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INTERNATIONAL MONETARY FUND

BURKINA FASO

Background Papers and Statistical Update

Prepared by a staff team consisting of Mr. Diogo (head),
Mr. Driessen, Ms. McAuliffe, and Ms. Scarlata (all AFR)

Approved by the African Department

December 19, 1995

<u>Contents</u>	<u>Page</u>
Basic Data	iii
Economic and Financial Developments, 1991-95	1
1. Overview	1
2. Developments in 1990-95	1
a. Growth and price developments	1
b. Government finances	4
c. Monetary developments	5
d. Balance of payments and external debt	6
e. Structural reforms	8
Appendices	
I. Bank Restructuring	9
II. Government Wage Expenditures	20
III. Regulatory Reform Since 1991	26
IV. Summary of the Tax System, July 1, 1995	32
V. Statistical Tables	
1. Gross Domestic Product by Sector at Constant 1985 Prices, 1989-94	38
2. Gross Domestic Product by Sector at Current Prices, 1989-94	39
3. Implicit GDP Deflators by Sector, 1989-94	40
4. Supply and Use of Resources in Current Prices, 1989-94	41
5. Production of Principal Crops, 1988/89-1994/95	42
6. Producer Prices for Principal Crops, 1988/89-1994/95	43

Contents

Page

Statistical Tables (concluded)

7. Financial Operations of the Caisse Générale de Péréquation des Produits de Grande Consommation (CGP), 1988-93	44
8. Livestock, 1988-94	45
9. Industrial Activity, 1988-92	46
10. Industrial Production, 1989-94	47
11. Index of Industrial Production, 1988-94	48
12. Gold Production, 1989-94	49
13. Energy Consumption, 1989-94	50
14. Transport Activity, 1989-94	51
15. Prices of Petroleum Products, 1988-94	52
16. Electricity Rates, 1988-94	53
17. Quarterly Consumer Price Index for European Households, 1989-94	54
18. Consumer Price Index - African Households, 1989-94	55
19. Consolidated Operations of the Central Government, 1989-94	56
20. Economic Classification of Consolidated Central Government Expenditure, 1989-94	57
21. Public Investment Program, 1989-94	58
22. Personnel Expenditure, 1989-1994	59
23. Military Expenditure, 1989-94	60
24. Central Government Revenue, 1989-94	61
25. Monetary Survey, December 1989-December 1994	62
26. Summary Accounts of the Central Bank, December 1988-December 1994	63
27. Summary Accounts of the Deposit Money Banks, December 1989-December 1994	64
28. Balance of Payments, 1989-94 (in CFA francs)	65
29. Balance of Payments, 1989-94 (in SDRs)	66
30. Composition of Exports, 1989-94	67
31. Composition of Imports, 1989-94	68
32. Services and Transfers, 1989-94	69
33. Direction of Recorded Exports, 1989-92	70
34. Origin of Recorded Imports, c.i.f., 1989-92	71

Charts

1. Real Wage Bill, 1980-94	24a
2. Civil Service Wage Expenditures, 1980-94	24b
3. Structure of Domestic Expenditures	24c
4. Comparison of Wage Expenditures, 1994	24d
5. Wages and Per Capita Income, 1980-94	24e

BURKINA FASO - Basic Data

Area, population, and GDP per capita

Area	274,200 square kilometers
Population: Total	10 million (1993)
Growth rate (in percent)	3.3 percent
GDP per capita	US\$320

1989 1990 1991 1992 1993 1994

(In billions of CFA francs)

National accounts

Total GDP (at 1985 prices)	739.9	728.7	801.2	821.1	814.7	824.4
Total GDP at current prices	753.8	752.7	786.7	791.4	796.1	1,030.2
Investment	163.0	154.9	162.2	169.3	154.6	228.0
Gross domestic savings	53.5	57.8	47.6	52.1	51.6	63.3

(In percent of GDP)

Primary sector	30.6	31.3	33.4	32.3	33.9	31.5
Secondary sector	22.9	21.6	19.8	21.4	21.3	25.3
Tertiary sector	42.5	43.7	43.0	42.7	41.6	36.5

(Annual percentage changes)

Nominal GDP	6.4	-0.1	4.5	0.6	0.6	29.4
Real GDP	0.9	-1.5	10.0	2.5	-0.8	1.2

Prices

GDP deflator	5.4	1.4	-5.0	-1.8	1.4	27.9
Consumer price index	2.0	1.9	2.5	-0.2	2.3	29.1

(In billions of CFA francs)

Central government finance

Revenue and grants 1/	156.1	112.9	141.2	142.3	143.2	188.7
Total expenditure and net lending	129.6	147.6	169.5	165.4	186.4	227.0
Of which: current expenditure	(82.8)	(106.5)	(94.1)	(93.9)	(118.3)	(131.0)
capital expenditure	(45.1)	(42.4)	(56.0)	(70.8)	(63.4)	(71.7)
Overall deficit (-)/payment order basis 1/	-49.8	-54.7	-64.6	-72.4	-82.4	-113.7
Change in arrears (decrease -)	10.6	23.3	-32.6	-2.4	2.9	-14.2
Overall deficit (-)/cash basis	37.2	-11.5	-61.0	-25.5	-36.3	-52.5
Financing	-37.2	11.5	61.0	25.5	36.3	52.5
Foreign 1/	(-53.2)	(10.2)	(44.1)	(25.3)	(32.9)	(32.7)
Domestic	(16.0)	(1.3)	(16.9)	(0.3)	(3.4)	(19.8)

(In billions of CFA francs)

Money and credit

Net foreign assets	66.5	65.9	75.7	89.6	106.5	164.2
Net domestic assets	98.0	96.0	96.9	89.3	88.5	105.0
Of which: net claims on Government	(-39.6)	(-42.0)	(-20.3)	(-20.2)	(-15.7)	(2.5)
credit to the private sector	(146.2)	(145.2)	(113.3)	(99.2)	(89.8)	(74.4)
Money and quasi-money	154.2	153.5	160.3	167.4	180.0	232.9

1/ Excluding grants.

BURKINA FASO - Basic Data (concluded)

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
<u>(In billions of CFA francs)</u>						
<u>Balance of payments</u>						
Exports, f.o.b.	65.4	77.1	75.9	62.9	74.5	125.2
Imports, f.o.b.	-140.9	-147.6	-138.2	-142.3	-133.4	-202.7
Trade balance	-75.5	-70.5	-62.3	-79.4	-58.9	-77.5
Services (net)	-37.7	-28.7	-54.8	-41.0	-47.9	-95.0
Transfers	116.1	90.4	105.0	121.2	113.0	148.6
Current account	2.8	-8.7	-12.1	0.8	6.2	-23.9
Excluding official transfers	-68.4	-70.5	-89.4	-91.0	-79.5	-141.3
Capital inflows (net)	-68.2	4.7	30.3	24.9	27.9	48.5
Errors and omissions	31.3	8.4	-17.0	-11.1	-27.3	30.1
Overall balance	-34.1	4.5	1.2	14.5	6.3	54.7
Financing	34.1	-4.5	-1.2	-14.5	-6.3	-54.7
Change in net foreign assets	12.6	-0.7	-9.6	-16.1	-17.3	-45.1
Change in arrears	16.2	-3.7	-33.7	-4.1	7.6	-17.3
Debt relief 1/ 2/	5.3	--	42.1	5.7	3.4	7.7
<u>Memorandum items:</u>						
<u>(In percent of GDP)</u>						
Current account balance	-9.1	-9.4	-11.4	-11.5	-10.0	-13.7
(excluding official transfers)						
Investment	21.6	20.6	20.6	21.4	19.4	22.1
Gross domestic savings	7.1	7.7	6.1	6.6	6.5	6.1
Debt service ratio as a percentage of goods and nonfactor services 3/	-127.5	-15.6	-13.8	-20.9	-22.3	-22.6

1/ Including debt relief on government-guaranteed debt.

2/ Includes CFAF 0.8 billion in 1993 on account of interest due on Paris Club I debt rescheduling.

3/ Excluding IMF.

Economic and Financial Developments, 1991-95

1. Overview

Burkina Faso is a landlocked country in the Sahel region of West Africa; it has a per capita GDP estimated to be around US\$300 in 1994. The level of educational attainment is low, exploitable resources are few, and recurrent droughts and soil erosion threaten the subsistence of large segments of the population. Given the low level of domestic savings, prospects for growth have therefore been dependent upon substantial external inflows.

During most of the 1980s, Burkina Faso followed a development strategy based on central planning and pervasive controls, with a strong presence of the state in productive activities. Relatively high economic growth was recorded during that period. However, this resulted from an unsustainable expansion of the public sector, in a span of generally favorable weather conditions. From the late 1980s, when the limits of such policies became apparent through the buildup of large external and internal imbalances, the country gradually reversed its policies, and from 1991 onward, Burkina Faso embraced a program of structural adjustment supported by the Fund and the World Bank, as well as bilateral and other multilateral creditors.

Until 1993, the adjustment strategy was based primarily on reducing domestic demand through fiscal policy, a process that was both politically difficult and slow, as it consisted inter alia of lowering nominal spending. This strategy was broadened to include an adjustment of the exchange rate peg of the CFA franc against the French franc, which had been kept constant at F 1 = CFAF 50 for over 50 years, to F 1 = CFAF 100. Even though the devaluation was anticipated by large segments of the modern sector, as evidenced by the flight and subsequent return of private capital, the magnitude and the timing of the action took the country by surprise; and the economy was initially slow in adjusting to the new relative prices.

2. Developments in 1990-95

a. Growth and price developments

Real GDP growth averaged 2.3 percent per annum during 1990-94. Given that the annual population growth in Burkina Faso is estimated at 3.3 percent, this outcome represents a substantial decline in real GDP per capita income (Appendix V, Table 1). The modest growth performance reflects the severe constraints facing the Burkinabè economy, as well as the adverse effects of the buildup of large external and internal imbalances.

Real GDP growth was slowed by weak activity in the primary sector, which accounts for roughly 40 percent of value added and is the main source of income for about 90 percent of the population (Appendix V, Tables 2 and 5). Growth in agricultural production declined markedly after 1991,

when a bumper crop boosted output in the primary sector by over 20 percent. Cotton, the principal export crop, lost its attractiveness to farmers as a result of a reduction in producer prices for the 1992/93 and 1993/94 crops (Appendix V, Table 6); output of seed cotton fell in 1993/94 to 117,000 tons, an eight-year low, as the Government's decision to increase producer prices by 40 percent (from CFAF 80/kg to CFAF 112/kg) after the devaluation came too late to affect production. ^{1/} The 1994/95 harvest, however, witnessed a significant rebound to 145,000 tons, although output growth would have been even more pronounced had late rains not hampered production in large portions of growing areas. The supply response of other exportable products (such as fruits and vegetables) has been rather slow, as a result of the long gestation period needed to adjust production volume. In contrast, output of cereals remained at historically high levels during the period, thus broadly covering the cereal needs of the country. Local rice production also continued to expand steadily, although it still only satisfies a small fraction of local demand for rice. Oilseed crops--led by groundnuts, whose production reached record highs--recovered substantially. Livestock exports surged following the devaluation in early 1994; the increased exports, however, were accommodated through de-stocking (Appendix V, Table 8). Overall, value added in the primary sector declined at an annual average rate of 1.1 percent during 1990-94, excluding the exceptional year of 1991 when there was a surge of nearly 21 percent.

In the secondary sector, performance has been generally erratic. Gold production in the existing semi-industrial mines took a downward turn in 1994, as the yield of several arteries started to diminish (Appendix V, Tables 9 and 10). Gold mining--which is only partly recorded in official production statistics, since the producer price offered by the government marketing agency CBMP is below the world market price--also seemed to have been in decline during 1992-94, as evidenced by declining official gold exports (Appendix V, Table 12). A newly developed index of industrial production--while still preliminary--shows a decline of almost 10 percent during 1992-94, primarily due to reductions in output in the chemical industry (predominantly soap) and metalworking (including bicycle and moped assembly) which together have a weight of approximately 21 percent in the index (Appendix V, Table 11). ^{2/} Construction activity recovered from its 1991 low, owing first to increased government financing of public works, and subsequently to a private sector construction boom following the

^{1/} The producer price for the 1993/94 crop (which was planted in May 1993) originally set at CFAF 50/kg, but was subsequently increased to CFAF 112/kg immediately following the devaluation. For more details on agricultural producer price policies, see Appendix III.

^{2/} The decline in mining activity in the index seems overstated, since it only takes into account production from the industrial mine at Poura.

devaluation. The private sector construction boom delayed implementation of public works projects following the devaluation. ^{1/}

In the service sector, recorded transport activity declined throughout the period 1992-94, partly as a result of the deteriorating conditions of the railway linking Burkina Faso and Côte d'Ivoire (Appendix V, Table 14). ^{2/} Trade margins temporarily increased in 1994 following the devaluation, as high pre-devaluation inventories of imported goods had been accumulated. Government services grew significantly over the period, with the number of civil servants increasing by almost 10 percent, led by new hiring in the health and education sectors.

Price increases during 1992-93 were modest; the record harvest in 1991 kept food prices low in 1992, precipitating a fall in the general consumer price index by 2 percent. Increases in housing and school costs offset in part the continued fall in food prices, such that inflation was below 1 percent in 1993 (Appendix V, Table 18). The price effects of the devaluation in early 1994 were rapidly reflected in domestic prices: by June 1994, the price level had risen by 27.9 percent over December 1993. The price level subsequently stabilized with only a 1 percent increase in the consumer price index recorded during the second half of 1994. As a result, annual average inflation was limited to around 25 percent, despite a doubling of the cost of imports originating outside the CFA zone. On the cost-push side, the inflation impact had been blunted by a rapid substitution toward regional imports, by temporary freezes of the prices of a number of essential goods, and by such measures as the introduction of generic medicine to keep health costs down. Civil service wage restraint, followed by wage restraint in the rest of the formal sector, limited the demand-pull effects.

Although available indicators are still provisional, it appears that economic activity has picked up substantially in 1995. Real GDP growth of 4.5 percent is estimated for this year. The pick up in economic activity reflects in large part the favorable effects of the devaluation. Cotton exports, in particular, picked up substantially in 1995, although the production of cotton is still below what has been achieved in the recent past. Gold exploration activity is expanding rapidly, with over 20 companies currently prospecting for gold. The preliminary index of industrial production was higher by over 1 percent during the first six months, compared with the same period last year. Price rises have been moderate in 1995, such that cumulative inflation for 1995 is likely to be limited to 5 percent.

^{1/} At the same time, a number of bids had been tendered prior to the devaluation to carry out public works projects in 1994; after the devaluation, these bids had to be re-evaluated in light of higher costs for imports coming from countries outside the CFA franc zone.

^{2/} The operation of the railway has been transferred to a private consortium in 1995 as part of the Government's privatization effort.

b. Government finances

Much of the progress made in restoring the fiscal balance in 1991, in the context of the Fund-supported adjustment programs, was subsequently lost in 1992, when political reforms--brought about by the first multiparty parliamentary elections--dominated the agenda. The fiscal balance (defined to exclude foreign-financed and restructuring operations) moved from a surplus of 0.6 percent of GDP in 1991 into a series of deficits (1.6 percent of GDP in 1992, 3.1 percent in 1993, and 2.3 percent in 1994) (Appendix V, Table 19). ^{1/}

During the period 1991-94, revenue performance deteriorated. Total revenue dropped from 13.3 percent of GDP in 1991 to 11.8 percent in 1992, which was in large part due to the lax collection of import duties (Appendix V, Table 24). A simplification of the system of customs tariffs in 1993 (limiting the number of rates to three), although incompletely implemented at first, helped revenue recover to 12.6 percent of GDP in 1993. If the major tax and customs reforms (including the introduction of a single value-added tax (VAT) rate at 15 percent and a series of measures intended to strengthen tax administration) had been undertaken with more vigor, the revenue outcome could have been stronger still. In 1994, revenue suffered from a combination of the delayed effects of the devaluation on profit taxes, the slowdown in the economy and in particular, the decline in taxable imports reflecting mainly lower-than-expected volumes, and the delayed application of the new exchange rate at customs. These factors contributed to a sharp decline in the revenue-to-GDP ratio, to only 11 percent.

