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Burkina Faso: Recent Economic Developments

This Recent Economic Developments report on Burkina Faso was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with this member country. As such, the views expressed in this document are those of the staff team and do not necessarily reflect the views of the Government of Burkina Faso or the Executive Board of the IMF.

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BURKINA FASO

Recent Economic Developments

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Approved by the African Department

April 29, 1998

	Page
Basic Data	4
I. Introduction	5
II. Production, Income, and Public Enterprises	5
A. Production	5
B. Domestic Demand	10
C. Prices	10
D. Public Enterprise Restructuring	12
III. Fiscal Developments	14
A. Overall Fiscal Developments	14
B. Expenditure Developments	14
C. Tax and Budgetary Reform	22
IV. Monetary Developments and Structure of the Financial Sector	23
A. Monetary Developments	23
B. Monetary Policy	23
C. Structure of the Banking System	25
V. Balance of Payments and External Debt	28
A. Balance of Payments	28
B. External Debt	29
VI. Poverty and Income Distribution	30
A. Absolute and Relative Poverty Lines	30
B. Economic Characteristics of Poor Households	33
C. Social Indicators and Poverty	41

Text Boxes

1.	Status of Public Enterprise Reform	13
2.	Government Spending on Social Sectors, 1993-97	17
3.	Main Tax and Budgetary Reforms, 1995-97	22
4.	Distribution of Household Equipment	34
5.	Some Qualitative Aspects of Poverty	35

Text Figures

1.	Cotton Production, 1985-97	6
2.	Cereal Production, 1985-97	7
3.	Consumer Price Index, January 1994-December 1997	11
4.	Primary Budgetary Balances, 1994-97	15
5.	Total Revenue and Current Primary Expenditure, 1990-97	16
6.	Expenditure on Health and Education, 1993-97	18
7.	Public Investment by Sector and Source of Financing, 1997	20
8.	Ratio of Debt Service to Government Revenue, 1993-97	21

Text Tables

1.	Human Poverty Indicators	31
2.	Income Distribution by Residence	33
3.	Type of Household Income by Residence	36
4.	Average Income and Incidence of Poverty by Region	37
5.	Income Distribution by Region	38
6.	Average Income and Incidence of Poverty by Occupation of Head of Household	39
7.	Income Distribution by Occupation of Head of Household	39
8.	Structure of Nonfood Expenditures by Income Group	40
9.	Household Size by Income and by Region	41
10.	Literacy Rate by Gender and Residence	42
11.	Primary Education Enrollment Rate by Gender and Residence	43

Appendixes

I.	Cotton	44
II.	Financial Sector Reforms	46
III.	Summary of the Tax System, December 31, 1997	51

Appendix Boxes

6.	Cost of Restructuring and Liquidating BND-B.	47
7.	Bank Ownership Structure—Before and After Bank Restructuring and Privatization.	48
8.	Bank Restructuring Financing and Use of Funds.	50

Statistical Appendix Tables

1.	Gross Domestic Product by Sector at Constant 1985 Prices, 1991-97	59
2.	Gross Domestic Product by Sector at Current Prices, 1991-97	60
3.	Implicit GDP Deflators by Sector, 1991-97	61
4.	Supply and Use of Resources in Current Prices, 1991-97	62
5.	Production of Principal Crops, 1991/92-1997/98	63
6.	Producer Prices for Principal Crops, 1991/92-1997/98	64
7.	Livestock, 1991-97	65
8.	Industrial Production, 1991-96	66
9.	Index of Industrial Production, 1991-97	67
10.	Gold Production, 1991-97	68
11.	Energy Indicators, 1991-97	69
12.	Transport Activity, 1991-97	70
13.	Prices of Petroleum Products, 1991-98	71
14.	Electricity Rates, 1991-97	72
15.	Consumer Price Index, 1991-97	73
16.	Consolidated Operations of the Central Government, 1994-97	74
17.	Economic Classification of Consolidated Government Expenditure, 1991-97	75
18.	Public Investment Program, 1991-97	76
19.	Personnel Expenditures, 1991-97	77
20.	Military Expenditures, 1991-97	78
21.	Tax Revenue, 1991-97	79
22.	Monetary Survey, December 1991-September 1997	80
23.	Summary Accounts of the Central Bank, December 1991-September 1997	81
24.	Summary Accounts of Deposit Money Banks, December 1991-September 1997 ..	82
25.	Central Bank Interest Rates, October 1993-December 1997	83
26.	Money Market Interest Rates, January 1994-December 1997	84
27.	Maximum Lending Rates Applied by Commercial Banks, November 1989-December 1997	85
28.	Deposit Rates Applied by Commercial Banks, March 1989-December 1997	86
29.	Balance of Payments, 1991-97 (In billions of CFA francs)	87
30.	Balance of Payments, 1991-97 (In millions of SDRs)	88
31.	Composition of Exports, 1991-97	89
32.	Composition of Imports, 1991-97	90
33.	Services and Transfers, 1991-97	91
34.	Direction of Recorded Exports, 1991-96	92
35.	Origin of Recorded Imports, c.i.f., 1991-96	93

Burkina Faso: Basic Data, 1991-97

	1991	1992	1993	1994	1995	1996	1997
Area, population, and GDP per capita							
Area	274,200 square kilometers						
Population: total (1997)	11.29 million						
resident (1997)	10.56 million						
growth rate	2.4 percent						
GDP per capita	US\$212						
(In billions of CFA francs)							
Gross domestic product							
Total	786.7	791.4	796.1	1,029.4	1,175.5	1,298.3	1,397.7
At constant 1985 prices	801.2	821.1	814.7	824.5	857.2	908.4	958.8
Per capita real income	81.5	81.5	79.2	78.3	79.6	82.3	84.9
(In percent of GDP)							
Primary sector	40.2	39.5	40.3	39.8	40.2	40.6	38.8
Secondary sector	18.5	18.9	18.6	18.9	18.6	18.0	18.9
Tertiary sector	41.3	41.6	41.0	41.3	41.3	41.4	42.3
(Annual percentage changes)							
Nominal GDP	4.5	0.6	0.6	29.3	14.2	10.4	7.7
Real GDP	10.0	2.5	-0.8	1.2	4.0	6.0	5.5
Prices							
GDP deflator	-5.0	-1.8	1.4	27.8	9.8	4.2	2.0
Consumer price index	2.5	-2.0	0.6	24.7	7.8	6.1	2.3
(In billions of CFA francs)							
Central government finance							
Revenue and grants	141.2	142.3	143.2	188.7	224.5	269.1	279.3
Total expenditure and net lending	169.5	165.4	182.4	227.0	245.8	276.0	318.7
Of which: current expenditure	94.2	93.7	120.5	136.3	132.0	134.8	140.5
capital expenditure	75.1	71.6	63.6	93.8	116.7	143.7	181.3
Overall deficit (commitment basis)	-28.3	-23.1	-39.2	-38.3	-21.2	-6.9	-39.4
Change in arrears	-32.6	-2.5	2.9	-14.2	-19.9	-17.2	-10.4
Overall deficit (cash basis)	-61.0	-25.6	-36.3	-52.5	-41.2	-24.1	-49.8
Financing	61.0	25.6	36.3	52.5	41.2	24.1	49.8
Foreign	44.1	25.4	32.9	34.1	55.6	32.8	31.0
Domestic	16.9	0.3	3.4	18.4	-14.4	-8.7	18.8
Money and credit							
Net foreign assets	75.1	89.8	106.7	161.7	234.1	226.2	196.8
Net domestic assets	96.9	92.1	83.7	96.0	82.0	107.5	178.2
Of which: net claims to government	-9.6	-6.2	-6.2	9.6	-5.3	6.2	33.1
credit to the economy	114.8	99.2	89.6	74.1	82.4	115.2	162.6
Money and quasi money	162.2	172.4	186.4	242.2	299.7	324.4	365.4
Balance of payments							
Exports, f.o.b.	75.9	62.9	74.5	104.4	118.2	118.3	146.2
Imports, f.o.b.	138.2	136.7	153.0	193.9	242.2	286.3	317.6
Trade balance	-62.3	-73.7	-78.6	-89.6	-124.1	-168.0	-171.4
Services (net)	-54.7	-41.1	-42.8	-53.3	-61.6	-61.4	-69.6
Transfers	91.5	103.3	102.8	159.4	170.5	181.9	169.7
Current account	-89.2	-70.1	-77.5	-89.3	-132.8	-173.6	-186.5
Excluding official transfers	-25.4	-11.5	-18.6	16.5	-15.3	-47.5	-71.3
Capital inflows (net)	30.3	24.9	27.5	50.4	50.9	42.3	39.1
Errors and omissions	-5.3	-2.2	-2.4	-6.2	32.1	3.4	0.0
Overall balance	-0.5	11.2	6.4	60.6	67.7	-1.8	-32.2
Financing	0.5	-11.2	-6.4	-60.6	-67.7	1.8	32.2
Change in net foreign assets	-9.6	-16.1	-17.3	-51.0	-71.0	0.8	29.4
Change in arrears	-33.7	-4.1	7.6	-17.3	-1.4	-0.2	0.0
Debt relief	43.8	9.0	3.3	7.7	4.6	1.1	-2.8
Net official reserves							
In months of imports, c.i.f.	78.4	94.5	111.9	162.9	233.9	233.1	203.3
	5.5	7.0	7.4	8.7	9.9	8.4	6.6
External public debt							
Disbursed and outstanding	294.6	307.1	385.3	763.9	666.3	700.0	744.0
Debt-service ratio 1/	13.8	20.9	22.1	24.7	22.9	18.3	15.9
Arrears	0.0	0.0	15.5	9.8	6.7	0.0	0.0
(CFA francs per U.S. dollar)							
Exchange rate							
End of period	259.0	275.3	294.8	534.6	490.0	523.7	598.8
Period average	282.1	264.7	283.2	555.2	499.2	512.0	583.7

Sources: Burkinabé authorities; and staff estimates.
1/In percent of exports of goods and nonfactor services.

I. INTRODUCTION

1. Burkina Faso is a landlocked country in the Sahel region of West Africa. With a GDP per capita estimated at US\$212 in 1997, it is one of the poorest countries in the world. Resident population is about 10 million, and 84 percent live in rural areas. Burkina Faso has few natural resources and limited rainfall. Climatic conditions are particularly difficult in the north, where frequent droughts and environmental degradation caused by inadequate farming practices result in periodic severe food shortages.

2. During most of the 1980s, Burkina Faso followed a development strategy based on central planning and pervasive controls that resulted in large macroeconomic imbalances. In 1991, Burkina Faso embarked on a structural adjustment program centered primarily on reducing domestic demand through fiscal policy. In 1994, in order to regain international competitiveness, the exchange rate of the CFA franc against the French franc was devalued from F 1 = CFAF 50 to F 1 = CFAF 100. The devaluation, combined with fiscal adjustment and structural reforms, has stimulated real GDP growth and reversed the decline in GDP per capita. However, social indicators remain extremely low; improving living standards of the most vulnerable groups in the population has been established as a national goal and an essential component of expenditure policy.

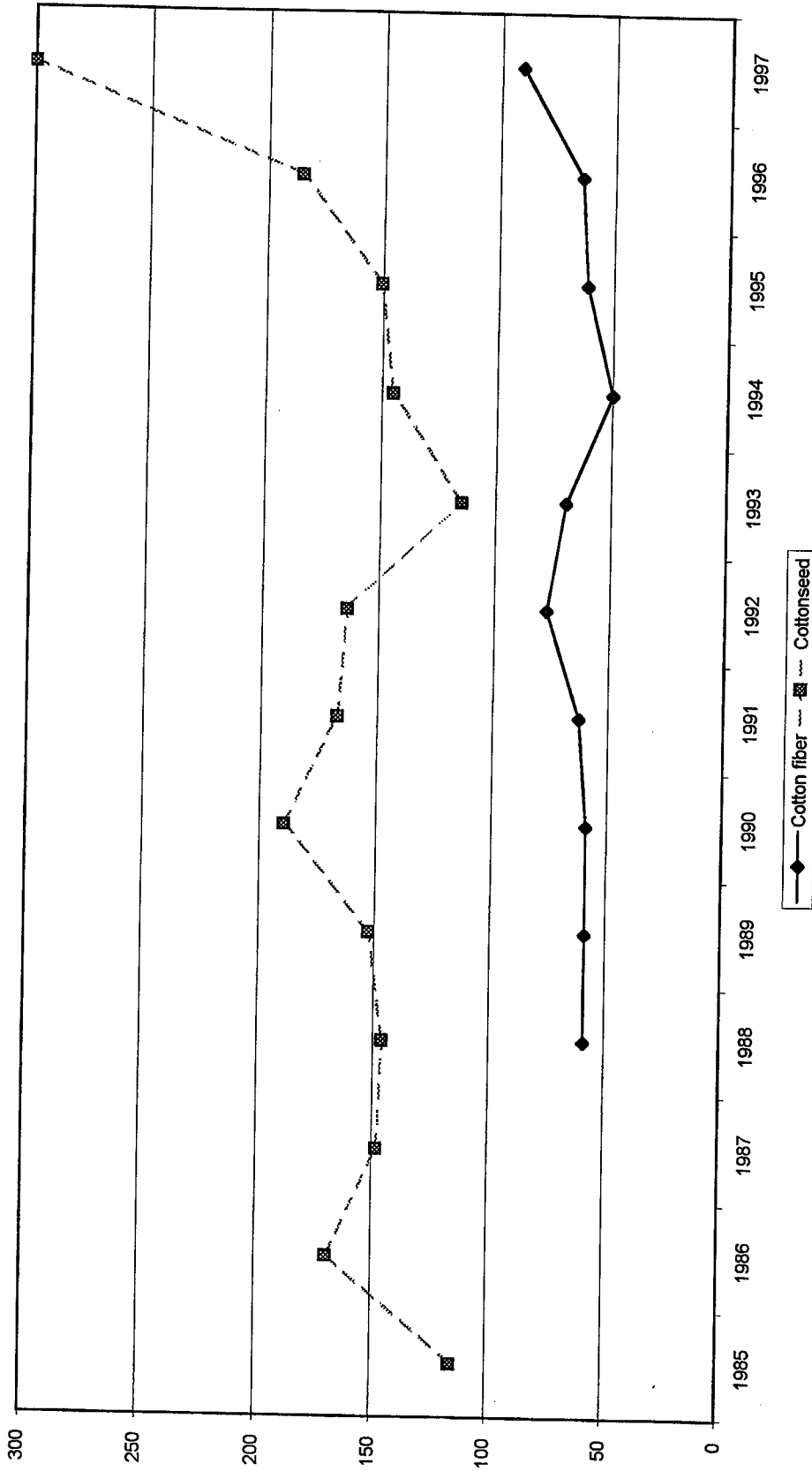
II. PRODUCTION, INCOME, AND PUBLIC ENTERPRISES

A. Production

3. **Real GDP growth** increased sharply following the 1994 CFA franc devaluation from an average of 0.8 percent in the period 1992–93 to an average of 4.2 percent in 1994–97 (Statistical Appendix Table 1). As a result, the decline in real terms of GDP per capita was reversed. An important factor to this growth was the good performance in the cotton sector as the jump in cottonseed production, which recorded an increase from 145,000 tons in 1995/96 to 300,000 tons in crop year 1997/98, drove a corresponding increase in cotton processing, trade and transportation (Figure 1). Over the last five years, and particularly since 1996, construction and public works also contributed importantly to GDP growth. In addition, cereal production volume increased from 1,500 tons in 1990 to an average of about 2,400 tons in 1991–97 (Figure 2). In 1997, performance continued to improve in the secondary and tertiary sectors, but real GDP growth declined to 5.5 percent from 6.2 percent in 1996 because of the negative impact of insufficient rainfall on cereal production.

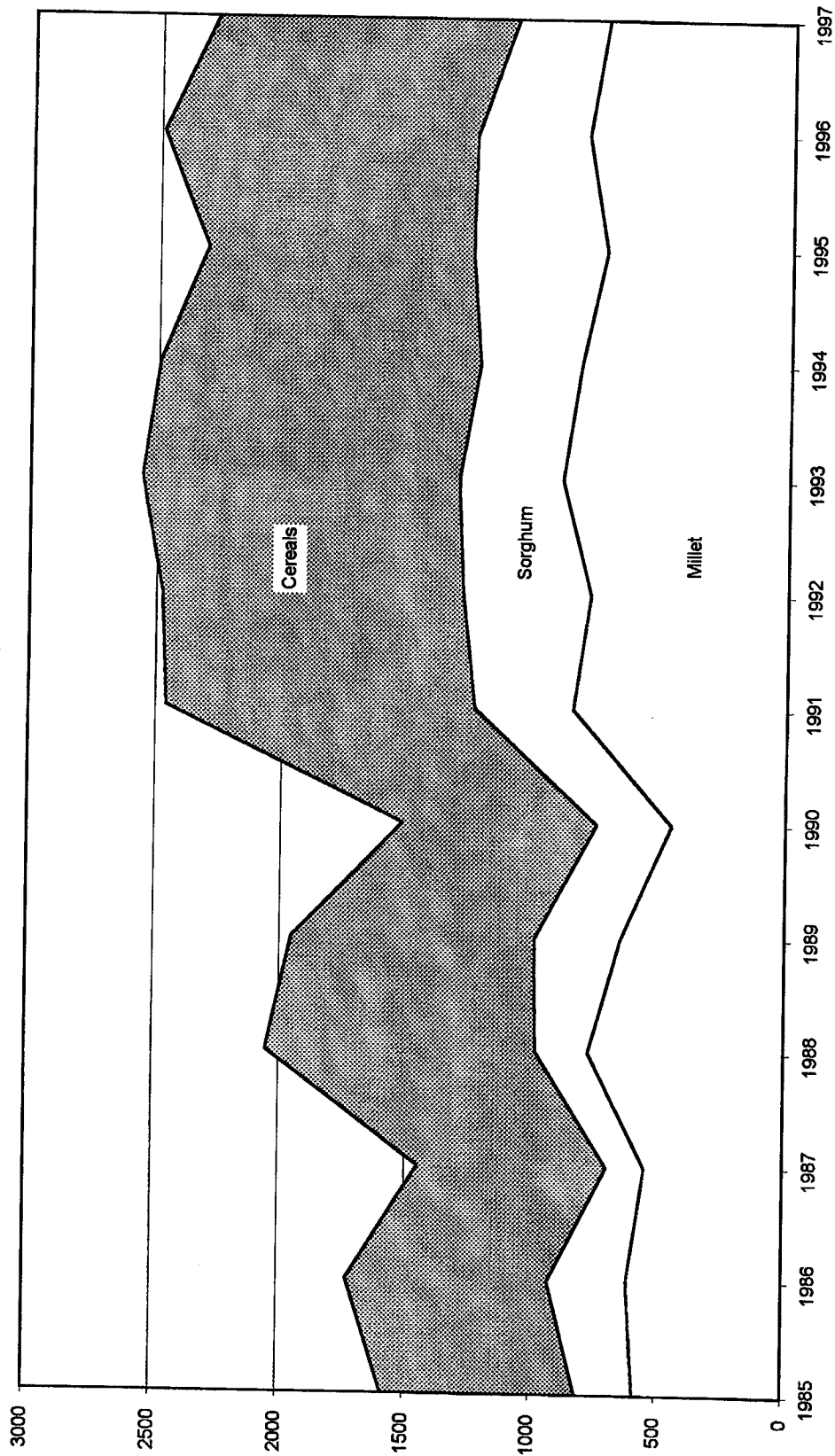
4. Agriculture accounts for almost 50 percent of value added in the primary sector, while livestock accounts for some 30 percent, and forestry and fishery for the remaining 20 percent (Statistical Appendix Table 2). Growth in the **primary sector** fell from 7.4 percent in 1996 to 0.7 percent in 1997, driven by a decline in agriculture brought about by poor

Figure 1. Bukina Faso: Cotton Production, 1985-97
(In thousand of metric tons)



Sources: Burkinabè authorities; and staff estimates.

Figure 2. Burkina Faso: Cereal Production, 1985-97
(In metric tons)



Sources: Burkinabè authorities; and staff estimates.

weather conditions. Insufficient rainfall, particularly in the northern part of the country, resulted in a 8.4 percent decline in cereal production, which accounts for some 50 percent of agriculture value added (Statistical Appendix Table 5).¹ However, the production of seed cotton, which takes place mainly in the center and southern part of the country, increased by 40 percent for the second year in a row (see Appendix I); as cotton only accounts for only some 15 percent of agricultural value added, this increase was insufficient to offset the impact of the decline in the cereal crop. Production of fruits and vegetables and of oilseeds rose in crop year 1997/98 by 5 percent and 13 percent, respectively. Production of tubers and root crops stabilized at a level more than twice that of 1993/94 (Statistical Appendix Table 5).

5. Estimates of the size of cattle herds, based on a 1989 survey, indicate that there are about 19 million heads for a resident population of 10.6 million people (Statistical Appendix Table 7). Livestock appears to have been somewhat affected by the difficult 1997 weather conditions; growth in this sector is estimated to have declined from 4.6 percent in 1996 to 2.5 percent in 1997. However, precise data on this sector are not available. Growth in forestry and fisheries is estimated at about 3 percent in 1997.

6. Manufacturing and mining share in total value added is above 19 percent in 1996 and construction about 5.6 percent (Statistical Appendix Table 2). Growth in the secondary sector is estimated to have risen from 3 percent in 1996 to 11 percent in 1997, mostly because of a sharp expansion in cotton ginning and construction. Modern manufacturing output is estimated to have increased by 24 percent in 1997, and the production of cotton fiber by some 41 percent.² Industrial production in food, beverages and tobacco, chemicals, wood working, and metal working is estimated to have grown by at least 23 percent (Statistical Appendix Tables 8 and 9). Growth in construction and public works, excluding the informal sector, estimated at about 13 percent, reflects (1) important investments in infrastructure in preparation for the African Football Cup of Nations (CAN) with the renovation of two sports stadiums in Ouagadougou, the construction of a new stadium in Bobo-Dioulasso, and the construction of new hotels; (2) initiation of work at the Ziga dam; and (3) implementation of large projects in agricultural development, health, and education.

¹The initial cereal stock of 102,000 tons will be insufficient to compensate for a reduction in current-year production of some 200,000 tons, and residual cereal consumption needs will have to be met in part by drawing on the national security stock (currently 100,000 tons) and through emergency assistance from the international community.

²The industrial production index (Statistical Appendix Table 9), which indicates a 17 percent growth in industrial production in 1997, should be interpreted with caution, as it provides information on a limited and outdated list of producers. For example, the 1997 decline in mining production shown in that table excludes the contribution of the new, most dynamic participants in the sector. Similarly, the 15 percent growth in the textile industry seems to be underestimated, given the growth in the production of cotton fiber.

7. The energy sector (electricity, gas, and water) accounts for only 3 percent of the secondary sector value added, but it is estimated to have grown at an average rate of 8 percent over the last three years. In particular, **electricity** production has been increasing at a rate of some 12 percent a year since 1994 (Statistical Appendix Table 11). In 1997, towns in the south (Po and Leo) have benefited from new interconnections with the distribution system in Ghana. However, access to electrification remains limited to only 7 percent of households, and the cost of electricity is high by regional standards (Statistical Appendix Table 14). In order to reduce costs and improve coverage, a national electrification plan is being prepared, that aims at identifying lower-cost technologies and encouraging private investment and competition in the sector. Also, the authorities are considering an investment plan of some CFAF 4 billion in solar equipment, which would bring electricity to about one third of the villages.

8. In the **mining** sector, value added is estimated to have increased by about 10 percent in 1997, but official production of gold remains significantly below the level of before 1994 (Statistical Appendix Table 10).³ Delays in completing the rehabilitation of the country's largest mine, Poura, which used to produce some 3 tons per year, explain most of the decline. At present, the largest share of production stems from traditional gold panning (*orpaillage*). Artisanal mining is prevalent at over 200 sites throughout the country and provides a livelihood for some 75,000 miners. Production also includes some semi-industrial production from two companies in which the government has a minority share. The authorities have been pursuing a policy of attracting investment in the sector including: (1) the state agency previously responsible for all policy, administrative, and geology functions, the Bureau of Mines and Geology of Burkina Faso (BUMIGEB), was fully reorganized, and its principal responsibilities limited to the provision of geological survey services; (2) a Ministry of Energy and Mines (MEM) was established in July 1995 to carry out all policy and administrative functions; (3) the gold purchase monopoly of the state-owned buying office, the Comptoir Burkinabé des Métaux Précieux (CBMP), was abolished in July 1996; and (4) a new mining code was adopted in 1997, which redefines government prerogatives in granting and withholding licenses, limits government participation in mining ventures to 10 percent, and strengthens the security of tenure of artisanal miners. Gold production is expected to increase strongly within the next ten years, as a result of increased exploration. Poura, which has been under rehabilitation since March 1996 with European Union assistance, should become operational in 2000, although its contribution may be only marginal. More important, some 20 international mining companies, large and small, have become active in exploration in the country, and important investments in the sector indicate that prospects are good.

9. Growth in the **services** sector, excluding government services, is estimated to have increased sharply from 2 percent in 1995 to 6.6 percent in 1996 and 9.5 percent in 1997, driven by the impact on transportation services and trade of good performances in the cotton manufacturing, construction, and mining sectors. Following the privatization of the railroad

³Official data exclude all illegal production and exports.

company, SITARAIL, and its restructuring, and with investments of some CFAF 32 billion, rail traffic with Côte d'Ivoire is estimated to have doubled in 1996, and increased by 33 percent in 1997. Road transportation also benefited from important investments and improved maintenance in 1996–98 (the cost of the project was about CFAF 58 billion, of which about half was financed by the European Union, and the rest by the World Bank, Germany, the African Development Bank (AfDB), and the Burkinabè government). Indeed, the increase in the consumption of petroleum products of about 14 percent in 1996 and 1997 indicates growing activity in road transportation and trade (Statistical Appendix Table 11). In 1994–97, value added in **government services** increased on average by 3 percent only, in line with the government's cautious employment and wage policies.

B. Domestic Demand

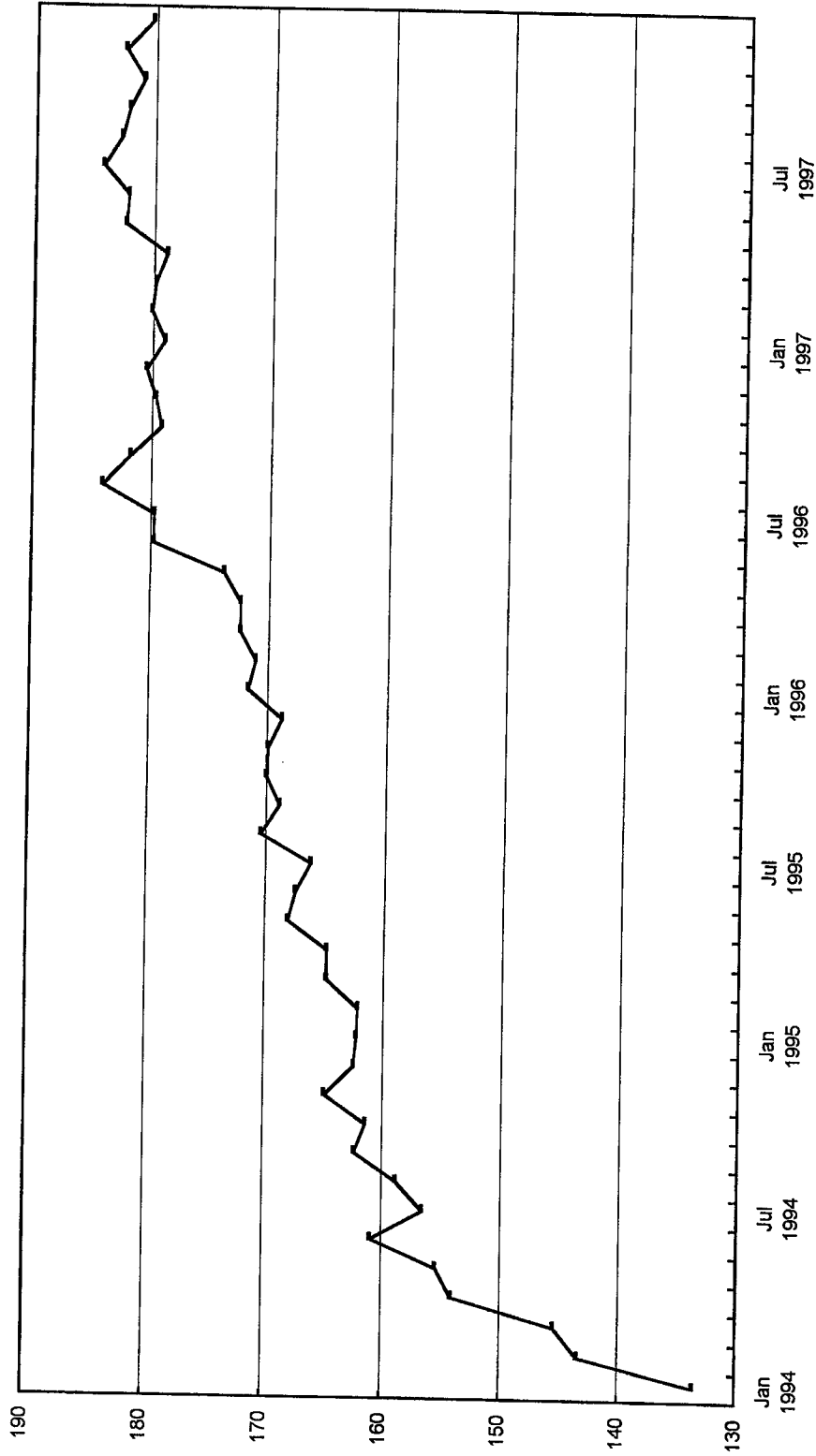
10. Provisional figures available for 1997 indicate that, since the 1994 devaluation, **domestic savings** increased by 3 percentage points to 9.2 percent of GDP, as public savings were raised from 2.5 percent of GDP in 1994 to 6 percent in 1997 (Statistical Appendix Table 4). Over the same period, **public investment** grew by 5.5 percentage points of GDP and peaked at 12.5 percent of GDP in 1997, as foreign support expanded and the domestic contribution to the public investment program increased. Between 1994 and 1997, public consumption was reduced by 3 percentage points to 12.3 percent of GDP. **Private consumption and savings** remained broadly stable in 1994–97. In 1997, private investment is estimated to have reached almost 14 percent of GDP despite a reduction in cotton inventories, a level about 2 percentage points higher than in 1993, while private consumption declined slightly over the same period as a consequence of the difficult food situation in northern Burkina Faso.

