WAMU	: West African Monetary Union

REPUBLIQUE DU NIGER
Fraternité-Travail-Progrès
MINISTERE DES FINANCES

DGTCP
DIRECTION GENERALE DU TRESOR ET DE LA COMPTABILITE PUBLIQUE

Attestation de l'émetteur

Je soussigné, Issa DJIBO, Directeur Général du Trésor et de la Comptabilité Publique, agissant au nom et pour le compte de l'État du Niger, atteste que les données et informations contenues dans la présente Note d'Information sont conformes à la réalité et n'ai connaissance d'aucune information de nature à en altérer la portée.

L'objectif visé à travers cette Note d'Information est de porter à l'attention des investisseurs sur les titres publics émis par l'État du Niger, toutes les informations utiles à la prise de décisions d'investissement.

Toutefois, je rappelle que les informations et analyses prospectives présentées dans ce document, sont basées sur des projections établies à partir d'hypothèses qui sont entachées d'incertitudes pouvant entraîner des différences entre les réalisations effectives et les performances économiques attendues.

Cette note d'information publiée sera mise à jour chaque fois que nécessaire, afin de rendre compte :

- de l'évolution de la situation économique du Niger ;
- de la disponibilité ou de la mise à jour des données économiques ;
- de quelques changements intervenus.

ISSA DJIBO

DIRECTION GENERALE DU TRÉSOR ET DE LA COMPTABILITE PUBLIQUE
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Niger is considered one of the poorest nations in the world. According to estimates from the National Institute of Statistics, the national poverty rate was 41.5 percent and the average per capita income was only $563 in 2019. The Human Development Report 2020 ranks Niger 189th out of 189 countries with a score of 0.394. In addition, Niger's Gini index was estimated at about 34.3 in 2014 compared to 31.5 in 2011, suggesting that income inequality has increased slightly among the population. In addition, Niger faces significant risks from climate and environmental shocks, oil price shocks, security issues, and population growth.

Despite the adverse effects of the Covid-19 pandemic and the security crisis on the national economy, economic activity held steady at 3.6 percent in 2020. The relatively satisfactory performance of the agricultural sector combined with the implementation of the Covid-19 national response plan with support for businesses and vulnerable households cushioned final consumption and mitigated the effects of the declines recorded, particularly in the service sector, whose activities were directly and negatively affected by measures from national and international authorities to contain the pandemic. In 2021, a significant recovery in economic activity is expected with 5.5 percent growth thanks to large-scale projects, including the oil export pipeline currently under construction.

In 2020, the core budget deficit deteriorated to 5.3 percent of GDP (from 3.5 percent in 2019) due to revenue shortfalls and increased spending in the fight against the coronavirus pandemic. Thus, achieving the WAEMU convergence criterion for the overall budget deficit of 3% of GDP by 2021 becomes a challenge. Moreover, the fiscal space is shrinking and the need for external financial assistance is rising, going beyond the 2017-2021 PDES pledges.

The balance of payments analysis reveals a surplus in the overall balance in 2019 followed by a deficit in 2020, while the country recorded a deficit from 2015 to 2018. The surplus in 2019 is the result, among other things, of an improvement in the capital account. In contrast, the balance on goods deteriorated in the same year as a result of a decline in the value of exports, particularly petroleum and livestock products. The overall balance is expected to improve with the start of crude oil exports via the pipeline currently under construction between Niger and Benin, from 2023.

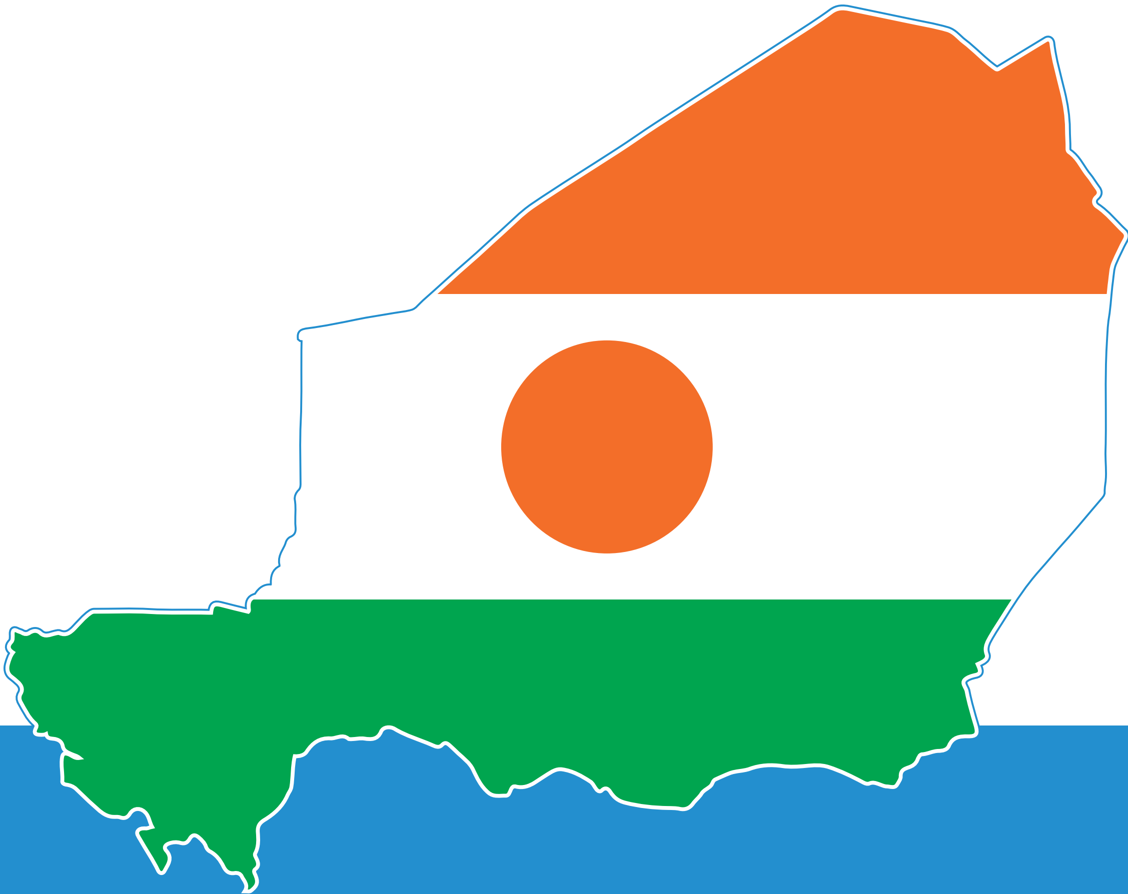
Regarding the 2020 fiscal year, total revenue (including grants), represented 17.2 percent of GDP compared to 17.9 percent in 2019, a decrease of 0.6 percentage points mainly related to the decline in tax revenue (-3 percent). The weak performance of tax revenues was, however, offset by the increase in external support. Total revenue and grants increased by CFAF 26.0 billion as a result of the increase in non-tax revenue of 12.1 billion (+29%). Overall, domestic resources increased by CFAF 4 billion. As for public expenditure, it recorded an increase of CFAF 178.8 billion (+11%) to represent 22.5% of GDP compared with 21.5% in 2019. This increase in public spending is attributable to the increase in investments (+9.8%) and current spending (+12.4%) inherent in security measures and support for vulnerable social strata to cope with the health crisis.

Niger has made substantial progress on its business climate. According to the World Bank's Doing Business 2020 report, the country is ranked 131st out of 190 countries compared to 143rd last year, an increase of eleven (11) places compared to 2019. Niger thus occupies the 22nd place in Africa and the 4th place within the WAEMU area. This progress is explained by the efforts made in terms of structuring investments and especially reforms relating to the improvement of the business climate undertaken since 2010. These reforms have focused on improving access to electricity, building permits, tax payment facilities, access to credit and protection for minority investors in companies.

Niger's outstanding public debt was estimated at CFAF 3,510.4 billion (or 43.6 percent of nominal GDP) as of December 31, 2020, compared to CFAF 2,978.2 billion at the same period in 2019 (39.1 percent of nominal GDP). It is composed of CFAF 2,450.6 billion in external debt and CFAF 1,059.8 billion in domestic debt.

Public debt service actually paid in 2020 amounts to CFAF 945.1 billion, broken down into CFAF 71.4 billion for external debt and CFAF 873.8 billion for domestic debt, including CFAF 680.0 billion in treasury bills. In 2020, the debt sustainability analysis indicates that Niger faces a moderate risk of debt distress and has not recorded any external payment arrears. The government's financing policy will continue to be based primarily on prudent use of concessional resources and the BOOT type public-private partnerships.

Republic of
Niger



Area	Population in 2020	Capital	Political System	Currency	Official Language
1.267.000 km^2	**24.206.636** (Source : World Bank)	**Niamey**	**Presidential**	**CFAF**	**French**

Nominal GDP in 2020

8 045.3 billions of CFAF

(source : INS)

- Economy based on agriculture, extractive industry and trade
- Growth rate of real GDP in 2019 : 3,6%
- Fiscal deficit including grants in 2020 : 5,3% of GDP
- Indebtness rate in 2020 : 43,6%

1.1 Political system

Niger became a Republic on December 18, 1958 and gained independence on August 3, 1960. The country's current constitution was adopted by referendum on October 31, 2010 and promulgated on November 25, 2010. This constitution announces the advent of the 7th Republic. The Republic of Niger is a semi-presidential democratic republic. The President of the Republic is the Head of State and the Prime Minister is the Head of Government. The political system is multiparty.

1.1.1 Executive power

The government holds executive power. The President of the Republic is elected by direct universal suffrage for a term of five (5) years, renewable once. General regulatory power belongs to the President of the Republic and the Head of Government who may issue regulations valid throughout the national territory.

In the event of a vacancy in the office of President due to death, resignation, disqualification or absolute impediment, the functions of President of the Republic shall be exercised provisionally by the Speaker of the National Assembly.

Niger has witnessed nine (9) Presidents since its independence. They are Hamani Diori (1960 - 1974); Seyni Kountché (1974-1987); Ali Saïbou (1987-1993); Mahamane Ousmane (1993-1996); Ibrahim Baré Maïnassara (1996-1999); Daouda Mallam Wanké (1999); Mamadou Tandja (1999-2010); Salou Djibo (2010-2011) and Mahamadou Issoufou (2011-2021).

The presidential election of February 21, 2021 brought Mr. Mohamed Bazoum to power. That election was considered historic in that it was the first time since Niger's independence in 1960, that a democratic changeover with a peaceful transfer of power between two elected presidents took place.

1.1.2 Legislative power

The National Assembly represents the legislative power. It passes bills, approves taxes and controls government action. Bills are sent by the government to the Assembly, which votes on them after discussion and amendment.

Legislative elections were held on December 27, 2020, at the end of which one hundred and seventy-one (166) members of parliament were elected by direct universal suffrage for a five (5) year term. The distribution of seats among the political parties in the National Assembly is as follows PNDS-Tarraya (79), MODEN/FA-Lumana (19), MPR-Jamhuriya (14), MNSD-Nassara (13), CPR-Inganci (8), RDR-Tchandji (7), MPN-Kiishin Kassa (6), ANDP-Zaman Lahiya (3), PJD-Génération Doubara (2), RDP-Jama'a (2), RPP-Farilla (2), ARD Adalchi Mutuntchi (2), Amen-Amin (2), RSD-Gaskiya (1), Aden-Karkara (1) PSD-Bassara (1), ADR-Majita (1), RNDP-Annema Bani Zoumnou (1) 6 MP positions will remain open for Nigeriens in the diaspora who were unable to vote on December 27.

1.1.3 Judicial power

The judiciary is independent of the other two branches. It is exercised mainly by the Constitutional Court, the Supreme Court, the Court of Auditors, the High Court of Justice, the Council of State and the tribunals.

The Constitutional Court is the court responsible for monitoring the conformity of laws with the constitution. The High Court of Justice is a court competent to judge the President of the Republic only for acts qualified as high treason and members of the government for acts qualified as crimes or misdemeanors committed in the exercise of their functions. The Council of State is the highest jurisdiction in administrative matters. It is the judge of the excess of power of administrative authorities in first and last resort as well as of appeals in interpretation and assessment of the legality of administrative acts. The Court of Auditors is the highest court of public finance control. It has jurisdiction, control and advisory powers. Finally, Niger has new ordinary and specialized courts, including the National Legal Assistance Agency, the Economic and Financial Pole and the High Authority for the Fight against Corruption and Related Offenses (HALCIA).

1.2 Administrative organization

Niger is currently divided into eight (8) administrative regions: Agadez, Diffa, Dosso, Maradi, Niamey, Tahoua, Tillabéry, and Zinder. The regions are divided into 63 counties and 266 communes, of which 52 are urban and 214 rural. The regions and counties are named after their capitals. Regions are headed by regional governors, while counties are administered by prefects and the communes by mayors. The regions of Maradi, Tahoua, and Zinder are set up as urban communities and are administered by the presidents of the city councils. The capital, Niamey, is set up as an urban community composed of five (5) communal districts.

The urban communes correspond to the regional and county capitals. Rural communes include approximately 12,700 villages. The territorial authorities (regions, communes) are autonomous entities with legal personality and their own powers and resources. They are managed by elected bodies in accordance with law 2008-42 of 31 July 2008, which sets out the fundamental principles of free administration.

1.3 Geographic location

Niger is a landlocked country in the heart of West Africa. It is bordered by Algeria and Libya to the north, Mali to the west, Burkina Faso and Benin to the southwest, Nigeria to the south and Chad to the east. The total area of the country is 1,267,000 km2. Niger's climate is tropical and alternates between two main seasons: a long dry season from October to May and a short rainy season from May to September. The highest average temperatures are recorded between March and April where they exceed 40°C, while the lowest are recorded from December to February where they can drop below 10°C.

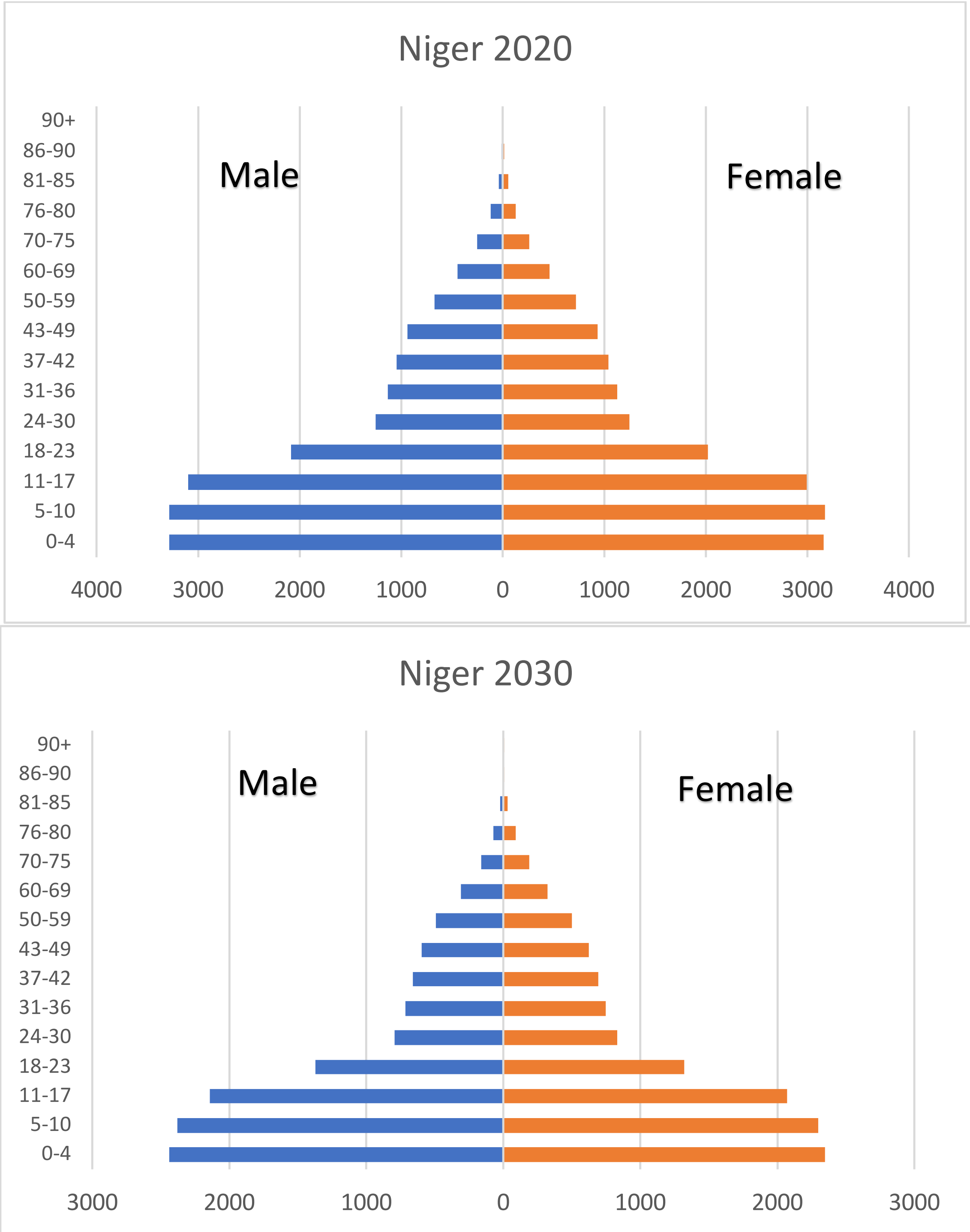
Niger has only one permanent river, the Niger River, which flows through the country for about 500 km in its western part. There are also a few permanent lakes, the main one, Lake Chad, is located at the southeastern tip of the country, and several semi-permanent rivers, including the right bank tributaries of the Niger in the west and the Komadougou Yobe in the southeast.

1.4 Population

At the last general population and housing census (RGPH) in 2012, Niger had a population of 17.1 million. According to World Bank estimates, Niger's population was approximately 23.3 million in 2019 and will have one of the highest population growth rates in the world (3.8 percent per year). At this rate, Niger's population is expected to reach 29 million by 2025 (United Nations, 2016). The high population growth is explained by a very high fertility rate. In 2015, the total fertility rate was 7.6 children per woman. Projections of the age structure of the population to 2030 indicate a decline in fertility with an average of 6.7 children per woman.

Projections to 2030 show a slight contraction in the base of the population pyramid, representing a lower fertility rate and the beginning of a change in the age structure of the population that could promote the demographic dividend. To achieve this, the government must continue to make significant investments in reproductive health, family planning, and girls' education.

Figure 1. Age pyramids in 2020 and 2030



Source : United Nations

The age pyramid shows that Niger's population is very young. According to the latest population census, 51.6 percent of the population is under the age of 15 (RGHP, 2012). The population density is estimated at 16.38 inhabitants per square kilometer. According to updated World Bank data, the urban population in Niger represented about 16.5 percent of the total population in 2019. The urban population is growing at 4.4 percent per year, mainly due to rural-urban migration and/or expansion from rural to urban areas. The male to female ratio was 1.01 in 2019. This ratio will continue over the next few years. The dominant religion in Niger is Islam, practiced by 90 percent of Nigeriens. Of the Muslims, 95 percent are Sunni and 5 percent are Shiite. Christianity, practiced by 5 percent of the population, is now mainly practiced by members of the intellectual elite living in the cities.

1.5 EDUCATION

Organization of school cycles

Niger's education system is composed of two (2) sectors: (i) formal education, which is composed of pre-school education, elementary education, general middle and secondary education, technical education and vocational training, and higher education; (ii) non-formal education, which includes literacy, bridging classes and second chance schools.

According to data from the Plan de Transition Sectoriel de l'Education et de la Formation (PTSEF), the gross enrollment rate in primary and basic cycle 2 was 70.6 percent and 33.4 percent, respectively, in 2018. Retention in the education cycles was low in Niger. Indeed, the primary completion rate was 62 percent and the lower secondary completion rate was 49.5 percent in 2018. The net enrollment rate in higher education was even lower in 2019. It stood at about 5.1 percent for boys and 3.3 percent for girls. Finally, the literacy rate was 29 percent in 2019.

Table 1. Statistics by cycle

Change in gross enrollment rate, primary (%)	2014	2015	2016	2017	2018	2019
Together	71.8	74.2	76.2	77.8	64.1	66.4
Girls	65.8	68.0	70.2	72.1		62.0
Boys	77.6	80.2	82.1	83.3		70.7
Change in gross enrollment rate, middle school (%)						
Together	26.3	29.6	34.2	36.4	37.2	38.1
Girls	21.5	24.3	28.8	31.0	31.8	32.2
Boys	31.1	34.9	39.6	41.9	42.8	43.1
Change in gross enrollment rate, high school (%)						
Together	6.7	7.0	8.6	8.1	8.9	9.3
Girls	4.2	4.6	5.7	5.3	5.8	6.2
Boys	9.2	9.5	11.6	11.1	12.3	12.9
Evolution of the gross enrollment rate, higher (%)						
Together	-	3.3	3.5	3.7	4.4	4.7
Girls	-	2.1	2.5	2.4	2.6	3.3
Boys	-	4.4	4.5	5.0	6.2	5.1

Source: INS, national services

The education sector faces various challenges that affect some of the progress made. Universal primary education coverage and completion are hampered by high population growth, low enrollment and high dropout rates. Access and completion rates are even lower among vulnerable groups, including girls in rural areas, nomadic children, and children with disabilities.

1.6 Health

Health system architecture

The Nigerien health system comprises three levels: (i) at the peripheral level: the health district; (ii) at the regional level: the Regional Directorates of Public Health (DRSP); and (iii) at the national level: the Ministry of Health. In 2020, the public health infrastructure consists of 1,057 integrated health centers, 2,466 health huts, 7 regional hospital centers, 7 maternal and child health centers and 4 hospitals, as well as a national reference maternity hospital and two reference hospitals in Niamey and Maradi. The health system also includes a number of parastatal facilities (8 medical-social centers, 48 community pharmacies, 32 garrison infirmaries) and 387 private facilities (346 medical offices and wards, 36 clinics, 2 non-profit hospitals, 2 private centers specializing in ophthalmology and traumatology, and one private faith-based hospital), 120 private pharmacies, 11 laboratories, and 19 private health schools.)

Table 2. General statistics indicating the health status of populations

Life expectancy at birth (years)	2010	2015	2016	2017	2018	2019
Together	56.8	59.7	60.1	60.4	61.0	62.0
Male	56.1	58.7	59.1	59.4	60.9	60.9
Female	57.7	60.7	61.1	61.5	61.3	62.3
Infant mortality (per 1000 live births)						
Neonatal	31.6	27.4	26.6	26.0	26.0	24.3
- 5 years old	123.6	93.5	88.7	84.5	83.0	80.5
Maternal mortality (per 100,000 births)	657.0	553.0	530	509	501	509

Sources: INS, WHO, World Bank

There has been a favorable trend in health indicators. It is noted that the infant mortality rate (children under 5 years of age) dropped significantly between 2010 (124 ‰) and 2018 (83 ‰), enabling Niger to achieve Millennium Development Goal (MDG) number 4. The maternal mortality rate has dropped by more than 30 points, from 657 in 2010 to 509 deaths per 100,000 live births in 2019, with a marked improvement in births attended by skilled health personnel. The policy of free care for pregnant mothers and children under five has thus improved the level of health coverage for the most vulnerable, although persistent challenges remain.

Disease prevalence

In Niger, malaria represents the leading cause of morbidity and mortality. According to the Ministry of Public Health's 2019 annual review, a total of 2,824,329 malaria cases were recorded with 4,106 deaths, representing a case-fatality rate of 0.14 percent. The incidence of the disease decreased from 160 cases per 1,000 in 2018 to 144 cases per 1,000 in 2019. The case fatality rate, which was 1.94% in 2017, increased to 1.89% in 2018. As for HIV prevalence, it remains at a low level. The trend in seroprevalence is downward, from 0.87% in 2006 among adults aged 15-45 years to 0.4% in 2012 and 0.3% in 2019. In addition, with an estimated incidence rate of 87 new cases per 100,000 population, Niger ranks among the countries with high TB endemicity. According to WHO, the disease detection rate is still low, at about 55.6% in 2019.

Malnutrition in all its forms is also an important factor in maternal and child morbidity and premature mortality. According to the final report of the national assessment of the nutritional situation conducted by the National Institute of Statistics in 2018, the prevalence rates of chronic malnutrition and acute malnutrition in children under 5 years of age were 47.8% and 15% respectively in 2018. In addition, among pregnant and lactating women, the prevalence of anemia is around 48%. Low birth weight is estimated at 13.8%. The rate of exclusive breastfeeding during the first six months of life was 23%.

Regarding the health situation related to COVID-19, Niger has, as of March 26, 2021, 4972 cumulative confirmed cases according to data from the Ministry of Health. The first case was reported on March 19, 2020. 87,905 tests have been performed. A total of 185 deaths have been recorded. The case fatality rate is 2.1%, lower than the African average (2.8%). The current trend is downward with a weekly incidence rate that went from 1.81/100,000 population in the week of January 08, 2021 to 0.2/100,000 population in the week of March 02, 2021. Containment measures are being lifted one by one since May 13, including the reopening of schools since June 1, 2020.

In terms of health promotion and access to medical services, Niger has a national health strategy with a national strategic plan 2019-2023. It also has a strategic plan for the development of the health information system 2013-2022. Finally, the country has developed a 2017-2021 health development plan, the objective of which is to strengthen the demand for and supply of quality care and services to the entire population. The quality of the supply of care and services is a condition for universal health coverage.

Working population

The working population is composed of the 15 to 64 age group. It is estimated at 44.9 percent of the total Nigerien population (RGHP, 2012). In 2020, it represented 8,749,112 people according to the World Bank. However, the employed labor force stood at only 2,182,207 according to the Integrated Regional Survey on Employment and the Informal Sector (ERI-ESI) conducted by the INS in 2017.

The Integrated Regional Survey on Employment and the Informal Sector (ERI-ESI), conducted in 2017, classifies the employed labor force between the non-agricultural institutional sector and the agricultural institutional sector and shows that the bulk of the labor force works in the informal sector. In the non-agricultural institutional sector, formal jobs accounted for 92.8 percent of jobs provided by the public sector compared to 7.2 percent of informal jobs in 2017. In contrast, the private sector has the largest share of informal jobs at 99.3 percent, compared to 0.7 percent of formal jobs. Overall, formal employment accounted for 11.1 percent compared to 88.9 percent for informal employment.

In the institutional agricultural sector, the public sector accounted for 50.6 percent of formal employment, compared to 49.4 percent for informal employment. The private sector accounted for 99.4 percent of informal employment, while the public sector accounted for 91.1 percent of formal employment. In the end, formal employment represented 8.1 percent and informal employment 91.9 percent.

Table 3. Employment status in 2017

			Main activity		
Job characteristics		Formal jobs	Informal employment	Total	Workforce
Non-agricultural institutional sector	Public Sector	92.8	7.2	100.0	175340
	Private Sector	0.7	99.3	100.0	1350519
	Households	0.8	99.2	100.0	29263
	Total	11.1	88.9	100.0	1555122
Agricultural institutional sector	Public Sector	50.6	49.4	100.0	7370
	Private Sector	0.0	100.0	100.0	619715
	Households	0.0	0.0	0.0	
	Total	0.6	99.4	100.0	627085
Total	Public Sector	91.1	8.9	100.0	182709
	Private Sector	0.5	99.5	100.0	1970235
	Households	0.8	99.2	100.0	29263
	Total	8.1	91.9	100.0	2182207

Source: ESI-ERI Survey (NSI, 2017)

Unemployment rate

In 2020, the ILO unemployment rate was 0.7 percent in Niger according to ILO data. This unemployment rate is relatively the same for women (0.4 percent in 2019) and men (0.5 percent). According to age groups, unemployment affects young people aged 15-24 much more, with 17.3 percent, followed by the 15-34 age group (12.2 percent). According to the National Socio-Economic and Demographic Indicators Evaluation Study (ENISED, 2016), there was a disparity between men and women. The labor force participation rate for women was only 40.7 percent (compared to 90.8 percent for men), while more than 20 percent of women are unemployed.

The level of unemployment as defined by the ILO (whose definition refers to a reference period of one week) does not provide a true picture of labor underutilization. For this reason, NSI (2017) incorporated other indicators: the combined rate of time-related underemployment and unemployment, the combined rate of unemployment and potential labor force, and the labor underutilization rate. For example, the combined rate of time-related underemployment and unemployment in Niger was estimated at 29.8 percent in 2017. It was 35.7 percent for women and 27.2 percent for men.

The combined rate of unemployment and potential labor force was estimated at 47.8 percent, with disparities between 60.7 percent for women and 39.2 percent for men. It was even higher among 15-24 year olds (67.0%) compared to 15-34 year olds (59.1%). Finally, the labor underutilization rate was 60.2 percent, indicating that the labor force is used below its productive capacity. This indicator was 72.6 percent for women and 51.9 percent for men. Youth aged 15-24 years were the most affected by underutilization (74.6%) compared to 69.2% for those aged 15-34 years.

The reasons for unemployment and job insecurity are linked in particular to the lack of a good articulation between the labor market, vocational training and the support policy for entrepreneurship. In addition, there is the poor quality of the business climate, the dispersion of employment support organizations and the structure of the national economy, characterized by the significant weight of the informal sector and the weakness of the secondary sector.

Employment policy

With a rapidly growing population, providing social services, creating jobs, and addressing gender inequalities remain a major challenge for Niger. In order to create much-needed jobs for the more than 350,000 young people expected to enter the workforce each year, the government of Niger is committed to improving the business environment, supporting the modernization of agriculture through the 3N ("Les Nigériens Nourrissent les Nigériens") initiative, and harnessing the revenues from natural resources to promote economic diversification.

In order to fight unemployment, Niger has developed and implemented a national employment policy since 2008. This policy reflects the willingness of the Government of the Republic of Niger to place job creation at the center of its economic and social policy objectives with a view to reducing poverty in a sustainable manner and improving the socio-economic conditions of the population.