In light of the small size of the formal sector in Burkina Faso, the tax base is limited, and there is considerable reliance on transfers from public enterprises to meet revenue needs of the central government (including dividends and price equalization receipts from goods such as rice and petroleum products). However, this source of nontax revenue has been inherently unstable, as public enterprise profits have historically been uncertain, while price equalization receipts depend to a large extent on favorable movements of world prices for the commodities concerned. During 1991-94, the contribution of these resources to budgetary revenue averaged 21 percent of GDP.

Overall expenditure (excluding restructuring operations) followed a rising trend relative to GDP--despite broad control of the wage bill ^{2/--} moving from 12.7 percent of GDP in 1991 to 15.7 percent, in part as a result

^{1/} The fiscal balance is defined on a commitment basis, excluding grants, foreign-financed investment and restructuring operations. The exclusion of these items allows for monitoring transactions at the discretion of the Government.

^{2/} Measures to reform the civil service and control the wage bill since 1991 contributed to reducing government wage outlays from 7.6 percent of GDP in 1990 to 5.3 percent in 1995.

of large transfers to the cotton sector to offset past losses (Appendix V, Table 20). A strong compression of government spending was achieved in 1994, as most expenditure items, with the exception of external interest and the wage bill, remained roughly constant in nominal terms, resulting in a decline in the ratio of domestically financed expenditure to GDP by 2.4 percentage points of GDP. Outlays for restructuring operations accelerated to CFAF 27 billion (2.7 percent of GDP) in 1994, after averaging CFAF 7 billion during 1991-93. Restructuring outlays included current transfers of CFAF 5.2 billion for commercial bank restructuring and rehabilitation of the transportation sector, and CFAF 22 billion in capital expenditures, mainly for public enterprise restructuring. Although measures were implemented throughout the period to strengthen expenditure control, deviations from approved procedures continued to undermine budget execution.

Central government operations remain heavily dependent on foreign financing: in 1992, official grants were equal to 53 percent of revenue, rising to 66 percent of revenue in 1994. At the same time, domestically financed investment amounted to only 17 percent of all investment expenditure in 1992, declining to less than 13 percent in 1994. During the period 1992-94, Burkina Faso continued to benefit from Paris Club rescheduling; through rescheduling and cash payments, Burkina Faso was able to achieve a net reduction in domestic and external payments and amortization arrears.

Owing to the implementation of tight fiscal policies, the fiscal deficit has improved by an estimated 1.6 percentage points of GDP in 1995. The improved fiscal performance reflects primarily stronger revenue collection as the impact of measures to improve tax and customs administration introduced since 1993 took hold. Expenditure control has continued in 1995, importantly for the wage bill.

c. Monetary developments

Monetary policy during the period continued to be conducted within the framework of the West African Monetary Union (WAMU). Monetary aggregates remained relatively stable during 1992-93, although the share of currency became relatively more important in the years leading up to the devaluation, with the ratio of currency to demand deposits increasing from 126 percent in 1991 to 178 percent in 1993, before returning to 126 percent in 1994 (Appendix V, Table 25). To counteract speculation against the CFA franc, the monetary authorities suspended the repurchase of CFA franc currency notes outside the zone in August 1993. The devaluation gave rise to a strong recovery of broad money, as economic agents replenished their real cash balances. The strong recovery of broad money was reflected partly in a buildup in net foreign assets of the banking system, which increased from CFAF 66 billion (8.7 percent of GDP) in December 1990 to over CFAF 160 billion (15.5 percent of GDP) in December 1994.

Credit to the economy continued to decline from its peak in 1990, as successive waves of bank restructuring eliminated nonperforming loans. In 1993, the authorities decided to finally close the doors of the development

bank (BND-B), and the removal of its nonperforming loan portfolio will deflate domestic credit until the termination of the liquidation process. 1/ Credit to the Government increased sharply in 1994, partly to finance almost CFAF 12 billion of improvements in commercial banks' balance sheets.

In light of the banking crisis that struck the WAMU in the late 1980s, banking supervision was tightened substantially with the institution of the Banking Commission in 1990. Burkinabè banks were audited in 1990 and in 1992, and the results were used to finalize the bank restructuring, as detailed in Appendix I.

The operation of monetary policy in the WAMU changed fundamentally in September 1993, when the Central Bank of West African States (BCEAO) switched to using indirect instruments of monetary policy. Rather than relying on rediscounting ceilings, the Central Bank instituted a regional money market, and introduced reserve requirements and a new rediscounting policy, with the aim of increasing reliance on flexible interest rates to achieve monetary policy objectives. However, to date, the results of the policy are not yet evident in an improved flexibility of interest rates, as the BCEAO has focused its attention on the rapid increase in liquidity subsequent to the devaluation and the placement of WAMU government securities (over CFAF 400 billion) during 1994.

d. Balance of payments and external debt

The external accounts in Burkina Faso have been broadly in balance since 1990. However, as was observed earlier in the context of government finance, this masks the significant contribution by foreign donors to the balance of payments, which in the recent past has averaged 10-11 percent of GDP per annum. While the external current account deficit is relatively small, the underlying deficit (excluding official transfers) is substantial. However, that deficit improved from 11.4 percent of GDP in 1991 to 10.0 percent in 1993--with the trade balance offsetting declining transfers--before deteriorating to 13.7 percent of GDP in 1994 (Appendix V, Table 28).

Burkina Faso's traditional exports are, in order of importance, cotton, gold, and livestock. After doubling during the 1980s, the export sector has not witnessed much growth in the recent past. Cotton production has suffered from an unattractive producer price policy, as well as late payments and technical problems in the sector. As a consequence, Burkina Faso

1/ A portfolio of nonperforming BND-B loans with CFAF 9 billion remained classified as performing from 1991-94, even though their status was worrisome enough that the Government had committed, in 1991, to take them over for transfer to the recovery agency--Bureau de Recouvrement des Crédits du Burkina (BRCB) in the context of the regional bank restructuring program (see Appendix II). These nonperforming loans were only transferred to BRCB in July 1994.

did not reap maximum benefit from the sharply higher world market prices for cotton during 1994. Gold exports have also fallen, reflecting more costly mining activity. Before the devaluation, Burkina Faso's livestock could not compete with imports from Europe or Latin America. Although the real effective exchange rate depreciated by almost 40 percent in 1994 following the CFA franc devaluation, export supply, except in the case of livestock, was rather inelastic. A large initial surge in livestock exports, however, reflected de-stocking. 1/ In contrast, imports declined rapidly in 1994, both for project-related capital goods (which suffered from a low implementation rate, owing to the need to revalue bids) and for consumer and other goods, for which pre-devaluation speculative stocks were held.

In response to the poor prospects of the Burkinabè economy, emigration, in particular to Côte d'Ivoire and other coastal countries, has been an important phenomenon. As a consequence, remittances are a significant component of the inflows of the balance of payments, and reached a level of roughly 4 percent of GDP during 1989-93. However, the uncertainties surrounding the devaluation diminished such transfers to 3 percent of GDP in 1994. Official transfers fell in foreign currency terms, reflecting the slower pace of project implementation.

Reflecting increased confidence in the domestic economy, a return of flight capital combined with rising exports have contributed to a significant improvement in the external position in 1995, with a sharp increase in net foreign assets of the banking system. Exports have continued to rebound in 1995, particularly cotton exports. At the same time, the recovery of imports in 1995 has been stronger than expected, albeit from a very low base in 1994. 2/ Private transfers of workers' remittances, however, have not increased as expected, with the result that the external current account deficit (excluding official transfers) is expected to remain at about 14 percent of GDP in 1995.

Burkina Faso is a heavily indebted country, although a prudential debt management strategy, in combination with debt relief granted in the past by both Paris Club and non-Paris Club creditors, resulted in the gradual repayment of most external arrears by end-1994. The debt service burden has been negatively affected by the devaluation, although the debt forgiveness granted in its aftermath by several creditors (including France) has partly offset this effect. Since 1991, all new debt contracted--predominantly to multilateral institutions--has been on concessional terms.

1/ In 1995, livestock exports have been more moderate as exporters have made efforts not to sell female livestock so as to preserve a steady rate of reproduction.

2/ Import volume declined sharply in 1994, particularly capital goods imports, as a result of devaluation-induced delays in carrying out the public investment program.

e. Structural reforms

Since the inception of the 1991 structural adjustment program, much progress has been made in removing impediments to growth. Appendix III describes in more detail the progress that has been made in liberalizing the regulatory framework, and moving away from administrative prices. 1/ Another major element of the structural reform program was the privatization program which sought to divest from the Government's portfolio all activities better left to the private sector.

The public enterprise sector has been reduced from 93 enterprises in January 1991, at the start of the divestiture program, to just 78 enterprises at present. In addition, the management has been replaced in 6 enterprises. 2/ The development bank BND-B was officially closed in 1993, and its liquidation commenced thereafter. The Government's share in commercial banks has been reduced to under 25 percent. A further 19 enterprises was approved for privatization in 1994. In addition to these 19 enterprises, several public transport companies were put up for privatization in the context of the World Bank-supported transport sector adjustment loan. 3/

1/ With the exception of a temporary reintroduction of administrative prices after the devaluation, price controls were gradually removed starting in 1988.

2/ In some cases, a temporary receiver was appointed, and in other cases a new management team was appointed.

3/ The railroad company SCFB was transferred to a private operator in mid-1995; the privatization of the urban transportation company RNTC X9 was finalized in 1995; and it was decided to privatize the regional airline Air Burkina at end-1995. In addition, the charter airline Naganagani was liquidated in 1993.

I. Bank Restructuring

Introduction

A significant part of the structural adjustment program initiated in 1991--both in terms of funds disbursed and policy measures taken--has centered on restructuring the banking system. At the end of the 1980s, banks found themselves saddled with large portfolios of nonperforming loans, owing to decades of poor risk management, aggravated by insufficient banking supervision. Significant resource transfers proved necessary to bring prudential ratios back to acceptable levels, nonviable banks were merged or liquidated, and government ownership of banks was scaled back to limit the recurrence of such crises. Throughout the CFA franc zone, the regulatory mechanisms were strengthened, including through the institution of a dedicated supervisory body and more frequent bank inspections, to avoid future crises. This appendix describes the bank restructuring process in Burkina Faso from 1990 to 1995, which fell into two phases: a first phase, starting in 1991 at the time of the first structural adjustment program, in which a comprehensive plan to address the banks' financial situation was adopted; and a follow-up phase, in 1992, when financial restructuring of banks was completed.

1. Background

This section provides a short description of the structure of the financial system in Burkina Faso in 1990, prior to the start of the restructuring program.

The financial system of Burkina Faso in 1990 comprised a national agency of the regional central bank (BCEAO), 1/ 2/ eight banks (BALIB, BFCI, BIB, BICIA-B, CAI, the agricultural credit agency CNCA, UREBA, and the development bank BND-B), a postal savings bank (CNE), a postal checking agency (CCP), and several smaller consumer credit and equipment leasing organizations (FIB, SBE, SIEL, and SOBCA). 3/ In addition, the Treasury extended short-term credits to the private sector in the form of customs duty bills.

1/ Burkina Faso is part of the West African Monetary Union (WAMU), which has a regional central bank, the BCEAO, headquartered in Dakar, Senegal, and national agencies in each of the members' capitals. The BCEAO is the sole institution responsible for issuing money in the WAMU, and until 1990 provided all regulatory functions.

2/ A list of abbreviations is provided in the annex to this appendix.

3/ The Government's shareholding in the banking system in 1990 was as follows: BICIA-B (51 percent); BIB (25 percent); BND-B (6 percent); BFCI (10 percent); CNCA (27 percent); and BALIB (50 percent).

Most of the commercial banking system, as well as the development bank, were set up by the Government after independence. The development bank BND-B, founded in 1962, was the most prominent in this group: it was given a leading role in developing the Burkinabè economy, by extending long-term loans, typically at low interest rates, to finance projects considered beneficial to the social and economic development of the nation. In 1984, three government-owned commercial banks--each covering a specific market--were established. The BFCI was established specifically to promote industrial development. The UREBA catered to the financial needs of local communities. The third government-owned commercial bank, the CAI, was intended to facilitate investment in existing enterprises. ^{1/} The other commercial banks, BICIA-B, BALIB, and BIB were partly foreign owned, in addition to the Government's share, and were primarily involved in extending trade financing.

The specialized agricultural bank, CNCA, was established as the major provider of agricultural credit, and also plays an important role in the payment of the cotton harvest, thanks to its relatively extended rural network.

2. Causes of the banking crisis

In the period leading up to the banking crisis, there was severe government interference in the sector. About 40 percent of the deposits of commercial banks were held by government agencies and enterprises. In turn, there was evidence of large scale government-induced lending. In particular, there was forced payment of budget expenditure (e.g., until 1989, the BIB paid government salaries in the provinces). Commercial bank deposits with the postal checking system remained frozen for many years, as the Treasury used these deposits to finance current expenditures and was unable to replenish them. In addition, direct loans by commercial banks, outside the budget, were made to the army and other government bodies. The Government also set the tone for commercial banks' management practices: (i) bank pay scales followed that of the Government; (ii) no bonuses were given to personnel as incentives; and (iii) the appointment of general managers proceeded, at times, without the consent of foreign bank partners.

^{1/} CAI's operations were financed fully from compulsory contributions by public enterprises, which took the form of quasi-taxes on public enterprises based on the size of turnover of the enterprises. Public enterprises could, in turn, use their contributions to finance their own CAI-approved investment programs. Contributions not reclaimed within a specified period were transformed into 20-year loans to the Treasury at a 4 percent interest rate. Since the opening of CAI, contributions by public enterprises have amounted to CFAF 7 billion, of which 70 percent have been transformed into 20-year loans to the Treasury.

Other problems plaguing the banking sector included weak risk management, which resulted in a buildup in nonperforming loans, particularly claims on public enterprises. In part, a rigid sectoral credit classification policy overlooked the riskiness of loans. In other cases, outstanding loans continued to be classified as performing despite mounting overdrafts against them. Furthermore, the majority of nonperforming loans were not provisioned for, even for claims against firms that were in liquidation.

The recovery of nonperforming loans also proved to be difficult. The market for real estate, and for other assets which could be used for collateral for bank loans was shallow, and many factors tended to inhibit the sale of property seized from delinquent borrowers. In addition, slow legal procedures tended not to penalize defaulters and thwarted recovery efforts. By 1991, 10 percent of total outstanding credit was nonperforming; excluding short-term credits, the percentage of nonperforming credits in domestic credit was 34 percent.

