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INFORMATION NOTE

Republic of Niger

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

September 2022

Quality review by **Deloitte.**

Summary

ACRONYMS

ADF	: African Development Fund
AFD	: French Development Agency
BCEAO	: Central Bank of West African States
BEPC	: First Cycle Certificate
BOAD	: West African Development Bank
BOOT	: Build-Own-Operate-Transfer
BRVM	: Regional Stocks Exchange
EBID	: ECOWAS Bank for Investment and Development
ECA	: Economic Commission for Africa
EIB	: European Investment Bank
CPIA	: Country Policy and Institutional Assessment (CPIA)
CFA Francs	: African Financial Cooperation Francs (CFA Francs XOF)
FDI	: Foreign Direct Investment
FEC	: Extended Credit Facility
GDP	: Gross Domestic Product
HIPC	: Heavily Indebted Poor Countries
I3N	: Nigeriens Feed Nigeriens Initiative
IDA	: International Development Association
IDB	: Islamic Development Bank
IFAD	: International Fund for Agricultural Development
HICP	: Harmonized Index Consumer Prices
ILO	: International Labour Organization
IMF	: International Monetary Fund
MDRI	: Multilateral Debt Relief Initiative
NSO	: National Statistical Office
PDES	: Economic and Social Development Plan
SDG	: Sustainable Development Goals
SDR	: Special Drawing Rights
SFD	: Saudi Fund for Development
UT	: WAMU Securities Agency
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, **MANI Abdou Salam**, 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.

DIRECTION GENERALE DU TRESOR ET DE LA COMPTABILITÉ PUBLIQUE
Le Directeur Général

MANI ABDOU SALAM

Niger is considered one of the poorest nations in the world. According to estimates from the World Bank, the national poverty rate is 41.8 percent in 2021. The average per capita income was only $526.4 in 2020. Moreover, Niger's Gini index was estimated at about 34.3 in 2014, compared to 31.5 in 2011, implying that income inequality has increased slightly among the population. In addition, Niger faces significant risks related to climate and environmental shocks, oil price shocks, security issues and population growth.

Niger's economic growth is estimated at 1.3% in 2021 after 3.6% in 2020, mainly due to the poor agricultural season and the overall unfavourable context for economic activity, characterized by the deepening security crisis and the Covid-19 pandemic. The good performance of activities in the secondary (+4.1%) and tertiary (+4.4%) sectors has helped to mitigate the sharp decline in growth in the primary sector (-4.5%). In 2022, the economy is expected to grow by 7.0%, despite the pandemic situation (Omicron variant) and security threats on the national territory. This growth trend would be driven by all economic sectors, particularly the primary sector, which would benefit from increased public spending on agricultural modernization within the framework of the I3N and structuring projects for rural development. However, the uncertainties linked to climatic contingencies and security threats are likely to limit the government's efforts.

In 2021, the core budget deficit deteriorated to 5.9 percent of GDP (from 5.1 percent in 2020) as a result of increased public investment expenses in economic and social infrastructure projects. Thus, achieving the WAEMU convergence criterion for the overall budget deficit of 3% of GDP by 2024 becomes a challenge. Moreover, the fiscal space is shrinking and the need for external financial assistance including that to be raised under the new 2022-2026 PDES.

The balance of payments analysis reveals a deficit of CFAF 80.0 billion in the overall balance in 2020 after a surplus of CFAF 317.9 billion in 2019. This deficit is the result, among other things, of a deterioration in the current account balance attributable mainly to the goods and services balance and the secondary income account. In addition, the balance of the financial account declined due to the fall in foreign direct investment and portfolio investment, unlike the capital account, which improved thanks mainly to capital transfers received by the State. 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.

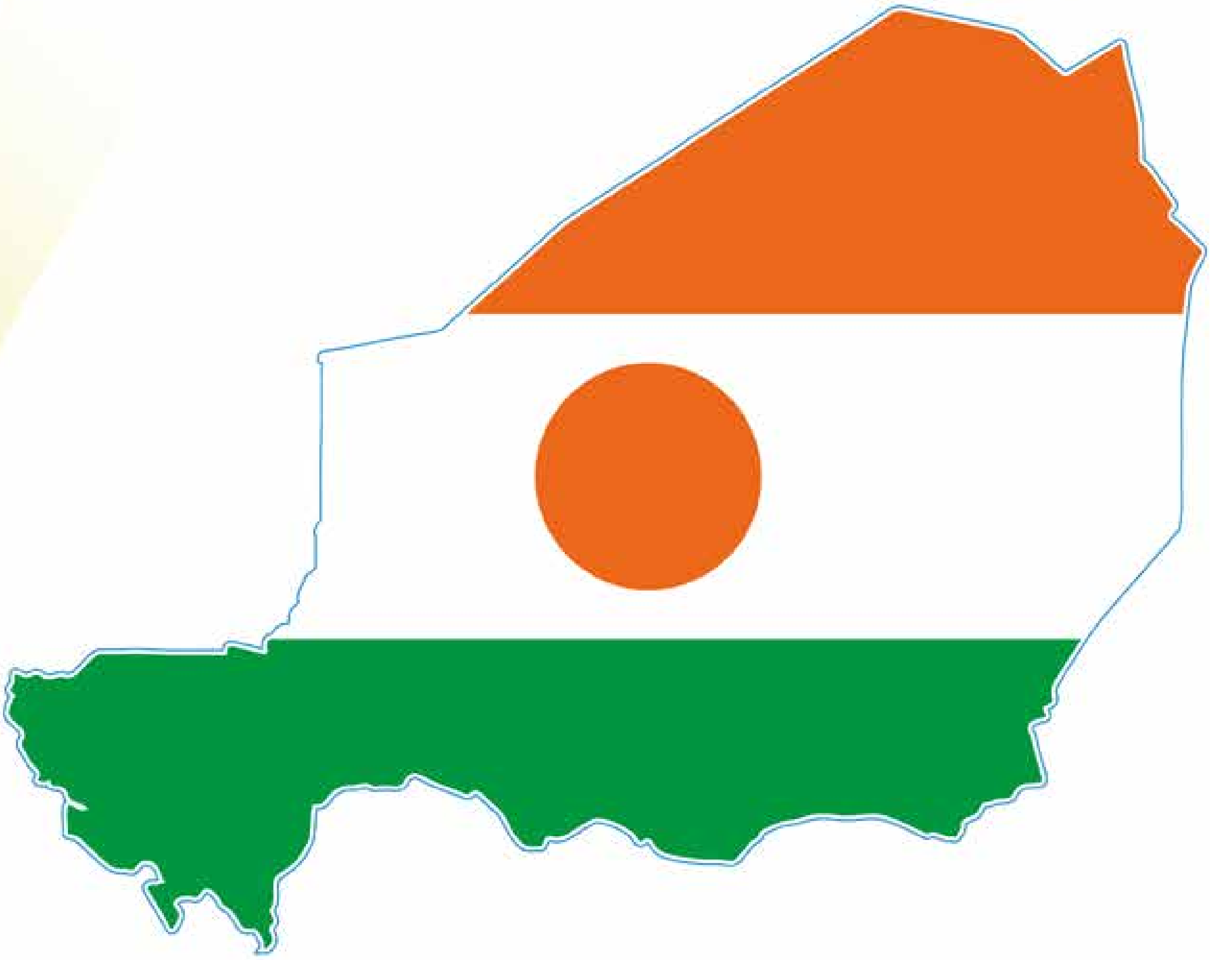
Regarding the 2021 fiscal year, total revenue (including grants), represented 18.2 percent of GDP compared to 17.6 percent in 2020. This was due to a 5.2% increase in revenue and a 12.9% increase in grants. The increase in grants is mainly due to the rise in project grants (19.9%), linked to the accelerated implementation of the ESDP. Public expenditure stood at 2006.6 billion, or 24.3% of GDP. It is composed of current expenditure of 887.3 billion (10.7% of GDP) and capital expenditure of 1079.3 billion (13.0% of GDP).

Niger has made substantial progress on its business climate. According to the World Bank's Doing Business 2020 last report, the country is ranked 132nd 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 4,208.1 billion (or 50.9 percent of nominal GDP) as of December 31, 2021, compared to CFAF 3,510.4 billion at the same period in 2020 (44.4 percent of nominal GDP). It is composed of CFAF 2,731.8 billion in external debt and CFAF 1,476.3 billion in domestic debt.

Public debt service actually paid in 2021 amounts to CFAF 542.7 billion, broken down into CFAF 92.4 billion for external debt and CFAF 450.3 billion for domestic debt, including CFAF 239.0 billion in treasury bills. In 2021, the debt sustainability analysis indicates that Niger faces a moderate risk of debt distress and has not recorded any external payment arrears. The financing policy focuses on the use of concessional resources and borrowing on the WAEMU domestic market.

Republic of Niger



Area
1 267 000 km²

Population in 2021
25 131 000 Hbts
Source: World Bank

Capital
Niamey

Political System
Semi-Presidential

Currency
CFAF

Official Language
French

Nominal GDP in 2021
8.272,0 billions of CFAF
(source : INS)

- Economy based on agriculture, extractive industry and servicies
- Real GDP growth rate in 2021 : 1,3%
- Fiscal deficit, including grants, in 2021 : 6,1%
- Debt to GDP rate in 2021 : 50,9%

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 sixty-six 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

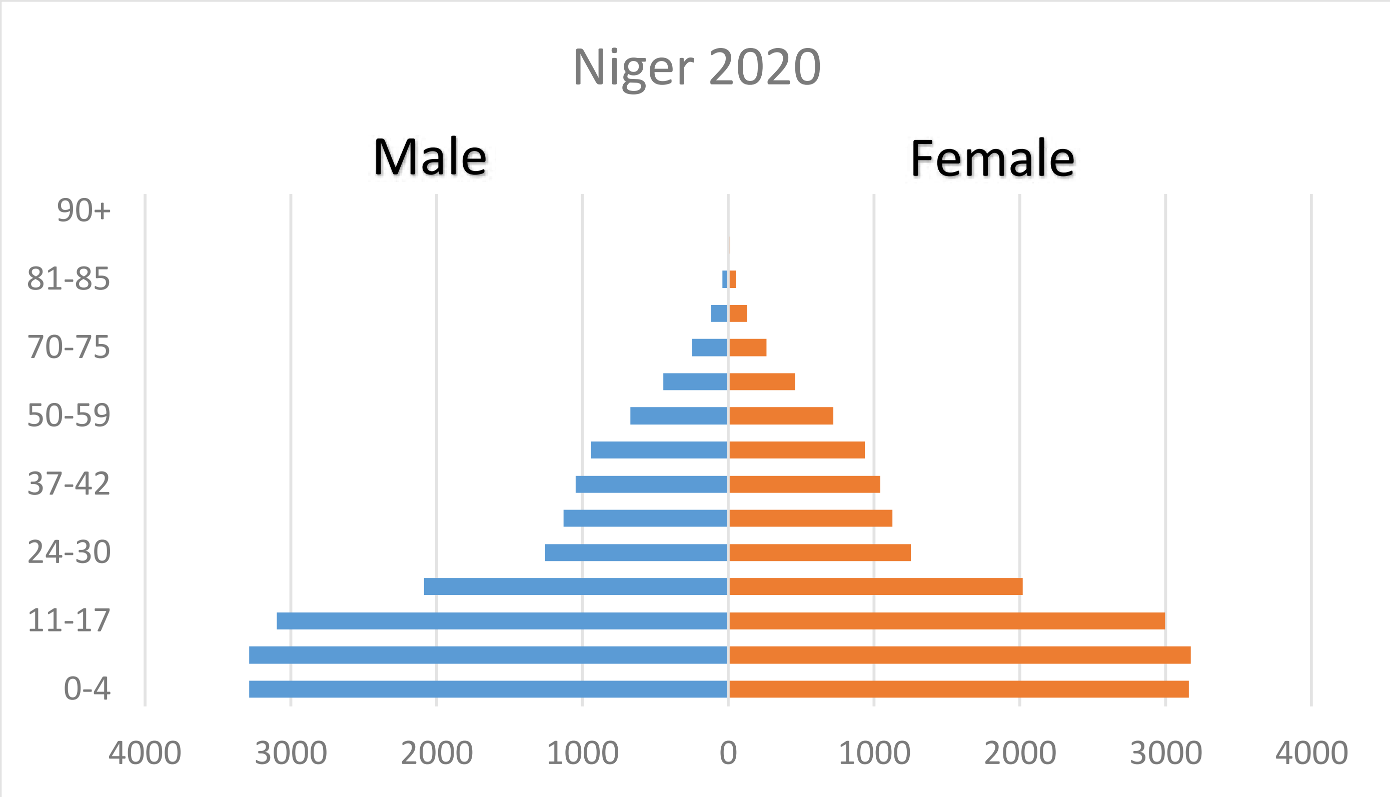
Niger is a landlocked country in the heart of West Africa. It is bordered by Algeria and Libya to the north, Mali to the west, Burkina Faso and Benin to the southwest, Nigeria to the south and Chad to the east. The total area of the country is 1,267,000 km^2. Niger's climate is tropical and alternates 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.

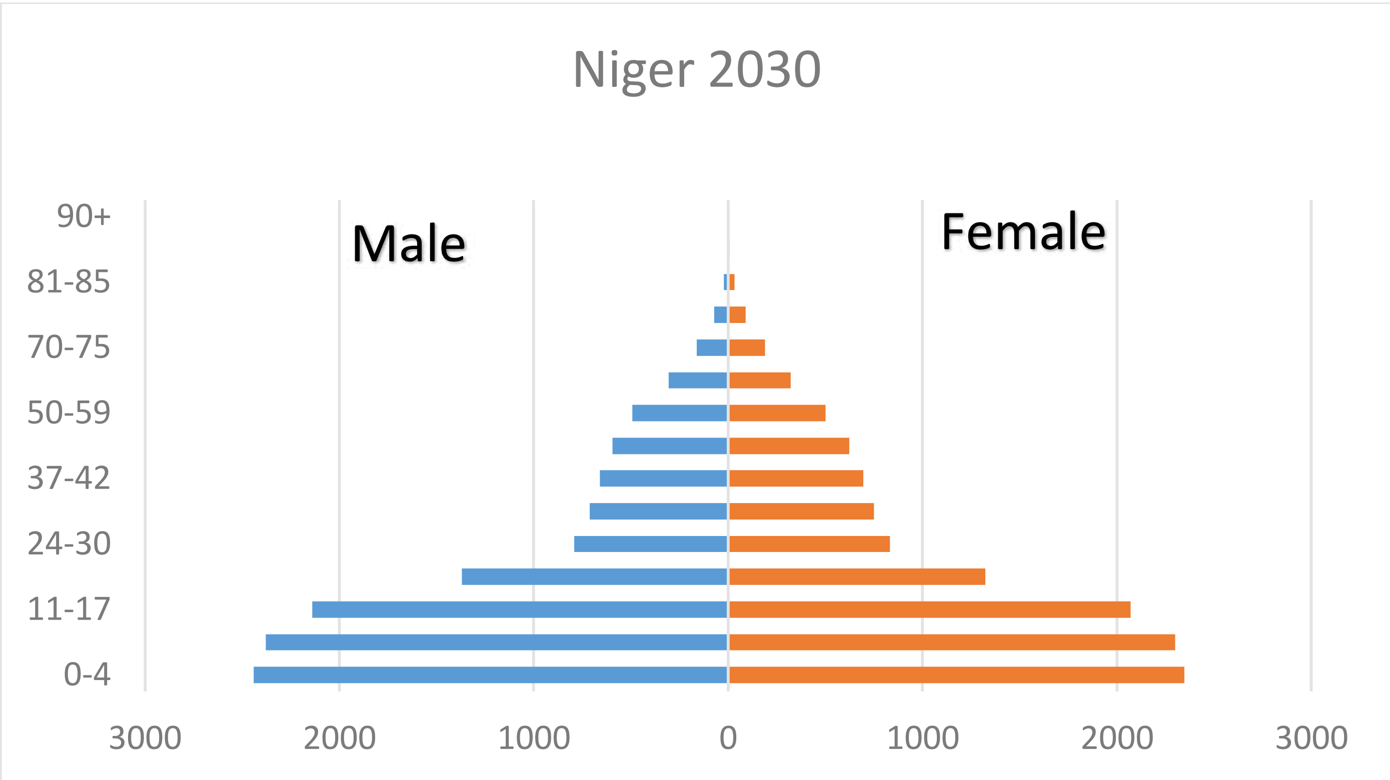
Niger has only one permanent river, the Niger River, which flows through the country for about 500 km in its western part. There are also a few permanent lakes, the main one, Lake Chad, is located at the southeastern tip of the country, and several semi-permanent rivers, including the right bank tributaries 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 24.2 million inhabitants in 2020 and had 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 about 30 million by 2030 and 70 million by 2050 (World Bank, 2020). The high population growth is explained by a very high fertility rate, although it is falling, according to the National Statistical Office (NSO). According to these statistics, the fertility rate has fallen from 7.6 children per woman in 2012 to 6.2 children per woman in 2021. It is recognized that uncontrolled fertility is a threat to child and maternal health, undermines investment in human capital and slows economic growth.

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 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.

Projections to 2030 show a slight contraction in the base of the population pyramid, highlighting a lower fertility rate and the beginning of the change in the age structure of the population that could enhance the demographic dividend. In recent years, the government has carried out reforms to improve indicators for reproductive health, family planning and girls' education. Legal reforms have been adopted to address the problem of high fertility. For example, in 2017, the Government issued a decree to protect, support and accompany the girl child in school to enable her to attain a secondary level education necessary to reduce high fertility. Similarly, some of Niger's development partners have implemented several projects to improve access to education and reproductive health services and to sensitize families and communities on the harmful effects of child wedding.

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 Ministry of Education, the gross enrollment rate in primary and basic cycle 2 was 73.0 percent and 34.4 percent, respectively, in 2020. Retention in the education cycles was low in Niger. Indeed, the primary completion rate was 53.9 percent, and the lower secondary completion rate was 46.4 percent in 2020. The net enrollment rate in higher education was even lower in 2020. It stood at about 5.7 percent for boys and 3.8 percent for girls. Finally, the literacy rate was 35.1 percent in 2020.

Table 1. Statistics by cycle

Change in gross enrollment rate, primary (%)	2015	2016	2017	2018	2019	2020
Together	74.2	76.2	77.8	64.1	66.4	73.0
Girls	68.0	70.2	72.1	61.1	62.0	67.6
Boys	80.2	82.1	83.3	66.7	70.7	76.4
Change in gross enrollment rate, middle school (%)						
Together	29.6	34.2	36.4	37.2	38,1	34.4
Girls	24.3	28.8	31.0	31.8	32.2	31.3
Boys	34.9	39.6	41.9	42.8	43.1	37.4
Change in gross enrollment rate, high school (%)						
Together	7.0	8.6	8.1	8.9	9.3	10.5
Girls	4.6	5.7	5.3	5.8	6.2	7.8
Boys	9.5	11.6	11.1	12.3	12.9	13.7
Evolution of the gross enrollment rate, higher (%)						
Together	3.3	3.5	3.7	4.4	4.7	5.2
Girls	2.1	2.5	2.4	2.6	3.3	4.1
Boys	4.4	4.5	5.0	6.2	5.1	6.1

Source : NSO, 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 1,117 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), 156 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	2016	2017	2018	2019	2020
Together	57.3	61.1	61.6	62.0	62.4	62.8
Male	56.4	60.0	60.5	60.9	61.3	61.5
Female	58.4	62.3	62.8	63.2	63.6	63.9
Infant mortality (per 1000 live births)						
Neonatal	30.7	26.2	25.7	25.1	24.6	24.1
less than 5 years old	121.9	90.1	86.6	83.5	80.3	77.5
Maternal mortality (per 100,000 births)	657	530	509	501	509	505

Source : WHO

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 (122 ‰) and 2020 (78 ‰), enabling Niger to achieve Millennium Development Goal (MDG) number 4. The maternal mortality rate has dropped by 23% between 2010 and 2020, from 657 to 505 deaths per 100,000 live births, 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 World Malaria Report 2020, Niger is one of six African countries that account for more than 50% of global malaria cases and deaths, despite progress made. The mid-term review of the 2017-2021 malaria strategic plan indicates that Niger still recorded a decline in the incidence rate from 155 to 144 cases per 1000 population from 2017-2020, as well as a decline in the malaria case-fatality rate from 0.13% to 0.10%. 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 0.2% in 2020. Furthermore, Niger ranks among the countries with high TB endemicity. According to WHO, the disease detection rate is still low, at about 59.2% in 2020, even though the treatment rate for TB patients is estimated at 83%.

Malnutrition in all its forms is also an important factor in maternal and child morbidity and premature mortality. According to the Ministry of Health, the prevalence of acute malnutrition in children under five was 12.7% in 2020. As for chronic malnutrition, it stood at 45.1% in 2020, well above the WHO alert threshold of 30%. Furthermore, among pregnant and lactating women, the prevalence of anemia is around 48%. Underweight for children under 5 is estimated at 31.3% in 2020. 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 29, 2022, 8801 cumulative confirmed cases according to data from the Ministry of Health. The first case was reported on March 19, 2020. 240,394 tests have been performed. A total of 308 deaths have been recorded. The case fatality rate is 1.9%, lower than the African average (2.8%). Containment measures were lifted on 13 May 2021, but the government calls for caution and strict compliance with individual and collective protection measures.

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 NSO 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 99.5 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 of jobs and informal employment 91.9 percent.

Table 3. Employment status in 2017

Job characteristics	Main activity			
	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 (NSO, 2017)

Unemployment rate

In 2020, the ILO unemployment rate was 0.6 percent in Niger according to ILO data. This unemployment rate is relatively the same for women (0.4 percent in 2020) 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, NSO (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-old (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 25-34 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 Strategy for Sustainable Development and Inclusive Growth (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 workspaces 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 40,890 people in 2021, while the job offer was estimated at only 8,876 positions. It should be noted that compared to 2020, the total job supply has increased by 477 positions (or 5.7 percent), while job seekers were up by 6.4 percent. According to ANPE data, the distribution of job demand by region in 2021 indicated that it was mainly concentrated in the region of Niamey (the capital) with an average of 43 percent of overall demand, followed by the regions of Zinder (the country's second largest city) with an average of 13.6 percent and Maradi (the country's third largest city) with an average of 14.2 percent. In the fourth quarter of 2021, the proportion of women looking for work was 22.7 percent, distributed as follows: 25.8% in Maradi; 22.7% in Tillabéry and Zinder; and 26.8% in Niamey.

Table 4. Job offers and applications at the ANPE between 2017 and 2021

Indicators	2017	2018	2019	2020	2021
Job offers	10 242	7 022	8 846	8 399	8 876
Job applications	29 321	42 432	52 194	38 435	40 890
Placement rate[1]	13.8	16.5	20.1	23.7	20.0
National employment contracts	13 380	15 875	14 497	16 252	14 494
Foreign work visas	440	1 204	1 037	700	532

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

1.7 Main aggregates

1.7.1 Level of development

With a poverty rate of 41.8 percent and an average per capita income of $526.4 in 2021, 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 31.5 in 2011 and 44.4 in 2005, suggesting that income inequality has narrowed among the population, over the last decade, although they increased between 2011 and 2014. Moreover, Niger's Gini index is at a lower level than the African (38) and global (43) average.