Similarly, the SDDCI Niger 2035 aims to develop a dynamic private sector that creates and provides jobs. In order to strengthen the promotion of youth employment, the Government has created a Ministry of Youth Entrepreneurship. A National Strategy for the Promotion of Youth Entrepreneurship is being put in place for the period 2020-2029. It will be based on guiding principles, including job creation within the framework of macroeconomic policy, the development of human resources employability through the acquisition of basic training and the strengthening of qualifications, the impetus of an entrepreneurial dynamic at the youth level and the development of strategies for the reception, professional orientation and internships of job seekers.

Niger has also put in place a support mechanism for business creation and professional integration. As far as business creation is concerned, public structures offer technical and financial support, as well as work spaces and services. These include the Centre Incubateur des Petites et Moyennes Entreprises du Niger (CIPMEN), the Centre Incubateur de l'Université Abdou Moumouni (CIUAM), the Agence de Promotion des Entreprises et d'Industries Culturelles (APEIC) and the Maison de l'Entreprise. Other private or semi-public organizations, such as PRODEC, the International Organization of the Francophonie, UNDP, the YALI Program, and the Tony Elumelu Foundation, also support young people in their business creation process.

Employment dynamics

To promote employment, Niger created a National Agency for Employment Promotion (ANPE) in 1996. It is responsible for recording declarations of employment and issuing work permits. It contributes to the design and implementation of the national employment policy, in particular through the execution of programs for the integration and reintegration of job seekers, their orientation and actions aimed at promoting employment. ANPE estimated the number of job seekers at 25,675 people in 2020, while the job offer was estimated at only 6,424 positions. It should be noted that compared to 2019, the total job supply saw a decrease of 2,422 positions (or 27.4 percent), while job seekers were down 50.8 percent. According to ANPE data, the distribution of job demand by region in 2020 indicated that it was mainly concentrated in the region of Niamey (the capital) with an average of 60 percent of overall demand, followed by the regions of Zinder (the country's second largest city) with an average of 15 percent and Maradi (the country's third largest city) with an average of 9 percent. In the fourth quarter of 2020, the proportion of women looking for work was 21.6 percent, divided between 9.8 percent in Diffa, 25.1 percent in Niamey and 26.1 percent in Maradi.

Table 4. Job offers and applications at the ANPE between 2016 and 2020

		2016	2017	2018	2019	2020
Indicators	Job offers	8 493	10 242	7 022	8 846	6 424
	Job applications	25 045	29 321	42 432	52 194	25 675
	Placement rate[1]	17.8	13.8	16.5	20.1	23.7
	National employment contracts	12 712	13 380	15 875	14 497	10 658
	Foreign work visas	566	440	1 204	1 037	543

Source: National Agency for the Promotion of Employment (ANPE)

1.7 Main aggregates

1.7.1 Level of development

With a poverty rate of 41.5 percent and an average per capita income of $563 in 2019, Niger is one of the poorest nations in the world. In 2015, its Human Development Index was 0.370. In 2019, Niger is ranked 189th out of 189 countries in the world HDI ranking with a score of 0.375. Furthermore, Niger's Gini index was estimated at 34.3 in 2014, down from 44.4 in 2005, suggesting that income inequality has narrowed among the population, which is lower than the African (38) and global (43) average.

Table 5. Niger's GDP per capita

Income indicator	2015	2016	2017	2018	2019	2020 (Estimates)
GDP per capita (In $ 2010)	521	530	535	552	563	576
GDP Per Capita (In 2011 PPP)	1132	1152	1164	1201	1225	1243

Source: World Bank, 2020

1.7.2 Summary table

The following table presents the main economic aggregates observed over the last five years. It is expressed in billions of CFA francs, unless otherwise indicated.

[1] The job seeker rate is the ratio of satisfied job offers to job applications. It is expressed as a percentage.

Table 6. Macroeconomic indicators in Niger in billions of CFA francs

	2015	2016	2017	2018	2019	2020 (Estimates)
Nominal GDP	5 725.2	6 096.4	6 486.0	7 121.4	7610.0	8045.7
Real GDP growth (%)	4.7	5.7	5.0	7.2	5.9	3.6
Investment rate (% of GDP)	32.2	27.7	27.3	27.5	31.3	32.6
Inflation rate (in %)	1.0	0.2	0.1	2.8	-2.5	2.9
Balance of payments						
Exports FOB	643.2	611.7	701.8	668.2	659.7	654.0
Imports F0B	1168.6	1 017.2	1 136.0	1 267.7	1 362.9	1 420.7
CAF Imports	1 472.7	1 281.9	1 431.6	1 597.6	1717.6	1791.5
Balance	-525.4	-405.5	-434.2	-599.5	-703.2	-766.7
Current balance	-878.7	-700.3	-740.0	-902.6	-921.3	-1054.5
Public Finance						
Revenues and grants	999.7	913.9	999.9	1 291.2	1 362.4	1 388.3
Total Expenditures	1 384.5	1 187.7	1 266.9	1 505.4	1 631.8	1 810.5
Balance	-384.8	-273.8	-267.0	-214.2	-269.4	-422.2
Public debt (outstanding)						
Domestic debt	411.7	500.7	678.6	785.5	1003.7	1 059.8
External debt	1 138.7	1 366.8	1 569.8	1 737.9	1 974.4	2 450.6
Domestic debt as % of nominal GDP	7.2	8.2	10.5	11.0	13.2	13.2
Budget deficit						
In value	-384.8	-273.8	-267.0	-214.2	-269.4	-422.2
As a percentage of nominal GDP (%)	-6.7	-4.5	-3.7	-3.0	-3.5	-5.3

Source : INS, ECB, NATIONAL SERVICES

2.1 Assessment of the gross domestic product

In 2019, the National Institute of Statistics revalued Niger's GDP, using 2015 as the new base, as well as migrating from the 1993 National Accounting System (SNA) to the 2008 SNA. As a result, GDP in 2015 was revalued to CFAF 5,715 billion, a 33.3 percent revaluation from the 2006 base. In 2020, Niger's economic activity was adversely affected by the health and security crisis. Thus, economic growth fell to 3.6%, compared to 5.9% in 2019. In 2020, GDP is estimated at CFAF 8045.7 billion, corresponding to an increase in the economic growth rate of 3.6%, largely attributable to the effects of the health crisis and terrorist attacks that disrupted economic activity.

Table 7. Niger's nominal GDP at market prices (billions of CFAF)

	2015	2016	2017	2018	2019	2020	2021 (estimates)	2022 (projections)
Total GDP	5725.2	6096.4	6486.0	7121.4	7610.4	8045.7	8647.0	9453.4

Source : INS

In 2019, economic activity benefited relatively from the revival of extractive industries and the momentum of the construction sector in connection with the acceleration and completion of infrastructure for the AU conference. In addition, the economy continued to benefit from the ongoing implementation of the second phase of the Economic and Social Development Plan (PDES 2017-2021). However, in 2020, the intensification of security threats in the country, coupled with the health crisis, resulted in a slowdown in economic growth. Indeed, the economic growth rate was 3.6 percent in 2020, down from 5.9 percent in 2019, a deceleration of 2.3 percentage points. In 2020, Niger's resilience in the face of the covid-19 pandemic still allowed it to maintain positive growth.

According to the Ministry of Finance's projections, economic activity is expected to pick up in 2021 as a result of the continued implementation of the national economic development plan, continued strong investment, and overall good performance of economic activities. Thus, growth is expected to be 5.5%. Inflation is expected to fall to 2.8 percent in 2021.

However, the IMF notes that the Nigerien authorities must focus on developing the private sector so that it can benefit from investments. This requires increasing access to affordable credit for local and formal businesses, developing training, and investing in digital infrastructure and literacy.

2.1.1 Real GDP growth (expressed in %)

In 2020, Niger's economic situation held up relatively well with a positive growth rate, despite the tough health context. Growth was mainly driven by the primary sector and, to a lesser extent, by the secondary sector, which contributed 3 points and 0.4 points respectively. Economic activities in the primary sector benefited from the satisfactory performance of the agricultural season supported by investments and actions under the Nigeriens Feed Nigeriens (i3N) program. On the other hand, the tertiary sector made a negative contribution to growth (-0.1 points) due to the direct consequences of the health crisis on its branches, particularly trade, transport, hotels and restaurants.

Table 8. Niger's real GDP growth by sector, in percent

	2015	2016	2017	2018	2019	2020	2021 (Estimates)	2022 (Projections)
Total GDP	4.7	5.7	5.0	7.2	5.9	3.6	5.5	7.1
Primary sector	8.5	2.4	17.4	5.4	7.1	8.3	6.0	7.7
Secondary sector	0.8	0.8	-2.2	6.8	6.0	1.9	3.3	8.5
Tertiary sector	9.3	7.2	3.6	4.1	5.8	-0.1	5.8	5.9
Non-market GDP	17.4	8.5	6.4	5.4	7.0	2.1	7.1	7.1
Net income taxes	9.1	16.0	-13.9	2.3	19.5	2.0	5.9	7.8

Source : INS

In 2020, the slowdown in economic growth was mainly due to the negative effects of the covid-19 pandemic on economic activity. Indeed, the dynamism of the secondary and tertiary sectors observed in 2019 faded as a result of a decline in domestic and foreign demand for mining and manufacturing activities and the closure of land and air borders, which impacted the transport and hospitality sectors.

However, agricultural production has increased thanks to relatively satisfactory rainfall, although this has led to serious flooding. On the other hand, in 2020, security threats increased, contributing to an increase in public charges and disrupting primary sector production, particularly in the Tillabéry and Tahoua regions. According to the Ministry of Finance projections, growth is expected to pick up again, with a projected rate of 5.5 percent in 2021. Nevertheless, this growth remains fragile because it is still dependent on agricultural production, which is subject to the vagaries of the weather, to mining activities whose international prices are unstable, and to the persistence of security threats and the health crisis linked to Covid-19.

As part of the fight against the effects of Covid-19, the Government of Niger has adopted a national response plan of approximately 1,439.5 billion CFA francs. Resources mobilized as part of the financing of the response plan to the pandemic amount to 1,021.7 billion brokendown as follows 141.5 billion in new measures, 30.4 billion in debt relief, 417.0 billion in advance disbursement of budgetary support and 432.8 billion in restructuring of ongoing projects.

Niger has allocated 167 billion CFA francs to the health management of the pandemic through interventions to strengthen epidemiological surveillance, prevention and control of infection, health service capacity and care, and communication in order to break the chain of infection.

The strategic and operational arrangements have enabled Niger to be effective in managing Covid-19. In order to mitigate the negative consequences of the health crisis, the government took measures to support businesses and economic operators. These measures include a VAT exemption for the duration of the suspension of activities for inter-city land transport of people, the suspension of on-site tax inspections during the months of April and May 2020, the application of a reduced VAT rate of 10%, and the exemption from the Minimum Fixed Tax for the 2019 fiscal year in the hotel sector.

2.1.2 Breakdown of GDP by structure (expressed in %)

The primary sector, composed mainly of agriculture, livestock, forestry, hunting and fishing, is the main engine of growth in the Nigerien economy. It recorded an increase of 3.4% and represented 36.4% of GDP in 2020. Predominantly rain-fed, this sector shows an unstable trend characterized by a production deficit every other year. However, investments made under the I3N Program since 2011 are gradually reducing the dependence of agriculture on rainfall by strengthening the structure of irrigated production. Thus, since 2014, agricultural production has not declined significantly, showing a positive trend unlike in previous years. The share of the primary sector is expected to decrease to 35.9% in 2021 and 33.4% in 2022.

The secondary sector is dominated by extractive activities, particularly mining production with gold and uranium and oil production, which began in late 2011. It grew by 0.3% and accounted for 20.5% of GDP in 2020 compared with 18.5% in 2019. The sector's growth is attributable to the activities of the extractive industries and the manufacturing and completion of infrastructure carried out as part of the preparations for the organization of the 2019 AU Summit. The sector's share is expected to rise sharply in 2023 with a view to starting crude oil production for export via the pipeline under construction between Niger and Benin.

The tertiary sector, which is made up of service activities, suffered the consequences of the health crisis in 2020, with the closure of land and air borders, the closure of entertainment venues, and restrictions on trade and transport. As a result, its added value grew by only 0.8% in 2020 compared with 6.3% in 2019. The share of the tertiary sector represents 37.9% of GDP in 2020, but should depend on Covid-19 pandemic trend.

Table 9. Breakdown of Niger's GDP by structure (in %)

	2015	2016	2017	2018	2019	2020 (Estimates)	2021 (Projections)	2022 (Projections)
Total GDP	100	100	100	100	100	100	100	100
Primary sector	32.6	35.9	36.0	38.4	38.0	36.4	35.9	33.4
Secondary sector	21.6	19.9	20.2	18.1	18.5	20.5	20.8	25.0
Tertiary sector	26.1	26.3	26.3	25.4	25.5	37.9	37.8	35.9
Non-market GDP	13.1	12.7	12.3	12.5	12.3	12.5	12.2	11.7
Duties and taxes	6.5	5.3	5.2	5.7	5.7	5.3	5.6	5.7

Source : INS, Economic Accounts of the Nation, 2019

2.2 Gross domestic product details

2.2.1 GDP in value, detail of sectors

The primary sector represents the largest component of Niger's GDP, at CFAF 3070.7 billion in 2020 according to BCEAO estimates, and its value is projected at CFAF 3278.3 billion for 2021. This sector has been expanding since 2014, and projections call for this trend to continue. The primary sector is mainly composed of agriculture and livestock. Forestry, fishing and hunting are poorly represented in the primary sector, with an estimated added value of CFAF 243.4 billion in 2020.

The secondary sector represents only a minority share of Niger's GDP. However, it has been strengthened since 2011 with the start of oil production. Its added value is estimated at CFAF 1,568.4 billion in 2020, compared with CFAF 1,530.6 billion in 2019. It is expected to reach 1,722.1 billion CFA francs in 2021, taking into account the recovery of the economy after covid-19. This sector is dominated by mining and oil extraction activities with 540.4 billion CFA francs of wealth created in 2020, compared with 540.7 billion CFA francs in 2019. Construction and manufacturing occupy the second and third positions respectively in this sector of activity with 542.2 and 350.2 billion CFAF in 2020.

The tertiary sector is a key component of the Nigerien economy. The added value of the tertiary sector increased by 89.5 billion CFA francs, reaching 2,855.5 billion CFA francs in 2020. It is expected to rise to nearly CFAF 3,122.6 billion in 2021, according to projections that take into account the economic recovery after the crisis linked to the Covid-19 on the economy. The tertiary sector is driven by non-market services, whose added value was estimated at CFAF 1880.2 billion in 2020, compared with CFAF 1828.2 billion in 2019. Trade and other services represent the majority of this sector. Their values are projected to reach CFAF 1,036.8 billion and CFAF 1,155.22 billion respectively in 2021.

Table 10. Niger's GDP in value, by sector (billions of CFAF)

	2015	2016	2017	2018	2019	2020	2021 (Estimate)	2022 (Projection)
Primary sector	**1855.9**	**2187.4**	**2335.4**	**2737.2**	**2 860.3**	**3070.7**	**3 278.3**	**3 569.5**
Agriculture and Livestock	1 677.4	1 993.9	2 136.0	2 533.3	2 645.2	2 846.4	3 041.5	3 317.9
Forestry	120.2	127.6	132.3	134.3	141.0	147.8	153.4	162.0
Fishing	58.4	65.9	67.1	69.6	74.1	76.5	83.3	89.6
Secondary sector	**1 290.4**	**1 213.8**	**1 313.4**	**1 286.9**	**1 530.6**	**1 568.4**	**1 722.1**	**2 324.2**
Mining and oil extraction	567.8	506.6	553.7	461.2	540.7	540.4	582.1	1 045.5
Agri-food	142.0	161.6	175.8	182.2	197.6	201.2	218.27	251.67
Energy	93.9	99.3	103.7	112.1	124.5	135.6	148.0	164.6
Construction	192.0	203.6	225.0	268.0	330.6	350.2	403.8	435.9
Manufacturing industry	294.70	242.70	255.20	263.40	337.20	341.00	369.93	426.53

Tertiary sector	**2 206.0**	**2 373.6**	**2 500.9**	**2 694.4**	**2 766.0**	**2 855.5**	**3 122.6**	**3 426.6**
Transport	130.6	143.1	151.0	165.2	166.0	170.3	211.9	239.9
Telecommunications	133.7	152.1	165.8	181.3	167.6	180.8	101.1	112.6
Trade	650.6	787.0	840.5	882.3	906.8	923.0	1 036.8	1 112.5
Other services	888.30	895.00	919.30	964.30	996.80	1030.50	1 155.22	1 278.25
Public Administration	402.8	396.4	424.3	501.3	528.8	550.9	617.58	683.35
Duties and taxes	372.9	321.6	336.2	402.8	408.4	378.3	435.9	524.7
Non-market GDP	781.9	771.5	794.7	888.0	937.8	975.3	1 039.8	1 152.1
Market GDP	4 943.4	5 324.9	5 691.3	6 233.4	6 627.5	6 897.5	7 519.1	8 692.9
GDP Total	**5 725.2**	**6 096.4**	**6 486.0**	**7 121.4**	**7 565.3**	**8 045.7**	**8 558.9**	**9 845.0**

Source : INS, Economic Accounts of the Nation, 2020

2.2.2 GDP in composition

The increase in the primary sector in 2020 was mainly due to satisfactory weather conditions despite the floods recorded. Overall, agricultural output grew by 3.9 percent in volume after 2.9 percent in 2019. The output of the other branches of the sector, meanwhile, slowed compared to 2019. As for livestock, it recorded, in 2020, an increase of 3.3% taking advantage of the satisfactory performance of the 2018-2019 agricultural campaign which strengthened the availability of fodder for livestock. Finally, fishing and forestry increased by 2.7% and 2.1% respectively in 2020 and should strengthen in 2021.

Table 11. GDP by sectoral component (%)

	2015	2016	2017	2018	2019	2020	2021 (Projections)	2022 (Projections)
Primary sector	**29.3**	**32.7**	**32.9**	**35.6**	**35.9**	**36.4**	**35.5**	**33.4**
Agriculture and Livestock	2.1	2.1	2.0	1.9	1.9	1.9	1.8	1.6
Forestry	1.0	1.1	1.0	1.0	1.0	1.0	1.0	0.9
Fishing	29.3	32.7	32.9	35.6	35.0	36.2	35.5	33.7
Secondary sector	**22.5**	**19.9**	**20.2**	**18.1**	**20.7**	**20.5**	**20.1**	**23.6**
Mining and oil extraction	9.9	8.3	8.5	6.5	7.1	6.9	6.8	10.6
Agri-food	2.5	2.7	2.7	2.6	2.6	2.6	2.6	2.6
Energy	1.6	1.6	1.6	1.6	1.6	1.7	1.7	1.7
Construction	3.4	3.3	3.5	3.8	4.4	4.4	4.7	4.4
Manufacturing industry	5.1	4.0	3.9	3.7	4.5	4.3	4.3	4.3
Tertiary sector	**38.5**	**38.9**	**38.6**	**37.8**	**36.6**	37.8	37.9	35.9
Transport	2.3	2.3	2.3	2.3	2.2	2.2	2.5	2.4
Telecommunications	2.3	2.5	2.6	2.5	2.2	2.3	1.2	1.1
Trade	11.4	12.9	13.0	12.4	12.0	11.7	12.1	11.3
Other services	15.5	14.7	14.2	13.5	13.2	13.1	13.5	13.0
Public Administration	7.0	6.5	6.5	7.0	7.0	7.0	7.2	6.9
Duties and taxes	6.5	5.3	5.2	5.7	5.4	4.8	5.1	5.3
Non-market GDP	**13.7**	**12.7**	**12.3**	**12.5**	**12.4**	**12.4**	**12.1**	**11.7**
Market GDP	**86.3**	**87.3**	**87.7**	**87.5**	**87.6**	**87.6**	**87.9**	**88.3**
GDP Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

INS, Economic Accounts of the Nation, 2020

The share of extractive activities in GDP decreased from 7.1 percent in 2019 to 6.9 percent of real GDP in 2020, mainly due to the reduction in uranium production activities and the fall in oil prices. The share of this sector in GDP has gradually declined, while other sectors have stagnated, reflecting the weak structural transformation of the economy, particularly in the industrial sector. The share of the secondary sector in GDP was 19.9 percent in 2020. According to national accounts forecasts, it is expected to increase in 2021 to 20.1 percent, driven mainly by construction activities. It is expected to increase from 2021 to 23.6 percent of GDP in 2022, thanks to the start of crude oil production for export.

In 2020, the tertiary sector (market and non-market) accounted for 37.8% of GDP. According to the national accounts, the tertiary sector thus contributed 0.3 percentage points to real GDP growth in 2020, with a 0.8% increase in its added value in volume. The relative growth of the services sector is mainly attributable to the telecommunications and non-market services branches. In contrast, trade, financial activities and hospitality have declined due to the decline in market services activities during the health crisis. The tertiary sector is expected to strengthen in 2021, thanks in particular to trade activities, reaching 37.9% of GDP.

2.2.3 GDP by component

In terms of jobs, final consumption remains the largest component of GDP. Nevertheless, in 2020, final consumption contributed only 0.9 points to real GDP growth and investment 1.0 point, compared with 5.0 points and 2.9 points respectively in 2019. The decline in the contributions of these components of demand is the result of the fall in household income caused by the health crisis. Looking ahead, the economic recovery driven by the acceleration and finalization of the implementation of the Economic and Social Development Plan (PDES 2017-2021) and the development of road, energy and oil infrastructure should enable domestic demand to increase in 2021.

On the external demand side, exports in real terms fell faster than imports (-8.8 percent vs. -1.1 percent) in 2020, further increasing the trade deficit compared to 2020. The deficit is expected to widen in 2021 due to falling commodity prices and a slowdown in exportable quantities of uranium.

Table 12. GDP by demand component from 2015 to 2022 (CFAF billion)

	2015	2016	2017	2018	2019	2020	2021 (projections)	2022 (Projections)
1. Internal demand	6 642.0	6 810.8	7 360.0	8 142.5	8 740.9	9 093.2	10 194.8	11 178.0
Total consumption	4 799.7	5 121.0	5 525.8	6 008.6	6 387.7	6 602.5	7 295.9	7 955.2
Private	3 797.0	4 140.9	4 468.4	4 848.3	5 168.6	5 296.2	5 949.7	6 475.6
Public	1 005.9	980.1	1 057.4	1 160.3	1 219.1	1 306.3	1 346.2	1 479.6
Total investments	**1853.4**	**1 58.4**	**1 834.1**	**2 133.9**	**2 353.3**	**2 490.7**	**2 898.9**	**3 222.8**
Private	1 244.8	1 096.9	1 217.3	1 376.7	1 520.6	1 587.8	1 983.2	2 268.7
Public	608.6	561.5	605.4	731.8	832.7	902.9	915.7	954.2
Change in inventories	-14.3	31.4	11.4	25.5	0.0	0.0	0.0	0.0
2. Total external demand	**927.0**	**714.4**	**874.0**	**1 021.1**	**1 175.7**	**1 220.3**	**1 635.9**	**1 333.0**

Source: INS, BCEAO

3.1 Recent Achievements and Completions

3.1.1 Presentation of the national development plan

To accelerate and consolidate economic and social progress, the government of Niger approved an ambitious five-year economic and social development plan (PDES 2017-2021) in September 2017. This plan aims to overcome the obstacles that have long hindered the country's development by transforming its economic structure to ensure strong, sustainable, resilient and inclusive growth that will raise the living standards of the population. The PDES is structured around five (5) major strategic axes that address the structural reforms needed to diversify the economy and strengthen the private sector, address high population growth and gender inequality. These are:

- Cultural renaissance;
- Social development and demographic transition;
- Accelerating economic growth;
- Improving governance, peace and security;
- Sustainable management of the environment.

The PDES aims to achieve several critical goals by 2021, including:

- Reduce the poverty rate from 39.8% in 2016 to 31.3%;
- Continue structural reforms to raise the economic growth rate to 7% in the optimistic scenario;
- Continue to mobilize domestic revenue to raise the revenue/GDP ratio to 20%, in line with the WAEMU convergence criteria;
- Reduce the population growth rate from 3.9% in 2015 to 3.06%.

Financing of the national development plan

The Nigerien authorities estimate the total cost of implementing the PDES 2016-2021 at CFAF 12,000 billion. The financing of the PDES will be based on external support from development partners, domestic revenue mobilization to increase the budgetary space needed for investment, and domestic borrowing. Thus, in December 2017, Niger organized a donor roundtable and private investor forum in Paris that mobilized more than USD 23 billion in financing intentions for a need of USD 17 billion. The country received strong support and commitments from its development partners and generated real interest among investors, particularly for energy, commodities and the telecommunications sector.

One of the most important projects carried out under the National Development Plan was the inauguration in 2017 of the Goroubanda power plant, with a capacity of 100 megawatts. This structuring project worth 75 billion CFA francs (116 million euros) is intended to increase the production capacity of businesses and reduce power cuts in the capital.

In 2018 and 2019, the construction of the pipeline for the transport of oil and the realization of projects concerning the renovation of the Niamey international airport, hotel complexes (such as the Radisson Blu Noom, Bravia, etc.) in the context of the organization of the AU 2019 conference have contributed strongly to the growth of the transport, hotel and trade branches and contributed to job creation. The renovation of the airport cost about 101 billion CFA francs, or 154 million euros.

3.1.2 Recent structural reforms related to the development plan

The challenge of food security is one of the main objectives of PDES. To this end, Niger has put in place the "Nigeriens Feed Nigeriens" (I3N) initiative to ensure that Nigerien populations are protected from famine in an immediate and sustainable manner. This initiative is accompanied by improved management of natural and environmental resources. In 2017, the country adopted a national policy for the environment and sustainable development that updates previous frameworks for sustainable land and biodiversity management, integrated water resources management (IWRM), climate change adaptation and mitigation, and renewable energy promotion. In addition, important water resource mobilization infrastructure, such as the Kandadji dam currently under construction to develop agricultural activity through irrigation, as well as to develop electricity production.

Niger has finally embarked on reforms related to improving the business climate. In 2018, the country was ranked among the top ten reforming countries in the World Bank's Doing Business report on the business climate. In order to facilitate business, Niger has taken, since 2016, measures related to the development of the action plan for the reform of import-export procedures, for the establishment of the House of Business, the adoption of an action plan for the improvement of Doing Business ranking indicators, the implementation of the national policy "Justice and Human Rights" and its Ten-Year Action Plan 2016-2025.

3.2 Upcoming achievements

Several structuring infrastructure projects have been included in the 2017-2021 PDES, namely the construction of the Cotonou-Niamey-Ouagadougou-Abidjan railway loop, the construction of a 2,000 km pipeline by the China National Petroleum Corporation to bring crude oil to the port of Seme Terminal in Benin the Salkadamna energy project and the continuation of the construction of the Kandadji hydro-agricultural dam at a total cost of CFAF 155 billion (3% of GDP), which will take three years to complete. By 2022, oil will be a driver of investment and will enable Niger to increase from 20,000 to 110,000 barrels per day, which will represent 24% of GDP.

In 2021, the outlook is good with the implementation of major oil projects, the construction of economic infrastructure (Kandadji hydro-agricultural dam, roads, construction of the Tahoua referral hospital, construction of the finance building, construction of the Garadawa cement plant, etc.) and continued investment in the agricultural sector with the continuation of structuring investments within the framework of the 3N Initiative and the Millennium Challenge Corporation (MCC)

Niger's authorities are pursuing a massive investment project in the crude oil export pipeline. The project, which is being carried out by the China National Petroleum Company, will link the oil fields of eastern Niger to the coast of Benin through a 2,000 km long pipeline. Construction began last fall. Under the terms of the contract, Niger will contribute 45% of the project, i.e. $2.1 billion.

4.1 Structural elements

4.1.1 Description of the Franc zone

The Franc zone is characterized by four (4) founding principles. These principles were set out in the November 23, 1972 monetary cooperation agreement between member States of the issuing zone of the Bank of Central African States and France, as well as in the December 4, 1973 cooperation agreement between member States of the West African Monetary Union and France.

The 4 main principles of the Franc zone are:

- **A guarantee from the French Treasury for unlimited convertibility of the Central Bank currency:** currencies issued by the issuing institutions of the franc zone have unlimited convertibility guaranteed by the French Treasury. To ensure the free convertibility of each of the subzones, an operating account is opened with the French Treasury by each Central Bank of the zone, and on which the Central Banks have an unlimited right to draw in the event of exhaustion of their foreign exchange reserves;
- **A fixed parity with the euro of 1 euro for 655.957 CFA francs:** the parity of the zone's currency with the euro is fixed and defined for each subzone. The currencies of the zone are convertible among themselves, at fixed parities, without limitation of amounts. The switch to euro resulted in a simple substitution of the peg to the French franc by the peg to the euro, at equivalent parity, i.e., CFAF 655.957 = 1 euro (the parity being identical for the West and Central Africa sub-zones).
- **Free and unlimited transfer of reserves:** Transfers are, in principle, free within the Zone.
- **Centralization of reserves:** governments centralize their foreign exchange reserves in their central banks, while in return for the unlimited convertibility guaranteed by France, the central banks of the franc zone are required to deposit a portion of their net external assets (foreign exchange reserves) with the French Treasury in an operating account opened in the name of each of them. Since the September 2005 reform, BCEAO has had to deposit 50% of its external assets in its operating account.

A new monetary agreement was signed in December 2019 by WAEMU member States and France to reform the West African CFA franc (XOF). It lays the groundwork for member countries to join ECO, ECOWAS' single currency project. In order to enable WAEMU economies to prepare for ECO, the monetary cooperation agreements linking the member States of the zone to France were thoroughly revised. Three decisions were taken:

- Name change of the currency from CFA Franc to ECO, when WAEMU countries will integrate the new ECO zone of ECOWAS;
- End the centralization of foreign exchange reserves at the French Treasury, closing the operations account and transferring available resources into BCEAO's account;
- Withdrawal of all French representatives from the decision-making and management bodies of WAMU (BCEAO Board of Directors, Banking Commission and Monetary Policy Committee).