3. Bank restructuring: the first phase

In view of the problems plaguing the banking system, a strategy was developed in 1991 to return the banking system to a healthy state centered initially on: (i) the restructuring of the balance sheets of problem banks, including through recapitalization and budget transfers, with a view to ensuring that all institutions would rapidly comply with prudential ratios; (ii) a reduction in the Government's shareholding in banks to a noncontrolling level; (iii) the creation of a loan recovery bureau (BRCB); ^{1/} (iv) internal reorganization of banks, including management changes and personnel downsizing; and (v) the reconstitution of funds borrowed by the Treasury from the postal savings and checking banks (CNE/CCP). ^{2/} In addition, a bank supervisory body (Commission Bancaire), was established and headquartered in Côte d'Ivoire. ^{3/}

A series of financial audits conducted by the BCEAO initially in 1989-90 brought to light the amounts needed to place the banks back on sound financial footing. The situation at the BICIA-B was relatively satisfactory. To maintain its image of a quality bank, it decided not to request any budgetary support at that time. ^{4/} The audit of the BIB in 1989,

^{1/} BRCB was established to liquidate, to the extent possible, nonperforming loans that were to be transferred to the Government in exchange for an infusion of capital.

^{2/} Complementary policy measures, especially the tightening of fiscal policy, were expected to reduce the Government's bank borrowing requirement, thereby supporting the bank restructuring program.

^{3/} The Chairman of the banking commission is, ex officio, the Governor of the BCEAO.

^{4/} It proceeded with a recapitalization in 1992, in which the Government raised its share from CFAF 892 million to CFAF 1271 million; simultaneously, other shareholders brought in CFAF 371 million in fresh capital.

however, found a much less satisfactory situation; despite a generally liquid position, substantial capital infusions would be needed to improve its solvency. The situation at the state-owned banks BND-B, BFCI, CAI, and UREBA was even more worrying, with the audits raising serious questions about their long-term financial viability.

a. The BND-B: from reorganization to liquidation

The Banque Nationale de Développement du Burkina (BND-B) had been experiencing severe financial problems as early as 1978. In particular, the bank suffered from insufficient capital; lack of net worth; low liquidity and continual needs for refinancing by the Central Bank; as well as a high proportion of nonperforming loans. A number of reorganization plans in the 1980s attempted to return the bank to profitability and to address the poor management practices and weak internal controls--including inadequate accounting. In 1986, an initial plan was adopted that approved an increase in capital. A subsequent plan was approved in 1988 that called for an influx of medium-term loans amounting to CFAF 4.2 billion, of which CFAF 3 billion was to be lent by the BCEAO and guaranteed by the Government under a 1986 decision by the Council of Ministers of the WAMU to clean up the regional banking system. 1/ In addition, the plan paved the way for a further capital increase. Actual disbursements of these amounts, however, were slow in coming. An audit by the BCEAO in 1989 found CFAF 10 billion in nonperforming loans in excess of the amount reported by the bank, and a third final reorganization plan, adopted in 1991, was based on this audit. This plan called for the consolidation of an additional CFAF 6 billion in loans to be refinanced by the BCEAO and guaranteed by the Government; 2/ almost CFAF 19 billion in nonperforming loans were transferred to the loan recovery agency, BRCB; and a direct budgetary transfer of CFAF 5.7 billion was made in favor of the BND-B.

In spite of these efforts, and some encouraging results under the various reorganization plans, the authorities decided, at end-1993, to liquidate BND-B, as the root causes of its poor performance--including poor personnel management and accounting standards--were deemed to have been inadequately diagnosed and acted upon. A new audit by the newly established Commission Bancaire found, in 1992, additional bad loans for CFAF 4.5 billion. This finding precipitated the decision to liquidate the bank, which began at end-1993.

1/ Of the CFAF 4.2 billion in loans, the World Bank contributed CFAF 250 million.

2/ In fact, the decision to extend the loan of CFAF 6 billion was taken in June 1989 by the Council of Ministers of the WAMU. The transaction was finalized in July 1994 with the issue of CFAF 9 billion in a 12-year government security, at a 5 percent interest rate, guaranteed by the BCEAO. The securities are tax exempt, and can be used to satisfy reserve requirements; in addition, they can be redeemed at the BCEAO at par (see SM/95/261, 10/11/95).

The Government appointed a liquidator in December 1993 to start the bankruptcy proceeding, and to complete the following tasks by February 1996: (i) dismiss and compensate personnel; (ii) rehire the necessary personnel to staff the liquidation unit; (iii) settle remaining interbank loans and sell the healthy portion of the loan portfolio; (iv) recover nonperforming loans; and (v) repay depositors and other creditors from the proceeds.

With regard to the compensation of personnel, the decisions taken in the framework of the 1991 reorganization were upheld, and severance payments equivalent to 22 months of salary were distributed. In addition, personnel was given a chance to reschedule private loans received from the bank. A skeleton liquidation unit with 55 employees (reduced to 45 in March 1995) on temporary contracts was hired to implement the liquidation.

The cost of the liquidation comprises the cost of dismissing personnel, cleaning of the balance sheet (including the legal costs of reclaiming unpaid debts through the judicial system), running the liquidation unit, and reimbursing depositors through budget transfers. It was decided early on that small depositors would be reimbursed relatively more than other creditors--often state-owned enterprises. However, since legal dislocations prescribe equal treatment amongst creditors, a different approach needed to be found, involving a separate reimbursement fund administered jointly by the Government (which so far has contributed about CFAF 1.6 billion), the liquidator, and the Caisse Française de Développement (which has contributed CFAF 2 billion). Small depositors needed to formally request a refund, as well as prove that they were not indebted to the state (or to the BND-B). Because of these stringent requirements, as well as the difficulty of reaching rural depositors, 60 percent of eligible depositors still have not claimed their refund; these depositors, however, only account for 16.5 percent of the total level of deposits qualifying for such refunds.

Pursuing debtors through the judicial systems has proved to be expensive, and the liquidator has come to the conclusion that it is often better to settle at far below the nominal value of the claim. With administrative and legal fees amounting to roughly 30 percent of the nominal value of the outstanding claim, the collateral itself in practice may yield only a fraction of the original debt. In addition, debtors have been using legal proceedings to delay court decisions, which has often allowed them to "organize" their bankruptcy, i.e., to place assets out of the reach of judicial authorities before a judgement is reached. It is expected that, at the end of the liquidation, around CFAF 11 billion will remain unpaid, most of which is owed by the public enterprises.

b. The BFCI/CAI/UREBA: merger and privatization

The three banks founded by the Government in 1984 to service different financial intermediation needs were placed in temporary receivership in 1991. Audits performed in 1989 had determined that these institutions were structurally loss-making, and it was decided to merge the institutions into a simple, but smaller and viable enterprise, to be put up for privatization.

The fact that the three banks continued nonetheless to operate independently for a number of years, was due in large part to the sizeable deposits the government maintained with these institutions, providing sufficient liquidity.

In 1991, over CFAF 12 billion in nonperforming assets of these three banks were transferred to the BRCB, leaving over CFAF 3 billion in bad loans on their books (these nonperforming assets were identified subsequent to the initial audit). On their balance sheets, this transfer was offset by a cancellation of capital and a reduction in reserves of CFAF 8.4 billion, a government transfer of CFAF 0.4 billion, and the write-off of a CFAF 3.3 billion loan to contributors in the CAI.

The merged bank was put up for privatization, and a memorandum of understanding to that effect was signed in February 1994 with Financial Bank. ^{1/} In September 1995, negotiations were still underway on the modalities for payment of capital. The Government agreed to cover the cost of severance payments to employees to be laid off, and to take over a redundant bank building.

c. The BIB: poor risk and financial management

An audit of BIB conducted by the BCEAO in 1989 found that prudential ratios had not been respected; around 30 percent of the loan portfolio was nonperforming; and an increase in capital and respective balance sheet restructuring were needed. In 1991, Meridien Bank became a 40 percent shareholder in BIB. BIB's capital was increased by 34 percent in 1992 to CFAF 2.2 billion, of which the West African Development Bank (BOAD) held CFAF 0.5 billion in trust on behalf of the Government. Meridien Bank's share in the capital increase was paid in only gradually, by building up BIB's deposits with Meridien Bank branches. With the current bankruptcy proceedings and liquidation of MIBL Meridien and BIAO SA (Luxembourg), the parent bank of the group, these deposits are no longer accessible to BIB, thereby jeopardizing its capital structure.

Nonperforming loans for the equivalent of CFAF 17.8 billion were transferred to the BRCB in 1991, at which time an infusion of CFAF 10.2 billion from the Government was needed to reconstitute the bank's net worth, with reserves of the bank being reduced to cover the remaining CFAF 7.6 billion. The bank's management, however, disagreed with the official assessment of the financial situation, claiming that additional transfers of CFAF 4.2 billion were needed to eliminate from the balance sheet loans that had been granted at the behest of the Government; the authorities eventually settled with the BIB on the transfer of an additional CFAF 3 billion.

^{1/} Financial Bank would acquire 51 percent of the equity capital, for CFAF 816 million.

d. The performance of the loan recovery agency (BRCB)

The BRCB (Bureau de Recouvrement des Crédits du Burkina) was created in 1991 to recover to the extent possible the portfolio of nonperforming loans it had inherited from banks undergoing liquidation or restructuring. In 1993, a law elevated the power of the agency to seize assets from delinquent debtors to the same level as that of the Treasury, with only back tax obligations having seniority. The Official Journal published a list of delinquent debtors in August 1993, with over 5400 names. Despite these powerful tools at its disposal, by end-1995, the BRCB had been unable to recover more than CFAF 5.7 billion, or 10 percent of the CFAF 58.8 billion that have so far been entrusted to it. ^{1/} In addition, it owns roughly CFAF 800 million in collateral (mostly real estate). BRCB's current portfolio consists of credits to (i) state agencies and public enterprises (CFAF 13.1 billion), some of which have already been liquidated; (ii) private enterprises which have ceased operations (CFAF 10.7 billion); (iii) private enterprises which are still in business, but are experiencing financial difficulties (CFAF 24.8 billion); and (iv) unidentified borrowers.

BRCB's recovery efforts have been hampered by various factors, including (i) delays in the transmittal of loan files; (ii) missing documentation; (iii) the late computerization of records (end-1995); (iv) expensive legal fees, as in the case of the liquidation of the BND-B; and (v) limited cooperation from enforcement authorities. The Commission Bancaire also found organizational and accounting problems at the recovery agency itself.

4. Additional measures

In 1992, the authorities took stock of the effects of the reorganization and privatization measures. At this stage, the BICIA-B asked to be brought into the restructuring strategy, arguing that its ability to compete had been adversely affected by the transfers of the government to other banks. On the basis of an audit conducted in 1992 on BICIA-B, as well as remaining nonperforming loans on the books of two other banks (BIB and UREBA), the Government agreed to issue government securities in exchange for a portfolio of nonperforming, or even fully written-off, loans, in an amount of CFAF 11.8 billion. These securities carry a 3 percent interest rate, and have a maturity of 12 years

The banking system has also been consolidated through the liquidation of BND-B in 1993, after being in receivership for two years; the fusion of the BFCI, CAI, and UREBA into the BFCI; and the liquidation of the SIEL. In addition, the privatization of the BFCI is in its final phase, with negotiations still under way on the modalities of payment of the capital.

^{1/} This amount includes both loans transferred under the successive waves of bank restructuring and interest on unpaid interest, a definition of obligation that is only grudgingly accepted by the debtors.

The liquidation of the BND-B is scheduled to be completed in February 1996, and a decision needs to be made on the continuation of the activities of the BRCB. A study on the future role of the CCP/CNE, involving possibly the de-linking of their operations from those of the Treasury's, is expected at end-1995. Further, the Government has agreed to a rescheduling of bank loans to the cotton sector. The authorities plan to adopt an action plan established in consultation with the World Bank for the completing the latter two actions.

5. Conclusions

At end-1995, the health of the banking system had improved dramatically compared with 1990. The devaluation of the CFA franc in early 1994 has given an additional boost to the financial position of banks in Burkina Faso, as most had a positive net foreign asset positions. 1/ Compared with some other members of the WAMU, the magnitude of the banking crisis in Burkina Faso was rather limited. At end-1993, an amount of CFAF 588.5 billion had been either consolidated or refinanced by the regional central bank in the context of bank restructuring, of which only 2 percent pertains to Burkina Faso (Table 1).

Nevertheless, continued vigilance is needed to prevent the reoccurrence of banking crises and the experience with Meridien Bank's collapse shows the importance of preventive surveillance. 2/ In addition, every effort will be needed to send clear signals to banks that government bailouts will no longer be tolerated.

The cost to the Government of the bank restructuring process during the period 1991-1993 amounted to CFAF 32.4 billion, excluding interest charges on new borrowing needed to finance these operations. Of this amount, CFAF 23.9 billion was used to acquire bad loans on the books of banks, while CFAF 8.5 billion was used to write-off bad bank loans. The Government funded these transfers, in part, by borrowing CFAF 16 billion from the national social security agency (CNSS). A total amount of CFAF 58.8 billion was transferred to the BRCB, which recovered CFAF 5.7 billion in cash by September 1995, with lesser amounts written off against government liabilities to public agencies. Banks' contributions to their own restructuring totalled CFAF 22 billion, of which most came from provisions and reserves.

1/ The CNCA, burdened with medium- and long-term foreign liabilities was the exception, although the Government did not pass on the increased debt service obligations of an on-lent loan denominated in french francs, which had earlier been forgiven by France.

2/ On February 2, 1995, the Board of Directors of the BIB decided to cancel the management contract with Meridien-BIAO (Luxembourg), for reasons of breach of contract. Subsequently, the court seized MIBL shares in BIB. The authorities are negotiating with a potential new partner bank to take over this participation.

A lesson that can be drawn from Burkina Faso's experience is that contingent liabilities, whether in the form of explicit or implicit (as with public enterprises) government guarantees, unpaid capital subscriptions, and implicit deposit insurance (in the case of reimbursement of small depositors of the BND-B) tend to materialize in periods of macroeconomic strains and in the absence of firm supervision over banks. This points to the need for continuous strengthening of the authority of the Commission Bancaire and for ensuring that banks remain properly capitalized and in compliance with the applicable prudential ratios.

**Table 1. WAMU Loans Consolidated or Refinanced in the Framework of
Bank Restructuring Operations, December 31, 1993**

(In billions of CFA francs)

	Benin	Burkina Faso	Côte d'Ivoire	Mali	Niger	Senegal	Togo	WAMU
Consolidation	41.5	9.0	196.0	14.4	12.9	86.3	7.5	440.4
Overdrafts	41.5		108.8	14.4	12.9	86.3		263.9
Banks	41.5		104.7	14.4	12.9	86.3		259.8
Financial Corp.			4.1					4.1
Frozen credits	2.8	9.0	77.2	9.5	13.0	57.5	7.5	176.5
Banks	2.8	9.0	77.2	9.5	13.0	57.5	6.4	175.4
Financial Corp.							1.1	1.1
Refinancing for public enterprises 1/			148.1					148.1
Total	44.3	9.0	334.1	23.9	25.9	143.8	7.5	588.5
In percent of WAMU	8	2	57	4	4	24	1	100

Source: BCEAO.

1/ The BCEAO has agreed to rediscount securities issued by the Government of Côte d'Ivoire to replace non-performing bank loans to public enterprises, in an amount equivalent to up to 90 percent of the nominal value of the securities.