C. Prices

11. Since 1994, according to the current consumer price index (CPI), based on a 1981/82 survey, the average rate of **inflation** declined steadily from 24.7 percent to an estimated average of 2.3 percent in 1997, and to about zero at end-1997 (Statistical Appendix Table 15). However, tensions surfaced in the cereal market at the end of 1997, as the stocks accumulated in 1996 were depleted and the impact of the reduced crop in the current year started to be felt. While the rate of inflation declined by 3.8 percentage points in 1997, the rate of growth in the GDP deflator declined by 2.3 percentage points to 2 percent (Figure 3).

12. A consumer survey was conducted in 1996 with external technical assistance to establish comparable indices. Across the member countries of the West African Economic and Monetary Union (WAEMU), the project will lead to the publication of a new CPI in 1998. An index for **industrial production prices** (IPVI) is also being calculated, based on a 1997 survey, and should be available soon.

Figure 3. Burkina Faso: Consumer Price Index, January 1994-December 1997
(Index; July 1982=100)



Sources: Burkinabè authorities; and staff estimates.

D. Public Enterprise Restructuring

13. Significant progress was achieved from 1996 through early 1998 in implementing the program to privatize or restructure public enterprises (Box 1). The first phase of the program was approved in 1991, authorizing the sale or liquidation of 22 out of 76 public enterprises. The second phase which covers the privatization or liquidation of 19 enterprises, was approved by the Law of July 1, 1994. The first phase has been concluded with the sale of eighteen enterprises and the liquidation of two others; strategy studies have been completed for the two remaining enterprises—SOCOGIB (construction) and CNEA (agricultural equipment). Regarding the second phase, three enterprises were privatized in 1996 (SHSB (soap and vegetable oil); Burkina Faso Shell (fuel), and RNTC (public transportation)); ten enterprises were appraised in 1996 and 1997 (SOSUCO (sugar), FASO FANO (textiles), SOPAL (alcohol), SONACOR (rice), SOFIVAR (groundnuts), SLM (equipment rental), SAVANA (juices), SNTB (transport), INB (printing), and SONACAB (tiles)). Four enterprises SOSUCO, FASO FANI, SOPAL, and SONACOR were put on sale at the end of 1997. Seven more (SLM, SOCOGIB, SONACAB, SOFIVAR, SNTB, INB, and SAVANA) were assessed in 1997 and will be put on sale in the first half of 1998. The government will, by June 1998, develop a comprehensive strategy for dealing with the remaining public enterprises in each sector.

14. Positive results were obtained in restructuring enterprises in the transportation sector. **Air Burkina** was able to benefit from the liberalization of regional air routes and gained market shares. The call for bids for the privatization of Air Burkina will be launched by end-May 1998. **Railroad** operations, which were privatized in August 1995, have improved significantly in recent years; the volumes transported have risen rapidly (from 183,000 tons in 1995 to 513,000 tons in 1997 and a projected 900,000 tons in 1999), mainly consisting of cotton, oil, food, cement, and agricultural commodities. Meanwhile, the railroad infrastructure is being rehabilitated through a large investment program (CFAF 17 billion over 1995–2000) financed by foreign donors and lenders.

Box 1. Status of Public Enterprise Reform

Phase I: 1991, legislation authorizing the privatization of 22 enterprises

16 privatized (receipts from privatization in brackets; total of CFAF 4.0 billion)

SBCP	Leather and skin	(CFAF 37 m.)	ZAMA	Advertising	(CFAF 101 m.)
SBMC	Leather	(CFAF 10 m.)	BFCI	Banking	(...)
BRAKINA	Brewery	(CFAF 265 m.)	CIMAT	Cement	(CFAF 1,340 m.)
GMB	Flour mill	(CFAF 700 m.)	OFNACER	Cereals	(...)
SIFA	Motorcycle	(CFAF 73 m.)	SMG	Mining	(...)
SOBCA	Car loans	(CFAF 10 m.)	SONAPHARM	Medicine	(CFAF 215 m.)
SONAR	Insurance	(CFAF 334 m.)	BIB	Banking	(CFAF 500 m.)
			FLEXFASO	Fruits and vegetables	(CFAF 162 m.)
			FASO FLAST	Plastic	(CFAF 301 m.)

4 liquidated

CNA	National Agricultural Center
ONAVET	Zoology
FASO TOURS	Tourism
BND-B	Banking

2 for which sale is under way

SOCO GIB	Construction	Call for bids in first half of 1998
CNEA	Agricultural equipment	Feasibility completed

Phase II: Law of July 1, 1994 authorizes the privatization of 19 companies

3 effectively privatized receipts from privatization in brackets)

SHSB	Vegetable oil and soap	(...)
Burkina Faso	Petroleum products	(CFAF 825 million)
Shell		
RNTC	Transportation	(...) 1/

4 enterprises for which bids were launched in 1997

SOSUCO	Sugar	(CFAF 13.2 billion)
FASO FANI	Textiles	(CFAF 5.3 billion)
SOPAL	Alcohol (CFAF 0.5 billion)	(CFAF 0.5 billion)
SONACOR	Rice ginning	(CFAF 0.2 billion)

6 enterprises: for which calls for bids will be launched in the first half of 1998

SOFIVAR	Groundnuts	(CFAF 0.1 billion)
SLM	Leasing of construction equipment	(CFAF 0.8 billion)
SAVANA	Fruit juice	(CFAF 0.5 billion)
SNTB	Transportation	(CFAF 1.3 billion)
SONACAB	Tiles	(CFAF 0.1 billion)
INB	Printing	(CFAF 0.5 billion)

6 enterprises: for which liquidation is under way

CSSPA	Price stabilization	SOBEMA	Enamel
FASO YAAR	Distribution	COMIKI	Mining
		SOGEMAB	Marketing
		SONACIB	Cinema

1/ Privatization receipts in the form of rental fees.

III. FISCAL DEVELOPMENTS

A. Overall Fiscal Developments

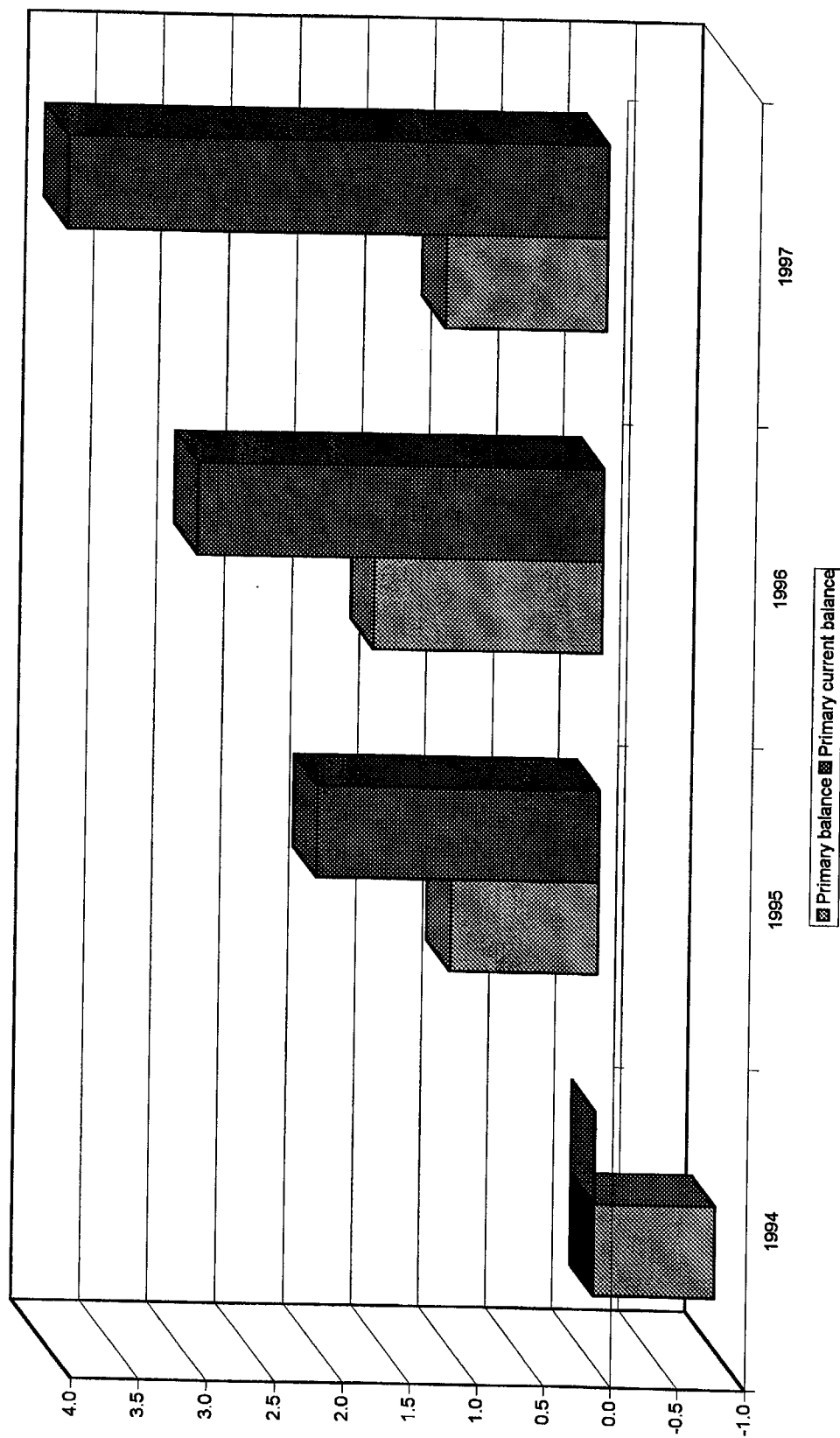
15. Following several years of continuing deterioration, the government's financial position improved significantly between 1995 and 1997 in the context of Fund-supported adjustment programs. The primary current fiscal account moved steadily from a balanced position in 1994 to a surplus of 4 percent of GDP in 1997 (Figure 4). The improvement in the primary balance (which excludes foreign-financed investment expenditure) was less pronounced, owing to a large increase in the domestic contribution to investment. Similarly, the overall fiscal deficit (commitment basis, excluding grants) dropped from 11 percent of GDP in 1994 to 9.3 percent of GDP in 1995 and to 8.9 percent of GDP in 1996, but it rose to 9.8 percent of GDP in 1997 as public investment surged (Statistical Appendix Table 16). On the financing side, recourse to domestic bank credit was very modest in 1996 (CFAF 1 billion), but surged in 1997 to CFAF 21.9 billion (1.5 percent of GDP) reflecting higher domestic contribution to investment, domestic arrears reduction and restructuring operations. External financing of the investment budget rose from 8.3 percent of GDP in 1995 to 9.7 percent in 1997; however, nonproject-related foreign assistance declined significantly from the peak reached in 1996.

16. The reduction in the primary deficit over the 1994–97 period was the result of an increase in government revenue, combined with a contraction in primary current expenditure (Figure 5). Total revenue (excluding grants) rose from 11 percent of GDP in 1994 to 11.6 percent in 1995, 12.3 percent in 1996, and 13 percent in 1997, with the increase stemming from both tax and nontax revenue (see Statistical Appendix Table 21). Revenue from income taxes rose from 2.1 percent of GDP in 1994 to 3 percent in 1996, reflecting increased profitability resulting from strong economic growth, including the rapid expansion of cotton production; however, income tax revenue declined marginally in 1997 to 2.8 percent of GDP, owing to the low profitability of the petroleum companies and of the commercial banks in 1996, and to the reduction of the rate of the corporate profit tax from 45 percent to 40 percent. The share of taxes on goods and services rose rapidly from 4.4 percent of GDP in 1994 to 5.2 percent of GDP in 1997, largely on account of the rise of the revenue from the value-added tax (VAT) which was introduced in 1993 but effective only from 1994. The revenue increase from taxes on international trade (excluding the VAT on imports) was, however, relatively modest.

B. Expenditure Developments

17. Regarding expenditure, the period 1994–97 recorded a decline in current expenditure as a share of GDP, combined with a strong rise in investment expenditure. As a result, overall expenditure (including restructuring operations and excluding net lending) as a share of GDP, was broadly stable, moving from 22.4 percent of GDP in 1994 to 21.2 percent in 1995, 21.5 percent in 1996 and 23 percent in 1997. Current expenditure declined from 12.7 percent of GDP in 1994 to 10.1 percent in 1997, mainly on account of wage moderation and low

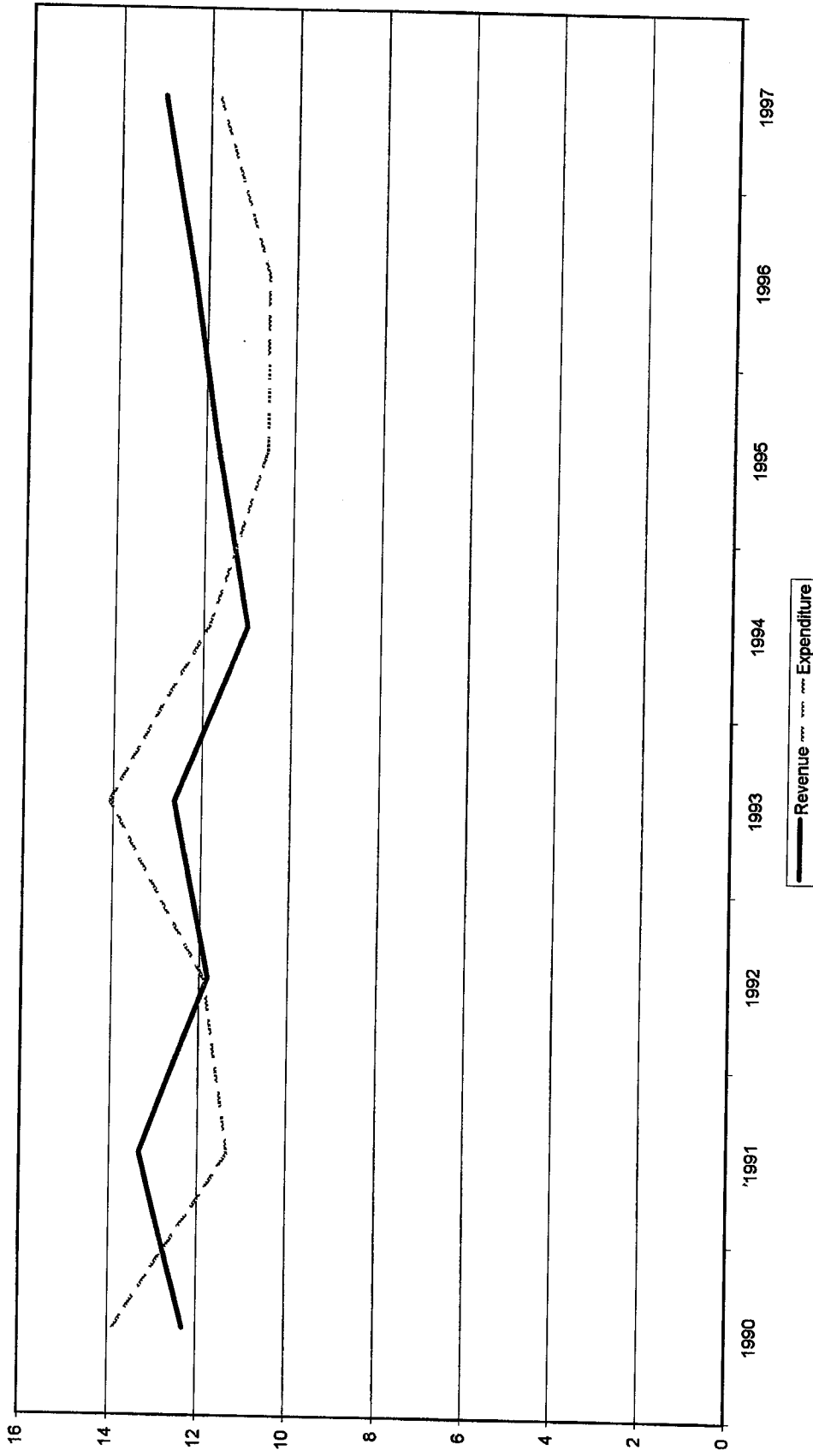
Figure 4. Burkina Faso: Primary Budgetary Balances, 1994-97 1/
(In percent of GDP)



Sources: Burkinabè authorities; and staff estimates.

1/ Including payments of arrears; after debt relief.

Figure 5. Burkina Faso: Total Revenue and Current Primary Expenditure, 1990-97
(In percent of GDP)



Sources: Burkinabé authorities; and staff estimates.

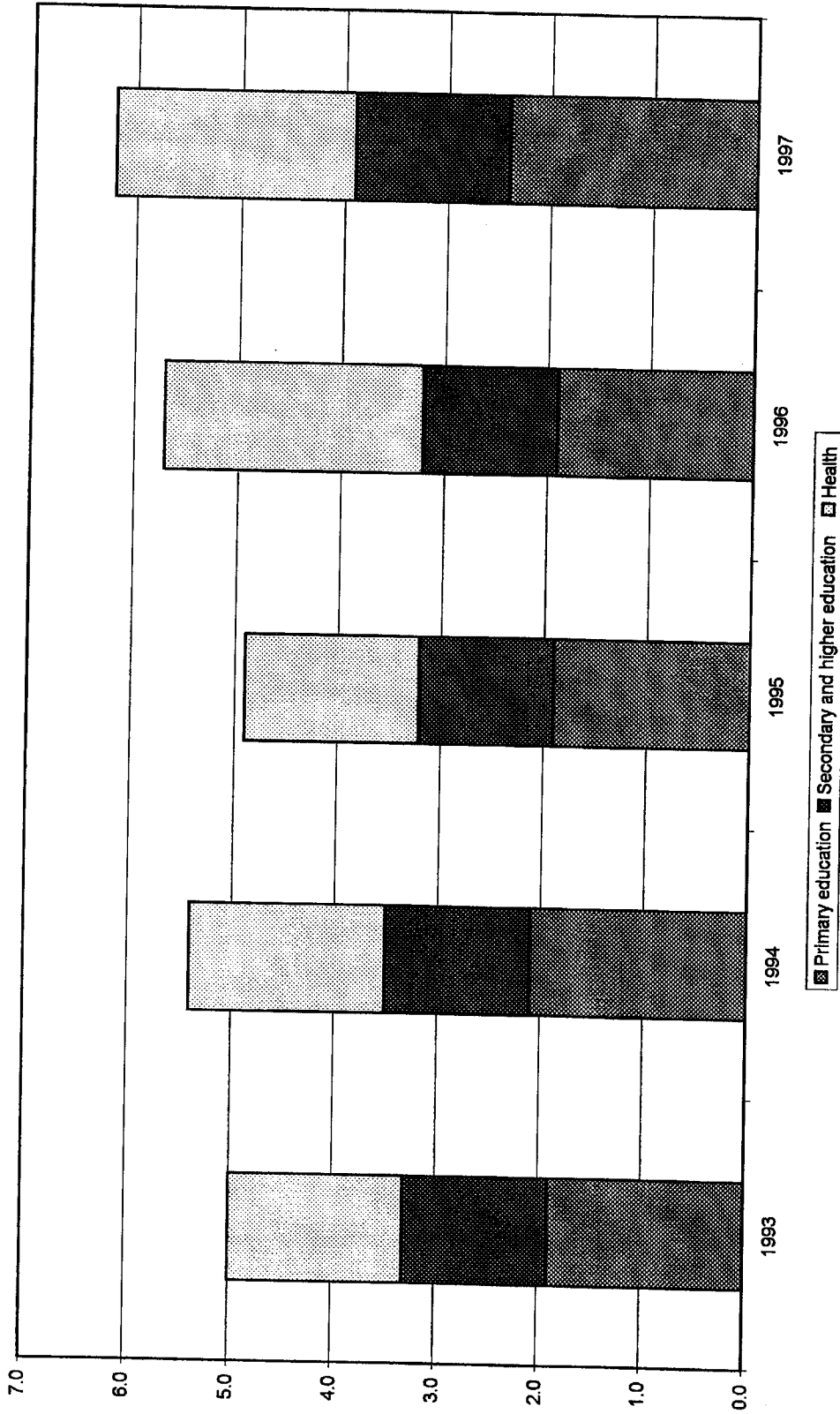
interest payments (Statistical Appendix Tables 17, 19 and 20). After a period of 18 months with no wage adjustments, the government announced in July 1996 an increase in civil service wages ranging from 3 percent to 5 percent (depending on salary levels), which became effective on October 1, 1996. As a share of GDP, however, the wage bill declined from 5.3 percent in 1995 of GDP to 4.8 percent of GDP in 1997. Work continued in 1996 and 1997 on the preparation of a major reform of the civil service, with a view to introducing a promotion system based on merit.

18. An increasing amount of resources was allocated to health and primary education (Figure 6). Spending in these sectors rose as share of total expenditure from 15.9 percent in 1993 to 20.5 percent in 1997 (Box 2); the increase was particularly strong in capital expenditure. Total spending on health and primary education increased by over 1 percentage point of GDP from 3.6 percent in 1993 to 4.7 percent in 1997 (more than 6 percent of GDP if secondary education is included). More resources were allocated to rural areas; starting in 1996, 900 new teachers and 600 health agents were hired per year, and larger provision has been made in the budgets since 1995 for supplies of goods and services (Box 2). Notwithstanding these efforts, health and education standards remain poor, and poverty is still widespread (see Section VI). In this connection, the authorities and the donors have agreed that the debt relief that could be obtained under the Initiative for the Highly Indebted Poor Countries (HIPC) (see Section V), which would be used to support the government's poverty reduction objectives.

Box 2. Government Spending on Social Sectors, 1993-97

	1993	1994	1995	1996	1997
(As a percentage of total expenditure and net lending)					
Health	7.5	8.8	8.3	11.8	10.1
Current	4.4	5.6	5.9	5.1	5.1
Capital	3.1	3.2	2.4	6.6	5.1
Primary Education	8.4	9.4	8.9	8.8	10.4
Current	6.0	6.4	6.3	6.3	6.4
Capital	2.5	3.0	2.6	2.4	4.0
(As a percentage of current expenditure)					
Health	6.9	9.7	10.9	10.5	11.5
Primary Education	9.2	11.1	11.7	13.0	14.5
(As a percentage of GDP)					
Health	1.7	1.9	1.7	2.5	2.3
Primary Education	1.9	2.1	1.9	1.9	2.4

Figure 6. Burkina Faso: Expenditure on Health and Education, 1993-97
(In percent of GDP)



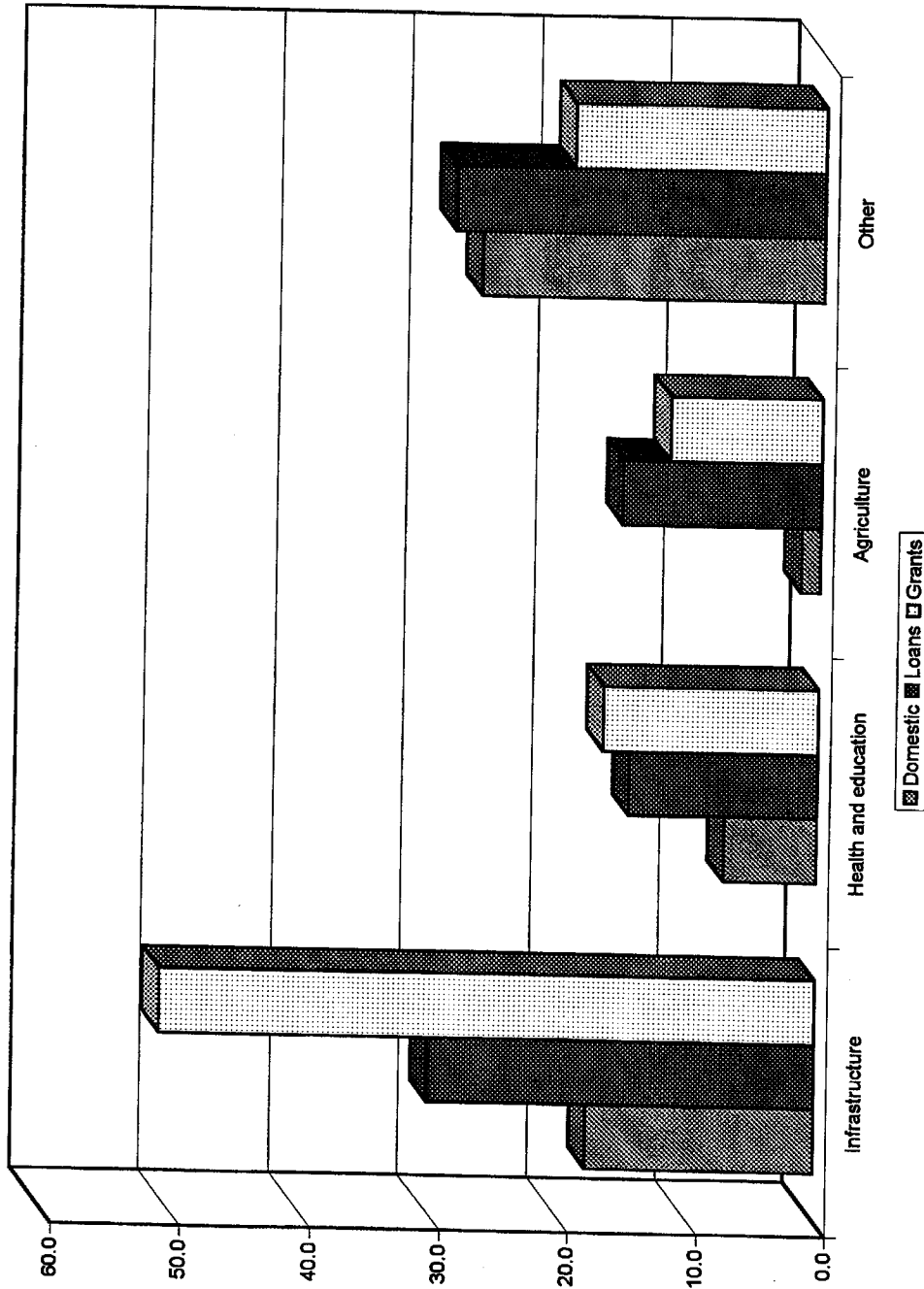
Sources: Burkinabè authorities; and staff estimates.