Two key pillars of monetary stability have been retained:

- Maintaining the fixed exchange rate against the euro (which ensures the current parity) ;
- The guarantee of unlimited convertibility of the currency by France.

In May 2020, the bill ratifying the end of the CFA franc was adopted by the French Council of Ministers. It validates the transformation of the CFA franc, which will become the ECO, by maintaining a fixed parity with the euro as well as the end of the centralization of foreign exchange reserves of West African States at the French Treasury.

4.1.2 Description of BCEAO

Article 41 of the WAEMU Treaty designates the Central Bank of West African States (BCEAO) as an autonomous specialized institution of the Union. In complete independence, the BCEAO contributes to the achievement of the Treaty's objectives.

Members

The eight (8) member States of WAEMU are members of BCEAO. They are Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo.

The bodies

The organs of the Central Bank are: the Governor, the Monetary Policy Committee, the Board of Directors, the Audit Committee, and the National Credit Councils, one in each WAMU member State.

Operation

The Central Bank, its organs, any member of its organs or staff may not seek or receive orders or instructions from community institutions or organs, from any government of WAEMU Member States, from any other organization or from any other person. Community institutions and bodies and the governments of WAEMU member States undertake to respect this principle.

The primary objective of the Central Bank's monetary policy is to ensure price stability. Without prejudice to this objective, the Central Bank supports the economic policies of the West African Economic and Monetary Union (WAEMU), with a view to achieving sound and sustainable growth.

Roles

The Central Bank has the following fundamental missions:

√ Define and implement monetary policy within WAEMU;

√ Ensure the stability of WAEMU banking and financial system;

√ Promote proper functioning and ensure the supervision and security of payment systems in WAMU;

√ Implement the WAEMU exchange rate policy under the conditions set by the Council of Ministers;

√ Manage the official foreign exchange reserves of WAEMU member States.

The Central Bank may conduct, with due regard for monetary equilibrium, specific missions or projects that contribute to the improvement of the monetary policy environment, diversification and strengthening of the WAEMU financial system and technical and professional capacities in the banking and financial sector.

The main objective of the Central Bank's monetary policy is to ensure price stability. As such, it defines the monetary policy to keep the currency's external coverage rate at a satisfactory level, and to support the economic activity of member countries without inflationary pressure[2].

BCEAO oversees the monetary policy of each member country by setting money supply and credit targets on an annual basis. Statutory advances to member States' national treasuries were suspended in 2001 and abolished as of 2010.

To conduct its common monetary policy, the BCEAO relies on market mechanisms and indirect liquidity regulation instruments, in particular interest rate management and the reserve requirement system.

4.1.3 Monetary Policy

BCEAO has the exclusive privilege of issuing money for all the member States of the West African Monetary Union. It issues monetary signs, banknotes and coins, which are legal tender with discharging effect in all the member States of the Union. The creation, issue and cancellation of monetary signs are decided by the Council of Ministers.

The Central Bank's management of member States monetary policy consists in adjusting the global liquidity of the economy according to economic trends, in order to ensure price stability, on the one hand, and to promote economic growth, on the other hand.

The current money and credit management system relies on market mechanisms and indirect liquidity regulation instruments, notably interest rates and the reserve requirement system.

[2] The BCEAO Monetary Policy Committee, at its first meeting held on September 14, 2010 in Dakar, defined the operational objective of price stability as an annual inflation rate in the Union within a margin of ± one percentage point (1%) around 2%, over a twenty-four (24) month horizon.

The functioning of BCEAO is based on:

- Open market operations: seven-day and twenty-eight-day refinancing (weekly and monthly, respectively, for banks subject to reserve requirements) allotted at variable rates; the minimum bid rate considered by BCEAO as its key rate (currently[3] 2.0%). Planned auctions are generally calibrated according to BCEAO's forecast of liquidity needs over the maturity of operations;
- Standing loan windows: refinancing from 1 to 7 days or 90 to 360 days against government securities and credit requests with maturities ranging from 5 to 20 years, at the request of banks (marginal lending window). Rates at these windows are 200 basis points above the policy rate. As of June 2017, the use of the lending window was capped at two times the counterparty's equity.

The minimum bidding rate for open market operations (tenders) and the interest rate applicable to the marginal lending window (repo rate), whose levels are set by the Monetary Policy Committee, are 2% and 4% respectively, and constitute BCEAO's two main key rates.

Money supply

The money supply increased from CFAF 1,113 billion to CFAF 1,304 billion between 2015 and 2020. Foreign assets decreased between 2014 and 2018 from CFAF 707 billion to CFAF 324 billion, but increased again in 2019 to CFAF 641 billion. Domestic assets, on the contrary, had increased between 2014 and 2018 from CFAF 595 billion to CFAF 1,126 billion, but decreased slightly in 2019 to CFAF 988 billion.

Table 13. Money supply (money supply)

In billions of CFAF	2015	2016	2017	2018	2019	2020 (estimates)
Foreign assets	**592.021**	**572.078**	**437.153**	**323.643**	**641.315**	**559.8**
Central Bank	483.978	460.679	353.018	262.709	466.894	396.5
In the banks	108.043	111.399	84.135	60.934	174.421	163.3
Domestic Assets	**794.375**	**906.745**	**1009.996**	**1125.61**	**987.985**	**1237.9**
To the credit of the State	**9.901**	**79.444**	**118.983**	**274.588**	**26.263**	**193.4**
Central Bank	27.895	55.371	1.94	72.618	-14.072	64.1
Commercial bank	-17.994	24.073	117.043	201.97	40.335	129.3
To the credit of the economy	**784.474**	**827.301**	**891.014**	**851.022**	**961.721**	**1044.5**
Non-monetary liabilities	**185.908**	**219.576**	**237.385**	**249.72**	**269.081**	**281.2**
Money supply (M2)	**1113.412**	**1209.95**	**1150.408**	**1126.204**	**1295.777**	**1516.2**
Outstanding currencies	535.307	595.908	487.318	477.618	524.459	576.3
Deposit	578.105	614.042	663.09	648.585	771.318	776.345

Source : BCEAO, IMF

4.2 Banking system and financial markets

4.2.1 The banking environment

In 2020, Niger's banking system consisted of 18 credit institutions, with a total of about 200 branches and offices. The banking system is very weak and remains one of the least developed in the WAMU region (only 4.5 percent market share). Financial inclusion is particularly low with only 6.76 percent of the adult population over the age of 15 having a bank account, although this proportion has doubled since 2014, compared to 43 percent in sub-Saharan Africa (Global Findex Database 2017). Credit to individuals is low due to the relatively high cost of credit. The weighted average lending rate ranged from 9.35 to 10.87 percent in 2018 and 2019, one of the highest rates in the WAEMU zone. Financing to the economy is also low. Indeed, the amount of credit allocated to the private sector amounted to 738.0 billion in 2019, or 10.3 percent of GDP.

[3] BCEAO lowered its main policy rates by 50 basis points. Thus, the minimum bidding rate for liquidity injection tenders was reduced from 2.50% to 2.00% and the interest rate for the marginal lending window was reduced from 4.50% to 4.00%. This decision became effective on June 24, 2020.

Table 14: Simplified situation of the banking system in Niger (in billions of current CFA francs)

Assets	2017	2018	2019	Liabilities	2017	2018	2019
Treasury and interbank transactions	257	264	289	Treasury and interbank transactions	456	455	461
Customer operation	860	878	1013	Customer operation	871	947	1086
Securities and other transactions	385	440	431	Securities and other transactions	55	71	65
Fixed assets	76	87	105	Provisions, equity and similar	195	199	229
Total	1578	1687	1838	Total	1578	1687	1841
Net operating ratio (overheads/GNP)	66,2	69,4	68,6	Net margin rate	21,6	20,6	23,8
Profitability ratio (net income/equity)	11,1	11,3	11,8	Net delinquency rate	4,5	7,9	8,7

Source : WAMU Banking Commission

In 2019, the Nigerian banking sector recorded an increase in the aggregate balance sheet total of 9.1 percent year-on-year, to CFAF 1,838 billion. This increase in the balance sheet total was the result of both an increase in fixed assets (+21.6%), customer transactions (+15.3%) and cash transactions (+9.5%). Loans to customers are mainly granted on a short-term (65.8%) and medium-term basis (28.9%). In December 2019, loans to the economy stood at CFAF 961.7 billion. Their level increased by 13.0%, in connection with the net loans granted to companies in the trade, construction and public works sectors as well as the oil sector.

The Nigerian banking sector recorded a slight increase in results. Indeed, net banking income rose by 4.5% and the net margin rate was up 3.2 points in 2019. The profitability ratio (net income/equity) also increased from 11.3% to 11.8% between 2018 and 2019. However, these results should be put into perspective in light of the banking sector declining performance in 2019. The quality of credit portfolios deteriorated again in 2019, with the net deterioration rate of the customer portfolio standing at 8.7 percent, after 7.9 percent in 2018 and 4.5 percent in 2017, although for this indicator, Niger is thus well above the WAEMU average (12.3 percent in 2018).

In addition, several risks threaten the Nigerien banking sector. Most of the credit granted is intended to finance a small number of sectors of activity (trade, services, construction, extractive industries), which makes it vulnerable in the event of a shock affecting one of these sectors. Niger's banking sector is also highly exposed to the public sector through investments in government bonds. The economy is not financed to the extent that it needs to be, especially the agricultural sector, which is the driving force behind the economy. Finally, the capital market is underdeveloped and dominated by banks and the government.

Microfinance

In 2020, Niger's microfinance sector had 37 Decentralized Financial Systems (DFS), including 3 joint stock companies and 34 mutual and cooperative savings and credit institutions (IMCECs), with a total of 125 branches or counters for 279,273 direct beneficiaries. Among the 37 IMCECs, there are two networks (Crédit Mutuel du Niger CMN and Caisse Populaire d'Epargne et de Crédit MCPEC), with a total of 21 base banks. The level of outstanding loans fell from 35.650 billion CFA francs at the end of September 2019 to 23.778 billion CFA francs at the end of September 2020, a drop of 33.3 percent attributable to the financial difficulties of the country's largest SFD, ASUSU SA. Thus, the gross portfolio deterioration rate remains very high (13.5%) compared to the WAMU average (9.1%). This strong deterioration was the result of the increase in outstanding credits (CFAF 4.316 billion) in relation to the crisis caused by the Covid-19 pandemic from the second quarter of 2020. Credit extended by microfinance institutions represented only a small share of total credit. The outstanding amount of decentralized financial systems (DFS) represented only 0.4 percent of GDP in 2020.

Like the banking system, Niger's decentralized financial system also lacks dynamism. Indeed, the number of DFSs has been steadily declining in recent years with, for example, the closure of more than ten agencies in just four years, between 2013 and 2017. As for the difficulties of DFS, two microfinance institutions in Niger was placed under provisional administration at the end of June 2020.

Faced with very low financial inclusion, the absence of large viable banking networks, and the inability of microfinance structures to effectively meet the needs of the population, the authorities have taken several initiatives: (i) they have strengthened the Credit Information Bureaus with the law of March 2018 in order to reduce the information asymmetry between lenders and borrowers and encourage the granting of credit;(ii) they have adopted a law allowing the granting of credit according to the principles of Islamic finance; (iii) they have launched a National Strategy for Financial Sector Development (SNDSF) and a National Strategy for Inclusive Finance (SNFI) aimed at granting a total of 35 billion CFA francs in credit by 2021, with the support of international donors.

4.2.2 Financial markets

WAEMU financial market is structured around the debt securities market (public and private bonds) and the equity market. The regional public securities market has two (2) components: the auction market and the syndication market.

The market for public securities by auction is organized and regulated by BCEAO through Agence UMOA-Titres, while public securities by syndication, private bonds and shares are regulated by the Regional Council for Public Savings and Financial Markets (CREPMF) and organized by the Regional Securities Exchange (BRVM) and the Central Depository/Settlement Bank (DC/BR).

BRVM : Presentation and roles

The Regional Stock Exchange (BRVM) is a specialized financial institution created on December 18, 1996, pursuant to a decision of the Council of Ministers of the West African Economic and Monetary Union (WAEMU) taken in December 1993.

BRVM is a public limited company with a community public service mission. This stock exchange is common to the 8 countries of West Africa. BRVM/DC/BR started its activities on September 16, 1998 in Abidjan. Its main missions are the following:

- The organization of the stock market;
- Publication of stock market transactions;
- Dissemination of information on the stock market;
- Promotion and market development.

Evolution of BRVM bonds and equity market

Since 2016, the underperformance of the WAEMU stock market (BRVM) shows that it has not fully resisted the general downward movement that has gripped the world's financial markets. The decline in 2018 of BRVM was particularly marked. Preferred stocks in 2015, focused on food and beverage sector as well as agribusiness, consumer, automotive and equipment and banking, have experienced a decline.

The drop in prices on BRVM could be explained on the one hand, by the profit taking of several large investors who had made significant capital gains on their investment. It also comes from the readjustment (rectification) after four (4) years of intensive rise that the market experienced (2012 to 2015) and on the other hand, the misunderstanding of the various splits made on the market. New investors are speculating and most of the listed companies have not reacted to the fall in their capitalization.

The year 2020 has negatively impacted BRVM, like all financial markets, following the outbreak of the coronavirus. The regional market recorded its largest quarterly decline (-15.79% in the first quarter of 2020) in the last 10 years. However, investors showed continued confidence in the potential of BRVM, which posted one of the best balances since 2016, despite the pandemic and the presidential election in Côte d'Ivoire. More than 35% of listed companies ended the year in the green.

During the 2020 trading year, the BRVM Composite Index fell from 159.2 on 12/31/2019 to 145.37 on 12/31/2020. The market capitalization of the equity market fell from CFAF 4,741 billion at the end of 2019 to CFAF 4,368 billion at the end of 2020, a decline of 7.9%.

The market capitalization of bonds stood at CFAF 6,051 billion as at December 31, 2020, compared with CFAF 4,233 billion the previous year, an increase of 43%. This increase is linked to the need for States to support their respective economies in the context of the pandemic.

Table 15. BRVM financial market trends

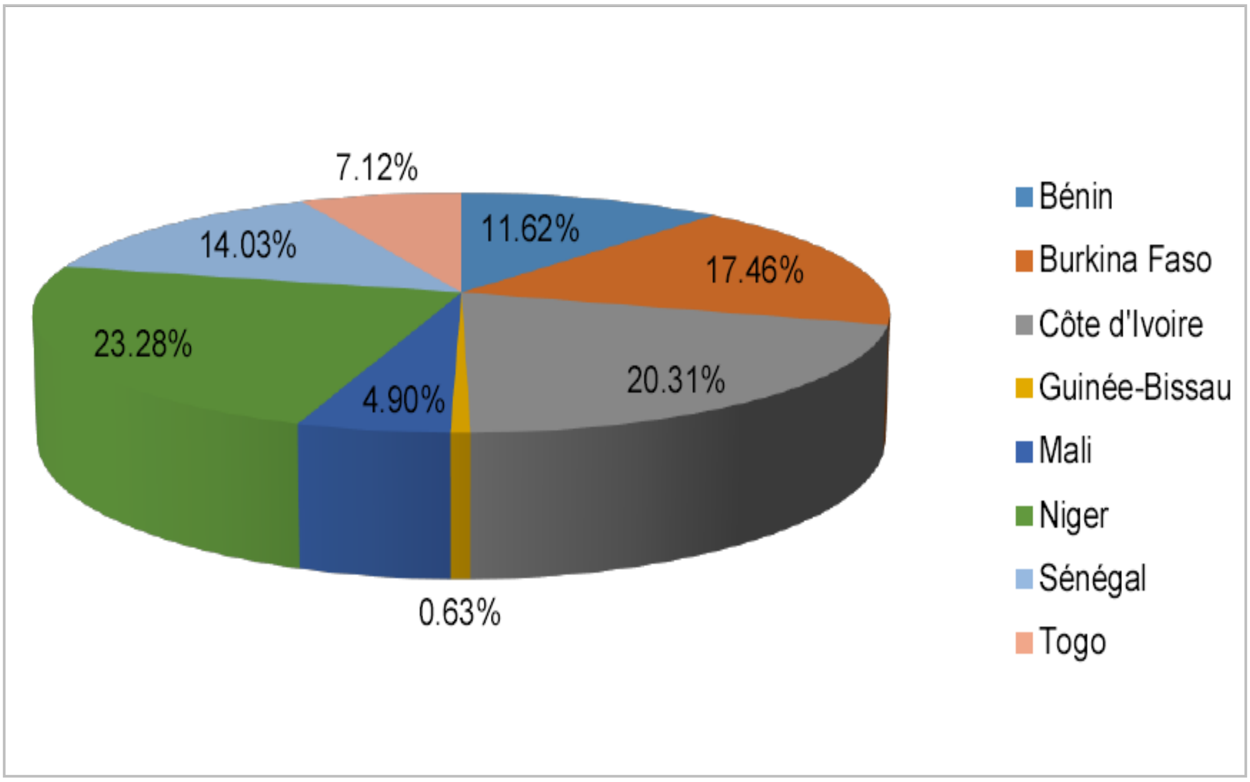
	2014	2015	2016	2017	2018	2019	2020
BRVM 10 Indexes	268	290	262	220	154	149	131
BRVM composite Indexes	258	304	292	243	172	159	145
Composite market capitalization (stocks and bonds) in billions of CFA francs	7 459	9 079	10 216	9 806	8 289	8 973	10 418
Equity Market	6 320	7 500	7 706	6 836	4 845	4 741	4 368
Bond market	1 139	1 579	2 509	2 970	3 444	4 233	6 051
Number of listed companies	38	39	43	45	45	46	46

Source: BRVM

Bond market

At the end of December 2020, outstanding government bonds amounted to CFAF 698.3 billion. Local banks subscribed (including on behalf of third parties) for CFAF 234.3 billion. In addition, the Treasury has subscribed to issues of Treasury bills for an outstanding amount of CFAF 230.0 billion as of December 31, 2020, of which CFAF 61.0 billion was subscribed by local banks. In 2020, the distribution of security holders is given by the graph below.

Figure 2: Geographic breakdown of Niger's public securities holders



Source: UMOA-Titre

Stock market

Only the Bank of Africa (BOA) subsidiary in Niger has been listed on the BRVM since 2003. According to statistics collected on the BOA website, BOA Niger's market capitalization was CFAF 45.5 billion in 2020, compared to CFAF 44.0 billion in 2019, representing an average annual growth rate of -5.3%. In 2020, the annual performance was 3.4%, while the dividend yield increased by 13.2%.

4.2.3 Debt underwriting mechanisms

Any investor based inside or outside WAEMU can invest in public securities issued by way of auction or syndication. Orders are placed through authorized market participants: investment syndicate or any brokerage firms operating within the Union as part of issues by syndication, and credit institutions established in the Union or brokerage firms having an account in the books of the Central Bank as regards issues by auction. Transactions on the BRVM's stock market are made by stock exchange intermediaries, notably brokerage firms.

Organization of auction markets

The auction market is a segment of the public securities market, in which WAEMU member States issue Treasury bills and bonds through an auction procedure in order to finance their budgets.

Unlike the syndication market, the auction market is driven by the following players:

- The Central Bank of West African States (BCEAO), which is the regulator of this market. As such, it issues the applicable provisions, intervenes in the organization of auctions of public securities, ensures the function of Central Depository / Settlement Bank, the clearing, settlement and delivery of transactions among participants with an account in its books, through its electronic platform SAGETIL-UMOA[4];
- States which are the issuers of public debt securities on the Union's money market, under the responsibility of the Minister of Finance;
- Agence UMOA-Titres, the regional agency in charge of issuing and managing public debt securities, physically organizes issues and provides assistance to member States in mobilizing resources on the capital markets and managing their debt;
- Investors, which are credit institutions, MFIs and regional financial organizations with a settlement account in the books of the Central Bank[5];
- Primary dealers (SVTs), which are credit institutions and SGIs that have obtained the approval of the Ministers of Finance of WAEMU Member States to act in this capacity and thus benefit from the status of privileged partners of one or more Member States' Treasuries in operations on public debt securities issued on the regional market.[6]

Securities issued at auction are traded on the secondary market, following an over-the-counter procedure.

Organization of the syndication market

The WAEMU regional financial market is characterized by a mixed organization. Indeed, it is composed of a public pole made up of the Conseil Régional de l'Epargne Publique et des Marchés Financiers (CREPMF) (Regional Council for Public Savings and Financial Markets) and a private pole comprising, on the one hand, central agencies such as the Bourse Régionale des Valeurs Mobilières (BRVM) (Regional Stock Market) and the Central Depository/Settlement Bank (DC/BR), and, on the other hand, the market participants.

CREPMF is the regulator of the WAEMU regional financial market. Its missions are, among others, to:

- Ensure the authorization and control of public offering procedures;
- Empower market management agencies and accrediting market participants;
- Approve commercial stakeholder rates;
- Regulate market operation;
- Monitor the regularity of stock market transactions.

BRVM is organized in a central site based in Abidjan (Côte d'Ivoire) and represented in each member State by a National Stock Exchange (ANB). The main attributions of the BRVM are:

- Authorization of stock market participants to carry out their activities;
- Management of the market, in particular the cen-

[4] Automated Securities and Liquidity Management System of the West African Monetary Union.
[5] All other investors wishing to participate will have to go through the approved stakeholders
[6] The operationalization of primary dealers within WAEMU started on March 1, 2016.

tralization of buy or sell orders, listing management, dissemination of market information, as well as the promotion and popularization of the financial culture within WAEMU;
- Management of unsettled transactions.

The Central Depository/Settlement Bank (CD/BR) is a financial institution, whose role is:

- To proceed with the clearance of the applicants for the function of account holder ;
- To ensure the settlement of negotiations and the management of the financial service of the securities;
- To ensure the maintenance of current accounts of securities opened by primary dealers (SGI) in its books;
- To ensure the safekeeping and the scriptural circulation of securities;
- To make cash payments, as settlement bank, of the balances of stock exchange transactions.

As part of organizing issues by syndication, States entrust the securities placement process to a placement syndicate, whose members are made up of primary dealers approved by the CREPMF. In addition, the issuer chooses a lead manager from among the members of the syndicate, who is in charge of specific missions in the issue process.

Since its inception, the main products on the regional financial market have been equities and bonds. In recent years, several new products such as mortgage refinancing and securitization (Sukuk debt securitization funds) have been introduced. Securities issued through syndication are traded on the secondary market on the BRVM's electronic trading platform.

4.3 Inflation rate

The inflation rate stood at 2.9 percent in 2020 compared to -2.5 percent in 2019, slightly below the EU ceiling of 3.0 percent. The price increase was driven mainly by food supply disruptions following the Covid-19 pandemic. However, in 2019, consumer prices are expected to fall back to a negative inflation rate of -2.5 percent, reflecting a good agricultural season and targeted government sales of grain at moderate prices during the lean season.

Table 16. Inflation rate trends in Niger and the WAEMU (%)

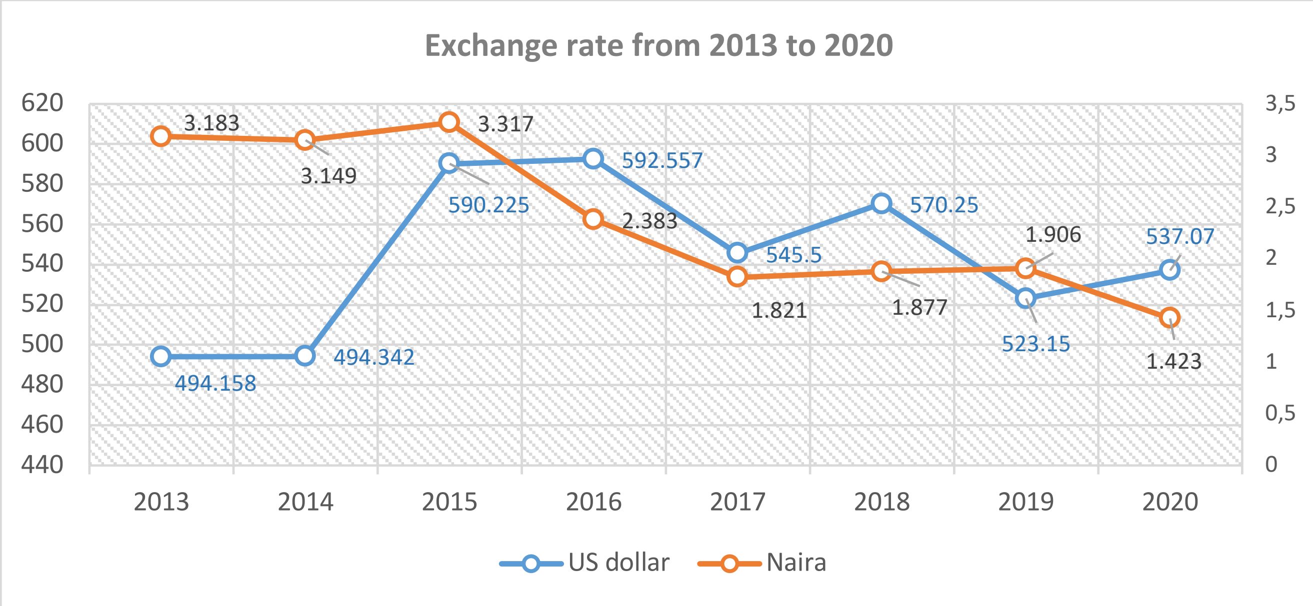
Inflation rate	2015	2016	2017	2018	2019	2020
Niger	1.0	0.2	0.1	2.8	-2.5	2.9
WAEMU	1.0	0.3	1.1	1.2	-0.7	2.1

Source: BCEAO

4.4 Exchange rates

Nigeria is one of Niger's main trading partners. In 2016, it devalued its currency (the Naira) to redress its external balance. This decision increased the cost of Niger's exports to Nigeria, including re-exports of used cars, oil and rice. The figure below shows that the CFA franc appreciated by nearly 40 percent against the Naira between 2015 and 2018, even as the foreign exchange market gradually recovered. However, Nigeria's emergence from economic recession and the rise of the Naira between 2017 and 2018 boosted Nigerian exports, particularly livestock. The CFA depreciated by about 20 percent against the dollar between 2014 and 2020, making imports of goods typically denominated in U.S. currency more expensive. However, according to BCEAO data, the CFA exchange rate against the Naira depreciated by -4.7 percent between 2018 and 2019 as a result of the devaluation policy implemented by the Niger authorities. In 2020, the level of depreciation of the CFA franc against the Naira is expected to narrow as the Nigerian economy begins to recover.

Figure 3: US Dollar - Naira exchange rate from 2013 to 2020



Source: BCEAO, statistical yearbook

4.5 Foreign reserves

The table below shows official assets and liabilities since 2015. Net external assets (the difference between claims on non-residents and liabilities to non-residents) of the Central Bank fell from CFAF 353 billion in 2017 to CFAF 262.7 billion in 2018, but increased again in 2019 to CFAF 466.9 billion. In 2020, net external assets stood at 396.5 billion, a decrease of 70.4 billion compared to 2019. This difference is mainly due to the decrease in other external assets (-81.5 billion CFAF).

The level of BCEAO international reserves is below the estimated adequate range (6-7 months). In 2019, this level reached 4.9 months of imports, up from 4.5 months in 2018, thanks to fiscal consolidation and increased net capital inflows.

Table 17. Niger's official assets and commitments in billions of CFAF, 2015-2020

	2015	2016	2017	2018	2019	2020	Difference 2019/20
Net external assets	484.0	460.7	353.0	262.7	466.9	396.5	-70.4
Claims on non-residents	673.0	740.5	714.2	621.9	920.4	917.0	-3.4
External commitments	189.0	279.8	361.2	359.2	453.5	520.5	+67.0
Official reserve assets	48.4	46.4	54.6	79.6	99.1	117.2	+18.1
Foreign currencies	0.693	1.4	1.2	0.7	2.1	3.1	+1.0
Reserve position IMF	7.9	23.2	14.8	21.6	18.6	14.4	-3.2
SDRs held	39.6	21.8	38.5	57.3	78.4	159.7	+81.3
Other external assets	624.7	694.0	659.6	542.3	821.3	739.8	-81.5

Source : BCEAO

5.1 Balance of payments

After a relative improvement in 2016, the current account balance has deteriorated since 2019 according to BCEAO estimates. This deterioration is the result of the deterioration of the trade balance and the primary income balance. The deficit is expected to widen further in 2021, notably due to the expected increase in imports, before improving in the short term, thanks to the export of crude oil scheduled for 2023. The trade balance was strongly impacted between 2018 and 2020 by the decline in uranium exports, which constitute Niger's main export product. The drop in uranium exports is linked to the decline in its production following the collapse of international prices and the ageing of the sites, which should lead to the closure of the large sites between 2021 and 2022. Indeed, uranium production has dropped from 9,495.0 tons in 2016, to 3,069.4 tons in 2019 and to 3,000 tons in 2020.