List of Abbreviations

BALIB:	Banque Arabe Libyenne Burkinabè
BCEAO:	Banque Centrale des Etats de l'Afrique de l'Ouest
BFCI:	Banque pour le Financement du Commerce et de l'Industrie
BIB:	Banque Internationale du Burkina
BICIA-B:	Banque Internationale du Commerce, de l'Industrie et de l'Artisanat du Burkina
BOAD:	Banque Ouest Africaine de Développement
BRCB:	Bureau de Recouvrement de Créances du Burkina
CAI:	Caisse Autonome d'Investissement
CCP:	Comptes Chèques Postaux
CNCA:	Caisse Nationale de Crédit Agricole
CNSS:	Caisse Nationale de Sécurité Sociale
CNE:	Caisse Nationale d'Epargne
FIB:	Financière du Burkina
SBE:	Société Burkinabè d'Equipement
SOBCA:	Société Burkinabè de Crédit Automobile
SIEL:	Société Internationale d'Equipement en Leasing
UREBA:	Union Révolutionnaire des Banques
WAMU:	West African Monetary Union

II. Government Wage Expenditures

Introduction

Between 1980 and 1990, government wage expenditures dominated Burkina Faso's budget, absorbing an average of 55 percent of domestic expenditures and more than 60 percent of tax revenues. Rapid growth in the civil service ^{1/} wage bill, in turn, contributed importantly to unsustainable deficits and the accumulation of external and domestic arrears. An increasing share of wages in operating expenditures also crowded out important non-wage outlays in the social sectors.

The heavy burden of the wage bill reflects in large part the high remuneration of civil servants, including large allowances, relative to per capita national income. Other important contributing factors include the structure of the civil service, which is heavily weighted in the professional grade levels, and the automatic promotion system, which allows lower grade civil servants to move regularly and easily into professional levels. In addition, owing to administrative weaknesses, there have also been problems properly identifying civil servants on the payroll, resulting in salaries being paid to ghost workers.

A number of measures have been taken since 1991 to reduce the total wage bill. There have also been efforts to restructure the civil service toward high priority functions in the social sectors. While these efforts are beginning to bear fruit, wage outlays in Burkina Faso remain high relative to both total expenditures and government revenue, while Burkina Faso's social indicators remain weak. The challenge ahead will be to control the overall wage bill while allowing for further restructuring of the civil service toward priority functions.

This chapter reviews historical developments in the government wage bill since 1980, factors contributing to the heavy wage bill burden, the sectoral composition of the wage bill, the measures taken to date to reform the civil service, and the remaining policy agenda.

1. Wage bill developments

Wage bill developments have been the main factor driving current budgetary expenditure trends since the early 1980s. Real wages, measured in 1990 prices, have increased 3.7 percent per year on average between 1980 and 1994 (Chart 1). The rate of growth of real wages, however, has not been uniform during this period, but has reflected in part the political changes occurring at the same time. During 1982-85, the real wage bill increased modestly at 3 percent per year, on average. Moreover, the size of the civil service declined by about 3 percent during this period. A number of civil servants were fired during this administration as the Ministry of Defense

^{1/} Including defense and security personnel.

took on the dominant role in government and assumed functions that were previously carried out by civilian ministries, including education. During 1985-90, however, the real wage bill increased at an average annual rate of 12 percent, when most of the civil servants who had been fired earlier were brought back on to the payroll. As a result, the wage bill increased from 5.4 percent of GDP in 1985 to 7.6 percent by 1990 (Chart 2). Since 1990, the real wage bill has declined by an average of 5.1 percent per annum through 1994, reflecting efforts by the authorities to reform the civil service. Accordingly, as a share of GDP, the wage bill has fallen to 5.7 percent in 1994.

Not only had there been a sharp increase in real government wage outlays in the period through 1990, but wages assumed an increasingly large share of domestic expenditures. The share of the wage bill in domestic expenditure ^{1/} averaged about 65 percent during the 1980s, before declining to an average of 50 percent in subsequent years. Wages also absorbed an increasing share of government resources during the 1980s, increasing from 58 percent of total revenues in 1980 to 65 percent in 1990; they have since fallen to 49 percent of total revenue in 1995, reflecting in part the tight incomes policy pursued in the wake of the devaluation of the CFA franc. This dominance of the wage bill has tended to crowd out outlays on goods and services, especially in the social sectors, as well as domestically-financed investment expenditure (Chart 3).

Despite the recent reduction in the wage bill relative to total domestic expenditure and revenue, government wage outlays in Burkina Faso remain high relative to other countries in the CFA franc zone, as well as relative to sub-saharan African countries outside the CFA franc zone (Chart 4). At 45 percent of total expenditures at present, the wage bill in Burkina Faso is just slightly higher than the average for the CFA franc zone, but substantially higher than in other African countries, as well as the average for developing countries as a whole. ^{2/}

2. Factors contributing to the wage burden

The heavy burden of government wages in Burkina Faso has not resulted from a proliferation in the number of civil servants, but reflects, rather, weaknesses in the structure of the civil service. In particular, an automatic promotion system has resulted in a top heavy civil service, while civil service wages across the board are exceptionally high, particularly compared to per capita national income.

^{1/} That is, government expenditure excluding foreign-financed investment and restructuring expenditure.

^{2/} The also reflects, however, the relatively smaller share of government spending in total GDP in Burkina Faso.

The size of Burkina Faso's civil service reached approximately 39,000 in 1995, or about 3.6 civil servants per thousand inhabitants. With the exception of the period in the early 1980s when the size of the civil service was reduced owing to political reasons, government employment in Burkina Faso has remained fairly stable as a percentage of total population since 1985. Compared with other African countries, both within and outside the CFA franc zone, the size of the civil service in Burkina Faso is relatively modest.

Civil service remuneration, on the other hand, is very high in Burkina Faso, relative to per capita income, and in comparison with other countries in the region. The average civil service wage in Burkina Faso was 15 times higher than per capita income in 1994 (Chart 5), as compared with the regional average of 10 times per capita income. Civil service salaries in other sub-Saharan countries outside the CFA zone average 5 times per capita income. The civil service remuneration structure in Burkina Faso reflect not only the basic wage, but also large allowances, including for housing, which in the past averaged 6-10 percent of the total wage bill. The number of professionals in the civil service (categories A, B, and C) now exceeds the number of support-level staff by about 80 percent, and has contributed, over time, to increases in the average rate of civil service remuneration (Table 1). The wage concentration at the higher grade levels, in turn, has reflected virtual automatic advancement from one step to the next every other year; lower-level staff (grades D and E) can be promoted into the professional grades relatively easily by passing an internal examination. Civil servants in Burkina Faso are also relatively young, with almost two-thirds aged between 21 and 40. Employees with more than 20 years of service account for less than 10 percent of total staff, while those with less than 10 years of service account for almost two-thirds.

Given the age and grade structure of staff, the effect of the advancement system has been to increase the average civil service salary by about 5 percent per year--substantially greater than the growth rate of per capita national income. The larger portion of the annual 5 percent increase has been due to the almost automatic advancement from one step to the next. The remainder reflects the higher proportion of employees in the higher grades at corresponding higher salaries. The large share of employees in higher grades, in turn, is traceable to the high percentage of university graduates among new recruits each year. In the education sector, in particular, the structure of the staff is heavily weighted toward the higher grade levels. In the recent past, more than 80 percent of new recruits in education were slotted directly into one of the top three grade levels.

A recent survey of the civil service has also found that civil service salaries were being paid to a number of ghost workers, contributing unnecessarily to the wage burden.

3. Sectoral composition of government employment
and efficiency of wage expenditures

There has been a marked shift in the sectoral composition of government wages in the recent past. While salaries for the armed forces dominated the government wage bill during 1985-91, the share of defense in the total wage bill declined steadily from 38 percent of the wage bill in 1986 to 28 percent in 1991, and remained at just 25 percent of total wages through 1994. Education, on the other hand, increased in importance, from 21 percent of the total wage bill in 1985 to 26 percent in 1991, when it became its largest component, and further to 27 percent in 1994 (Chart 3). Salaries in other important sectors, namely health and agriculture, accounted for about 10.5 percent and 8.7 percent of total wage expenditures virtually throughout the period 1985-94.

As in the civil service at large, the sizable wage outlays on education do not so much reflect a large staff as high teacher remunerations and a heavy slanting of staff toward the top grade levels. Teacher salaries in Burkina Faso have been linked in part to salaries prevailing in neighboring countries, owing to a heavy outward drain on qualified teachers. After independence, a number of countries in the region attempted to replace French teachers with local staff by offering generous compensation. This system of generous remuneration has tended to prevail to this day. The large increase in the share of education in the wage bill has also been traceable to the rising emphasis placed by the authorities on secondary and higher education. Between 1988 and 1994, the share of wages paid to secondary and higher education teachers rose from 2 percent to 5 percent of the total government wage bill, while that of primary education has been relatively unchanged.

While the emphasis on secondary education has improved the overall enrollment rate at this level--the share of the age-group enrolled in secondary schools rose from just 1 percent in 1970 to 6 percent in 1987, and further to 8 percent in 1992--Burkina Faso's basic education indicators remain weak. The primary school enrollment rate, which had risen from 13 percent in 1970 to 32 percent in 1987, subsequently remained unchanged through 1992. Likewise, the primary teacher to pupil ratio rose from 44 pupils per teacher in the 1970s to 60 pupils per teacher in 1987, remaining at this level through 1992. Adult illiteracy in Burkina Faso is also high, at 82 percent of the population in 1992.

4. Reforms since 1991 and the remaining reform agenda

A number of measures have successfully been implemented since 1991 to contain the government wage bill. Notably, the housing allowance was reduced by one-half in 1991, resulting in savings of about CFAF 3 billion in the wage bill in each successive year. In addition, payments for automatic step increases were postponed in 1991 and again in 1992, for an economy of about CFAF 1 billion each year. Since 1994, there have been no general

salary increases. Reflecting this restraint, the wage bill as a percent of GDP has steadily declined since 1991.

In 1995, the Government undertook a comprehensive census of the civil service. Immediately following the completion of the census, and as a first step toward better control over the public sector wage bill, the Government announced steps to limit the payroll to only those civil servants identified in the census as meeting all the relevant administrative requirements to qualify as a civil servant, thereby eliminating ghost workers. The authorities have also submitted to Parliament a draft law that would abolish the automatic promotion system, and replace it with a performance-based compensation system.

Since 1991, there have also been attempts to control net recruitment; specifically, net recruitment has been allowed only for ministries involved in priority activities such as education, health, and environment. Further, in July 1995, an interministerial commission was established to study the future needs of the priority sectors, and elaborate a plan that would help meet the needs of these sectors, while controlling budgetary costs.

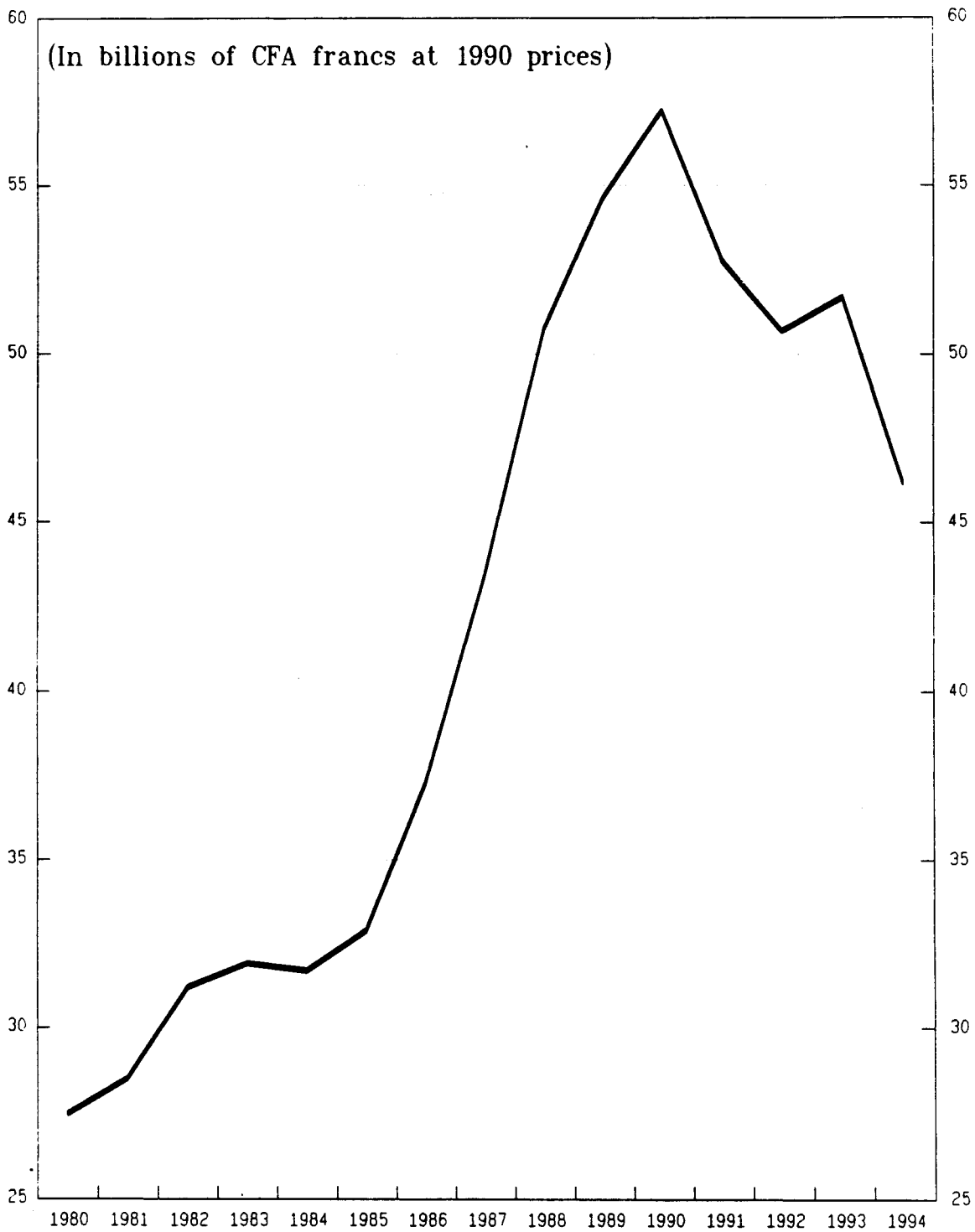
According to this study, meeting the authorities' objective in the education sector of increasing primary school enrollment from 31 percent at present, to at least 40 percent by 2000, would require 1,400 additional classes per year (of approximately 60 students per class) and thus an equivalent net recruitment of new teachers. ^{1/} The attendant cost would be approximately equivalent to 0.2 percent of GDP per year.

Providing for this increase in the teacher population will require wage savings elsewhere in the civil service. The interministerial commission is currently reviewing the overall needs of the civil service, with a view to reorganizing its structure to allow for possible wage deconcentration from the higher grade levels, while at the same time identifying areas for possible compensatory staffing cuts. The results of this review will form part of an overall plan to control the wage bill starting in 1996.

^{1/} This is based on estimated school-age population growth of 3.2 percent per year, or approximately 37,000 new students per year.