Table 5. Niger's GDP per capita

Income indicator	2016	2017	2018	2019	2020	2021 (Estimates)
GDP per capita (In $ 2010)	493	498	514	524	523	531
GDP Per Capita (In 2011 PPP)	1152	1164	1201	1224	1222	1240

Source : World Bank, IMF

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

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.

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

	2016	2017	2018	2019	2020	2021 (Estimations)
Nominal GDP	6 162.4	6 494.7	7 114.5	7 610.4	7 909.3	8 272.0
Real GDP growth (%)	5.7	5.0	7.2	5.9	3.6	1.3
Investment rate (% of GDP)	27.5	26.0	29.0	30.4	31.6	32.4
Inflation rate (in %)	0.2	0.1	2.8	-2.5	2.9	3.8
Balance of payments						
Exports of goods FOB	611.7	701.8	668.2	659.7	642.3	678.5
Imports of goods FOB	1 017.2	1 136.0	1267.7	1 362.9	1 419.9	1 600.7
CAF goods Imports	1 281.9	1 431.6	1 597.6	1 717.6	1 789.4	2 194.0
Balance	405.5	-434.2	-599.5	-703.2	-777.5	-922.2
Current balance	-700.3	-740.0	-902.6	-921.3	-1045.0	-1 236.4
Overall balance of payments	-20.2	-135.0	-113.9	317.9	-80.0	126.7
Public Finance						
Revenues and grants	913.9	1 022.9	1 291.2	1 362.5	1 388.4	1 501.3
Total Expenditures	1 187.7	1 263.5	1 505.4	1 631.7	1 810.5	965.9
Balance	-273.8	-240.6	-214.2	-269.3	-422.2	-329.2
Public debt (outstanding)						
Domestic debt	500.7	678.6	785.5	1 003.7	1 059.8	1 476.3
External debt	1 366.8	1 569.8	1 737.9	1 974.4	2 450.6	2 731.8
Domestic debt as % of nominal GDP	8.1	10.4	11.0	13.2	13.4	17.8
Budget deficit						
In value	-273.8	-240.6	-214.2	-269.3	-422.2	-329.2
Percent of nominal GDP (%)	4.4	-3.7	-3.0	-3.6	-5.3	-5.9

Source : NSO, 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 year base, as well as migrating from the 1993 National Accounting System (SNA) to the 2008 SNA. As a result of this renewal, GDP in 2015 was revalued to CFAF 5,715 billion, a 33.3 percent revaluation from the 2006 base.

In 2021, Niger's economic activity was adversely affected by the security crisis and low agricultural production. Thus, economic growth decelerated to 1.3% from 3.6% in 2020. In 2021, nominal GDP is estimated at CFAF 8,272.0 billion.

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

	2016	2017	2018	2019	2020	2021 (estimates)	2022 (projections)	2023 (projections)
Total GDP	6 162.4	6 494.7	7 114.5	7 610.4	7 909.3	8 272.0	9 050.1	9 955.5

Source : NSO

In 2020, economic activity, despite sanitary and security crisis, was relatively dynamic, benefiting from the recovery of agricultural production and the strength of the construction sector related to the acceleration and completion of road infrastructure. 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 2021, the intensification of security threats in the country, et the poor agricultural season, resulted in a slowdown in economic growth. Indeed, the economic growth rate was 1.3% in 2021 against 3.6% in 2020, i.e., a deceleration of 2.3 percentage points. However, the recovery of activities in the tertiary sector, after having suffered the most from the consequences of Covid-19, and to a lesser extent the good performance of the secondary sector, have made it possible to mitigate the loss of growth generated in the primary sector.

According to the Ministry of Finance's projections, economic activity is expected to pick up in 2022 as a result of the implementation of the new national economic development plan 2022-2026, continued strong investment, and overall good performance of economic activities. Thus, growth is expected to be 6.7%. 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 2021, Niger's economic situation was negatively impacted by the difficult security context and the slowdown in agricultural production. Nevertheless, growth benefited from the dynamism of the secondary and tertiary sectors, which grew by 5.4% and 7.7% respectively. Economic activities in the secondary sector benefited from the revival of the construction branch with the continuation of infrastructure projects, while those in the tertiary sector were driven by the service branches, notably the recovery of activities in transport, accommodation, and catering. On the other hand, the primary sector made a negative contribution to growth due to the fall in agricultural production following a poor distribution of rainfall in time and space

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

	2016	2017	2018	2019	2020	2021 (Estimates)	2022 (Projections)	2023 (Projections)
Total GDP	5.7	5.0	7.2	5.9	3.6	1.3	6.7	8.6
Primary sector	17.2	5.4	8.1	3.1	7.7	-8.3	11.9	6.3
Secondary sector	-2.0	6.8	6.0	9.0	1.7	5.4	6.1	16.1
Tertiary sector	3.9	4.0	4.8	7.3	2.3	7.7	1.4	6.1
Non-market GDP	0.1	1.6	5.5	9.1	2.1	6.8	1.4	6.8
Net income taxes	-13.9	2.3	-23.4	4.2	- 6.8	8.6	15.2	10.3

Source : NSO 2022

In 2021, the slowdown in economic growth is mainly related to the impact of the poor rainy season on agricultural production. Indeed, the dynamism of the primary sector observed in 2020 has faded as a result of a drop in the value added of the agricultural branch (-13.7%) following the poor distribution of rain in time and space and the invasion of pests in certain regions of the country. However, service sector activities have generally recovered from the negative effects of the Covid-19 pandemic. In addition, in 2021, security threats increased, contributing to an increase in public burdens and further disrupting production in the primary sector, particularly in the Tillabéry and Tahoua regions. According to the Ministry of Finance projections, growth is expected to accelerate again in 2022, with a projected rate of 6.7 percent. 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 broken-down 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 a decrease of 8.3% and represented 36.5% of GDP in 2021. 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. The share of the primary sector should remain relatively stable at 36.6% in 2022 and 36.3% in 2023.

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 5.4% and accounted for 20.7% of GDP in 2021 compared with 20.2% in 2020. The sector's growth is due to the strong performance of mining, manufacturing and construction activities. 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, held up well in 2021, after having suffered the consequences of the health crisis with, in particular, the closure of land and air borders and of entertainment venues, and the restrictions on trade and transport. Thus, its added value has only progressed by 7.7% in 2021 against 2.3% in 2020. The share of the tertiary sector represents 36.5% of GDP in 2021 but should depend on the evolution of the regional and international economic context.

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

	2016	2017	2018	2019	2020	2021 (Estimates)	2022 (Projections)	2023 (Projections)
Total GDP	100	100	100	100	100	100	100	100
Primary sector	35.3	35.8	38.3	37.6	38.4	36.5	36.6	36.3
Secondary sector	21.2	21.1	19.1	20.1	20.2	20.7	20.4	20.8
Tertiary sector	38.5	38.9	38.6	37.8	36.2	36.5	36.3	35.6
Non-market GDP	11.5	11.1	10.9	11.1	11.3	11.5	11.5	11.8
Duties and taxes	5.2	5.3	6.0	5.8	5.3	6.4	6.8	7.2

Source : NSO, 2022

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 3,015.5 billion in 2021 according to Niger NSO estimates, and its value is projected at CFAF 3,310.2 billion for 2022. This sector has been expanding since 2014 before being held back by the low crop season in 2021 but however, the projections foresee a resumption of the upward trend thanks, among other things, to the implementation of the new ESDP 2022-2026 and the continuation of activities to support agricultural productivity through the 3N initiative. 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 232.6 billion in 2021.

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 1,712.2 billion in 2021 compared to CFAF 1,593.8 billion in 2020. It is expected to reach 1,844 billion CFA francs in 2022, taking into account the recovery of the economy after covid-19. This sector is dominated by mining and oil extraction activities, and manufacturing industry with 572.1 billion CFA francs of wealth created in 2021, compared with 543.6 billion CFA francs in 2020. Manufacturing industry and Construction occupy the second and third positions respectively in this sector with estimated business volumes of CFAF 392.5 and 384.1 billion respectively in 2021.

The tertiary sector is a key component of the Nigerien economy. The added value of the tertiary sector increased by 155.2 billion CFA francs compared to 2020, reaching 3,016.4 billion CFA francs in 2021. It is expected to rise to nearly CFAF 3,282 billion in 2022, According to projections taking into account the gradual recovery of economic activities after Covid-19. The tertiary sector is driven by trade, whose added value was estimated at CFAF 973.9 billion in 2021, compared to CFAF 940.3 billion in 2020.

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

	2016	2017	2018	2019	2020	2021 (Estimate)	2022 (Projection)	2023 (Projection)
Primary sector	**2 173.0**	**2 326.2**	**2 723.8**	**2 860.3**	**3 036.0**	**3 015.5**	**3 310.2**	**3 615.0**
Agriculture and Livestock	1 980.5	2 126.4	2 519.6	2 645.2	2 815.0	2 782.9	3 064.6	3 355.8
Forestry		132.7	134.6	141.0	148.1	155.2	162.9	171.1
Fishing	65.9	67.1	69.6	74.1	72.9	77.4	82.7	88.1
Secondary sector	**1 309.2**	**1 368.6**	**1 360.3**	**1 530.6**	**1 593.8**	**1 712.2**	**1 844.0**	**2 070.5**
Mining and oil extraction	545.0	545.5	470.5	540.7	543.6	572.1	623.4	747.3
Agri-food	161.2	175.8	182.2	199.1	208.5	220.7	219.9	230.8
Energy	99.3	103.3	111.6	124.5	132.3	142.8	154.4	171.7
Construction	204.4	228.3	271.8	330.6	339.0	384.1	419.7	473.1
Manufacturing industry	299.2	315,7	324,2	335,6	370,4	392,5	426,7	447,6
Tertiary sector	**2 358.5**	**2 455.8**	**2 605.3**	**2 775.3**	**2 861.2**	**3 016.4**	**3 282.8**	**3 548.8**
Transport	139.2	147.4	159.6	172.3	169.5	184.9	199.3	216.6
Telecommunications	146.8	161.8	175.4	186.5	200.5	215.1	230.5	250.9
Trade	807.1	837.1	876.5	918.1	940.3	973.9	1 076.3	1 135.7
Other services	557.6	587.5	618.8	652.1	659.3	693.4	731.8	771.0
Public Administration	707.8	722.0	775.0	846.3	891.6	949.1	1 044.9	1 174.6
Duties and taxes	321.6	344.0	425.1	444.2	418.4	527.9	613.1	721.3
Non-market GDP	717.2	728.6	781.4	854.0	901.3	960.8	1 055.6	1 184.1
Market GDP	5 445.2	5 766.1	6 333.1	6 756.4	7 008.0	7 311.2	7 994.5	8 771.4
GDP Total	**6 162.4**	**6 494.7**	**7 114.5**	**7 610.4**	**7 909.3**	**8 272.0**	**9 050.1**	**9 955.5**

Source : NSO, 2022

2.2.2 GDP in composition

The fall in the primary sector in 2021 is mainly attributable to the decline in the value added of the agricultural branch. Overall, agricultural output has fallen in volume terms by 4.4% after a 6.9% increase in 2020. The output of the other branches of the sector, on the other hand, has accelerated compared to 2020. In 2021, livestock production increased by 5.0%, benefiting from the satisfactory performance of the 2019-2020 agricultural season, which increased the availability of fodder for livestock. Fishing and forestry grew by 4.9% and 3.4% respectively in 2021 and are expected to strengthen in 2022.

Table 11. GDP by sectoral component (%)

	2016	2017	2018	2019	2020	2021 (Estimates)	2022 (Projections)	2023 (Projections)
Primary sector	35.3	35.8	38.3	37.6	38.4	36.5	36.6	36.3
Agriculture	24.3	24.4	27.1	26.5	27.3	24.9	25.3	25.4
Livestock	7.9	8.3	8.4	8.2	8.3	8.7	8.5	8.3
Woodland and forestry	2.1	2.0	1.9	1.9	1.9	1.9	1.8	1.7
Fishing	1.1	1.0	1.0	1.0	0.9	0.9	0.9	0.9
Secondary sector	22.5	19.9	20.2	18.1	20.2	20.7	20.4	20.8
Mining and oil extraction	8.8	8.4	6.6	7.1	7.1	6.9	6.9	7.5
Agri-food	2.6	2.7	2.6	2.6	2.6	2.7	2.4	2.3
Energy	1.6	1.6	1.6	1.6	1.6	1.7	1.7	1.7
Construction	3.3	3.5	3.8	4.3	4.3	4.6	4.6	4.8
Manufacturing industry	3.4	3.5	3.4	3.2	3.7	3.9	3.9	3.8
Tertiary sector	38.5	38.9	38.6	37.8	36.2	36.5	37.9	38.1
Transport	2.3	2.3	2.2	2.3	2.1	2.2	2.2	2.2
Telecommunications	2.4	2.5	2.5	2.5	2.5	2.6	2.5	2.5
Trade	13.1	12.9	12.3	12.1	11.9	11.8	11.9	11.4
Other services	11.5	11.1	10.9	11.1	11.3	11.5	11.5	11.8
Public Administration	6.5	6.5	6.6	6.9	7.1	7.2	7.6	8.1
Duties and taxes	5.2	5.3	6.0	5.8	5.3	6.4	6.8	7.2
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

Source : NSO, Ministry of Finance

The share of mining activities in GDP has decreased from 7.1% in 2020 to 6.9% of GDP in 2021, particularly due to the contraction of uranium production activities with the closure of several mining sites. The contribution of this sector to GDP has gradually decreased, while that of the other sectors has not changed significantly, reflecting a weak structural transformation of the economy, particularly in the industrial sector. The share of the secondary sector in GDP was 20.5% in 2021. According to national accounts forecasts, it should fall in 2022 to 20.1% with the decline in uranium production. It is expected to increase from 2023 onwards to 23.6% of GDP, thanks to the start of crude oil production for export.

In 2021, the tertiary sector (market and non-market) accounted for 36.5% of GDP. According to the national accounts, the tertiary sector thus contributed 2.8 points to real GDP growth in 2021, with an increase of 7.7% in its value added in volume. The growth of the services sector is essentially attributable to the recovery of the activities of the trade, accommodation and catering, and telecommunications branches. In prospect, the tertiary sector should remain stable in 2022 thanks to the continued recovery of trade activities, reaching 37.9% of GDP.

2.2.3 GDP by component

In terms of the use, final consumption remains the largest component of GDP. In 2021, final consumption contributed 1.8 points to real GDP growth, while investments contributed 1.3 points, compared with 3.0 points and 2.2 points respectively in 2020. The fall in the contributions of these components of demand results from the fall in household income caused by the health crisis. The economic recovery driven by the acceleration and conclusion of the implementation of the Economic and Social Development Plan (PDES 2017-2021) and the development of road, energy and oil infrastructures should enable domestic demand to increase in 2021.

Regarding foreign trade, exports in real terms increased less than imports (0.5% and 7.0% respectively) in 2021, thus further increasing the trade deficit compared with 2020. The deficit is expected to widen in 2022 due to falls in exportable uranium quantities.

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

	2016	2017	2018	2019	2020	2021 (estimates)	2022 (projections)	2023 (Projections)
1. Internal demand	**6 909.4**	**7 336.9**	**8 143.5**	**8 735.8**	**9 175.2**	**9 674.4**	**10 539.8**	**11 164.1**
Total consumption	**5 213.4**	**5 647.5**	**6 081.5**	**6 419.4**	**6 674.1**	**6 991.0**	**7 526.4**	**8 014.9**
Private	4 389.0	4 744.3	5 116.5	5 365.0	5 525.6	5 771.7	6 208.5	6 609.6
Public	824.3	903.2	965.0	1 054.4	1 148.4	1 219.3	1 318.0	1 405.3
Total investments	**1 696.0**	**1 689.4**	**2 062.0**	**2 316.4**	**2 501.1**	**2 683.4**	**3 013.4**	**3 149.2**
Private	1 181.5	1 154.1	1 341.5	1 514.2	1 587.8	1 704.4	1 831.4	1 918.9
Public	483.0	521.2	685.4	780.0	913.3	979.0	1 182.0	1 230.3
Change in inventories	31.5	14,1	35.1	22.2	0.0	0.0	0.0	0.0
2. Total external demand	**747.0**	**842.4**	**1 029.0**	**1 125.4**	**1 265.8**	**1 402.4**	**1 489.8**	**1 208.6**

Source : NSO, 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 rebirth.
- 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%.

A new Economic and Social Development Plan for the period 2022-2026 is currently being drafted. It is based on the President of the Republic's Act III Renaissance Programme. The commitments contained in the Act III Renaissance Programme were given concrete form in the Government's General Policy Declaration (DPG), adopted on 26 May 2021 by the National Assembly. This DPG is based on seven major policy areas. These are :

- Security and social peace.
- Good governance and the consolidation of republican institutions
- Development of human capital
- Modernization of the rural world.
- The development of economic infrastructures.
- The exploitation of economic potential.

Solidarity and socio-economic inclusion of categories in a vulnerable situation.

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. The main objective of the 3N Initiative is to "protect Niger's populations from hunger and malnutrition in the long term and guarantee them the conditions for full involvement in national production and the improvement of their incomes", with a specific focus on strengthening national capacities in food production, supply and resilience to food crises and disasters. Furthermore, 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 are currently being built to improve 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 2023, 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 2022, 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 Garadawa cement plant, etc.) and continued investment in the agricultural sector with particularly 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 sub-zones, 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 FCFA:** 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., FCFA 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 FCFA. It lays the groundwork for member countries to join ECO, ECOWAS' single currency project. 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:

- Names 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 FCFA, 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.

Organs

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

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.

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, 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.

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] 2.25%). 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 2,25% and 4,25% respectively, and constitute BCEAO's two main key rates.

Money supply

The money supply increased from CFAF 1210.0 billion to CFAF 1649.4 billion between 2016 and 2021. Net foreign assets decreased between 2016 and 2018 from CFAF 572.1 billion to CFAF 324 billion and from 641.3 billion to 559.8 billion between 2019 and 2020. In 2021, they increased to 686.5 billion. Domestic assets increased in 2021 from 193.4 in 2020 to 1351.6 billion CFA francs.

Table 13. Money supply

In billions of CFAF	2016	2017	2018	2019	2020	2021
Net Foreign assets	572.078	437.153	323.643	641.3	559.8	686.5
Central Bank	460.679	353.018	262.709	466.9	396.5	404.8
In the banks	111.399	84.135	60.934	174.4	163.3	281.7
Domestic Assets	906.745	1009.996	1125.61	26.3	193.4	1351.6
To the credit of the State	79.444	118.983	274.588	26.3	193.4	145.8
Central Bank	55.371	1.94	72.618	72.618	-14.072	64.1
Commercial bank	24.073	117.043	201.97	201.97	40.335	129.3
To the credit of the economy	827.301	891.014	851.022	961.7	1 044.5	1205.8
monetary liabilities	219.576	237.385	249.72	269.1	281.2	320.4
Money supply (M2)	1209.95	1150.408	1126.204	1 295.8	1 516.2	1649.4
Outstanding currencies	595.908	487.318	477.618	524.5	576.3	542.3
Transferrable Deposits	614.042	663.09	648.585	502.8	607.8	725.1

Source : BCEAO

3 BCEAO decided to raise its main policy rates by 25 basis points on 1 June 2022, effective 15 June 2022.Thus, the minimum bidding rate for liquidity injection tenders was reduced from 2.50% to 2.25% and the interest rate for the marginal lending window was reduced from 4.50% to 4.25%. As a reminder, the Central Bank cut its main policy rates by 50 basis points on June 24, 2021.

4.2 Banking system and financial markets

4.2.1 The banking environment

In 2021, Niger's banking system consisted of 20 credit institutions (14 banks and 6 financial institutions), with a total of about 220 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 9.06 to 8.42 percent in 2019 and 2020, one of the highest rates in the WAEMU zone. According to the Ministry of Finance, the level of bank financing of the economy will reach 1 044.5 billion in 2021, an increase of 11.2% in annual variation, driven by financing granted to the construction, oil, mining and trade sectors. Thus, overall liquidity would increase by 22.5% to 1 858.0 billion (or 6.8% of GDP), driven by the increase in cash flow (+287.9 billion).

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

Assets	2018	2019	2020	Liabilities	2018	2019	2020
Treasury and interbank transactions	264	298	269	Treasury and interbank transactions	455	456	466
Customer operation	878	997	1120	Customer operation	947	1086	1251
Securities and other transactions	440	431	514	Securities and other transactions	71	71	61
Fixed assets	87	108	113	Provisions, equity and similar	199	222	239
Total	1687	1835	2017	Total	1687	1835	2017
Net operating ratio (overheads/GNP)	69.4	68.9	68.9	Net margin rate	20.6	16.8	17.8
Profitability ratio (net income/equity)	11.3	9.4	10.0	Net delinquency rate	7.9	7.7	5.0

Source : WAMU Banking Commission

In 2020, the Nigerian banking sector recorded an increase in the aggregate balance sheet total of 9.1 percent year-on-year, to CFAF 2,017 billion. This increase in the balance sheet in total was the result of an increase in securities transactions (+19.2%), transactions with customers (+12.3%) and fixed assets (+4.7%). However, treasury and interbank transactions fell by 9.7%. Loans to customers are mainly granted in the short term (65.8%) and medium term (28.9%). In December 2020, loans to the economy amounted to XOF 1 044.5 billion. Their level increased by 8.6%, in connection with net financing granted to individuals and businesses, but also with Central Bank assistance to the banking system in the context of support for the fight against the Covid-19 pandemic.

The Nigerian banking sector recorded a slight increase in results. Indeed, net banking income rose by 7.2% and the net margin rate was up 1.0 point in 2020. The profitability ratio (net income/equity) also increased from 9.4% to 10.0% between 2019 and 2020. In 2020, the banking sector succeeded in halting the deterioration in the quality of its credit portfolios. Indeed, the net deterioration rate of the customer portfolio stood at 5.0%, compared with 7.7% in 2019, although for this indicator Niger is still well above the WAEMU average (3.8% in 2020).

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.