Table 18. Niger's balance of payments, 2015-2021

Billions CFAF	2015	2016	2017	2018	2019	2020 (Estimates)	2021 (Projections)
Current account balance	-878.7	-700.3	-740.0	-902.6	-921.3	-1 054.5	-1 110.1
Trade balance in goods and services	-963.8	-768.5	-874.0	-1 065.7	-1 176.7	-1 270.0	-1 327.8
Exports FOB	643.2	611.7	701.8	668.2	659.7	654.0	696.5
Including Uranium...	240.8	177.7	169.6	117.2	128.5	158.1	96.7
CAF Imports	1 472.7	1 281.9	-1 431.6	-1 597.6	-1 717.6	-1 791.5	-1 900.5
Of which Capital goods...	424.8	352.9	-370.4	-456.1	-547.2	-494.6	-555.1
Imports FOB	1 168.6	1 017.2	-1 136.0	-1 267.7	-1 362.9	-1 420.7	-1 507.1
Net primary income balance	90.5	96.7	-105.5	-107.1	-113.0	-116.4	-129.5
Net secondary income balance	175.6	164.9	239.5	270.1	368.4	332.0	347.2
Capital Account	173.9	229.6	237.0	346.6	369.8	406.2	427.8
Of which Acquisitions/disposals of non-financial assets	-1.1	-0.3	2.9	2.5	-0.7	0.0	0.0
Of which Capital transfer	175.0	230.0	234.1	344.1	370.5	406.2	427.8
Financial account	-577.3	-454.5	-373.0	-446.3	-873.9	-566.8	-687.4
Of which Foreign Direct Investment	-292.8	-154.7	-179.8	-237.4	-401.4	-206.7	-386.5
Errors and omissions	-5.2	-4.1	-4.9	-4.2	-4.5	0.0	0.0
Overall balance	-132.6	-20.2	-135.0	-113.9	317.9	-81.5	5.1

Source : BCEAO

In general, foreign trade in 2020 was marked by the slowdown in economic activity, the tightening of trade restrictions caused by measures to combat the COVID-19 pandemic, and the closure of the border with Nigeria. This less dynamic foreign trade has resulted in a decline in the export-to-GDP ratio (8.1 percent of GDP in 2020 versus 8.7 percent of GDP in 2019) and a slight increase in the import-to-GDP ratio (22.3 percent in 2020 versus 21.0 percent in 2019). There has also been a decline in FDI, partly related to delays in the delivery of equipment needed for investment work. In addition, travel receipts have declined as a result of the drop in hotel and transport sector activities due to the cancellation of several conferences scheduled in Niamey and the closure of borders to travelers. As a result, the current account deficit as a share of GDP was 13.8 percent in 2020. It widened slightly from 12.2 percent in 2019.

In terms of the outlook for 2021, BCEAO estimates that the decline in oil prices linked to the COVID-19 crisis could have a negative impact on the real sector, public finances, and the balance of payments.

The change in the financial account is essentially explained by Foreign Direct Investment (FDI), which fell to CFAF 206.7 billion in 2020, compared with 401.4 billion in 2019. In sum, the overall balance of payments showed a deficit of CFAF 81.5 billion in 2020, compared with a surplus of CFAF 317.9 billion in 2019. Niger's overall balance of payments is largely dependent on internal shocks, the most recurrent of which are agro-climatic conditions, and external shocks such as the evolution of world prices for mining, oil and food products on the international market, as well as the volatility of external financial support and the value of the Naira, the Nigerian currency.

5.2 Regional trade

5.2.1 Regional Trade Policy

West African countries are engaged in numerous trade negotiations at the regional (integration process), bilateral (Interim Economic Partnership Agreement - IEPA) and multilateral (World Trade Organization - WTO and regional EPA) levels.

Good coordination between the various negotiations at the regional and international levels (CET; EPA; WTO, AGOA, etc.) is essential to achieving the trade performance objectives of WAEMU member States.

National and regional trade policies in West Africa depend on various spaces. Indeed, the regional negotiation space is articulated around the following elements

- The finalization of the Common External Tariff (CET) at the ECOWAS level, and thus the constitution of a Customs Union;
- A space for bilateral negotiations, particularly between the West African region and the EU, regarding the EPA;
- A multilateral negotiating space, which refers to WTO rules, of which all West African States are members (with the exception of Liberia, which has observer status). It should be noted that each country negotiates individually and that WAEMU and ECOWAS only have ad hoc observer status in the WTO Trade and Development Commission.

With regard specifically to WAEMU, it has a common trade policy based in particular on

- A common market set up on July 1, 1996 for local and unprocessed products (products of the Union from the animal, mineral and vegetable kingdoms) and traditional crafts, and until January 1, 2000 for approved industrial products. This common market was extended to all ECOWAS countries in 2004;
- A customs union established on January 1, 2000, based on a CET applicable to all WAEMU member countries, which includes four categories of products, taxed from 0 to 20%, in force until January 1, 2015, when the WAEMU CET was replaced by the ECOWAS CET, which enshrines the expansion of the customs union to the 15 ECOWAS countries.
- Common rules of origin and competition, harmonization of VAT and excise duties, harmonization and mutual recognition of standards, common safeguards and protections (Degressive Protection Tax (DPT), short-term export tax (STT), reference values and anti-dumping duty).

WAEMU also has a regional trade promotion program, "a regional strategy and a logical framework for the implementation of the WAEMU aid-for-trade program".

The overall objective of the aid for trade strategy is to enable member States to increase their exports of goods. The logical framework serves as the basis for an agenda for international donors, as well as national and regional financial institutions. It identifies five specific objectives corresponding to the categories of aid for trade:

- Ensure ownership and control of trade policies and regulations by experts from member States and the Commission;

- To develop intra-regional and international trade of the member States;
- Strengthen trade-related infrastructure in the sub-region;
- Diversify and increase the production capacities of member States;
- Make essential adjustments and take into account other business needs.
- The needs and priorities were identified on the basis of the Regional Economic Program (REP), which is the reference framework for the WAEMU integration process, as well as existing capacity building programs in the States.

- **The Common External Tariff**

Rules in force at the ECOWAS borders in terms of customs policy are those laid down by the ECOWAS Common External Tariff (CET). The applicable rules of origin are defined by the Trade Liberalization Scheme (TLS).

The CET aims to harmonize tariffs and taxes in order to deepen economic integration through the establishment of a customs union; provide a platform for building the common trade policy and regional trade negotiations such as the EPA; stimulate regional production and investment capacity; and consolidate the regional market.

The CET is organized around an architecture including:

i. A Tariff and Statistical Nomenclature (TSN), i.e. a common customs nomenclature based on the Harmonized Commodity Description and Coding System (HS) of the World Customs Organization (WCO) adopted by the Community;

ii. A table of duties and taxes applicable to imported products which includes: the customs duty (DD), the statistical fee (RS) and the ECOWAS community levy (PC ECOWAS);

iii. Trade defense measures or supplementary protective measures, if any, which may generate duties that may affect the final price of products imported into the Community from third countries;

iv. The statistical royalty rate is set at 1% and applies equally to all imported products, whether exempt or not;

v. The tax base for the application of the common external tariff is ad valorem.

The tariff structure of the CET is presented in the following table:

Category	Description	Rates
0	Essential social goods	0 %
1	Basic raw materials and capital goods	5 %
2	Intermediate products	10 %
3	Final consumer goods	20 %
4	Specific assets for economic development	35 %

The CET was established in accordance with the requirements of the World Customs Organization's Harmonized System and the World Trade Organization's Regional Trade Agreements (Article 24 of GATT).

- **Specific rules applicable to ECOWAS countries' foreign trade of goods**

Several trade regimes are in place within ECOWAS. The following table presents the existing regimes according to the trading partners.

PARTNERS	SPECIFIC SCHEMES
European Union (EU)	APEI, SPG, SPG+, TSA
ECOWAS	TEC, SLE
Rest of AFRICA	Bilateral agreements
USA	AGOA
ASIA	Bilateral Agreements
Other industrialized countries	Generalized System of Preferences (GSP)
Rest of the world	Bilateral agreements, GSP

Pending the implementation of the EPA, different tariff regimes apply depending on the status of countries in the framework of trade between ECOWAS and the EU:

- Côte d'Ivoire and Ghana ratified interim EPAs in 2016. Côte d'Ivoire's EPA has been provisionally applied since September 4, 2016, and Ghana's EPA has been applied since December 15, 2016. These interim EPAs guarantee both countries full access to the European market and provide for eventual liberalization of 80% of tariff lines by Côte d'Ivoire and Ghana, spread over a period of 15 years[7];
- Under the GSP, Nigeria benefits from a reduction in European customs duties on approximately 1/3 of tariff lines and a total exemption from customs duties on 1/3 of additional tariff lines
- Cape Verde benefits from the GSP+ which grants an exemption from European customs duties on about 2/3 of the tariff lines;
- The other twelve countries (including the seven WAEMU countries besides of Côte d'Ivoire), because of their LDC status, benefit from the Everything But Arms GSP, which grants them access to the European market for all their exports to the EU without duty or quota.

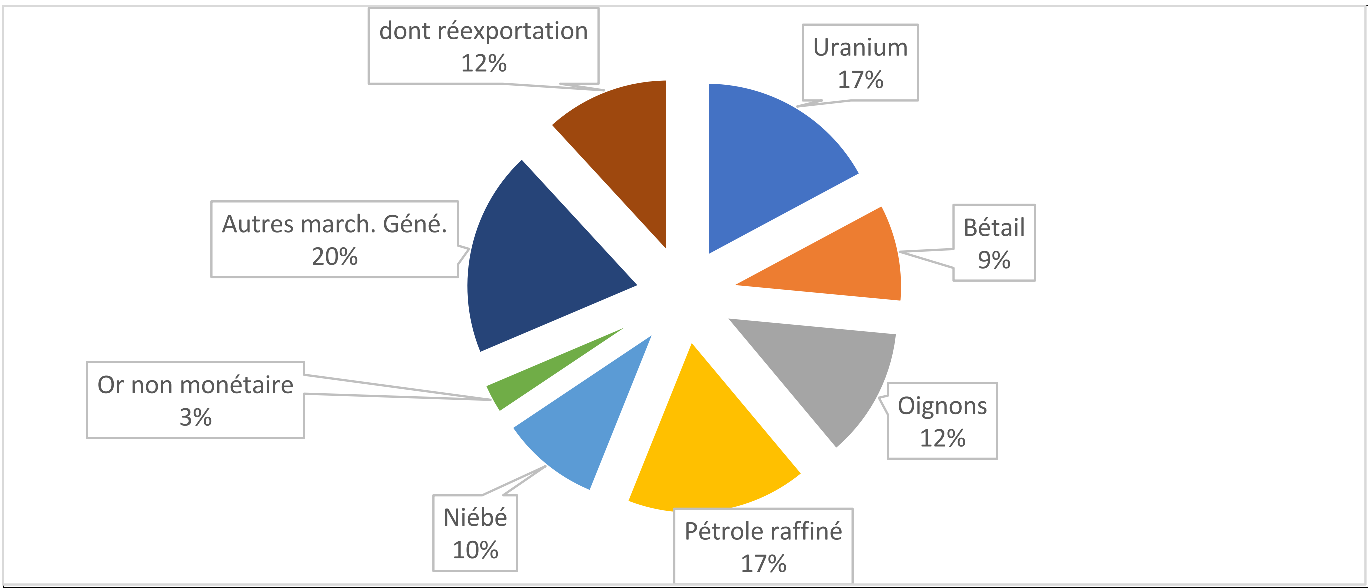
5.2.2 Regional trade in value

Niger's regional trade with the rest of the seven (7) WAEMU countries between 2013 and 2019 shows an overall deficit in the intra-zone trade balance, except in 2017. While imports followed a downward trend between 2014 and 2016, they increased slightly in 2017 and 2019. In 2019, the total value of imports from the WAEMU zone amounted to CFAF 208.8 billion. Niger's top import partner in 2019 was Côte d'Ivoire with an estimated trade volume of CFAF 65.6 billion, followed by Benin with CFAF 52.9 billion and Togo with CFAF 51.0 billion.

Over the past five years, Niger's exports have varied widely. They rose between 2012 and 2014, then fell in 2015 and 2016. Starting in 2017, exports started to rise again, driven mainly by petroleum products purchased by Mali. In 2019, the total value of exports to the WAEMU zone amounted to CFAF 111.3 billion compared with CFAF 93.0 billion in 2018. In 2019, Niger's leading export partner was Mali, with an estimated trade volume of CFAF 54.7 billion, followed by Burkina Faso with an estimated trade volume of CFAF 21.0 billion, and Togo with CFAF 12.3 billion in merchandise exports. Products sold in the WAEMU are mainly onions, livestock and especially refined petroleum, to Mali, Burkina Faso, Togo and Côte d'Ivoire.

[7] Over 11 years (2019-2029) currently for Côte d'Ivoire.

Figure 4. Niger's main export products (% of total exports)



Source: BCEAO

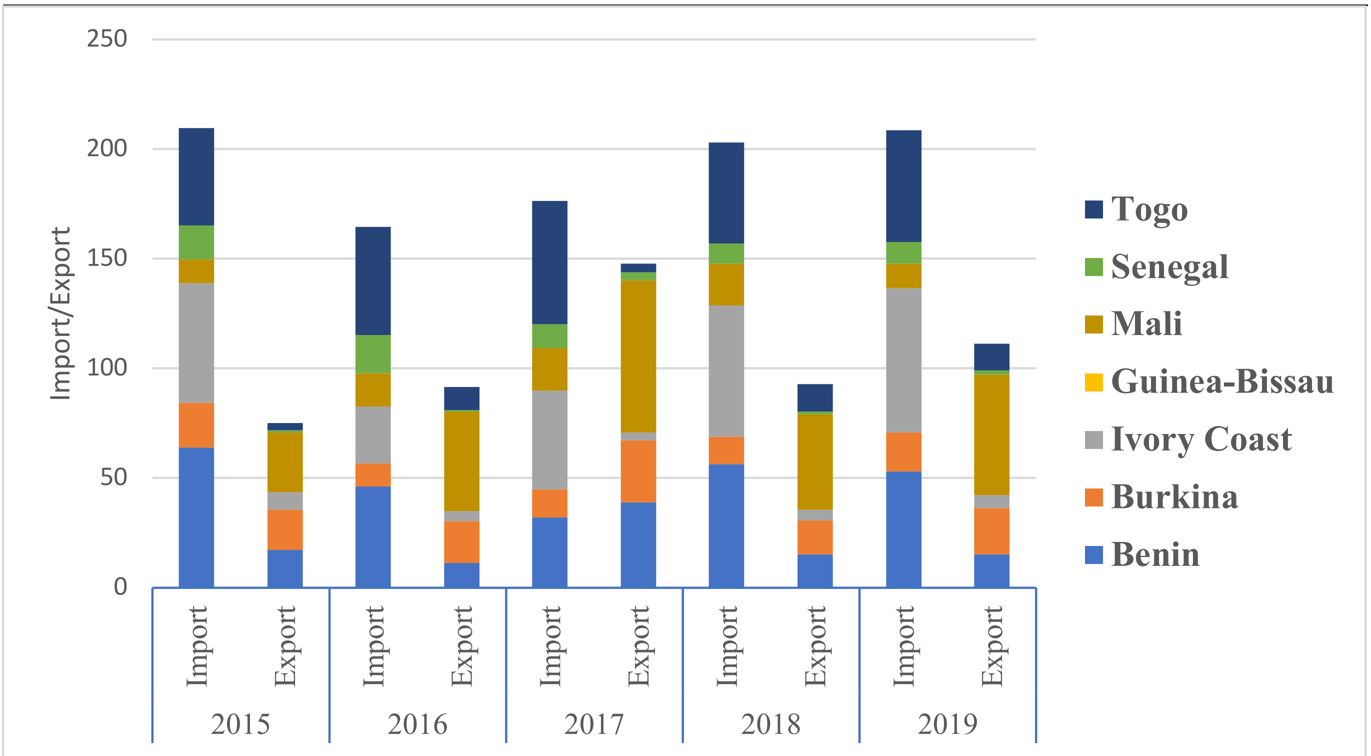
In 2019, exports of petroleum products mainly to Nigeria, Burkina Faso and Mali stood at 128.4 billion against 129.3 billion in 2018. This underperformance is explained by the halt in exports of refined petroleum products to Nigeria, which closed its border with Niger on 29 August 2019 in order to combat hydrocarbon fraud in particular.

Onions are mainly exported to WAEMU countries and Ghana. In 2019, the total value of onion exports amounted to 93.0 billion compared to 86.4 billion in 2018, an increase of 7.6%. This increase is attributable to efforts to modernize the onion sector, including the implementation of the onion counter, efforts to upgrade existing hydroagricultural facilities, the increase in the area planted, and the greater use of agricultural equipment and inputs.

Other exported products include hides and skins, fish products, cash crops (souchet, ginned cotton, sesame, peanut oil and gum arabic) as well as re-exports of cigarettes, second-hand clothes, cotton fabrics, vehicles and machinery and food products (rice, pasta, vegetable oils, etc.). In 2019, their value stood at 146.2 billion CFA francs against 157.7 billion in 2018, a drop of 7.3% caused by the decrease in re-exports of goods to Nigeria.

Niger's intra-WAEMU trade balance was in deficit by CFAF 97.4 billion in 2019, indicating Niger's weak capacity to export to the rest of the region. This situation is linked to the reduction in export volumes of petroleum products following major maintenance work at the Zinder refinery. In addition, the degree of openness of the Nigerien economy vis-à-vis other WAEMU countries remains low. According to the BCEAO, it stood at around 2.1% in 2019 compared to 1.9% in 2018.

Figure 5. Value of Niger's imports and exports (billions of CFAF)



Source : BCEAO

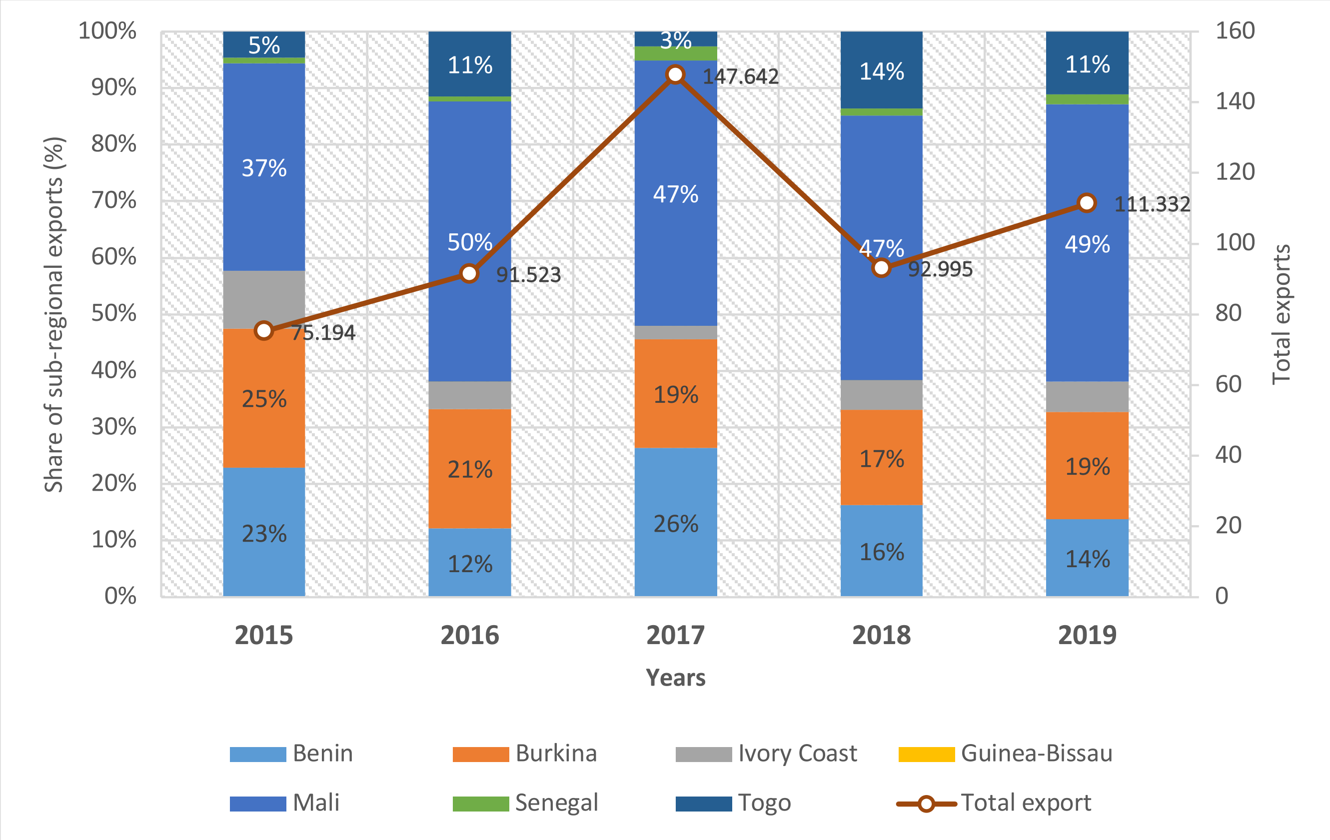
5.2.3 Regional exchanges by partner

Although WAEMU membership offers opportunities in terms of foreign trade, Niger does not seem to be taking advantage of its comparative advantages to make better use of its export products. In 2019, Niger's exports of goods to the WAEMU zone amounted to CFAF 111.3 billion compared to CFAF 93.0 billion in 2018, an increase of 19.7%. This increase was partly attributable to increased exports of petroleum products to WAEMU countries such as Mali and Burkina Faso.

Exports to WAEMU countries accounted for 25.0% of the total value of exports. Mali and Burkina Faso are Niger's largest customers, accounting for 62.9 percent of exports to WAEMU countries. Côte d'Ivoire, with 31.4 percent of imports in 2019, is Niger's top supplier, followed by Benin (25.3 percent of imports) and Togo (24.4 percent of imports).

However, considering the ECOWAS space, Nigeria remains Niger's leading trade partner with import and export trade volumes of 87.3 billion and 116.9 billion respectively in 2019. The decline in trade is linked to the closure of the border with Nigeria as of the end of August 2019.

Figure 6. Share of each WAEMU country in trade with Niger

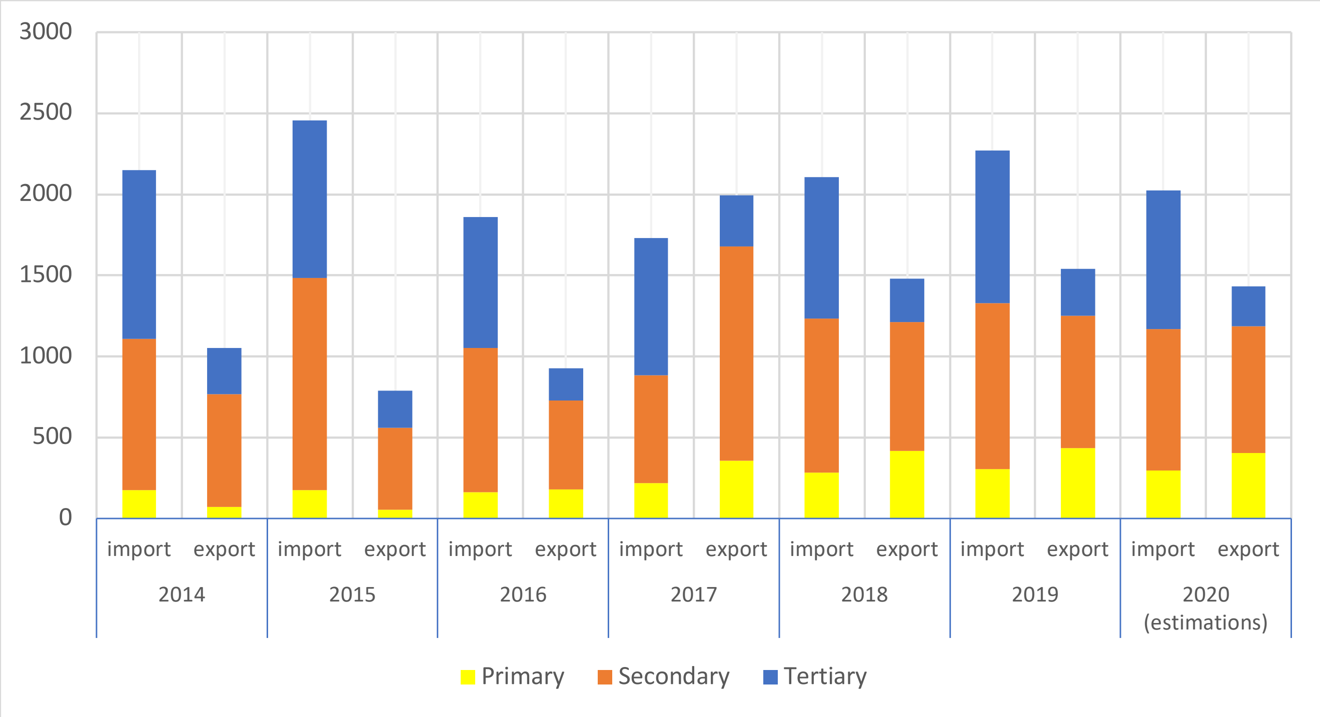


Source : BCEAO

5.2.4 Regional exchanges by type

In general, products from the secondary sector dominate Niger's exports and imports. In 2019, the secondary sector accounted for 45.1 percent and 53.7 percent of the country's imports and exports, respectively. In the case of imports, Niger mainly imports machinery, electrical appliances and mechanized equipment, cement, iron, and cars. The composition of imports and exports reflects the importance of the services sector in trade. Indeed, Niger imports mainly commercial services (notably transportation and business services). Ores and mineral fuels, meat, and hides and skins are Niger's most important exports.

Figure 7. Regional trade by sector



Source : BCEAO

5.3 International trade

5.3.1 Commercial policy

Niger's trade policy is based on its ECOWAS and WAEMU membership. It aims to conquer international markets, especially those of ECOWAS countries, the country's main partner being Nigeria. To that end, the government intends to:

- Support young graduates to create business enterprises;
- Diversify and increase agricultural, pastoral, artisanal and industrial production in which Niger has a comparative advantage;
- Introduce standards for the production of goods and services and generalize the quality approach, in particular through the accreditation of analysis, testing and trial laboratories, and the certification of companies and products;
- Create free trade zones and improve the business climate.

The government has ratified the WTO's Trade Facilitation Agreement, recognizing the important role of trade in the fight against poverty. Niger also aims to reduce its dependence on taxes, which currently account for more than one-third of total government revenues. In order for trade to play this role fully, in addition to the actions described above, it is necessary to reduce import and export taxes.

In terms of export promotion, the government has decided to focus its efforts on a few sectors considered to be the most promising in terms of wealth creation and employment, particularly for the poorest people. These are the livestock, hides and skins, agricultural (onions, cowpeas, souchet, dates, groundnuts, cotton) and mining sectors, including small-scale mining. The government's objectives with respect to imports, which provide the bulk of the country's domestic consumption, are to provide the population with access to quality goods at the best possible price, so as not to strain the household budget.

Niger has been a member of the WTO since December 13, 1996. According to WTO, Niger had not signed any plurilateral agreements and protocols under the WTO except the Trade Facilitation Agreement, becoming the twelfth WTO Member and the first least developed country (LDC) to ratify the new Trade Facilitation Agreement (TFA). Niger has never been involved in a WTO dispute. In addition, Niger continues to be eligible for tariff preferences under the Generalized System of Preferences (GSP) of several countries (Australia, Belarus, Canada, the European Union, Iceland, Japan, Kazakhstan, New Zealand, Norway, the Russian Federation, Switzerland, Turkey, and the United States). The EU GSP incorporates the Everything But Arms Initiative, under which the EU has granted duty-free access without quantitative restrictions to products (except arms and ammunition) from LDCs, including Niger, since 2001. The U.S. GSP incorporates AGOA, for which Niger is also eligible.

5.3.2 International trade in value and by destination

Niger's main trading partners are France, China, Nigeria, Burkina Faso, Mali and the United States. Niger exported CFAF 445.7 billion in 2019 to its main partners, representing 67.5 percent of total exports (Table 18). Africa is Niger's largest export market, absorbing 61.9 percent of its 2019 merchandise sales by value, followed by Europe (21.1 percent), Asia (14.0 percent), and the Americas (2.9 percent).

In 2019, Africa's continued position as Niger's largest client is explained by shipments of petroleum products and, to a lesser extent, cowpeas, onions, live animals and re-exports. Europe is Niger's second largest export partner, accounting for 21.1% of trade compared to 28.4% a year earlier. This drop in Europe's share is mainly due to the fall in gold shipments to Switzerland.

In terms of imports, Asia remains Niger's leading supplier with CFAF 662.6 billion in 2019, or 39.7 percent of the country's total imports compared to 37.7 percent in 2018. Products from Asia consist mainly of electronic devices, capital goods, cereals, office equipment, textiles, second-hand goods and tea. Europe and Africa come second and third respectively with CFAF 499 billion and CFAF 391 billion in 2019, representing 29.9% and 23.4% of Niger's total imports. America is the country's fourth supplier with a total import value of CFAF 116 billion in 2019, or about 6.9% of Niger's total imports.

Products from Europe consist mainly of pharmaceutical and dairy products, cigarettes, telecommunications equipment, precision equipment, and new and used vehicles. Most of the products imported from Africa come from the WAEMU zone, representing 53.4% of total supplies from Africa. These imports are mainly composed of cement, cooking oil, cereals, fruit and vegetables, and manufactured goods.

As a result, the FOB import coverage rate for exports fell to 48.4 percent in 2019 from 52.7 percent a year earlier.