19. Public investment rose sharply from the equivalent of 7 percent of GDP in 1994 to 9.3 percent in 1995, 10.9 percent in 1996, and 12.5 percent in 1997 (Statistical Appendix Table 16). Although investment remains largely dependent on foreign financing, the share of domestic financing increased to 22 percent of investment expenditure in 1997, up from 12 percent in 1994 and 10 percent in 1995. Official grants in relation to revenue declined substantially from 66 percent in 1994 to 53 percent in 1997. Notwithstanding the large increase in investment in health and education, the bulk of the increase in public investment took place in infrastructure. This development reflects the coming onstream of large infrastructure projects (roads, electricity, and water) and the investments made on the occasion of the Franco-African summit in 1995 and of the African Football Cup of Nations in 1997 (Figure 7). Outlays for restructuring operations were considerably less important in the 1996–97 period than during the previous three years, since the rehabilitation of commercial banks and public enterprises was essentially completed by end-1995.

20. CFAF 40 billion of domestic arrears and about CFAF 1.6 billion of external arrears were repaid between 1995 and 1997, with the bulk of the reduction taking place in 1995–96 (CFAF 35 billion). An estimated CFAF 5.8 billion of domestic arrears was settled in 1997; in addition, the gap between expenditures and payments was also reduced by CFAF 4.6 billion. The operation to reduce domestic arrears was based on a comprehensive study and inventory prepared by the authorities in 1996 with the support of external donors, including the European Union, who provided most of the financing for the arrears reduction. The arrears had been accumulated mainly during the early 1990s and were the result of a weak budgetary process, under which expenditure commitments exceeded budgetary allocations. Wage arrears also had risen, especially related to advancements on promotion, for which inadequate resources had been allocated. In addition, the government used the postal checking system for payments that were inadequately funded and thus incurred obligations to the banking system. A number of measures were taken in 1996–97 to prevent a further accumulation of domestic arrears, including large budgetary allocations for public utility consumption.

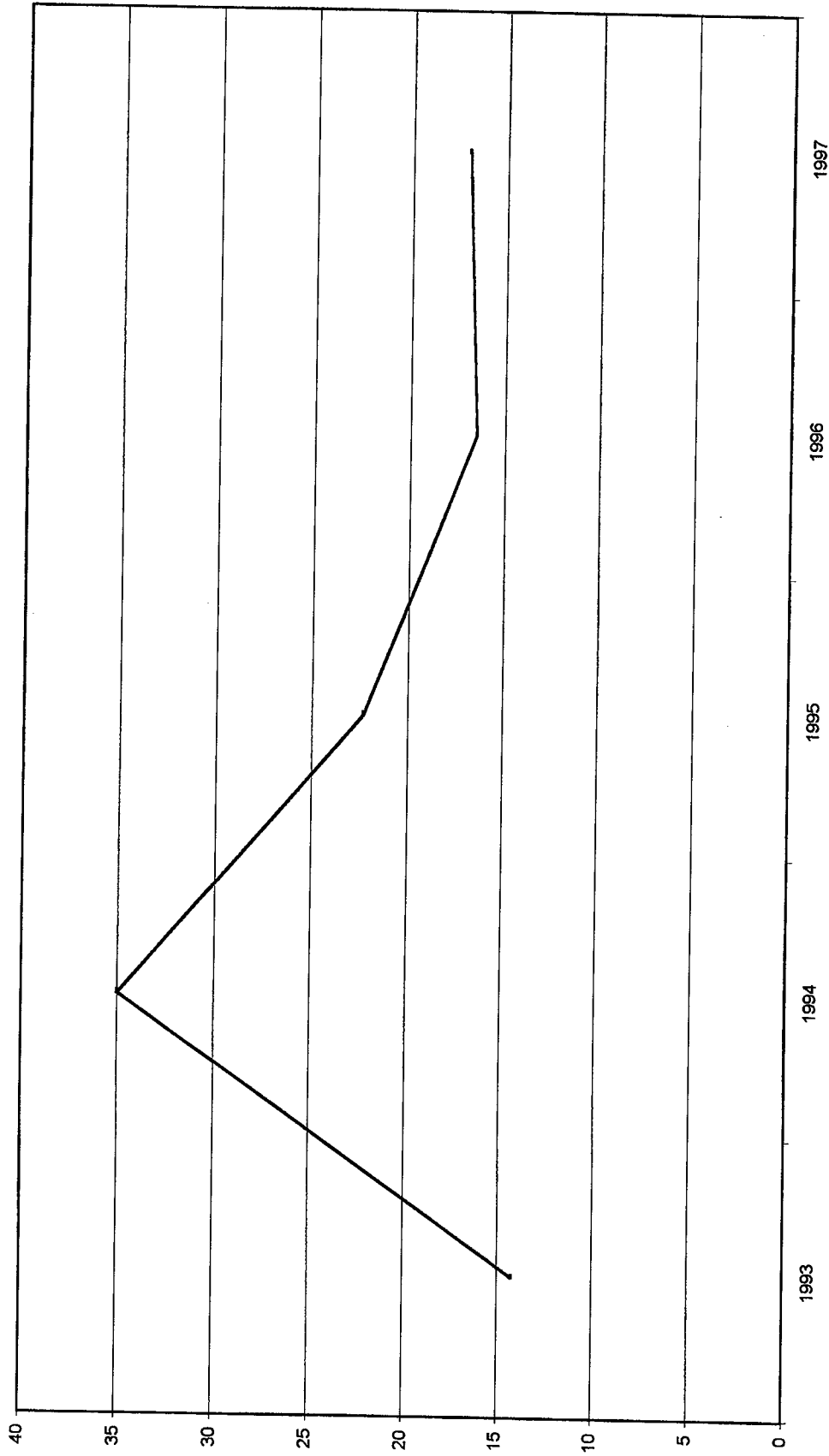
21. The increase in spending for public investment and health and education was facilitated by the sharp and continuous decline in Burkina's external debt service after 1994. External debt service payments on a cash basis (after rescheduling and payment of domestic arrears) dropped from 35 percent of government revenue in 1994 to 22 percent in 1995, and to about 17 percent in 1996 and 1997 (Figure 8). This decline reflected a reduction in the amount of the scheduled debt service due after 1995, the end of payments of arrears on amortization in 1995, and the substantial rescheduling granted by the Paris Club. In particular, in June 1996, Burkina Faso benefited from a stock-of-debt reduction operation granted by the Paris Club, which consisted of a 67 percent reduction in the net present value of its eligible debt. In 1997, the decision was undertaken to make Burkina Faso eligible for assistance for further debt relief under the HIPC Initiative, effective in April 2000, following a review of performance under the annual ESAF-supported program (see Section V).

Figure 7. Burkina Faso: Public Investment by Sector and Source of Financing, 1997
(In billions of CFA francs)



Sources: Burkinabé authorities; and staff estimates.

Figure 8. Burkina Faso: Ratio of Debt Service to Government Revenue, 1993-97
(In percent)



Sources: Burkinabé authorities; and staff estimates.

C. Tax and Budgetary Reform

22. In the area of fiscal management reform, important measures were taken in recent years to simplify the tax regime, improve tax administration, and tighten expenditure management (Box 3). As indicated earlier, the 1997 budget law reduced the rate of the corporate income tax from 45 percent to 40 percent; the rate of the VAT was raised from 15 percent to 18 percent effective October 1996. In the area of expenditure management, measures were taken to tighten the expenditure process and strengthen its monitoring, so as to avoid a recurrence of arrears accumulation. A new budgetary nomenclature was introduced in 1996, and the current expenditure cycle was considerably tightened through the introduction in 1996 and 1997 of a rigorous computerized system that, to improve expenditure monitoring, tracks every stage of the expenditure process from commitment to actual payment. The authorities also started the process of computerizing capital expenditure, and of improving the three-year rolling public investment program.

Box 3. Main Tax and Budgetary Reforms, 1995-97

The following important measures were implemented:

- | | |
|---|---------|
| ● Closure of expenditure commitments by November 20 of each year. | 1995 |
| ● Introduction of single taxpayer identification number system. | 1995 |
| ● Preparation of a monthly status report of expenditure by budget heading at the commitment, settlement, and payment order stage. | 1995 |
| ● Revision of budget nomenclature, with unified current and capital budget. | 1995 |
| ● Strict enforcement of prior commitment authorized by Ministry of Finance. | 1995 |
| ● Increase in the rate of VAT from 15 percent to 18 percent. | 1996 |
| ● Reduction in the rate of the corporate income tax from 45 percent to 40 percent. | 1996 |
| ● Computerization of the expenditure cycle for all current expenditure from the commitment to the payment stage. | 1996-97 |

23. A major tax reform was prepared in 1997 in view of the gradual entry into force of the common external tariff of the WAEMU over the period July 1998–January 2000. The new customs tariff provides for a simplified structure of four rates (0, 5, 10, and 20 percent) plus a statistical tax of 1 percent. In accordance with the decision taken by the WAEMU Council of Ministers at end-November 1997, transitory period of tariff adjustment will start on July 1, 1998 when the maximum tariff rate (currently 31 percent excluding the statistical tax) will be cut to 30 percent, and the maximum tariff rate will be reduced more substantially to 25 percent on January 1, 1999.

IV. MONETARY DEVELOPMENTS AND STRUCTURE OF THE FINANCIAL SECTOR

24. Burkina Faso is a member of the West African Economic and Monetary Union (WAEMU) and shares a common currency, the CFA franc, and a central bank (BCEAO), with Benin, Côte d'Ivoire, Mali, Niger, Senegal, Togo, and Guinea-Bissau. The CFA franc has been pegged to the French franc since 1948; the fixed parity was altered only once, in January 1994, when the CFA franc was devalued by 50 percent in foreign currency terms from CFAF 50 to CFAF 100 per French franc.

A. Monetary Developments

25. Following the 1994 devaluation of the CFA franc and important structural reforms, (see paragraph 33 below) velocity⁴ declined from 4.8 in 1994 to 4.3 in 1995, 4.0 in 1996, and some 3.9 in 1997, indicating a recovery in the demand for money. In 1996, broad money grew by 8.2 percent. In the first three quarters of 1997, money growth rose to 13.2 percent, reflecting mainly a significant increase of bank credit to government, in excess of program targets (Statistical Appendix Tables 22 and 23).

26. Credit to the private sector, which had declined every year between 1991 and 1994, started to recover in 1995, growing by 11 percent. Private sector credit rose particularly strongly in 1996 (by 40 percent), in connection with a pickup in investment; in the first nine months of 1997, this credit growth continued at a rate of 17 percent and was boosted further in the last quarter by the need to finance the large cotton crop. On the supply side, ample bank liquidity imposed no constraint on this expansion (Statistical Appendix Table 24). In the first nine months of 1997 credit to government rose substantially (by 9.5 percent of initial money stock) as discussed in paragraph 15. As a result, net domestic asset in percent of initial money stock rose sharply, by 14 percent, in the first nine months of 1997.

27. Provisional data indicate that the net foreign asset position of the banking system, after improving strongly in 1994 and 1995, deteriorated by 2.6 percent of initial money stock in 1996, and by 0.7 percent in the first nine months of 1997.

B. Monetary Policy

28. Monetary policy is conducted within the framework of the West African Monetary Unit (WAMU). Until 1975, the main monetary instruments available to the BCEAO were the discount rate, the repurchase rate (*prise en pension*), and credit ceilings. In 1975, a money market was created at the regional level in which banks could lend and borrow funds for one day, one month, or three months at fixed rates determined by the BCEAO. Since 1989, with the elimination of quantitative controls on bank credit and the unification of interest rate

⁴Defined as the ratio of GDP to the yearly average of end-of-month money stocks.

ceilings for all types of credit,⁵ and, particularly since 1993, the BCEAO has been relying increasingly on indirect instruments to conduct monetary policy. In October 1993, the multiple money market rates fixed by the BCEAO were replaced by a single weekly rate applicable to all participating banks; this rate was either fixed by the BCEAO or determined by auction. At the same time, a legal reserve requirement was set at 1.5 percent of the sum of sight deposits and short-term loans.⁶ In parallel to these reforms, a regional interbank market was introduced in 1993 in which interest rates are freely negotiated and operations conducted without the intervention of the central bank. Commercial bank interest rates were also progressively liberalized in the 1989–93 period, except for (1) the usury rate,⁷ (2) the minimum rate on passbook deposits (savings deposits of less than CFAF 5 million), and (3) the rate on deposits between CFAF 5 million and CFAF 500,000 for less than one year, which is set at the money market rate minus 2 percent (Statistical Appendix Tables 27 and 28). In July 1994, in order to mop up the large liquidity in the banking system, the BCEAO securitized and sold consolidated claims that it held on governments on account of operations to restructure the banking system conducted in previous years. As a result, CFAF 440 billion of long-term bonds were issued—CFAF 9 billion by Burkina Faso—with a tax-free interest rate of 5 percent.⁸ In August 1996, the system of two-way auctions, in which the central bank acted as intermediary between banks with excess liquidity and those in need of financing, was discontinued; subsequently, the BCEAO's operations to mop up liquidity took the form of short-term certificates issued through periodic auctions following the Dutch system.⁹

29. As of end-December 1997, Burkinabè commercial banks were holding government bonds in an amount equal to CFAF 84.8 billion (49 percent of their deposits). This total included (1) CFAF 6.6 billion of bonds issued by the Burkina Faso government with central bank guaranty resulting from the securitization of the government's debt to the BCEAO on account of the restructuring of the former development bank BND-B (Banque Nationale de

⁵The new ceiling was set at the discount rate (the highest level among the rates previously in place) plus 5 percent.

⁶The legal reserve requirement has remained unchanged since that date.

⁷In October 1989, the usury rate was set equal to the discount rate plus 5 percent; it was revised in October 1993 to twice the level of the discount rate. In July 1997, the Burkinabè National Assembly adopted a law that grants to the WAMU Council of Ministers the authority to fix the level of the usury rate; currently, that level is set at 18 percent for banks and at 27 percent for other financial institutions (including credit unions and credit cooperatives).

⁸In order to increase the bonds' attractiveness, the BCEAO decided in September 1994 to guarantee their redemption at par at any time, and allow them to be used to fulfill minimum reserve requirements.

⁹Under this system, each bidder pays or receives the interest rate that it offered instead of the marginal rate.

Développement); (2) CFAF 10.4 billion of government bonds offered to banks in 1993 in exchange for their nonperforming loans;¹⁰ and (3) CFAF 67.3 billion of bonds issued by other governments of the union (CFAF 52 billion of which from Côte d'Ivoire) resulting from the securitization of the BCEAO's consolidated claims on these governments. In addition, commercial banks purchased CFAF 1.9 billion of government bonds issued in 1997 to help support private productive activities through nongovernmental organizations (NGOs).¹¹ During 1997, Burkinabè banks remained very liquid and held an average monthly stock of reserve at the central bank of CFAF 18.1 billion (5 percent of end-1997 money stock); these reserves mainly took the form of BCEAO bills. Liquidity holdings peaked in the third quarter, when banks holdings of BCEAO bills reached CFAF 13.8 billion; in November and December, reserves declined as the banks extended large credits to finance the cotton campaign.

30. In the context of the renewed confidence following the 1994 devaluation, the central bank rediscount rate was lowered progressively from 14.5 percent in early 1994 to 10 percent at end-1994, 6.5 percent at end-1996, and 6.0 percent at end-1997, thus reducing the interest differential vis-à-vis France. The repurchase rate, which is always lower than the rediscount rate, followed a similar path: it declined from 7.0 percent at end-1994 to 6.0 percent at end-1996, and 5.5 percent at end-1997 (Statistical Appendix Table 25). The interest rate for advances on the money market (TMM) also declined, from 5.5 percent at end-1994 to 5.1 percent at end-1996, and to 4.5 percent at end-1997. Following the resumption in June 1997—after a suspension of eight months—of the issue of BCEAO bills (with 28 days' maturity) was resumed, their interest rate declined from 4.7 percent to 4.0 percent at end-1997 (Statistical Appendix Table 26).

31. Lending rates, which are freely determined, are estimated to have ranged between about 9.0 percent and the usury rate (12.5 percent from October 1996 to February 1997, 13 percent until end-July 1997, and 18 percent since August 1997), remaining significantly higher than deposit rates (Statistical Appendix Table 27); which are estimated to have ranged between about 3.0 percent and 5.0 percent. This wide spread between lending and deposit rates reflects risks and the relative scarcity of bankable projects. These factors also explain the large share of bank assets invested in liquid resources.

C. Structure of the Banking System

32. The **financial system in Burkina Faso** comprises the national agency of the BCEAO, seven commercial banks, a postal savings bank (CNE), a postal checking agency (CCP), and several consumer credit and equipment leasing organizations (FIB, SBE, and

¹⁰Details on the securitization of government's obligations to the BCEAO on account of the BND-B and on the 1993 bank restructuring are presented in Appendix II.

¹¹An additional CFAF 3.1 billion in bonds was bought by nonbanks, mainly institutional investors such as the national social security agency (CNSS) and insurance companies.

SOBCA). In addition, a large number of savings and loan cooperatives and financial association networks operate at the urban and village level. The BIB (Banque Internationale du Burkina) and the BICIA-B (Banque Internationale pour le Commerce, l'Industrie et l'Agriculture) together hold 61 percent of deposits and provide 69 percent of loans. Five other banks share the rest of the market: BFCI-B (Banque pour le Financement du Commerce et des Investissements au Burkina),¹² CNCA (Caisse Nationale du Crédit Agricole), BCB (Banque du Commerce du Burkina, previously Banque Arabe Libyenne Burkinabé BALIB), and two new banks, Ecobank-B and BOA (Bank of Africa), which started operating in April 1997 and in 1998, respectively. The CNCA is the only bank with extensive activity in rural areas. Savings and loan cooperatives and mutual funds together hold some CFAF 6 billion of deposits and allocate about CFAF 5 billion of loans; they contribute to only 4 percent of total lending and deposits, but reach some 270,000 individuals (3 percent of the population).

33. Since 1991, the banking system has undergone significant restructuring, including the liquidation of the development bank, BND-B (Banque Nationale de Développement), and privatization of the other institutions. This restructuring is aimed at recapitalizing the banks, recovering or writing off nonperforming loans, and reducing operating costs; it has resulted in a reduction in the government's share in bank equity¹³ and significant transfers from the budget (see Appendix II). The banks' portfolio quality has improved significantly as a result of bank restructuring.¹⁴

34. **Banking supervision** is under the responsibility of the Banking Commission of the WAMU, based in Abidjan (Côte d'Ivoire). The commission was established in October 1990, and it carries out on-site inspections of each bank every year.

35. In the context of a regional WAMU effort to reinforce supervision of microfinance institutions, a law was adopted in December 1994¹⁵ (and its application decree in August 1995) defining the legal status and obligations of **savings and loan cooperatives and credit unions (*mutuelles*)**. Credit unions and savings and loan cooperatives are defined as nonprofit organizations in which all borrowers are depositors as well as co-owners. The law was complemented, in July 1996, by a framework agreement (*convention cadre*) signed by all

¹²The BFCI-B will be renamed shortly as Société Générale des Banques au Burkina, or SGBB.

¹³The program aimed to limit the government's share in the equity of banks to 25 percent, below the blocking minority.

¹⁴The increase in nonperforming loans recorded in September 1997 (Statistical Appendix Table 26) reflects temporary delays in the repayment of crop credit; most recent data indicate that these crop credits had been almost fully reimbursed as of end-December 1997.

¹⁵Loi 59/94/ADP portant Réglementation des Institutions Mutualistes ou Coopératives d'Épargne et de Crédit (PARMEC).

WAMU members, defining the obligations of institutions in which access to credit is not dependent on membership and deposits in the organization. These organizations include; (1) local savings and loan institutions (*caisses d'épargne et de crédit*) connected with NGOs, foreign-financed investment projects for rural development, and government programs such as regional centers of agriculture production (CRPA); and (2) various national funds, for example, for employment promotion (FONAPE), the support of women's productive activities (FAARF), and the support of the informal sector (FASI). The oversight responsibility for both types of institutions was assigned to the Ministry of Finance, where a special service was created. However, in the case of cooperatives and credit unions collecting deposits, the annual financial statements of their confederations have to be submitted also to the central bank and the Banking Commission, and these two institutions can undertake inspections at their own initiative.

36. By far the most important among the savings and loan cooperatives and credit unions is the RCPB (Réseau des Caisses Populaires du Burkina), created in 1972 with Canadian technical support (Développement International Desjardins, or DID). This cooperative has deposits of a total value of CFAF 6.0 billion and a loans portfolio of CFAF 4.7 billion, and it is in full expansion. In contrast to the RCPB, the UCECB (Coopératives d'Epargne et de Crédit du Burkina) is facing a very difficult financial situation, with large losses and a significant amount of nonperforming loans. In 1996, the UCECB, which holds deposits valued at CFAF 0.3 billion, was put under provisional administration, and an audit was started in July 1997. Other microfinance institutions include URCBAM (Union Régionale des Coopératives d'Epargne et de Crédit du Bam), CVECA (Caisses Villageoises d'Epargne et de Crédit Autogérées), which operates under technical support from CIDR (Centre International de Développement et de la Recherche), and a number of women's and producers' cooperatives.

37. Following the adoption of the PARMEC law and the related framework agreement, in order to operate legally, all these institutions are required to be registered by the Ministry of Finance,¹⁶ maintain accounting records, and submit at the end of each year information on the amount of savings collected, loans granted, number and amount of loans in litigation, and interest rates and commission fees charged. Moreover, the law and its implementation decree specify requirements for constituting such institutions, including those relative to administrative structure (in particular, the establishment of a board of directors, an assembly of members, a credit committee, and an independent internal control body), prudential ratios to be met,¹⁷ and penalties.

¹⁶As of end-August 1997, 98 institutions had submitted applications and 71 had been recognized, together contributing to almost all deposits and loans.

¹⁷In particular, the implementation decree specifies (1) a minimum retention of 15 percent of net profits to be added to the constitution of reserves; (2) a ratio of medium- and long-term loans to

(continued...)

V. BALANCE OF PAYMENTS AND EXTERNAL DEBT

A. Balance of Payments

38. The deficit on the current account of the balance of payments, excluding official transfers, widened in 1996 from 11.3 percent of GDP to 13.4 percent, on account of stagnating exports and a surge in imports, in particular of investment goods. In 1997, a strong recovery of exports, mainly cotton, resulted in only a marginal reduction in the current account deficit (13.3 percent of GDP), in view of the strong growth of imports of goods and services (Statistical Appendix Table 29).

39. Several factors accounted for the stagnation of exports in 1996: (1) falling international prices for cotton, together with slow growth in the volume of ginned cotton output; (2) a slowing down of livestock exports; and (3) the continuation of the downward trend in the volume of gold exports in the wake of the closing of the Poura mine. In 1997, however, cotton exports rose by 50 percent, as the volume of sales rebounded by about 40 percent and CFA franc prices also increased (Statistical Appendix Table 31). Rising cotton export volume was, to a large extent, the consequence of policies designed to boost the production of raw cotton after the 1994 devaluation. As other exports remained stable, the share of cotton exports in total merchandise exports rose from 43 percent in 1995 to 51 percent in 1997.

40. Import growth was sustained in CFA franc terms in 1996 (18 percent) and in 1997 (11 percent) (Statistical Appendix Table 32). Imports of investment goods were fueled by a pickup in investment activity, as overall investment rose from an estimated 22.5 percent of GDP in 1995 to 26.2 percent in 1997 (Statistical Appendix Table 4), reflecting a faster pace of execution of the public investment program, as well as strong private investment. In addition, food imports rose substantially in 1996 as a result of a poor crop of cereals in 1995 (especially maize, millet, and fonio), and the restocking of petroleum products led to larger import volumes in 1997 (Statistical Appendix Table 32).

41. Increasing outlays on freight and insurance, owing to rising imports, explain the bulk of the deficit on nonfactor services in 1996-97. Net private transfers, mainly workers' remittances, are estimated to have been stable in 1996 and 1997. As for the evolution of official grants, project grants rose by about CFAF 30 billion in 1996 on account of rising

¹⁷(...continued)

capital and reserves below one; (3) a ratio of liquid assets to short-term liabilities equal to at least 0.8; (4) a ceiling for the total amount of loans granted to any single member (under 10 percent of the total value of deposits); and (5) a ceiling for the total amount of loans granted to anyone holding a management position in the institution (under 20 percent of the value of the same individual's deposits).

public investment activity; however, program grants declined as some donors started redirecting their assistance toward project aid. In 1997, program grants were further lowered, while project grants remained at a high level.

42. Regarding the capital account, the extension of loans in support of the adjustment program was sharply reduced in 1996 and was nil in 1997, pending new sectoral lending by the World Bank. Project-related loans and direct private investment remained broadly stable over the period. The amortization of external debt was substantially lower in 1996, as Burkina Faso benefited from a stock-of-debt reduction operation by Paris Club creditors in June 1996 (see below). Burkina Faso's contribution to the international reserves of the union remained almost stable in 1996 at CFAF 131 billion; in 1997 on the basis of provisional data, this contribution declined.

43. The real effective exchange rate appreciated from early 1994 until mid-1996, owing to an appreciation of the nominal effective rate and an acceleration of inflation in the aftermath of the January 1994 devaluation of the CFAF. Since mid-1996, a reversal of these trends has led to a slight depreciation of the real effective exchange rate.

B. External Debt

44. Burkina Faso's 1996 stock-of-debt reduction was on Naples terms, with a 67 percent net present value (NPV) reduction of all eligible debt. Participating creditors agreed to a reduction of all payments due on debt rescheduled on Toronto terms (30 percent reduction in NPV terms) in 1991, and on London terms (50 percent reduction in NPV terms) in 1993. The agreement applied to all outstanding principal as of June 20, 1996. The total debt stock was reduced by about CFAF 35.7 billion (US\$69 million), or about 5.1 percent of the total debt stock as of mid-June 1996. Bilateral agreements were concluded with Paris Club creditors and some non-Paris Club creditors in the course of 1996 and 1997.

45. The total debt stock at end-1996 was estimated at US\$1,288 million (US\$684 million in NPV terms), of which 85.4 percent was owed to multilateral institutions, mainly IDA and the African Development Fund, 3.8 percent was owed to Paris Club creditors, and 10.8 percent to non-Paris Club creditors.¹⁸

46. At end-1996, the ratio of NPV of debt to the average of exports of goods and nonfactor services in 1994-96 was estimated at 24 percent, while debt service as a proportion of exports of goods and nonfactor services stood at about 19.2 percent. In September-October 1997, the IMF and the World Bank adopted a decision under which Burkina Faso

¹⁸In the course of 1997, some non-Paris Club creditors granted comparable treatment to Burkina Faso.

was considered eligible for the HIPC Initiative. The decision provided that multilateral debt would be reduced by April 2000, so as to attain a target NPV of debt-to-exports ratio of 205 percent; this compares with a ratio of 238 percent at end-1999, projected on the basis of present trends.

VI. POVERTY AND INCOME DISTRIBUTION

A. Absolute and Relative Poverty Lines

International perspective

47. Burkina Faso's real GDP per capita, adjusted for purchasing power parity, was estimated by the World Bank at US\$796 in 1994, against US\$1,377 for all of sub-Saharan Africa. By this measure of income, Burkina Faso is among the poorest countries in the world.

48. According to UNDP's **human poverty index**, which uses indicators of life expectancy, malnourishment of children, and access to basic education, health services, and safe water to measure some of the qualitative dimensions of deprivation, Burkina Faso ranks 76th out of 78 developing countries, as about 58 percent of its population does not meet the minimum requirements.^{19, 20} The country's performance is estimated to be particularly poor in terms of the adult illiteracy rate.²¹ However, according to UNDP's indicators, access to health services and to safe water compares favorably vis-à-vis other developing countries (Table 1).

Drawing poverty lines in Burkina Faso

49. The overview presented below draws on three recent **primary sources** of information about poverty in Burkina Faso: (1) the results of the October 1994–January 1995 household survey carried out by the Burkinabè statistical office (INSD) and the local research

¹⁹United Nations Development Program, *Human Development Report 1997* (New York: Oxford University Press for the United Nations Development Program, 1997).