4.2.2 Microfinance

In 2021, Niger's microfinance sector had 39 Decentralized Financial Systems (DFS), including 3 joint stock companies and 36 mutual and cooperative savings and credit institutions (IMCECs), with a total of 134 branches or counters for 297,528 direct beneficiaries. Among the 39 IMCECs, there are two networks (Crédit Mutuel du Niger CMN and Caisse Populaire d'Epargne et de Crédit MCPEC), with a total of 24 base banks. The level of outstanding loans fell from 23.778 billion at the end of September 2020 to 21.938 billion at the end of March 2021, a drop of 7.7 percent attributable to the financial constraints of the country's largest DFS, ASUSU SA. The quality of the portfolio of Niger's decentralized financial systems is one of the worst in the WAMU. Indeed, the gross deterioration rate of the portfolio remains very high (51.7%) compared to the WAMU average (8.5%) as of 31 March 2021. This sharp deterioration was due to the increase in outstanding loans (CFAF 11.351 billion) in connection with the crisis caused by the Covid-19 pandemic from the second quarter of 2020. Loans granted by microfinance institutions represented only a small share of total credit. The outstanding amount of decentralized financial systems (SFDs) was only 0.3 per cent of GDP in 2021. Like the banking system, Niger's decentralized financial system also lacks dynamism. Indeed, the number of SFDs has been steadily declining in recent years with, for example, the closure of more than ten agencies between 2013 and 2020. As for the difficulties of DFS, three microfinance institutions in Niger were placed under provisional administration at the end of March 2021.

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.

4.2.3 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 the UMOA-Titres (WAMU Securities Agency), 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 : Overview and roles

Regional Stocks 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.

The dynamic recovery of activities within the region during the year 2021 brought a new lease of life to the sub-regional stock market, putting an end to several years of underperformance. To this end, during the 2021 trading year, the BRVM composite index rose from 145.4 points on 31/12/2020 to 202.3 points on 31/12/2021. The market capitalization of the equity market increased from FCFA 4,368 billion at the end of 2020 to FCFA 6,085 billion at the end of 2021, i.e., an increase of 39%.

As regards the market capitalization of bonds, it stood at FCFA 7 247 billion as of 31 December 2021 against FCFA 6 051 billion the previous year, an increase of 20%. This increase is the result of the continuity of the efforts of the States in the support of their respective economies in a context strongly marked previously by the consequences at the world level of the pandemic of COVID-19.

Over the period 2015-2020, the underperformance of the WAEMU stock market (BRVM) showed that the regional market had not fully resisted the general downward movement that gripped the world's financial markets. The decline in 2018 of the BRVM was particularly marked. The preferred stocks in 2015, which were oriented towards the agri-food and beverage, agro-industry, consumer, automotive and equipment sectors, and banks, fell.

The fall in prices on the 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 has 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 listed companies have not reacted to the fall in their capitalization.

The year 2020 negatively impacted the BRVM, as it did 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 the 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.

Table 15. BRVM financial market trends

	2015	2016	2017	2018	2019	2020	2021
BRVM 10 Indexes	290	262	220	154	149	131	154
BRVM composite Indexes	304	292	243	172	159	145	202
Composite market capitalization (stocks and bonds) in billions of CFA francs	9 079	10 216	9 806	8 274	8 973	10 419	13 332
Equity Market	7 500	7 706	6 836	4 845	4 741	4 368	6 085
Bond market	1 579	2 509	2 970	3 430	4 233	6 051	7 247
Number of listed companies	39	43	45	45	46	46	46

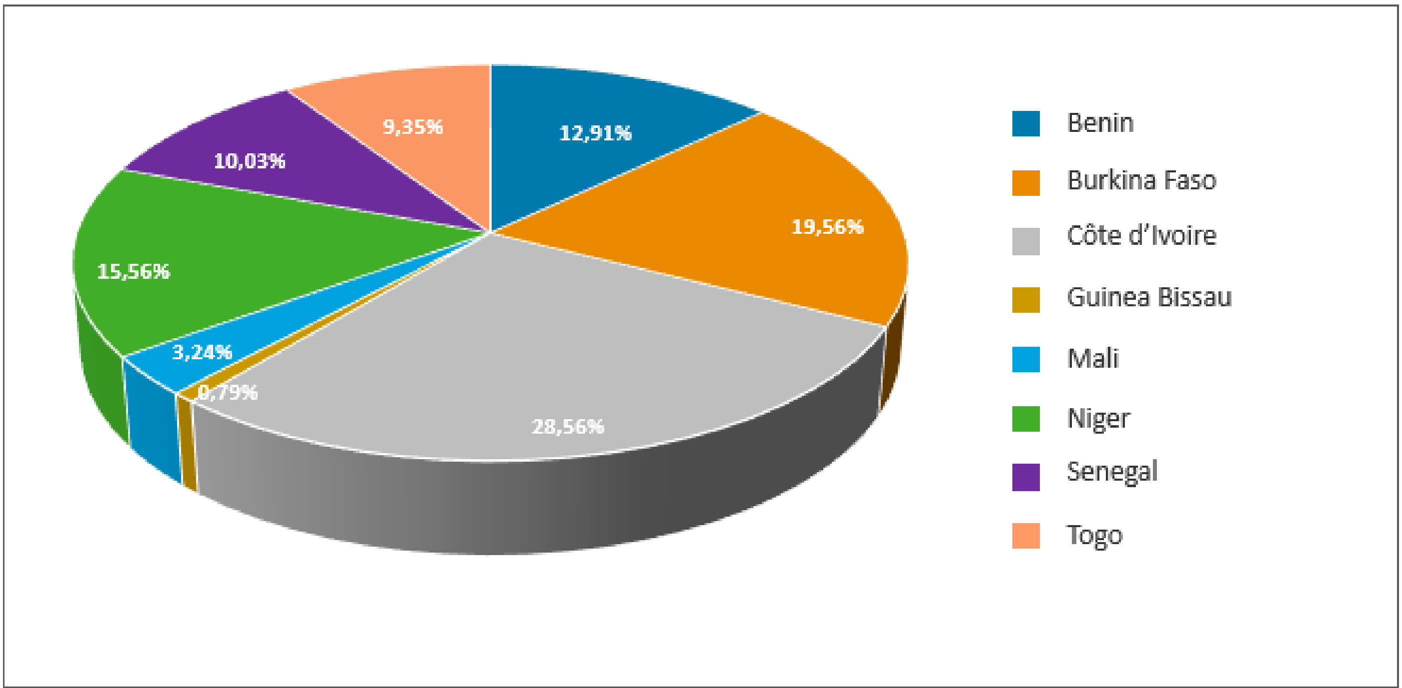
Source : BRVM

Bond market

At the end of December 2021, outstanding government bonds amounted to CFAF 1,045.2 billion. Local banks subscribed (including on behalf of third parties) for CFAF 314.1 billion. In addition, the Treasury has subscribed to issues of Treasury bills for an outstanding amount of CFAF 280.5 billion as of December 31, 2021, of which CFAF 97.2 billion was subscribed by local banks.

In 2021, the distribution of security holders is given in the graph below. Côte d'Ivoire is the country that holds the most securities issued by Niger, with 28.5% of the country's Treasury bill issues. It is followed by Burkina Faso, which holds 19.5%. In third place, Nigerien residents bought 15.5% of the total securities issued by the State.

Figure 2: Geographic breakdown of Niger's public securities holders in 2021



Source: UMOA-Titres

Stock market

Only the Bank of Africa (BOA) subsidiary in Niger has been listed on the BRVM since 2003. The value of the security at the end of December 2021 is 5,100 CFA francs. According to statistics collected on the BOA website, BOA Niger's market capitalization was 66.3 billion CFAF in 2021, against CFAF 45.5 billion in 2020, representing an average annual growth rate of 22.7%. In 2021, the annual performance was 45.7%, while the dividend yield increased by 15.0%.

4.2.4 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 State's issue Treasury bills and bonds through an auction procedure 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];

4 Automated Securities and Liquidity Management System of the West African Monetary Union.

- States which are the issuers of public debt securities on the Union's money market, under the responsibility of the Minister of Finance.

- UMOA-Titres (WAMU Securities Agency), the regional agency in charge of issuing and managing public debt securities, physically organizes issues and aids member States in mobilizing resources on the capital markets and managing their debt.

- Investors, which are credit institutions, MFIs (Micro Financing Institution), 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 Regional Council for Public Savings and Financial Markets (CREPMF) and a private pole comprising, on the one hand, central agencies such as the Regional Stocks Exchange (BRVM) 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 centralization 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 (DC/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 oversees 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

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.

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 was set at 3.8% in 2021 compared to 2.9% in 2020, above the EU ceiling of 3.0%. The rise in prices was mainly driven by disruptions in food supply and depletion of domestic grain stocks.

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

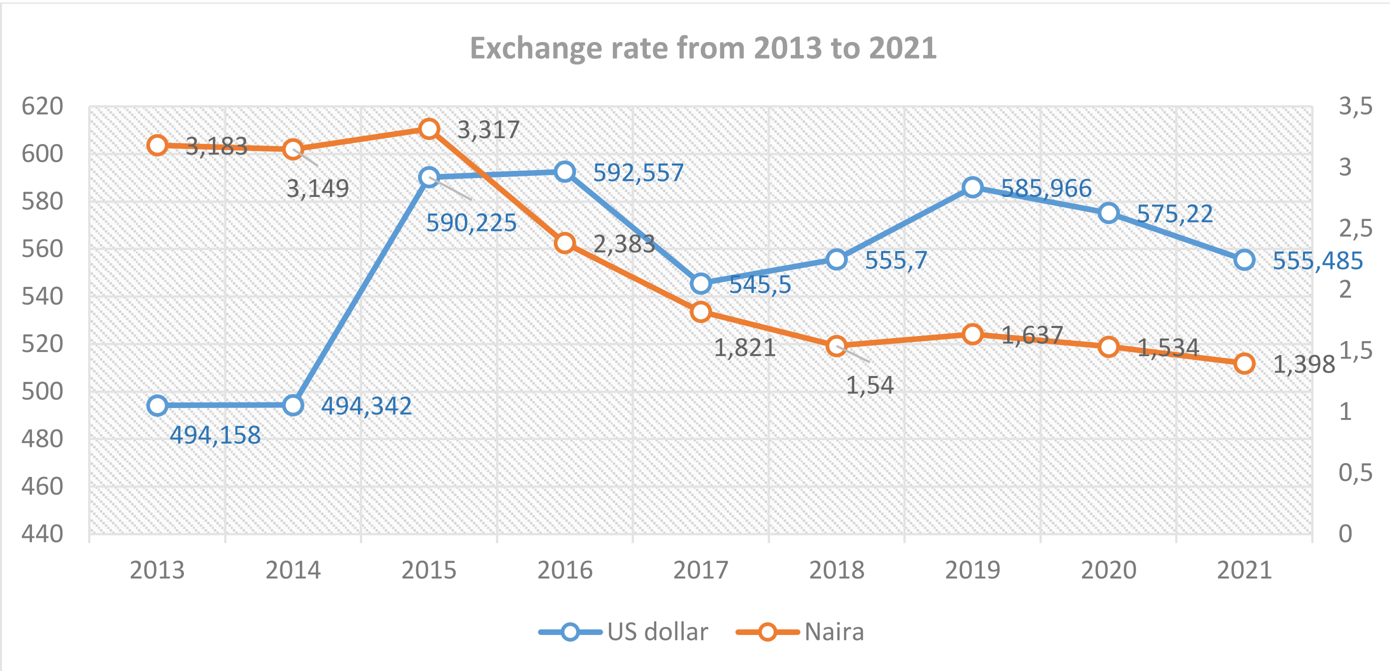
Inflation rate	2016	2017	2018	2019	2020	2021
Niger	0.2	0.1	2.8	-2.5	2.9	3.8
WAEMU	0.3	1.1	1.2	-0.7	2.1	3.6

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 25 percent against the dollar between 2014 and 2021, making imports of goods typically denominated in U.S. currency more expensive. Similarly, according to BCEAO data, the CFA exchange rate against the Naira depreciated by about 3 percent between 2019 and 2020 as a result of the devaluation policy implemented by Nigeria authorities. In 2021, 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 2021



Source: BCEAO, statistical yearbook

4.5 Foreign reserves

The table 17 shows Niger official assets and liabilities since 2016. Net external assets (the difference between claims on non-residents and liabilities to non-residents) of Niger fell from CFAF 641.1 billion in 2019 to CFAF 559.8 billion in 2020. In 2021, net external assets stood at 686.5 billion, an increase of 126.7 billion compared to 2020.

The level of BCEAO's international reserves rose from CFAF 396.5 billion in 2020 to CFAF 404.8 billion in 2021. This level of reserves reached 5.1 months of imports in 2021, compared with 4.7 months in 2020, thanks to fiscal consolidation and increased net capital inflows. It should be noted that the level of Niger's international reserves is relatively consistent with the estimated adequate range of 6-7 months.

Table 17. Niger's official assets and commitments in billions of CFAF, 2016-2021

	2016	2017	2018	2019	2020	2021
Net external assets	572.1	437.2	323.6	641.1	559.8	686.5
BCEAO	460.7	353.0	262.7	466.7	396.5	404.8
Receivables from non-residents	740.5	714.2	621.9	923.6	917.0	1 075.7
Official reserves assets	46.4	54.6	79.6	102.3	177.2	329.6
IMF reserve position	23.3	14.9	21.6	20.4	14.4	23.8
SDR Assets	21.8	38.5	57.3	79.8	159.7	301.4
Other external assets	694.0	659.7	542.3	821.3	739.8	746.1
External Liabilities	279.8	361.2	359.2	456.9	520.5	670.9
OTHER DEPOSITORY INSTITUTIONS	111.4	84.1	60.9	174.4	163.3	281.7
Receivables from non-residents	242.0	276.2	284.1	435.4	375.5	511.0
Liabilities to non-residents	130.6	192.1	223.1	261.0	212.2	229.3

Source : BCEAO

5.1 Balance of payments

In 2021, foreign trade would result in a current account deficit estimated at CFAF 1 236.4 billion, i.e., a worsening of CFAF 191.4 billion compared with 2020, due mainly to the deterioration of the balance of goods and services and the primary income balance. The deficit is expected to widen further in 2022, notably due to the expected increase in imports, before improving in the short term, thanks to the export of crude oil in 2023. In 2021, the trade balance was shaped by a decline in uranium exports, which are one of Niger's main exports. The drop in uranium exports is linked to the decline in its production following the collapse of international prices and the ageing of sites, which should lead to the closure of large sites between 2021 and 2022. Thus, the value of uranium exports fell from 145.5 billion CFA francs in 2020 to 97.2 billion CFA francs in 2021, a drop of 33.2%. Conversely, refined oil exports rose by 37.0% from CFAF 105.4 billion in 2020 to CFAF 144.4 billion in 2021.

The primary revenue balance is estimated at CFAF -137.9 billion in 2021, due to interest payments, repatriation of expatriate workers' salaries, profit oil and dividends from mining, oil and telecommunications companies. The surplus of secondary revenues would reach the sum of CFAF 363.3 billion in 2021, attributable to the external financial support expected by the state in the amount of CFAF 198.6 billion.

As for the capital account, it showed a surplus of CFAF 424.8 billion in 2021, i.e., an increase of CFAF 18.8 billion compared to the year 2020, driven by the increase in transfers to the public sector.

Table 18. Niger's balance of payments evolution, 2016-2022

Billions CFAF	2016	2017	2018	2019	2020	2021 (Estimates)	2022 (Projections)
Current account balance	-700.3	-740.0	-902.6	-921.3	-1 045.0	-1 236.4	-1 396.4
Trade balance in goods and services	-768.5	-874.0	-1 065.7	1 176.7	-1 268.8	-1 481.7	-1 646.2
Exports FOB	611.7	701.8	668.2	659.7	642.3	678.5	746.5
Including Uranium...	177.7	169.6	117.2	128.5	145.5	97.2	96.0
Including Oil	91.3	151.4	129.3	128.4	105.4	144.4	166.4
CAF Imports	-1 281.9	-1 431.6	-1 597.6	-1 717.6	1 789.4	-2018.6	-2 207.4
Of which Capital goods...	-352.9	-370.4	-456.1	-547.2	-494.6	-570.6	-633.8
Including intermediary goods	-292.0	-305.6	-360.8	-372.9	-326.2	-384.7	-439.1
Including foods	-261.6	-331.3	-397.6	-419.1	-485.3	-522.4	-549.7
Imports FOB	-1017.2	-1136.0	-1 267.7	-1 362.9	-1 419.9	-1600.7	-1 750.5
Net primary income balance	-96.7	-105.5	-107.1	-113.0	-119.7	-137.9	-133.3
Net secondary income balance	164.9	239.5	270.1	368.4	343.5	363.3	359.1
Capital Account	229.6	239.5	346.6	370.5	406.0	424.8	435.1
Acquisitions/disposals of non-financial assets	-0.3	2.9	2.5	0.0	1.3	0.0	0.0
Capital transfer	230.0	234.1	234.1	370.5	404,6	424.8	435.1
Financial account	-454.5	-373.0	-446.3	-873.2	-563.6	-938.2	-975.6
Of which Foreign Direct Investment	-154.7	-179.8	-237.4	-401.4	-199.0	-386.5	-600.5
Errors and omissions	-4.1	-4.9	-4.2	-4.5	-4.6	0.0	0.0
Overall balance	-20.2	-135.0	-113.9	317.9	-80.0	126.7	14.3

Source : BCEAO

Regional Trade Generally speaking, foreign trade in 2021 was shaped by the relative recovery of economic activity. This dynamism of foreign trade would have resulted in an increase in the exports/ GDP ratio (8.2% of GDP in 2021 against 8.1% of GDP in 2020), despite the increase in the CIF/GDP imports ratio (24.4% in 2021 against 22.6% in 2020). There is also an increase in FDI, partly linked to the increase in equipment shipments necessary for investment work. As a result, the current account deficit relative to GDP increased to 15.0% in 2021 from 13.2% in 2020.The trend in the financial account is essentially explained by Foreign Direct Investment (FDI), which increased to CFAF 386.5 billion in 2021 compared to CFAF 199.0 billion in 2020. Overall, the balance of payments showed a surplus of CFAF 126.7 billion in 2021, as against a deficit of CFAF 80.0 billion in 2020. It is important to stress that, overall, Niger's 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 mining, petroleum and food products on the international market, as well as the volatility of external financial support and the Naira rate, 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 different spaces. Indeed, the regional negotiating space is articulated around the following elements:

- The finalization of the Common External Tariff (CET) at ECOWAS level, and thus the constitution of a Customs Union.
- A bilateral negotiation area, notably between the West African region and the EU, concerning the EPA.
- A multilateral negotiating area, which refers to the rules of the WTO, 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 UEMOA and ECOWAS only have ad hoc observer status in the WTO Trade and Development Committee.

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

- A common market set up on July 1st 1996 for local and unprocessed products (Union products from the animal, mineral and plant kingdoms) and traditional crafts, and until January 1st 2000 for approved industrial products. This common market was extended to all ECOWAS countries in 2004.
- A Customs Union set up on January 1st 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 1st 2015, when the WAEMU CET was replaced by the ECOWAS CET which enshrines the enlargement of the Customs Union to the 15 ECOWAS countries.
- Common rules of origin and competition, harmonisation of VAT and excise duties, harmonisation and mutual recognition of standards, common safeguard and protection measures (degressive protection tax (DPT), short-term export tax (TCI), 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 consider other business needs.

The needs and priorities were identified based on 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 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 (CD). the statistical fee (SF) and the ECOWAS community levy (CL 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 GSP on everything except arms; which gives them access to the European market for all their exports to the EU without duty or quota.

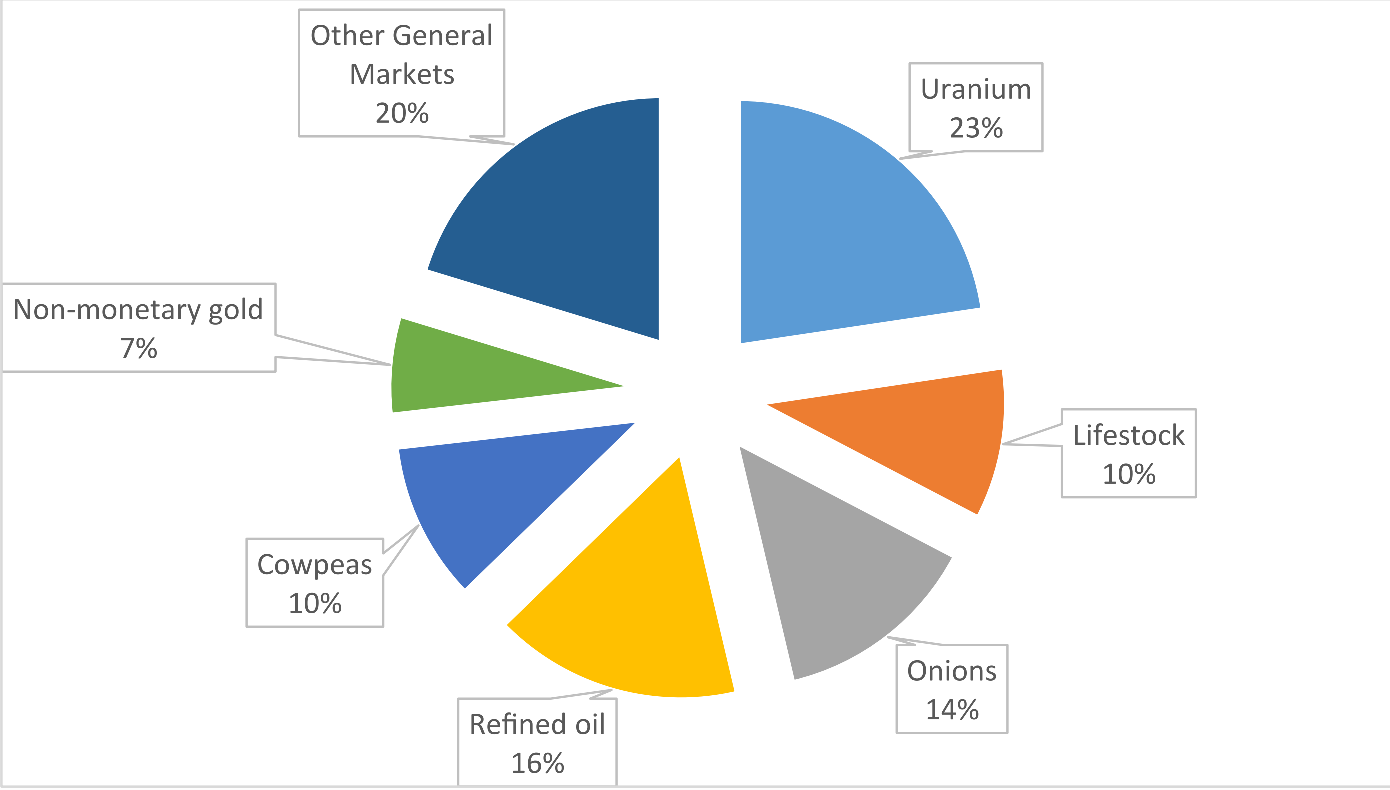
5.2.2 Regional trade in value

Niger's regional trade with the rest of the seven (7) WAEMU countries between 2014 and 2020 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 between 2017 and 2020. In 2019, the total value of imports from the WAEMU zone amounted to CFAF 208.3 billion. Niger's top import partner in 2020 was Côte d'Ivoire with an estimated trade volume of CFAF 67.5 billion, followed by Togo with CFAF 50.7 billion and Benin with CFAF 35.9 billion.