Table 19. International trade in value and by destination

Country Export (Billions CFAF)	2015	2016	2017	2018	2019	Country Imports (Billions CFAF) CAF	2015	2016	2017	2018	2019
Europe	**185.5**	**195.1**	**188.1**	**121.8**	**93.9**	**Europe**	**224.3**	**209.4**	**250.6**	**422.3**	**498.9**
France	153.4	169.9	157.4	106.5	85.8	France	110.1	103.1	120.2	256.5	270.9
Africa	**235.3**	**289.0**	**384.7**	**213.3**	**276.0**	**Africa**	**328.5**	**291.0**	**310.0**	**378.6**	**391.0**
Nigeria	137.1	158.7	199.2	115.8	116.9	Nigeria	54.1	68.7	66.4	92.5	87.3
WAEMU	**75.2**	**91.5**	**147.6**	**93.0**	**111.3**	**WAEMU**	**209.6**	**164.7**	**176.2**	**202.8**	**208.7**
Burkina Faso	18.5	19.3	28.2	15.6	21.0	Benin	63.7	46.3	31.9	56.5	52.9
Mali	27.5	45.3	69.2	43.5	54.7	Côte d'Ivoire	54.8	26.2	44.9	59.6	65.6
America	**53.4**	**18.8**	**22.2**	**21.1**	**13.1**	**America**	**97.7**	**88.5**	**162.4**	**134.4**	**116.2**
United States	52.9	18.4	21.9	20.3	12.2	United States	67.7	72.5	141.5	108.6	93.2
Asia	**42.3**	**0.724**	**5.5**	**71.9**	**62.5**	**Asia**	**530.7**	**397.4**	**376.1**	**568.5**	**662.6**
China	0.62	0.142	2.1	26.3	22.4	China	335.2	182.9	132.6	293.2	331.2
Total	**643**	**611**	**701**	**668**	**445.7**	**Total**	**1168**	**1017**	**1136**	**1268**	**1670.8**

Source: BCEAO

5.3.3 International trade in value and by product

The country exports mainly uranium, petroleum products, livestock, onions and cowpeas. In 2019, it should be noted that exports fell slightly by 1.2 percent compared to 2018, mainly related to the "general merchandise" item. This underperformance is due in particular to the drop in shipments of agro-pastoral products, mitigated by the increase in those of uranium, which rose from 117.2 billion in 2018 to 128.5 billion in 2019. The evolution of exports of the main products reveals a predominance of agropastoral products (livestock, onions and cowpeas), mining products (uranium and gold) and oil products.

Niger imports mainly food products, capital goods, and raw materials and intermediate goods. Capital goods, including machinery and appliances (electrical and mechanical), transport and precision equipment, and movable goods, are the predominant group, accounting for 31.9% of total external purchases in 2019, compared with 28.3% in 2018. They are followed by food products (cereals, pasta, vegetable oils, etc.) with 24.4% after a share of 24.9% a year earlier. Next come intermediate goods (with 21.7% in 2019 (compared to 22.6% the previous year) consisting of cement, iron, steel and chemicals, current consumption goods (13.5%) and other goods (3.8%).

The increase in imports of capital and intermediate goods in 2019 is linked to public and private infrastructure construction work, including the renovation of the Niamey airport, the construction of numerous hotels, roads, and bridges over the Niger River, as well as investments by mining and oil exploration companies. The increase in food purchases is due to higher imports of rice, pasta and vegetable oils.

Table 20. Main products traded in value

Country Export (Billions CFAF)	2015	2016	2017	2018	2019	Country Import (Billions CFAF) CAF	2015	2016	2017	2018	2019
Uranium	240.7	177.7	169.5	117.2	128.5	**Food products**	279.3	261.6	331.3	397.5	419.1
Livestock	67.7	59.2	65.4	74.7	69.8	**Other consumer staples**	232.2	211.9	225.2	227.5	231.2
Onions	88.7	72.6	78.1	86.4	92.9	**Petroleum and energy products**	76.5	72.8	93.3	73.8	81.2
Refined oil	88.7	91.3	151.4	129.3	128.4	**Raw materials and intermediate goods**	355.8	291.9	305.5	360.7	372.9
Cowpea	37.6	54.7	64.9	77.4	71.5	**Capital goods**	424.7	352.9	370.4	456.1	547.2
Non-monetary gold	24.8	24.5	26.1	25.4	22.4	**Miscellaneous products**	103.9	90.6	105.9	81.7	65.9
Other general merchandise	122.7	131.7	146.3	157.7	146.2	-	-	-		-	-
Of which re-export	97.9	96.4	104.4	108.5	88.7	-	-	-		-	-
TOTAL	**643**	**611**	**702**	**668**	**659**	**TOTAL**	**1473**	**1282**	**1432**	**1597**	**1717**

Source: BCEAO

5.4 Foreign direct investment

5.4.1 FDI flows in the country

Net FDI flows amounted to CFAF -401.4 billion in 2019, compared with CFAF -237.4 billion in 2018, due to the renovation of Niamey airport by the Turkish company SUMMA, the construction of several high-standard hotels as part of the organization of the AU Conference in July 2019 and the start of construction work on the pipeline for the export of Nigerien crude oil. We should also add the continuation of mining and oil exploration as well as drilling on the Agadem fields and the start of construction work on the GOVIEX uranium mine. These flows are mainly directed towards the mining and oil sectors from Europe and Asia. In recent years, investments in the telecommunications sector, the construction of hotels, and the recapitalization of national banks by Maghreb banks have also been significant.

Table 21. FDI balance from 2013 to 2019 (in billions of CFA)

	2015	2016	2017	2018	2019	2020 (Estimate)
FDI	-292.9	-154.7	-179.8	-237.4	-401.4	-206.7

Source: BCEAO

The balance of the financial account, which tracks net acquisitions of assets and net increases in financial liabilities, increased from -446.3 billion CFAF in 2018 to -873.9 billion CFAF in 2019. This increase is mainly attributable to foreign direct investment and portfolio investment. Portfolio investments increased from -79.3 billion CFAF in 2018 to -155.7 billion CFAF in 2019. This is related to subscriptions of Nigerian public securities by banks in other Union states and other equity investments. In 2018 and 2019, the construction of the pipeline between Niger and Benin, the realization of public-private partnership projects involving the renovation of the Niamey international airport and the construction of hotel complexes also contributed to increasing the level of foreign direct investment (FDI). Other investments rose from a balance of -129.7 billion in 2018 to -316.8 billion in 2019, attributable to the increase in public and private drawings. Indeed, net public drawdowns increased between 2018 and 2019, from 134.1 billion to 268.8 billion. The financial account balance is estimated at CFAF -566.8 billion in 2020, compared with -873.9 billion in 2019. The evolution of the financial account is presented in the table below.

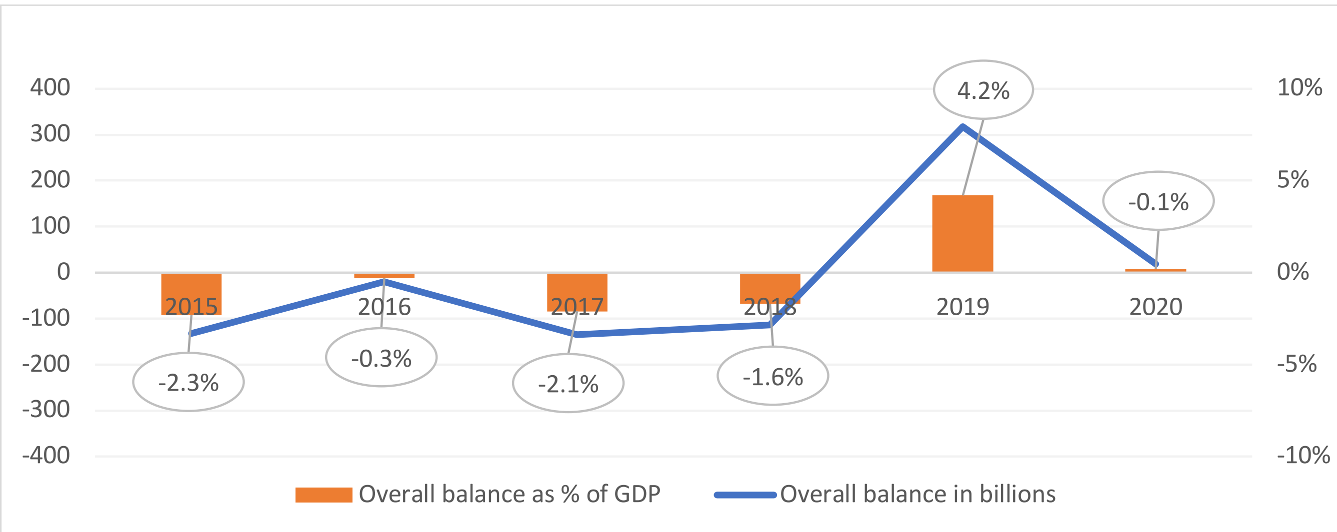
Table 22. Financial Account from 2015 to 2019 (in billions of CFAF)

	2015	2016	2017	2018	2019	2020 (estimate)
Direct Investments	-292.9	-154.7	-179.8	-237.4	-401.4	-206.7
Portfolio Investments	-84.0	-99.1	-31.0	-79.3	-155.7	-7.6
Other Investments	-200.5	-200.6	162.2	-129.7	-316.8	-352.4
Financial Account	-577.3	-454.5	-373.0	-446.3	-873.9	-566.8

Source: BCEAO

The mixed evolution of the various accounts has resulted in an overall balance in surplus in 2019 and in deficit in 2020. The evolution of the overall balance as a % of GDP is presented in the figure below.

Figure 8. Evolution of the overall balance at level, as a percentage of GDP, 2015-2020



Source: BCEAO

5.5 Regional integration

5.5.1 WAEMU convergence criteria

As a result of the GDP revaluation work, in 2018 Niger met all the first and second rank criteria of the WAEMU, except for the tax pressure rate, which was not met. However, in 2019, the sharp increase in expenditures to support the infrastructure built for the AU summit and in current expenses, particularly salaries, did not allow the country to meet the key criterion relating to the overall and second-tier balance.

Similarly, the criterion relating to outstanding debt, although below the 70 percent ceiling, is accelerating, increasing by 2.7 points in 2019. In addition, despite efforts to mobilize domestic resources, the tax burden rate is well below the WAEMU average of 10.3%. The crisis linked to the covid-19 pandemic led the Union authorities to suspend, on April 20, 2020, the application of the WAEMU Convergence Pact to member states. Thus, in 2020, the measures taken by the Nigerian authorities (support to businesses and households) led to a deterioration in the various criteria.

Table 23. Evolution of WAEMU convergence indicators for Niger

	Standard	2016	2017	2018	2019	2020
First row						
Overall fiscal balance (including grants) / nominal GDP	-3 %	-4.5	-3.7	-3.0	-3.5	-5.3
Average annual inflation rate	3 %	0.2	0.1	2.8	-2.5	2.9
Outstanding domestic and external public debt / nominal GDP	70 %	33.0	39.5	38.9	41.6	41.9
Second row						
Payroll/tax revenue	35 %	43.7	43.5	34.7	36.0	40.3
Tax pressure rate	20 %	10.0	9.6	11.1	10.3	9.3

Source : INS, WAEMU

5.5.2 Taking stock of the regional integration

Niger is a member of the West African Economic and Monetary Union (WAEMU) and signed the treaty on January 11, 1994. The institutional framework of WAEMU includes: the Assembly of Heads of State and Government, which adopts additional acts to the Treaty of the Union; the Council of Ministers, the decision-making body of WAEMU; and the WAEMU Commission, which is the monitoring and implementation body. WAEMU has harmonized the taxation regimes at the customs cordon, and is also developing a regional approach to standardization, accreditation and certification. Community directives have been adopted in several sectors of economic activity, including agriculture, fisheries, energy, mining, air transport, telecommunications, financial services and professional services. National transposition of community provisions has made some progress since 2010, but enforcement remains a challenge.

However, since the adoption in 2013 of an Additional Act creating an annual review of community reforms, policies, programs, and projects, the Commission has observed a strong progression in the transposition and application of community acts by member States. In 2018, WAEMU estimated that Niger had a satisfactory rate of implementation of community reforms, policies, projects and programs of 64.8%, compared to 58% in 2017, an increase of 7 points.

Niger is also a member of the Economic Community of West African States (ECOWAS), the Community of Sahel-Saharan States (CEN-SAD) and the Conseil de l'Entente - along with Benin, Burkina Faso, Côte d'Ivoire and Togo. ECOWAS was established on May 28, 1975, with the objective of promoting cooperation and integration in the perspective of a West African Economic Union. According to the revised

Treaty of July 1993, ECOWAS will eventually be the sole economic community in the region for the purpose of economic integration and the achievement of the objectives of the Economic Community of Africa (ECA).

The 1979 ECOWAS protocol on free movement, right of residence and right of establishment led, among other things, to the abolition of the visa requirement between Member States for Community citizens. In the same vein, ECOWAS introduced the ECOWAS passport, and in December 2014 adopted the biometric identity card, which led to the ending of resident permits. In addition, ECOWAS has set up a regional motor vehicle liability insurance scheme called the "Brown Card" and launched a monetary cooperation program aimed at creating a single currency in 2020.

In 2016, the African Development Bank and the Economic Commission for Africa created a Regional Integration Index to measure the extent to which each African country is meeting its commitments under the various pan-African regional integration instruments such as Agenda 2063 and the Abuja Treaty. The index synthesizes the following areas: free movement of people, trade integration, productive integration, regional linkages and infrastructure, and macroeconomic policy convergence. With a score of 0.56, Niger ranked 4th among ECOWAS countries. In other words, Niger performed well in the areas of free movement of people and financial integration and macroeconomic policy convergence. However, its performance in other areas of the index remains rather weak compared to the best performing ECOWAS countries.

6.1 Business climate

Niger has made substantial progress in improving its business climate. According to the World Bank's Doing Business 2020 report, Niger is ranked 131st out of 190 countries, compared to 143rd last year, an increase of eleven (11) places compared to 2019. Niger is thus ranked 22nd in Africa and 4th in the WAEMU region. This progress is explained by the efforts made in terms of structuring investments and especially reforms relating to the improvement of the business climate undertaken since 2010. These reforms have focused on improving access to electricity, building permits, tax payment facilities, access to credit and protection for minority investors in companies.

Table 24. Indicators of business climate

Indicator	Regulation	Metric (indicate those available)
Company set-up	Establishment of the House of Business; adoption of an action plan to improve the indicators of the *Doing Business* ranking; adoption of Decree No. 2017-284 abolishing the minimum capital and the use of notaries for the creation of a limited liability company (SARL); simplification of procedures and reduction of the time required to create or set up a business in accordance with the Organization for the Harmonization of Business Law in Africa (OHADA).	The total number of days needed to start a business is 3 days. The number of procedures is 3 and 7 days respectively for men and women for an average cost amounting to 8.1% of per capita income ($360). A minimum capital of 11.8% of the per capita income is required to start a business, which is about 17,500 francs.
Building Permits	Decree 2018-225 of March 30, 2018 reducing to 7 days the time to obtain the building permit through the holding of weekly sessions of the building permit commission. Reduction to half the cost of obtaining a building permit. Development of a Construction and Housing Code.	The total number of procedures required for the construction of a warehouse is 11 for a period of 91 days. The construction quality control index is 6.0 (the highest score is 15 in the world according to *Doing business*).
Access to electricity	The creation and operationalization of the One-Stop-Shop dedicated to the connection of SMEs to electricity; the creation and operationalization of an Energy Sector Regulatory Authority (ARSE) whose goal, among others, is to monitor the performance of the energy distribution company.	The total number of procedures required to obtain an electrical connection is 4 for a period of 68 days.
Property registration	Reduction of the processing time of a land title transfer file from 30 days to 7 days. Elimination of the registration fees for the company's articles of association.	The total number of procedures required by law to register property is 4. The cost of registration is 7.6 percent of the property. With a score of 58.06 (52.6 on average for sub-Saharan Africa), Niger is ranked 111th in terms of property transfer according to *Doing Business.*
Access to credit	Law n°2014-79 of December 31, 2014 on the regulation of Credit Information Bureaus (BIC). Adoption of the 2015-2019 national strategy for inclusive finance, which aims to guide and serve as a benchmark for actors involved in the provision of financial services, financial infrastructure and the institutional environment.	Niger's collateral reliability index score is 53.72, compared to the Sub-Saharan Africa average of 51.61. In contrast, only 0.3 percent of individuals and firms have been registered in a centralized private information registry in the past 5 years, compared to a Sub-Saharan Africa average of 7.0 percent.
Protection of minority investors	A mining code and a petroleum code define simplified procedures for granting exploration, research and exploitation permits, and provide for specific tax provisions granting special advantages to minority and foreign investors.	Niger ranked 149th in minority investor protection with a score of 40.0, compared to an average of 44.55 in sub-Saharan Africa. In addition, the index measuring management accountability does not exceed 1 on a scale of 10.
Easy to pay taxes	Measures for the declaration and payment of taxes online, through the adoption of Order No. 0042MF January 19, 2018 on the creation of additional counters at the Directorate General of Taxes. Adoption of Order N°0151 on the modalities of transfer of land titles. Circular No. 0090/DGD/PSW of April 6, 2016 on the implementation of electronic payment of duties and taxes liquidated in customs. Total exemption from customs duties and taxes, value added tax, on imported materials, equipment and tools directly contributing to the implementation of the approved investment program.	Niger has an index score of 54.49 and is ranked 161st in terms of ease of tax payment. The post-tax process index is 38.0, compared to the Sub-Saharan Africa average of 54.6.
Easy to export	Development of the action plan for the reform of import-export procedures. Order No. 088/MC/PSP/MT/MF of December 17, 2014 on the documents required for the import and export of goods. Order No. 0090 of December 22, 2014 on the public transport of goods, types of road control at checkpoints and recourse mechanisms to minimize abnormal practices on the transport of goods in Niger.	Niger has a cross-border trade facilitation index of 65.40, compared to the Sub-Saharan Africa average of 53.59. The cost of complying with export procedures is $391 for a 48-hour delay and the cost of complying with import procedures is $460 for a 78-hour delay.

Enforcing contract law	Creation of the Mediation and Arbitration Center of Niamey by Decision N°0014/CCIAN/PDT/2014 of 5 December 2014. This center allows, among other things, to accelerate the process of settlement of commercial disputes through mediation and arbitration. Law n°2015-08 of April 10, 2015 fixing the organization, jurisdiction, procedure to be followed and operation of commercial courts in the Republic of Niger.	Niger's score for ease of contract enforcement is 53.77 (119th). The quality of legal proceedings indicator is 7.5 on a scale of up to 18. In addition, the time needed to resolve a dispute is 380 days at a cost of about 2,858,067 CFA francs.
Insolvency resolution	Adoption of Law N°2018-08 of March 30, 2018 on procedures for the settlement of small claims in commercial and civil matters.	The number of years to recover insolvencies is 5 years, compared to an average of 2.9 years in Sub-Saharan Africa. The cost of recovery is 18% of the value of assets. The recovery rate is 21%.
Bankruptcy Resolution	Law n°2015-08 of April 10, 2015 fixing the organization, jurisdiction, procedure to be followed and operation of the commercial courts in the Republic of Niger.	See the provisions of law n°2015-08 of April 10, 2015 fixing the organization, the competence, the procedure to be followed and the functioning of the commercial courts in the Republic of Niger
Rules on hiring and firing	Law No. 2012-45 of September 25, 2012 on the Labor Code of the Republic of Niger. This is a code that governs the relationship between employers and workers in Niger.	See provision of the interprofessional collective agreement, in application of article 75 of the law n°. 62-12 of July 13, 1962 instituting a labor code of the Republic of Niger.

Source : Doing business, Niamey Business Centre

However, in terms of governance indicators, Niger scores low. In 2020, for example, Niger fell from 101st place in 2016 to 123rd place in Transparency International's Corruption Perceptions Index, dropping fourteen places. According to Transparency International, despite the commitments of the country's high authorities, corruption is gaining ground in Niger "in light of the various scandals revealed not only by the press but also and quite often by the courts." In February 2020, a corruption scandal involving arms contracts was revealed in an audit report by the General Inspectorate of the Armed Forces on orders placed by the Ministry of Defense. This report highlighted a total of 76 billion CFA francs (116 million euros) diverted between 2014 and 2019 in the form of overbilling (48 billion CFA francs) and undelivered equipment (28 billion).

The fight against corruption still seems to be stalled in Niger. Yet the country has a central instrument. In 2011, the State of Niger created the High Authority for the Fight against Corruption and Related Offenses (HALCIA) and set up an Information-Complaints Office, the fight against Corruption and Influence Peddling in the judicial sector. The President of the Republic, for his part, launched an anti-corruption campaign "Mai Boulala" in 2017 to improve governance and strengthen accountability in Niger. Finally, in January 2018, the government adopted a national anti-corruption strategy, followed by a three-year action plan aimed at strengthening prevention, repression and coordination in the fight against corruption.

Nigerien authorities have committed to improving governance and fighting corruption, promising to:

- Publish government members' asset declarations on an official website over the next six months, as scheduled under the structural benchmark for the end of December 2019;
- Request the Court of Auditors to conduct and publish an online audit of pandemic spending by September 2021;
- Publish pandemic-related government procurement contracts online, along with the names of the successful firms and their beneficial owners and ex-post validation of the performance of these contracts;
- Conduct an administrative review and implement the necessary reforms as a result of the legal proceedings concerning irregularities in the award of defense contracts.

6.2 Financial governance

In terms of financial governance, Niger has been reforming its public financial management system (PFMS) for over a decade to make it more efficient. Progress has been made:

- Transparency of rules on budget allocations for decentralized administrations ;
- Publicly available information;
- Budget approval of the National Assembly;
- The quality of debt reporting.

In the same vein, the country transposed the WAEMU public finance directives into national legislation and adopted the implementing texts in 2016. In addition, in March 2017, the government adopted its fourth public financial management reform program (PRGFP 2017-2020) to strengthen the PFMS, among other things. This program aims to:

- Maintain macroeconomic stability;
- Improve public financial management;
- Increase fiscal space by increasing tax revenues, including through broadening the tax base and strengthening tax administration, improving control of public expenditures, and strengthening cash management;
- Improve debt management;
- Increase transparency in the management of the mining and oil sectors;
- Promote the development of the private sector and the financial sector in order to diversify the economy.

Thus, in terms of mobilizing financial resources, reforms to modernize the tax administration have been taken. These include the one-stop shop for the clearance of used vehicles (GUAN), and the computerization of the tax and customs departments. These reforms aim to broaden the tax base, reduce exemptions and strengthen the territorial tax network. In terms of public spending, the reforms aim to improve the efficiency of spending, debt management and budget management by programming.

Good progress has been made in strengthening governance and transparency in the use of public resources. In January 2020, the National Assembly passed a law extending the obligation to declare assets to senior officials. This law will be enacted after a thorough review to ensure its effective implementation. The authorities also intend to publish the asset declarations of all members of the government on an official website. These new measures aim to improve the efficiency of public spending, which remains low in Niger.

The authorities have finally taken corrective measures, including more prudent budgeting for 2020 and 2021, better management of tax exemptions, and a crackdown on oil smuggling.

6.3 Financial ratings

In 2019, Niger was rated by the financial rating agency Moody's, which awarded the government its first B3 rating with a stable outlook. In 2020, Moody's maintains Niger's B3 rating stable, despite shocks related to climate, security and trade conditions in a context of limited adjustment capacity and social and demographic challenges, aggravated by the global coronavirus pandemic. According to Moody's, the B3 rating is based primarily on the following socioeconomic and institutional factors

- A "very weak" economic strength reflected by fragile economic fundamentals such as the country's very low level of wealth, erratic growth and low level of competitiveness, exacerbated by socio-demographic challenges, despite sustained growth rates. Moody's assessed that the modest size of the economy, which is close to $10 billion in 2019, the very low level of GDP per capita ($1,217 in purchasing power parity in 2018), and volatile growth attributable to significant exposure to and very limited capacity to absorb climatic shocks, particularly the problems of drought but also, more punctually, floods, as well as the exposure of the economy to shocks impacting trade prices in the mining sector, are elements that testify to a weak economic strength.
- Very weak" institutional strength as evidenced by weak governance indicators, despite improvements in public financial management under the IMF's three-year plan. Niger's "very weak" institutional strength is in line with the weak governance indicators published by the World Bank. The country is in the bottom quartile of countries rated by Moody's on the government effectiveness index, rule of law, and control of corruption. The country's poor performance in terms of budget execution over the past decade underscores

the government's limited fiscal policy capacity to respond to shocks. In addition, security spending priorities involve a trade-off with spending allocations for social programs, particularly in the areas of health and education. While Niger's membership in the WAEMU and the CFA franc zone exchange rate mechanism contributes to price stability, Moody's considers the effectiveness of macroeconomic policies, on the whole, to be much more limited. Still, Moody's believes that the public financial management reforms implemented since January 2017 under the three-year Extended Credit Facility (ECF) with the IMF are moving the government toward better budget execution in line with program objectives. The government should, according to Moody's, continue its long-standing cooperation with the IMF in line with its commitment to further reforms.

- "Weak" fiscal strength is reflected in a relatively high debt-to-GDP ratio (53.8 percent of GDP in 2018) for an economy of this size and relative to its income levels. Indeed, the debt burden has grown rapidly - more than 20 percentage points of GDP since 2014 - driven by a combination of a deepening security crisis that required a sharp increase in spending, a drop in export prices, mainly of uranium, that weighed on revenues, as well as climatic events that resulted in larger deficits and weaker growth.

- The government's "moderate" liquidity risk exposure reflects the increased need for less favorable local currency refinancing in 2019 and 2020, which has prompted the country to seek slightly more financial support from the IMF than expected. Moody's estimates that the government's gross financing needs over the next two years will amount to 10-13 percent of GDP.

- Moderate" exposure to event risk related to geopolitical tensions in the Sahel region and to the government's liquidity risk, while the country has significant refinancing needs in local currency. Indeed, the geopolitical risk assessment - perceived as "moderate (+)" in Niger - takes into consideration the existence of increased security risk in almost all neighboring countries - notably Burkina Faso, Mali, Algeria, Libya, Chad, and Nigeria - which exposes Niger to incursions by violent extremist movements in the region. The relatively high proportion of the budget devoted to security, to the detriment of social spending or productive investments, is indicative of the country's exposure to security risk.

- In addition, Moody's justifies Niger's stable outlook on the basis of the existence of a bullish/ bearish risk ratio that Moody's perceives as balanced for a B3 country credit profile. The stable outlook is also based on Moody's view that the government should be able to access new sources of concessional financing to refinance higher-cost domestic debt maturing in the coming years.

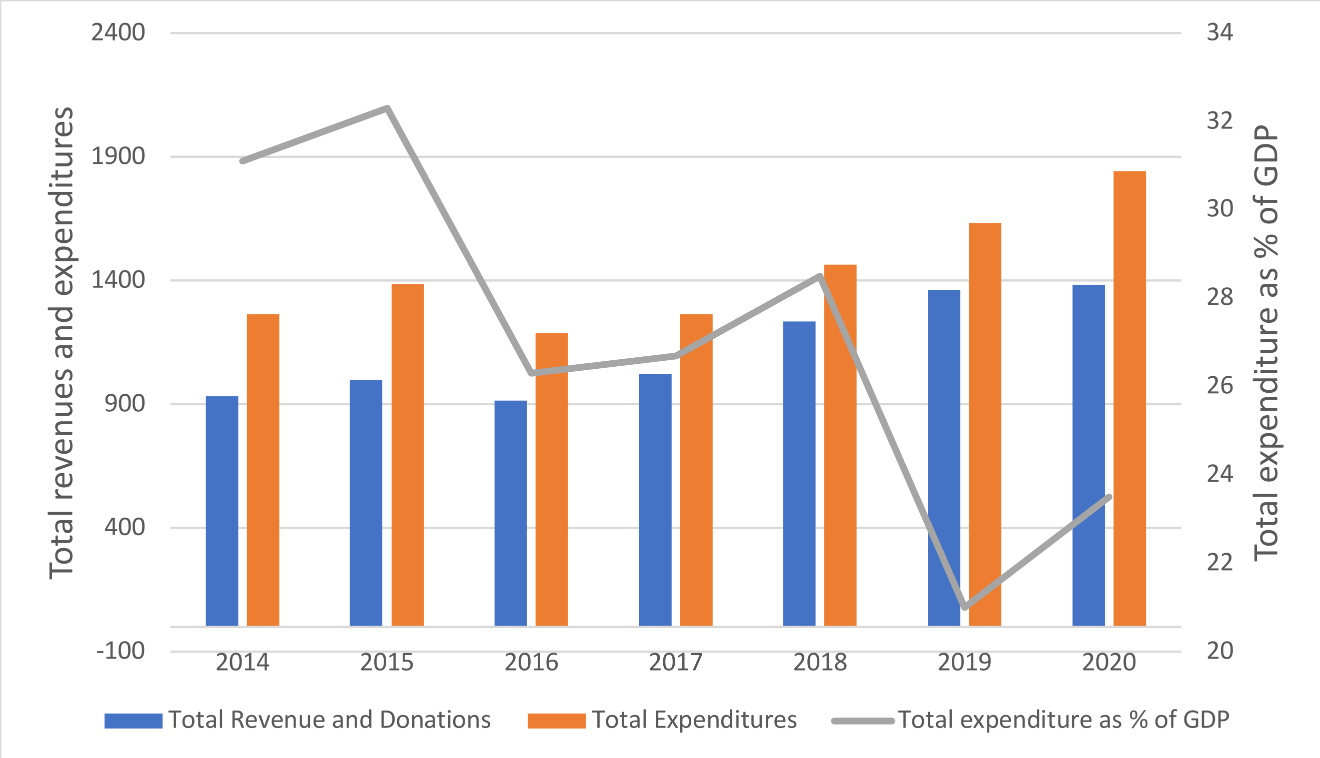
However, Moody's warns that there are factors that could lead to an upgrade or downgrade of Niger's rating. Among the positive factors are the country's ability to pursue reforms in public finance governance and its improved capacity to absorb economic shocks thanks to the implementation of major infrastructure projects, which would put the debt-to-GDP ratio on a decidedly downward trajectory, with significantly greater resilience to economic, security, and climate shocks. Among the unfavorable factors, there has been a notable weakening of the government's commitment to fiscal reform, which has called into question the continuation of public and private financing and exacerbated liquidity pressures. A significant deterioration in the security climate would also weigh on the country's growth and development prospects.