CHART 1

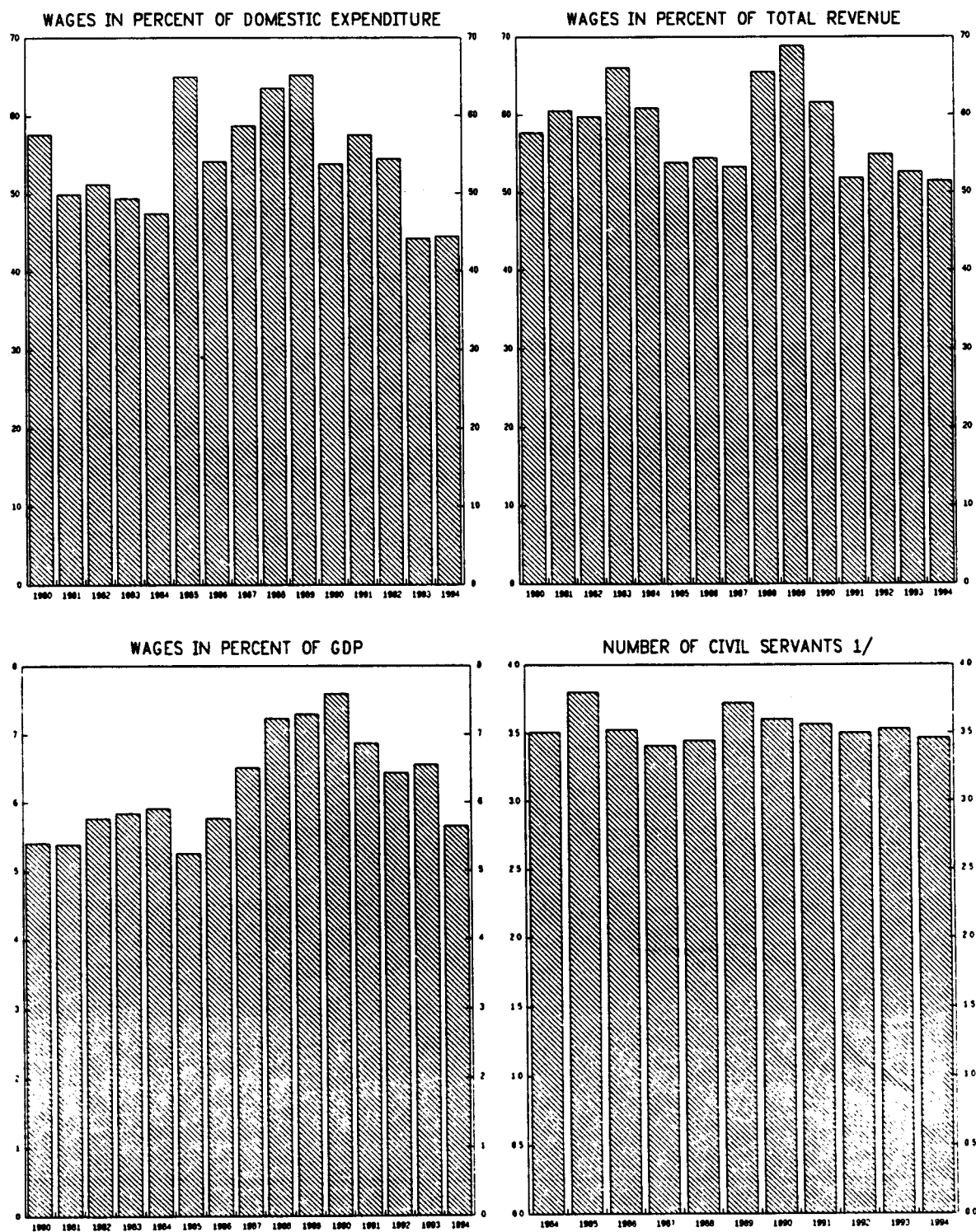
BURKINA FASO
REAL WAGE BILL, 1980-94



Sources: Data provided by the Burkinabè authorities; and Fund estimates.

CHART 2

BURKINA FASO
CIVIL SERVICE WAGE EXPENDITURE, 1980-94



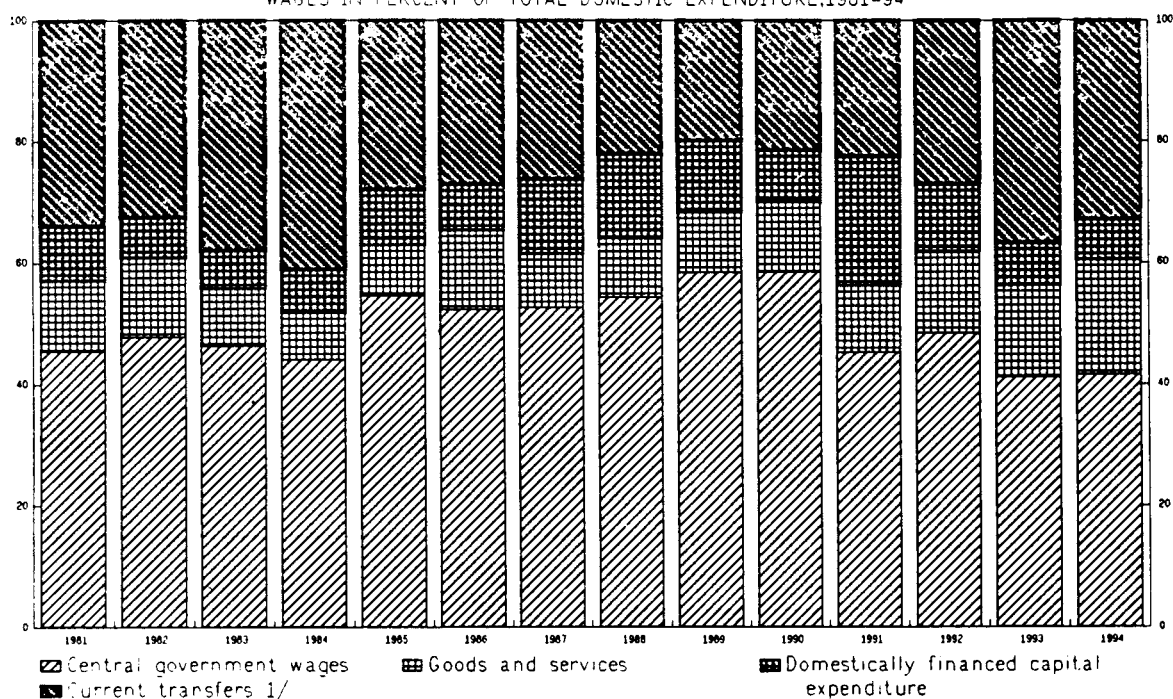
Sources: Data provided by the Burkinabe authorities; and Fund estimates.

1/ Per thousand habitants.

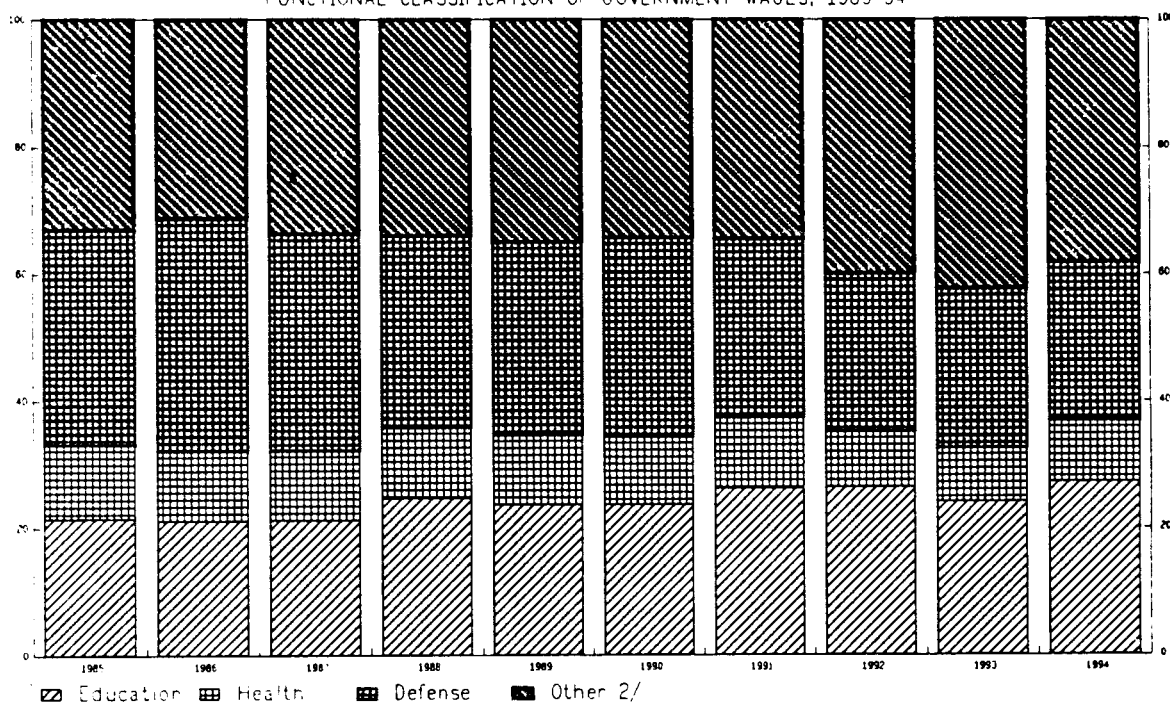
CHART 3

BURKINA FASO
STRUCTURE OF DOMESTIC EXPENDITURE

WAGES IN PERCENT OF TOTAL DOMESTIC EXPENDITURE, 1981-94



FUNCTIONAL CLASSIFICATION OF GOVERNMENT WAGES, 1985-94

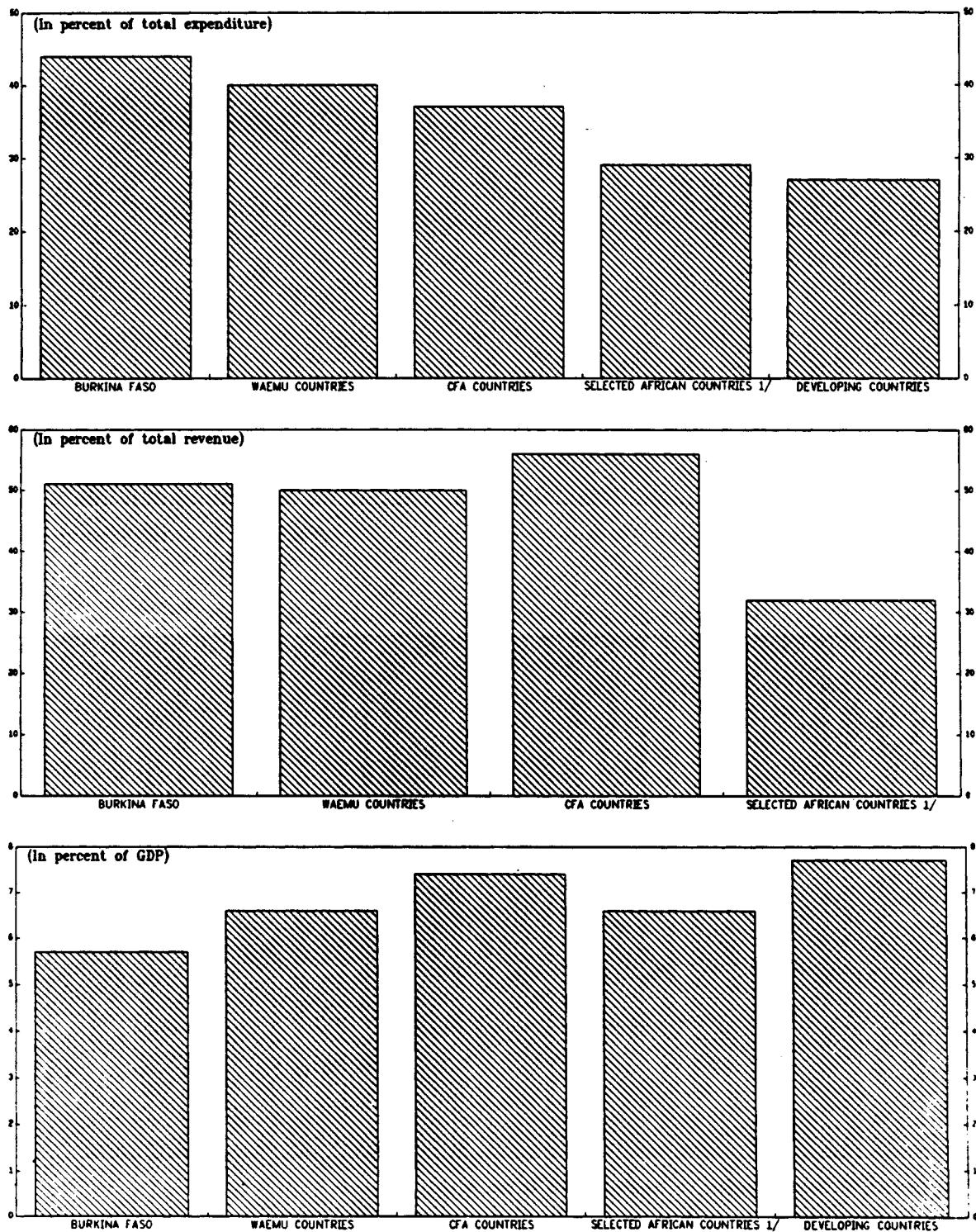


Sources: Data provided by the Burkinabé authorities; and Fund estimates.

1/ Current transfers: including interest payments.

2/ Other includes transportation, culture, public security, general administration, and agriculture.

CHART 4
BURKINA FASO
COMPARISON OF WAGE EXPENDITURE, 1994

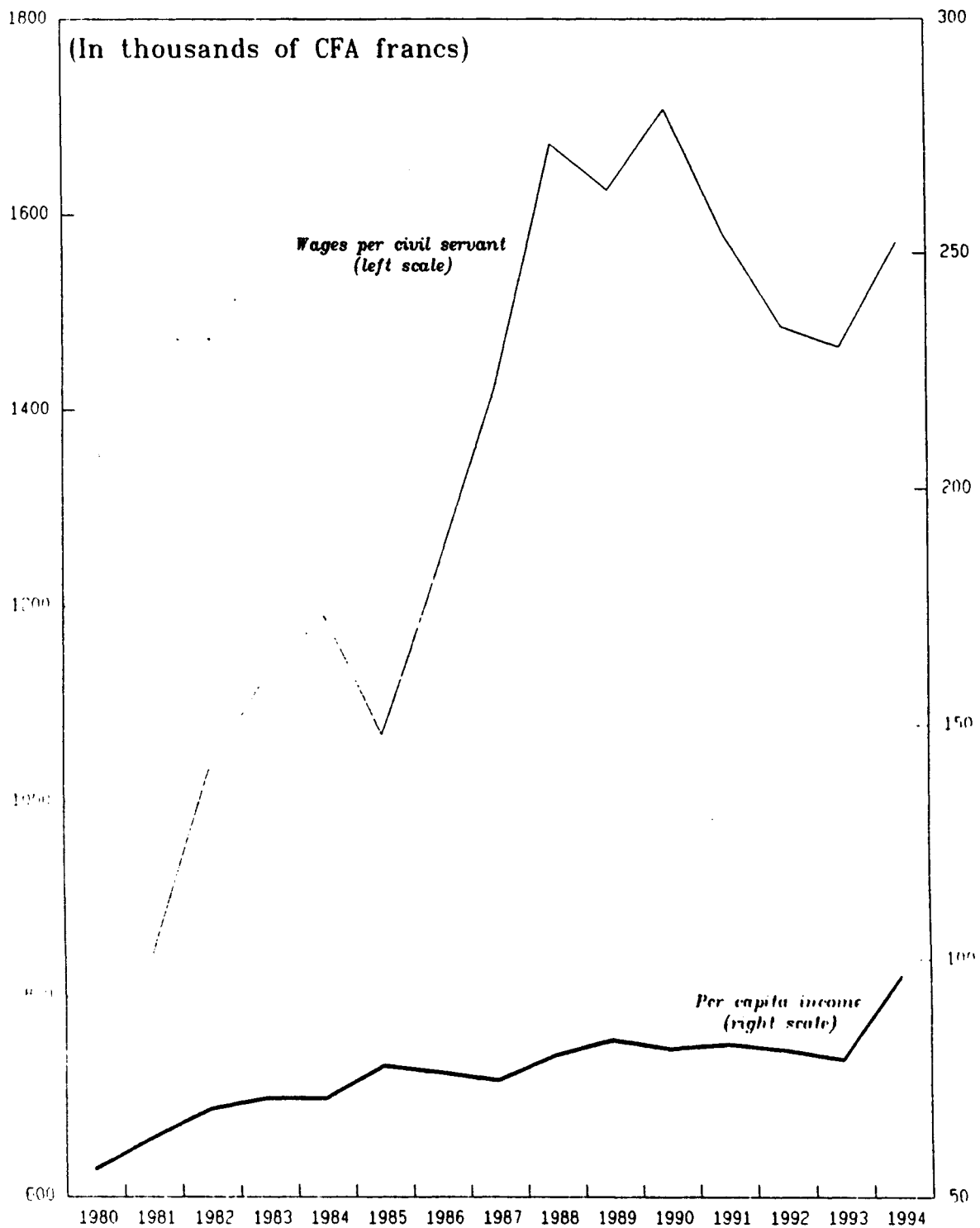


Sources: Data provided by the Burkinabè authorities; and Fund estimates.