Niger's exports to the WAEMU zone have been on the rise since 2017, after falling a year earlier, driven mainly by oil products to WAEMU countries. In 2020, the total value of exports to the WAEMU zone amounted to CFAF 148.5 billion, compared with CFAF 111.3 billion in 2019. In 2020, Niger's main export partner was Mali, with an estimated trade volume of CFAF 62.5 billion, followed by Burkina Faso with an estimated trade volume of CFAF 52.9 billion, and Benin with CFAF 17.6 billion of merchandise exports. Products sold in the WAEMU are mainly onions, livestock and especially refined oil, 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 in 2020 (% of total exports)



Source: BCEAO

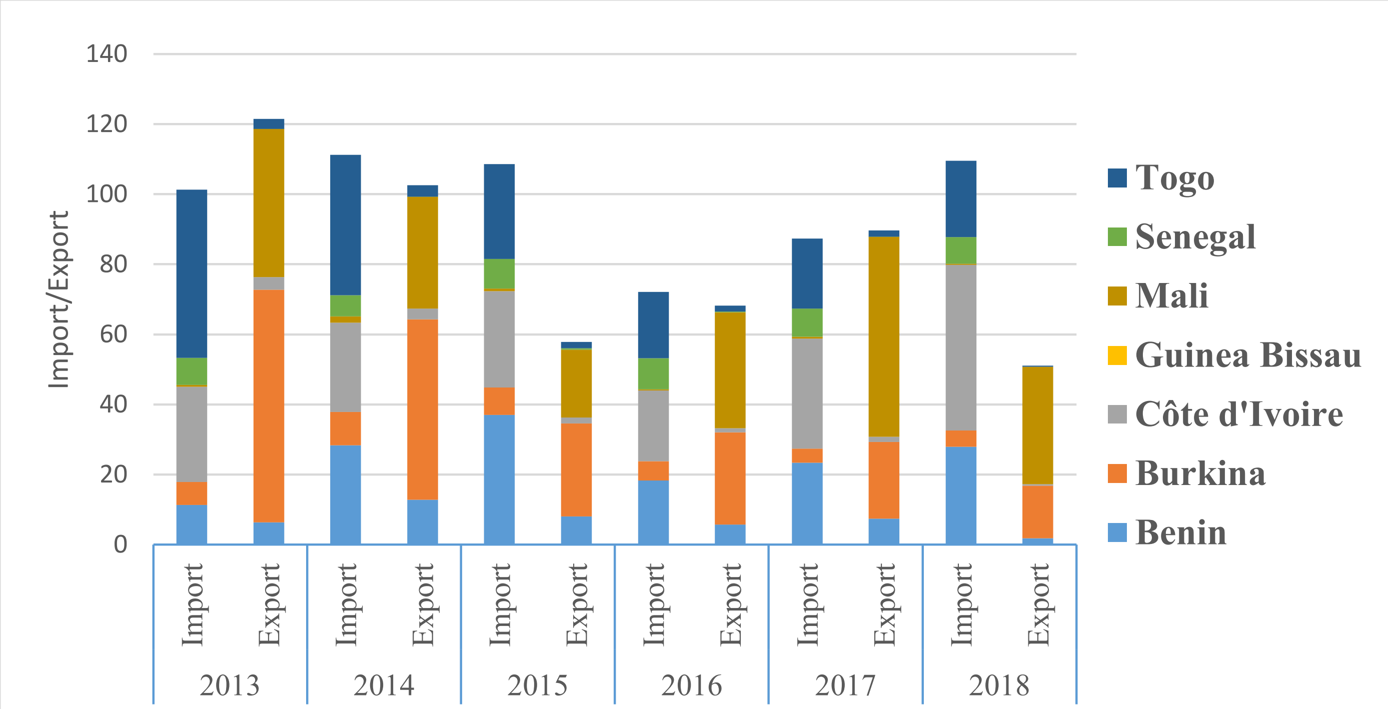
In 2020, the export trends of the main products revealed a prevalence of oil products, agro-livestock products (livestock, onions and cowpeas) and mining products (uranium and gold). Exports of petroleum products mainly to Nigeria, Burkina Faso and Mali stood at 105.4 billion against 124.4 billion in 2019. This adverse performance is explained by the halt in exports of refined petroleum products to Nigeria, which closed its border as well as the actions taken by the Niger Government to tackle hydrocarbon fraud in particular.

Onions are mainly exported to WAEMU countries and Ghana. In 2020, the total value of onion exports amounted to 87.6 billion against 93.0 billion in 2019, a decrease of 5.8%. This decline is attributable to COVID-19 pandemic despite efforts to upgrade the onion sector, including the implementation of the onion counter, efforts to upgrade existing hydroagricultural facilities, efforts to increase the area planted, as well as promoting the use of agricultural equipment and inputs.

Other exported agro-livestock products include hides and skins, fish products, cash crops (cowpea, nutsedge, 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 2020, their value stood at CFAF 130.4 billion against CFAF 146.2 billion in 2019, i.e., a drop of 10.8% caused by the decrease in re-exports of goods to Nigeria.

Niger's intra-WAEMU trade balance was in deficit by CFAF 59.8 billion in 2020, compared with CFAF 97.5 billion in 2019, indicating a greater increase in Niger's exports than in its imports to this area. Indeed, WAEMU countries received 34.7% of Niger's exports in 2020, compared with 24.9% in 2019. This situation is mainly attributable to the increase in refined petroleum product shipments, due to the shift in refined product trade towards Mali and Burkina Faso following the closure of Niger's borders. Nevertheless, it should be noted that the openness of the Nigerian economy to other WAEMU countries remains low. According to the BCEAO, it was around 2.4% in 2020 against 2.1% in 2019.

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



Source : BCEAO

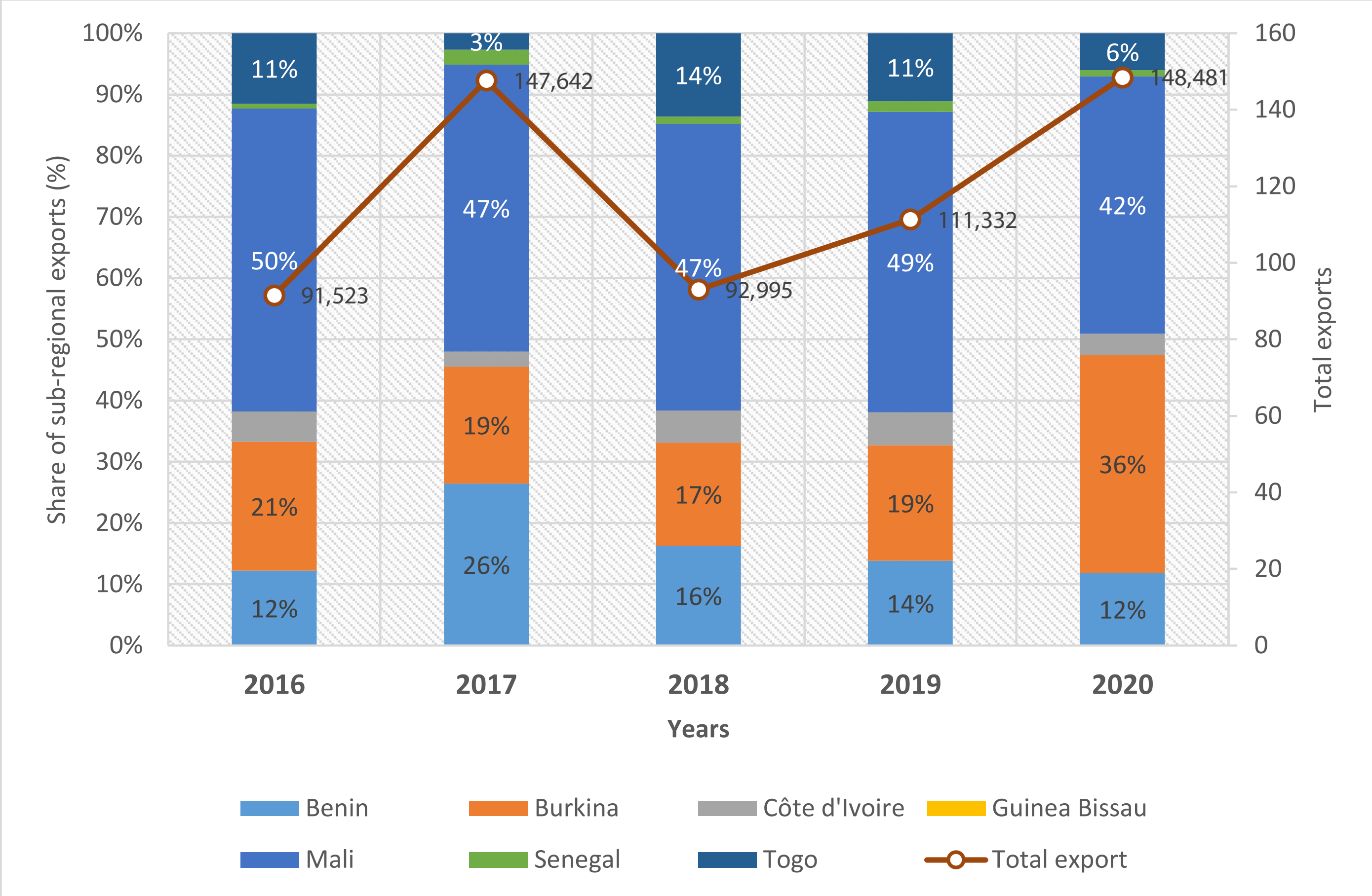
5.2.3 Regional exchanges by partner

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 2020, Niger's exports of goods to the WAEMU zone amounted to CFAF 148.5 billion compared to CFAF 111.3 billion in 2019, an increase of 33.4%. This increase was partly attributable to increased exports of petroleum products to WAEMU countries such as Mali and Burkina Faso.

Mali exports to WAEMU countries in 2020 accounted for 34.6% of the country exports total value. Mali and Burkina Faso are Niger's largest customers, accounting for 77.8 percent of exports to WAEMU countries in 2020. Côte d'Ivoire, with 32.4 percent of imports in 2020, is Niger's top supplier, followed by Togo (24.3 percent of imports) and Benin (17.2 percent of imports).

However, considering the ECOWAS space, Nigeria remains Niger's leading trade partner with import and export trade volumes of 80.2 billion and 23.2 billion respectively in 2020. However, exports to Nigeria have exceptionally decreased due to the closure of the border with Niger from the end of August 2019.

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

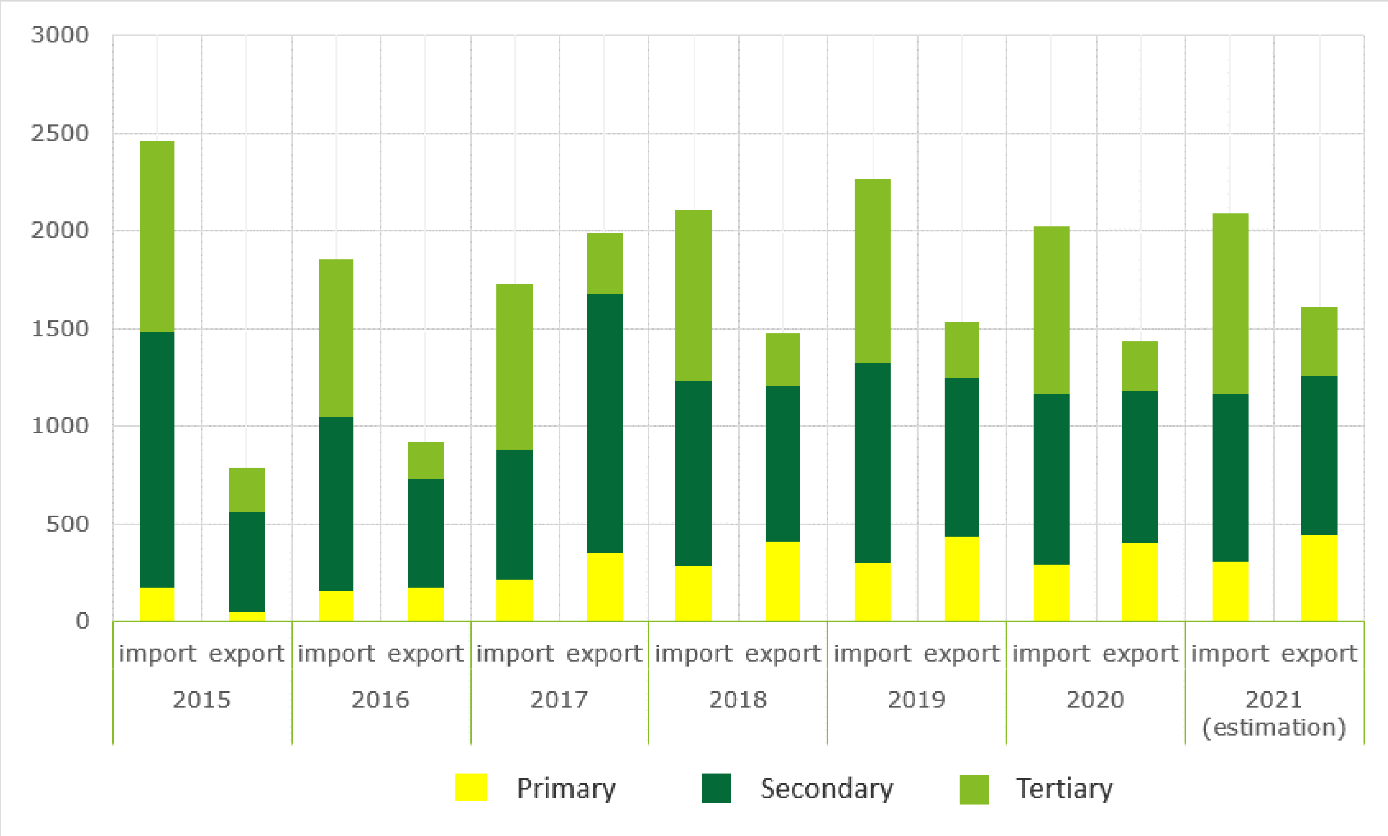


Source: BCEAO

5.2.4 Regional exchanges by type

In general, products from the secondary sector dominate Niger's exports and imports. In 2020, the secondary sector accounted for 45.9 percent and 56.8 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, 2015 – 2021



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 initiatives.
- 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, United Arab Emirates, Nigeria, Burkina Faso, Mali and the United States. Niger exported CFAF 428.1 billion of goods in 2020 to its main partners, representing 66.7 percent of total goods exports evaluated to CFAF 642.3 billion (Table 18). Africa is Niger's largest export market, absorbing 32.5 percent of its 2020 merchandise sales by value, followed by Europe (20.6 percent), the Americas (6.9 percent) and Asia (6.6 percent)

In 2020, 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. The increase in Niger's exports to Europe is mainly due to increased shipments of uranium to France.

In terms of imports, Asia remains Niger's leading supplier with CFAF 638.4 billion in 2020, or 35.7 percent of the country's total imports compared to 38.6 percent in 2019. 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 440.2 billion and CFAF 374.4 billion in 2020, representing 24.6% and 20.9% of Niger's total imports. America is the country's fourth supplier with a total import value of CFAF 141.4 billion in 2020, or about 7.9% 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 meaning CFAF 208 million, showing 55.6% 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 of exports was 45.2% in 2020, down by 6.6% compared to 2019. Niger's trade openness declined by 1.3 percentage points in one year to 35.5% in 2020.

Table 19. International trade in value and by destination

Country Export (Billions CFAF)	2016	2017	2018	2019	2020	Country Imports (Billions CFAF) CAF	2016	2017	2018	2019	2020
Europe	195.1	188.1	121.8	93.9	132.5	**Europe**	209.4	250.6	322.3	398.9	440.2
France	169.9	157.4	106.5	85.8	122.3	**France**	103.1	120.2	156.5	170.9	195.8
Africa	289.0	384.7	213.3	276.0	208.9	**Africa**	291.0	310.0	378.6	391.0	374.4
Nigeria	158.7	199.2	115.8	116.9	23.3	**Nigeria**	68.7	66.4	92.5	87.3	80.1
WAEMU	91.5	147.6	93.0	111.3	148.5	**WAEMU**	164.7	176.2	202.8	208.7	208.3
Burkina Faso	19.3	28.2	15.6	21.0	52.9	**Benin**	46.3	31.9	56.5	52.9	35.9
Mali	45.3	69.2	43.5	54.7	62.5	**Côte d'Ivoire**	26.2	44.9	59.6	65.6	67.5
America	18.8	22.2	21.1	13.1	44.1	**America**	88.5	162.4	134.4	116.2	141.4
United States	18.4	21.9	20.3	12.2	12.3	**United States**	72.5	141.5	108.6	93.2	94.2
Asia	0.724	5.5	71.9	62.5	42.5	**Asia**	397.4	376.1	568.5	662.6	638.4
United Arab Emirates	0.250	2.5	20.2	22.4	37.1	**United Arab Emirates**	61.6	63.1	57.2	88.7	61.6
China	0,142	2,1	26,3	22,4	91,0	**China**	182,9	132,6	293,2	331,2	320,6
Total	611	701	668	445.7	428.1	**Total**	1017	1136	1268	1670.8	1598.2

Source : BCEAO

5.3.3 International trade in value and by product

Niger exports mainly uranium, petroleum products, livestock, onions and cowpeas. In 2020, it should be noted that exports fell slightly by 2.6 percent compared to 2019. This lack of performance is due in particular to the fall in shipments of agropastoral products (onions, livestock, cowpeas) and refined petroleum, although uranium exports have increased from 128.5 billion in 2019 to 145.5 billion in 2020. 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.

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 27.6% of total external purchases in 2020, compared with 31.9% in 2019. This fall in imports of equipment and intermediate goods is linked to the fall in public and private infrastructure, in connection with the fall in foreign direct investment, induced by the Covid-19 pandemic.

Food products (cereals, pasta, vegetable oils, etc.) constitute Niger's second largest import item, accounting for 27.1% of total external purchases in 2020, compared with 24.4% a year earlier. The increase in food purchases is linked to the increase in imports of rice, pasta and vegetable oils. Intermediate goods are Niger's third largest import item, accounting for 18.2% of total imports in 2020 compared with 21.7% the previous year. They are made up of cement, iron, steel and chemical products, current consumption goods (17.9%) and other goods (4.2%). The decline in intermediate goods in 2020 is to be contrasted with that of capital goods.

Table 20. Main products traded in value

Country Export (Billions CFAF)	2016	2017	2018	2019	2020	Country Import (Billions CFAF) CAF	2016	2017	2018	2019	2020
Uranium	177.7	169.5	117.2	128.5	145.5	**Food products**	261.6	331.3	397.5	419.1	485.3
Livestock	59.2	65.4	74.7	69.8	64.4	**Other consumer staples**	211.9	225.2	227.5	231.2	320.1
Onions	72.6	78.1	86.4	92.9	87.6	**Petroleum and energy products**	72.8	93.3	73.8	81.2	88.6
Refined oil	91.3	151.4	129.3	128.4	105.4	**Raw materials and intermediate goods**	291.9	305.5	360.7	372.9	326.2
Cowpea	54.7	64.9	77.4	71.5	67.3	**Capital goods**	352.9	370.4	456.1	547.2	494.6
Non-monetary gold	24.5	26.1	25.4	22.4	41.8	**Miscellaneous products**	90.6	105.9	81.7	65.9	74.4
Other general merchandise	131.7	146.3	157.7	146.2	103.4	-	-	-	-	-	-
Of which re-export	96.4	104.4	108.5	88.7	72.2	-	-	-	-	-	-
TOTAL exports	611	702	668	659	642	**TOTAL**	1282	1432	1597	1717	1789

Source : BCEAO

5.4 Foreign direct investment

5.4.1 FDI flows in the country

Net foreign direct investment flows amounted to 199.0 million in 2020 compared with 401.4 million in 2019. This decline is explained in particular by delays in equipment delivery for the pipeline building process for the export of Nigerien crude oil. According to the BCEAO, the ongoing mining and oil exploration as well as drilling in the Agadem fields have shaped FDI, tempered by the recovery of oil costs by the Chinese oil company (CNPC).

The foreign direct investment (FDI) profile shows an upward trend that began in 2003, before remaining relatively between 2015 and 2018. This profile reflects the intensification of gold activities as well as the revival of investments in the mining, oil and transport sectors.

Table 21. FDI balance from 2015 to 2020 (in billions of CFAF)

	2015	2016	2017	2018	2019	2020
FDI	-292.9	-154.7	-179.8	-237.4	-401.4	-199.0

Source : BCEAO

The financial account balance, which tracks net acquisitions of assets and net increases in financial liabilities, fell from -873.9 billion in 2019 to -563.6 billion in 2020. This development is mainly attributable to the decline in foreign direct investment and portfolio investment. Net portfolio flows fell from -155.7 billion in 2019 to only -9.8 billion in 2020, in connection with the repayment of public securities previously issued by the Nigerian Treasury to investors from other EU countries. Other investments went from a balance of -316.8 billion in 2019 to -354.9 billion in 2020, attributable to the increase in public drawings. Indeed, net public borrowing increased between 2019 and 2020, from 268.780 billion to 385.997 billion. For the private sector, repayments of previous commitments are noted.