²⁰The index value indicates a weighted combination of proportions of the total population that do not meet the minimum basic needs with respect to the chosen variables. The variables used are the percentage of people expected to die before age 40, the percentage of adults who are illiterate, the percentage of people without access to health services and safe water, and the percentage of underweight children under age 5. The data refer to the period 1990–95.

²¹National statistical data show that the literacy rate is very low in rural areas, especially for females (see Table 10).

center, CEDRES, with technical and financial support from the World Bank;²² (2) a study by the University of Ouagadougou on rural poverty, based on a small-scale survey;²³ and (3) a poverty assessment exercise conducted in various villages by independent researchers, with support from donors.²⁴

Table 1. Human Poverty Indicators

	Survival Deprivation	Deprivation in Education	Deprivation in Economic Provisioning		
	People not expected to survive to age 40 (percent of total population 1990)	Adult illiteracy rate (percent; 1995)	Population without access to health services (percent; 1990-95)	Population without access to safe water (percent; 1990-96)	Underweight children under age 5 (percent; 1990-95)
All developing countries	18	30	20	29	31
Sub-Saharan Africa	32	42	47	49	31
Burkina Faso	36	81	10	22	30

Source : UNDP, *Human Development Report 1997*.

50. The survey by the statistical office sought to measure absolute as well as relative poverty. **Absolute poverty** was defined as the inability to consume, either through purchases or self-consumption, a basket of basic food and nonfood items, including housing. In order to draw the **absolute poverty line**, minimum food requirements were set at 2,283 calories per adult per day. Food items most consumed by low-income households (mil and sorghum) were valued using October 1994 Ouagadougou consumer prices. The minimum spending on

²²INSD, "Le profil de la pauvreté au Burkina Faso," February 1996. The survey collected data on expenditures and living conditions from 8,642 households in various regions of the country.

²³Université de Ouagadougou, "Profil de la pauvreté au Burkina Faso," version provisoire, July 1995. A survey of expenditures and living conditions of 300 rural households in 6 villages from 3 regions was conducted during the first quarter of 1995.

²⁴W. Walker and M. Ouedraogo, "Une évaluation visuelle et participative de la pauvreté au Burkina Faso," 1994.

nonfood items was assumed to be a fixed proportion of food expenditure. Under this approach, the absolute poverty line was set at CFAF 41,099 per person per year.²⁵ **The survey indicated that about 45 percent of Burkina Faso's population falls below the absolute poverty line.** An extreme poverty line was defined by the capacity to consume the same minimum food basket but only a fraction of the nonfood basket of the poverty line. The extreme poverty line was estimated at CFAF 31,749 per person per year. About 28 percent of Burkina Faso's population was estimated to be extremely poor.²⁶ **Relative poverty** was associated with the lowest two quintiles (i.e., the poorest 40 percent) of the households' income distribution, approximated by their observed expenditures; relative affluence was associated with the highest two quintiles.²⁷ **The study showed that, on average, the poorest 40 percent of the population spent less than CFAF 38,500 per person per year; the poorest 20 percent (the extreme poor) spent less than CFAF 27,600 per person per year; and, at the opposite of the spectrum, the richest 20 percent of Burkina Faso's population spent annually more than CFAF 92,300 per person (see Table 2, last column).**

51. The research on rural poverty conducted by the University of Ouagadougou at about the same time as the INSD survey, although limited to a smaller sample, broadly confirmed the results above, as about 42 percent of the rural population sampled consumed less than CFAF 39,500 per person per year. Data were collected on, among others, households' agricultural and domestic equipment. As shown in Box 4, most households surveyed lack basic furniture, such as a bed or a chair; however, about two-thirds of households have a radio set, and more than half have at least one bicycle. With regard to agricultural equipment, the fertile cotton-producing region of Kossi contrasted sharply with the other regions, as the use of plows, barrows, and draft animals appears to be widespread in Kossi (about half of Kossi's households own such equipment) and very rare in the two other regions. These data seem to point to intraregional income inequality.²⁸ A review of some qualitative aspects of poverty is presented in Box 5.

²⁵Or US\$77 at the current exchange rate.

²⁶Some caution is required with respect to poverty lines estimates, which may be sensitive to the valuation of self-consumption and to the determination of the minimum requirements for nonfood items. In the case of Madagascar, for instance, which has a GDP per capita level comparable to Burkina Faso's, a 1993 World Bank poverty assessment exercise concluded that 70 percent of the population was living below the absolute poverty line, and 59 percent in extreme poverty. The wide discrepancy between estimates for both countries may in part reflect differences in valuation methods.

²⁷The **quintiles** are the four values that divide the distribution of expenditures into five classes of equal number of individuals. By extension, the classes are referred to as the first (or lowest), second, ..., fifth (or upper) quintile.

²⁸In the cotton-producing provinces, the yields of individual cotton producers in 1996/97 are estimated by sector specialists to range from 300 kilograms per hectare to 3 tons per hectare

(continued...)

B. Economic Characteristics of Poor Households

Income distribution in rural and urban areas

52. Burkinabè households' average income per head was estimated at CFAF 72,800 per year, which compares to a 1994/95 level of GDP per capita of CFAF 110,000. Income per head was on average about three times higher in urban areas (16 percent of total population) than in rural areas, with the discrepancy increasing from the lowest to the highest quintile (Table 2).

Share of Total Population (percent)	Rural Households 84	Urban Households 16	Burkina Faso 100
20 percent spend at most:	26,400	56,300	27,600
40 percent spend at most:	35,200	91,200	38,500
80 percent spend at most:	72,600	222,500	92,300
Average expenditure	55,600	161,800	72,800

Source: INSD.

Note: Expenditure includes self-consumption.

1/ At end-1994. Expenditure is assumed to be an estimate of permanent income.

53. About one-half of urban household income is generated by entrepreneurial nonfarm activities, and about one-fourth by miscellaneous resources, such as pensions and scholarships (Table 3). Wages account for less than one-fifth of urban income, and for a marginal proportion of rural households' income. A little more than one-half of rural household income is generated from agriculture and livestock; nonfarm entrepreneurial income and private transfers (mainly remittances from migrant workers) account for more than one-third of rural resources.

²⁸(...continued)

when fertilizers are used intensively; the average yield is 1,100 kilograms per hectare. Fertilizers are provided by the ginning monopoly SOFITEX at a cost. Making allowance for that cost, the wide range of yields is likely to be reflected in substantial income inequality among cotton producers.

Box 4. Distribution of Household Equipment

(Percentage of households owning the item)

Item	Namentenga ^{1/}	Soum ^{2/}	Kossi ^{3/}
Plow			
0	86.6	85.9	41.1
1	12.4	13.1	56.6
2	1.0	1.0	3.1
>2	0.0	0.0	3.1
Barrow			
0	87.6	77.8	47.4
1	12.4	21.2	52.6
2	0.0	1.0	0.0
Draft animal			
0	92.8	93.9	46.5
1	7.2	6.1	51.5
2	0.0	0.0	2.0
Bicycle			
0	29.9	49.5	21.7
1	51.5	49.5	64.9
2	14.5	1	7.2
>2	4.1		6.2
Moped			
0	91.8	82.8	82.5
1	8.2	16.2	17.5
2	0.0	1.0	0.0
Motorbike			
0	97.9	96.0	89.7
1	2.1	4.0	10.3
Car			
0	100.0	100.0	99.0
1	0.0	0.0	1.0
Radio set			
0	64.9	68.7	61.9
1	32.0	30.3	33.0
2	3.1	1.0	5.1
Bed			
0	95.9	85.9	78.4
1	4.1	13.1	16.5
2	0.0	1.0	5.1
Chair			
0	94.8	75.7	51.7
1	2.1	19.2	38.2
2	3.1	5.1	10.1
Bucket			
0	64.9	22.2	11.4
1	27.9	59.6	64.9
2	7.2	12.2	15.1
>2	0.0	6.0	8.2
Pot			
0	21.6	13.1	9.3
1	48.5	63.6	64.9
2	22.7	17.2	15.5
>2	7.2	6.1	10.3

Source: Université de Ouagadougou.

1/ The densely populated Namentenga province is located in the center of the country. It produces mainly food crops. Yields are low and soils are undergoing ecological degradation.

2/ The arid Soum province, in the northern Sahelian part of the country, specializes in livestock. The province is suffering from recurrent droughts and desertification.

3/ The southwestern province of Kossi is relatively fertile and is attracting migrants from other provinces.

Box 5: Some Qualitative Aspects of Poverty

1. The Burkinabè people in the countryside tend to associate poverty with the following characteristics:

- the inability to help neighbors because of lack of savings or of food reserves;
- the lack of cattle, of decent clothes, and of food; and
- having too small an agricultural plot, without fruit trees.

Falling into poverty often is described as resulting from old age, from the absence of support from the family, from becoming a widow, or from having some education but no job.

Poor people are always depicted as being marginalized; the poor is not a full member of the village, he or she is not invited to celebrations and has no say in collective decision making.

2. Migrant workers' remittances appear to be a crucial element of the Burkinabè individual household budget. Migrants who send money to their relatives are a powerful support, especially to the elderly. However, migrant workers who lost their job and return to the village appear to often fall rapidly into poverty after their savings is exhausted.

3. People's perception of the benefits of education are mixed. While literacy and practical knowledge of basic nutrition or agricultural principles are seen as useful, there is a strong perception that formal education tends to drive young males away from agriculture to cities, where no job is available. Educated girls are seen as having difficulties finding a husband, and therefore mothers are reluctant to send their daughters to school. Educated girls, in their view, are unwilling to do housekeeping, will not be regarded as desirable spouses, and want to marry educated boys, who face high risks of not finding jobs in the city. Girls emigrating to cities are in many cases seen as candidates for prostitution.

Source: Walker and Ouedraogo, 1994.

Poverty by regions

54. The country's two largest cities (Ouagadougou, the capital city in the center, and Bobo-Dioulasso in the west) stand out as having an average income per head of more than twice the national average (CFAF 177,200 against CFAF 72,800) (Table 4). Among rural regions, the more fertile southern and western cotton-growing areas (27 percent of total population) are better off than the center and the east (51 percent of population). The north, which is the most arid part of the country, has the lowest income per head. The incidence of poverty, as measured by the head count index, shows a similar pattern. The proportion of poor households is much smaller in cities than in rural areas, in particular in the two largest cities, where it is below one-tenth. Among rural regions, the west appears to have the lowest incidence of poverty, as about 40 percent of households are estimated to be poor and 24 percent very poor. In the north, the majority of the population is poor.

Table 3. Type of Household Income by Residence

(Share of total population in percent)

Type of Household Income	Rural Households 84	Urban Households 16	Burkina Faso 100
Wages 1/	3.5	18.3	10.2
Nonfarm activities 2/	28.8	7.6	37.2
Cash crop 3/	20.2	0.2	11.1
Food crop	18.3	1.6	10.8
Livestock	14.9	0.7	8.5
Private transfers	8.5	7.9	8.3
Others 4/	5.8	23.7	13.9
Total	100.0	100.0	100.0

Source: INSD.

1/ Public and private sector, including informal sector.

2/ Entrepreneurial income of nonfarm businesses.

3/ Cotton, groundnuts, and sesame.

4/ Pensions, scholarships, and inheritance.

55. Households' expenditure distribution by quintiles show that income is relatively evenly distributed among classes in the richest rural regions, in the south and west. By contrast, about two-thirds of the two largest cities' inhabitants have an income larger than CFAF 92,000 a year, against about 10 percent in the poorest regions (Table 5).

Poverty by type of occupation

56. Burkina Faso's households are clearly separated into two main groups: **the farmers**, on the one hand, who are the vast majority, have a low average income per head, and one out of two is poor; and, on the other hand, **wage earners, craftsmen, and traders**, who are a small group with a much higher average income per head and little incidence of poverty (Table 6).²⁹ Households headed by a civil servant (about 4 percent of the population) are by far the most affluent category, with an average income per head of nearly four times the national average (CFAF 252,500 against CFAF 72,800). Poverty is almost nonexistent in that category. Wage earners in the private sector—formal as well as informal—craftworkers and traders (9 percent of population) are also relatively better off, with an average income of more

²⁹The two other categories ("unemployed" and "other active", about 8 percent of population), in particular the unemployed, are probably too heterogeneous to permit any useful conclusions to be drawn.

than twice the national average and a low incidence of poverty. These professions tend to be overrepresented in cities, which helps to explain the relatively low incidence of poverty in urban areas. Among farmers, households growing cash crops were on average only marginally better off than subsistence farmers.³⁰

Table 4. Average Income and Incidence of Poverty by Region

Region	Share of Total Population (in percent)	Expenditure per Head ^{1/} (thousands of CFA francs per year)	Head Count Index ^{2/}	
			Poor	Very poor
Ouagadougou and Bobo-Dioulasso	11.3	177.2	7.8	2.5
Other cities	4.8	125.5	18.1	9.1
South	8.9	70.2	45.1	30.2
West	18.4	66.4	40.1	24.0
North	5.4	54.8	50.1	33.7
Central south	23.9	53.8	51.4	29.6
East	4.3	52.5	54.4	38.5
Central north	23.0	44.0	61.2	40.9
Burkina Faso	100.0	72.8	44.5	27.8

Source: INSD.

Note: Regions are ranked by decreasing order of expenditure per head.

1/ At end-1994. Expenditure is assumed to be an estimate of permanent income.

2/ Proportion of population living below the poverty line, in percent of total population.

³⁰However, since 1994 the producer price of cotton was raised substantially, and cotton production has picked up markedly (see Statistical Appendix Tables 5 and 6). These price and volume developments are likely to have improved the income of cotton-growing households, in particular as they seem to have been accompanied to some extent by an increase in yields, as opposed to a one-to-one shift in land utilization from food crops to cotton (see Appendix I).

Table 5. Income Distribution by Region

Region	Expenditure per Head ¹ (thousands of CFA francs per year)	Class of Annual Expenditure per Head (in percent) ¹					Total
		< 28	28-39	39-55	55-92	> 92	
Ouagadougou and Bobo Dioulasso	177.2	1.7	4.4	8.2	20.1	65.6	100.0
Other cities	125.2	6.4	9.6	14.7	23.9	45.4	100.0
South	70.2	19.7	21.2	17.1	18.9	23.2	100.0
West	66.4	16.4	20.2	18.9	24.1	20.4	100.0
North	54.8	25.9	20.5	19.6	21.8	12.1	100.0
Central south	53.8	20.6	23.9	26.4	19.5	9.6	100.0
East	52.5	30.1	21.0	21.1	16.5	11.2	100.0
Central north	44.0	31.0	24.8	22.1	16.8	5.2	100.0
Burkina Faso	72.8	20.0	20.0	20.0	20.0	20.0	100.0

Source: INSD.

Note: Regions are ranked by decreasing order of income per head.

1/ At end-1994. Expenditure is assumed to be an estimate of permanent income, expressed in CFA francs.

Table 6. Average Income and Incidence of Poverty by Occupation of Head of Household

Occupation	Share of Total Population (in percent)	Expenditure per Head ^{1/} (thousands of CFA francs per year)	Head Count Index ^{2/}	
			Poor	Very poor
Civil servants	4.3	252.5	2.2	1.1
Wage earners ^{3/}	2.7	181.4	6.7	1.2
Craftworkers/Traders	6.3	144.7	9.8	4.9
Other active	0.7	125.4	19.4	12.0
Unemployed	7.6	82.0	41.5	27.3
Farmers, cash crops	10.4	55.7	50.1	27.1
Farmers, subsistence	68.0	51.7	51.5	32.8
Burkina Faso	100.0	72.8	44.5	27.8

Source: INSD.

Note: Occupational groups are ranked by decreasing order of income per head.

1/ At end-1994. Expenditure is assumed to be an estimate of permanent income, expressed in CFA francs.

2/ Proportion of population living below the poverty line, in percent of total population

3/ Includes the informal sector.

57. The distribution of farmers' income appears to be relatively evenly distributed among classes, and it is very similar between farmers producing cash crops and farmers producing mainly locally consumed food items (Table 7). Close to 9 households out of 10 whose heads are civil servants have incomes per person in the upper quintile.

Table 7. Income Distribution by Occupation of Head of Household

Occupation	Expenditure per Head ^{1/} (thousands of CFA francs per year)	Class of Annual Expenditure per Head (in percent) ^{1/}					Total
		<28	28-39	39-55	55-92	>92	
Civil servants	252.5	0.1	2.1	1.6	9.4	86.7	100.0
Wage earners ^{2/}	181.4	4.5	1.9	9.0	22.0	62.6	100.0
Craftworkers/Traders	144.7	3.6	5.1	9.5	24.5	57.3	100.0
Other active	125.4	10.7	6.0	17.5	16.3	49.5	100.0
Unemployed	82.0	21.5	16.5	14.4	19.6	27.5	100.0
Farmer, cash crops	55.7	17.8	23.8	26.3	19.7	12.5	100.0
Farmer, subsistence	51.7	23.6	23.1	22.2	20.2	10.8	100.0
Burkina Faso	72.8	20.0	20.0	20.0	20.0	20.0	100.0

Source : INSD.

Note : Occupational groups are ranked by decreasing order of income per head.

1/ At end-1994. Expenditure is assumed to be an estimate of permanent income, expressed in CFA francs.

2/ Includes the informal sector.

Structure of expenditure

58. **Food is on average the main category of Burkinabè household outlays,** accounting for 53 percent of total expenditures. Reflecting a low income elasticity of food consumption, the share of nonfood expenditure in the household budget increases with rising income to reach about two-thirds for the “richest” urban households. Within nonfood expenditures, outlays for other than housing, which is for the largest part self-consumed, are small, with the exception of health and education (Table 8). Costs of education and, in particular, health services appear to be substantial for all income classes, absorbing together close to 30 percent of the nonfood budget in all quintiles.³¹

Expenditure Categories	Class of annual expenditure per head (In percent) ^{1/}					Burkina Faso
	<28	28-39	39-55	55-92	>92	
Clothing	5.9	8.1	10.7	13.1	11.5	11.2
Housing	58.8	53.8	45.8	36.3	26.8	33.1
Transportation	1.6	4.6	5.4	8.1	15.2	11.9
Health	22.6	20.4	21.3	22.6	19.3	20.2
Education	6.3	6.2	6.6	6.4	6.5	6.5
Social and religious	2.5	3.3	4.4	6.7	5.0	5.0
Transfers	1.4	2.9	5.0	6.0	13.1	10.1
Other	1.1	0.6	0.7	0.8	2.6	2.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: INSD.

^{1/} At end-1994. Expenditure is assumed to be an estimate of permanent income, expressed in CFA francs.

³¹ Some caution is required, as partial evidence from the University of Ouagadougou’s survey seems to point to a share of expenditures on health in rural areas that is much lower than reported by the INSD.

C. Social Indicators and Poverty

Household size

59. Household size appears to decrease in all regions as income level rises (Table 9). For Burkina Faso as a whole the average household size in the upper quintile is about half the size in the lowest quintile (5.5 against 10.9); **the national average is about 8 persons per household**. However, there seem to be differences in average household size among regions that are not associated with regional income differentials. Cases in point are the thinly populated North and East, where household size appears to be smaller than in the center of the country, though average income levels are broadly equally at the low end.

Table 9. Household Size by Income and Region

Region	Average Income per Head 1/ (thousands of CFA francs per year)	Class of Annual Expenditure per Head (in percent) 1/					Average 2/
		<28	28-39	39-55	55-92	>92	
Ouagadougou and Bobo-Dioulasso	177.2	9.6	8.6	7.8	7.1	5.5	6.1
Other cities	125.5	10.1	9.6	8.9	9.0	6.0	7.4
South	70.2	10.8	8.7	7.7	6.8	6.1	7.7
West	66.4	10.2	9.6	8.1	7.2	5.8	7.8
North	54.8	8.9	7.4	6.5	6.0	4.5	6.7
Central south	53.8	11.5	9.2	8.4	6.6	4.9	8.0
East	52.5	9.5	7.6	6.8	6.5	5.5	7.4
Central north	44.0	11.7	10.2	8.6	7.0	4.7	9.0
Burkina Faso	72.8	10.9	9.3	8.1	7.0	5.5	7.8
Urban areas	161.8	9.9	9.0	8.2	7.6	5.7	6.4
Rural areas	55.6	10.9	9.3	8.1	6.8	5.4	8.0

Source: INSD.

Note: Regions are ranked by decreasing order of income per head.

1/ At end-1994. Expenditure is assumed to be an estimate of permanent income, expressed in CFA francs.

2/ Average calculated over the total number of households in the sample.

Literacy and primary education

60. As could be expected, **the literacy rate rises dramatically with the level of income**, especially in the upper quintile, where about 44 percent of Burkinabè aged 15 or more are literate (mostly in French) (Table 10). In urban areas, the literacy rate is close to two-thirds in the upper quintile, and about one-fourth in the lower quintiles. **In rural areas however, the overwhelming majority of the population is illiterate**: the illiteracy rate is

more than 90 percent in the poorest income classes, where most of the rural population is to be found. **The female literacy rate is markedly lower than the males**, in all areas and for all income classes. As can be seen in Table 11, the low incidence of literacy in rural areas, especially for females, is related to weak enrollment rates in primary schools of children, in particular girls, living in poor rural households. In cities, the majority of children go to school, both boys and girls, except for the relatively small fraction of girls living in poor households.

Table 10. Literacy Rate by Gender and Residence ^{1/}

Gender/Residence	Class of Annual Expenditure per Head (In percent) ^{2/}					Burkina Faso
	<28	28-39	39-55	55-92	>92	
Males						
Urban	18.0	35.2	37.0	50.7	72.0	61.7
Rural	10.6	14.6	17.6	21.4	34.4	18.8
Total	10.8	15.8	19.2	26.5	53.8	27.1
Females						
Urban	10.2	13.6	17.2	28.6	52.9	40.9
Rural	2.8	3.4	3.7	6.9	15.7	5.7
Total	3.0	3.9	4.8	10.5	33.5	11.4
Total						
Urban	13.9	24.9	26.2	39.6	63.0	51.6
Rural	6.3	8.6	10.0	13.9	24.9	11.8
Total	6.5	9.4	11.4	18.2	43.8	18.9

Source: INSD

1/ Number of persons aged 15 or more.

2/ At end-1994. Expenditure is assumed to be an estimate of permanent income, expressed in CFA francs.

Table 11. Primary Education Enrollment Rate by Gender and Residence

Gender/Residence	Class of Annual Expenditure per Head (In percent) 1/					Burkina Faso
	<28	28-39	39-55	55-92	>92	
Males						
Urban	60.2	50.6	65.6	68.1	81.8	73.5
Rural	22.8	29.0	33.8	42.2	46.2	32.8
Total	23.6	30.0	36.5	46.8	62.7	38.6
Females						
Urban	27.9	39.5	59.4	66.6	67.6	63.6
Rural	13.2	13.9	19.2	29.9	47.5	21.5
Total	13.5	15.1	23.0	37.3	57.5	28.3
Total						
Urban	45.3	45.4	62.6	67.4	74.3	68.5
Rural	18.1	21.9	27.2	35.7	46.9	27.5
Total	18.6	23.0	30.3	42.4	60.0	33.7

Source: INSD

1/ At end-1994. Expenditure is assumed to be an estimate of permanent income, expressed in CFA francs.

COTTON

61. Cotton is the main export crop in the country, representing 51 percent of total exports in 1997. Seed cotton is produced in the southwestern parts of the country. Planting usually takes place in April, fertilizers are applied in May, and pesticides in June. Seed cotton is transformed¹ locally into fiber cotton by a state enterprise, SOFITEX, which is also responsible for its marketing and for the distribution of input to the farmers. Burkina Faso's main export market has traditionally been Southeast Asia (some six main partners), although some diversification toward South America has been taking place in recent years. Two-thirds of the fiber is exported from Abidjan, and the rest from Lomé. Burkinabé cotton quality has been improving, which has had a positive impact on the export price. Sales contracts are mostly fixed-term contracts, two-thirds of them signed in the first half of the campaign. A comprehensive agreement between farmers, the government, and SOFITEX is being negotiated, redefining the modalities for setting producer prices and allowing cotton producers to participate in the management and in the capital of SOFITEX.

62. Production of seed cotton responded well to the producer price increases following the 1994 devaluation: production, which had declined from some 160,000 tons in 1992/93 to 115,000 tons in 1993/94, reached 214,000 tons in 1996/97 and some 300,000 tons in 1997/98. Production of cotton fiber is expected to reach 125,000 tons in 1998, compared with 63,000 tons in 1995 and 51,000 tons in 1994. **Growth** prospects for 1998/99 remain favorable, as demand for inputs continues to expand rapidly. To ensure adequate ginning capacity, two new factories have been opened recently, with a capacity of 30,000 tons each,² the **investment** program of SOFITEX for 1998 aims at raising the capacity to 400,000 tons of seed cotton (or 160,000 tons of fiber cotton).

63. Lately, there have been some **concerns about the impact of the Asian crisis** on cotton exports. Some shipments have been delayed, as some of the key trade partners in Southeast Asia faced difficulties in obtaining letters of credit from their banks; meanwhile, the international price level has been falling (the Liverpool index fell from 81 cents a pound in August 1997 to less than 70 cents a pound in 1998).

¹A thousand tons of seed cotton provides some 415 tons of fiber. This yield has been diminishing in recent years, because the selection of seeds was shifted to increase the yield of seed cotton per hectare.

²SOFITEX's investment program for 1995/96-1996/97 amounted to CFAF 15 billion and was financed for CFAF 9 billion through bank loans.

64. The **strong performance** in the cotton sector reflects a 70 percent increase in the area under cultivation since 1995,³ as well as improved yields (from less than 0.8 tons per hectare in 1994 to 1.1 tons per hectare in 1996 and 1997). These favorable results can be imputed to a number of factors, including (1) higher producer prices, resulting in an increase in the share of the producer price in the c.i.f. price from 34 percent in 1993-94 to an average of some 44 percent over the last three years; (2) a more timely distribution of input and credit, together with improved extension services; (3) earlier payment to farmers, who now receive 90 percent of the crop value immediately upon delivery; and (4) the growing importance of producer cooperatives at the professional level, which appear to be more efficient than the previous associations at the village level. However, performances **could be enhanced** further by increasing the yields per hectare, which are only now recovering from a strong decline in 1993/94-1994/95 (Statistical Appendix Table 5).⁴ It should also be noted that, while international prices have increased by some 180 percent since 1993/94, average export prices have grown by 120 percent⁵ and producer prices by 90 percent only, remaining slightly below those in neighboring countries (Statistical Appendix Table 6).

65. **Financing of cotton** production takes place through two distinct forms of credit. Traditionally, the agriculture bank (CNCA) provides credit directly to farmers' associations to finance the purchase of agricultural input. In addition, SOFITEX obtains crop credit from a banking consortium to finance its purchase from the farmers. For the 1997/98 campaign, input cost amounted to CFAF 17 billion, which was financed for the most part by the CNCA and to a smaller extent by SOFITEX. Crop credit provided by the banks reached CFAF 18 billion at the end of 1997.

³The land used for cottonseed production, 272 hectares in 1997, remains only about 10 percent of the area used for cereal production.³

⁴In Benin and Cameroon, yields have remained stable at about 1.2 tons per hectare.

⁵Average export prices were still, in 1996 and 1997, about 15 percent lower than the Liverpool index average.

FINANCIAL SECTOR REFORMS

66. A major restructuring of the banking system was started in 1991 as banks found themselves saddled with a large amount of non-performing loans following a decade of poor management and inadequate supervision. The purpose of this section is to quantify the costs of the restructuring operations carried out in the period 1991-97.

67. In 1991, the national development bank (BND-B) was put under a government-controlled administration and provided financial support of about CFAF 15 billion. This amount included (1) the government takeover of the BND-B's obligations to the Central Bank of West African States (BCEAO) (CFAF 9 billion), which were consolidated into a long-term government debt to the BCEAO with a 15 year maturity, including 3 years of grace, at an interest rate of 3 percent; and (2) a capital injection of CFAF 6 billion to cover the difference between the banks' frozen assets, estimated at CFAF 34 billion (mainly CFAF 18 billion of loans and CFAF 14 billion of accumulated losses), and its internal resources (including reserves, provision, and capital). However, as the financial situation of the bank continued to deteriorate, the decision was taken in November 1993 to liquidate it. The responsibility to recover, to the extent possible, the portfolio of nonperforming loans was given in part to the BRCB (Bureau de Recouvrement des Crédits du Burkina), an agency created in 1991 at the Ministry of Finance, and in part to the BND-B Liquidation Commission. The liquidation of the BND-B was completed in 1997.⁶ Details on the total cost of restructuring and liquidating the BND-B are presented in Box 6.