7.1 Budget

7.1.1 Expenditure and revenue

The gap between public revenue and expenditure has been narrowing in Niger since 2016 after widening from 2013 to 2015. Thus, the performance of the financial authorities is improving and the Government is taking measures to control spending (recruitment only in priority sectors, control of government contract agents, etc.). In 2020, government revenue, excluding grants, recorded an annual decline of XAF 25.5 billion (-3.0%). The closure, in the last quarter of 2019, of Nigeria's land borders with its neighboring countries, as well as the fiscal support measures taken by the authorities to relieve households and businesses affected by the health crisis, hampered revenue collection and increased expenditure.

Figure 9. Public expenditure and revenue in Niger, 2014-2020



Source: Department of Finance

7.1.2 Detailed presentation of expenditure and revenue

In fiscal year 2020, total revenue (including grants), which represented

17.6 percent of GDP compared to 18.0 percent in 2019, increased by 1.4 percent driven mainly by grants which increased by CFAF 45.0 billion (+8.8 percent) while domestic resources declined by CFAF 25.5 billion (-3.0 percent).

As regards public expenditure, it grew faster than revenue. Indeed, total public expenditure recorded an increase of CFAF 210.3 billion (+12.9%) to represent 23.4% of GDP in 2020 against 21.6% in 2019. The increase in expenditure is mainly attributable to capital expenditure (+8.4%) and current expenditure (+14.6%) inherent in security measures and measures taken to respond to the COVID-19 pandemic.

Table 25. Detailed presentation of public expenditure and revenue in Niger, in billions of CFA francs in 2020

Revenues and grants				1388.3
	Total revenues			852.4
		Tax revenues		760.1
			Direct taxes	191.6
			Of which taxes on oil	93.4
			Indirect taxes	523.3
		Non-tax revenues		73.0
			Social Security Contributions	
			Other	
				Of which dividends from state-owned enterprises
	Grants			**536**
		Projects		372.2
		Programs		163.8
Total Expenditures				**1810.5**
	Current Expenses			**813.2**
		Wages and compensation		297.6
		Social Security		
		Transfers and other		268.8
	Exceptional expenses			
	Interest due			82.3
		On domestic debt		51.9
		On external debt		28.4
	Capital expenditures			**997.3**
		From domestic resources		398.5
		From external resources		557.7
	Net loans			41.1
Primary balance[8]				-422.2

Source: Department of Finance

The evolution of these main public finance aggregates leads to a deterioration of the overall budget balance (including grants) which rises from -3.5% of GDP in 2019 to -5.3% in 2020. In view of the increase in grants, the overall deficit, excluding grants, widened further from CFAF -783.3 billion in 2019 to CFAF -979.1 billion, or 25.0%.

7.1.3 General presentation of the budget

For 2020, the initial budget of Niger amounted to CFAF 2,266.2 billion against CFAF 2,157.3 billion in 2019, an increase of CFAF 108.9 billion in absolute value, corresponding to 5.1% in relative value. This increase in the budget is consecutive to the increase in internal and external revenue, respectively by CFAF 98.73 billion (or 8.72%) and 14.5 billion (or 1.7%). In October 2020, following the second rectification of the Finance Act, the 2020 budget of Niger rose to CFAF 2 514.40 billion against CFAF 2 422.33 billion during the first rectification, an increase of 3.8% in relative value.

[8] Income (excluding grants) minus expenses (excluding interest and future investments).

The internal revenue forecast for 2020 amounts to CFAF 1 057.5 billion. This is made up of tax revenue (income tax, added value tax, tax on financial activities, registration and stamp duties, special tax on re-export, import customs duties, mining and oil royalties) forecast at CFAF 980.5 billion CFA francs, non-tax revenues (estate income, fines and various convictions, financial products, sales of products and services) estimated at 27.3 billion CFA francs and exceptional revenues (HIPC resources) for an amount of 42.9 billion CFA francs.

During the third quarter of 2020, total internal revenue collections reached CFAF 301.79 billion out of an annual forecast of CFAF 1,057.54 billion, representing an implementation rate of 28.54%, or 45.52% of total revenue collected. Compared to the quarterly forecasts, the implementation rate of internal resources is 126.99%. Compared to the same period in 2019, the level of internal revenue achievement by CFAF 69.20 billion, i.e. 29.75%.

External revenue is projected at $1,456.9 billion in 2020, an increase of 18.38%. External resources include grants and bequests and external borrowing. In the third quarter of 2020, the total amount disbursed under these resources stood at 361.3 billion for annual forecasts of 1,456.9 billion, an achievement rate of 24.8%, representing 54.5% of total achievements, estimated at CFAF 663.02 billion. Compared to the same period in 2019, the level of mobilization of external resources increased by 244.1 billion, i.e. 208.3%, mainly linked to the mobilization of resources in the form of budgetary aid of about CFAF 106.9 billion and the mobilization of treasury bonds of CFAF 121 billion.

In 2020, the total budgetary expenditure of the State is estimated at CFAF 2 514.4 billion against CFAF 2 157.31 billion in 2019, i.e. an increase of CFAF 357.1 billion in absolute value, corresponding to 16.5% in relative value. They are broken down into public debt in the amount of CFAF 459.1 billion, personnel expenditure in the amount of CFAF 295.76 billion, expenditure on the acquisition of goods and services in an estimated amount of CFAF 142.25 billion, expenditure on subsidies and transfers estimated at CFAF 298.9 billion, and capital expenditure in an expected amount of CFAF 1,322.2 billion.

7.1.4 Detailed presentation of the budget by expenditure item

In 2020, social spending (education, health, rural development, and infrastructure) was among the priorities of the Government of Niger because of the essential role it plays in economic and social development. Rural development and food security are the sectors most financed by State resources. Thus, with an amount of 359.9 billion CFA francs in 2020, the budget allocated to the rural world represented 22.3% of the overall budget of the State of Niger (4.5% of GDP). This increase in rural spending is underpinned by measures to support the population following the health crisis. After rural development, education is the second most financed sector by the State, with a weight of 18.2% of sectoral expenditure. Health, although an important dimension of development, received 10.5% of the total State budget. However, despite the low level of resources allocated to the health sector, health indicators have improved significantly. Life expectancy is estimated at 61 years, and health coverage has improved slightly. Finally, infrastructure is financed at 18% of the total budget by expenditure items in 2020.

Table 26. Presentation of the total budget by expenditure item, in billions of CFA francs and in %.

A. SECTORAL EXPENDITURE	2018		2019		2020	
SECTORS	PLF2018	PLF2019	PLF2019	WEIGHT 2018	PLF2020	WEIGHT 2020
Education	254.39	277.20	288.74	18.75%	293.16	18.2%
Security	236.36	194.67	194.67	17.43%	216.90	13.4%
Dev. Rural & Food Security	262.17	228.38	228.38	19.33%	359.89	22.3%
Financial Authorities	74.41	49.00	49.00	5.48%	58.30	3.6%
Consolidation of democratic institutions	106.53	103.76	103.76	7.85%	140.51	8.7%
Energ. & Infra.	173.72	243.15	243.15	12.81%	290.12	18.0%
Health	123.33	137.43	137.43	9.09%	169.74	10.5%

Hydr. Rural & Urban	49.38	61.98	61.98	3.64%	49.86	3.1%
Others	75.79	56.95	56.95	5.59%	32.15	2.0%
TOTAL A	1 356.09	1 352.59	1 352.59	100%	1 610.96	100%
B. TRIVIAL EXPENSES AND COMMON CHARGES						
Tax expenditures	213.28	39.15%	310.61	44.49%	325.29	49.64%
Public debt	228.94	42.25%	291.76	41.79%	245.95	37.53%
Common expenses	102.56	18.82%	95.80	13.72%	84.01	12.82%
TOTAL B	544.77	100%	698.16	100%	655.25	100%
TOTAL GENERAL BUDGET (A+B)	**1 900.86**	**100%**	**2 050.76**	**100%**	**2266,2**	**100%**

Source: Department of Finance

7.2 Tax policy

7.2.1 General budget revenue broken down by source

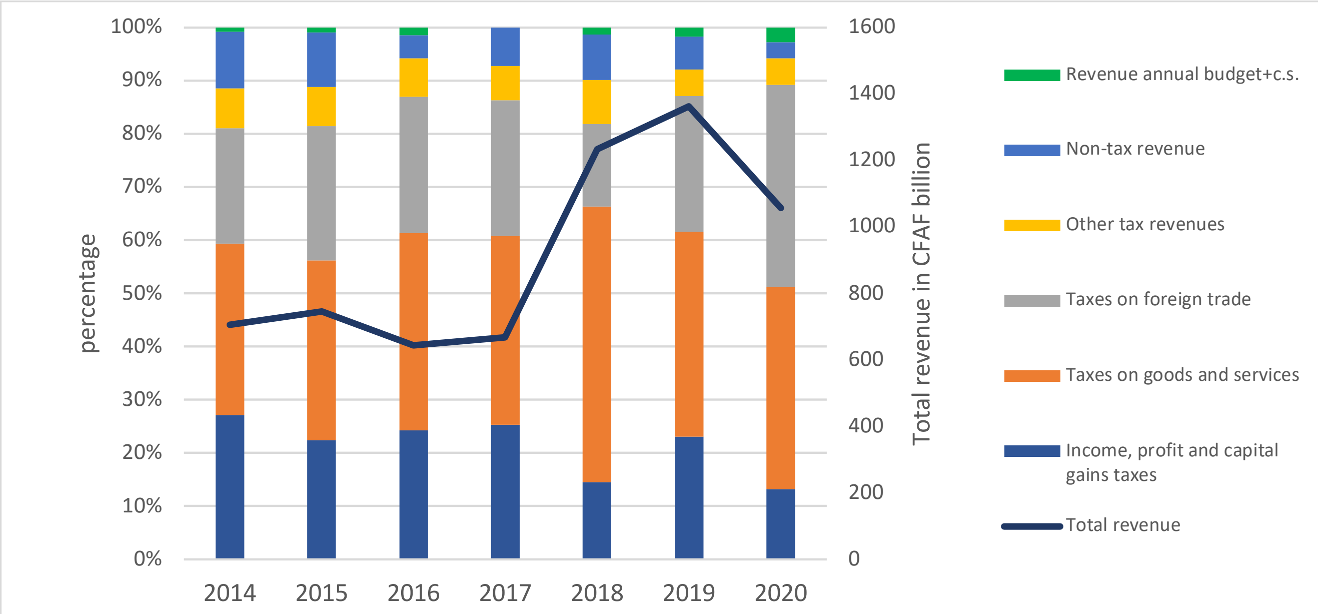
As part of the 2020 budget law, the government of Niger has taken tax measures that will improve tax revenue collection by at least 1.2 percent of GDP. These measures include:

- Professional tax: the reduction by half the rate applied to the rental value of buildings used for business purposes has been proposed to determine proportional duty. Thus, this rate is reduced from 3% to 1.5% for public establishments eligible for specific taxation;
- Synthetic tax: the introduction of an intermediate tranche has been proposed in order to correct certain distortions linked to turnover from one tranche to another in the table relating to the amount of the synthetic tax on microenterprises in the distributive trades;
- Added value tax: the introduction of a system of tax invoicing by setting up automatic invoicing machines linked to the servers of the tax administration in order to improve VAT yield has been proposed;
- Registration fees: As part of improving the business climate, the modification of the registration deadline for registering deeds of notaries and bailiffs, deeds relating to the transfer of ownership or usufruct of immovable property, business assets, clienteles, lease rights and lease promises relating to all or part of a building;
- Exemption regimes: new measures are proposed to improve the rationalization of exemptions granted by the State, in particular through the law on the regime of Public-Private Partnership Contracts, the Investment Code, the Mining Law, the Petroleum Code, the law on the tax regime for public contracts financed from external funds, the law on investments in major mining projects, and bilateral and multilateral agreements;
- The re-export tax (TSR): it was proposed to revise the rates of the TSR from 5% and 10% to 5%, 20% and 45% depending on the re-exported product as well as the application of the real value instead of the so-called administrative values as the taxable base;
- Publicity and mortgage duties: it has been proposed to abolish the fixed duty of 1,000 francs levied in addition to the duties on transfers and final concessions. Provision is also made for the possibility of regularization of occupation with the authorization of the Minister of Finance. The practical details of this regularization, in particular the method of collecting duties and determining the transfer price, will be specified by regulation.

In order to achieve these objectives, the Nigerien authorities have put in place a plan to modernize the tax administration. These include the introduction of a one-stop shop for the clearance of used vehicles (GUAN) and the computerization of the General Tax Directorate, including the installation of ASYCUDA World software. These reforms should result in tangible revenue gains. New tax measures have been introduced on income tax (ISB), synthetic tax (IS), added value tax (VAT), tax on financial activities (TAFI), tax on the termination of incoming international traffic (TATTIE) and the inclusion of fixed petroleum duties in the finance law.

In addition, the tax and customs administrations have benefited from the reorganization of the large taxpayer unit, the introduction of transaction-based import valuation for tax purposes, new software systems and improved interconnectivity.

Figure 10. General budget revenue by source



Source: BCEAO

In 2020, tax revenue amounted to CFAF 980.5 billion compared to CFAF 1078.2 billion in 2019, a decrease of 9.1%. Tax on goods and services (VAT and turnover tax) is the most important source of tax revenue. It accounted for 35.4% of tax revenue in 2020. Import duties and taxes are the second largest source of tax revenue in Niger. Its share accounted for 31.5% in 2020.

7.2.2 General government revenues such as health, unemployment and pensions

The Nigerien social security system for salaried workers is managed by the National Social Security Fund (CNSS) for salaried workers and the National Pension Fund (FNR). The CNSS system covers three branches of social activity:

- Family benefits (in charge of maternity benefits) ;
- Work accidents and occupational diseases ;
- Pensions (disability, old age, death).

Self-employed persons are not covered by the social security system but can voluntarily join the occupational injury scheme. The FNR manages the compulsory social security scheme for the public sector. It is managed by the State, under the financial supervision of the Ministry of Finance, and provides benefits mainly for the pension, disability, and sick leave and survivors' branches. In 2020, the FNR's revenues are estimated at CFAF 17.1 billion.

7.2.3 Presentation of the new tax measures recently voted or under discussion and about to be voted

As part of the 2021 Finance Act, a number of tax measures have been approved by Parliament. These new tax measures relate to the improvement of the tax framework in terms of income tax, specific taxation, VAT, tax audit and litigation, and derogatory regimes.

In terms of income tax, the measure focuses on ending the limitation on the deductibility of expenses related to the acquisition of local food products from a non-taxable person. These expenses are now fully deductible when they are evidenced by a receipt and relate to unprocessed food products listed in the annex to Directive 02/2009/CM/UEMOA of 27 March 2009, excluding the products mentioned in point 1 of the said list.

In terms of specific taxation, the reform aims to make promoters providing passive telecommunications infrastructure eligible for specific taxation. These are natural or legal persons who provide their customers, mainly telephone operators and Internet access providers, with so-called passive telecommunications infrastructures (pylons, civil engineering, generators, energy bays, air conditioners, batteries, solar panels, wind turbines, diesel tanks, etc.). This specific taxation is provided for in terms of Real Estate Tax for Legal Entities (TIPM) and Professional Tax (TP). Thus, in terms of TIPM, the specific taxation applied to passive telecommunications infrastructures results in a tax reduction of 50% and in terms of TP, the proportional duty is reduced from 10% of the rental value of the buildings used to exercise the profession to 3% of the same rental value.

Two (2) measures are proposed with regard to added value tax. The first aims to exclude from the scope of application of the fictitiously determined VAT, provided for in Article 225 ter of the CGI, the acquisition of raw materials. To this end, the acquisition of these products constitutes an exception to the principle of deduction at source of fictitious VAT. It does not give rise to the calculation, withholding and repayment of the fictitiously determined VAT. The second measure aims at adapting our tax system to the electronic invoicing system instituted by the Finance Act for the financial year 2020.

As regards the taxation system, the measure concerns the amendment of Article 328. It aims to bring certain professional categories with proven skills in meeting the reporting requirements of the said system (liberal professions, companies set up in corporate form) or which, by their very nature, carry out activities that generate VAT because they are in direct contact with the final consumer (multi-department stores), under the normal real taxation system as of right. It will thus make it possible to prevent liberal professions and subsidiaries or branches of multinationals from operating under the synthetic tax regime applicable to informal workers. In the same vein, it is proposed to allow companies, natural or legal persons, other than those mentioned above, which start their activities, to freely choose their tax regime. However, the tax authorities will have the option of challenging the choice and taxing the taxpayer under the tax regime corresponding to the turnover that the taxpayer has actually achieved under the conditions set out in point 5 of Article 368 bis.

In terms of tax audits, the measure aims to give the notices of collection (AMR) drawn up on the basis of the reports of the Ad Hoc Unit for the Repression of Tax Crime, the value of final notification once the report has been drawn up.

As regards litigation, it is proposed that article 1008 be amended to require any claimant who has not received notice of the tax administration's decision within three (3) months from the date of submission of his claim to refer the matter to the Comité Arbitral de Recours Fiscaux (CARFI), which has a period of three (3) months in which to make a decision. In the current legislation, the referral to the CARFI remains an option, which raises the problem of the validity of the guarantees constituted for the request formulated before the Director General of Taxes.

With regard to derogatory regimes, concerning major mining projects, it is proposed to reduce the exemption from the Professional Tax, currently permanent, to the first five (5) years of exploitation. With regard to the Model Memorandum of Understanding, it is proposed to exclude VAT on the provision of services as well as exemptions from taxes and indirect taxes granted to NGOs within the framework of actions directly contributing to the implementation of their projects.

7.3 Finance Act

The 2021 Finance Act provides for an overall annual budget of CFAF 2,644.5 billion as against CFAF 2,514.2 billion in 2020, i.e. an increase of CFAF 130.1 billion corresponding to 5.2%. The budgetary framework for the year 2021 is based on the following scenarios: (i) GDP growth of 8.1%; (ii) a projected inflation rate of 2.0%; (iii) an oil price of 55.3 dollars per barrel with production of 20,000 barrels per day[9] ; (iv) an overall budget balance, including grants, of -4.8% of GDP; and (v) a current external deficit (including grants) of about 16.5% of GDP. However, the price of a barrel of oil in 2020 is much lower than the assumptions on which the budgetary framework was based, the decline being partly linked to the COVID-19 crisis.

[9] However, oil prices have currently fallen. Indeed, oil in May 2020 is around $25 per barrel, a drop of just over 100% of its projected value.

Within the framework of the 2021 Finance Act, the internal revenue forecast amounts to 1,305.11 billion. They represent 49.35% of the total budget estimates and are broken down as follows: (i) tax revenues amount to CFAF 1,251.10 billion in 2021 against CFAF 980.51 billion in 2020, representing an increase of 27.60%; (ii) non-tax revenues amount to CFAF 20.77 billion, down by CFAF 6.55 billion compared to 2020; (iii) exceptional revenues are estimated at CFAF 27.30 billion against CFAF 42.68 billion in 2020, representing a decrease of CFAF 15.38 billion.

Several assumptions underlie the 2021 budget forecast. Thus, at the international level, the assumptions are for world economic growth of 5.8% in 2021, an average crude oil price of around USD 55.3 per barrel over the projection period, an average uranium price of USD 33.9 per pound, a projected average price of USD 1.850 per ounce of gold, and an average USD/CFAF exchange rate of 585.8. At the regional level, economic activity would take place in a context marked by the consolidation of economic growth, particularly in Nigeria. The current health situation could jeopardize this year's budget forecasts.

At the regional level, economic integration would be boosted by the establishment of the African Continental Free Trade Area (AfCFTA). On the security front, the situation would improve thanks to the coordinated actions of States through the various multinational forces engaged in the fight against terrorism, particularly those of the G5-SAHEL.

At the national level, budget forecasts underpin the control of the Covid-19 pandemic and a recovery in economic activity thanks to the acceleration of the implementation of the 2017-2021 PDES. In addition, the implementation of the Government's flagship projects relating to infrastructure construction, the construction of the pipeline between Niger and Benin for the export of crude oil from 2023, the construction of the internal pipeline, the construction of the oil tower, the construction of the Tahoua reference hospital the construction of the finance building, the construction of the Garadawa cement plant, the continued implementation of the 3N Initiative and the Millennium Challenge Corporation (MCC) program, as well as work on the Kandadji dam, and the consolidation of economic and financial reforms should strengthen economic growth.

8.1 Political and security risks

The presidential elections of 21 February 2021, which brought Mr. Mohamed Bazoum to power, marked the first democratic political transition. This is a historic event for Niger, whose history is marked by numerous coups d'état, which has never seen two elected presidents succeed one another since independence in 1960 . Observers welcomed the peaceful and orderly atmosphere in which the elections were held. However, unrest erupted in Niger after the announcement of the victory of the government's candidate, Mohamed Bazoum, in the 21 February presidential election. The announcement of the election results two days later led to looting of businesses, destruction of private homes and infrastructure. Two people died and 468 people were arrested in connection with the violence. The opposition rejects the election results proclaimed by the constitutional court, raising fears of a political crisis.

The security situation has deteriorated, particularly in the border areas with Nigeria, Burkina Faso and Mali, where armed groups have established bases and carry out repeated attacks against the security forces and civilians. This situation is leading to social and humanitarian crises with an estimated 246,000 refugees and 186,000 displaced persons, mainly in Diffa and Tillabéry, and more recently in Maradi, further weakening the country. The regions of Tahoua and Tillabéry are close to the border with Mali. The Tillabéry region is located in the so-called "three borders" area between Niger, Mali and Burkina Faso, which is regularly hit by jihadist groups affiliated with Al-Qaeda or the Islamic State (IS). In March 2021, two terrorist attacks, for example, killed around 200 people. The intensification of these attacks in the west of the country is the biggest challenge facing the new Head of State, who has pledged to fight insecurity.

To address insecurity, the government has declared a state of emergency in the regions of Diffa, Tahoua and Tillabéry. It has also increased the resources of the defense and security forces and set up a new military operation as part of the G5 Sahel joint intervention force. According to estimates, the increase in defense and refugee expenditure in the context of military interventions would have an annual cost of CFAF 220 billion, or about 5% of GDP. This will reduce the resources available to finance investments for economic development.

8.2 Social risks

The deterioration of the security situation along the borders with Mali and Burkina Faso continues to have a negative impact on the lives of the populations of the regions of Diffa, Tahoua and Tillabéry, which are plagued by violence perpetrated by armed groups and exacerbate social tensions. Indeed, the killings of civilians, the targeted assassinations of customary and religious leaders, the kidnappings, the extortion of goods and livestock in particular, and gender-based violence (GBV) are creating a critical humanitarian situation in these regions.

The enforcement of the state of emergency measures in conflict-affected areas, coupled with the ban on the use of two-wheeled motorcycles (the most practical means of transport for the population), has caused social tensions and increased the vulnerability of these populations, who were already struggling to recover from the consequences of food insecurity, malnutrition and floods. This ban has reduced the economic capacity of young people who can no longer use their motorbikes for transport and has increased the suffering of the population, who can now only travel on carts.

In terms of access to basic social services, schools and health centers have been closed in the insecure areas. In addition, the closure of certain rural markets in these areas is disrupting economic activities and negatively impacting supply networks, with the risk of causing food shortages for both the population

[10] The president of the Republic of Niger, Mahamadou Issoufou, did not run for president after the two terms provided for in the constitution. In March 2021, he received the Mo-Ibrahim Prize, which rewards good governance and democratic leadership of African leaders. According to the awarding committee, the Head of State has "distinguished himself by his efforts to improve the economic development of his country, while working for regional stability.

and livestock. In the Tillabéry region, 511,332 people are already affected by food insecurity. With regard to access to water, thousands of people do not have access to drinking water (mini AEP), because of the persistent insecurity that prevents people from accessing resources.

8.3 Macroeconomic risks

At the macroeconomic level, the pandemic has weighed heavily on economic activity. In addition, delays in the implementation of structural projects, pandemic-related restrictions and the closure of the border with Nigeria contributed to a slowdown in growth to 1.2%, which corresponds to a per capita growth rate of -2.6%. The current account deficit is projected to remain virtually unchanged at 13% of GDP as both exports and imports declined due to the border closure with Nigeria, weak external demand and delays in the implementation of import-intensive projects.

Security threats and low world oil and uranium prices also affect the economic environment. The high dependence of the government budget on revenues from the extractive sector makes it more vulnerable to fluctuations in commodity prices and production. In 2020, growth was hampered by shocks, including poor security conditions, low commodity prices for uranium exports and the suspension of trade on the border with Nigeria. It is also affected by delays in the implementation of reform measures and poor governance. As a result, economic activity has slowed sharply, including a contraction in export earnings and a substantial increase in external financial assistance.

After assessing the impact of the coronavirus crisis, the Government estimated the financial needs at CFAF 597 billion, or 7.4% of GDP, including CFAF 159 billion for health support measures and the fight against the pandemic.

8.4 Risks to the mobilization of public and private financial resources

In 2020, Niger's overall budget deficit (including grants) deteriorated to 5.3% of GDP, as a result of the decline in tax revenue caused by the weakness of economic activity, the fiscal support measures taken by the public authorities in favor of sectors affected by the health crisis and the sharp increase in public charges. This situation makes it difficult to meet the WAEMU convergence criterion for the overall budget deficit of 3% of GDP by 2021, thus reducing fiscal space and increasing the need for external financial assistance, including that promised for the 2017-2021 PDES. In addition, the closure of the Nigerian border and unprecedented terrorist attacks have complicated revenue collection and increased public expenditure.

The small size and instability of the government budget severely hampers development policies at a time when the country is facing considerable socio-economic challenges, particularly because of its population growth, which is among the highest in the world. Most of the reforms affecting public finances are aimed at improving the mobilization of national resources. These include rationalizing tax and duty exemptions that burden the budget, preventing fraud in the marketing of petroleum products, improving the collection of tax arrears, and conducting controls on the payment of income tax and VAT.

Finally, the IMF notes that moderate fiscal and external financing gaps may emerge due to adverse shocks that would be difficult to offset with additional fiscal consolidation measures or for which it would be difficult to finance in the re-entering tight regional bond markets. However, the public financial management reforms implemented since January 2017 under the three-year Extended Credit Facility (ECF) with the IMF are moving in the direction of improved budget execution in line with the program objectives. The implementation of this program by the country's authorities has been judged broadly satisfactory, according to the IMF's performance criteria, although it is constrained by a difficult security situation, low commodity export prices, deteriorating environmental conditions, very high population growth, and most recently the shock of the COVID-19 pandemic.

8.5 Health risks

Niger often faces epidemics of meningitis, measles and cholera, which are managed by the Ministry of Public Health through the national epidemic management committee. In 2016, Niger experienced an outbreak of Rift Valley Fever which resulted in high mortality and a large number of abortions in cattle, small ruminants and camels in the district of Tassara, in the Maya Valley (Department of Tchintabaraden, Tahoua Region) as well as fever-related deaths with haemorrhage and jaundice.

According to the Ministry of Public Health, major weaknesses penalize the Nigerien health system. These include the emergence of harmful practices such as the illicit sale of medicines and the anarchic creation of private health structures due to the insufficient application of legislative and regulatory texts, the poor development of medical and laboratory biology and the low rate of health coverage of the population, which is only 48.5 %.

Like the whole world, the covid-19 coronavirus pandemic is a major health risk in Niger. The first case of infection linked to the coronavirus was detected on 19 March 2020, while a state of health emergency was declared on 27 March 2020. As of March 26, 2021, Niger has recorded 4878 confirmed positive COVID-19 cases out of a total of 87,905 tests performed, including 185 deaths, 4972 cured and 209 cases under treatment. The COVID-19 pandemic is well contained in Niger thanks to the early and rapid response of the authorities, who closed the borders, imposed physical distancing measures and an evening curfew at the onset of the pandemic. The Government of Niger has initiated awareness and hygiene measures (hand washing kit with soap, distribution of hand sanitizers, travel restrictions, wearing of masks, etc.) throughout the country.

In order to mitigate the health impact, Niger has strengthened screening capacities while ensuring the establishment of isolation centers. Social measures included providing food aid to vulnerable people and covering utility bills for water and electricity for low-income households. Agricultural inputs and tax deferrals were made available to struggling businesses. Banks were also encouraged to provide loans to eligible businesses under a CFAF 150 billion (2% of GDP) scheme supported by government guarantee funds deposited with banks.

8.6 Environmental risks

Risks associated with climate and environmental shocks (e.g. droughts, floods, early cessation of rains, etc.) can jeopardize the good economic prospects that rely heavily on increasing agricultural harvests and exacerbate food insecurity. Much of the domestic production comes from subsistence agriculture, where frequent droughts, floods and lack of inputs, as well as a large infrastructure deficit, constrain productivity growth.

Moreover, with 80% of its territory made up of the Sahara and the Sahel, and the desert advancing by 200,000 hectares per year, Niger is recurrently suffering the effects of climate change, the most visible manifestations of which are: (i) pronounced land degradation; (ii) poor preservation of biodiversity; and (iii) difficulties in implementing sustainable land and water management with a serious impact on agriculture. For example, the River Niger, as well as Lake Chad, are under severe threat of silting up or even disappearing. To address this, Niger adopted a national environment and sustainable development policy in 2017 that focuses on sustainable land and biodiversity management, integrated water resources management (IWRM), climate change adaptation and mitigation, and renewable energy promotion.

Niger is facing an increased frequency of natural disasters. In the late summer of 2020, the country experienced exceptionally severe flooding. According to the Ministry of Humanitarian Action and Disaster Management, the floods caused 34 deaths and 25,834 affected households totaling 226,563 people. The most affected regions are Maradi (south), Tahoua, Tillabéry, Dosso and Niamey (west). According to the ministry, 20,201 houses, 1,167 huts, 64 classrooms and 24 mosques collapsed, as well as a health center. More than 4,290 head of livestock were decimated, while 448 granaries, 713 drinking water wells and 5,306 hectares of crops were damaged.

Despite the short duration of the rainy season and low rainfall, Niger has been experiencing floods for several years, including in the northern desert areas. This is a paradox for a country where crop failures are usually due to drought.