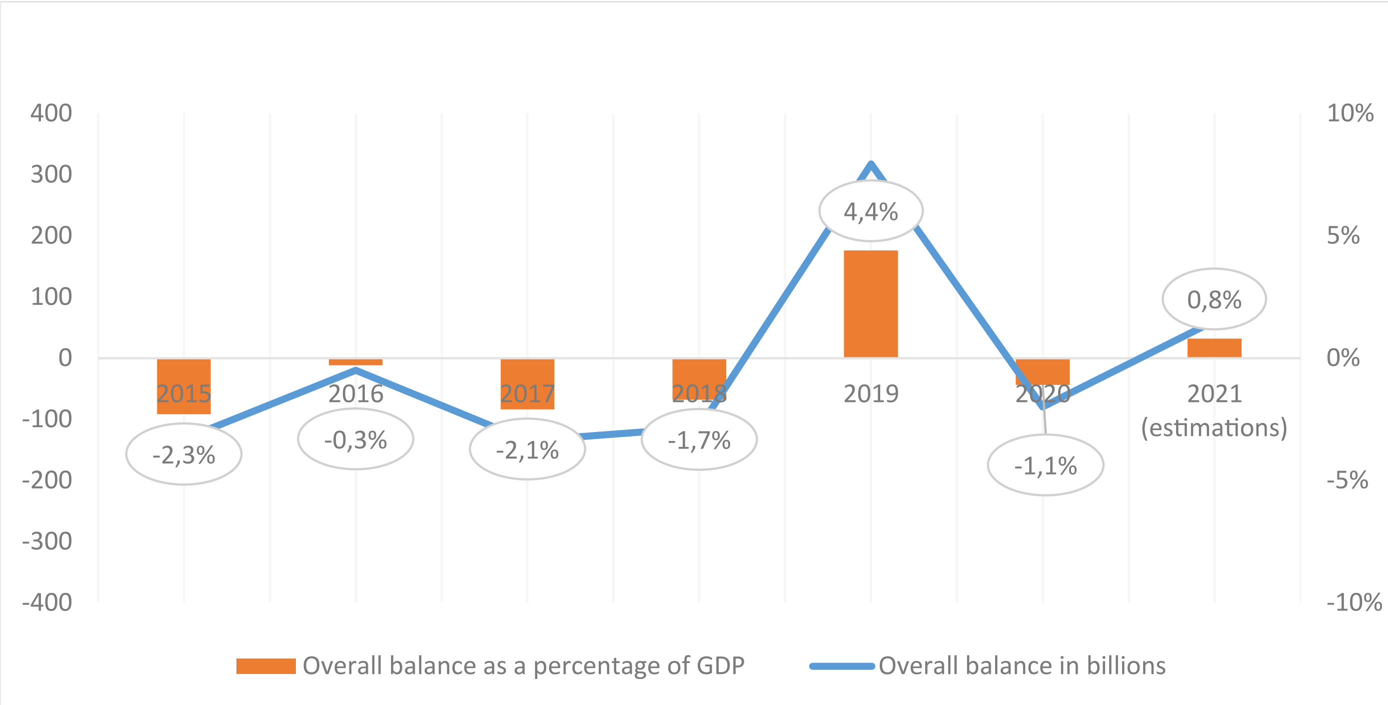
Table 22. Financial Account from 2015 to 2020 (in billions of CFAF)

	2015	2016	2017	2018	2019	2020
Direct Investments	-292.9	-154.7	-179.8	-237.4	-401.4	-199.0
Portfolio Investments	-84.0	-99.1	-31.0	-79.3	-155.7	-9.8
Other Investments	-200.5	-200.6	-162.2	-129.7	-316.8	-354.9
Financial Account	-577.3	-454.5	-373.0	-446.3	-873.9	-563.6

Source : BCEAO

The mixed evolution of the different balance of payments accounts showed an overall deficit in 2020 after a surplus in 2019. This situation is the result of the deterioration of the current and capital account balances, combined with a drop in the surplus of the financial account. The adverse evolution of the overall balance mainly reflects the decline in exports of goods and services as well as the slowdown in foreign direct investment caused by the Covid-19 pandemic. 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, percent of GDP, 2015-2021



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 2020, the sharp increase in expenditures to support public investment and 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 6.5 GDP percentage points in 2021. In addition, despite efforts to mobilize domestic resources, the tax burden rate is 10.0% in 2021, below the WAEMU average of 13.3%. However, 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, the measures taken by the Nigerian authorities (support to businesses and households) led to a deterioration in the various criteria.

Table 23. WAEMU convergence criteria evolution

	Standard	2017	2018	2019	2020	2021
First row						
Overall fiscal balance (including grants) / nominal GDP	-3 %	-3.7%	-3.0%	-3.5%	-5.3%	-5.9%
Average annual inflation rate	3 %	0.1	2.8	-2.5	2.9	3.8
Outstanding domestic and external public debt / nominal GDP	70 %	39.4	38.8	41.4	44.4	50.9
Second row						
Payroll/tax revenue	35 %	43.5	34.7	36.0	39.2	38.2
Tax pressure rate	20 %	9.5	11.0	10.3	9.6	10.0

Source : NSO, WAEMU Commission

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 progression in the transposition and application of community acts by member States. In 2021, according to the annual review of WAEMU community reforms, policies, programs and projects Niger had a satisfactory rate of implementation of reforms evaluated to 81.6% compared to 78.6% in 2020, i.e., an increase of three (3) percentage points., Similarly, the country achieved an implementation rate of 82.0% in 2021 compared to 73.4% in 2020 for economic governance and convergence. As for sectoral reforms, they recorded a performance of 84.5% in 2021 compared to 84.0% in 2020. As regards community programs and projects, their implementation showed an average physical execution rate of 84.2% in 2021 compared to 77.0% in 2020.

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 132nd 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. Business climate indicators

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

Over the past ten years, the government has been committed to addressing the constraints of Niger's business environment and creating the conditions for the development of a diversified private sector, which is essential for inclusive and resilient growth. To this end, efforts have been made by the government to improve the business environment. For example, the time and cost of starting a business have been significantly reduced and are now among the lowest in sub-Saharan Africa, although the relatively low survival rate of new businesses remains a challenge. The authorities have also launched a new platform (e-SISIC) for online tax filing and payment in 2021 to ease business transactions with the tax administration.

Initiatives are underway to facilitate SMEs' access to credit (FONAP) and the preparation of the reform of the legal and institutional framework, to better support their development (SME Charter), and to promote their integration in the expanding mining and oil sector. The government also intends to reform the existing outdated public-private consultation framework in order to revive dialogue with the private sector in a more inclusive manner.

However, in terms of governance indicators, Niger scores low. In 2021, for example, Niger fell from 101st place in 2016 to 124th place in Transparency International's Corruption Perceptions Index, dropping twenty-three ranks. 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.

Over the past three years, progress has been made in the Public Financial Management reform, notably through:

- Implementation of a single Treasury account.
- Implementation of the programme budget.
- Development and deployment of information systems at the level of the tax authorities (SISIC for the General Directorate of Taxes and SYDONIA for the General Directorate of Customs) and the migration of the Public Procurement Management System (SIGMAP) from version 1 to version 2.
- Strengthening and rationalization of exemptions.
- Implementation of performance plans in the tax and customs administrations.
- Implementation of performance plans in the tax and customs administrations; The banking of state and tax payments, through the reform of the certified invoice.
- Establishment of import valuation transactions for tax purposes.
- Centralization of debt management in a single unit with a front-middle-back-office structure.
- Adoption of a new law on Public Private Partnership (PPP) in line with the Investment Code and the organic law on finance laws.
- Adoption of a national strategy for inclusive finance and the operationalization of the Executive Secretariat in charge of its implementation and the setting up of a SME/SMI support fund (FONAP).

Furthermore, budget transparency has also been improved, mainly with the online publication of budget execution reports, the simplified "citizen budget" and analytical reports on public debt.

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 2021, Moody's maintains Niger's B3 rating with a stable perspective, despite shocks related to climate, security and trade conditions in a context of limited adjustment capacity and social and demographic challenges, aggravated by the 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

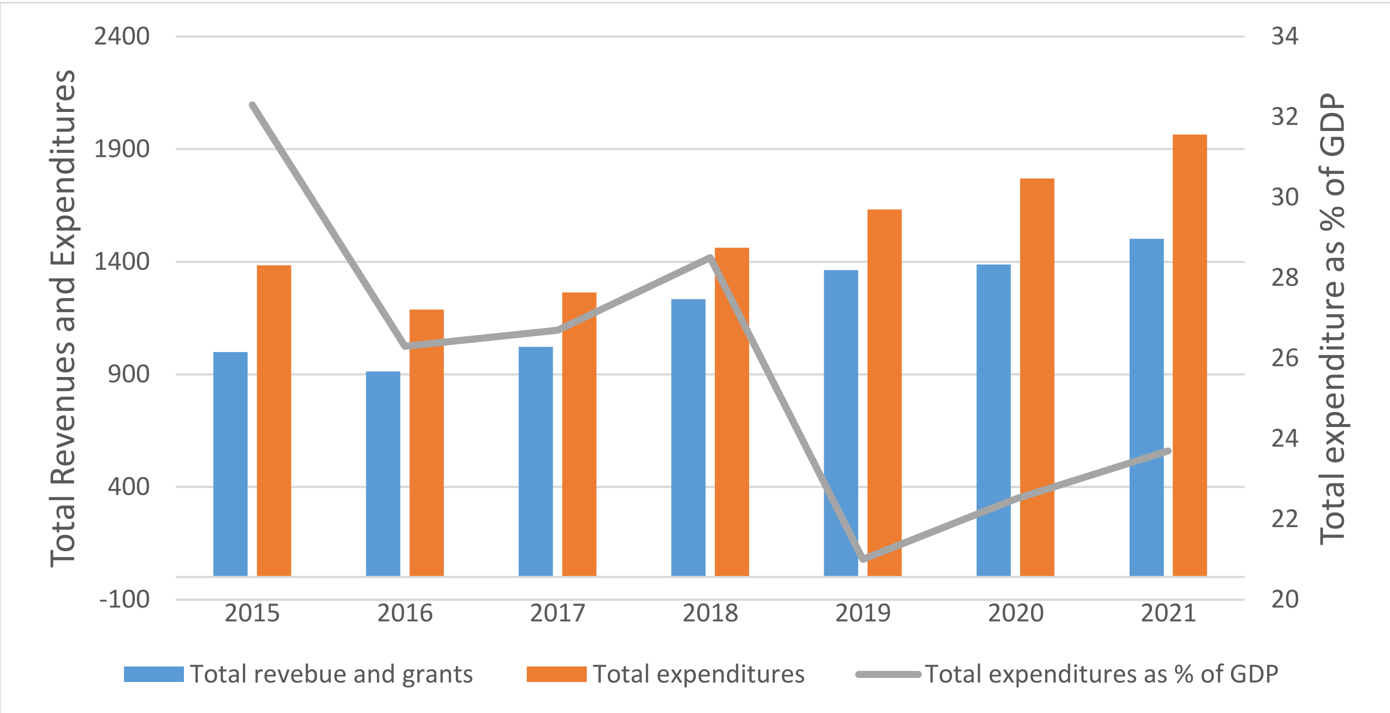
7.1.1 Expenditure and revenue

In October 2021, the Finance Act for the year 2021 underwent a second rectification, increasing the general State budget from CFAF 2 831.0 billion to CFAF 2 895.7 billion, i.e., an increase of CFAF 64.71 billion, equivalent to an increase of 2.3% in relative value.

For the year 2021, internal revenue amounted to CFAF 896.2 billion, i.e., a realization rate of 68.7% compared to the forecasts. They are broken down into tax revenue, non-tax revenue and exceptional revenue. Tax revenue amounted to CFAF 830.5 billion in 2021, compared to CFAF 760.1 billion in 2020, a growth of CFAF 70.4 billion (+9.3%). The increase in tax revenue came after the measures to revive economic activities and the reforms aimed at broadening the tax base were implemented. Non-tax revenues are essentially made up of dividends, estate income, fines and various convictions, financial income and sales of products and services. They amounted to CFAF 51.1 billion in 2021 against CFAF 92.3 billion in 2020, a drop of CFAF 41.2 billion. Extraordinary revenue is made up mainly of proceeds from securities and other miscellaneous revenue. These resources are estimated at 14.6 billion in 2021 against 42.7 billion in 2020, a drop of CFAF 27.3 billion.

External resources are made up of budgetary support and project aid. They amounted to CFAF 1,110.4 billion in 2021 against CFAF 1,386.7 billion in 2020, a drop of CFAF 276.3 billion. Budgetary support, consisting of budgetary aid and programme loans, is projected on the basis of available information on partners' intentions.

Figure 9. Public expenditure and revenue in Niger, 2015-2021



Source: Department of Finance

7.1.2 Detailed presentation of expenditure and revenue

In fiscal year 2021, total revenue (including grants), which represented 18.1 percent of GDP compared to 17.6 percent in 2020, increased by 8.1 percent driven mainly by tax revenues which increased by CFAF 70.4 billion (+9.3 percent).

Public expenditure has grown relatively more than revenue. In fact, total public spending has increased by CFAF 196.5 billion (+11.1%) to account for 23.7% of GDP in 2021, compared with 25.6% in 2020. The increase in expenditure is mainly attributable to capital expenditure (+12.9%) and current expenditure (+11.2%) 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 2021

Revenues and grants				**1501,3**
	Total revenues			896.2
		Tax Income		830.5
			Direct taxes	112.5
			Of which taxes on oil	93.4
			Indirect taxes	618.0
			Non-tax revenues	6.5
		Non-tax Income		51.1
			Social Security Contributions	0
		Exceptional revenues		14.6
	Grants			605.1
		Projects		446.1
		Programs		159.0
Total Expenditures				**1965.9**
	Current Expenses			868.1
		Wages and salaries		317.7
		Purchases of goods and services		146.9
		Transfers and other		322.5
		Depreciations and public debt expenses		303.7
	Exceptional expenses			0
	Interest due			93.6
		On domestic debt		55.7
		On external debt		37.9
	Capital expenditures			1079.3
		From domestic resources		450.9
		From external resources		628.4
	Net loans			40.0
Primary balancing[8]				-329.2
Total balance with grants				**-451.8**

Source : Departement of Finance

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

The evolution of these main public finance aggregates leads to a deterioration of the overall budget balance (including grants) which rises from 5.3% of GDP in 2020 to -5.9% in 2021. In view of the increase in grants, the overall deficit, excluding grants, widened further from CFAF -979.1 billion in 2020 to CFAF -1,056.9 billion, or a decrease of 7.9%.

7.1.3 General presentation of the budget

For 2021, the initial budget of Niger amounted to CFAF 2,266.2 billion against CFAF 2,895.7 billion compared to CFAF 2,514.4 billion in 2020, an increase of CFAF 381.3 billion in absolute value corresponding to 15.2% in relative value. This rise in the budget is consecutive to the forecasted increase in internal and external revenue, respectively by CFAF 247.6 billion (or 23.4%) and 14.5 billion (or 1.7%). In October 2020, following the Finance Act second amendment, the 2020 budget of the State of Niger rose to CFAF 2 514.40 billion against CFAF 2 422.33 billion at the time of the first amendment, an increase of 3.8% in relative value.

The internal revenue forecast for 2021 amounts to CFAF 1,305.1 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 1,251.1 billion CFA francs, non-tax revenues (estate income, fines and various convictions, financial products, sales of products and services) estimated at 20.8 billion CFA francs and exceptional revenues (HIPC resources) for an amount of 27.3 billion CFA francs. At the end of December 2021, the total amount of internal revenue collections reached CFAF 1,134.8 billion, i.e., a total revenue collection rate of 86.9%.

External revenue is projected to be 1 590.6 billion in 2021, an increase of 9.2%. External resources include donations and bequests and external borrowing. In the fourth quarter of 2021, the total amount disbursed under these resources stood at 1 122.4 billion, equivalent to an overall implementation rate of 70.6%. In 2021, total budgetary expenditure forecasts for the State amount to CFAF 2 895.7 billion against CFAF 2 514.4 billion in 2020, an increase of CFAF 381.3 billion in absolute value, corresponding to 15.2% in relative value. They are divided into public debt for an amount of CFAF 371.1 billion, personnel expenditure for an amount of CFAF 328.2 billion, expenditure on the acquisition of goods and services for an estimated amount of CFAF 160.7 billion, expenditure on subsidies and transfers estimated at CFAF 354.8 billion, and investment expenditure for an expected amount of CFAF 1 680.9 billion.

7.1.4 Detailed presentation of the budget by expenditure item

In 2021, social expenditures (education, health, rural development, infrastructure) were among the priorities of the Government of Niger because of the essential role they play in economic and social development. In 2021, energy and infrastructure are the sectors most funded by state resources. Thus, with an amount of CFAF 441.2 billion, or 16.7% of the overall budget of the State of Niger (5.3% of GDP). This increase in spending on energy and infrastructure is underpinned by investments in roads and the energy sector to stimulate the post-Covid-19 economic recovery. Education is the second most funded sector, accounting for 12.1% of sectoral expenditure. Health, although an important dimension of development, received only 4.2% 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 62.8 years, and health coverage has improved slightly. Finally, national security is funded at 7.9% of the total budget by expenditure items in 2021.

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

A. SECTORAL EXPENDITURE	2019		2020		2021	
SECTORS	PLF2019	POIDS 2019	PLF2020	POIDS 2020	PLF2021	POIDS 2021
Education	288.74	18.75%	288.74	18.75%	321.52	12.1%
Security	194.67	17.43%	194.67	17.43%	210.31	7.9%
Dev. Rural & Food Security	228.38	19.33%	228.38	19.33%	238.51	9.0%
Financial Authorities	49.00	5.48%	49.00	5.48%	57.66	2.2%
Strengthening of democratic institutions	103.76	7.85%	103.76	7.85%	304.95	11.5%
Energies & Infrastructures	243.15	12.81%	243.15	12.81%	441.19	16.7%
Health	137,43	9.09%	137.43	9.09%	110.76	4.2%
Rural & Urban Hydraulics	61,98	3.64%	61.98	3.64%	49.86	3.1%
Others	56.95	5.59%	56.95	5.59%	45.57	1.7%
TOTAL A	1 352.59	100%	1 352.59	100%	2 644.53	100%
B. TRIVIAL EXPENSES AND COMMON CHARGES						
Tax expenditures	310.61	44.49%	310.61	44.49%	325.29	49.64%
Public debt	291.76	41.79%	291.76	41.79%	245.95	37.53%
Common expenses	95.80	13.72%	95.80	13.72%	84.01	12.82%
TOTAL B	698.16	100%	698.16	100%	655.25	100%
TOTAL GENERAL BUDGET (A+B)	2 050.76	100%	2266.2	100%	2 644.5	100%

Source : Department of Finance

7.2 Tax policy

7.2.1 General budget revenue broken down by source

As part of the 2021 budget law, the government of Niger has taken tax measures in order to improve tax revenue collection by at least 1.8 percent of GDP. These measures include:

- Tax on income: it has been suggested that the limitation on charges deductibility related to local food products acquisition from a non-taxable person be abandoned. These charges are now fully deductible when they are evidenced by a receipt and relate to unprocessed food products listed to Directive 02/2009/CM/WAEMU of 27 March 2009 annex, excluding some products.

- Specific tax: it has been proposed that promoters providing passive telecommunication infrastructures be eligible for the specific tax. These are natural or legal persons who provide their customers, mainly telephone operators and Internet access providers, with so-called passive telecommunications infrastructure (pylons, civil engineering, generators, energy bays, air conditioners, batteries, solar panels, wind turbines, diesel tanks, etc.). This specific taxation is provided for in the area of real estate tax for legal entities (TIPM) and business 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 buildings used for the exercise of the profession to 3% of the same rental value.

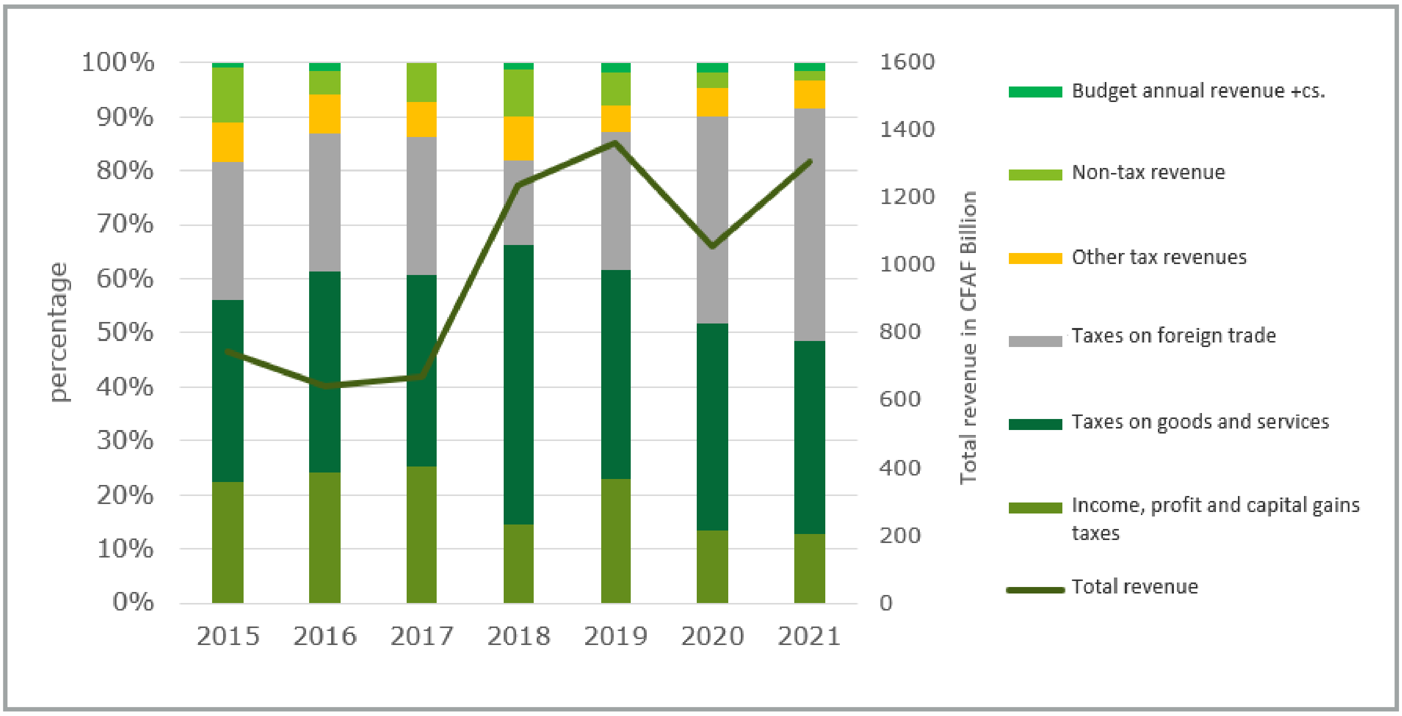
- Value added tax: two (2) measures have been suggested. The first aims to exclude from the scope of application of the fictitiously determined VAT, provided for in Article 225 of the CGI, the operations of acquisition of raw products. To this end, the acquisition of these products constitutes an exception to the principle of withholding fictitious VAT at source. It does not give rise to the calculation, withholding and repayment of the fictitiously determined VAT. The second measure aims to adapt the tax system to the electronic invoicing system introduced by the Finance Act for the financial year 2020.

- The taxation system: The measure relates to the Article 328 of the General Tax Code amendment. It aims to make certain professional categories with proven skills to meet the reporting requirements of this regime (liberal professions, companies incorporated in the form of a company) or which, in essence, carry out activities that generate VAT because they are in direct contact with the final consumer (multi-department shops). 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.

- Exemption regimes: Concerning large mining projects, it was proposed that the exemption from professional tax, which is currently permanent, be reduced to the first five (5) years of operation. With regard to the standard protocols of agreement, it is also suggested to exclude VAT on the provision of services as well as exemptions from taxes and indirect taxes granted to NGOs with actions directly contributing to their projects' implementation. Dealing with door-to-door taxation, the suggested measures are administrative and tax. The administrative measures are inherent to the collection of statistical fees and the determination by administrative means of the taxable base of goods in transit-re-export.

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 Tax Department, including the use of the SYDONIA World software and the introduction of the certified invoice. These reforms should result in tangible revenue benefits.