1/ Comoros, Ethiopia, Ghana, Guinea-Bissau, Kenya, Mauritius, Nigeria, Seychelles, Tanzania, Uganda, and Zimbabwe.

CHART 5

BURKINA FASO
WAGES AND PER CAPITA INCOME, 1980-94



Sources: Data provided by the Burkinabè authorities; and Fund estimates.

Table 1. Burkina Faso: Civil Service - Salary Scale and Size, 1989-94

Category	Salary scale Index 1/	Number of civil servants						
		1989	1990	1991	1992	1993	1994	1995
A1	495-1,250	2662	2685					
A2	440-960	871	811					
A3	400-920	663	724					
A4	--	98	88					
Subtotal A		4294	4308	5036	5042	5563	5817	6655
B1	350-700	4031	4227					
B2	320-645	1447	393					
B3	300-600	1664	1843					
Subtotal B		7142	6463	6679	7034	7453	7814	8848
C1	275-555	6162	6098					
C2	250-500	1140	1422					
C3	230-460	1703	1736					
C4	--	75	12					
Subtotal C		9080	9268	10171	10533	11091	12438	12633
D1	205-410	2283	2004					
D2	195-390	2640	2927					
D3	185-380	2278	2539					
D4	--	225	70					
Subtotal D		7426	7540	7398	6828	6954	6679	7077
E1	150-300	1546	1435					
E2	140-280	879	789					
E3	135-270	1024	968					
Subtotal E		3449	3192	2879	3056	2782	2599	2742
Other	...	2476	2747	2074	1806	1818	1705	1797
Total	...	33867	33518	34237	34299	35661	37052	39752

Source: Data provided by the Burkinabè authorities.

1/ Each unit equivalent to CFAF 1,000.

III. Regulatory Reform Since 1991

Over the last four and a half years, Burkina Faso has implemented a program of regulatory reforms aimed at creating an enabling environment for the private sector. Government institutions, including state monopolies, that were significantly involved in the economy have been gradually dismantled during the period. Regulatory burdens that hindered private sector initiative have been eased to facilitate and expedite economic activity. Regulations on external trade have been reduced or eliminated in order to open the economy more fully to the benefits of trade and increase the diversification of the export base. Efforts have been made to foster a growing role for the business community in the government's economic development strategy, while incentive structures have been put in place to promote domestic and foreign investment. The following sections discuss the progress made in the last few years in the areas of pricing policies, external tariffs and trade restrictions, the business and legal environment and gold mining.

1. Pricing policies

Prior to being reformed, the system of price controls in Burkina Faso covered a broad range of goods, through direct price setting or regulation of profit margins. Government agencies were responsible for establishing and controlling these prices, and had the authority to change prices when there was evidence of cost increases. For agricultural products, the key regulating agency was the Agricultural Products Price Stabilization Fund (Caisse de Stabilisation des Prix des Produits Agricoles (CSPPA)) which had a monopoly over marketing of sesame and groundnuts. The Price Equalization Fund (Caisse Générale de Péréquation (CGP)) was the primary agency responsible for stabilizing and maintaining uniform consumer prices of essential goods--rice, edible oil, flour, soap, petroleum products, cement, and iron rods. Its control of petroleum products prices was aimed at stabilization and the narrowing of price disparities between urban and rural areas. The CGP was financed by levies paid by the importers of these commodities and local beer producers. The CGP was also involved in importing basic commodities in large volumes and consequently at low costs, in order to supply the domestic market. In addition, the CGP had a monopoly over rice imports, supplying more than 90 percent of the rice market. In 1988, the Government permitted sellers to implement cost-induced price increases if no objection to a request for a price adjustment was raised within 60 days by the competent government agency, but with allowance made for ex-post review of the proposed price correction.

Because of the allocational distortions and business losses caused by the pricing system, reforms were initiated in 1991 to introduce greater flexibility in the pricing mechanism and to further reduce the pricing constraints imposed on the market. The authorities eliminated price controls on all locally produced goods, abolished official producer prices for all cereals except rice, and terminated the role of the Agricultural Products Price Stabilization Fund (CSPPA) in price stabilization policy. In

the following year, regulations on profit margins on most imported goods were removed, though margins were still controlled for a number of essential goods. In 1994, the authorities reformed the price equalization system for petroleum products by replacing it with a single tax (taxe unique sur les produits pétroliers), which combining all taxes on petroleum products (import duties, ad valorem excise taxes, and the value-added tax). In addition, to enhance the competitiveness and export potential of the cotton sector following the devaluation of the CFA franc, the mechanism for determining producer price of cotton was changed so as to bring it more rapidly into line with world market prices. Use of new production techniques was encouraged to reduce costs so that continued production and exporting could be sustained in the face of fluctuating world market prices.

In the wake of the 1994 devaluation of the CFA franc, the Government temporarily reimposed margin and price controls to limit the impact on consumers of the increased prices of selected imported goods and it also froze the price of several basic necessities at their pre-devaluation levels. ^{1/} With average monthly increases in consumer prices dropping from more than 5 percent during January-April 1994 to about 2 percent during May-June, the government eliminated nearly all price controls at end-April 1994, with the exception of those applicable to generic drugs, rice, petroleum products, and utilities which are still entrusted to public monopolies. The price of rice, gasoline and utility rates have been adjusted progressively in line with production costs and import prices.

The authorities continued to reform the price control regime over the course of 1994. The role of the Price Equalization Fund was progressively reduced to the monopoly over rice imports, storage, and wholesale activity. At the same time, financial reorganization was initiated for the Agricultural Products Price Stabilization Fund as a step toward its privatization.

2. External trade

Burkina Faso's external trade sector has traditionally been characterized by heavy government involvement and restrictive policies, including price controls on imported goods, import and export monopolies, while the Government has been financially dependent on tax revenues from international trade. However in 1991, the authorities initiated a reform program intended to liberalize external trade regulations, rationalize import taxes, and reduce the role of government monopolies in external trade.

^{1/} These basic consumer goods included wheat flour, bread, sugar, kerosene, medicines, cement, school supplies, milk, and agricultural inputs.

a. Procedural and quantitative reforms

Early trade liberalization involved a simplification of administrative procedures for importing and exporting and the introduction of greater flexibility in the overall external trade regime. Beginning in 1990, the list of categories of restricted imports was substantially reduced as was the number of products requiring prior export authorization. Between 1991-92, the number of imported goods subject to controlled price margins was reduced to 12 and the number of import commodity groups subject to a technical visa was reduced from 14 to 10. Most import and export monopolies were eliminated; only those for the exportation of cotton and gold, and the importation of rice, sugar, wheat, and petroleum products were maintained. Export authorizations were abolished for all but three products. ^{1/} Also in 1991-92, import procedures were simplified by: regrouping the multiple import certificates into a single document; reducing the number of goods requiring prior authorization; centralizing these procedures via a one-stop window; and, in 1993, lowering the number of goods requiring special import licenses from 15 to 5. ^{2/}

b. Tariffs and exemptions

Reform of tariff protection was initiated in 1991 with a study on ways to simplify and rationalize customs tariffs. An initial step was the elimination of customs exemptions for ministries and various commercial and industrial enterprises. In addition, for those enterprises providing public services, exemptions were replaced with direct subsidies shown explicitly in the budget. However, substantial reforms of trade taxes and exemptions did not begin until 1993. In January 1993, the number of customs duty exemptions was restricted to a limited list of basic goods and to those goods covered either by the Burkinabè Investment Code or the Vienna Convention; at the same time, all parafiscal export duties were abolished. During the year, the overall effective protection rate was reduced by way of narrowing of tariff dispersion. Customs tariffs ranged from 5 to 45 percent prior to 1993; at present, there are only three tariff rates (0, 4, and 24 percent). However, because of poor government revenue performance, the authorities reversed some of their earlier tariff reforms and introduced, late in 1993, a 30 percent protection tax (taxe dégressive de protection) on certain imported goods competing with locally manufactured goods as well as temporary import surtaxes on rice and sugar of 14 percent and 19 percent, respectively.

The reform effort resumed in 1994. Following the devaluation, the authorities eliminated the temporary tax on rice and sugar imports in order

^{1/} Ivory exports are banned, livestock exports are subject to health controls, and gold exports continue to be channeled through CBMP.

^{2/} The items still subject to import licenses, for health and security reasons, include rice, vegetable extracts, gunpowder and arms, and petroleum products.

to mitigate the adverse impact of the rise in import prices on consumers. To promote exports, they established a system of drawbacks on customs duties paid on imports that are used in the production of exportable goods and abolished the statistical tax of 4 percent on exports. The protection tax was reduced to 10 percent in 1995 and will be eliminated as of January 1, 1996.

As a result of these liberalization measures, as well as the impact of the devaluation in early 1994, external trade has boomed. Export volume increased by over 400 percent during 1992-94, driven by rising cotton and leather shipments. Exports have also become more diversified, with non-traditional exports rising by almost 240 percent in value during the period and activity expanding in the export and import-substitution sectors, particularly in the production of fruits and vegetables, vegetable oil and textiles. There is also evidence of diversification in the direction of trade. 1/ Between 1992 and 1995, cotton has increasingly been exported to countries outside Africa and the European Community (EC), Burkina Faso's traditional export markets. Cotton exports outside these two regions rose from 63 percent to over 70 percent of total cotton exports, while exports to African countries and the EC dropped from 14 percent to 8 percent and from 23 percent to 21 percent, respectively. Exports to Indonesia have risen from 7 percent of total export volume in 1992 to 22 percent in 1995; exports to Hong Kong and Vietnam, which were non-existent in 1992, together comprise 8 percent of total export volumes in 1995. However, while overall trade patterns have exhibited a greater diversity with respect to individual countries, the most significant change has been the increase in trade within the CFA franc zone. In 1991, exports to franc countries (including France) 2/ were equivalent to 21 percent of total exports. They increased to an estimated 63 percent in 1994, 3/ driven largely by exports of livestock, beans and nonmonetary gold. Similarly, imports from CFA franc countries increased from 26 percent of total imports in 1991 to 51 percent in 1994, with cement, petroleum products, and cola drinks almost totally imported from the CFA franc zone.

3. Business and legal environment

As part of Burkina Faso's overall goal to expand the role of the private sector as the principal engine of growth, the authorities' strategy has been to create a business and legal environment supportive of private sector initiative. A series of reforms has liberalized the marketing, distribution and incentive structures. In the past, private traders and

1/ Some care is required when analyzing trade data in Burkina Faso because of the weaknesses in available information.

2/ In 1991, figures for CFA franc countries include both WAEMU countries and a small number of "other African countries" that proxy for CAEMC countries which were not identified specifically. In 1994 figures, the CFA franc zone includes both WAEMU and CAEMC countries.

3/ The 1994 figure is based only on the five primary exports.

producer cooperatives traditionally bought goods in local markets and sold them to the CSPPA at official prices, which in turn marketed the products locally. In 1991, CSPPA's monopoly over the marketing of domestic agricultural products was removed. Producers hence became free to choose their own marketing agents. This liberalization resulted in the increase in producer as well as market prices for a number of goods and a subsequent increase in producer incomes. As noted earlier, in 1993, the system of fixed profit margins on imported goods was eliminated and marketing and distribution monopolies were abolished, except for petroleum products and rice, which have remained under the control of the CGP. For most cash crops and fruits and vegetables, domestic trade and prices are now free from government intervention.

The administrative framework governing the creation of new enterprises has been updated in order to promote private investment incentives and a one-stop investment clearing agency has been established. In the same vein, various ministries now coordinate to enhance the incentive system for the establishment of small and medium-sized firms.

To promote responsibility for economic development among private operators, the Government has sought to provide a framework in which the private sector can operate as a partner and advisor to the Government. A Consultative Private Sector-Government Commission has been established to provide a forum in which the private sector could consult with, and advise the Government, on the economic and competitive conditions it is facing in the expanding domestic, regional and international market. To assist in these efforts, a Private Sector Assistance Project has been adopted, with the support of the World Bank, to provide technical assistance to the private sector in improving management efficiency and accounting skills. The Government has also adopted policies to facilitate private sector bidding for the assets of the public enterprises that are being put up for sale.

With World Bank assistance, business law procedures are in the process of being simplified in order to bring them into line with existing commercial practices and with ongoing revisions to commercial code and related commercial legislation. To this end, the legal and judiciary profession is being strengthened by fostering expertise in business law, training a professional corps of lawyers and judges in commercial and business law through technical assistance, and hastening the establishment of a distinct commercial law jurisdiction within the lower courts as well as specialized arbitration facilities for settling commercial disputes. The authorities have set up a committee to review the commercial codes and regulations and to ensure that business laws are modified and brought into harmony with the Treaty on Harmonization of Business Law in Africa, signed in October 1993 by 14 CFA franc zone countries and ratified by Burkina Faso in 1995. Draft uniform codes governing economic activities have been presented to the signatories of the treaty for their evaluation. The authorities will continue eliminating other commercial regulations and administrative procedures that are inconsistent with this regional harmonization effort.

The growth of the private sector in recent years has been evidenced by the slow but growing number of firms in activity and the number of products offered to the market. The number of new firms registered with the Chamber of Commerce in Burkina Faso increased from 1 in 1992 to 24 by October 1995. These firms have been involved in such activity as import and export of irrigation equipment, foundries, printing press operations, and small-scale manufacture of items including inner tubes and tires, agricultural plows, food items, and seed oils.

4. Gold mining

Mining activities had been negligible until the start of industrial gold mining in late 1984 and was, for years, managed by public institutions. The 1994 devaluation of the CFA franc greatly strengthened the competitiveness of these activities. Given the lower foreign currency cost of exploration (which involves a significant portion of local labor), the authorities embarked on a policy to attract foreign and domestic private investment, which has already resulted in an international gold exploitation firm initiating exploration in Burkina Faso. To support investment further, a reform agenda has been adopted, with the following objectives: a revision of the mining code; an updating of relevant tax and royalty laws to make the mining sector internationally competitive; the adoption of a standard investment contract; improvements in the quality and dissemination of geological data. In particular, the responsibilities of the Agency of Precious Metals (CBMP) will be expanded to include promotion of semi-industrial gold products and its future role will be redefined based on a gold marketing study financed by the World Bank.