⁶The last private depositors were repaid in November 1997 an amount of CFAF 2.2 billion, of which about one-half was financed by the Caisse Française de Développement (CFD), and the last payments to public depositors were made in four installments in 1997 and 1998 for a total of CFAF 6.2 billion. Finally, the transfer of remaining assets and liabilities (CFAF 15.5 billion and CFAF 2.1 billion, respectively) was completed in January 1998.

Box 6: Cost of Restructuring and Liquidating the BND-B 1/

(In billions of CFA francs)

Liabilities assumed by the government		
Debt toward the BCEAO	9.0	
Deposits	16.6	<i>Of which:</i> CFAF 8.7 billion paid up to August 1996
<i>Of which:</i> govt. and govt. agencies	11.3	(CFAF 6.2 billion from budget and Caisse
Private	5.3	Française de Développement (CFD) and
Bank correspondents	0.3	CFAF 2.5 billion from Liquidation Commission),
Severance payments to personal	1.5	CFAF 6.6 billion paid in 1997, and remainder
Subtotal	27.4	of deposits in 1998.
Additional cost: liquidation commission	1.1	
Total Liabilities	28.5	
Assets recovered		
Loans recovered by Liquidation		
Commission 1/	3.5	
Loans recovered by BRCB 1/	2.5	
Capital assets recovered	0.5	
Liquid assets	0.6	
Assets Recovered	7.1	
Total Cost of Liquidation	21.4	
Consolidated debt toward BCEAO	9.0	
Proceeds of borrowing from CNSS 2/	5.5	
CFD financing	2.0	
Domestic budgetary allocation	4.9	

Sources: Bureau de Recouvrement des Crédits du Burkina (BRCB); BND-B Liquidation Commission; and the World Bank.

1/ The total value of loans outstanding in 1991 was CFAF 22.0 billion, of which CFAF 18.4 billion was considered as nonperforming and CFAF 3.6 billion as healthy. In 1993, loans for a value of CFAF 13.4 billion were transferred to the BRCB for recovery, while CFAF 8.6 billion remained in the BND-B's portfolio to be recovered by the Liquidation Commission. An additional CFAF 4.6 billion was transferred to BRCB in 1997.

2/ Caisse Nationale de Sécurité Sociale.

68. Three other public banks (the BFCI-B, UREBA, and the investment bank (CAI)) were also put under temporary receivership in 1991, and their nonperforming loans transferred to the government. CAI, whose nonperforming loans were estimated at CFAF 0.9 billion, was able to cover its obligations with its own resources; meanwhile, the financing needs for the two other banks were estimated at CFAF 3.5 billion, as available internal resources (CFAF 7.7 billion) were insufficient to cover bad loans and other frozen assets (CFAF 8.8 billion and CFAF 2.4 billion, respectively). Moreover, the decision was taken to

consolidate these banks into one single bank, with the objective of privatizing it. Final agreements for the privatization of the BFCI-B were reached in 1997. The new ownership structure is presented in Box 7.

Box 7: Bank Ownership Structure: Before and After Bank Restructuring and Privatization			
	1991	1995	1998
BICIA-B (capital of CFAF 3.5 billion)			
Government	51.0	23.0	23.0
Government agencies	2.0	2.0	2.0
Private	49.0	75.0	75.0
Banque Nationale de Paris (BNP)	38.0	41.0	18.5
Other foreign banks	0.0	13.0	22.5
Nationals	9.0	21.0	34.0
BIB (capital of CFAF 4.8 billion)			
Government/ BOAD	25	23	23
Government agencies	24	0	0
Private	51	77	77
BIAO PARIS	40	40	0
Belgolaise	0	0	25
COFIPAR	0	0	30
Nationals	11	37	22
BFCI-B (capital of CFAF 1.6 billion)			
Government	100	66	15
Private	0	34	85
Société Générale	0	0	41
Société Financière Internationale (SFI)	0	0	10
Nationals	0	34	34
CNCA (capital of CFAF 3.5 billion)			
Government	27	27	26
Government agencies	5	5	5
Private	68	68	69
BCEAO	21	21	21
BOAD	21	21	21
CFD	21	21	21
BFCI-B	5	5	5
BCB/BALIB (capital of CFAF 2.0 billion)			
Governments	100	100	75 1/
Burkina Faso	50	50	25
Libya	50	50	50
Private	0	0	25

1/ BCB/BALIB's new structure will become effective in 1998.

69. Finally, in order to rehabilitate the BIB, in 1991, the government took over bad loans that could not be covered by internal resources. The cost of this operation amounted to about CFAF 10 billion.

70. Excluding the consolidation of the BND-B's obligations to the BCEAO that were taken over by the government, the cost of the 1991 bank restructuring amounted to CFAF 19.3 billion; it was financed entirely through government borrowing: CFAF 16 billion was borrowed from the national social security fund (CNSS) as a loan with a 6-year maturity and a 9 percent interest rate,⁷ and CFAF 3.3 billion was borrowed from the investment bank (CAI) as an obligation with a 15-year maturity and a 3 percent interest rate. However, these measures were not sufficient to restore health to the banking system.

71. In November 1994, another series of operations was carried out to restructure the balance sheets of the banks in difficulty and allow them to comply with prudential ratios. First, additional nonperforming loans and physical assets of questionable value were transferred from three commercial banks (BIB, BICIA-B, and BFCI-B) to the government, and the responsibility to recover these assets was given to the BRCB. In exchange for these assets, the banks received government bonds for a value of CFAF 11.8 billion, with a 15-year maturity, a grace period of 21 months, and an interest rate of 3 percent. Second, it was decided that two financial leasing companies (SOBCA and SIEL) would also receive financing for CFAF 1.5 billion in exchange for transferring their bad loans to the BRCB, and that SIEL would be liquidated. Third, the BND-B liquidation was to be accelerated.

72. The total cost of banking restructuring (see Box 8) is estimated at CFAF 48 billion (4.7 percent of 1994 GDP). However, in order to appreciate the overall cost of the operations for the government, it is necessary to take into consideration the value of the loans recovered since 1991, which was about CFAF 6 billion.⁸ The net cost of the entire operation was therefore about CFAF 4.1 billion. The BND-B was the bank for which the cost was the highest, followed by the BIB and the BFCI-B.

73. In September 1997, a decision was taken concerning the restructuring of the postal checking system (CCP) and the postal savings fund (CNE), which are part of the postal office (Société Nationale des Postes, or SONAPOST). In order to fully separate the management of postal services from that of the financial services, an independent financial management committee will be established and become operational in 1998.

⁷In 1996, the outstanding loan, valued at CFAF 12.8 billion, was consolidated as a 15-year obligation, with an interest of 3 percent and 2 years of grace.

⁸This amount excludes the value for loans recovered for the BND-B, which was taken into account explicitly in calculating the cost of the liquidation.

Box 8: Bank Restructuring: Financing and Use of Funds

(In billions of CFA francs)

Source of funds	
Domestic financing	
Government bonds issued following assumption of the BND-B's debt toward the BCEAO	9
Proceeds from CNSS loan	16
Proceeds from CAI loan	3
Government bonds offered in exchange for bad loans	12
Budgetary allocations	6
Foreign financing	
Caisse Française de Développement (CFD)	2
Total financing	48
Use of funds	
BND-B	
Consolidated debt toward the BCEAO	9
Financed through proceeds from CNSS loan	5
Paid through budgetary allocations	5
CFD financing	2
Total BND-B	21
BIB	
1991 restructuring	10
1994 restructuring financed through government bonds	3
Total BIB	13
BFCI-B	
1991 restructuring	3
1994 restructuring financed through government bonds	6
Total BFCI-B	9
BICIA-B	
1994 restructuring financed through government bonds	3
Total BICIA-B	3
Leasing companies	
1994 restructuring	2
Total financial companies	2
Total use of funds	48

Burkina Faso: Summary of the Tax System, December 31, 1997

Tax	Nature of Tax	Exemptions and Deductions	Rates
1. Taxes on income and profits			
1.1 Tax on individuals			
1.1.1	Standard tax on income (<i>impôt forfaitaire sur le revenu</i>). Tax Code Articles 152 to 166.	The sixth category of taxpayer was eliminated through Ordinance No. 4-609/PRES/CNR/MRF/DGI of October 1, 1984.	CFAF 2,000-35,000, according to taxpayer category.
1.1.2	Noncommercial profits tax (<i>impôt sur les bénéfices non commerciaux</i>). Tax Code Articles 41 to 54.	No personal exemptions; a CFAF 100,000 exemption was abolished in 1972 (Loi No. 10/72/AN of December 23, 1972).	From 10 percent to 40 percent, according to profits (see 1.2.1); minimum of CFAF 100,000.
1.1.3	Progressive income tax (<i>impôt progressif sur les revenus de l'assistance technique française</i>).	Technical assistants living in Burkina Faso before implementation of the agreement and whose contract was not renewed after 1990 are exempt.	5 percent to 60 percent.
1.1.4	Single progressive tax on wages and salaries (<i>impôt unique sur les traitements et salaires</i>). Tax Code Articles 55 to 74.	Introduced in 1971, replacing the scheduler tax and the general income tax and levied on all wages and salaries earned during the current year.	Withheld by employers on account of the treasury. Rates are 2 percent to 30 percent, payable by monthly installments.
1.1.5	Tax on rental income (<i>prélèvement sur les loyers</i>).	Levied on rental income collected by owners of rented buildings (whatever their usage).	Progressive rates of 20 percent to 45 percent.
1.1.6	Tax on real estate capital gains. Tax Code Articles 182 to 185.	Effective January 1978; levied on capital gains resulting from real estate sales.	15 percent of the capital gain.

Burkina Faso: Summary of the Tax System, December 31, 1997 (continued)

Tax	Nature of Tax	Exemptions and Deductions	Rates
1.2 Corporate taxes			
1.2.1	Industrial, commercial and agricultural profits tax. (<i>impôt sur les bénéfices industriels, commerciaux et agricoles</i>). Tax Code Articles 1 to 40.	No personal exemptions; a CFAF 100,000 exemption was abolished in 1972 (Loi No. 10/72/AN of December 23, 1972). Under certain conditions, profits from new industrial and mining enterprises can be exempted for up to five years. Tax reductions may also be granted on profits reinvested. All these incentives may be granted independent of the Investment Code.	For individuals; from 10 percent to 40 percent according to profits: CFAF 0 to 250,000, 10 percent; CFAF 250,001 to 600,000, 20 percent; CFAF 600,001 to 2,500,000, 35 percent; and above 2,500,000; 45 percent. For companies, 40 percent; must be at least 0.5 percent of turnover or CFAF 100,000.
1.3 Other			
1.3.1	Tax on income from securities (<i>impôt sur le revenu des valeurs mobilières</i>).	Distributions by new enterprises during the first eight years for enterprises under the Investment Code are exempt.	12.5 percent for dividends distributed during the first three years of operation of companies; 25 percent otherwise.
1.3.2	Tax on income from claims (<i>impôt sur le revenu des créances</i>).	Levied on interest income from claims, deposits, current accounts, and the like.	12.5 percent for deposits made at banks or specific financial institutions (e.g., treasury, CNCA). 25 percent for all other claims.
2.	Social security contributions (<i>chargés sociales</i>).	(1) Levied on family allowances; (2) workmen's compensation; and (3) retirement income.	(1) Employer: 11.5 percent. (2) Employer: 2.5 percent. (3) Employer: 4.5 percent; Employee: 4.5 percent.

Burkina Faso: Summary of the Tax System, December 31, 1997 (continued)

Tax	Nature of Tax	Exemptions and Deductions	Rates
3. Payroll taxes			
3.1 Payroll and apprenticeship tax (<i>taxe patronale et d'apprentissage</i>). Tax Code Articles 120 to 130.	Payable by employers, in principle not to be shifted to the employee in the form of lower wages or salaries. The base is the effective cash payments for wages, salaries, and benefits. Fifty percent in transferred to the National Office for Employment Promotion.	Partial or complete exemption may be accorded.	4 percent on citizens of Burkina Faso; 8 percent on expatriates.
4. Taxes on property			
4.1 Recurrent taxes on immovable property			
4.1.1 Land tax (<i>taxe de jouissance</i>).	Tax on real estate.		Depends on region and zoning (commercial, industrial, residential, or rural). In Ouagadougou: CFAF 1,500-3,000/m ² .
4.1.2 Residency tax (<i>taxe de résidence</i>). Tax Code Articles 219 to 235, amended by Ordinance No. 92-0016/PRES of 03/19/1992.	Levied on all individuals for the use of dwellings. Proceeds accrue to local governments.	All individuals are exempted from standard tax on income.	There are three schedules according to geographical zones. Rates take into account locality, and the equipment and construction material used in the dwelling.
4.2 Estate, inheritance, and gift taxes			
4.2.1 Mortmain tax (<i>taxe des biens de main morte</i>). Tax Code Articles 199 to 210.	Tax on transfer of ownership at death or by gift payable by stock companies. Assessed on annual rental value of property after usual deductions.	Government and companies with limited or general partnership are exempted. The following deductions are provided: 40 percent on annual rental value for houses; and 50 percent for factories.	2.5 percent for houses made of mud or other local materials; 10 percent for houses made of concrete or stone.

Burkina Faso: Summary of the Tax System, December 31, 1997 (continued)

Tax	Nature of Tax	Exemptions and Deductions	Rates
4.3 Taxes on financial and capital transactions			
4.3.1 Registration fees (<i>droits d'enregistrement</i>). Tax Code, various articles.	Tax on issues of securities. Levied also on contracts transferring various property and on rental contracts.	Incorporation of companies and capital increases are exempted.	Fixed or proportional and sometimes progressive or various rates, depending on the nature of the transaction.
4.3.2 Real estate registration fee (<i>droit d'immatriculation et d'inscription foncière</i>).	Transfer of ownership of registered real estate and land ownership advertising.		Depending on the nature of the transaction.
5. Taxes on goods and services			
5.1 Value-added tax (VAT) (<i>taxe sur la valeur ajoutée</i>). Tax Code Articles 318 to 386.	Replaces the turnover tax. Levied on the value of goods or services produced in Burkina Faso by companies and non-salaried individuals.	Deductible, subject to conditions and restrictions spelled out in Articles 325 and 331 of the Tax Code.	18 percent, effective September 1, 1996.
5.2 Excises			
5.2.1 Locally manufactured beverages (<i>taxe sur les boissons de fabrication locale</i>). Tax Code Articles 332 to 338.	On value of turnover before tax.		25 percent for alcoholic beverages.
5.2.2 Imported beverages (<i>taxe sur les boissons importées</i>). Tax Code Articles 332 to 338.	On customs value, as defined in Article 22 of Customs Code.		25 percent for alcoholic beverages.
5.2.3 Cartridges (<i>taxe sur les cartouches</i>). Tax Code Articles 339 to 343.	Abrogated by law 35/93 ADP of March 2, 1993.		
5.2.4 Cola nuts (<i>taxe sur les colas</i>). Tax Code Articles 355 to 358.	On customs value, as defined in Article 22 of customs code.		10 percent.

Burkina Faso: Summary of the Tax System, December 31, 1997 (continued)

Tax	Nature of Tax	Exemptions and Deductions	Rates
5.2.5	Coffee and tea specific tax.	On customs value, as defined in Article 22 of Customs Code.	10 percent.
5.2.6	Tobacco, cigars, and cigarettes (<i>taxe sur tabac, cigares et cigarettes</i>). Tax Code Articles 352 to 354, quater.	Levied on the value of imported and locally produced goods. For imported products, tax is collected by customs. Producers file a return with the tax office before the 15th of each month.	80 percent for imported tobacco; 10 percent for locally produced tobacco.
5.2.7	Single tax on petroleum products (<i>taxe unique sur les produits pétroliers (TUPP)</i>), Law No. 005/94 ADP of 03/11/1994.	Replaces all the taxes, except customs duties, previously levied on petroleum products.	Rates vary according to nature of product and location of warehouse (Bobo or Bingou).
5.3	Profits of fiscal monopolies		
5.3.1	Tobacco (<i>produits du monopole des tabacs</i>). Tax Code Articles 522 to 574.	Fiscal monopoly tax, in form of (1) sale of permits to sell tobacco, and (2) levy on selling price.	Permits sold to wholesalers who also sell at retail, for CFAF 168; to other wholesalers, for 120; and to retailers, for CFAF 8-48 (varies by region). For levies, 4 percent on the retail price after the deduction of CFAF 10 per unit.
5.4	Taxes on specific services		
5.4.1	Tax on insurance policies (<i>taxe sur les contrats d'assurance</i>). Tax Code Articles 609 to 625.	Annual tax levied on insurance premiums.	Fire: 25 percent. Life: 3 percent. Life annuity: 5 percent. Travel by sea, river, or air: 3.5 percent. Export credits: 0.1 percent. Other: 6 percent.
		Life annuity or life insurance contracts taken out by persons not habitually residing in Burkina Faso and any contract covering a risk situated outside Burkina Faso are exempt, as are reinsurance contracts.	

Burkina Faso: Summary of the Tax System, December 31, 1997 (continued)

Tax	Nature of Tax	Exemptions and Deductions	Rates
5.5 Taxes on use of goods and property, etc.			
5.5.1	Business licenses (<i>contribution des patentes</i>). Tax Code Articles 238-278, amended by Ordinance No. 92-017/PRES of 03/19/1992.	Exemptions listed in Articles 249 and 271 of the Tax Code for government subsistence, farmers, and agricultural cooperatives.	Fixed charge: depends on the category of business. Variable charge: 8 percent on rental value of business premises.
5.5.2	Beverage sales licenses (<i>licences-vente à la consommation</i>). Tax Code Articles 367 to 371, bis.	Establishments whose main activity is the sale of locally produced beverages are exempt.	CFAF 18,000 -150,000 in annual fees, depending on categories of establishment and locality (but not on turnover). For producers of dolo or bangui: CFAF 24,000 for Ouagadougou and Bobo- Dioulasso, CFAF 12,000 elsewhere.
5.5.3	Informal sector contribution (<i>contribution du secteur informel</i> (CSI). Tax Code Article 37, ter.	Companies and individuals already taxed under 50 504 are exempt.	CFAF 3,000-100,000, depending on class of activity and locality.
5.5.4	Beverage sector contribution (<i>contribution du secteur boisson</i> (CSB)) Tax Code Article 371, quater.	Producers and wholesalers are exempt.	3 percent on gross value (after tax) of purchases made from producers by wholesalers. The tax is withheld by the producer and paid before the 15 of each month to the tax office.

Burkina Faso: Summary of the Tax System, December 31, 1997 (continued)

Tax	Nature of Tax	Exemptions and Deductions	Rates
6. Taxes on international trade			
6.1 Import duties			
6.1.1 Customs duties (<i>droits de douane</i>). Customs Code Articles 8 and 12.	Ad valorem tax levied on the c.i.f. value of all imports.	Exemptions for imports of some industrial products, and goods originating in ECOWAS countries, and, after the devaluation, for pharmaceutical goods.	5 percent.
6.1.2 Fiscal duties (<i>droit fiscal à l'importation</i>). Customs Code Articles 10 and 13.	Levied on all imports.	Exemptions for import originating in ECOWAS countries and subject to the regional cooperation tax (TCR), and for imports of pharmaceuticals.	0 percent, 4 percent, and 26 percent.
6.1.3 Regional cooperation tax (<i>taxe de coopération régionale</i>). ECOWAS Treaty, Articles 10 and 14.	Applied since January 1976 to all agreed industrial products made in the ECOWAS; abolished on May 11, 1994. This single customs duty replaced the fiscal duties applied to similar products imported from outside the ECOWAS.		
6.1.4 Protection tax (<i>taxe dégressive de protection</i>).	Levied on imports of specific goods that are also locally produced.		Decreasing rates: 30 percent the first year ; 20 percent the second year; and 10 percent the third year.
6.1.5 Special intervention tax (<i>taxe spéciale d'intervention (TSI)</i>).	Collected on the c.i.f. value of imports. The proceeds accrue to the budget (92.5 percent) and to the customs administration (7.5 percent).		1 percent.
6.1.6 Solidarity communal levy (<i>prélèvement communautaire de solidarité (PCS)</i>).	Applied since April 1990 to all imports from outside the ECOWAS.	Exemptions are similar to those for fiscal duties.	1 percent.

Burkina Faso: Summary of the Tax System, December 31, 1997 (concluded)

Tax	Nature of Tax	Exemptions and Deductions	Rates
6.1.7	Statistical tax (<i>taxe statistique</i>)	Applied all imports.	4 percent.
6.2	Other taxes on international trade and transactions		
6.2.1	Toll tax (<i>taxe de péage</i>).	Levied on all imports going through the Chamber of Commerce warehouses, and on receipts accrued to the Chamber of Commerce.	CFAF 75 per ton for rice, cement, and sugar. CFAF 150 per ton for metal works, CFAF 500 per ton for other imports; and CFAF 3,000 per unit for vehicles.
7.	Other taxes		
7.1	Stamp taxes (<i>droit de timbre</i>).	Levied on miscellaneous legal documents.	Depending on the nature of the document.

Sources: General Tax and Customs Directorates of the Ministry of Economy, Finance, and Planning.

Table 1. Burkina Faso: Gross Domestic Product by Sector at Constant 1985 Prices, 1991-97

	1991	1992	1993	1994	1995	1996	1997
	Estimates						
	(In billions of 1985 CFA francs, unless otherwise indicated)						
Primary sector	313.2	316.9	321.2	320.5	329.7	354.1	356.7
Agriculture	212.3	212.4	215.3	209.1	215.2	233.5	233.0
Livestock	57.0	58.4	59.2	61.0	62.7	65.6	67.2
Forestry and fishing	44.0	46.1	46.7	50.5	51.8	54.9	56.6
Secondary sector	144.3	151.2	148.5	151.9	152.3	157.3	174.0
Mining and industry	105.3	109.0	107.1	108.9	109.0	112.7	125.3
Electricity, gas, and water	4.7	4.9	4.8	4.9	4.9	5.0	5.3
Construction and public works	34.2	37.3	36.6	38.1	38.4	39.5	43.4
Tertiary sector	322.3	333.7	326.8	332.1	338.8	360.8	389.5
Trade	125.4	128.8	126.2	131.0	133.6	142.3	155.8
Transport	38.6	36.9	36.2	35.7	36.4	38.8	42.4
Nonmarket services	77.2	79.0	77.3	77.6	79.1	84.3	86.8
Other services	81.0	89.0	87.1	87.9	89.6	95.5	104.5
GDP at factor cost	779.8	801.8	796.4	804.5	820.8	872.1	920.2
Import taxes and duties	32.1	29.6	28.2	30.0	36.4	36.3	38.6
Imputed for bank services	-10.6	-10.2	-10.0	-10.0	0.0	0.0	0.0
GDP at market prices	801.2	821.1	814.7	824.5	857.2	908.4	958.8
Per capita real income	81.5	81.5	79.2	78.3	79.6	82.3	84.9
Memorandum items:							
Nominal GDP	786.7	791.4	796.1	1,029.4	1,175.5	1,298.3	1,397.7
GDP deflator (1985 = 100)	98.2	96.4	97.7	124.9	137.1	142.9	145.8
	(Changes in percent)						
Nominal GDP	4.5	0.6	0.6	29.3	14.2	10.4	7.7
Real GDP	10.0	2.5	-0.8	1.2	4.0	6.0	5.5
GDP deflator	-5.0	-1.8	1.4	27.8	9.8	4.2	2.0
Primary sector	20.7	1.2	1.3	-0.2	2.9	7.4	0.7
Secondary sector	0.4	4.8	-1.8	2.3	0.3	3.3	10.7
Tertiary sector	4.9	3.5	-2.1	1.6	2.0	6.5	7.9
	(In percent of GDP at factor costs)						
Primary sector	40.2	39.5	40.3	39.8	40.2	40.6	38.8
Secondary sector	18.5	18.9	18.6	18.9	18.6	18.0	18.9
Tertiary sector	41.3	41.6	41.0	41.3	41.3	41.4	42.3

Sources: National Institute of Statistics and Demographics (INSD); and staff estimates.

Table 2. Burkina Faso: Gross Domestic Product by Sector at Current Prices, 1991-97

	1991	1992	1993	1994	1995	1996	1997
	Estimates						
	(In billions of CFA francs)						
Primary sector	263.1	256.0	270.2	335.0	376.6	425.9	422.0
Agriculture	154.5	141.2	149.0	162.1	182.3	212.8	203.6
Livestock	65.5	68.2	72.0	103.8	116.8	127.7	129.5
Forestry and fishing	43.1	46.6	49.2	69.0	77.5	85.4	88.9
Secondary sector	155.9	169.4	169.9	263.0	289.9	308.4	352.9
Mining and manufacturing	109.7	119.8	120.2	198.3	218.5	232.7	267.5
Electricity, gas, and water	7.1	7.4	7.4	9.0	9.9	10.5	11.5
Construction and public works	39.1	42.3	42.4	55.7	61.4	65.2	74.0
Tertiary sector	337.9	337.7	331.5	383.5	437.5	489.3	539.6
Trade	104.9	104.7	102.8	122.7	140.2	156.8	175.6
Transport	34.2	34.2	33.5	39.0	44.6	49.9	55.9
Nonmarket services	95.9	94.9	93.1	102.7	117.1	130.9	138.3
Other services	103.3	104.5	102.6	119.0	135.6	151.7	169.9
GDP at factor cost	759.0	765.7	774.0	981.5	1,104.0	1,223.6	1,314.5
Import taxes and duties	40.0	37.9	32.9	58.7	71.5	74.7	83.3
Imputed for bank services	-12.3	-12.3	-10.8	-10.8	0.0	0.0	0.0
GDP at market prices	786.7	791.4	796.1	1,029.4	1,175.5	1,298.3	1,397.7
	(In percent of GDP at market prices)						
Tertiary sector	43.0	42.7	41.6	37.3	37.2	37.7	38.6
Trade	13.3	13.2	12.9	11.9	11.9	12.1	12.6
Transport	4.4	4.3	4.2	3.8	3.8	3.8	4.0
Nonmarket services	12.2	12.0	11.7	10.0	10.0	10.1	9.9
Other services	13.1	13.2	12.9	11.6	11.5	11.7	12.2
GDP at factor cost	96.5	96.8	97.2	95.4	93.9	94.2	94.0
Import taxes and duties	5.1	4.8	4.1	5.7	6.1	5.8	6.0
Imputed for bank services	-1.6	-1.6	-1.4	-1.1	0.0	0.0	0.0
GDP at market prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Sources: National Institute of Statistics and Demographics (INSD); and staff estimates.