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 2021, 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 2022 Finance Act, a number of tax measures have been approved by Parliament. These new tax measures are designed to improve the collection of certain taxes and further broaden the tax base. Administrative measures are also adopted to strengthen domestic resource mobilization.

With regard to the taxation of amounts placed in free reserves, the reform provides that amounts placed in reserves that exceed, by nature, one fifth of the share capital, are liable to tax on income from securities (IRVM). The tax due is calculated on the 50% of the undistributed net result. In fact, based on the data contained in the tax returns of large companies, it appears that large amounts are set aside in free reserves to avoid taxation under the IRVM.

As regards value added tax, the 2022 Finance Act provides for the abolition of the obligation to calculate VAT fictitiously on transactions with non-taxable persons. This measure is therefore justified by the need to correct a practice that is not in harmony with the VAT collection mechanism according to which this tax is invoiced by persons subject to the real tax system and borne by the final consumer.

As regards the registration of tax formalities, the 2022 Finance Act has merged the formalities for registration and land registration. The registration and land registration formalities are merged for all acts that were previously subject to the registration formalities ex officio. This is the case, for example, for deeds subject to a suspensive condition concerning the transfer for valuable consideration of real property rights, particularly sales, exchanges and contributions to companies.

In the area of litigation, it is proposed to process the documents produced in litigation proceedings. Any document not presented or rejected during on-site inspections will be recorded in a report. The taxpayer will no longer be able to invoke this document at subsequent stages of the litigation procedure. Similarly, provision is made for the revision of advance payments in the context of appeals. The payments to be made prior to the appeal to the Director General of Taxes and the Minister of Finance, previously set at 15% and 10% of the contested amount respectively, are abolished. In addition, for the referral to the courts, the advance payment is reduced from 50% to 25%. The cumulative number of advance payments is thus reduced from 75% to 40% of the disputed amounts.

In terms of specific taxation, the reform aims at revising the Special Tax on Re-export (TSR) on sugar and fabric. The rate of the TSR is set at 20% for sugar under tariff heading 17/01 and at 15% ad valorem for the tariff headings for fabrics.

In terms of exemptions, the reform provides for exemptions to be granted to the transport sector. It is granted to the companies of transport of passengers, goods, hydrocarbons, gas and any other substance, an abatement of 50 % of the taxable base for the projects and programs of extension, diversification and modernization. It is also planned to revise the terms of exemption. In addition, beneficiaries of exemptions granted under the derogatory regimes will henceforth have to pay the full amount of duties and taxes due and subsequently initiate a refund application procedure.

As regards taxation of the Petroleum Code, the new tax measure provides for the restoration of VAT exemptions for subcontractors of the holder of the exploitation permit on oil operations.

In terms of expenditure rationalization measures, it is proposed to reduce operating expenses; centralize the acquisition of rolling stock; rationalize the furniture acquisition and administrative buildings rehabilitation; control and define new medical evacuation methods by involving diplomatic representations; the rationalization of water, electricity and telephone consumption through the control of service points at the level of each ministerial department; the rationalization of contributions to intergovernmental organizations by promoting those from which Niger derives the maximum benefit.

Other regulatory and administrative measures are proposed to strengthen internal resource mobilization. These include the rigorous compliance of state structures with common law taxation; the mandatory production of a certified invoice in the context of public orders and contracts; a 10 to 15 percentage point increase in the rate of reduction of the taxable value of vehicles according to their condition; the exclusion of locally produced or manufactured goods from the customs cordon; the assumption of responsibility for exemptions from the national budget; and the further implementation of reforms to automate and upgrade tax and customs procedures.

7.3 Finance Act

The 2022 Finance Act provides for an overall annual budget of CFAF 2,908.6 billion as against CFAF 2,644 billion in 2021, i.e., an increase of CFAF 264.1 billion equivalent to 10.0%. The budgetary framework for the year 2022 is based on the following scenarios: (i) GDP growth of 8.9%; (ii) a projected inflation rate of 1.9%; (iii) an oil average price of 40 dollars per barrel with production of 20,000 barrels per day[9]; (iv) an overall budget balance, including grants, of 3.9% of GDP; and (v) a current external deficit (including grants) of about 17.2% of GDP.

Within the framework of the 2022 Finance Act, the internal revenue forecast amounts to 1,361.8 billion. They represent 46.8 of the total budget estimates and are broken down as follows: (i) tax revenues amount to CFAF 1,304.8 billion in 2022 against CFAF 980.51 billion in 2020, representing an increase of 4.3%; (ii) non-tax revenues amount to CFAF 30.1 billion, up by CFAF 9.3 billion compared to 2021; (iii) exceptional revenues are estimated at CFAF 18.4 billion against CFAF 27.3 billion in 2021, representing a decrease of CFAF 8.9 billion.

Several assumptions underpin the 2022 budget forecast. At the international level, the budget forecasts assume 6.0% world economic growth in 2022, an average crude oil price of around USD 48.8 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/FCFA exchange rate of 538.4. At the regional level, the 2022 budget projections take into account the recovery of economic activities at the continental (sub-Saharan Africa) and sub-regional (ECOWAS, WAEMU, etc.) levels; the effectiveness of the land border opening with Nigeria; and the implementation of the African Continental Free Trade Area (AfCFTA).At the national level, the 2022 budget projections are based on the continuous implementation of the Sustainable Development and Inclusive Growth Strategy (SDDCI, Niger 2035) with regard to the raising of external resources; the strengthening and capitalization of the achievements of the PDES and the implementation of a new economic and social development plan 2022-2026 with the strengthening of governance, education and the health situation; enhancing socio-political and security stability in order to promote public and private investment spending; the construction of the crude oil export pipeline by 2023; and the further improvement of the business climate to facilitate private investment. Fiscal policy is specifically geared towards the implementation of actions to revive and

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.

transform the economy in an international, regional and national context marked by the persistent security threats, the COVID 19 pandemic, the decline in commodity prices, the rise in the price of primary commodities and climatic hazards. The main challenges will be to control and improve the quality of public spending and to mobilize internal revenue. In addition, the implementation of the government's flagship projects relating to the construction of infrastructure, 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) programme, as well as the 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 Niger first democratic political transition. This is a historic event for the country, whose history is marked by numerous coups d'état, which has never seen two elected presidents succeed one another since independence in 1960[1]. Observers welcomed the peaceful atmosphere in which the elections were held, despite some violence and arrests following the results. While the initial post-election protests have subsided, the new government will need to continue its efforts to further reduce political tensions.

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 leads to social and humanitarian crises with an estimated 391,000 refugees on the move, mainly in Diffa and Tillabéry, and more recently in Maradi, which further weakens the country.

The regions of Tahoua and Tillabéry that are close to the border with Mali are very hit by insecurity. The Tillabéry region also located in the so-called "three borders" area between Niger, Mali and Burkina Faso, 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.

In order to better tackle terrorist groups, Niger and France are considering redeploying the Barkhane operation to the border with Mali following a military cooperation agreement between the Nigerien army and Barkhane that was voted by the National Assembly. However, part of national opinion remains hostile to this redeployment. In the department of Téra (Tillabéry region), demonstrations against a transport of the Barkhane mission on its way to Gao resulted in three deaths in November 2021.

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.

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.

In terms of access to basic social services, schools and health centers have been closed in insecure areas. In the Tillabéri region, the national authorities estimate that around 600 schools will be closed by the end of the 2020-2021 school year out of a total of 2,247 schools in the region, or 23.66%. A total of 53,562 children, including 25,828 girls, have been deprived of their right to education due to activities linked to armed groups.

In addition, the closure of some rural markets in conflict areas disrupts economic activities and negatively impacts supply networks, risking food shortages for both people and livestock. Conflicts continue to obstruct off-season agricultural activities, disrupt the movement of animals and agricultural labor, and hamper the functioning of markets in the affected areas of Tillabéry, Diffa, Tahoua and Maradi.

In 2022, the food insecurity risk has increased due to the decline in rainfed agricultural production in 2021 due to rainfall deficits and a decrease in the area under cultivation. On 11 February 2022, the Government of Niger announced that approximately 6,491,692 people are in need of food assistance and 2,393,810 people are in need of nutritional assistance. With regard to access to water, thousands of people do not have access to potable water (mini AEP), due to the persistent insecurity that prevents people from accessing resources.

8.3 Macroeconomic risks

At the macroeconomic level¬, the COVID-19 pandemic has weighed heavily on economic activity. In addition, delays in the implementation of structuring projects, pandemic-related restrictions and the closure of the border with Nigeria contributed to a slowdown in growth to 1.3% in 2021, 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.

In addition, security threats and low world uranium prices also affect the economic environment. The heavy dependence of the state budget on revenues from the extractive sector makes it more vulnerable to changes in commodity prices and production. In 2021, growth was hampered by shocks, including difficult security conditions and the rainfall deficit that affected agricultural production. It is also affected by delays in the implementation of reform measures and poor governance. Finally, although the effects of COVID-19 have been relatively mitigated, the economy is still suffering from the external shocks associated with the pandemic. In this sense, the government should continue to implement the COVID-19 pandemic response plan, particularly with regard to the components "mitigating economic impacts" and "strengthening the resilience of producers in the agricultural sector".

8.4 Risks to the mobilization of public and private financial resources

In 2021, Niger's overall budget deficit (including grants) deteriorated to 5.9% of GDP, as a result of the increase in current expenses inherent to the fiscal support measures taken by the public authorities in favor of sectors affected by the health crisis and the sharp increase in security expenses. This situation makes it difficult to meet the WAEMU convergence criterion for the overall budget deficit of 3% of GDP 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.

In anticipation of the oil revenues expected from 2023, the IMF expects economic growth to be high at 6.9% and 7.2% in 2022 and 2023 respectively. However, the fact that Niger's oil fields are relatively small can make the increasingly competitive environment difficult and make the country more attractive. It is therefore necessary to anticipate more realistically the likely effects of oil discoveries on welfare, economic growth, public finances and the external sector in order to mitigate risks in the event of a downturn. For example, if growth projections are underperformed, there would be a negative impact on people's income and savings. To mitigate this risk, the authorities need to ensure that economic growth projections are more conservative. Furthermore, inadequate management of future investments by state-owned enterprises or PPPs can, in the long run, add significantly to the public debt. While Niger urgently needs to build its infrastructure, careful evaluation and attention to good governance should not be neglected. More generally, the government should try to make the most of limited resources by improving the efficiency of public spending.

To avoid the volatile resource revenue risk, Niger will need a strategy of aligning spending with long-term average revenues. Better planning of expenditures, especially targeted at investment in physical and human capital, is likely to have a more tangible impact on the country's development and on the promotion of a diversified private sector beyond the oil industry. According to the IMF (2020), such a strategy may also have the effect of supporting the domestic economy's absorption of foreign resources generated by oil exports.

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 %.

As is the case worldwide, the COVID-19 pandemic is a major health risk in Niger. The country continues to avoid a significant COVID-19 epidemic. However, until a large proportion of the population is vaccinated, the health risks remain significant. The first case of coronavirus infection was detected on 19 March 2020, while a state of health emergency was declared on 27 March 2020. As of 29 March 2022, Niger has recorded 8,801 cumulative COVID cases according to Ministry of Health data. The first case was declared on 19 March 2020. 240,394 tests have been performed. A total of 308 deaths have been recorded and 16 cases under treatment. 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. 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.

Finally, when oil resources are extracted, there are negative environmental impacts that are not mentioned by the oil companies or the National Environmental Assessment Office. These include, for example, the disappearance of wildlife, grazing or the collapse of pastoral wells caused by the drilling of oil wells, the contamination of groundwater during drilling or the risk of exposure to radiation for workers, or the management of drilling muds, poorly protected liquid waste pits or the degradation of the soil by the increase in the number of tracks followed by oil company or subcontractor trucks. It is therefore important to ensure better management of drilling waste (drilling muds, oil) and to better manage environmental risks, in particular the destruction of ecosystems, fauna and water tables, as well as accidental oil spills.

9.1 General description of the public debt

9.1.1 Overall image

Niger's outstanding public debt was estimated at CFAF 4,208.1 billion (50.9% of GDP) as of 31 December 2021, compared to CFAF 3,510.4 billion at the end of2020, or 43.6% of GDP. It is made up of FCFA 2,731.8 billion in external debt and FCFA 1,476.3 billion in domestic debt.

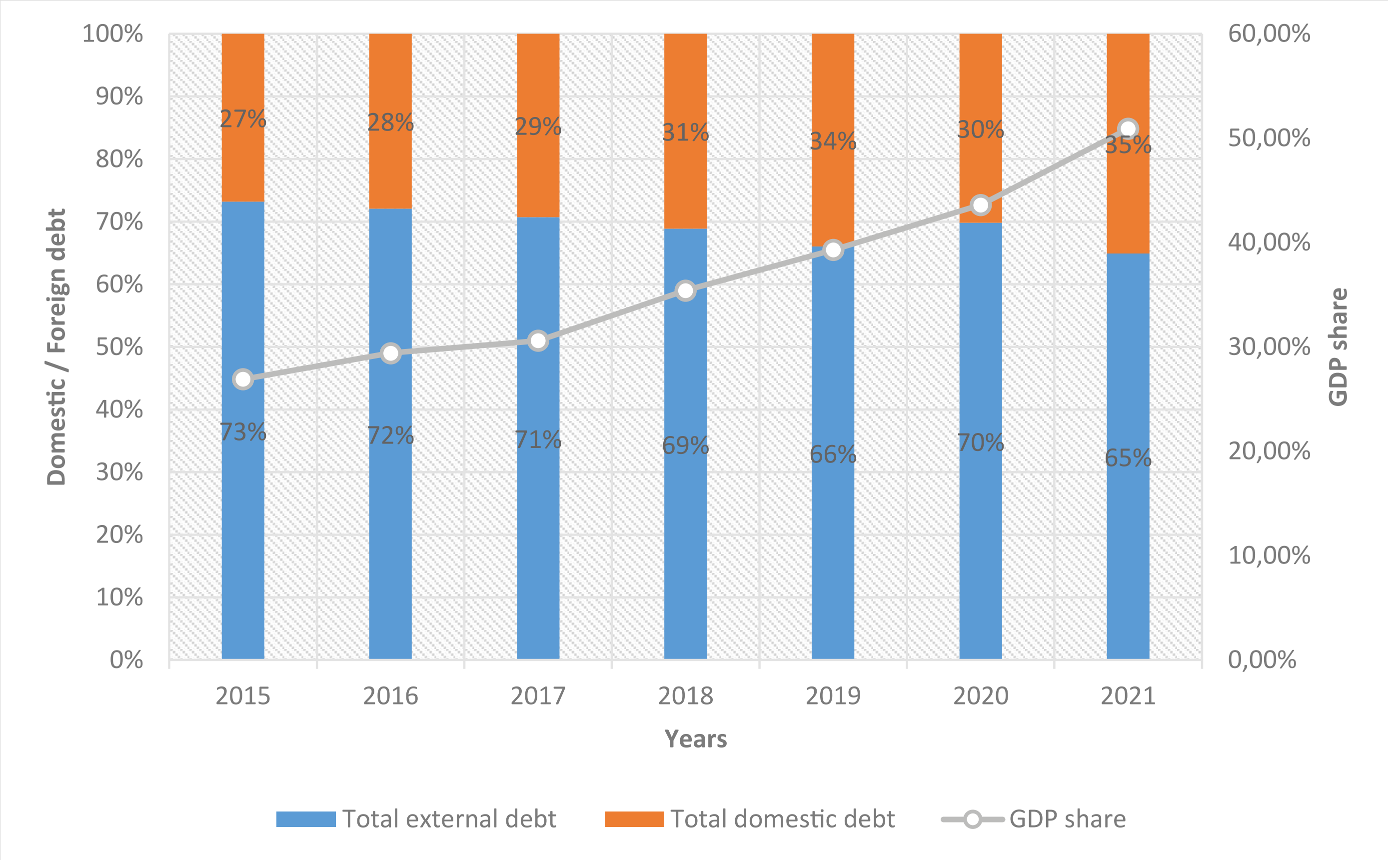
Table 27. Evolution of Niger's debt

	2016	2017	2018	2019	2020	2021
Total debt (% of GDP)	30.6	34.7	35.4	39.1	43.6	50.9
Total debt (in value. FCFA)	1 867.5	2 248.4	2 523.4	2 978.2	3 510.4	4 208.1
Remaining due	1 787.7	1 986.2	2 523.4	2 927.0	3 505.9	4 205.3
Backlog	5.3	5.8	4.3	3.3	4.5	2.8
Due	269.9	296.7	550.3	556.9	949.6	545.3
Paid	264.6	290.9	546.0	553.6	945.1	542.5
Total external debt	1 366.8	1 569.8	1 737.9	1 974.4	2 450.6	2 731.8
Remaining due	1 366.8	1 569.8	1 737.9	1 974.4	2 450.6	2 731.8
Backlog	0	0	0	0	0	0
Due	46.4	42.8	57.8	63.5	71.4	
Paid	46.4	42.8	57.8	63.5	71.4	92.5
Total domestic debt	500.7	678.6	785.5	1 003.7	1 059.8	1 476.3
Remaining due	495.4	672.8	781.2	1 000.4	1 055.3	1 473.5
Backlog	5.3	5.8	4.3	3.3	4.5	2.8
Due	223.5	253.9	492.5	493.4	878.3	452.8
Paid	218.2	248.1	488.2	490.1	873.4	450.3
Nominal GDP (current prices)	6 096.4	6 486.0	7 121.4	7 689.2	8 045.7	8 272.0

Source : Ministry of finance

As at 31 December 2021, 64.9% of the outstanding public debt portfolio was composed of external debt and 35.1% of domestic debt. The weighted average interest rate of the portfolio is 3.1%, including 1.6% for external debt and 5.4% for domestic debt. The proportion of public debt maturing in one year is 14.1%, of which 5.0% is external debt and 31.2% 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, 14.1% of the debt matures in one year (short term), 34.6% in 1 to 5 years (medium term), and 52.1% of the debt is due in more than 5 years (long term). On average, it takes 9.0 years to refinance the total debt, of which 11.7 years for external debt and 3.8 years for domestic debt. It should also be noted that the portfolio is essentially made up of fixed-rate loans meaning a lower exposure to interest rate risk for Niger.

The public debt service actually paid during the four (4) quarters of the year 2021 amounts to CFAF 542.7 billion, divided into CFAF 92.5 billion for the external debt and CFAF 450.3 billion for the domestic debt, including CFAF 239.0 billion of Treasury bills.

Table 28. Time profile of debt to be repaid

Expressed as a %	Allocation originally planned	2014 Allocation	2021 Allocation (estimates)
Short term (< 1 year)	nd	3.2%	14.1%
Medium term (1 to 5 years)	nd	24.2%	34.6%
Long term (> 5 years)	nd	72.7%	52.1%
Total	nd	100%	100%

Source : Ministry of Finance

9.1.3 Amount of debt to be repaid in the short term

In 2021, the total amount of effective repayments of the public debt amounted to CFAF 542.7 billion, including CFAF 92.5 billion for the external debt and CFAF 450.3 billion for the domestic debt, including CFAF 239.0 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. Thus, in 2022, the amount of domestic debt to be repaid would be CFAF 250,0 billion, i.e., a reduction of 44.5% compared to 2021.

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

Billion CFAF	2015	2016	2017	2018	2019	2020	2021	2022 (projections)
Amount of foreign debt to be paid within one year	38.3	46.4	42.8	57.8	63.5	71.4	92.4	98.0
Amount of domestic debt to be paid in the year	61.6	218.2	248.1	488.2	490.1	873.8	450.2	250.0
Total	99.9	264.6	290.9	546.0	553.6	945.1	542.7	448.0

Source : Ministry of Financ

9.2 Debt Strategy and Sustainability

9.2.1 Description of the strategy

Niger has adopted a medium-term debt strategy (2021-2023) whose objectives are to meet the state's financing needs and future payment requirements at the lowest possible cost while minimizing the associated risks. It also aims to contribute to the development of the regional public securities market and to promote concessional financing. 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 taken solely on the basis of cost or short-term opportunities. The new debt strategy, which is in line with the external financing guidelines contained in the government's development program, has been designed based on macroeconomic assumptions and the public debt stock at the end of 2020. It is translated by the consolidation of Niger's good relations with its Technical and Financial Partners and the diversification of the investor base in Niger's public securities on the WAEMU regional market. For 2022, the debt strategy aims to limit the decrease in the cost and risk indicators of the external debt portfolio. Based on the net financing requirement, the overall debt ceiling in 2022 is CFAF 860.9 billion, of which CFAF 498.3 billion is for external financing (429.5 billion in project loans and 68.8 billion in programme loans) and CFAF 362.8 billion for domestic financing, of which CFAF 300.0 billion in Treasury bonds, with a maturity ranging from 3 to 7 years, depending on the depth of the market. Moreover, this strategy is based on a diversification of the financing sources with a debt structure made up of 57.9% of external resources and 42.1% of domestic financing through recourse to the domestic market. The financing policy will remain essentially anchored, on the one hand, on the recourse to a prudent indebtedness centered on concessional resources which carry less portfolio risk, and which have a certain economic impact on households, taxpayers' incomes and State revenues. On the other hand, the Government will pursue its interventions on the domestic market by extending the maturities of Treasury bonds in order to reduce the portfolio refinancing risk. More specifically, the government will give priority to long-term financing on the regional market of the WAMU, particularly in the context of buying back public securities with less interest.

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 should increase from 23 percent in 2010 to 47.2 percent of GDP in 2022. A public debt sustainability analysis (DSA) indicates that external debt solvency and liquidity indicators fall below their corresponding thresholds in the baseline scenario (2021-2031) of the IMF's debt sustainability framework and the WAEMU convergence criterion for debt.

In 2021, the external public debt/exports and total public debt/GDP ratios are, respectively, 176.0 per cent and 17.0 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 of a deteriorating economic outlook, underlining the need to mitigate vulnerability to debt.

Keeping the debt sustainable and complying with the WAEMU convergence criterion (of 70% of GDP for the debt ratio) are among the authorities' priorities. In this respect, the government will pursue a careful borrowing policy with an emphasis on modernizing the debt management framework, the use of concessional loans and the implementation of growth-enhancing projects.