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 (<u>Impôt forfaitaire sur le revenu</u>). Tax Code Articles 152 to 166.	Payable at the beginning of each year by every non-wage earner individual aged 18 or older. Proceeds from this tax are turned over to local authorities.	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 (<u>Impôt sur les bénéfices non commerciaux</u>). Tax Code Articles 41 to 54.	Scheduled tax levied on profits from the exercise of a liberal profession. Based on previous year's profits.	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 45 percent according to profits (see A1.2.1); minimum of CFAF 100,000.
1.1.3 Progressive income tax (<u>Impôt progressif sur les revenus de l'assistance technique française</u>).	Started in 1990 in accordance with the franco-burkinabè cooperation agreement of February 4, 1986. Levied on French technical assistants' income.	Technical assistants living in Burkina Faso before implementation of the agreement and whose contract was not renewed after 1990.	5 percent to 60 percent.
1.1.4 Single progressive tax on wages and salaries (<u>Impôt unique sur les traitements et salaires</u>). Tax Code Articles 55 to 74.	Introduced in 1971, replacing the schedular tax and the general income tax and levied all wages and salaries earned during the current year.	All pensions are exempted. All exemptions and deductions are spelled out in Article 56. Abatements are granted for dependents (up to seven).	Withheld by employers on account of the Treasury. 2 percent to 30 percent, payable by monthly installments.
1.1.5 Tax on rental income (<u>Prélèvement sur les loyers</u>).	Levied on rental income collected by owners of rented buildings (whatever their usage).	State-owned buildings and hotel rooms. 25 percent abatement for new buildings during five years.	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.
1.2 Corporate taxes			
1.2.1 Industrial, commercial and agricultural profits tax. (<u>Impôt sur les bénéfices industriels, commerciaux et agricoles</u>). Tax Code Articles 1 to 40.	A schedular tax on profits realized in Burkina Faso after deducting all necessary and reasonable charges to produce profit. It is levied on companies and individuals under two regimes: (i) on actual profits; (ii) under a simplified system (RSI). Tax returns must be filed within three months after annual balancing of accounts. For insurance companies, returns must be filed by May 31.	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 independently of the Investment Code.	(a) Individuals: From 10 percent to 45 percent according to profits: CFAF 0 to 250,000: 10% CFAF 250,001 to 600,000: 20% CFAF 600,001 to 2,500,000: 35% Above 2,500,000: 45% (b) Companies: 45 percent; must be at least 0.5 percent of turnover or CFAF 100,000.

Tax	Nature of Tax	Exemptions and Deductions	Rates
1.3 <u>Other</u>			
1.3.1 Tax on income from securities (<u>Impôt sur le revenu des valeurs mobilières</u>)	Withheld at source on dividends, interest and other income from securities, regardless of the nationality or residence of the beneficiary.	Distributions by new enterprises during the first eight years for enterprises under the Investment Code.	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 (<u>Impôt sur le revenu des créances</u>).	Levied on interest income from claims, deposits, current accounts, and the like.		12.5 percent for deposits made at banks or specific financial institutions (Treasury, CNCA, ...). 25 percent for all other claims.
2. <u>Social security contributions (Charges sociales)</u>	(1) Family allowances. (2) Workmen's compensation. (3) Retirement.		(1) Employer: 11.5% (2) Employer: 2.5% (3) Employer: 4.5% Employee: 4.5%
3. <u>Payroll taxes</u>			
3.1 <u>Payroll and apprenticeship tax (Taxe patronale et d'apprentissage)</u> . Tax Code Articles 120 to 130.	Payable by employers, in principle not to be shifted to the employee in the form of lower wages and salaries. The base is the effective cash payments for wages, salaries and benefits. 50 percent is 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. <u>Taxes on property</u>			
4.1 <u>Recurrent taxes on immovable property</u>			
4.1.1 Land tax (<u>taxe de jouissance</u>)	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 (<u>taxe de résidence</u>): Tax code Articles 219 to 235 amended by Ordinance No. 92-0016/FRES of 03/19/1992	Levied on all individual for the use of a dwelling. Proceeds accrue to local governments.	All individuals exempted from standard tax on income	There are three schedules according to geographical zones. Rates take into account locality, the equipment and construction material used in the dwelling.

Tax	Nature of Tax	Exemptions and Deductions	Rates
4.2 <u>Estate, inheritance, and gift taxes</u>			
4.2.1 Mortmain tax (<u>taxe des biens de main morte</u>). 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; - 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.
4.3 <u>Taxes on financial and capital transactions</u>			
4.3.1 Registration fees (<u>Droits d'enregistrement</u>). 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.	Fixed or proportional and sometimes progressive-various rates depending on the nature of the transaction.
4.3.2 Real estate registration fee (<u>Droit d'immatriculation et d'inscription foncière</u>)	- Transfer of ownership of registered real estate - Land ownership advertising.		Depending on the nature of the transaction.
5. <u>Taxes on goods and services</u>			
5.1 Value-added tax (VAT) (<u>Taxe sur la valeur ajoutée</u>). 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 the tax code.	Article 325 and 331 septies of the tax code.	15 percent.
5.2 <u>Excises</u>			
5.2.1 Locally manufactured beverages (<u>Taxe sur les boissons de fabrication locale</u>). Tax Code Articles 332 to 338.	On value of turnover before tax.		25 percent for alcoholic beverages.
5.2.2 Imported beverages (<u>Taxe sur les boissons importées</u>). 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 (<u>Taxe sur les cartouches</u>). Tax Code Articles 339 to 343.	Abrogated by law 35/93 ADP of March 2, 1993.		

Tax	Nature of Tax	Exemptions and Deductions	Rates
5.2.4 Cola nuts (<u>Taxe sur les colas</u>). Tax Code Articles 355 to 358.	On customs value as defined in Article 22 of customs code.		10 percent.
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 (<u>Taxe sur tabac, cigares et cigarettes</u>). 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 (<u>Taxe unique sur les produits pétroliers - TUPP</u>). 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 Bingo).
5.3 Profits of fiscal monopolies			
5.3.1 Tobacco (<u>Produits du monopole des tabacs</u>). Tax Code Articles 522 to 574.	Fiscal monopoly. (a) Sale of permits to sell tobacco. (b) Levy on selling price.		(a) Permits: (i) To wholesalers who also sell at retail, CFAP 168. (ii) To other wholesalers, CFAP 120. (iii) To retailers, CFAP 8-48 (varies by region). (b) Levy: 4 percent on the retail price after the deduction of CFAP 10 per unit.
5.4 Taxes on specific services			
5.4.1 Tax on insurance policies (<u>Taxe sur les contrats d'assurance</u>). Tax Code Articles 609 to 625.	Annual tax levied on insurance premiums.	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. Reinsurance contracts.	Fire: 25 percent. Life: 3 percent. Life annuity: 5 percent. Travel by sea, river, air: 3.5 percent. Export credits: 0.1 percent. Other: 6 percent.
5.5 Taxes on use of goods and property, etc.			
5.5.1 Business licenses (<u>contribution des patentes</u>). Tax Code Articles 238-278 amended by Ordinance No. 92-017/PRES of 03/19/1992.	Levied on all nonwage-earning individuals and corporations carrying out a business in Burkina Faso. Consists of a fixed charge and a variable charge. Receipts accrue to local government.	Exemptions listed in Articles 249 and 271 of the Tax Code: - Government - Subsistence farmers - Agricultural cooperatives	Fixed charge: depends on the category of business. Variable charge: 8 percent on rental value of business premises.

Tax	Nature of Tax	Exemptions and Deductions	Rates
5.5.2 Beverage sales licenses (<u>Licenses-vente à la consommation</u>). Tax Code Articles 367 to 371 bis.	Establishments selling beverages for consumption on the premises or carry out, and producers of dolo or bangui in the communes.	Establishments whose main activity is the sale of locally produced beverages.	CFAF 18,000 - 150,000 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 (<u>Contribution du secteur informel</u>) (CSI). Tax Code Article 371 ter.	Flat levy collected from the informal sector in lieu of all taxes, excluding municipal taxes, and the single tax on wages and salaries; owed by the individuals with a turnover of less than CFAF 15 million. Proceeds accrue to local government budgets (70 percent) and national budget (30 percent).	Companies. Individuals already taxed under CSB.	CFAF 3,000-100,000 depending on class of activity and locality.
5.5.4 Beverage sector contribution (<u>Contribution du secteur boisson</u>) (CSB). Tax Code Article 371 quater.	Flat levy collected in lieu of all taxes owed by individuals or corporate entities selling locally produced beverages. Proceeds from the CSB accrue to the Budget.	Producers and wholesalers.	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.
6. <u>Taxes on international trade</u>			
6.1 <u>Import duties</u>			
6.1.1 Customs duties (<u>Droits de douane</u>). 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, goods originating in ECOWAS countries, and, after the devaluation, for pharmaceutical goods.	5 percent.
6.1.2 Fiscal duties (<u>Droit fiscal à l'importation</u>). Customs Code Articles 10 and 13.	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 (<u>Taxe de coopération régionale</u>). ECOWAS Treaty, Articles 10 and 14.	Applied since January 1976 to all agreed industrial products made in the ECOWAS; abolished on 5/11/1994. This single customs duty replaced the fiscal duties applied to similar products imported from outside the ECOWAS.		

Burkina Faso: Summary of the Tax System, July 1, 1995 (concluded)

Tax	Nature of Tax	Exemptions and Deductions	Rates
6.1.4 Protection tax (<u>Taxe dégressive de protection</u>)	Imports of specific goods that are also locally produced.		Decreasing rate: - 30 percent the first year (1993) - 20 percent the second year (1994) - 10 percent the third year (1995)
6.1.5 Special intervention tax (<u>taxe spéciale d'intervention - ISI</u>).	Collected on the CIF value of imports. The proceeds accrue to CBC (50 percent), ONAC (25 percent), and to the Budget (25 percent).		1 percent
6.1.6 Solidarity communal levy (<u>Prélèvement Communautaire de Solidarité - PCS</u>).	Applied since April 1990 to all imports from outside the ECOWAS.	Similar to fiscal duties.	1 percent.
6.1.7 Statistical tax (<u>Taxe statistique</u>)	All imports.		4 percent.
<u>Other taxes on international trade and transactions</u>			
6.2.1 Toll tax (<u>taxe de péage</u>)	All imports going through the Chamber of Commerce warehouses. Receipts accrued to the Chamber of Commerce.	Petroleum products. Imports financed by external aid.	- CFAP 75/t for rice, cement and sugar. - CFAP 150/t for metal works. - CFAP 500/t for other imports. - CFAP 3,000/unit for vehicles.
<u>Other taxes</u>			
Stamp taxes (<u>Droit de timbre</u>).	Levied on miscellaneous legal documents.	The same as for registration fees.	Depending on the nature of the document.

Source: 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, 1989-94

	1989	1990	1991	1992	1993	1994
					Preliminary	
(In billions of 1985 CFA francs)						
Primary sector	278.0	259.5	313.2	316.9	321.2	320.5
Agriculture	183.3	161.3	212.3	212.4	215.3	209.1
Livestock	54.4	55.6	57.0	58.4	59.2	61.0
Forestry and fishing	40.3	42.6	44.0	46.1	46.7	50.5
Secondary sector	146.5	143.8	144.3	151.2	148.5	151.9
Mining and industry	103.7	103.9	105.3	109.0	107.1	108.9
Electricity, gas, and water	4.0	4.4	4.7	4.9	4.8	4.9
Construction and public works	38.8	35.5	34.2	37.3	36.6	38.1
Tertiary sector	297.0	307.3	322.3	333.7	326.8	332.1
Trade	118.0	116.8	125.4	128.8	126.2	131.0
Transport	37.4	38.2	38.6	36.9	36.2	35.7
Nonmarket services	70.4	71.6	77.2	79.0	77.3	77.6
Other services	71.2	80.6	81.0	89.0	87.1	87.9
GDP at factor cost	721.5	710.5	779.8	801.8	796.4	804.5
Import taxes and duties	27.0	28.0	32.1	29.6	28.2	29.8
Imputed for bank services	-8.6	-9.8	-10.6	-10.2	-10.0	-10.0
GDP at market prices	739.9	728.7	801.2	821.1	814.7	824.4
Memorandum items:						
Nominal GDP	753.8	752.7	786.7	791.4	796.1	1,030.2
GDP deflator (1985=100)	101.9	103.3	98.2	96.4	97.7	125.0
(Changes in percent)						
Real GDP	0.9	-1.5	10.0	2.5	-0.8	1.2
Nominal GDP	6.4	-0.1	4.5	0.6	0.6	29.4
GDP deflator	5.4	1.4	-5.0	-1.8	1.4	27.9
Primary sector	-1.5	-6.7	20.7	1.2	1.3	-0.2
Secondary sector	-1.9	-1.9	0.4	4.8	-1.8	2.3
Tertiary sector	4.6	3.4	4.9	3.5	-2.1	1.6
(In percent of GDP at factor cost)						
Primary sector	38.5	36.5	40.2	39.5	40.3	39.8
Secondary sector	20.3	20.2	18.5	18.9	18.6	18.9
Tertiary sector	41.2	43.2	41.3	41.6	41.0	41.3

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

Table 2. Burkina Faso: Gross Domestic Product by Sector
at Current Prices, 1989-94

	1989	1990	1991	1992	1993	1994
					Preliminary	
(In billions of CFA francs)						
Primary sector	<u>230.5</u>	<u>235.9</u>	<u>263.1</u>	<u>256.0</u>	<u>270.2</u>	<u>324.1</u>
Agriculture	129.6	132.7	154.5	141.2	149.0	153.9
Livestock	59.8	62.6	65.5	68.2	72.0	103.8
Forestry and fishing	41.2	40.7	43.1	46.6	49.2	66.4
Secondary sector	<u>172.9</u>	<u>163.0</u>	<u>155.9</u>	<u>169.4</u>	<u>169.9</u>	<u>260.4</u>
Mining and manufacturing	112.8	115.2	109.7	119.8	120.2	198.3
Electricity, gas, and water	7.5	7.2	7.1	7.4	7.4	9.0
Construction and public works	52.9	40.7	39.1	42.3	42.4	53.0
Tertiary sector	<u>320.6</u>	<u>329.2</u>	<u>337.9</u>	<u>337.7</u>	<u>331.5</u>	<u>376.2</u>
Trade	110.4	103.9	104.9	104.7	102.8	119.5
Transport	33.1	34.5	34.2	34.2	33.5	38.0
Nonmarket services	91.3	99.2	95.9	94.9	93.1	102.7
Other services	86.1	92.5	103.3	104.5	102.6	115.9
GDP at factor cost	726.7	729.7	759.0	765.7	774.0	960.7
Import taxes and duties	36.7	33.9	40.0	37.9	32.9	58.7
Imputed for bank services	-9.6	-10.9	-12.3	-12.3	-10.8	-10.8
GDP at market prices	<u>753.8</u>	<u>752.7</u>	<u>786.7</u>	<u>791.4</u>	<u>796.1</u>	<u>1,030.2</u>
(In percent of GDP at market prices)						
Primary sector	<u>30.6</u>	<u>31.3</u>	<u>33.4</u>	<u>32.3</u>	<u>33.9</u>	<u>31.5</u>
Agriculture	17.2	17.6	19.6	17.8	18.7	14.9
Livestock	7.9	8.3	8.3	8.6	9.0	10.1
Forestry and fishing	5.5	5.4	5.5	5.9	6.2	6.4
Secondary sector	<u>22.9</u>	<u>21.6</u>	<u>19.8</u>	<u>21.4</u>	<u>21.3</u>	<u>25.3</u>
Mining and manufacturing	15.0	15.3	13.9	15.1	15.1	19.3
Electricity, gas, and water	1.0	1.0	0.9	0.9	0.9	0.9
Construction and public works	7.0	5.4	5.0	5.3	5.3	5.1
Tertiary sector	<u>42.5</u>	<u>43.7</u>	<u>43.0</u>	<u>42.7</u>	<u>41.6</u>	<u>36.5</u>
Trade	14.7	13.8	13.3	13.2	12.9	11.6
Transport	4.4	4.6	4.4	4.3	4.2	3.7
Nonmarket services	12.1	13.2	12.2	12.0	11.7	10.0
Other services	11.4	12.3	13.1	13.2	12.9	11.2
GDP at factor cost	96.4	96.9	96.5	96.8	97.2	93.3
Import taxes and duties	4.9	4.5	5.1	4.8	4.1	5.7
Imputed for bank services	-1.3	-1.4	-1.6	-1.6	-1.4	-1.1
GDP at market prices	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