9.1 General description of the public debt

9.1.1 Overall image

Niger's outstanding public debt was estimated at CFAF 3,510.4 billion (43.6% of GDP) as at 31 December 2020, compared to CFAF 2,978.2 billion at the same period in 2019, or 39.1% of GDP. It is made up of CFAF 2,450.6 billion in external debt and CFAF 1,059.8 billion in domestic debt.

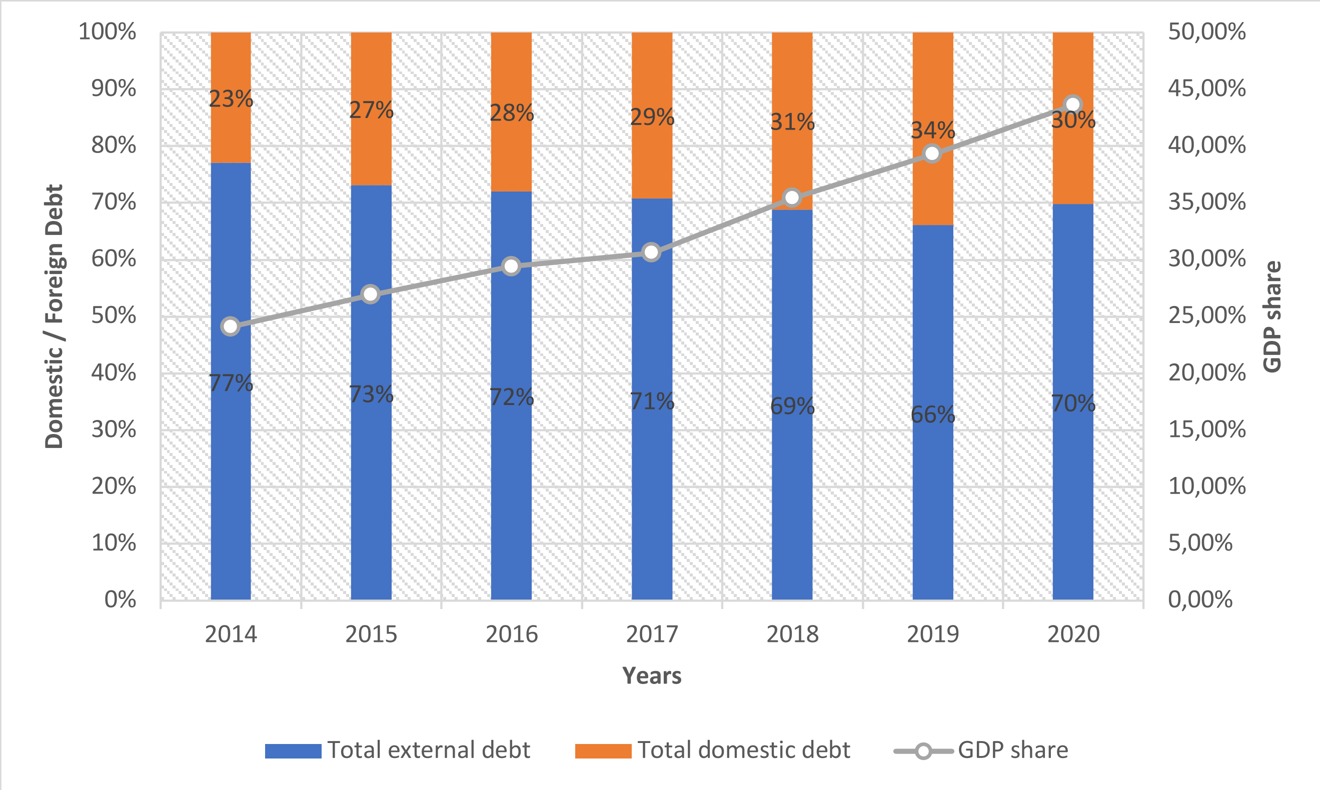
Table 27. Evolution of Niger's debt

	2015	2016	2017	2018	2019	2020
Total debt (% of GDP)	27.1	30.6	34.7	35.4	39.1	43.6
Total debt (in value, CFAF)	1550.4	1 867.5	2 248.4	2 523.4	2 978.2	3 510.4
Remaining due	1 530.6	1 787.7	1 986.2	2 523.4	2 927.0	3 505.9
Backlog	5.3	5.3	5.8	4.3	3.3	4.5
Due	105.2	269.9	296.7	550.3	556.9	949.6
Paid	99.9	264.6	290.9	546.0	553.6	945.1
Total external debt	1 138.7	1 366.8	1 569.8	1 737.9	1 974.4	2 450.6
Remaining due	1 138.7	1 366.8	1 569.8	1 737.9	1 974.4	2 450.6
Backlog	0	0	0	0	0	0
Due	38.3	46.4	42.8	57.8	63.5	71.4
Paid	38.3	46.4	42.8	57.8	63.5	71.4
Total domestic debt	411.7	500.7	678.6	785.5	1 003.7	1 059.8
Remaining due	406.4	495.4	672.8	781.2	1 000.4	1 055.3
Backlog	5.3	5.3	5.8	4.3	3.3	4.5
Due	66.9	223.5	253.9	492.5	493.4	878.3
Paid	61.6	218.2	248.1	488.2	490.1	873.4
Nominal GDP (current prices)	5725.2	6096.4	6486.0	7121.4	7689.2	8 045.7

Source : Ministry of Finance

As at 31 December 2020, 69.8% of the outstanding public debt portfolio was composed of external debt and 30.2% of domestic debt. The weighted average interest rate of the portfolio is 2.8%, including 1.7% for external debt and 5.4% for domestic debt. The proportion of public debt maturing in one year is 14.3%, of which 4.1% is external debt and 38.3% is domestic debt.

Figure 11. Composition of Niger's debt and share of GDP



Source: DDP, Ministry of Finance

9.1.2 Time profile of the debt to be repaid

In total, 14.3% of the debt matures in one year (short term), 32.1% in 1 to 5 years (medium term), and 53.6% of the debt is due in more than 5 years (long term). On average, it takes 8.9 years to refinance the total debt, of which 11.8 years for external debt and 2.2 years for domestic debt. It should also be noted that the portfolio is essentially made up of fixed-rate loans and is therefore not exposed to interest rate risk.

The public debt service actually paid during the four (4) quarters of the year 2020 amounts to CFAF 945.1 billion, divided into CFAF 71.4 billion for the external debt and CFAF 873.8 billion for the domestic debt, including CFAF 680.0 billion of Treasury bills.

Table 28. Time Profile of Debt to be Repaid

Expressed as a %.	Allocation originally planned	2014 allocation	2020 allocation (estimates)
Short term (< 1 year)	nd	3.2%	14.3%
Medium term (1 to 5 years)	nd	24.2%	32.1%
Long term (> 5 years)	nd	72.7%	53.6%
Total	Nd	100%	100%

Source : Ministry of Finance

9.1.3 Amount of debt to be repaid in the short term

In 2020, the total amount of effective repayments of the public debt amounted to CFAF 945.1 billion, including CFAF 71.4 billion for the external debt and CFAF 873.8 billion for the domestic debt, including CFAF 680.0 billion of Treasury bills. The Autonomous Centre for the Amortization of the State's Domestic Debt (CAADIE) is committed to repaying the domestic debt to enable the economy to increase financing of the private sector. In 2021, the amount of domestic debt to be repaid would be CFAF 504.4 billion, i.e. a reduction of 73.2% compared to 2020.

Table 29. Amounts of debt to be repaid in the short term

[Niger] billion CFAF	2014	2015	2016	2017	2018	2019	2020	2021 (projections)
Amount of foreign debt to be paid within one year	30.5	38.3	46.4	42.8	57.8	63.5	71.4	137.6
Amount of domestic debt to be paid in the year	52.7	61.6	218.2	248.1	488.2	490.1	873.8	504.4
Total	83.2	99.9	264.6	290.9	546.0	553.6	945.1	642.0

Source : Ministry of Finance

9.2 Debt Strategy and Sustainability

9.2.1 Description of the strategy

Niger has adopted a medium-term debt strategy (2019-2021) geared towards reducing the cost of debt, giving priority to concessional borrowing, and making prudent use of non-traditional donors to finance highly profitable projects. This strategy allows the State to ensure the financing needs of all commitments by integrating the constraints and potential risks in order to avoid decisions made solely on the basis of cost or short-term opportunities.

The new debt strategy is in line with the policy proposed by the IMF and also takes into account the uncertainty about the availability of concessional resources in view of the gradual exhaustion of the main funds (IDA and ADF) which constitute Niger's preferred creditors. The main objective of this policy is to enable countries to manage their debt effectively, preserve guarantees for debt sustainability and their incentives for concessional borrowing.

For 2021, the debt strategy aims to limit the deterioration of the cost and risk indicators of the external debt portfolio. On the basis of the net financing requirement, the overall debt ceiling in 2021 amounts to CFAF 869.0 billion, of which CFAF 434.0 billion is for external financing (CFAF 339.5 billion in project loans and CFAF 94.5 billion in program loans) and CFAF 435.0 billion for domestic financing, of which CFAF 265.0 billion is for Treasury bonds, with a maturity ranging from 3 to 7 years, depending on the depth of the market. This strategy is based on a diversification of the sources of financing with a debt structure made up of 49.9% of external resources, including 28.4% of concessional debt, 21.6% of semi-concessional debt and 50.1% of domestic financing through recourse to the domestic market. The financing policy will remain essentially anchored, on the one hand, on the use of prudent debt based on concessional resources and, on the other hand, on public-private partnerships of the BOOT type. In addition, the government will focus on developing the private sector by improving the business climate and strengthening human capital, as well as reducing the cost of production factors, especially transport and energy.

Finally, debt management is handled by an interdepartmental committee established in 2015. It ensures that regular meetings are held, that the technical support committee is fully staffed, and that the Ministry of Finance co-signs to ensure the validity of all loan agreements.

9.2.2 Debt sustainability (according to the World Bank and IMF)

Debt sustainability analysis indicates that Niger was at moderate risk of debt distress, largely because of public debts incurred to support the development of the natural resources sector and to finance large infrastructure projects. The Niger reached the completion point under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative in April 2004 and benefited from the Multilateral Debt Relief Initiative (MDRI) of the African Development Fund, the International Development Association (IDA) and the International Monetary Fund (IMF) in 2006.

Niger's public external debt has increased relatively since 2010, due to the investment programs included in the economic and social development plans. Indeed, the external debt ratio as a percentage of GDP has increased from 23 percent in 2010 to 42.3 percent of GDP in 2020. A public debt sustainability analysis (DSA) indicates that all external debt solvency and liquidity indicators, with the exception of the PV/export ratio, fall below their corresponding thresholds in the baseline scenario of the IMF's debt sustainability framework and the WAEMU convergence criterion for debt.

In 2020, the external public debt/exports and total public debt/GDP ratios are, respectively, 194.9 per cent and 42.3 per cent in present value terms, i.e. levels well below the established thresholds (see table below). The IMF therefore considers Niger's risk of external and overall debt distress to be "moderate". However, the coronavirus pandemic is a setback that has eroded the country's ability to absorb shocks and the risks to the outlook are considerable, underscoring the need to mitigate debt vulnerability.

Finally, Niger's debt strategy also takes into account the uncertainty about the availability of concessional resources in view of the gradual exhaustion of the main funds (FDI and ADF), which were Niger's preferred windows. However, it should be emphasized that, in its implementation, the government will continue to give priority to the use of concessional resources.

Table 30. DSF debt thresholds and benchmarks

	PV of debt (percentage)		Debt service (per cent)		PV of total public debt (percentage)
	GDP	Exports	Exports	Recipes	GDP
Poor policy	30	140	10	14	35
Average policy	40	180	15	18	55
Solid policy	55	240	21	23	70

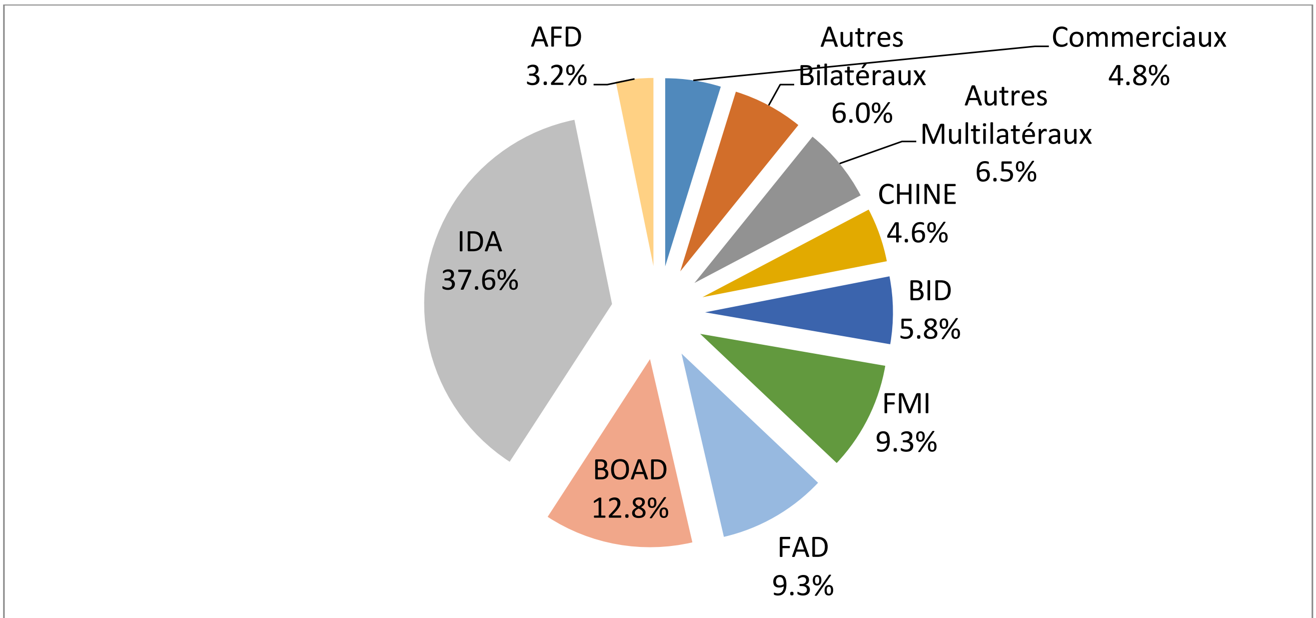
Source: IMF

9.3 External debt

9.3.1 Holders

The graph below shows the composition of the external debt portfolio by creditor and group of creditors (multilateral and bilateral) at the end of December 2020. Among multilateral creditors, IDA with CFAF 921.9 billion (46.3% of multilateral debt) remains the largest multilateral creditor, representing 37.6% of total external debt. It is followed by BOAD with CFAF 313.5 billion (representing 15.7% of the debt of multilaterals), i.e. 12.8% of total external debt; the ADF with CFAF 228.7 billion (11.5% of the debt of multilaterals), i.e. 9.3% of total external debt; and finally the IMF with CFAF 228.7 billion (11.5% of the debt of multilaterals), i.e. 9.3% of the total external debt

Figure 12. Composition of the external debt portfolio, by creditor and creditor group at the end of December 2020



Source: Ministry of Finance, RFP

Bilateral debt also concerns 11 creditors, grouped into two categories. Creditors who are not members of the Paris Club, whose debt represents CFAF 250.3 billion, i.e. 73.5% of the bilateral debt and 10.2% of the total external debt Creditors who are members of the Paris Club with a debt of CFAF 90.1 billion, representing 26.5% of the bilateral debt and 3.7% of the total external debt. This debt mainly concerns the French Development Agency (AFD) and Belgium.

Table 31. Composition of external debt portfolio by creditor and creditor group (2020 estimates)

	Total debt (expressed in value, CFAF billion)	Expressed as a % of total external debt	Expressed as a % of nominal GDP
Total external debt	2 450.6	100%	43.6%
Commercial debt	117.2	4.8%	1.5%
Bilateral	340.5	13.9%	4.2%
Of which France (AFD)	78.7	3.2%	1.0%
Of which Saudi Arabia (SDF)	36.0	1.5%	0.4%
Of which India	38.1	1.6%	0.5%
Of which China	113.9	4.6%	1.4%
Other Bilateral	73.8	3.0%	0.9%
Multilateral	1 993.0	81.3%	24.8%
Of which IMF	228.7	9.3%	2.8%
Of which World Bank - IDA	921.9	37.6%	11.5%
Of which ADB/ADF	228.7	9.3%	2.8%
Of which IFAD	55.1	2.2%	0.7%
Of which IDB	141.7	5.8%	1.8%
Of which BOAD	313.5	12.8%	3.9%
Other multilaterals	103.4	5.2%	1.3%

Source : Ministry of Finance

9.3.2 Status of external debt payments

The following table gives a complete picture of the debt due and the debt paid during 2020. In 2020, the Government of Niger paid an amount of CFAF 61.2 billion under multilateral debt against CFAF 7.1 billion for bilateral debt. The total amount paid in respect of the total external debt amounted to CFAF 71.4 billion in 2020. It should be noted that the total amount of actual disbursements, recorded by the Public Debt Department, during the year 2020, amounted to CFAF 523.3 billion, broken down into CFAF 390.1 billion for multilateral creditors and CFAF 16 billion for bilaterals and 117.2 for commercial debt.

Table 32. Details of debt due and debt paid (December 2020)

Status as of December 2020	Multilateral			Bilateral			Commercial			Total		
	Capital	Interest	Total	Capital	Interest	Total	Capital	Interest	Total	Capital	Interest	Total
Outstanding as of December 31, 2018	0	0	0	0	0	0	0	0	0	0	0	0
New drawdown (2020 disbursement)			390.1			16.0			117.2			523.3
Service due (2020)	38.5	22.7	61.2	4.5	2.6	7.1	0	3.1	3.1	43.0	28.4	71.4
Total	38.5	22.7	61.2	4.5	2.6	7.1	0	3.1	3.1	43.0	28.4	71.4
At maturity 2019												
Backlog												
Paid service	38.5	22.7	61.2	4.5	2.6	7.1	0	3.1	3.1	43.0	28.4	71.4
Total	38.5	22.7	61.2	4.5	2.6	7.1	0	3.1	3.1	43.0	28.4	71.4
At maturity N-2												
Backlog												
Remaining balance at December 31, 2020		0	0	0	0	0	0	0	0	0	0	0

Source : Ministry of Finance

9.3.3 Debt currencies

The table gives a detailed view of the foreign currency debt as at 31 December 2020. It shows that Euro is the most important currency in the external debt portfolio with 30.9%, i.e. CFAF 714.4 billion. It is followed by the SDR with 29.4%, i.e. CFAF 689.9 billion; the CFAF with 24.8%, i.e. CFAF 574.5 billion; and the US Dollar with 6.9%, i.e. CFAF 160.2 billion.

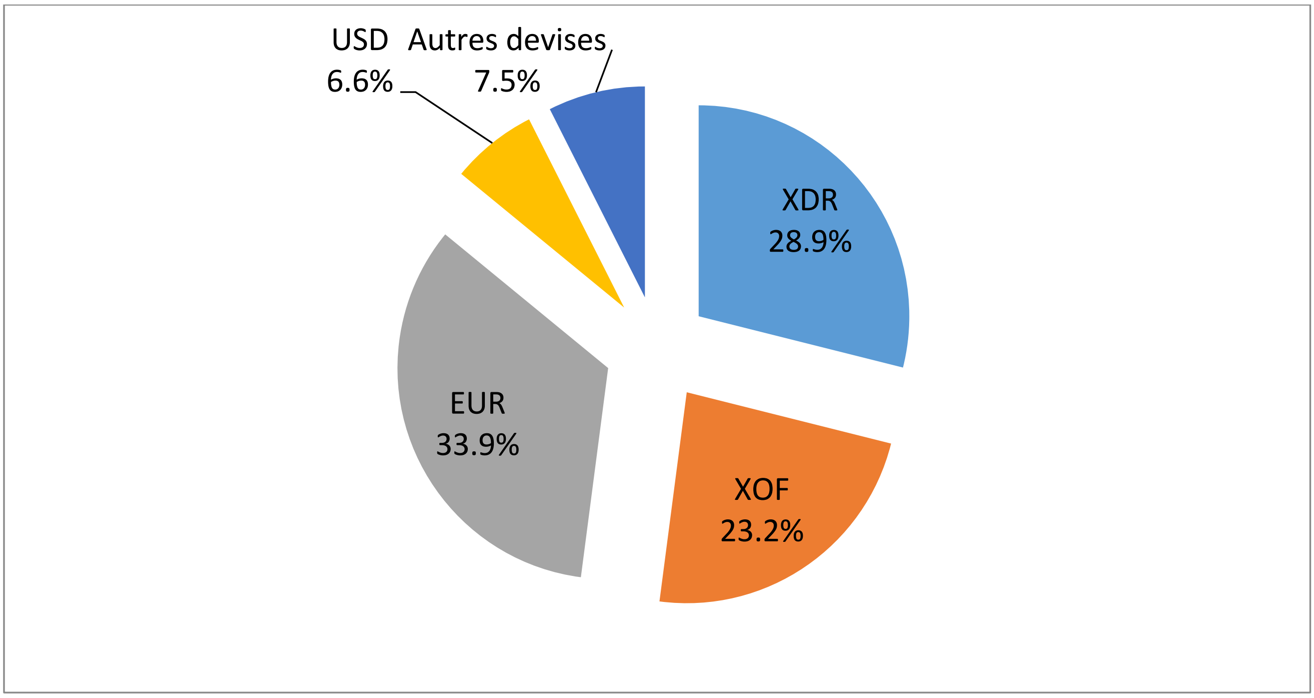
Table 33. Details of foreign currency debt

Currency	Total debt originally denominated in this currency	CFAF exchange rate at 31 December 2020	Total debt in billions of CFA francs	Exchange rates in EUR at 31 December 2020	Total debt in EUR billion	Distribution of debt by currency
CFAF	574.5	1	574.5	655.95	0.876	22.8 %
EUR	1.089	655.95	714.4	1	1.089	30.9 %
USD	0.299	534.6	160.2	1.226	0.244	6.9 %
SDR/DTS[11]	0.851	810.2	689.9	0.810	1.052	29.4 %
CNY	1.35	83.9	113.5	0.128	0.173	4.9 %

Source: Ministry of Finance; DDP

[11] Special Drawing Right: IMF reference currency, in which the dollar represents 41.73%; the euro 30.93%; the GBP 8.09%; the CNY 10.92% and the JPY 8.33%.

Figure 13. Breakdown of external debt by currency (2020)



Source: Ministry of Finance, RFP

Exchange rate risk mainly relates to external debt. Taking into account the fixed parity between euro and CFAF, the actual proportion of public debt exposed to exchange rate risk was 34% at 31 December 2020.

9.4 Domestic debt

9.4.1 Presentation of the situation as at 31 December 2020

As at 31 December 2020, Niger's domestic debt stock represented 30.2% of total public debt. It amounted to CFAF 1 059.8 billion, or 13.2% of GDP. Domestic debt is mainly composed of term bonds, representing 65.9% of the total, and treasury bills representing 21.7% of the domestic debt portfolio.

Table 34. Presentation of the situation as at 31 December 2020t

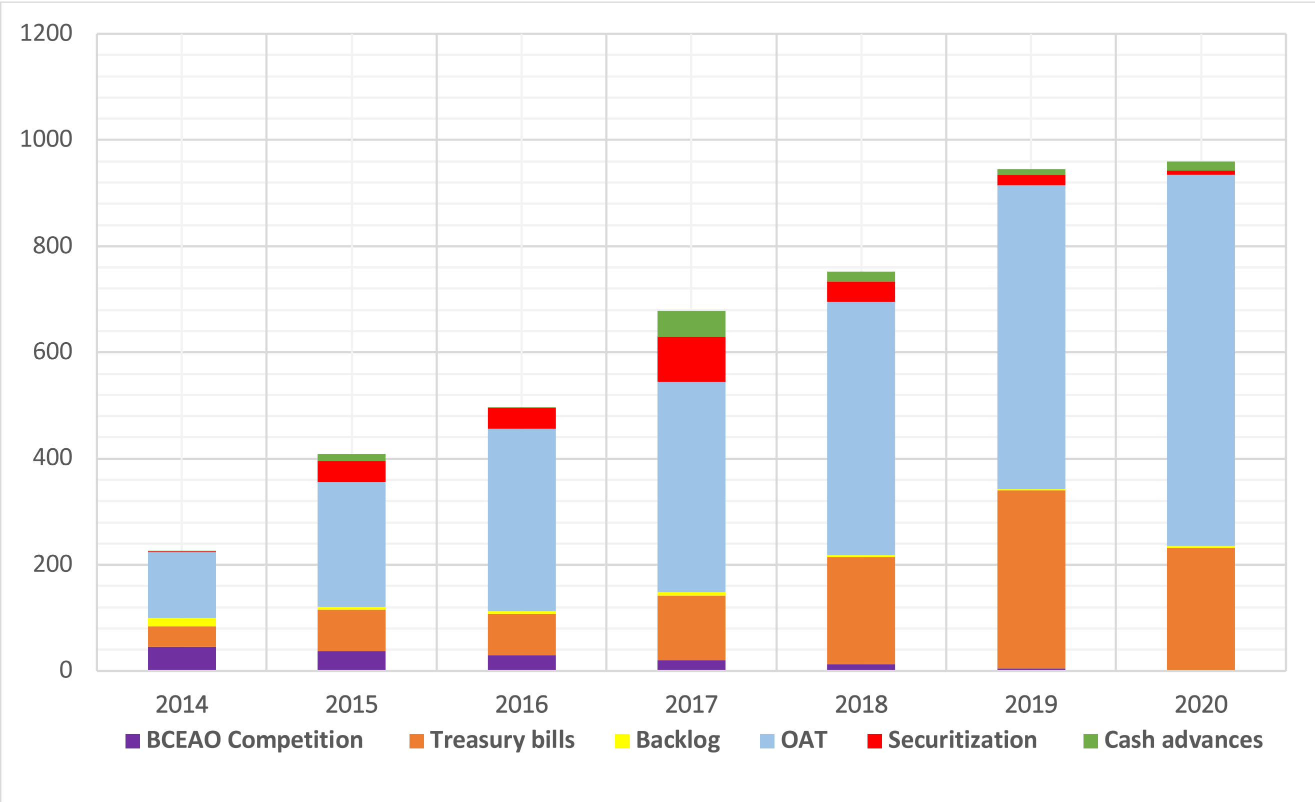
	Domestic debt in value (CFAF billion)	Domestic debt as a % of total domestic debt	Domestic debt as a % of nominal GDP in year 2020
Total domestic debt	1 059.8	100%	13.2%
BCEAO support	1.44	0.1%	0.0%
Treasury bills	230	21.7%	2.9%
Treasury bonds	698.3	65.9%	8.7%
Securitization	7.7	0.7%	0.1%
Cash advances	18.4	1.7%	0.2%
Backlog	4.5	0.4%	0.1%
CPPP	99.5	9.4%	1.2%

Source : Ministry of Finance, RFP

9.4.2 Composition of the domestic debt for the last 5 years

The domestic debt portfolio is made up of treasury bonds and bills, Central Bank loans (consolidated monetary loans and SDR allocations), securitization products, arrears due to suppliers, and advances from local banks and public-private partnership contracts. In 2020, treasury bonds accounted for 65.9% of the domestic debt portfolio, followed by treasury bills (21.7%) and CPPPs (9.4%).

Figure 14. Composition of domestic debt (billions of CFA francs)



Source : Ministry of Finance, RFP

Table 35. Evolution of the composition of domestic debt (billions of CFAF)

Description	31/12/2014	31/12/2015	31/12/2016	31/12/2017	31/12/2018	31/12/2019	31/12/2020
External debt	**798.6**	**1 138.7**	**1 366.84**	**1 569.79**	**1 737.92**	**1 974.43**	**2 450.61**
Multilateral	577.2	905.4	1 071.45	1 271.13	1 402.67	1 636.56	1 992.95
Bilateral	221.5	233.3	295.39	298.66	335.25	337.87	340.45
Commercial							117.21
Domestic Debt	**224.3**	**411.7**	**500.65**	**678.64**	**785.48**	**1 003.72**	**1 059.77**
BCEAO support	45.4	37.5	29.29	20.87	12.18	4.62	1.44
Treasury Bonds	124.9	235.2	344.05	396.99	476.76	571.90	698.25
Treasury bills	39.0	78.5	78.11	121.57	202.54	335.04	230.00
Cash advances	-	13.5	2.10	49.90	18.75	10.13	18.41
Securitization	-	39.0	39.00	83.50	38.05	19.98	7.69
CPPP	-	2.8	2.80	-	32.89	58.75	99.53
Liabilities (CAADIE)	14.9	5.3	5.30	5.81	4.31	3.30	4.46
Public debt	**1 022.9**	**1 550.4**	**1 867.49**	**2 248.43**	**2 523.40**	**2 978.16**	**3 510.4**

Source : Ministry of Finance, RFP

9.4.3 Status of domestic debt payments

Debt service due at the end of December 2020 was CFAF 878.2 billion, all of which was owed to the non-bank sector. Interest accounted for CFAF 52.0 billion. It should be noted that no arrears accumulation operation is planned, as all external commitments of the structured domestic debt portfolio at the end of December 2020 would be cleared.