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

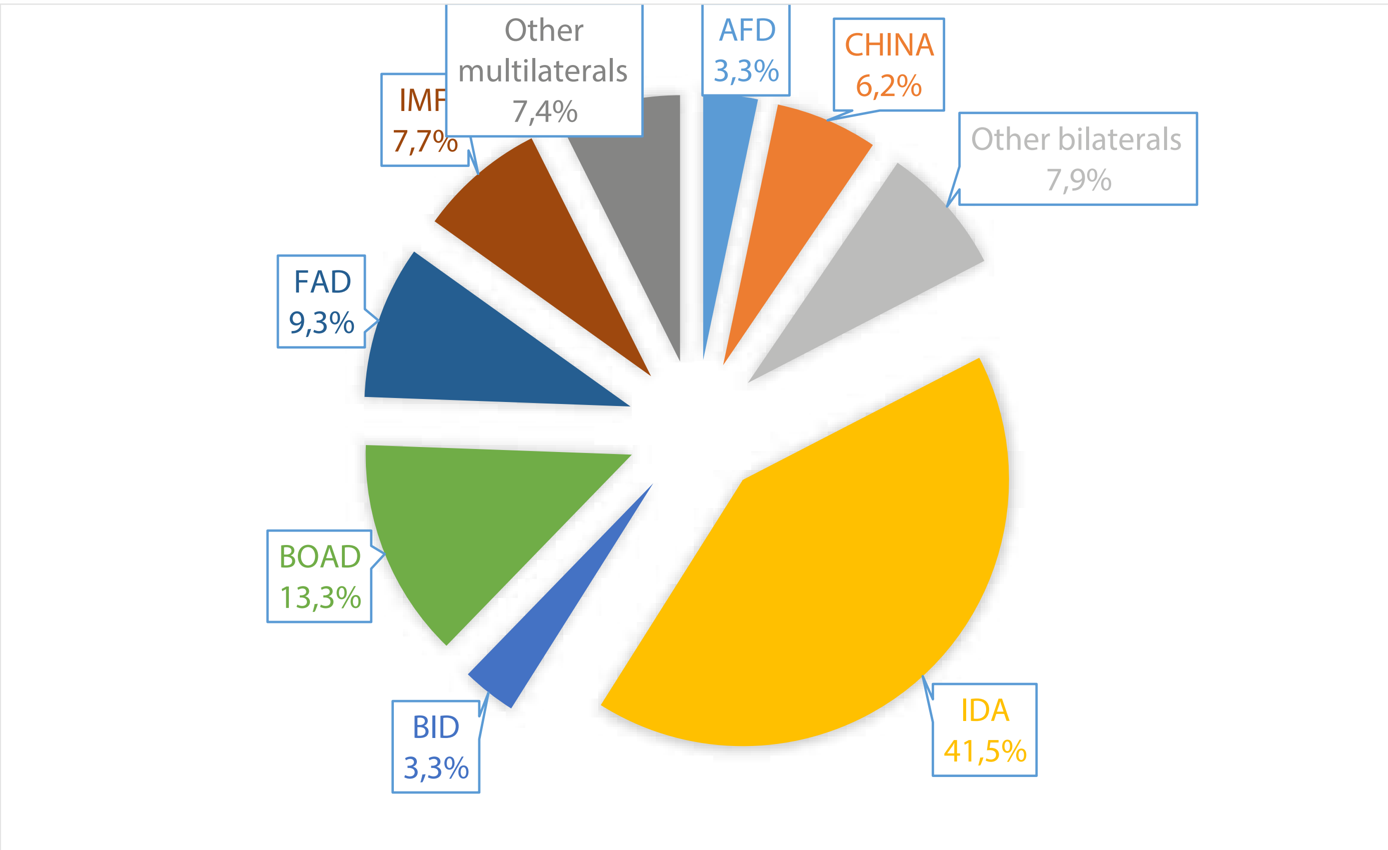
Source : IMF

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 2021. Among multilateral creditors, IDA with CFAF 1,111.6 billion (49.7% of multilateral debt) remains the largest multilateral creditor, representing 40.7% of total external debt. It is followed by BOAD with CFAF 313.4 billion (representing 14.0% of the debt of multilaterals), i.e., 11.5% of total external debt; the ADF with CFAF 253.2 billion (11.3% of the debt of multilaterals), i.e., 9.3% of total external debt; and finally, the IMF with CFAF 244.7 billion (10.9% of the debt of multilaterals), i.e. 9.0% of the total external debt

Figure 12. Composition of the external debt portfolio, by creditor and creditor group at the end of December 2021



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 275.4 billion, i.e., 72.9% of the bilateral debt and 10.1% of the total external debt Creditors who are members of the Paris Club with a debt of CFAF 102.5 billion, representing 27.1% of the bilateral debt and 3.8% 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	2731.8	100%	33.0%
Commercial debt	117.2	4.3%	1.4%
Bilateral	378.0	13.8%	4.5%
Of which France (AFD)	91.1	3,3%	1.0%
Of which Saudi Arabia (SDF)	39.7	1.5%	0.5%
Of which India	41.5	1.5%	0.5%
Of which China	129.1	4.7%	1.5%
Other Bilateral	77.0	2.8%	0.9%
Multilateral	2 236.6	81.9%	27.0%
Of which IMF	244.7	9.0%	2.7%
Of which World Bank-IDA	1 111.6	40,7%	2.0%
Of which ADB/ADF	253.2	9.3%	3.0%
Of which IFAD	69.5	2.5%	0.8%
Of which IDB	136.3	5.0%	1.7%
Of which BOAD	313.3	11.5%	3.8%
Autres multilatéraux	106.4	5.1%	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 2021. In 2021, the Government of Niger paid an amount of CFAF 80.9 billion under multilateral debt against CFAF 5.3 billion for bilateral debt. The total amount paid in respect of the total external debt amounted to CFAF 92.5 billion in 2021. It should be noted that the total amount of actual disbursements, recorded by the Public Debt Department, during the year 2021, amounted to CFAF 122.8 billion, broken down into CFAF 11.8 billion for multilateral creditors and CFAF 11.0 billion for bilateral. As for commercial debt, it amounted to CFAF 111.7 billion in 2021.

Table 32. Details of debt due and debt paid (December 2021)

Status as of December 2021	Multilateral			Bilateral			Commercial			Total		
	Capital	Interest	Total	Capital	Interest	Total	Capital	Interest	Total	Capital	Interest	Total
Outstanding as of December 31, 2019	0	0	0	0	0	0	0	0	0	0	0	0
New drawdown (2021 disbursement)			111.8			11.1			111.7			122.8
Service due (2021)	50.1	30.7	80.8	4.5	1.0	5.3	0	3.1	3.1	48.1	38.0	86.1
Total	50.1	30.7	80.8	4.5	1.0	5.3	0	3.1	3.1	48.1	38.0	86.1
At maturity 2020												
Backlog												
Paid service	50.1	30.7	80.8	4.5	1.0	5.3	0	3.1	3.1	48.1	38.0	86.1
Total	50.1	30.7	80.8	4.5	1.0	5.3	0	3.1	3.1	48.1	38.0	86.1
At maturity N-2												
Backlog												
Remaining balance at December 31, 2021		0	0	0	0	0	0	0	0	0	0	0

Source : Ministry of Finance

9.3.3 Debt currencies

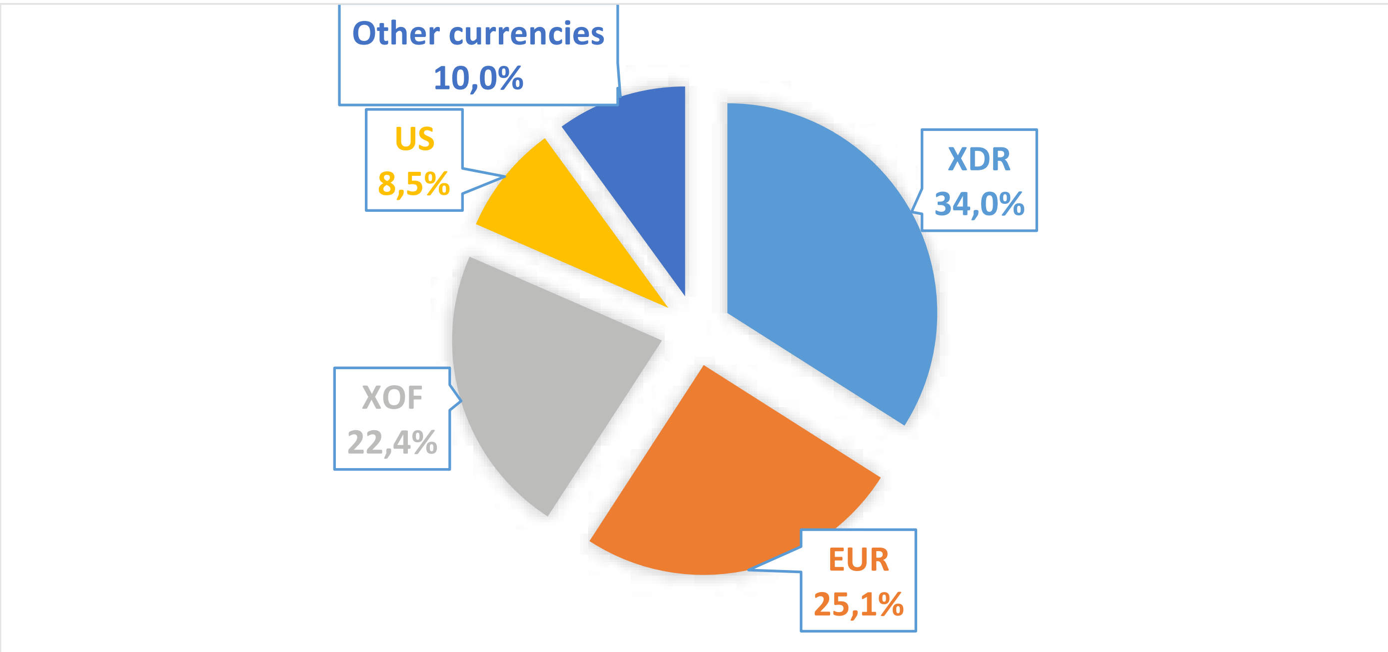
The following table gives a detailed view of the foreign currency debt as of 31 December 2021. It shows that Euro is the most important currency in the external debt portfolio with 36.6%, i.e., CFAF 1,000.3 billion. It is followed by the SDR with 28.0%, i.e., CFAF 689.9 billion; the CFAF with 21.3%, i.e., CFAF 574.5 billion; and the US Dollar with 6.6%, i.e. CFAF 180.3 billion.

Table 33. Details of foreign currency debt

Currency	Total debt originally denominated in this currency	FCFA exchange rate on 31 December 2021	Total debt in billions of CFA francs	Exchange rates in EUR on 31 December 2021	Total debt in EUR billion	Distribution of debt by currency
FCFA	559.1	1	583.0	655.95	0.889	21.3%
EUR	1.523	655.95	1000.3	1	1.523	36.6%
USD	0.323	557.5	180.3	0.863	0.374	6.6%
SDR/DTS[11]	0.944	810.2	765.0	0.810	1.165	28.0%
CNY	1.467	86.0	126.2	0.134	0.192	4.9%

Source : Ministry of Finance: DDP

Figure 13. Breakdown of external debt by currency (2021)



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 33.4% on 31 December 2021.

9.4 Domestic debt

9.4.1 Presentation of the situation as of 31 December 2021

As of 31 December 2021, Niger's domestic debt stock represented 35.1% of total public debt. It amounted to CFAF 1,476.3 billion, or 17.8% of GDP. Domestic debt is mainly composed of term bonds, representing 72.4% of the total, and treasury bills representing 20.1% of the domestic debt portfolio.

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%.

Table 34. Presentation of the situation as of 31 Ddecember 2021

	Domestic debt in value (CFAF billion)	Domestic debt as a % of total domestic debt	Domestic debt as a % of nominal GDP in year 2021
Total domestic debt	1 476,3	100%	17.8%
BCEAO support	51,1	3.4%	0.6%
Treasury bills	280,5	19.0%	3.4%
Treasury bonds	1 045,2	70.8%	12.6%
Securitization	0	0.0%	0.0%
Cash advances	22,1	1.5%	0.3%
Backlog	2,8	0.2%	0.0%
CPPP	75,6	5.1M	0.9%

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 2021, treasury bonds accounted for 70.8% of the domestic debt portfolio, followed by treasury bills (19.0%) and CPPPs (5.1%).

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

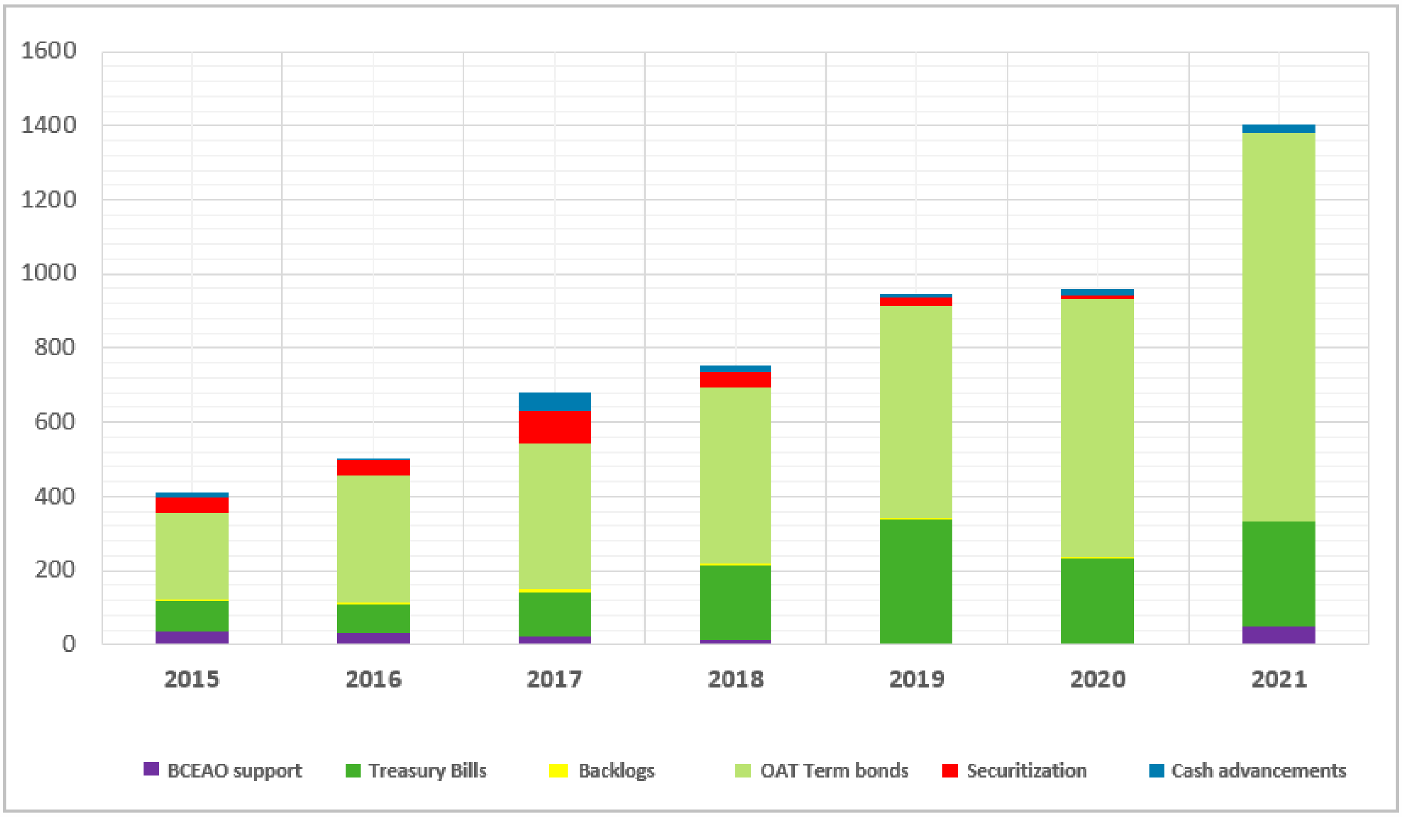


Table 35. Evolution of the composition of the domestic debt (billions of CFAF)

Description	31/12/2015	31/12/2016	31/12/2017	31/12/2018	31/12/2019	31/12/2020	31/12/2021
External debt	**1 138.7**	**1 366.84**	**1 569.79**	**1 737.92**	**1 974.43**	**2 450.61**	**2 731.8**
Multilateral	905.4	1 071.45	1 271.13	1 402.67	1 636.56	1 992.95	2 236.6
Bilateral	233.3	295.39	298.66	335.25	337.87	340.45	378.0
Commercial						117.21	117.2
Domestic Debt	**411.7**	**500.65**	**678.64**	**785.48**	**1 003.72**	**1 059.77**	**1 476.3**
BCEAO support	37.5	29.29	20.87	12.18	4.62	1.44	50.1
Treasury Bonds	235.2	344.05	396.99	476.76	571.90	698.25	1 045.2
Treasury Bills	78.5	78.11	121.57	202.54	335.04	230.00	280.5
Cash advances	13.5	2.10	49.90	18.75	10.13	18.41	22.1
Securitization	39.0	39.00	83.50	38.05	19.98	7.69	0.0
CPPP	2.8	2.80	-	32.89	58.75	99.53	75.6
Liabilities (CAADIE)	5.3	5.30	5.81	4.31	3.30	4.46	2.8
Public debt	**1 550.4**	**1 867.49**	**2 248.43**	**2 523.40**	**2 978.16**	**3 510.4**	**4 208.1**

Source : Ministry of Finance, RFP

9.4.3 Status of domestic debt payments

Debt service due at the end of December 2021 was CFAF 450.3 billion, all of which was owed to the non-bank sector. Interest accounted for CFAF 53.4 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 2021 would be cleared.

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

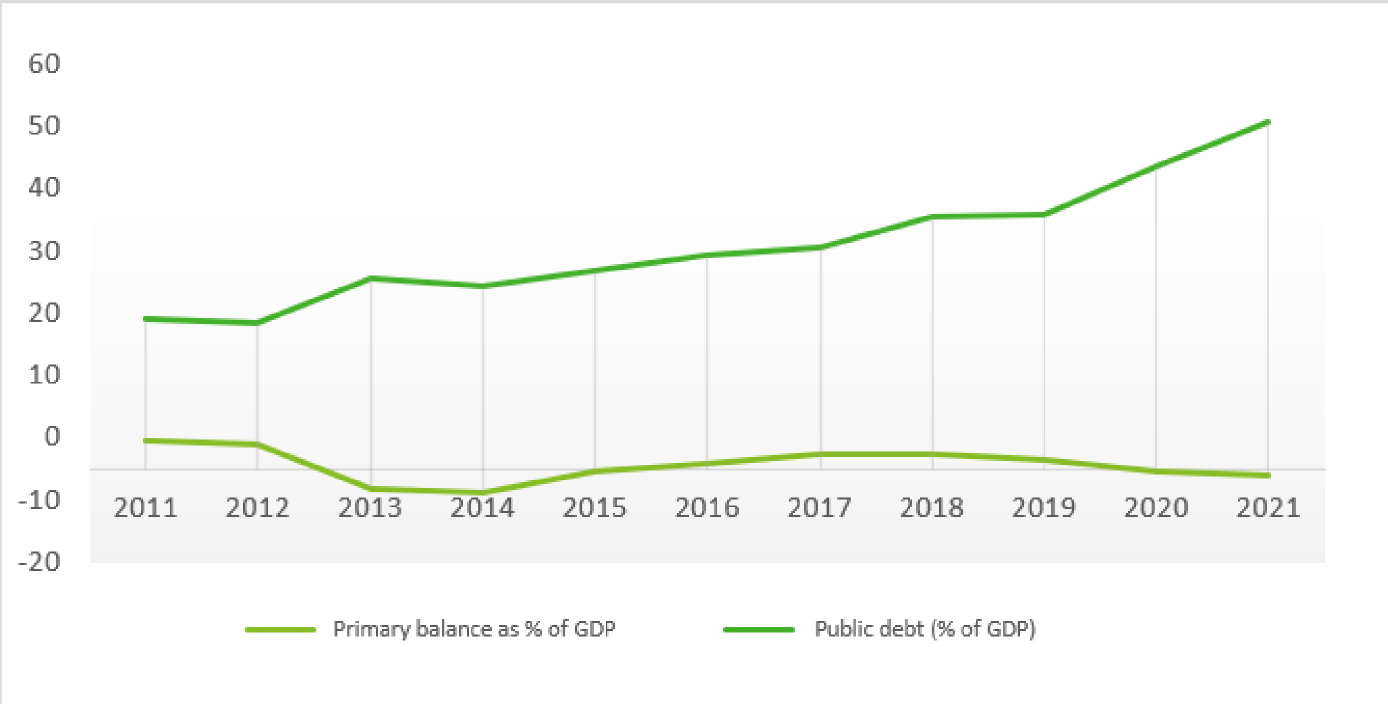
	Banking sector			Non-banking sector			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
(1) Debt service due at the end of December 2021	0	0	0	450.3	53.4	503.7	450.3	53.4	503.7
Of which maturing in 2021	0	0	0	447.5	53.4	500.9	447.5	53.4	500.9
Of which arrears from N-2 taken over	0	0	0	0	0	0	2.8	0	2.8
(2) Debt service paid in the year 2021	0	0	0	447.5	53.4	500.9	447.5	53,4	500,9
For the 2021 maturities	0	0	0	447.5	53.4	500.9	447.5	53,4	500,9
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, 2020 (1)-(2)-(3)	0	0	0	0	0	0	2.8	0	2.8
Of which arrears from N-2 taken over	0	0	0	0	0	0	2.8	0	2.8
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	0	0	0	2.8	0	2.8

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 2021, 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

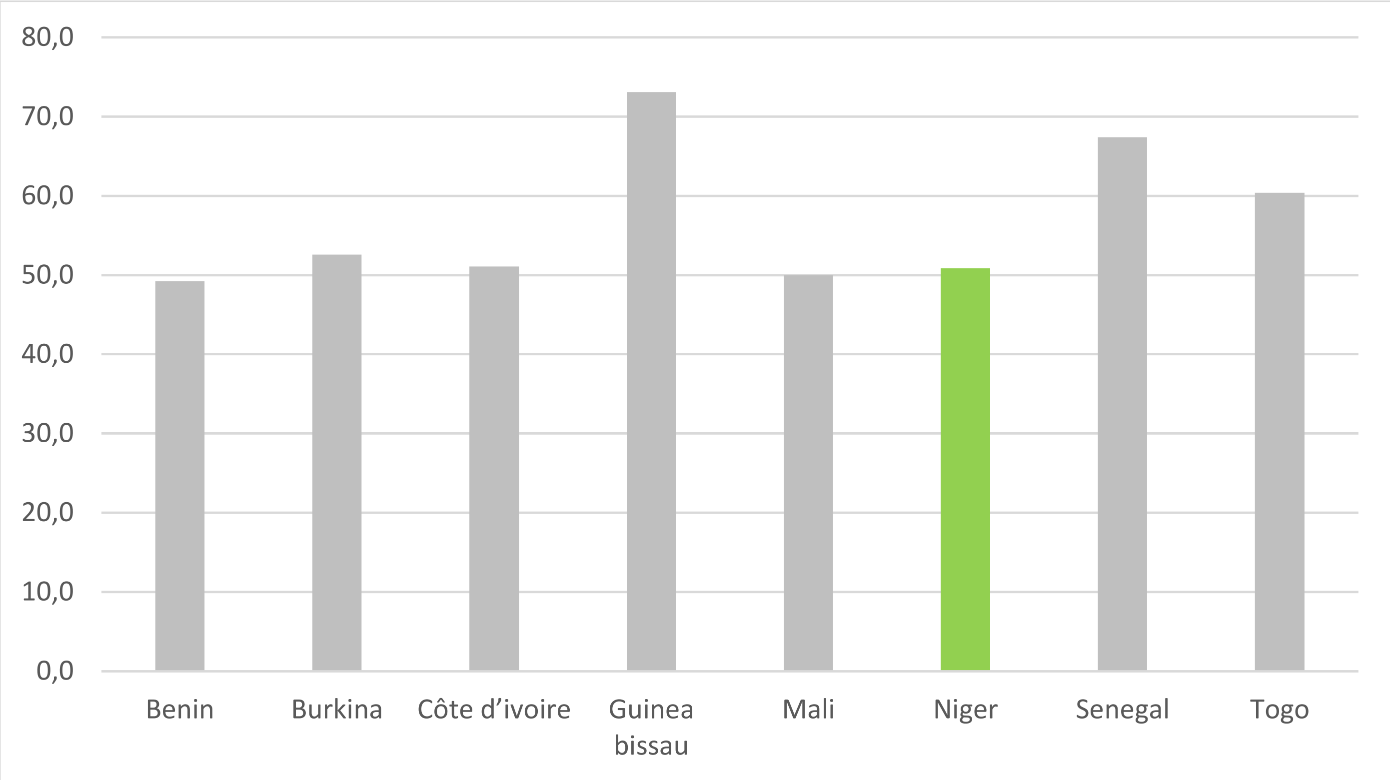
The development financing policy will continue to be anchored mainly on the use of prudent debt based on concessional resources. It also aims to harness domestic market resources by extending the maturities of Treasury bonds in order to reduce the portfolio's refinancing risk. More specifically, the government will promote long-term financing on the regional market of the WAEMU, specifically within the framework of the repurchase of public securities with less interest charges.