Table 3. Burkina Faso: Implicit GDP Deflators by Sector, 1991-97

	1991	1992	1993	1994	1995	1996	1997
	Estimates						
	(1985=100)						
Primary sector	84.0	80.8	84.1	104.5	114.2	120.3	118.3
Agriculture	72.8	66.5	69.2	77.5	84.7	91.1	87.4
Livestock	115.0	116.8	121.7	170.3	186.2	194.5	192.6
Forestry and fishing	98.1	101.0	105.2	136.8	149.5	155.5	157.2
Secondary sector	108.0	112.1	114.4	173.2	142.3	146.6	151.6
Mining and manufacturing	104.2	109.9	112.2	182.2	200.4	206.4	213.4
Electricity, gas, and water	150.7	151.3	154.5	185.4	203.3	209.4	214.7
Construction and public works	114.4	113.5	115.9	146.0	160.2	165.0	170.5
Tertiary sector	104.9	101.2	101.4	115.5	98.4	103.3	105.5
Trade	83.6	81.3	81.5	93.7	104.9	110.2	112.7
Transport	88.7	92.5	92.7	109.4	122.6	128.7	131.7
Nonmarket services	124.2	120.1	120.4	132.4	148.0	155.4	159.3
Other services	127.5	117.5	117.8	135.4	151.3	158.9	162.6
GDP at factor cost	97.3	95.5	97.2	122.0	134.5	140.3	142.8
Import duties and taxes	124.8	128.1	116.6	195.7	196.5	205.9	215.8
Imputed for bank services	116.3	119.9	108.3	108.3	108.3	108.3	108.3
GDP at market prices	98.2	96.4	97.7	124.9	137.1	142.9	145.8
	(Changes in percent)						
Primary sector	-7.6	-3.9	4.2	24.2	9.3	5.3	-1.7
Agriculture	-11.5	-8.7	4.2	12.0	12.9	7.6	-4.1
Livestock	2.1	1.6	4.2	40.0	7.0	4.5	-1.0
Forestry and fishing	2.7	3.0	4.2	30.0	5.0	4.0	1.1
Secondary sector	-4.7	3.7	2.1	51.4	9.9	3.0	3.4
Mining and manufacturing	-6.0	5.5	2.1	62.4	10.0	3.0	3.4
Electricity, gas, and water	-8.8	0.4	2.1	20.0	9.7	3.0	2.5
Construction and public works	-0.2	-0.7	2.1	26.0	9.7	3.0	3.3
Tertiary sector	-2.1	-3.5	0.2	13.8	11.9	5.0	2.2
Trade	-6.0	-2.8	0.2	15.0	12.0	5.0	2.3
Transport	-1.7	4.3	0.2	18.0	12.0	5.0	2.3
Nonmarket services	-10.3	-3.3	0.2	10.0	11.8	5.0	2.5
Other services	11.2	-7.9	0.2	15.0	11.8	5.0	2.3
GDP at factor cost	-5.2	-1.9	1.8	25.5	10.2	4.3	1.8
Import duties and taxes	2.9	2.6	-9.0	67.9	0.4	4.8	4.8
Imputed for bank services	4.6	3.1	-9.7	0.0	0.0	0.0	0.0
GDP at market prices	-5.0	-1.8	1.4	27.8	9.8	4.2	2.0

Sources: National Institute of Statistics and Demographics (INSD); and staff estimates.

Table 4. Burkina Faso: Supply and Use of Resources in Current Prices, 1991-97

	1991	1992	1993	1994	1995	1996	1997
	Estimates						
	(In billions of CFA francs)						
Resources	996.3	983.0	1,005.9	1,300.1	1,508.2	1,680.8	1,825.5
GDP at market prices	786.7	791.4	796.1	1,029.4	1,175.5	1,298.3	1,397.7
Imports 1/	209.6	191.6	209.8	270.7	332.6	382.5	427.8
Use of resources	996.3	983.0	1,005.9	1,300.1	1,508.2	1,680.8	1,825.5
Consumption	738.9	734.7	756.2	966.2	1,091.4	1,200.5	1,269.5
Public	115.1	118.4	121.0	160.2	165.1	170.4	172.3
Private	623.8	616.3	635.2	806.0	926.3	1,030.2	1,097.2
Investment	162.1	168.3	157.4	198.3	264.2	321.7	365.7
Fixed capital formation	161.7	176.0	149.0	216.5	262.1	318.5	367.0
Public	49.9	71.6	63.6	71.7	109.1	142.0	174.7
<i>Of which: externally financed</i>	41.7	49.9	45.2	64.5	98.2	127.8	157.3
Private	111.7	104.4	85.4	144.8	153.0	176.5	192.3
Change in inventories	0.5	-7.7	8.4	-18.3	2.1	3.2	-1.4
Exports 1/	95.2	80.0	92.2	135.6	152.6	158.5	190.3
Resource gap	114.4	111.6	117.6	135.1	180.1	224.0	237.5
Memorandum items:							
Gross domestic savings	47.7	56.7	39.8	63.1	84.1	97.7	128.2
Net factor services	-2.5	-3.2	-3.8	-7.8	-5.7	-5.4	-3.6
Private transfers	27.7	44.7	43.9	53.6	53.0	55.8	54.5
	(Changes in percent)						
Resources	5.3	-1.3	2.3	29.2	16.0	11.4	8.6
GDP at market prices	4.5	0.6	0.6	29.3	14.2	10.4	7.7
Imports 1/	8.6	-8.6	9.5	29.0	22.9	15.0	11.8
Use of resources	5.3	-1.3	2.3	29.2	16.0	11.4	8.6
Consumption	6.3	-0.6	2.9	27.8	13.0	10.0	5.7
Public	2.7	2.9	2.2	32.4	3.0	3.2	1.2
Private	7.0	-1.2	3.1	26.9	14.9	11.2	6.5
Investment	4.6	3.8	-6.5	25.9	33.2	21.8	13.7
Fixed capital formation	9.1	8.9	-15.4	45.3	21.0	21.5	15.2
Public	52.1	43.5	-11.2	12.7	52.2	30.2	23.0
Private	-3.1	-6.6	-18.2	69.6	5.6	15.3	9.0
Exports 1/	-0.7	-16.0	15.3	47.0	12.5	3.9	20.1
Resource gap	17.8	-2.4	5.3	14.9	33.3	24.4	6.0
Memorandum items:							
Gross domestic savings	-17.4	18.8	-29.7	58.5	33.2	16.2	31.2
Net factor services	28.0	25.8	20.4	103.2	-27.2	-4.7	-34.0
Private transfers	-3.2	61.4	-1.9	22.1	-1.1	5.4	-2.3
	(In percent of GDP)						
Consumption	93.9	92.8	95.0	93.9	92.8	92.5	90.8
Public	14.6	15.0	15.2	15.6	14.0	13.1	12.3
Private	79.3	77.9	79.8	78.3	78.8	79.3	78.5
Gross domestic savings	6.1	7.2	5.0	6.1	7.2	7.5	9.2
Public	4.2	2.9	3.0	2.5	3.7	4.8	6.0
Private	1.9	4.2	2.0	3.6	3.4	2.7	3.2
Gross investment	20.6	21.3	19.8	19.3	22.5	24.8	26.2
Public	6.3	9.1	8.0	7.0	9.3	10.9	12.5
Private	14.3	12.2	11.8	12.3	13.2	13.8	13.7

Sources: National Institute of Statistics and Demographics (INSD); and staff estimates.

1/ Goods and nonfactor services.

Table 5. Burkina Faso: Production of Principal Crops, 1991/92-1997/98

	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98
	(In thousands of metric tons)						
Cereals	2,455.1	2,477.2	2,556.7	2,491.5	2,308.0	2,481.8	2,274.4
Sorghum	1,238.3	1,292.1	1,310.4	1,232.4	1,266.2	1,254.0	1,094.5
Millet	848.5	783.5	899.2	831.4	733.7	811.5	736.8
Maize	315.3	341.3	270.7	350.3	212.5	293.7	331.9
Rice (paddy)	38.6	46.7	53.8	61.0	84.0	111.8	98.6
Fonio	14.4	13.6	22.6	16.4	11.6	10.8	12.6
Oilseed crops	190.6	229.9	282.5	266.7	256.8	244.8	275.7
Groundnuts (shelled)	94.8	137.7	198.0	194.9	173.3	211.6	222.2
Sesame	5.8	9.4	8.3	1.7	7.8	13.2	13.5
Shea nuts	90.0	82.8	76.2	70.1	75.7	20.0	40.0
Tubers and root crops	156.3	138.5	175.9	173.7	299.9	347.4	367.1
Niébé and voandzou	99.6	106.6	114.0	122.0	229.2	291.2	305.7
Yams	36.5	12.9	41.7	36.4	64.0	49.2	54.1
Sweet potatoes	16.2	15.0	16.2	11.3	2.7	3.0	3.3
Manioc	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Seed cotton	167.2	163.3	114.8	145.0	150.5	214.3	300.0
Fruit and vegetables	350.0	364.0	378.6	393.7	411.4	429.9	451.4
	(Changes in percent, unless otherwise indicated)						
Cereals	61.7	0.9	3.2	-2.6	-7.4	7.5	-8.4
Sorghum	65.0	4.3	1.4	-6.0	2.7	-1.0	-12.7
Millet	89.0	-7.7	14.8	-7.5	-11.8	10.6	-9.2
Maize	22.3	8.2	-20.7	29.4	-39.3	38.2	13.0
Rice (paddy)	-19.2	21.0	15.2	13.4	37.7	33.1	-11.8
Fonio	13.4	-5.6	66.2	-27.4	-29.2	-6.6	16.2
Oilseed crops	-15.8	20.6	22.9	-5.6	-3.7	-4.7	12.6
Groundnuts (shelled)	-29.3	45.3	43.8	-1.6	-11.1	22.1	5.0
Sesame	39.1	62.1	-12.2	-79.7	363.1	70.6	2.0
Shea nuts	2.1	-8.0	-8.0	-8.0	8.0	-73.6	100.0
Tubers and root crops	6.5	-11.4	27.0	-1.3	72.7	15.8	5.7
Niébé and voandzou	7.0	7.0	6.9	7.0	87.8	27.1	5.0
Yams	-1.6	-64.7	223.3	-12.7	75.9	-23.2	10.0
Sweet potatoes	33.9	-7.4	8.0	-30.2	-76.1	10.7	10.4
Manioc	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Seed cotton	-11.8	-2.3	-29.7	26.3	3.8	42.4	40.0
Fruit and vegetables	4.0	4.0	4.0	4.0	4.5	4.5	5.0
Memorandum items:							
Cultivated area for cereals 1/ (in thousands of hectares)	2,800.6	2,916.0	3,014.1	3,133.7	2,711.9	2,711.4	2,711.9
Yield for cereals (tons per hectare)	0.88	0.85	0.85	0.80	0.85	0.92	0.84
Cultivated area for seed cotton (in thousands of hectares)	185.7	176.9	152.1	184.0	160.0	195.7	272.3
Yield for seed cotton (tons per hectare)							
Burkina Faso	0.90	0.92	0.75	0.79	0.94	1.10	1.10
Benin	1.26	1.18	1.20	1.09	1.36	...	...
Cameroon	1.27	1.27	1.23	1.17	1.23	1.17	...

Sources: Ministry of Agriculture and Animal Resources; and staff estimates.

1/ Sorghum, millet, maize, rice, and fonio.

Table 6. Burkina Faso: Producer Prices for Principal Crops, 1991/92-1997/98 1/
(CFA francs per kilogram, unless otherwise indicated)

	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98
Sorghum	50.0	45.0	39.1	41.8	56.4	70.5	63.4
Millet	50.0	45.0	41.9	44.9	60.6	75.7	68.1
Maize	55.0	45.0	36.6	39.1	52.8	66.0	59.4
Rice (paddy)	85.0	85.0	85.0	95.0	105.0	105.0	105.0
Fonio	115.0	110.0	96.8	103.5	139.8	174.7	157.2
Cotton seed, first grade	95.0	85.0	112.0	120.0	140.0	160.0	160.0
Average producer price	95.1	83.3	108.7	111.1	139.3	158.0	158.0
Groundnuts (shelled, first grade)	60.0	60.0	60.0	65.0	80.0	85.0	90.0
Shea nuts	34.5	25.5	25.5	35.0	40.0	80.0	60.0
Memorandum items:							
Cotton Liverpool index	402.3	362.2	975.8	1,081.7	908.3	1,022.3	...
Average cotton export price (c.i.f.)	431.0	391.8	658.6	829.7	791.5	840.0	...
Average export price (in percent of international price)	107.1	108.2	67.5	76.7	87.1	82.2	...
Average cotton producer price (in percent of average export price)	22.1	21.3	16.5	13.4	17.6	18.8	...
Cotton producer price in other countries							
Benin	100.0	100.0	110.0	140.0	165.0	...	...
Cameroon	93.1	84.4	128.1	154.1	174.1	159.5	...
Senegal	100.0	100.0	110.0	150.0	170.0	170.0	...
Côte d'Ivoire	115.0	100.0	90.0	150.0	170.0	180.0	...
Mali	85.0	85.0	85.0	125.0	125.0	125.0	...

Sources: Ministry of Agriculture and Animal Resources; and staff estimates.

1/ Minimum producer prices fixed by the government until 1990. In 1991, prices of local products were freed.

Table 7. Burkina Faso: Livestock, 1991-97

(In thousands of heads)

	1991	1992	1993	1994	1995	1996	1997
Estimated population	16,104	16,616	17,145	17,368	17,656	18,142	18,642
Cattle	4,016	4,096	4,178	4,190	4,346	4,433	4,522
Sheep	5,198	5,354	5,515	5,680	5,851	6,027	6,207
Goats	6,890	7,165	7,452	7,498	7,459	7,683	7,914
Registered slaughtering	936.0	931.7	992.1	905.9	788.6	910.8	934.8
Cattle	139.4	149.3	161.5	131.7	112.4	126.0	122.1
Sheep	246.1	253.1	268.4	239.3	197.0	230.2	221.5
Goats	550.5	529.3	562.2	534.9	479.2	554.6	591.2
Exports of live animals	172.8	208.5	295.6	417.4	390.2	350.0	340.0
Cattle	92.0	92.4	101.6	173.0	147.9	148.0	140.5
Other	80.7	116.1	194.1	244.3	242.3	202.0	199.5

Sources: Ministry of Agriculture and Animal Resources; and staff estimates.

Table 8. Burkina Faso: Industrial Production, 1991-96

Units	1991	1992	1993	1994	1995	1996
Foodstuff, beverages, and tobacco						
Edible oils	19,086	10,654	8,906	6,412	4,286	4,590
Sheanut butter	1,313	0	1,758	574	286	0
Flour	21,403	22,614	27,555	26,235	31,046	30,265
Pasta	1,094	1,160	1,175	633	738	869
Sugar	47,158	44,653	34,955	54,824	47,107	30,310
Beer	394	313	258	287	372	435
Soft drinks	99	56	85	86	115	142
Cigarettes	49	49	47	44	47	46
Textiles and leather						
Spun	905	581	350	306	...	...
Woven	23	8	64	6	...	...
Printed fabric	5,450	2,366	4,618	5,957	5,298	5,098
Chemicals						
Soap	25,611	13,650	14,056	6,526	5,787	6,872
Matches	26,686	13,599	14,587	...	...	3,351
Miscellaneous						
Bicycles	27,621	30,606	20,258	18,321	22,150	33,158
Mopeds	18,568	18,509	14,840	5,423	8,673	10,694
Tires	627	581	294	1,016	1,739	462
Inner tubes	2,947	1,886	1,924	2,292	2,660	2,245

Source: National Institute of Statistics and Demographics (INSD).

Table 9. Burkina Faso: Index of Industrial Production, 1991-97
(1990=100)

	Weights 1/	1991	1992	1993	1994	1995	1996	1997
Mining	46	77.2	85.8	53.4	41.9	42.8	32.8	9.5
Food, beverages, and tobacco	342	109.0	106.4	92.3	107.2	101.6	85.0	104.3
Baked goods	67	110.7	112.8	108.1	105.7	124.6	119.0	140.5
Beverages and tobacco	82	116.2	112.6	108.8	98.7	112.4	116.2	141.2
Other food industry	192	104.5	100.7	77.4	112.2	88.8	59.7	75.8
Textiles	208	76.9	70.9	64.9	76.1	84.2	78.5	90.6
Chemical industry	140	80.5	83.3	73.7	34.2	76.5	62.6	77.6
Woodworking and metalworking	73	105.0	108.9	85.8	69.7	61.8	95.9	130.9
Electricity, gas, and water	191	104.3	108.2	114.2	114.1	120.3	122.9	131.2
Overall index	1,000	95.5	95.2	85.5	86.3	89.9	86.1	100.4

Sources : Ministry of Trade, Industrial Development, and Mining; Directorate of Industrial Development and Handcraft.

1/ Based on the average share in value added during 1990.

Table 10. Burkina Faso: Gold Production, 1991-97
(Fine gold in kilograms, unless otherwise specified)

	1991	1992	1993	1994	1995	1996	1997
Industrial gold-mining production	2,458	2,302	2,296	1,637	1,619	1,063	...
Artisanal gold washing	1,502	1,365	1,268	906	945	769	...
Industrial and semi-industrial	956	937	1,028	731	674	294	144
Official exports of gold	3,240	2,500	3,000	1,642	1,896	1,460	1,610
International gold price (U.S. dollars per fine ounce; London)	362	343	360	384	384	388	331

Sources: Ministry of Energy and Mines (MEM); and National Institute of Statistics and Demographics (INSD).

Table 11. Burkina Faso: Energy Indicators, 1991-97

	1991	1992	1993	1994	1995	1996	1997
(In metric tons) 1/							
Consumption of petroleum products 2/							
Premium gasoline	9,720	10,963	11,501	9,587	9,932	10,831	11,748
Regular gasoline	55,748	55,649	53,406	54,804	61,095	65,356	71,238
Kerosene	16,569	16,050	15,907	20,807	22,348	24,067	27,182
Diesel	26,618	38,659	36,337	35,700	40,872	47,893	58,018
Light distillates	35,775	31,064	33,008	27,745	29,691	34,955	29,190
Fuel oil	26,239	33,989	30,588	30,017	22,275	14,205	45,550
Gas	2,432	2,888	3,494	3,482	3,327	3,765	4,570
Total	173,101	189,262	184,241	182,142	189,540	201,072	247,496
(In thousands of kilowatt-hours)							
Electricity							
Total production	193,228	200,894	215,517	216,006	242,835	273,530	305,531
Of which : hydroelectric	12,623	20,024	47,049	72,799	...	...	...
Distributed	185,770	192,659	203,260	203,388	...	...	...
Total sales	169,131	175,679	184,281	189,407	207,455	225,751	252,226
High voltage	89,507	88,150	86,872	92,154	96,656	106,745	116,504
Low voltage	79,624	87,529	97,409	97,253	110,799	119,006	135,722
(In kilometers)							
Memorandum items:							
Length of distribution network	2,408	2,446	3,239	...	...	...	...
Medium voltage	728	1,118	947	...	...	...	...
Low voltage	1,680	1,328	2,292	...	...	...	...

Source: National Institut of Statistics and Demographics (INSD).

1/ Converted from cubic meters by using the following coefficients: gasoline, 1.36 cubic meters per metric ton, kerosene, 1.26; diesel, 1.19; light distillates, 1.18; and fuel oil, 1.09.

2/ Excluding aviation and jet fuel.

Table 12. Burkina Faso: Transport Activity, 1991-97 1/

	1991	1992	1993	1994	1995	1996 Est.	1997 Est.
Rail traffic (freight)							
	(In thousands of metric tons, unless otherwise indicated)						
Domestic traffic	4.6	4.4	7.0	4.0	2.0	...	...
International traffic	328.2	294.1	239.7	214.0	183.0	386.0	513.0
Côte d'Ivoire to Burkina Faso	277.2	246.4	187.8	165.0	160.0	351.0	459.0
Of which : cement	50.3	21.8	29.9	45.0	54.0	84.0	5.0
flammable liquids	44.7	45.4	45.3	19.0	19.0	47.0	68.0
Burkina Faso to Côte d'Ivoire	51.0	47.7	51.9	49.0	23.0	35.0	54.0
Of which : cotton	18.8	53.5	14.6	17.4	8.0	13.0	26.0
live animals (in thousands)	256.7	111.4	46.0	79.1	6.0	14.0	18.0
Total traffic	332.8	298.5	246.7	218.0	185.0	...	...
Air traffic (Ouagadougou)							
	(In thousands)						
Commercial landings and takeoffs	4.8	4.5	4.3	4.9	4.7	7.0	7.0
Passengers 2/	130.1	140.4	138.2	140.5	150.5	162.3	176.4
Freight	8.2	7.8	6.7	5.9	6.1	4.9	7.0
Mail	0.2	0.3	0.2	0.3	0.2	0.2	0.5

Sources: Ministry of Transport; and Railway Company (SCFP).

1/ 1996 data cover the period October 1, 1995 to September 30, 1996, while 1997 data cover the period October 1, 1996 to November 30, 1997.

2/ Excluding passengers in transit.

Table 13. Burkina Faso: Prices of Petroleum Products, 1991-98
(CFA francs per liter)

	1991	1992	1993	1994	1995	1996	1997	1998 1/
Import prices (c.i.f., Abidjan)								
Premier gasoline	54	49	59	80	74	87	102	...
Regular gasoline	49	45	49	73	70	80	94	...
Kerosene	55	45	57	82	73	93	89	...
Diesel	57	44	47	80	71	96	95	...
Retail prices (Ouagadougou) 2/								
Premium gasoline	285	285	285	395	395	393	400	415
Regular gasoline	272	272	272	368	358	351	358	375
Kerosene	160	160	160	160	160	160	200	210
Diesel	240	240	240	300	300	297	297	297
Two-stroke mixture	300	300	300	390	375	375	385	400

Source: National Petroleum Company of Burkina (SONABHY).

1/ Retail prices since February 1998.

2/ Retail prices in other locations differ from those in Ouagadougou.

Table 14. Burkina Faso: Electricity Rates, 1991-97
(CFA francs per kilowatt-hour)

	1991	1992	1993	1994	1995	1996	1997
High voltage 1/							
Peak hours	94	94	94	110	110	110	110
Off-peak hours	43	43	43	51	51	51	51
Low voltage							
Lighting, domestic use							
Low tariff 2/	68	68	68	73	73	73	73
High tariff 3/	72	72	72	86	86	86	86
Power unit							
Peak hours	108	108	108	130	130	130	130
Off-peak hours	57	57	57	70	70	70	70
Public lighting	100	100	100	120	120	120	120

Source : National Electricity Company of Burkina (SONABEL).

1/ Hourly rate for 50 kilowatts and over.

2/ For subscriptions of 0.7 kilowatts and under.

3/ For subscriptions of 1.1 kilowatts and over.

Table 15. Burkina Faso: Consumer Price Index, 1991-97
(July 1981-June 1982 = 100)

	Weights	1991	1992	1993	1994	1995	1996	1997
Food, beverages, and tobacco	4,766	123.2	116.3	111.8	134.8	147.2	148.7	169.2
Food	3,871	115.8	107.1	101.1	119.0	133.1	134.9	158.2
Condiments	790	125.4	116.1	104.6	126.1	126.6	127.8	147.6
Vegetable oils	224	95.8	84.4	83.7	111.3	119.9	120.5	140.1
Meat and fish	637	99.1	98.8	92.7	118.0	125.7	125.9	152.5
Grains	2,016	118.6	106.2	101.8	111.6	133.7	136.3	158.9
Fruits and vegetables	204	123.6	122.9	125.8	177.9	190.6	192.0	214.8
Beverages and tobacco	895	155.5	156.3	157.9	203.3	208.3	208.3	220.4
Clothing	441	124.0	122.7	122.9	159.9	175.1	175.6	190.1
Housing	1,883	120.2	122.4	121.4	139.0	149.4	149.3	154.5
Rent and construction cost	515	124.7	134.7	156.4	193.9	202.3	203.6	209.3
Water, lighting and fuel	1,368	115.1	117.4	108.2	118.4	126.4	125.7	133.8
Equipment	303	128.4	127.5	133.3	162.6	202.3	205.6	244.0
Furniture and fixed accessories	224	124.5	125.4	132.2	150.0	180.2	183.0	221.8
Household equipment	79	139.5	135.4	136.5	199.0	265.2	269.7	307.2
Health	518	139.9	143.0	151.7	207.5	239.1	240.3	241.6
Transport and communication	1,858	139.4	140.1	144.3	198.4	201.6	201.4	205.8
Schooling, recreation, and culture	231	141.6	140.7	173.3	215.0	214.7	214.7	217.8
Total	10,000	126.0	123.5	124.2	154.9	167.0	177.2	181.3
Memorandum item:								
Average annual inflation rate (in percent)		2.5	-2.0	0.6	24.7	7.8	6.1	2.3

Source: National Institute of Statistics and Demographics (INSD).

Table 16. Burkina Faso: Consolidated Operations of the Central Government, 1991-97

	1991	1992	1993	1994	1995	1996	1997
	(In billions of CFA francs)						
Total revenue	104.9	93.0	100.0	113.3	136.6	160.0	181.5
Current revenue	104.3	92.9	99.4	113.3	136.6	160.0	181.3
Tax revenue	79.6	68.9	72.6	104.0	127.3	149.0	166.4
Income and profits	21.4	20.5	18.9	21.2	30.2	39.5	39.8
Domestic goods and services	17.0	15.3	14.8	45.7	53.4	59.9	72.3
International trade	38.7	31.0	36.4	32.7	40.7	45.2	50.0
Other	2.4	2.2	2.5	4.5	3.0	4.5	4.3
Nontax revenue	24.7	24.0	26.8	9.4	9.3	11.0	14.9
Capital revenue	0.6	0.1	0.6	0.0	0.0	0.0	0.1
	0.0						
Expenditure and net lending 1/	169.5	165.4	182.4	227.0	245.8	276.0	318.7
Domestic expenditure and net lending	101.0	106.4	124.6	137.2	140.6	149.2	177.1
Excluding interest	90.0	95.0	112.2	122.2	124.2	137.7	165.3
Of which: health and primary education 2/	15.8	15.0	19.2	22.4	27.7	32.8	37.6
Wages and salaries	54.1	50.9	52.2	58.2	61.6	64.7	67.7
Goods and services	13.2	14.2	19.3	26.7	24.8	27.0	28.0
Interest payments	11.0	11.4	12.4	15.0	16.4	11.5	11.7
Current transfers	15.9	17.2	34.3	31.2	29.1	31.7	33.1
Budgetary contribution to investment	6.6	11.8	8.8	9.2	11.6	16.9	39.7
Net lending 3/	-0.6	0.1	-2.5	-3.0	-3.0	-2.5	-3.2
Primary balance (excluding foreign-financed investment and restructuring operations)	14.9	-2.0	-12.2	-8.9	12.4	22.3	16.1
Primary current balance (excluding investment and restructuring operations)	21.5	9.8	-3.4	0.3	24.0	39.2	55.8
Foreign-financed government investment	50.3	59.8	54.6	62.5	97.5	125.2	135.0
Restructuring operations	19.1	0.0	3.1	27.3	7.6	1.6	6.6
Overall surplus/deficit 1/	-64.6	-72.4	-82.4	-113.7	-109.1	-116.0	-137.2
Change in payments arrears	-32.6	-2.5	2.9	-14.2	-19.9	-17.2	-10.4
Domestic 4/	-18.6	-2.0	...	-8.2	-18.6	-17.0	-10.4
External	-14.0	-0.4	2.9	-6.0	-1.4	-0.2	0.0
Expenditures committed but not paid	0.0	0.0	0.0	0.0	0.0	0.0	-4.6
Grants	36.3	49.3	43.2	75.4	88.0	109.1	97.8
Of which: project	27.7	37.7	28	35.4	51.2	81.8	87.7
Overall deficit after grants (cash basis)	-60.9	-25.6	-36.3	-52.5	-41.2	-24.1	-54.4
Financing	61.0	25.6	36.3	52.5	41.2	24.1	54.4
Foreign	44.1	25.3	32.9	34.1	55.6	32.8	31.0
Drawings	29.5	30.8	35.3	57.9	69.6	47.7	47.3
Of which: adjustment aid	6.7	8.7	7.1	8.9	23.3	4.4	0.0
Amortization	-4.4	-7.6	-9.8	-20.9	-18.6	-16.0	-19.1
Change in amortization arrears	-19.6	-3.6	4.7	-11.4	0.0	0.0	0.0
Rescheduling	37.5	5.7	2.7	8.5	4.6	1.1	2.8
Domestic	16.9	0.3	3.4	18.4	-14.4	-8.7	20.6
Bank	0.9	2.7	4.1	20.7	-9.9	1.0	21.9
Of which: IMF	2.4	0	3.4	13.7	13.6	4.7	9.6
Nonbank	16.0	-2.4	-0.7	-2.3	-4.5	-9.7	-1.3
Debt under discussion 5/	0.0	0.0	0.0	0.0	0.0	0.0	2.8
	(In percent of GDP, unless otherwise indicated)						
Revenue	13.3	11.8	12.6	11.0	11.6	12.3	13.0
Tax revenue	10.1	8.7	9.1	10.1	10.8	11.5	11.9
Domestic expenditure and net lending	12.8	13.4	15.7	13.3	12.0	11.5	12.7
Domestic expenditure and net lending	11.4	12.0	14.1	11.9	10.6	10.6	11.8
Current expenditure (excluding net lending)	12.0	11.8	14.8	12.7	11.2	10.4	10.1
Current primary expenditure (excluding net lending)	10.6	10.4	13.3	11.3	9.8	9.5	9.2
Capital expenditure (excluding restructuring operations)	7.2	9.0	8.0	7.0	9.3	10.9	12.5
Of which: foreign financed	6.4	7.6	6.9	6.1	8.3	9.6	9.7
Overall surplus/deficit 1/	-8.2	-9.1	-10.4	-11.0	-9.3	-8.9	-9.8
Primary balance	1.9	-0.3	-1.5	-0.9	1.1	1.7	1.2
Primary current balance	2.7	1.2	-0.4	0.0	2.0	3.0	4.0
GDP (in billions of CFA francs)	786.7	791.4	796.1	1,029.0	1,175.5	1,298.0	1,397.7

Sources: Burkinabè authorities, and Fund staff estimates.