Table 36. Status of domestic debt payments (CFAF billion)

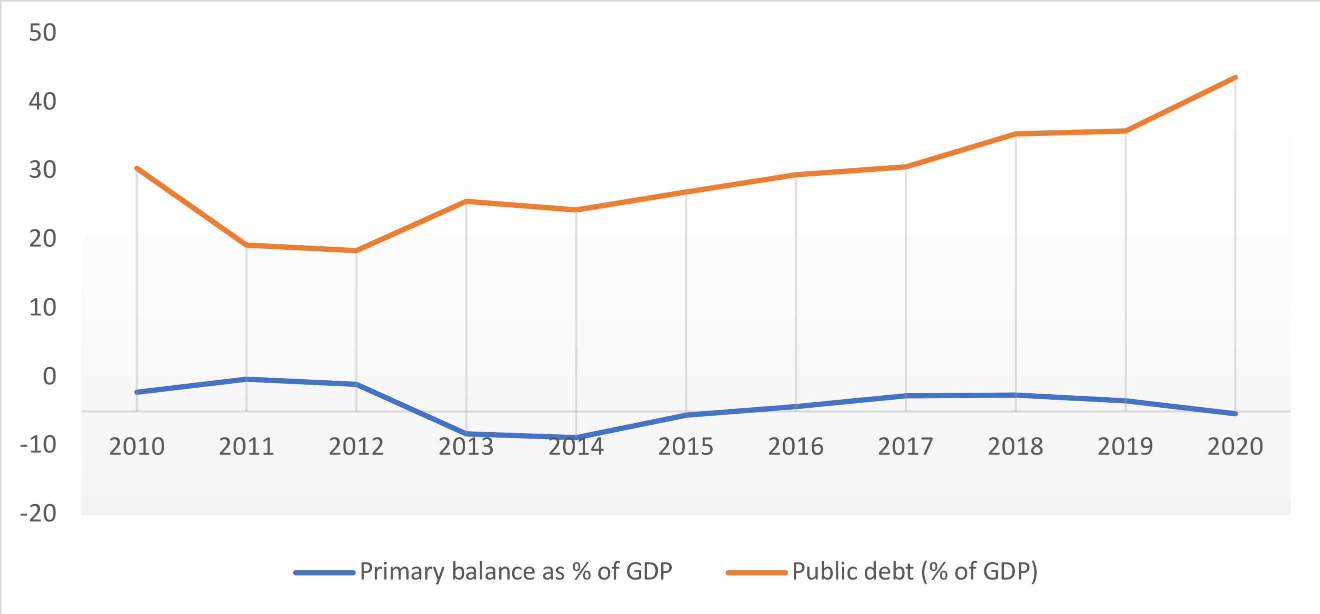
	Banking sector			Non-banking sector			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
(1) Debt service due at the end of December 2020	0	0	0	825.6	52.0	877.6	826.3	52.0	878.2
Of which maturing in 2020	0	0	0	821.8	52.0	873.8	821.8	52.0	873.8
Of which arrears from N-2 taken over	0	0	0	0	0	0	4.5	0	4.5
(2) Debt service paid in the year 2020	0	0	0	825.6	52.0	877.6	821.8	52.0	873.8
For the 2020 maturities	0	0	0	825.6	52.0	877.6	821.8	52.0	873.8
In respect of arrears dating from 2019 taken over	0	0	0	0	0	0	0	0	0
(3) Restructured debt service	0	0	0	0	0	0	0	0	0
For the 2020 maturities	0	0	0	0	0	0	0	0	0
In respect of arrears dating from 2018 taken over	0	0	0	0	0	0	0	0	0
(4) Outstanding payments as of Dec. 31, 2019 (1)-(2)-(3)	0	0	0	1	0	1	4.5	0	4.5
Of which arrears from N-2 taken over	0	0	0	0	0	0	4.5	0	4.5
Of which new arrears from N-1	0	0	0	0	0	0	0	0	0
(5) Outstanding at end of Dec. 2020	0	0	0	0	0	0	0	0	0
(6) Total debt due Dec. 31, 2020 (4) + (5)	0	0	0	1	0	1	4.5	0	4.5

Source : Ministry of Finance, RFP

9.5 Viability and sustainability

Niger reached the completion point under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative in April 2004 and has benefited from the Multilateral Debt Relief Initiative (MDRI) of the African Development Fund, the International Development Association (IDA) and the International Monetary Fund (IMF) since 2006. In 2020, the debt sustainability analysis indicates that Niger faces a moderate risk of debt distress and has no external arrears.

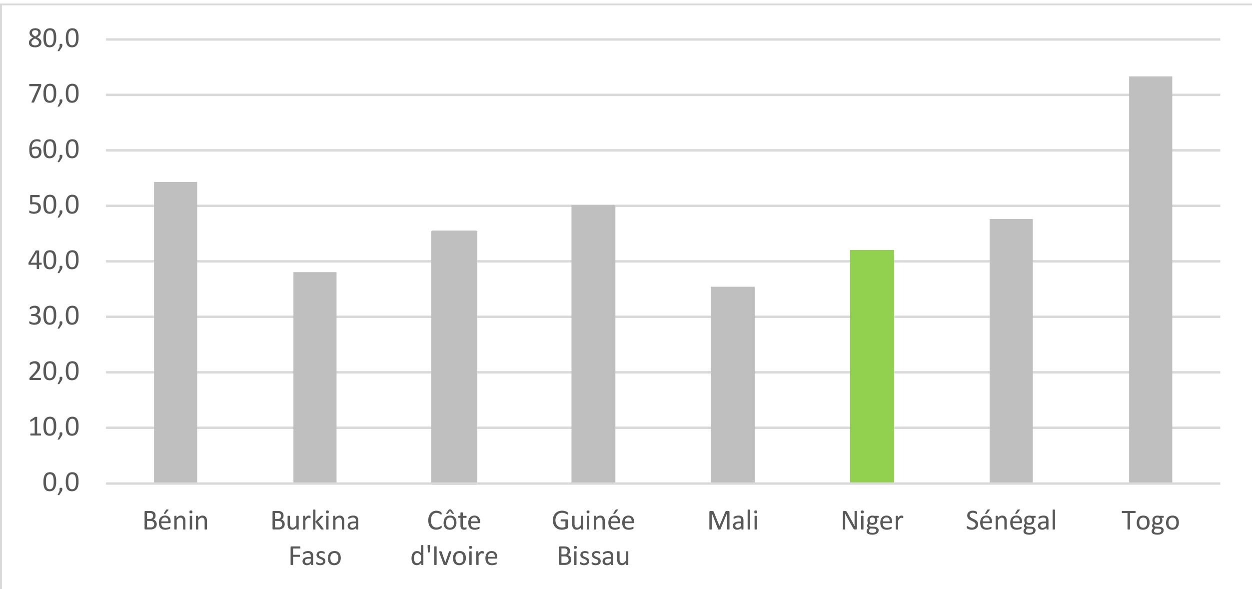
Figure 15. Primary balance and public debt (% of GDP)



Source: IMF

The development financing policy will continue to be anchored mainly on the use of prudent debt based on concessional resources and public-private partnerships of the BOOT type. The portfolio is mainly made up of fixed interest rate debt ranging from 0% to 1%. The weighted average interest rate of the external debt portfolio is 1.7%, mainly due to the large volume of concessional loans from the ADF, IDA and IFAD windows.

Figure 16. General government debt level (% of GDP)



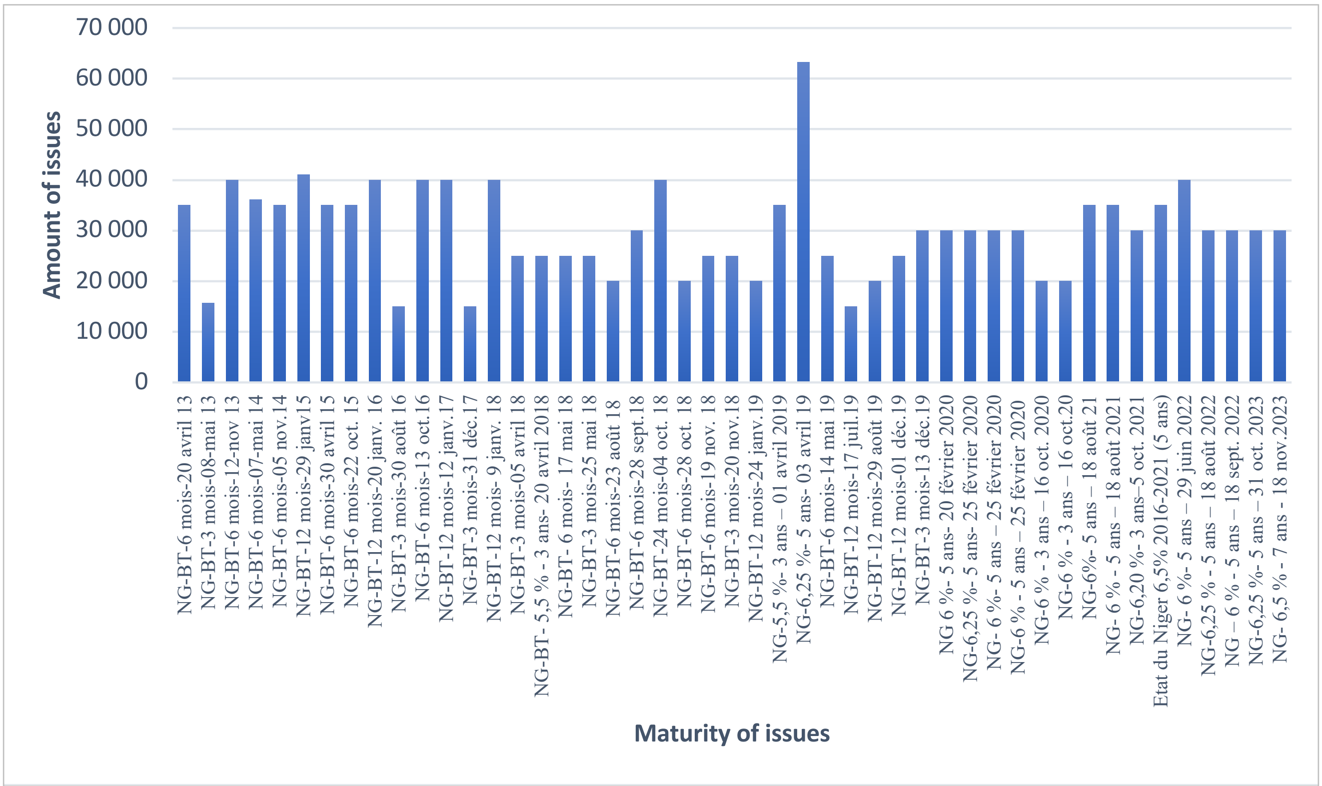
Source: WAEMU Commission, December 2020

Niger continues to pursue its prudent debt policy. The solvency and liquidity ratios are below the reference thresholds of the IMF's debt sustainability framework and the WAEMU convergence criterion. Thus, according to IMF projections, the ratios of external debt to GDP and debt service to exports were 21.8% and 14.1% respectively in 2020. As for the external debt/exports and debt service/revenue ratios, they were 193.9% and 15.1% respectively in 2020. However, the external debt-to-GDP ratio exceeds the 180% threshold of the baseline scenario of the IMF debt sustainability framework. Although the risk of Niger's external debt distress has increased, the IMF considers the risk rating to be "moderate".

In perspective, the likely increase in crude oil export revenues would be used to further reduce the deficit to about 2 percent of GDP, replace donor financing of expenditures, and finance priority expenditures. This would keep public finances on a sustainable path. Public debt would fall to 23 percent in 2024 and Niger would maintain its "moderate risk" rating for public debt distress.

10.1 Details of the country's public securities issues

Figure 17. Amounts raised by Niger and characteristics of the securities issued



Source: WAMU-Securities

Table 37. Details of Niger's issues from 2015 to 2020 (billions of CFAF)

Instrument	ISIN	Issuance mode	Maturity (years)	Date of issue	Amount issued (millions CFAF)	TMP
NG-BT-12 months-20 Jan. 16	NE0000000239	Adjudication	1.00	21/01/15	40 000	5.36
NG 6%- 5 years- February 20, 2020	NE0000000247	Adjudication	5.00	24/02/15	30 000	6.16
NG-BT-6 months-22 Oct. 15	NE0000000254	Adjudication	0.50	23/04/15	35 000	4.62
NG- 6%- 5 years - February 25, 2020	NE0000000247	Adjudication	5.00	09/06/15	30 000	5.98
NG-BT- 5.5% - 3 years- April 20, 2018	NE0000000262	Adjudication	3.00	28/07/15	25 000	5.37
NG-6% - 5 years - February 25, 2020	NE0000000247	Adjudication	5.00	08/09/15	30 000	5.67
NG-BT-6 months-20 April 13	NE0000000270	Adjudication	0.50	21/10/15	35 000	4.84
NG-BT-12 months-12 Jan. 17	NE0000000288	Adjudication	1.00	14/01/16	40 000	5.14
NG-5.5%- 3 years - April 01, 2019	NE0000000296	Adjudication	3.00	31/03/16	35 000	6.02
NG-BT-6 months-13 Oct. 16	NE0000000304	Adjudication	0.50	14/04/16	40 000	5.08
NG-BT-3 months-30 Aug 16	NE0000000312	Adjudication	0.25	31/05/16	15 000	4.05
NG-6%- 5 years old - 18 Aug 21	NE0000000320	Adjudication	5.00	17/08/16	35 000	6.50
Niger State 6.5% 2016-2021 (5 years)	NE0000000353	Adjudication	5.00	22/08/16	35 000	6.50
NG- 6% - 5 years - August 18, 2021	NE0000000320	Adjudication	5.00	15/09/16	35 000	6.67
NG-BT-24 months-04 Oct. 18	NE0000000338	Adjudication	2.00	06/10/16	40 000	6.03
NG- 6.5% - 7 years - Nov 18, 2023	NE0000000346	Adjudication	7.00	17/11/16	30 000	7.29
NG-BT-12 months- 9 Jan 18	NE0000000361	Adjudication	1.00	11/01/17	40 000	4.43
NG-BT-3 months-25 May 18	NE0000000379	Adjudication	0.25	23/02/17	25 000	4.50
NG-BT-6 months-28 Sept.18	NE0000000395	Adjudication	0.50	30/03/17	30 000	4.50
NG-BT-6 months-19 Nov. 18	NE0000000148	Adjudication	0.50	19/05/17	25 000	5.74

NG- 6%- 5 years - June 29, 2022	NE0000000429	Adjudication	5.00	28/06/17	40 000	6.67
NG-6.25% - 5 years - August 18, 2022	NE0000000437	Adjudication	5.00	17/08/17	30 000	6.82
NG - 6% - 5 years - Sept 18, 2022	NE0000000447	Adjudication	5.00	15/09/17	30 000	6.02
NG-BT-3 months-Dec. 31, 17	NE0000000452	Adjudication	0.25	29/09/17	15 000	6.28
NG-6% - 3 years - 16 Oct 2020	NE0000000460	Adjudication	3.00	13/10/17	20 000	6.93
NG-BT- 6 months- 17 May 18	NE0000000478	Adjudication	0.50	16/11/17	25 000	4.50
NG-BT-3 months-05 April 18	NE0000000502	Adjudication	0.25	15/01/18	25 000	5.31
NG-BT-12 months-24 Jan. 19	NE0000000510	Adjudication	1.00	08/02/18	20 000	6.50
NG-6% - 3 years - 16 Oct 20	NE0000000460	Adjudication	3.00	22/02/18	20 000	7.25
NG-BT-6 months-23 Aug 18	NE0000000514	Adjudication	0.50	26/03/18	20 000	6.43
NG-BT-6 months-28 Oct. 18	NE0000000521	Adjudication	0.50	27/04/18	20 000	5.98
NG-BT-12 months-July 17, 19	NE0000000643	Adjudication	1.00	19/07/18	15 000	6.34
NG-BT-12 months-29 Aug 19	NE0000000684	Adjudication	1.00	30/08/18	20 000	6.15
NG-BT-3 months-13 Dec. 19	NE0000000692	Adjudication	0.25	13/09/18	30 000	5.80
NG-6.25%- 5 years - Oct 31, 2023	NE0000000XXX	Adjudication	5.00	30/10/18	30 000	6.96
NG-BT-6 months-14 May 19	NE0000000759	Adjudication	0.50	13/11/18	25 000	6.07
NG-6.20%- 3 yrs-Oct 5, 2021	NE0000000718	Adjudication	3.00	22/11/18	30 000	7.41
NG-BT-12 months-01 Dec 19	NE0000000769	Adjudication	1.00	30/11/18	25 000	6.14
NG-BT- 12 months-16 Jan 20	NE0000000775	Adjudication	1.00	17/01/19	21 920	6.23
NG-BT-12 months-13 Feb. 20	NE0000000817	Adjudication	1.00	14/02/19	27 070	6.16
NG-6.25%-5 years-Mar. 15, 24	NE0000000791	Adjudication	5.00	14/03/19	33 000	6.25
NG-6.5%-5 years-26 March 26	NE0000000445	Adjudication	7.00	26/03/19	71 500	6.50
NG-6.15%-5 years-29 Mar 22	NE0000000809	Adjudication	3.00	28/03/19	22 000	6.25
NG-BT-12 months-11 Apr 20	NE0000000833	Adjudication	1.00	09/04/19	22 000	6.00
NG-6.15%-5 years-May 10, 22	NE0000000825	Adjudication	3.00	09/05/19	22 000	6.25
NG-BT- 12 months-26 May 20	NE0000000841	Adjudication	1.00	26/05/19	22 000	5.61
NG-BT-12 months-25 June 20	NE0000000858	Adjudication	1.00	27/06/19	22 000	5.87
NG-BT- 12 months-02 Jul.20	NE0000000866	Adjudication	1.00	04/07/19	22 000	5.85
NG-BT-12 months-28 Jul.20	NE0000000882	Adjudication	1.00	30/07/19	22 000	5.44
NG-BT-12 months-06 August.20	NE0000000890	Adjudication	1.00	08/08/19	22 000	5.82
NG-BT- 12 months-20 Aug.20	NE0000000908	Adjudication	1.00	22/08/19	22 000	5.11
NG-BT-12 months-10 Sep.20	NE0000000916	Adjudication	1.00	12/09/19	22 000	5.37
NG-BT-12 months-30 Sep.20	NE0000000932	Adjudication	1.00	02/10/19	16 550	5.42
NG-BT-12 months-22 Oct. 20	NE0000000957	Adjudication	1.00	24/10/19	22 000	5.26
NG-BT-12 months-05 Nov.20	NE0000000965	Adjudication	1.00	07/11/19	22 000	5.08
NG-BT- 12 months-29 Nov.20	NE0000000973	Adjudication	1.00	29/11/19	22 000	4.96
NG-BT-6 months-04 June 19	NE0000000981	Adjudication	0.50	05/12/19	27 500	4.90
NG-BT-7 yrs-14 Feb 20	NE000000999	Adjudication	7.00	13/02/20	22 000	99.68
NG-OT-3 years-13 March 20	NE0000001005	Adjudication	3.00	13/03/20	17 000	99.99
NG-BT- 12 months-April 10, 20	NE0000001013	Adjudication	1.00	09/04/20	28 000	5.25
NG-OT-5 yrs-27 Apr 20	NE0000001021	Adjudication	5.00	24/04/20	22 000	98.72
NG-OT- 3 years-May 28, 20	NE0000001047	Adjudication	3.00	28/05/20	28 000	98.58
NG-BT-12 months-12 June 20	NE0000001055	Adjudication	1.00	11/06/20	28 000	5.08
NG-BT-12 months-26 June 20	NE0000001062	Adjudication	1.00	25/06/20	27 000	4.99
NG-BT-12 months-10 July 20	NE0000001070	Adjudication	1.00	09/07/20	28 000	5.02
NG-BT-12 months-28 August 20	NE0000001104	Adjudication	1.00	27/08/20	28 000	4.88
NG-BT-12 months-4 Sep.20	NE0000001112	Adjudication	1.00	03/09/20	22 000	4.79
NG-BT-6 months-18 Sep.20	NE0000001120	Adjudication	0.50	17/09/20	22 000	4.19
NG-BT-12 months-16 Oct 20	NE0000001138	Adjudication	1.00	15/10/20	22 000	4.50
NG-OT- 5 years-13 Nov 20	NE0000001153	Adjudication	5.00	12/11/20	38 000	6.50
NG-BT-12 months-27 Nov 20	NE00000011611	Adjudication	1.00	26/11/20	27 500	4.50

Source: UMOA-Titres

10.2 Detail of securities outstanding at the end of 2020

Table 38

Instrument	ISIN	Date of issue	TMP	Outstanding at the end of 2020 (millions of FCA)
NG-BT-7 yrs-14 Feb 20	NE000000999	13/02/20	7.00	22 000
NG-OT-3 years-13 March 20	NE0000001005	13/03/20	3.00	17 000
NG-BT- 12 months-April 10, 20	NE0000001013	09/04/20	1.00	28 000
NG-OT-5 years-27 April 20	NE0000001021	24/04/20	5.00	22 000
NG-OT- 3 years-May 28, 20	NE0000001047	28/05/20	3.00	28 000
NG-BT-12 months-12 June 20	NE0000001055	11/06/20	1.00	28 000
NG-BT-12 months-26 June 20	NE0000001062	25/06/20	1.00	27 000
NG-BT-12 months-10 Jul 20	NE0000001070	09/07/20	1.00	28 000
NG-BT-12 months-28 Aug. 20	NE0000001104	27/08/20	1.00	28 000
NG-BT-12 months-4 Sep.20	NE0000001112	03/09/20	1.00	22 000
NG-BT-6 months-18 Sep.20	NE0000001120	17/09/20	0.50	22 000
NG-BT-12 months-16 Oct 20	NE0000001138	15/10/20	1.00	22 000
NG-OT- 5 years-13 Nov 20	NE0000001153	12/11/20	5.00	38 000
NG-BT-12 months-27 Nov 20	NE00000011611	26/11/20	1.00	27 500
NG-BT- 12 months-16 Jan 20	NE0000000775	17/01/19	6.23	21 920
NG-BT-12 months-13 Feb. 20	NE0000000817	14/02/19	6.16	27 070
NG-6.25%-5 years-Mar. 15, 24	NE0000000791	14/03/19	6.25	33 000
NG-6.5%-5 years-26 March 26	NE0000000445	26/03/19	6.50	71 500
NG-6.15%-5 years-29 Mar 22	NE0000000809	28/03/19	6.25	22 000
NG-BT-12 months-11 Apr 20	NE0000000833	09/04/19	6.00	22 000
NG-6.15%-5 years-May 10, 22	NE0000000825	09/05/19	6.25	22 000
NG-BT- 12 months-26 May 20	NE0000000841	26/05/19	5.61	22 000
NG-BT-12 months-25 June 20	NE0000000858	27/06/19	5.87	22 000
NG-BT- 12 months-02 Jul.20	NE0000000866	04/07/19	5.85	22 000
NG-BT-12 months-28 Jul.20	NE0000000882	30/07/19	5.44	22 000
NG-BT-12 months-06 August.20	NE0000000890	08/08/19	5.82	22 000
NG-BT- 12 months-20 Aug.20	NE0000000908	22/08/19	5.11	22 000
NG-BT-12 months-10 Sep.20	NE0000000916	12/09/19	5.37	22 000
NG-BT-12 months-30 Sep.20	NE0000000932	02/10/19	5.42	16 550
NG-BT-12 months-22 Oct. 20	NE0000000957	24/10/19	5.26	22 000
NG-BT-12 months-05 Nov.20	NE0000000965	07/11/19	5.08	22 000
NG-BT- 12 months-29 Nov.20	NE0000000973	29/11/19	4.96	22 000
NG-BT-6 months-04 June 19	NE0000000981	05/12/19	4.90	27 500
NG-6%-3 yrs-16 Oct-20	NE0000000460	17/10/18	7.25	15 000
NG-6.15%-3 years-August 2, 21	NE0000000668	01/08/19	6.50	19 000
NG-6.25%-5 years-Mar 23	NE0000000544	22/03/18	6.23	7 000
NG-6.25%-5 years-Jul-923	NE0000000619	08/07/18	6.46	32 000
NG-6.4%-5 years- 13 Jul 23	NE0000000627	12/07/18	6.50	4 000
NG-6.5%-5 years- Nov 18, 23	NE0000000346	17/11/18	6.29	30 000

Source: WAMU-Titres

Auction (for government securities): an auction of securities admitted by the central government. In the WAEMU zone, it is organized by BCEAO. Banks and other regional financial institutions with accounts at the BCEAO can participate. Other entities can only subscribe to auctions through WAEMU banks.

Amortization or maturity: the period between the disbursement of a loan and its final repayment, consisting of the grace period and the repayment period.

Public offering: an invitation to tender on the financial market for public securities through a brokerage firm. It is open to all investors.

Net external assets (NEA): net claims or liabilities of monetary institutions (Central Bank and banks) on the outside world. This item corresponds to all the headings in the Central Bank and banks' balance sheets relating to their foreign operations. It is obtained by deducting from gross external assets all external commitments, including medium and long-term commitments.

Government borrowing requirement: the overall amount needed to cover the primary budget deficit and the interest and amortization charges associated with the debt.

Treasury bills: short-term public securities with a maturity of between 7 days and 2 years, issued by a WAEMU member state.

Paris Club: an informal group of creditor countries (usually OECD countries) that meet in Paris to negotiate debt restructuring agreements with debtor countries experiencing debt service problems.

Bilateral creditors: governments, central banks, agencies and export credit agencies, which lend to a debtor government on an intergovernmental basis.

Multilateral creditors: international institutions that lend funds on concessional and/or non-concessional terms, such as the IMF, World Bank and regional development banks.

Loans to the economy (EC): all loans granted to the economy by banks (refinanced or not), financial institutions (part refinanced by the Central Bank) and by the Treasury (through the acceptance of customs drafts).

Domestic credit = Credit to the economy + Government net position (see NGP).

Disbursement: payment of all or part of the amount contracted under a loan.

Budget deficit: difference between total revenue and total expenditure and net lending.

Current account deficit: current account deficit in the balance of payments.

Primary deficit: negative difference between revenue and expenditure, excluding interest payments.

External debt: central government borrowing from non-residents.

Domestic public debt: central government borrowing from residents.

Non-concessional debt: debt contracted on market terms.

Public debt: sum of all central government debts (external and internal).

Grant element: difference between the nominal value (NV) and the present value (PV) of the debt service expressed as a percentage of the nominal value of the loan ((NV-VA)/VN).

Concessional loans: loans and credits that have a long amortization period and/or below-market interest rates such that they include a grant element of at least 35%.

Euro-bond (or Eurobond): a dollar bond on the London financial market.

Inflation: a generalized increase in consumer prices. This results in a loss of purchasing power of money.

Multilateral Debt Relief Initiative (MDRI): an initiative launched in June 2005 to accelerate progress towards the Millennium Development Goals (MDGs).

HIPC Initiative: a framework adopted by the World Bank and the IMF in 1996 to address the external debt problems of heavily indebted poor countries, with the objective of providing comprehensive debt relief sufficient to achieve debt sustainability.

Money supply (MS): all claims held by the rest of the economy on monetary institutions. It covers monetary assets (currency in circulation + overnight deposits) and quasi-monetary assets (savings accounts and time deposits)

Treasury bonds: medium or long-term government securities issued through auctions or public offerings.

Contingent liabilities: debts contracted by other public entities except central government (local authorities and parastatal sector).

Net government position (NGP): net claims or liabilities of the Treasury vis-à-vis the rest of the economy. The Government's net position is the difference between the Treasury's debts and its claims on the Central Bank, banks and private individuals and companies. By convention, a creditor NGP is preceded by a (-) sign, while a debtor NGP is preceded by a (+) sign.

Tax burden: the ratio of tax revenues to GDP.

Refinancing risk: risk related to the renewal of maturing debt. It may relate to the cost of refinancing or the impossibility of obtaining the desired amounts.

Interest rate risk: Interest rate risk refers to the vulnerability of the Government's debt portfolio and debt costs to high market interest rates at the point where maturing fixed and floating rate debt is repriced.

Foreign exchange risks: risks related to fluctuations in exchange rates.

Debt service: any payment to be made on account of the principal, interest and fees of a loan.

Primary balance: (see primary deficit).

Basic primary balance: total revenue excluding grants - current expenditure + interest on public debt - capital expenditure from own resources.

Public debt stock: the amount of outstanding debt disbursements at a given date.

Exchange rate: price of a currency in terms of another currency.

Debt ratio: ratio of the stock of public debt to GDP.

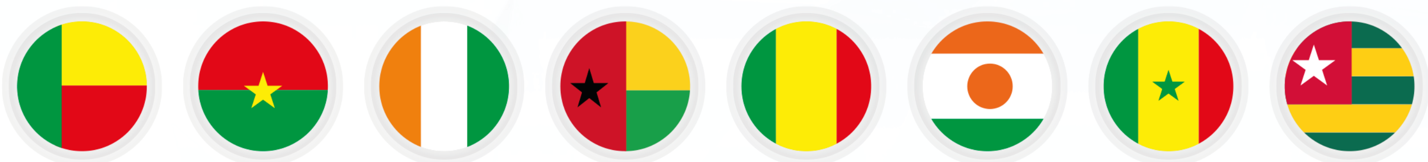
Investment rate of a country's economy: a ratio that indicates the gross fixed capital formation of all economic agents (government, businesses, households) expressed as a percentage of GDP. For a country, GFCF is the sum of hardware and software investments made during one year in that country.

Poverty rate: the number of poor people in the total population. It is usually calculated on the basis of a poverty line equivalent to $1.25 set by the World Bank.

The terms of trade: express for a country the ratio between the price of exports and the price of imports. They are generally calculated from price indices and indicate a change with respect to a reference year (T= [export price index / import price index] x 100). The terms of trade improve over time (T>100) if an economy exports a smaller quantity of goods to obtain the same quantity of imported goods (in other words, the same quantities exported allow the purchase of an increased quantity of imported goods): export earnings improve in this case. In the opposite case, the terms of trade deteriorate (T<100). This price ratio thus reflects the evolution of the purchasing power of exports in imports, for a given volume of trade (the trade structure is fixed): it reflects the price competitiveness of a country (independently of the quantity effect).

BUILDING A BENCHMARKED REGIONAL GOVERNMENT SECURITIES MARKET FOR THE DEVELOPMENT OF WAEMU STATES

Together, let's build the WAMU of tomorrow



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