The portfolio is mainly made up of fixed interest rate debt ranging from 0% to 1% which limits the portfolio's exposure to interest rate risk. 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.

The portfolio structure by interest rate showed that 1.1% of the portfolio had a zero-interest rate; 71.0% had an interest rate of less than or equal to 1%; 79.0% of the portfolio was subject to an interest rate of less than or equal to 2%.

Figure 16 illustrates the outstanding public debt as a percentage of GDP for WAEMU countries. In 2021, the outstanding public debt to GDP ratio in the Union would be 53.4% against 50.1% in 2020. Niger's outstanding public debt to GDP (49.4%), which was below the WAEMU average, is one of the lowest in the sub-region. According to WAEMU data, Guinea Bissau, Senegal and Togo are the countries with the highest outstanding public debt to GDP ratios, at 73.1%, 67.1% and 60.4% respectively.

Figure 16. General government debt level in 2021 (% of GDP)

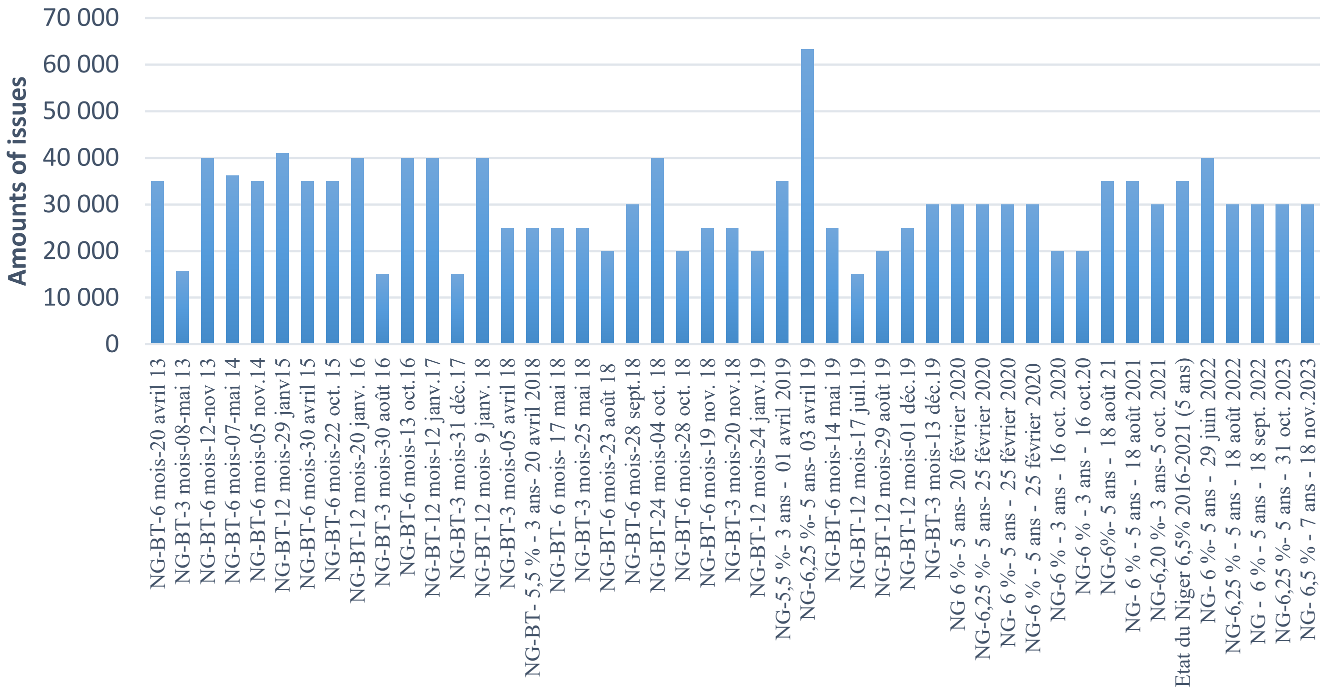


Source: WAEMU Commission, December 2021

Niger is still pursuing its conservative debt policy. Solvency and liquidity ratios are below the IMF debt sustainability framework and WAEMU convergence criteria. Thus, according to Ministry of Finance estimates, the ratios of external debt to GDP and debt service to exports were 31.2% and 13.4% respectively in 2021. The external debt to exports and debt service to revenue ratios were 176.0% and 17.0% respectively in 2021. Consequently, the IMF estimates that the risk of Niger's external debt overhang is "moderate". Looking ahead, the likely increase in crude oil export revenues would be used to further reduce the budget deficit to about 2.0% of GDP, replace donor financing of expenditures and finance priority spending. This would keep public finances on a sustainable path. Public debt would fall to 23% of GDP in 2024 and Niger would keep its "moderate risk" rating for public debt distress.

10.1 Details of country issuance

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



Source : UMOA-Titres

Table 37. Details of Niger's issues from 2016 to 2021 (billions of FCFA)

Instrument description	ISIN	Maturity	Issue date	Amount Withheld	TMP
NG -BT - 12 months - 12.january.17	NE0000000288	1	14/01/2016	44 000	5.14
NG - 5.5% - 3 years - 01.april.19	NE0000000296	3	31/03/2016	38 500	6.02
NG -BT - 6 months - 13.october.16	NE0000000304	0.5	14/04/2016	44 000	5.08
NG -BT - 3 months - 30.august.16	NE0000000312	0.25	31/05/2016	16 500	4.05
NG - 6% - 5 years - 18.august.21	NE0000000320	5	17/08/2016	38 275	6.50
NG - 6% - 5 years - 18.august.21	NE0000000320	5	15/09/2016	35 000	6.67
NG -BT - 24 months - 04.october.18	NE0000000338	2	06/10/2016	34 110	6.03
NG - 6.5% - 7 years - 18.november.23	NE0000000346	7	17/11/2016	30 000	7.29
NG -BT - 12 months - 09.january.18	NE0000000361	1	10/01/2017	39 510	6.24
NG -BT - 3 months - 25.may.17	NE0000000379	0.25	23/02/2017	15 142	6.28
NG -BT - 12 months - 29.march.18	NE0000000387	1	30/03/2017	9 200	6.21
NG -BT - 6 months - 28.september.17	NE0000000395	0.5	30/03/2017	10 185	6.30
NG -BT - 6 months - 19.november.17	NE0000000403	0.5	19/05/2017	14 530	6.26
NG -BT - 12 months - 20.may.18	NE0000000411	1	19/05/2017	9 750	6.50
NG -ESP - 6% - 5 years - 29.june.22	NE0000000429	5	28/06/2017	37 326	6.82
NG - 6.25% - 5 years - 18.august.22	NE0000000437	5	17/08/2017	25 888	7.22
NG - 6% - 3 years - 18.september.20	NE0000000445	3	15/09/2017	33 000	6.93

NG -BT - 3 months - 31.december.17	NE0000000452	0.25	29/09/2017	16 500	5.31
NG - 6% - 3 years - 16.october.20	NE0000000460	3	13/10/2017	10 000	7.25
NG -BT - 6 months - 17.may.18	NE0000000478	0.5	16/11/2017	12 503	6.24
NG -BT - 3 months - 05.april.18	NE0000000502	0.25	15/01/2018	9 000	6.33
NG -BT - 12 months - 24.january.19	NE0000000510	1	25/01/2018	20 357	6.42
NG - 6% - 3 years - 16.october.20	NE0000000460	3	08/02/2018	5 376	7.44
NG -BT - 6 months - 23.august.18	NE0000000528	0.5	22/02/2018	17 611	6.43
NG -BT - 3 months - 21.june.18	NE0000000536	0.25	22/03/2018	9 893	6.45
NG - 6.15% - 5 years - 23.march.23	NE0000000544	5	22/03/2018	784	7.27
NG -BT - 6 months - 24.september.18	NE0000000551	0.5	26/03/2018	19 000	6.73
NG -BT - 6 months - 28.october.18	NE0000000569	0.5	27/04/2018	22 000	5.98
NG - 6.15% - 5 years - 23.march.23	NE0000000544	5	08/05/2018	647	7.22
NG -BT - 3 months - 07.august.18	NE0000000577	0.25	08/05/2018	21 353	6.12
NG - 6.15% - 5 years - 23.march.23	NE0000000544	5	17/05/2018	795	7.20
NG -BT - 6 months - 15.november.18	NE0000000585	0.5	17/05/2018	19 939	6.23
NG - 6.15% - 5 years - 23.march.23	NE0000000544	5	07/06/2018	4 342	7.36
NG -BT - 6 months - 06.december.18	NE0000000593	0.5	07/06/2018	17 657	6.30
NG - 6.5% - 7 years - 09.july.25	NE0000000601	7	06/07/2018	24 331	7.08
NG - 6.25% - 5 years - 09.july.23	NE0000000619	5	06/07/2018	32 276	6.84
NG - 6.4% - 5 years - 13.july.23	NE0000000627	5	12/07/2018	3 969	7.53
NG -BT - 12 months - 11.july.19	NE0000000635	1	12/07/2018	18 031	6.38
NG -BT - 12 months - 18.july.19	NE0000000643	1	19/07/2018	16 500	6.34
NG -BT - 12 months - 31.july.19	NE0000000650	1	01/08/2018	18 011	6.08
NG - 6.15% - 3 years - 02.august.21	NE0000000668	3	01/08/2018	3 989	7.81
NG - 6.15% - 3 years - 02.august.21	NE0000000668	3	14/08/2018	10 630	7.81
NG -BT - 12 months - 14.august.19	NE0000000676	1	14/08/2018	16 870	6.04
NG -BT - 12 months - 29.august.19	NE0000000684	1	30/08/2018	22 000	6.05
NG -BT - 3 months - 13.december.18	NE0000000692	0.25	13/09/2018	33 000	5.80
NG - 6.15% - 3 years - 02.august.21	NE0000000668	3	27/09/2018	3 455	7.57
NG -BT - 12 months - 26.september.19	NE0000000700	1	27/09/2018	22 608	6.01
NG - 6.2% - 3 years - 05.october.21	NE0000000718	3	04/10/2018	1 832	7.58
NG -BT - 12 months - 03.october.19	NE0000000726	1	04/10/2018	13 167	6.13
NG - 6.4% - 5 years - 13.july.23	NE0000000627	5	18/10/2018	3 346	7.66
NG - 6.2% - 3 years - 05.october.21	NE0000000718	3	18/10/2018	11 100	7.41
NG -BT - 1 months - 20.november.18	NE0000000734	0.08333333	23/10/2018	9 715	5.54
NG - 6.25% - 5 years - 31.october.23	NE0000000742	5	30/10/2018	28 304	6.96
NG -BT - 6 months - 14.may.19	NE0000000759	0.5	13/11/2018	27 500	6.07
NG - 6.2% - 3 years - 05.october.21	NE0000000718	3	22/11/2018	22 869	8.10
NG -BT - 12 months - 01.december.19	NE0000000767	1	30/11/2018	27 500	6.15
NG -BT - 12 months - 16.january.20	NE0000000775	1	17/01/2019	21 923	6.23
NG -BT - 12 months - 13.february.20	NE0000000783	1	14/02/2019	27 068	6.16
NG - 6.25% - 5 years - 15.march.24	NE0000000791	5	14/03/2019	33 000	6.94
NG - 6.15% - 3 years - 29.march.22	NE0000000809	3	28/03/2019	22 000	7.38
NG -BT - 12 months - 09.april.20	NE0000000817	1	11/04/2019	22 000	6.00
NG - 6.15% - 3 years - 10.may.22	NE0000000825	3	09/05/2019	22 000	6.15
NG -BT - 12 months - 26.may.20	NE0000000833	1	28/05/2019	22 000	5.61
NG -BT - 6 months - 19.december.19	NE0000000841	0.5	20/06/2019	44 000	5.61
NG -BT - 12 months - 25.june.20	NE0000000858	1	27/06/2019	22 000	5.87

NG -BT - 12 months - 02.july.20	NE0000000866	1	04/07/2019	22 000	5.85
NG -BT - 12 months - 28.july.20	NE0000000882	1	30/07/2019	22 000	5.44
NG -BT - 12 months - 06.august.20	NE0000000890	1	08/08/2019	22 000	5.49
NG -BT - 12 months - 20.august.20	NE0000000908	1	22/08/2019	22 000	5.11
NG -BT - 12 months - 10.september.20	NE0000000916	1	12/09/2019	22 000	5.37
NG -BT - 3 months - 26.december.19	NE0000000924	0.25	26/09/2019	27 500	5.07
NG -BT - 12 months - 30.september.20	NE0000000932	1	02/10/2019	16 553	5.42
NG -BT - 12 months - 22.october.20	NE0000000957	1	24/10/2019	22 000	5.26
NG -BT - 12 months - 05.november.20	NE0000000965	1	07/11/2019	22 000	5.08
NG -BT - 12 months - 29.november.20	NE0000000973	1	29/11/2019	22 000	4.96
NG -BT - 6 months - 04.june.20	NE0000000981	0.5	05/12/2019	27 500	4.90
NG - 6.5% - 7 years - 14.february.27	NE0000000999	7	13/02/2020	16 500	6.56
NG - 6.15% - 3 years - 13.march.23	NE0000001005	3	12/03/2020	22 000	6.15
NG -BT - 12 months - 08.april.21	NE0000001013	1	09/04/2020	27 500	5.25
NG - 6.25% - 5 years - 27.april.25	NE0000001021	5	24/04/2020	21 775	6.56
NG -BT - Covid - 3 months - 11.august.20	NE0000001039	0.25	12/05/2020	110 000	2.84
NG - 6.15% - 3 years - 29.may.23	NE0000001047	3	28/05/2020	28 188	6.69
NG -BT - 12 months - 10.june.21	NE0000001054	1	11/06/2020	27 500	5.09
NG -BT - 12 months - 24.june.21	NE0000001062	1	25/06/2020	26 500	4.99
NG -BT - 12 months - 08.july.21	NE0000001070	1	09/07/2020	27 500	5.02
NG -BT - Covid - 3 months - 10.november.20	NE0000001096	0.25	11/08/2020	110 000	2.31
NG -BT - 12 months - 26.august.21	NE0000001104	1	27/08/2020	27 500	4.88
NG -BT - 12 months - 02.september.21	NE0000001112	1	03/09/2020	22 000	4.79
NG -BT - 6 months - 18.march.21	NE0000001120	0.5	17/09/2020	22 000	4.20
NG -BT - 12 months - 14.october.21	NE0000001138	1	15/10/2020	22 000	4.53
NG -BT - Covid - 1 months - 08.december.20	NE0000001146	0.08333333	10/11/2020	110 000	2.52
NG - 6.5% - 5 years - 13.november.25	NE0000001153	5	12/11/2020	37 914	6.50
NG -BT - 12 months - 25.november.21	NE0000001161	1	26/11/2020	27 500	4.45
NG - 6.15% - 3 years - 15.january.24	NE0000001179	3	14/01/2021	22 000	6.06
NG -BT - 12 months - 10.february.22	NE0000001187	1	11/02/2021	33 000	4.43
NG OdR - 5.9% - 3 years - 12.march.24	NE0000001195	3	11/03/2021	10 300	5.72
NG OdR - 6.15% - 5 years - 12.march.26	NE0000001203	5	11/03/2021	24 424	6.08
NG OdR - 6.3% - 7 years - 12.march.28	NE0000001211	7	11/03/2021	31 276	6.29
NG -BT - 12 months - 07.april.22	NE0000001229	1	08/04/2021	33 000	4.16
NG OdR - 5.6% - 3 years - 07.may.24	NE0000001237	3	06/05/2021	7 539	5.43
NG OdR - 5.9% - 5 years - 07.may.26	NE0000001245	5	06/05/2021	25 450	5.79
NG OdR - 6.25% - 10 years - 07.may.31	NE0000001252	10	06/05/2021	44 011	6.29
NG OdR - 6.15% - 7 years - 11.june.28	NE0000001260	7	10/06/2021	32 721	6.02
NG OdR - 5.6% - 3 years - 11.june.24	NE0000001278	3	10/06/2021	11 000	5.19
NG OdR - 5.9% - 5 years - 09.july.26	NE0000001302	5	08/07/2021	16 000	5.58
NG OdR - 6.15% - 7 years - 09.july.28	NE0000001310	7	08/07/2021	15 323	6.02
NG OdR - 6.25% - 10 years - 09.july.31	NE0000001328	10	08/07/2021	34 677	6.24
NG -BT - 12 months - 04.august.22	NE0000001336	1	05/08/2021	22 000	3.51
NG -BT - BSR - 12 months - 15.august.22	NE0000001351	1	16/08/2021	90 000	2.54
NG OdR - 6.25% - 10 years - 03.september.31	NE0000001377	10	02/09/2021	27 500	5.93
NG -BT - BSR - 12 months - 22.september.22	NE0000001385	1	23/09/2021	75 000	2.99
NG -BT - BSR - 12 months - 10.november.22	NE0000001393	1	11/11/2021	27 500	2.76

Source : UMOA-Titres

10.2 Details of securities in existence at the end of 2021

Table 38. Details of securities in existence at the end of 2021

Instrument description	ISIN	Maturity	Outstanding amounts (billions CFAF)	Expiry date
NG - 6.5% - 7 years - 18.november.23	NE0000000346	7	15	18/11/2023
NG -ESP - 6% - 5 years - 29.june.22	NE0000000429	5	9	29/06/2022
NG - 6.25% - 5 years - 18.august.22	NE0000000437	5	13	18/08/2022
NG - 6.15% - 5 years - 23.march.23	NE0000000544	5	7	23/03/2023
NG - 6.5% - 7 years - 09.july.25	NE0000000601	7	24	09/07/2025
NG - 6.25% - 5 years - 09.july.23	NE0000000619	5	32	09/07/2023
NG - 6.4% - 5 years - 13.july.23	NE0000000627	5	7	13/07/2023
NG - 6.25% - 5 years - 31.october.23	NE0000000742	5	28	31/10/2023
NG - 6.25% - 5 years - 15.march.24	NE0000000791	5	33	15/03/2024
NG - 6.15% - 3 years - 29.march.22	NE0000000809	3	22	29/03/2022
NG - 6.15% - 3 years - 10.may.22	NE0000000825	3	22	10/05/2022
NG - 6.5% - 7 years - 14.february.27	NE0000000999	7	17	14/02/2027
NG - 6.15% - 3 years - 13.march.23	NE0000001005	3	22	13/03/2023
NG - 6.25% - 5 years - 27.april.25	NE0000001021	5	22	27/04/2025
NG - 6.15% - 3 years - 29.may.23	NE0000001047	3	28	29/05/2023
NG - 6.5% - 5 years - 13.november.25	NE0000001153	5	38	13/11/2025
NG - 6.15% - 3 years - 15.january.24	NE0000001179	3	22	15/01/2024
NG -BT - 12 months - 10.february.22	NE0000001187	1	33	10/02/2022
NG OdR - 5.9% - 3 years - 12.march.24	NE0000001195	3	10	12/03/2024
NG OdR - 6.15% - 5 years - 12.march.26	NE0000001203	5	24	12/03/2026
NG OdR - 6.3% - 7 years - 12.march.28	NE0000001211	7	31	12/03/2028
NG -BT - 12 months - 07.april.22	NE0000001229	1	33	07/04/2022
NG OdR - 5.6% - 3 years - 07.may.24	NE0000001237	3	8	07/05/2024
NG OdR - 5.9% - 5 years - 07.may.26	NE0000001245	5	25	07/05/2026
NG OdR - 6.25% - 10 years - 07.may.31	NE0000001252	10	44	07/05/2031

NG OdR - 6.15% - 7 years - 11.june.28	NE0000001260	7	33	11/06/2028
NG OdR - 5.6% - 3 years - 11.june.24	NE0000001278	3	11	11/06/2024
NG OdR - 5.9% - 5 years - 09.july.26	NE0000001302	5	16	09/07/2026
NG OdR - 6.15% - 7 years - 09.july.28	NE0000001310	7	15	09/07/2028
NG OdR - 6.25% - 10 years - 09.july.31	NE0000001328	10	35	09/07/2031
NG -BT - 12 months - 04.august.22	NE0000001336	1	22	04/08/2022
NG -BT - BSR - 12 months - 15.august.22	NE0000001351	1	90	15/08/2022
NG OdR - 6.25% - 10 years - 03.september.31	NE0000001377	10	28	03/09/2031
NG -BT - BSR - 12 months - 22.september.22	NE0000001385	1	75	22/09/2022
NG -BT - BSR - 12 months - 10.november.22	NE0000001393	1	28	10/11/2022

Source : UMOA-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).

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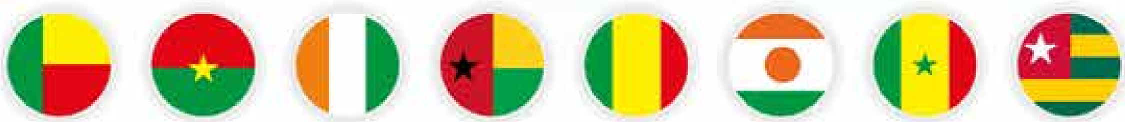

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