1/ On a commitment basis, excluding grants.

2/ On a commitment basis. In 1997, actual expenditure was lower than commitments.

3/ Excluding foreign-financed on-lending, including proceeds from privatization (-).

4/ In 1997 includes CFAP 4.6 billion of expenditures committed but not paid.

5/ In 1997 contentious debt in negotiation with non Paris Club creditors.

Table 17. Burkina Faso: Economic Classification of Consolidated Government Expenditure, 1991-97

	1991	1992	1993	1994	1995	1996	1997
(In billions of CFA francs)							
Total expenditure and net lending	169.5	165.4	182.4	227.0	245.8	276.0	318.7
Total expenditure	169.3	165.3	184.9	230.1	248.7	278.5	321.9
Current	94.2	93.7	118.2	131.0	132.0	134.8	140.5
Wages and salaries	54.1	50.9	52.2	58.2	61.6	64.7	67.7
Goods and services	13.2	14.2	19.3	26.7	24.8	27.0	28.0
Interest	11.0	11.4	12.4	15.0	16.4	11.5	11.7
On external debt	6.2	6.8	7.6	12.4	10.6	8.9	9.3
On domestic debt	4.8	4.5	4.8	2.9	5.9	2.6	1.2
Transfers	15.9	17.2	34.3	31.2	29.1	31.7	33.1
Capital	75.1	71.6	66.7	99.1	116.7	143.7	181.3
Financed by foreign grants	27.7	37.7	28.0	35.4	51.2	81.8	87.7
Financed by foreign loans	21.8	22.1	26.8	27.1	46.4	43.3	47.3
Capital transfer for banks restructuring	19.1	0.0	3.1	27.4	7.6	1.7	6.6
Net lending	0.3	0.1	-2.5	-3.0	-3.0	-2.5	-3.2
(In percent of GDP)							
Total expenditure and net lending	21.6	20.9	22.9	22.1	21.0	21.3	22.8
Total expenditure	21.5	20.9	23.2	22.4	21.2	21.5	23.0
Current	12.0	11.8	14.9	12.7	11.3	10.4	10.1
Wages and salaries	6.9	6.4	6.6	5.7	5.3	5.0	4.8
Goods and services	1.7	1.8	2.4	2.6	2.1	2.1	2.0
Interest	1.4	1.4	1.6	1.5	1.4	0.9	0.8
Transfers	2.0	2.2	4.3	3.0	2.5	2.4	2.4
Capital	9.6	9.1	8.4	9.6	10.0	11.1	13.0
Net lending	0.0	0.0	-0.3	-0.3	-0.3	-0.2	-0.2
(In percent of total expenditure)							
Total expenditure and net lending	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total expenditure	99.8	99.9	101.4	101.3	101.2	100.9	101.0
Current	55.5	56.6	64.8	57.7	53.7	48.9	44.1
Wages and salaries	31.9	30.8	28.6	25.7	25.1	23.4	21.2
Goods and services	7.8	8.6	10.6	11.7	10.1	9.8	8.8
Interest	6.5	6.9	6.8	6.6	6.7	4.2	3.7
Transfers	9.4	10.4	18.8	13.7	11.9	11.5	10.4
Capital	44.3	43.3	36.6	43.6	47.5	52.1	56.9
Net lending	0.2	0.1	-1.4	-1.3	-1.2	-0.9	-1.0
Memorandum items:							
Technical-assistance-related expenditure	8.7	7.3	7.3	12.6	14.6	15.5	16.4
Financed by foreign grants	3.4	2.3	2.0	2.7	6.9	8.1	8.6
Financed by foreign loans	5.3	5.0	5.3	9.9	7.7	7.4	7.8

Sources: Bukinabè authorities; and staff estimates.

Table 18. Burkina Faso: Public Investment Program, 1991-97

(In billions of CFA francs)

	1991	1992	1993	1994	1995	1996	1997
Government	62.2	73.4	67.9	84.0	114.3	149.1	182.5
Grants	33.0	42.7	33.3	45.3	58.8	88.9	95.5
Project grants	27.7	37.7	28.0	35.4	51.2	81.6	87.7
Technical assistance grants	5.3	5.0	5.3	9.9	7.7	7.4	7.8
Direct foreign loans (project loans)	21.9	21.3	26.7	27.1	46.4	43.3	47.3
<i>Of which: Technical assistance</i>	3.4	2.3	2.0	2.7	6.9	8.1	8.6
Budget	6.4	8.6	7.0	9.7	9.1	16.9	39.7
Foreign on-lent loans	0.9	0.8	0.9	1.9	0.0	0.0	0.0
Public enterprises	3.1	3.7	4.4	7.9	1.4	1.9	1.6
Government-guaranteed foreign loans	0.8	0.9	1.5	0.0	0.0	0.0	0.0
Self-financing/domestic loans	2.3	2.9	2.8	7.9	1.4	1.9	1.6
Other loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public sector	65.3	77.1	72.2	91.9	115.6	151.0	184.1
Grants	33.0	42.7	33.3	45.3	58.8	88.9	95.5
Foreign loans	23.6	22.9	29.1	29.0	46.4	43.3	47.3
Budget, self-financing and domestic loans	8.7	11.4	9.8	17.6	10.5	18.8	41.3

Source: Burkinabè authorities.

Table 19. Burkina Faso: Personnel Expenditures, 1991-97

	1991	1992	1993	1994	1995	1996	1997
Number of civil servants	34,237	34,299	35,661	37,052	39,752	...	...
Total wage bill (in billions of CFA francs) 1/							
Budget	54.72	51.25	52.16	58.1	61.6	63.2	65.1
Actual	54.08	50.93	52.24	58.25	61.6	64.7	67.7
Implementation ratio (in percent)	98.8	99.4	100.1	100.3	100.0	102.4	104.0
Civilian	38.93	37.62	38.91	44.95	46.7	46.7	46.7
Military	15.15	13.31	13.32	13.3	14.9	14.9	16.3
Memorandum items:							
Average annual civilian wage bill							
In millions of CFA francs	1.137	1.097	1.091	1.213	1.2		
As a ratio of per capita GDP	14.2	14.0	14.1	12.4	10.3		

Sources: Burkinabè authorities.

1/ A change in nomenclature in 1992 resulted in a reclassification of part of the wage bill into goods and services, and transfers.

Table 20. Burkina Faso: Military Expenditures, 1991-97 1/

(In billions of CFA francs, unless otherwise indicated)

	1991	1992	1993	1994	1995	1996	1997
Salaries	15.1	13.3	13.3	13.3	14.9	14.9	16.3
Percent change	-15.8	-12.2	0.1	-0.2	11.8	0.2	9.4
Goods and services	1.5	2.7	3.7	3.2	3.4	3.5	3.7
Percent change	-7.1	77.4	37.3	-12.1	4.5	3.6	5.7
Current transfers	0.1	0.0	0.1	0.1	0.0	0.3	0.3
Percent change	-50.0	-100.0	0.0	27.1	-87.6	3,125.8	0.0
Investments	0.1	0.1	0.1	0.2	0.2	0.3	2.2
Percent change	-85.6	-16.1	161.5	28.7	8.0	58.7	633.3
Total	16.8	16.0	17.2	16.8	18.4	19.0	22.5
Percent change:	-16.8	-4.4	7.2	-2.4	9.9	3.0	18.4
Memorandum items:							
National development service	0.2	0.0	0.2	0.0	0.0	0.0	0.0
Salaries of total government current expenditure	0.2	0.0	0.2	0.0	0.0	0.0	0.0
	0.2	0.2	0.2	0.1	0.1	0.1	0.1

Source: Burkinabè authorities.

1/ Budgetary data only; including development service.

Table 21 : Burkina Faso: Tax Revenue, 1991-97

	1991	1992	1993	1994	1995	1996	1997
					Est.	Est.	Est.
(In millions of CFA francs)							
Total revenue	104,940	92,994	100,000	113,310	136,656	160,100	181,466
Tax revenue	79,614	68,885	71,900	101,984	127,261	149,014	166,404
Income taxes	21,413	20,457	18,900	21,208	30,179	39,493	39,821
<i>Of which:</i> Corporate income tax	8,106	7,808	7,800	6,664	15,988	19,458	19,555
Personal income tax	10,957	10,870	9,100	10,755	12,365	16,134	16,459
Other	235	1,779	2,000	3,789	1,827	3,901	3,808
Payroll taxes	1,121	1,082	1,100	1,125	1,230	2,068	2,068
Property taxes	421	334	500	784	673	543	710
Taxes on goods and services	17,110	15,307	14,100	45,654	53,446	59,857	72,346
Turnover tax	7,774	6,424	9,400	383	82	35	0.0
Value-added tax (import)	...	...	...	11,676	13,481	19,498	25,564
Value-added tax (domestic)	...	...	...	18,460	21,482	20,124	24,933
<i>Of which:</i> Tax on petroleum products	...	...	...	8,647	8,927	8,789	9,367
Other	5,175	4,376	2,910	3,040	5,742	6,422	7,592
Taxes on international trade	38,642	30,961	36,400	32,664	40,693	45,182	49,971
<i>Of which:</i> Taxes on imports	28,280	22,729	23,600	30,844	36,384	40,048	43,075
<i>Of which:</i> Import duties	8,864	6,849	11,700	23,840	28,324	30,878	32,631
Statistical tax	...	...	...	6,768	8,060	9,168	10,442
Special intervention tax	...	...	...	647	3,522	4,695	4,911
Other tax receipts	905	744	900	549	1,040	1,870	1,488
Non Tax Revenue	24,699	24,037	26,700	11,320	9,383	11,039	14,924
Dividends	3,581	2,679	2,820	1,342	1,798	4,280	6,748
Other	21,118	21,358	23,880	9,978	7,584	6,759	8,176
(As a percent of GDP)							
Total revenue	13.3	11.8	12.6	11.0	11.6	12.3	13.0
Tax revenue	10.1	8.7	9.0	9.9	10.8	11.5	11.9
Income taxes	2.7	2.6	2.4	2.1	2.6	3.0	2.8
<i>Of which:</i> Corporate income tax	1.0	1.0	1.0	0.6	1.4	1.5	1.4
Personal income tax	1.4	1.4	1.1	1.0	1.1	1.2	1.2
Tax on manpower	0.1	0.1	0.1	0.1	0.1	0.2	0.1
Property taxes	0.1	0.0	0.1	0.1	0.1	0.0	0.1
Taxes on goods and services	2.2	1.9	1.8	4.4	4.5	4.6	5.2
<i>Of which:</i> Value-added tax	...	...	...	3.0	3.0	3.1	3.6
Taxes on international trade	4.9	3.9	4.6	3.2	3.5	3.5	3.6
<i>Of which:</i> Taxes on imports	3.6	2.9	3.0	3.0	3.1	3.1	3.1
Other tax receipts	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Non Tax Revenue	3.1	3.0	3.4	1.1	0.8	0.9	1.1
(As a percent of total revenue)							
Total revenue	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Tax revenue	75.9	74.1	71.9	90.0	93.1	93.1	91.7
Income taxes	20.4	22.0	18.9	18.7	22.1	24.7	21.9
<i>Of which:</i> Corporate income tax	7.7	8.4	7.8	5.9	11.7	12.2	10.8
Personal income tax	10.4	11.7	9.1	9.5	9.0	10.1	9.1
Payroll taxes	1.1	1.2	1.1	1.0	0.9	1.3	1.1
Property taxes	0.4	0.4	0.5	0.7	0.5	0.3	0.4
Taxes on goods and services	16.3	16.5	14.1	40.3	39.1	37.4	39.9
Value-added Tax	...	...	...	26.9	25.6	24.8	27.8
Petroleum tax	0.0	0.0	0.0	7.6	6.5	5.5	5.2
Taxes on international trade	36.8	33.3	36.4	28.8	29.8	28.2	27.5
<i>Of which:</i> Taxes on imports	26.9	24.4	23.6	27.2	26.6	25.0	23.7
<i>Of which:</i> Import duties	0.0	0.0	0.0	5.7	6.2	6.3	6.3
Fiscal Duty	8.4	7.4	11.7	15.4	14.6	13.0	11.6
Statistical tax	...	...	...	6.0	5.9	5.7	5.8
Special intervention tax	...	...	...	...	2.6	2.9	2.7
Other taxes on international Trade	0.0	0.0	0.0	0.0	0.0	0.3	0.0
Other tax receipts	0.9	0.8	0.9	0.5	0.8	1.2	0.8
Non tax revenue	23.5	25.8	26.7	10.0	6.9	6.9	8.2
<i>Of which:</i> Dividends	3.4	2.9	2.8	1.2	1.3	2.7	3.7
Memorandum items:							
GDP (in billions of CFA francs)	787	791	796	1,029	1,176	1,298	1,398
Revenue collected at customs (in millions of CFA francs)	38,642	30,961	36,400	32,664	71,900	74,644	86,136

Source : Burkinabè authorities

Table 22. Burkina Faso: Monetary Survey, December 1991-September 1997

	1991	1992	1993	1994	1995	1996	1997 Sep.
(In billions of CFA francs; end of period)							
Net foreign assets 1/	75.1	89.8	106.7	161.7	234.1	226.2	223.8
BCEAO	76.2	82.3	98.0	90.7	129.5	131.6	148.5
Commercial banks	-1.1	7.5	8.7	71.0	104.6	177.3	208.3
Net domestic assets	96.9	92.1	88.8	97.2	82.0	107.5	153.0
Domestic credit	101.9	88.4	83.4	83.7	77.1	121.4	172.5
Net claims on government	-12.9	-10.9	-6.2	9.6	-5.3	6.2	37.1
Credit to private sector	114.8	99.2	89.6	74.1	82.4	115.2	135.4
Credit to other financial institutions	2.8	2.2	1.2	0.6	1.9	0.4	0.7
Performing credit	102.2	88.7	74.0	62.7	75.4	111.8	122.3
Short term	63.4	56.5	48.3	49.9	55.2	85.6	90.7
<i>Of which</i> : crop credit	8.1	6.9	2.6	1.4	0.5	3.4	0.4
Medium and long term	38.8	32.1	25.7	12.8	20.2	26.2	31.6
Nonperforming credit	9.8	8.4	14.3	10.8	5.2	3.0	12.4
Other items (net)	-5.0	3.8	5.5	13.5	4.9	-13.9	-19.5
Money and quasi money	162.2	172.4	186.4	242.2	299.7	324.4	367.2
Currency	60.9	65.8	78.5	94.8	123.5	138.2	158.8
Demand deposits	46.9	42.5	42.3	74.1	90.2	91.7	102.4
Time and savings deposits	54.4	64.0	65.6	73.3	86.0	94.4	106.0
Long-term foreign liabilities	6.1	6.0	5.6	9.0	9.1	2.2	2.1
SDR allocations	3.7	3.6	3.6	7.6	7.3	7.0	7.5
Memorandum items:	(In percent of beginning-of-period broad money, unless otherwise indicated)						
Net foreign assets	5.9	9.1	9.8	29.5	29.9	-2.6	-0.7
Net domestic assets	0.0	-3.0	-1.9	4.5	-6.3	8.5	14.0
<i>Of which</i> : net claims on government	25.0	1.2	2.7	8.5	-6.2	3.8	9.5
credit to private sector	-14.9	-9.6	-5.6	-8.3	3.4	11.0	6.2
Money and quasi money	5.0	6.3	8.2	29.9	23.7	8.2	13.2
Nonperforming credit/total credit (percent)	8.5	8.4	16.0	14.5	6.3	2.6	9.2

Source: Central Bank of West African States (BCEAO).

1/ Excluding net external position of the postal checking system; excluding gold.

Table 23. Burkina Faso: Summary Accounts of the Central Bank,
December 1991-September 1997

(In billions of CFA francs; end of period)

	1991	1992	1993	1994	1995	1996	1997 Sep.
Net foreign assets 1/	76.2	82.3	98.0	90.7	129.5	131.6	148.5
Assets	89.6	94.0	112.7	126.8	170.9	177.3	208.3
Liabilities	-13.4	-11.6	-14.7	-36.1	-41.4	-45.7	-59.8
Net claims on government	16.1	17.0	17.9	25.4	15.0	21.4	49.5
Claims	21.6	22.6	26.3	44.8	55.7	59.3	80.2
Liabilities	-5.5	-5.6	-8.4	-19.5	-40.7	-37.8	-30.7
Net claims on banks	-28.5	-29.4	-33.4	-22.4	-17.3	-7.5	-23.9
Claims	9.0	9.0	9.0	0.0	2.5	4.0	2.1
Advances to money market	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rediscounts	0.0	0.0	0.0	0.0	2.5	4.0	2.1
Other	9.0	9.0	9.0	0.0	0.0	0.0	0.0
Liabilities	-37.5	-38.4	-42.4	-22.4	-19.8	-11.4	-26.0
Deposits on money market	-33.1	-35.2	-24.1	-2.4	-6.0	0.0	-16.2
Other deposits	-1.8	-1.0	-15.8	-15.7	-11.1	-7.2	-4.7
Currency	-2.6	-2.2	-2.5	-4.3	-2.8	-4.2	-5.1
Net claims on other financial institutions	1.3	1.0	0.9	0.4	0.2	0.4	0.7
Currency outside banks	60.9	65.8	78.5	94.8	123.5	138.2	158.8
Public enterprise deposits	0.7	1.0	0.5	3.2	6.0	6.1	7.2
SDR allocations	3.7	3.6	3.6	7.6	7.3	7.0	7.5
Other items (net)	-0.3	0.5	0.8	-11.5	-9.3	-5.5	1.5

Source: Central Bank of West African States (BCEAO).

1/ Excluding gold.

Table 24. Burkina Faso: Summary Accounts of Deposit Money Banks,
December 1991-September 1997 1/
(In billions of CFA francs; end of period)

	1991	1992	1993	1994	1995	1996	1997 Sep.
Net foreign assets	-1.1	7.5	8.7	71.0	104.6	94.6	75.2
Assets	10.0	13.4	15.7	83.1	124.2	119.2	101.8
Liabilities	-11.2	-5.9	-6.9	-12.2	-19.7	-24.6	-26.5
Net money market position	33.2	35.2	32.0	2.4	6.0	0.0	13.8
Deposits	33.2	35.2	32.0	2.4	6.0	0.0	13.8
Advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other reserves	3.2	2.5	9.0	19.9	11.7	11.2	9.3
Currency	2.6	2.2	2.5	4.3	2.8	4.2	5.1
Deposits at BCEAO	0.6	0.4	6.5	15.7	8.9	7.0	4.2
Net claims on government	-34.6	-32.2	-27.9	-14.6	-20.3	-15.2	-12.5
Claims	23.6	25.9	25.2	49.5	42.5	41.2	44.2
Deposits	-58.2	-58.0	-53.1	-64.0	-62.8	-56.5	-56.7
Claims on economy 2/	112.0	97.1	88.3	73.5	80.5	114.8	134.6
Performing credits	102.2	88.7	74.0	62.7	75.4	111.8	122.3
Short term	63.4	56.5	48.3	49.9	55.2	85.6	90.7
<i>Of which</i> : crop credit	8.1	6.9	2.6	1.4	0.5	3.4	0.4
Medium and long term	38.8	32.1	25.7	12.8	20.2	26.2	31.6
Nonperforming credit	9.8	8.4	14.3	10.8	5.2	3.0	12.4
Unpaid claims	1.1	0.9	1.5	1.2	0.5	0.5	9.4
Doubtful and litigious credit	8.7	7.5	12.8	9.6	4.6	2.5	3.0
Claims on other financial institutions	1.6	1.2	0.3	0.3	1.6	0.0	0.0
Deposits	100.5	105.5	107.4	144.2	170.3	180.0	201.3
Demand deposits	46.2	41.5	41.8	70.9	84.2	85.6	95.2
Public enterprises	6.3	4.7	4.2	9.9	16.0	15.9	15.9
Other	39.9	36.7	37.6	61.0	68.2	69.7	79.3
Time deposits	54.4	64.0	65.6	73.3	86.0	94.4	106.0
Public enterprises	5.9	5.5	6.9	11.3	19.1	23.8	20.4
Other	48.4	58.5	58.8	62.0	66.9	70.7	85.7
BCEAO claims	9.0	9.0	9.0	0.0	2.5	4.0	2.1
Long-term foreign liabilities	6.1	6.0	5.6	9.0	9.1	2.2	2.1
Other items (net)	-1.5	-9.2	-11.4	-0.8	2.2	19.2	15.0

Source: Central Bank of West African States (BCEAO).

1/ Including treasury operations with private sector, Postal Checking (CCP), and National Savings Bank (CNE).
2/ Including public corporations.

Table 25. Burkina Faso: Central Bank Interest Rates, October 1993-December 1997

(In percent per year; end of period)

	Rediscount Rate	Repurchase Rate	Rate on Treasury Advances	Penalty Rate 1/
1993				
October	12.50	10.50	9.73	11.50
November	12.50	9.25	9.73	9.75
December	10.50	8.75	9.73	9.25
1994				
January	14.50	12.75	7.80	13.25
February	14.50	12.75	7.80	13.25
March	14.50	12.75	7.80	13.25
April	14.50	12.75	8.12	13.25
May	14.50	12.75	8.12	13.25
June	12.00	10.25	8.12	10.75
July	11.00	8.75	5.22	9.25
August	10.00	7.75	5.22	8.25
September	10.00	7.25	5.22	7.75
October	10.00	7.25	4.50	7.75
November	10.00	7.25	4.50	7.75
December	10.00	7.00	4.50	7.50
1995				
January	9.00	7.00	4.50	7.50
February	9.00	7.00	4.50	7.50
March	9.00	7.00	4.50	7.50
April	9.00	7.00	4.50	7.50
May	9.00	7.00	4.50	7.50
June	8.50	6.50	4.50	7.00
July	8.50	6.50	4.50	7.00
August	8.50	6.50	4.50	7.00
September	8.50	6.50	4.50	7.00
October	8.50	6.50	4.60	7.00
November	8.50	6.50	4.60	7.00
December	7.50	6.50	4.60	7.00
	7.25	6.50	0.00	0.00
1996				
January	7.50	6.50	4.51	7.00
February	7.50	6.50	4.51	7.00
March	7.50	6.50	4.51	7.00
April	7.50	6.50	4.37	7.00
May	7.50	6.50	4.37	7.00
June	7.50	6.50	4.37	7.00
July	7.50	6.50	5.31	7.00
August	7.00	6.00	5.31	6.50
September	7.00	6.00	5.31	6.50
October	6.50	6.00	5.17	6.50
November	6.50	6.00	5.17	6.50
December	6.50	6.00	5.17	6.50
1997				
January	6.50	6.00	5.05	6.50
February	6.25	5.75	5.05	6.25
March	6.25	5.75	5.05	6.25
April	6.25	5.75	5.01	6.25
May	6.25	5.75	5.01	6.25
June	6.25	5.75	5.01	6.25
July	6.25	5.75	5.02	6.25
August	6.25	5.75	5.02	6.25
September	6.25	5.50	5.02	6.00
October	6.25	5.50	5.03	6.00
November	6.25	5.50	5.03	6.00
December	6.00	5.50	5.03	6.00

Source: Central Bank of West African States (BCEAO).

1/ The penalty rate applies to central bank credit to the government in excess of statutory limits and is equivalent to the repurchase rate + 0.5 percentage points.

Table 26. Burkina Faso: Money Market Interest Rates, January 1994-December 1997

(In percent per year)

	Monthly Average Rate 1/	
	Advances and deposits (TMM)	BCEAO bonds 2/
1994		
January	7.94	...
February	9.25	...
March	9.25	...
April	9.25	...
May	9.25	...
June	8.85	...
July	7.04	...
August	5.94	...
September	5.67	...
October	5.50	...
November	5.50	...
December	5.50	...
1995		
January	5.50	...
February	5.50	...
March	5.50	...
April	5.50	...
May	5.50	...
June	5.50	...
July	5.50	...
August	5.50	...
September	5.50	...
October	5.50	...
November	5.50	...
December	5.78	...
1996		
January	5.52	...
February	5.50	...
March	5.50	...
April	5.48	...
May	5.22	...
June	5.37	...
July	5.42	...
August	5.25	...
September	5.25	4.00
October	5.25	4.13
November	5.20	...
December	5.06	...
1997		
January	5.04	...
February	5.12	...
March	5.00	...
April	5.00	...
May	5.00	...
June	5.02	4.72
July	5.02	4.61
August	5.02	4.00
September	5.02	3.85
October	5.02	3.80
November	5.02	3.93
December	4.50	4.00

Source: Central Bank of West African States (BCEAO).

1/ The money market was introduced in 1975 and has functioned with an auction system since October 1993. Under this system, only part of the funds offered by commercial banks are accepted by the central bank; the interest can be either fixed by the central bank or determined as a result of the auction.

2/ Bonds issued by the BCEAO to absorb liquidity were first emitted in August 1996; emission was suspended between November 1996 and May 1997.

Table 27. Burkina Faso: Maximum Lending Rates Applied by Commercial Banks, November 1989-December 1997 1/

(In percent per year)

	From Nov. 27, 1989	From Aug. 20, 1992	From Nov. 9, 1992	From Oct. 1, 1993	From Dec. 20, 1993	From Jan. 18, 1994	From June 27, 1994	From Aug. 1, 1994	From Aug. 29, 1994	From Jan. 23, 1995	From June 5, 1995	From Dec. 26, 1995	From Aug. 5, 1996	From Aug. 19, 1996	From Oct. 21, 1996	From Feb. 17, 1997	From July 30, 1997
Short- and medium-term credit																	
Crop financing and export credit	16.0	18.0	17.5	25.0	21.0	29.0	24.0	22.0	20.0	18.0	17.0	15.0	14.5	14.0	13.0	12.5	18.0
Financing of storage of agricultural products	16.0	18.0	17.5	25.0	21.0	29.0	24.0	22.0	20.0	18.0	17.0	15.0	14.5	14.0	13.0	12.5	18.0
Credit to small and medium-sized national enterprises	16.0	18.0	17.5	25.0	21.0	29.0	24.0	22.0	20.0	18.0	17.0	15.0	14.5	14.0	13.0	12.5	18.0
Credit to nationals 2/ for construction of first primary residence	16.0	18.0	17.5	25.0	21.0	29.0	24.0	22.0	20.0	18.0	17.0	15.0	14.5	14.0	13.0	12.5	18.0
Other credits	16.0	18.0	17.5	25.0	21.0	29.0	24.0	22.0	20.0	18.0	17.0	15.0	14.5	14.0	13.0	12.5	18.0
Long-term credit 3/																	
Credit to small and medium-sized national enterprises	16.0	18.0	17.5	25.0	21.0	29.0	24.0	22.0	20.0	18.0	17.0	15.0	14.5	14.0	13.0	12.5	18.0
Credit to national 2/ for construction of first primary residence	16.0	18.0	17.5	25.0	21.0	29.0	24.0	22.0	20.0	18.0	17.0	15.0	14.5	14.0	13.0	12.5	18.0
Other credits	16.0	18.0	17.5	25.0	21.0	29.0	24.0	22.0	20.0	18.0	17.0	15.0	14.5	14.0	13.0	12.5	18.0

Source: Central Bank of West African States (BCEAO).

1/ All rate ceilings were unified in October 2, 1989 and set equal to the discount rate plus 5 percent. On October 1, 1993, maximum rates were revised to twice the level of the discount rate. In July 1997, the usury rate was fixed at 18 percent.

2/ Of any member state of the West African Monetary Union.

3/ With maturity of more than 2 years and less than 15 years.

Table 28. Burkina Faso: Deposit Rates Applied by Commercial Banks, March 1989-December 1997 1/

(In percent per year)

	From Mar. 30 1989	From Oct. 2 1989	From Nov. 27 1989	From Aug. 20 1992	From Nov. 9 1992	From Oct. 1 1993	From Jan. 19 1994	From Jul. 8 1994	From Sept. 26 1994	From Apr. 1 1996
(Up to CFAF 500,000)										
Public deposits 2/	Determined by agreement									
Other deposits	Determined by agreement									
Time deposits	Determined by agreement									
Less than six months	6.00	... 3/	... 3/	... 3/	... 3/	TMM-2 4/	TMM-2 4/	TMM-2 4/	TMM-2 4/	TMM-2 4/
Six months to less than one year	7.00	... 3/	... 3/	... 3/	... 3/	TMM-2 4/	TMM-2 4/	TMM-2 4/	TMM-2 4/	TMM-2 4/
One year or more	8.50*	... 3/	... 3/	... 3/	... 3/	... 3/	... 3/	... 3/	... 3/	... 3/
Certificates of deposit	7.00	... 3/	... 3/	... 3/	... 3/	TMM-2 4/	TMM-2 4/	TMM-2 4/	TMM-2 4/	TMM-2 4/
Six months to less than one year	8.50*	... 3/	... 3/	... 3/	... 3/	... 3/	... 3/	... 3/	... 3/	... 3/
One year or more	7.50	6.50	7.00	9.00	8.50	4.50	8.00	5.00	4.50	3.50
Savings deposits 5/	Determined by agreement									
(Above CFAF 500,000)										
Public deposits 2/	Determined by agreement									
Other deposits	Determined by agreement									
Time deposits	Determined by agreement									
Less than six months	7.00*	6.50	7.00*	9.00	8.50*	... 3/	... 3/	... 3/	... 3/	... 3/
Six months to less than one year	8.25*	7.50*	8.00*	10.00*	9.50*	... 3/	... 3/	... 3/	... 3/	... 3/
One year or more	9.50*	8.50*	9.00*	11.00*	10.50*	... 3/	... 3/	... 3/	... 3/	... 3/
Certificates of deposit	8.25*	7.50*	8.00*	10.00*	9.50	... 3/	... 3/	... 3/	... 3/	... 3/
Six months to less than one year	9.50*	8.50*	9.00*	11.00*	10.50	... 3/	... 3/	... 3/	... 3/	... 3/
One year or more	7.50*	6.50*	7.00*	9.00*	8.50	... 3/	... 3/	... 3/	... 3/	... 3/
Savings deposits	Determined by agreement									

Source: Central Bank of West African States (BCEAO).

1/ Fixed rates, unless marked with an asterisk (*), in which case it is a minimum rate.

2/ Includes deposits of the Treasury, Post Office, Savings Bank, and other government agencies, public and mixed enterprises, and special private sector deposits resulting from legal requirements, such as reserves of insurance companies.

3/ Deposit rates no longer fixed by the Central Bank of West African States (BCEAO).

4/ Monthly average money market rate (TMM) published by the BCEAO minus 2 percent.

5/ Applicable to savings deposits of less than CFAF 5 million.

Table 29. Burkina Faso: Balance of Payments, 1991-97

	1991	1992	1993	1994	1995	1996	1997
						Est.	Est.
(In billions of CFAF)							
Exports, f.o.b.	75.9	62.9	74.5	104.4	118.2	118.3	146.2
<i>Of which:</i> cotton	29.3	25.0	22.2	31.7	51.2	49.6	74.6
gold	11.0	8.5	8.1	12.2	11.7	9.5	10.6
Imports, f.o.b.	-138.2	-136.7	-153.0	-193.9	-242.2	-286.3	-317.6
<i>Of which:</i> capital goods	-31.3	-34.7	-32.2	-44.2	-75.4	-95.4	-107.0
Trade balance	-62.3	-73.7	-78.6	-89.6	-124.1	-168.0	-171.4
Services (net)	-54.7	-41.1	-42.8	-53.3	-61.6	-61.4	-69.6
Nonfactor services	-52.1	-37.9	-39.0	-45.6	-56.0	-56.0	-66.1
Factor services	-2.5	-3.2	-3.8	-7.8	-5.7	-5.4	-3.6
<i>Of which:</i> interest payments	-7.0	-7.4	-8.3	-12.5	-10.6	-10.7	-9.1
Transfers (net)	91.5	103.3	102.8	159.4	170.5	181.9	169.7
Private	27.7	44.7	43.9	53.6	53.0	55.8	54.5
<i>Of which:</i> workers' remittances (gross)	31.9	34.1	33.2	54.6	55.1	55.8	55.6
Official	63.8	58.6	58.9	105.8	117.5	126.1	115.2
<i>Of which:</i> budgetary	36.3	49.3	43.2	75.4	88.0	108.9	97.8
project grants	27.7	37.7	28.0	35.4	51.2	81.6	81.1
program grants	8.6	11.6	15.2	40.0	36.8	27.3	16.8
Current account (deficit= -)	-25.4	-11.5	-18.6	16.5	-15.3	-47.5	-71.3
Excluding official transfers	-89.2	-70.1	-77.5	-89.3	-132.8	-173.6	-186.5
Official capital	24.1	22.4	24.8	36.9	41.0	31.3	28.2
Disbursements	30.3	31.6	36.9	57.8	69.6	49.7	49.3
<i>Of which:</i> budget	29.5	30.8	35.3	57.8	69.6	47.7	47.3
project loans	22.8	22.0	27.6	29.0	46.4	43.3	47.3
program loans	6.7	8.7	7.7	28.8	23.3	4.4	0.0
Amortization	-6.1	-9.3	-12.1	-20.9	-24.4	-18.4	-21.1
<i>Of which:</i> budget	-4.4	-7.6	-9.8	-20.9	-24.4	-15.9	-19.1
Capital transfers	0.0	0.0	0.0	0.0	-4.2	0.0	0.0
Private capital 1/	6.2	2.5	2.7	13.5	9.9	11.0	10.9
Errors and omissions	-5.3	-2.2	-2.4	-6.2	32.1	3.4	0.0
Overall balance	-0.5	11.2	6.4	60.6	67.7	-1.8	-32.2
Financing	0.5	-11.2	-6.4	-60.6	-67.7	1.8	32.2
Net foreign assets	-9.6	-16.1	-17.3	-51.0	-71.0	0.8	29.4
Net official reserves	-9.9	-6.1	-15.6	7.3	-38.3	-2.5	11.3
Gross official reserves	-12.3	-6.1	-19.0	-6.6	-51.9	-7.0	1.6
IMF (net)	2.4	0.0	3.4	13.9	13.5	4.5	9.6
Net foreign assets, commercial banks 2/	0.3	-10.0	-1.7	-58.2	-32.6	3.3	18.1
<i>Of which:</i> Post Office	-0.6	-1.4	-0.5	4.0	0.9	0.3	0.0
Change in arrears (reduction= -)	-33.7	-4.1	7.6	-17.3	-1.4	-0.2	0.0
Debt relief	43.8	9.0	3.3	7.7	4.6	1.1	0.0
Debt under discussion	0.0	0.0	0.0	0.0	0.0	0.0	2.8
Memorandum items:	(In percent of GDP, unless otherwise specified)						
Trade balance (deficit= -)	-7.9	-9.3	-9.9	-8.7	-10.6	-12.9	-12.3
Current account (deficit= -)	-3.2	-1.5	-2.3	1.6	-1.3	-3.7	-5.1
Excluding official transfers	-11.3	-8.9	-9.7	-8.7	-11.3	-13.4	-13.3
Overall balance (deficit= -)	-0.1	1.4	0.8	5.9	5.8	-0.1	-2.3
Debt service	1.7	2.1	2.6	3.2	3.0	2.2	2.2
Debt-service ratio 3/	13.8	20.9	22.1	24.7	22.9	18.3	15.9
Net international reserves (in billions of CFA francs)	78.4	94.5	111.9	162.9	233.9	233.1	203.7
In months of imported goods, c.i.f	5.5	7.0	7.4	8.7	9.9	8.4	6.6
Net official reserves (BCEAO)	76.2	82.3	98.0	90.7	129.1	131.6	120.3
GDP at current prices (in billions of CFA francs)	786.7	791.4	796.1	1,029.4	1,175.5	1,298.3	1,397.7

Sources: Central Bank of West African States (BCEAO); and staff estimates.

1/ Includes portfolio investment and foreign direct investment.

2/ Including net foreign assets of Post Office.

3/ In percent of exports of goods and nonfactor services.

Table 30. Burkina Faso: Balance of Payments, 1991-97
(In millions of SDR's)

	1991	1992	1993	1994	1995	1996 Est.	1997 Est.
Exports, f.o.b.	196.7	168.8	188.3	133.3	156.1	159.2	182.4
<i>Of which</i> : cotton	75.9	67.1	56.1	40.5	67.6	66.7	93.1
Imports, f.o.b.	-358.0	-366.6	-387.1	-247.7	-319.9	-385.1	-396.1
Trade balance	-161.3	-197.8	-198.7	-114.4	-163.9	-225.9	-213.7
Services (net)	-141.6	-110.2	-108.4	-68.1	-81.4	0.0	0.0
Nonfactor services	-135.1	-101.7	-98.7	-58.2	-73.9	-82.6	-86.8
Factor services	-6.6	-8.5	-9.7	-9.9	-7.5	-75.4	-82.4
<i>Of which</i> : interest payments	-18.0	-19.9	-21.0	-16.0	-13.9	-7.3	-4.4
						-14.4	-11.4
Transfers (net)	237.1	277.2	260.0	203.6	225.1	244.7	211.6
Private	71.8	119.9	111.0	68.4	70.0	75.1	68.0
<i>Of which</i> : workers' remittances	82.6	91.5	84.0	69.8	72.7	75.1	69.3
Official	165.4	157.2	149.1	135.1	155.2	169.7	143.6
<i>Of which</i> : budgetary	94.0	132.3	109.4	96.3	116.2	146.4	122.0
Current account (deficit -)	-65.8	-30.8	-47.1	21.0	-20.2	-63.8	-89.0
Excluding official transfers	-231.2	-188.0	-196.1	-114.1	-175.3	-233.5	-232.6
Official capital	62.5	60.0	62.6	47.1	54.2	42.2	35.2
Disbursements	78.4	84.9	93.2	73.9	92.0	66.9	61.5
<i>Of which</i> : budget	76.4	82.6	89.3	73.9	92.0	64.2	59.0
Amortization	-15.9	-24.8	-30.6	-26.7	-32.2	-24.8	-26.3
<i>Of which</i> : budget	-11.5	-20.3	-24.7	-26.7	-32.2	-21.4	-23.8
Private capital 1/	15.9	6.6	6.8	17.3	13.1	14.8	13.6
Errors and omissions	-13.9	-5.8	-6.1	-8.0	42.3	4.5	0.0
Overall balance	-1.3	30.1	16.3	77.5	89.4	-2.4	-40.1
Financing	1.3	-30.1	-16.3	-77.5	-89.4	2.4	40.1
Net foreign assets	-24.9	-43.3	-43.8	-65.1	-93.7	1.1	36.6
Net official reserves	-25.6	-16.5	-39.6	9.3	-50.6	-3.4	14.0
Gross official reserves	-31.9	-16.5	-48.1	-8.4	-68.5	-9.4	2.0
IMF (net)	6.3	0.0	8.5	17.7	17.9	6.0	12.0
Net foreign assets, commercial banks 2/	0.7	-26.8	-4.3	-74.4	-43.1	4.5	22.6
Change in arrears (reduction= -)	-87.3	-10.9	19.2	-22.2	-1.8	-0.3	0.0
Debt relief 3/	113.5	24.1	8.3	9.8	6.1	1.5	0.0
Memorandum item:							
CFA franc/SDR (period average)	386.0	372.8	395.4	782.9	757.2	743.4	802.0

Sources: Central Bank of West African States (BCEAO); and staff estimates.

1/ Includes portfolio investment and foreign direct investment.

2/ Including net foreign assets of Post Office

3/ Including relief on government-guaranteed debt.

Table 31. Burkina Faso: Composition of Exports, 1991-97

	1991	1992	1993	1994	1995	1996	1997
(Unless otherwise indicated, all values in billions of CFA francs, volumes in thousands of metric tons, and prices in CFA francs per kilogram)							
Total exports, f.o.b.	75.9	62.9	74.5	104.4	118.2	118.3	146.2
Cotton	29.3	25.0	22.2	31.7	51.2	49.6	74.6
Volume	73.7	66.2	62.0	48.4	62.0	64.0	89.4
Price	397.6	378.0	358.0	656.0	825.0	775.0	835.0
Livestock products	8.2	8.7	8.2	33.1	35.5	33.2	33.1
Live animals	4.7	4.9	4.2	22.4	22.9	17.5	16.5
Heads (1000)	177.0	180.0	152.6	417.4	390.2	350.0	340.0
Price (1000 CFAF/head)	26.6	27.2	27.2	53.4	58.8	50.0	48.5
Meats and slaughtered animals	0.7	0.8	0.9	1.3	1.8	1.8	1.5
Volume	0.7	0.7	0.8	0.8	1.2	1.2	1.0
Price	1,000.0	1,100.0	1,150.0	1,610.0	1,500.0	1,500.0	1,500.0
Leather and hides	2.8	3.0	3.2	9.4	10.8	13.9	15.1
Volume	2.0	2.1	2.1	3.0	3.6	4.2	4.3
Price	1,400.0	1,450.0	1,500.0	3,100.0	2,972.0	3,300.0	3,500.0
Gold	11.0	8.5	8.1	12.2	11.7	9.5	10.6
Volume (metric tons)	3.2	2.5	3.0	1.6	1.9	1.5	1.6
Price (1000 CFAF/kg)	3,400.0	3,406.0	2,716.0	5,926.0	6,164.0	6,500.0	6,600.0
Manganese	0.0	0.0	0.7	0.7	0.6	0.7	0.8
Volume	0.0	0.0	25.0	12.4	13.0	13.4	13.8
Price	...	...	28.9	56.1	48.8	51.6	60.5
Other	27.4	20.7	35.2	26.6	19.2	25.4	27.2
(In percent of total exports)							
Cotton	38.6	39.8	29.8	30.4	43.3	41.9	51.0
Livestock products	10.8	13.8	11.0	31.7	30.0	28.0	22.6
Live animals	6.2	7.8	5.6	21.5	19.4	14.8	11.3
Meats and slaughtered animals	0.9	1.3	1.2	1.3	1.5	1.5	1.0
Leather and hides	3.7	4.8	4.2	9.0	9.1	11.7	10.3
Gold	14.5	13.5	10.9	11.7	9.9	8.0	7.2
Manganese	0.0	0.0	1.0	0.7	0.5	0.6	0.6
Other	36.1	32.9	47.3	25.5	16.2	21.5	18.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
(Changes in percent of export values)							
Total exports, f.o.b.	-1.6	-17.1	18.3	40.1	13.2	0.1	23.6
Cotton	10.5	-14.6	-11.3	43.0	61.1	-3.0	-3.4
Livestock products	-20.4	5.9	-5.7	303.6	7.3	-6.6	-3.3
Gold	-30.8	-22.7	-4.3	49.9	-4.3	-18.8	4.1

Source: Central Bank of West African States (BCEAO).

Table 32. Burkina Faso: Composition of Imports, 1991-97

	1991	1992	1993	1994	1995	1996	1997
						Est.	Est.
(In billions of CFA francs)							
Total imports, f.o.b.	138.2	136.7	153.0	193.9	242.2	286.3	317.6
Food products	29.2	23.7	26.0	34.0	35.0	45.0	40.6
Petroleum products	22.6	14.1	28.2	24.7	25.9	23.7	34.5
Capital equipment	31.3	34.7	32.2	44.2	75.4	95.4	107.0
Raw materials	7.8	7.3	6.7	12.0	21.0	21.5	23.4
Miscellaneous and unclassified 1/	47.3	56.9	60.0	79.0	85.0	100.7	112.1
(In percent of total)							
Total imports, f.o.b.	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Food products	21.1	17.3	17.0	17.5	14.4	15.7	12.8
Petroleum products	16.4	10.3	18.4	12.8	10.7	8.3	10.9
Capital equipment	22.6	25.4	21.0	22.8	31.1	33.3	33.7
Raw materials	5.6	5.3	4.4	6.2	8.7	7.5	7.4
Miscellaneous and unclassified 1/	34.2	41.6	39.2	40.7	35.1	35.2	35.3
(Changes in percent)							
Total imports, f.o.b.	-6.4	-1.1	12.0	26.7	24.9	18.2	10.9
Food products	10.2	-18.8	9.7	30.8	2.9	28.6	-9.7
Petroleum products	0.4	-37.6	99.9	-12.2	4.6	-8.3	45.6
Capital equipment	-10.8	10.9	-7.2	37.3	70.6	26.5	12.2
Raw materials	50.0	-7.0	-8.1	80.0	75.0	2.4	8.9
Miscellaneous and unclassified 1/	-18.9	20.3	5.4	31.7	7.6	18.5	11.3

Sources: Central Bank of West African States (BCEAO); and staff estimates.

1/ Including adjustments for unrecorded imports.

Table 33. Burkina Faso: Services and Transfers, 1991-97
(In billions of CFA francs)

	1991	1992	1993	1994	1995	1996 Est.	1997 Est.
Services (net)	-54.7	-41.1	-42.8	-53.3	-61.6	-61.4	-69.6
Factor services (net)	-2.5	-3.2	-3.8	-7.8	-5.7	-5.4	-3.6
Nonfactor services (net)	-52.1	-37.9	-39.0	-45.6	-56.0	-56.0	-66.1
Nonfactor services (net)	-52.1	-37.9	-39.0	-45.6	-56.0	-56.0	-66.1
Credit	19.3	17.1	17.7	31.2	34.4	40.2	44.1
Debit	-71.4	-55.0	-56.8	-76.8	-90.4	-96.2	-110.2
Freight and insurance	-33.6	-24.6	-27.5	-30.6	-41.2	-45.8	-50.4
Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debit	-33.7	-24.6	-27.5	-30.6	-41.2	-45.8	-50.4
Other transport	-8.7	-8.7	-5.8	-4.8	-4.9	-5.8	-5.0
Credit	2.6	1.9	2.2	3.7	3.7	3.7	4.8
Debit	-11.3	-10.6	-8.0	-8.5	-8.5	-9.6	-9.8
Travel	-1.6	0.8	0.6	-2.4	-1.5	0.4	1.7
Credit	4.7	6.4	6.5	10.2	12.0	14.6	17.0
Debit	-6.3	-5.6	-6.0	-12.6	-13.6	-14.2	-15.3
Government services	-0.8	-2.2	-2.0	-2.6	-2.0	-1.4	-2.5
Credit	8.9	6.0	6.1	9.9	10.7	11.3	11.6
Debit	-9.7	-8.2	-8.1	-12.5	-12.6	-12.8	-14.1
Other nonfactor services	-7.4	-3.2	-4.3	-5.1	-6.4	-3.4	-9.8
Credit	3.1	2.7	2.9	7.4	8.0	10.5	10.7
Debit	-10.5	-6.0	-7.2	-12.6	-14.5	-13.9	-20.6
Factor services (net)	-2.5	-3.2	-3.8	-7.8	-5.7	-5.4	-3.6
Credit	4.6	4.9	5.1	5.4	5.6	5.9	6.2
Debit	-7.2	-8.1	-9.0	-13.2	-11.2	-11.3	-9.8
Transfers (net)	91.5	103.3	102.8	159.4	170.5	181.9	169.7
Private	27.7	44.7	43.9	53.6	53.0	55.8	54.5
Credit	48.7	48.4	47.4	67.5	68.0	72.0	74.6
<i>Of which: workers' remittances</i>	31.9	34.1	33.2	54.6	55.1	55.8	55.6
Debit	-21.0	-3.7	-3.5	-13.9	-15.0	-16.2	-20.1
Official	63.8	58.6	58.9	105.8	117.5	126.1	115.2
Credit	70.3	61.1	61.4	108.8	120.6	126.1	115.2
<i>Of which: capital grants</i>	27.7	37.7	28.0	35.4	51.2	81.6	81.1
Debit	-6.5	-2.5	-2.5	-3.0	-3.1	0.0	0.0

Sources: Central Bank of West African States (BCEAO); and staff estimates.

Table 34. Burkina Faso: Direction of Recorded Exports, 1991-96

	1991	1992	1993	1994	1995	1996
(In billions of CFA francs)						
Europe	17.2	7.5	7.4	26.4	35.9	40.1
European Community	10.9	3.9	6.3	17.4	23.2	23.1
<i>Of which:</i>						
France	4.0	2.2	4.2	6.8	12.3	13.5
Germany	0.1	0.3	0.0	0.3	0.1	0.3
Italy	3.0	0.6	1.1	6.8	6.8	2.9
Denmark	0.1	0.0	0.0	0.0	0.1	0.2
United Kingdom	0.1	0.0	0.1	0.3	0.2	1.3
Other	6.3	3.6	1.1	9.0	12.6	17.1
Africa	5.8	5.6	9.9	19.6	26.6	25.1
West African Monetary Union	4.7	5.1	8.7	14.7	20.4	18.7
<i>Of which:</i>						
Côte d'Ivoire	3.4	4.4	6.9	10.8	16.4	11.2
Niger	0.0	0.0	0.2	0.8	0.7	1.1
Togo	0.8	0.6	0.3	0.0	2.6	3.5
Mali	0.4	0.1	1.1	0.5	0.4	1.1
Ghana	0.2	0.3	0.5	2.3	2.2	2.7
Nigeria	0.4	0.1	0.1	0.0	0.1	0.1
Other	0.5	0.1	0.5	0.0	6.2	3.6
Western Hemisphere	0.0	0.0	0.2	0.6	1.1	0.6
<i>Of which:</i>						
United States	0.0	0.0	0.1	0.0	0.2	0.3
Canada	0.0	0.0	0.0	0.0	0.0	0.2
Asia	6.9	3.7	2.3	12.5	16.5	29.0
<i>Of which:</i>						
China, People's Republic of	0.8	0.5	0.0	0.0	0.0	0.2
Taiwan, Province of China	1.8	1.8	0.7	5.8	1.4	0.8
Japan	0.6	0.6	0.7	1.8	2.6	0.1
Hong Kong, China	0.1	0.0	0.0	0.7	2.0	0.9
Other countries	0.0	0.0	0.0	0.0	0.0	1.7
Total	29.9	16.8	19.7	59.2	80.1	96.5
(In percent of total)						
Europe	57.5	44.6	37.5	44.6	44.8	41.6
European Community	36.5	23.2	31.9	29.4	29.0	23.9
<i>Of which:</i>						
France	13.4	13.2	21.1	11.5	15.3	14.0
Germany	0.3	1.7	0.1	0.5	0.1	0.3
Italy	10.0	3.7	5.7	11.5	8.5	3.0
Denmark	0.3	0.2	0.0	0.0	0.2	0.2
United Kingdom	0.3	0.2	0.3	0.5	0.3	1.4
Other	21.1	21.4	5.6	15.1	15.8	17.7
Africa	19.4	33.3	50.1	33.2	33.2	26.0
West African Monetary Union	15.7	30.3	44.2	24.8	25.5	19.4
<i>Of which:</i>						
Côte d'Ivoire	11.4	26.1	34.9	18.2	20.5	11.6
Niger	0.0	0.1	1.3	1.4	0.9	1.1
Togo	2.7	3.3	1.7	0.0	3.2	3.6
Mali	1.3	0.6	5.4	0.9	3.2	3.6
Ghana	0.7	2.1	2.7	3.9	2.7	2.8
Nigeria	1.3	0.5	0.6	0.0	0.1	0.1
Other	1.7	0.5	2.6	0.0	7.8	3.7
Western Hemisphere	0.0	0.2	0.9	1.1	1.4	0.6
<i>Of which:</i>						
United States	0.0	0.1	0.3	0.1	0.3	0.3
Canada	0.0	0.0	0.1	0.0	0.0	0.2
Asia	23.1	21.8	11.5	21.2	20.5	30.1
<i>Of which:</i>						
China, People's Republic of	2.7	2.9	0.1	0.0	0.0	0.2
Taiwan, Province of China	6.0	10.9	3.5	9.7	1.7	0.8
Japan	2.0	3.3	3.5	3.0	3.2	0.1
Hong Kong, China	0.3	0.0	0.0	1.1	2.5	0.9
Other countries	0.0	0.0	0.0	0.0	0.0	1.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source : Central Bank of West African States (BCEAO)

Table 35. Burkina Faso: Origin of Recorded Imports, c.i.f., 1991-96

	1991	1992	1993	1994	1995	1996
(In billions of CFA francs)						
Europe	73.6	63.2	62.7	91.6	105.4	147.9
European Community	60.7	59.7	61.4	89.6	94.1	144.2
<i>Of which:</i> France	39.6	34.4	35.2	50.9	58.2	81.9
Germany	6.0	5.8	5.2	7.3	7.7	13.3
Netherlands	4.1	5.9	6.2	5.6	8.2	5.8
Belgium/Luxembourg	3.3	3.3	3.6	5.2	9.9	9.0
United Kingdom	2.6	2.3	2.0	1.9	3.9	5.9
Italy	4.0	4.8	3.5	5.5	6.3	13.2
Other	12.9	3.5	1.3	2.0	11.3	3.7
Africa	44.5	35.5	43.4	57.7	68.8	88.6
West African Monetary Union	32.9	29.0	30.4	46.3	40.9	65.5
<i>Of which:</i> Côte d'Ivoire	25.4	19.9	25.7	33.2	34.9	51.3
Senegal	2.4	2.2	1.9	3.3	2.8	2.1
Togo	3.9	4.3	1.1	3.1	2.5	3.0
Mali	0.5	0.5	0.8	0.6	0.7	0.7
Ghana	1.2	1.1	1.6	2.1	2.7	2.7
Nigeria	4.2	3.5	9.5	7.3	13.3	13.8
Other	6.2	1.8	2.0	1.9	12.2	6.7
United States	10.7	8.6	8.4	16.1	18.0	17.2
Asia	20.9	15.4	22.3	27.9	34.6	46.6
<i>Of which:</i> Japan	6.3	6.0	9.2	10.7	15.7	17.3
China, People's Republic of	2.3	3.0	8.1	5.8	4.0	3.5
Taiwan, Province of China	3.8	1.2	0.9	2.0	1.7	2.5
Pakistan	2.0	1.6	0.0	2.1	0.7	2.9
Other countries	0.6	0.6	7.2	0.4	437.0	1.5
Total	150.3	123.4	144.0	193.7	227.2	301.8
(In percent of total)						
Europe	49.0	51.2	43.5	47.3	46.4	49.0
European Community	40.4	48.4	42.7	46.3	41.4	47.8
<i>Of which:</i> France	26.3	27.9	24.5	26.3	25.6	27.1
Germany	4.0	4.7	3.6	3.8	3.4	4.4
Netherlands	2.7	4.8	4.3	2.9	3.6	1.9
Belgium/Luxembourg	2.2	2.7	2.5	2.7	4.4	3.0
United Kingdom	1.7	1.9	1.4	1.0	1.7	1.9
Italy	2.7	3.9	2.4	2.9	2.8	4.4
Other	8.6	2.8	0.9	1.0	5.0	1.2
Africa	29.6	28.8	30.1	29.8	30.3	29.4
West African Monetary Union	21.9	23.5	21.1	23.9	18.0	21.7
<i>Of which:</i> Côte d'Ivoire	16.9	16.2	17.9	17.1	15.4	17.0
Senegal	1.6	1.7	1.3	1.7	1.2	0.7
Togo	2.6	3.5	0.8	1.6	1.1	1.0
Mali	0.3	0.4	0.5	0.3	0.3	0.2
Ghana	0.8	0.9	1.1	1.1	1.2	0.9
Nigeria	2.8	2.9	6.6	3.8	5.9	4.6
Other	4.1	1.5	1.4	1.0	5.4	2.2
United States	7.1	7.0	5.9	8.3	7.9	5.7
Asia	13.9	12.5	15.5	14.4	15.2	15.4
<i>Of which:</i> Japan	4.2	4.8	6.4	5.5	6.9	5.7
China, People's Republic of	1.5	2.4	5.6	3.0	1.7	1.1
Taiwan, Province of	2.5	1.0	0.6	1.0	0.7	0.8
Pakistan	1.3	1.3	0.0	1.1	0.3	0.9
Other countries	0.4	0.5	5.0	0.2	192.4	0.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Central Bank of West African States (BCEAO).