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

Table 3. Burkina Faso: Implicit GDP Deflators by Sector, 1989-94

	1989	1990	1991	1992	1993	1994
				Preliminary		
<hr/>						
	(1985 = 100)					
Primary sector	82.9	90.9	84.0	80.8	84.1	101.1
Secondary sector	118.0	113.3	108.0	112.1	114.4	171.5
Tertiary sector	107.9	107.1	104.9	101.2	101.4	113.3
GDP at factor cost	100.7	102.7	97.3	95.5	97.2	119.4
Import duties and taxes	135.6	121.2	124.8	128.1	116.6	196.6
Imputed for bank services	110.9	111.2	116.3	119.9	108.3	108.3
GDP at market prices	101.9	103.3	98.2	96.4	97.7	125.0
<hr/>						
	(Changes in percent)					
Primary sector	5.2	9.7	-7.6	-3.9	4.2	20.2
Agriculture	7.8	16.4	-11.5	-8.7	4.2	6.3
Livestock	0.3	2.5	2.1	1.6	4.2	40.0
Forestry and fishing	-0.1	-6.6	2.7	3.0	4.2	25.0
Secondary sector	11.8	-3.9	-4.7	3.7	2.1	49.9
Mining and manufacturing	-0.3	2.0	-6.0	5.5	2.1	62.4
Electricity, gas, and water	13.6	-12.1	-8.8	0.4	2.1	20.0
Construction and public works	51.6	-16.0	-0.2	-0.7	2.1	20.0
Tertiary sector	2.5	-0.7	-2.1	-3.5	0.2	11.7
Trade	11.7	-5.0	-6.0	-2.8	0.2	12.0
Transport	0.4	2.0	-1.7	4.3	0.2	15.0
Nonmarket services	-1.1	6.8	-10.3	-3.3	0.2	10.0
Other services	-4.6	-5.1	11.2	-7.9	0.2	12.0
GDP at factor cost	5.8	2.0	-5.2	-1.9	1.8	22.9
Import duties and taxes	-3.5	-10.6	2.9	2.6	-9.0	68.6
Imputed for bank services	1.4	0.3	4.6	3.1	-9.7	--
GDP at market prices	5.4	1.4	-5.0	-1.8	1.4	27.9

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

Table 4. Burkina Faso: Supply and Use of Resources
in Current Prices, 1989-94

	1989	1990	1991	1992	1993	1994
				Preliminary		
(In billions of CFA francs)						
Resources	941.1	945.7	996.3	988.5	990.7	1,342.6
GDP at market prices	753.8	752.7	786.7	791.4	796.1	1,030.2
Imports 1/	187.4	193.0	209.7	197.1	194.6	312.4
Use of resources	941.1	945.7	996.3	988.5	990.7	1,342.6
Consumption	700.2	694.9	739.0	739.3	744.4	966.9
Public	105.3	112.1	115.1	119.1	119.1	160.2
Private	595.0	582.8	623.9	620.1	625.4	806.6
Investment	163.0	154.9	162.2	169.2	154.6	228.0
Fixed capital formation	156.9	148.2	161.7	177.0	146.3	216.5
Public	40.8	32.8	49.9	70.8	63.5	71.7
Private	116.2	115.4	111.8	106.2	82.9	144.8
Change in inventories	6.0	6.8	0.5	-7.7	8.3	11.5
Exports 1/	77.9	95.8	95.1	79.9	91.6	147.7
Resource gap	109.4	97.1	114.5	117.2	103.0	164.7
Memorandum items:						
Gross domestic savings	53.5	57.8	47.6	52.1	51.6	63.3
Net factor services	-3.8	-2.0	-2.5	-3.2	-3.8	-7.8
Private transfers	44.8	28.6	27.7	29.4	27.3	31.2
(Changes in percent)						
Resources	4.8	0.5	5.4	-0.8	0.2	35.5
GDP at market prices	6.4	-0.1	4.5	0.6	0.6	29.4
Imports 1/	-1.0	3.0	8.6	-6.0	-1.3	60.6
Use of resources	4.8	0.5	5.4	-0.8	0.2	35.5
Consumption	3.3	-0.8	6.4	--	0.7	29.9
Public	4.2	6.5	2.7	3.5	-0.1	34.6
Private	3.1	-2.0	7.1	-0.6	0.8	29.0
Investment	16.2	-4.9	4.7	4.4	-8.7	47.5
Fixed capital formation	14.0	-5.6	9.1	9.5	-17.3	48.0
Public	-26.0	-19.5	52.1	41.9	-10.4	13.0
Private	40.6	-0.7	-3.1	-5.0	-22.0	74.8
Exports 1/	-2.0	23.0	-0.7	-16.0	14.6	61.3
Resource gap	-0.2	-11.2	17.9	2.3	-12.1	59.9
Memorandum items:						
Gross domestic savings	75.4	8.0	-17.6	9.4	-0.9	22.6
Net factor services	2.6	48.0	-28.0	-25.8	-20.4	-103.3
Private transfers	-18.3	-36.1	-3.2	6.1	-7.1	14.4

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

1/ Goods and nonfactor services.

Table 5. Burkina Faso: Production of Principal Crops, 1988/89-1994/95

	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95 Est.
(Thousand metric tons)							
Cereals							
Sorghum	981.2	991.2	750.5	1,238.3	1,292.1	1,310.4	1,232.4
Millet	776.5	649.3	449.0	848.5	783.5	899.2	831.4
Maize	227.0	256.9	257.9	315.3	341.3	270.7	350.3
Rice (paddy)	54.3	41.8	47.8	38.6	46.7	53.8	61.0
Fonio	12.0	12.4	12.7	14.4	13.6	22.6	16.4
Oilseed crops							
Groundnuts (shelled)	164.2	130.5	134.0	94.8	137.7	198.0	194.9
Sesame	7.9	2.9	4.2	5.8	9.4	11.1	10.6
Sheanut	87.7	120.9	88.2	90.0	82.8	76.2	70.1
Tubers and root crops							
Niebe and Voandzu	52.8	87.0	93.1	99.6	106.6	114.0	122.0
Yams	84.0	51.4	37.1	36.5	12.9	41.7	36.4
Sweet potatoes	39.0	23.7	12.1	16.2	15.0	16.2	11.3
Manioc	4.2	0.3	4.4	4.0	4.0	4.0	4.0
Seed cotton	145.9	152.3	189.5	167.2	163.3	117.0	145.0
Sugar cane	282.0	291.0	...	...	...	...	...
Fruit and vegetables	305.6	324.9	336.7	350.0	364.0	378.6	393.7
Of which: French beans	(3.2)	(3.4)	(3.5)	(2.9)	(2.9)	(...)	(...)
(Changes in percent)							
Cereals							
Sorghum	40.4	1.0	-24.3	65.0	4.3	1.4	-6.0
Millet	42.3	-16.4	-30.9	89.0	-7.7	14.8	-7.5
Maize	54.5	13.2	0.4	22.3	8.2	-20.7	29.4
Rice (paddy)	9.6	-23.0	14.2	-19.2	21.0	15.2	13.4
Fonio	126.6	3.5	2.2	13.4	-5.6	66.2	-27.4
Oilseed crops							
Groundnuts (shelled)	43.0	-20.5	2.6	-29.3	45.3	43.8	-1.6
Sesame	-38.4	-63.6	45.6	39.1	62.1	18.1	-4.8
Sheanuts	-4.6	37.8	-27.0	2.1	-8.0	-8.0	-8.0
Tubers and root crops							
Niebe and Voandzu	64.1	64.8	7.0	7.0	7.0	6.9	7.0
Yams	-5.2	-38.8	-27.9	-1.6	-64.7	223.3	-12.7
Sweet potatoes	15.2	-39.2	-49.0	33.9	-7.4	8.0	-30.2
Manioc	-44.0	-93.0	1,400.0	-9.9	--	--	--
Seed cotton	-1.4	4.4	24.5	-11.8	-2.3	-28.4	23.9
Sugar cane	3.7	3.2	...	...	...	...	...
Fruit and vegetables	3.2	6.3	3.6	4.0	4.0	4.0	4.0
Of which: French beans	(4.6)	(5.0)	(5.0)	(-16.9)	(-2.9)	(...)	(...)
Memorandum items:							
Cultivated area for cereals ^{1/}							
In thousands of hectares	2,864	2,900	2,789	2,520	2,801	...	...
Change in percent	14.9	1.3	-3.8	-9.7	11.1	...	...

Source: Ministry of Agriculture and Animal Resources.

^{1/} Sorghum, millet, and maize.

Table 6. Burkina Faso: Producer Prices for Principal Crops, 1988/89-1994/95 ^{1/}
(CFA francs per kilogram)

	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
Sorghum	40	45	60	50	45	39	42
Millet	40	45	60	50	45	42	45
Maize	45	50	65	55	45	37	39
Rice (paddy)	85	85	85	85	85	85	95
Cotton seed average	94	95	94	95	83	110	110
First grade	95	95	95	95	85	112	112
Groundnuts (shelled)	55	60	60	60	60	60	65
Sesame	60	80	128	125	125	125	135
Sheanuts	15	18	18	35	26	26	35

Source: Ministry of Agriculture and Animal Resources.

^{1/} Minimum producer prices in effect until 1990. In 1991, prices of local products were freed.

Table 7. Burkina Faso: Financial Operations of the Caisse Générale de
Péréquation des Produits de Grande Consommation (CGP), 1988-93

(In millions of CFA francs)

	1988	1989	1990	1991	1992	1993
Total receipts	21,483	25,767	25,818	25,836	24,843	22,800
Equalizing receipts	10,581	11,026	9,217	8,333	9,540	9,237
Petroleum products	10,230	10,140	9,074	8,213	8,054	8,140
Alcoholic beverages	122	121	122	120	110	107
Wheat flour	163	718	--	--	1,376	989
Edible oil	--	--	--	--	--	--
Other 1/	67	47	21	--	--	2
Operating receipts	10,902	14,741	16,601	17,503	15,303	13,563
Financial profits	889	935	1,155	1,132	669	100
Sales revenue	10,014	13,806	15,446	16,371	14,634	13,464
Total expenditure	11,074	14,611	16,030	16,912	14,821	13,831
Equalizing expenditure	9,029	13,269	13,356	13,426	11,930	11,409
Rice	8,699	11,539	12,274	12,633	11,027	11,179
Sugar	--	1,183	1,082	793	903	230
Edible oil	160	186	--	--	--	--
Wheat flour	170	360	--	--	--	--
Operating expenditure	2,045	1,343	2,674	3,486	2,891	2,422
Subsidies	1,183	519	1,724	2,648	1,807	2,022
Petroleum products	1,067	362	1,537	2,553	1,607	1,733
Other 2/	116	157	188	95	200	289
Equity share	103	645	11	--	--	--
Rice (paddy) collecting	759	179	939	838	1,084	400
Surplus or deficit (-)	10,409	11,156	9,788	8,924	10,022	8,969
<u>Memorandum item:</u>						
Transfer to Treasury	--	--	--	4,100	9,450	7,600

Source: Price stabilization fund (CGP).

1/ Mainly surplus value on stock.

2/ Including wheat flour, edible oil, and rice.

Table 8. Burkina Faso: Livestock, 1988-94

	1988	1989	1990	1991	1992	1993	1994
Estimated population ^{1/}							
	(In thousands of head)						
Cattle	3,785.0	3,860.0	3,937.2	4,015.9	4,096.3	4,178.2	4,190.3
Sheep	4,757.0	4,900.0	5,047.0	5,198.4	5,354.4	5,515.0	5,494.0
Goats	6,125.0	6,370.0	6,624.8	6,889.8	7,165.4	7,452.0	7,498.1
Registered slaughtering							
Cattle	105.5	105.4	117.5	139.4	149.3	161.0	132.0
Sheep	225.6	231.7	254.2	246.1	253.1	268.0	239.0
Goats	435.1	497.0	572.0	550.5	529.3	562.0	535.0
Exports of live animals							
Cattle	20.5	32.4	88.7	92.0	92.4	101.6	173.0
Other	28.2	57.7	116.1	80.7	116.1	194.1	244.3
Exports of meat							
	(In thousands of tons)						
Beef	--	--	--	--	14.2	4.7	20.5
Other	--	--	--	--	15.9	10.1	13.3
Exports of hides and skin							
	(In thousands of units)						
Cattle	24.3	47.1	134.0	42.8	84.3	40.6	51.4
Sheep	2.1	0.3	1.9	0.8	0.6	0.8	1.0
Goats	...	0.9	2.6	2.0	1.2	0.8	1.0

Source: Ministry of Agriculture and Animal Resources.

^{1/} Data are based on a detailed census carried out in 1989.

Table 9. Burkina Faso: Industrial Activity, 1988-92

(In millions of CFA francs)

Companies	Main products	Number of employees 1988	Turnover					Value added				
			1988	1989	1990	1991	1992	1988	1989	1990	1991	1992
SHSB-CITEC	Soap, edible oils	340	7,416	9,085	7,345	8,611	7,668	3,577	2,192	1,644	1,433	1,843
BRAKINA	Beer, soft drinks ^{1/}	336	4,307	5,041	5,280	5,639	12,476	2,331	2,804	2,491	1,055	6,405
SOBBRA	Beer, soft drinks ^{1/}	325	7,696	7,509	7,634	8,086	--	4,880	4,482	4,237	4,383	--
MABUCIG	Cigarettes	141	3,019	5,728	8,016	...	...	1,021	1,466	2,095	...	...
SOSUCO	Sugar	1,644	9,187	9,217	9,822	10,054	10,312	4,573	3,892	5,199	4,892	5,172
BURKINAPAT	Pasta	43	709	592	...	528	402	60	61	...	99	100
FASO FANI	Textiles, clothing	802	4,681	4,478	4,327	4,416	3,333	1,639	1,253	1,384	1,408	1,294
SBCP	Leather	72	...	...	1,629	...	...	...	...	217	...	...
SOVICA	Tools, agricultural equipment	54	182	215	138	142	152	12	38	-12	12	44
SIFA	Bicycles, mopeds	205	6,075	7,443	7,150	6,106	6,982	927	1,120	979	869	1,096
CBTM	Corrugated iron sheets	59	2,270	2,828	2,032	1,366	1,219	575	540	377	181	217
PROFIMETAUX	Iron sheets, hardware	67	1,792	2,297	2,559	1,877	2,056	177	203	187	237	228
SAP	Tires, inner tubes	560	2,596	2,598	2,701	2,404	2,032	1,078	820	900	876	892
SOVOLPLAS	Plastic	99	765	1,006	1,243	1,736	1,175	232	318	516	521	531
SONICA	Matches	74	512	415	...	...	...	108	103	...	...	...
SIBAM	Firearms, ammunition	39	814	817	590	468	529	427	175	157	179	43
SOBUGAZ	Liquefied gas	21	395	351	433	406	384	219	178	231	210	216
SOFAPIL	Batteries	190	3,516	2,286	2,585	2,348	2,145	1,277	817	970	924	894
GMB	Flour (mill industry)	146	5,558	5,325	6,306	5,955	6,776	1,128	904	1,162	1,257	1,287
SOFITEX	Cotton lint	757	34,264	32,487	34,289	42,908	35,386	6,634	6,132	7,122	6,095	5,382

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

^{1/} BRAKINA and SOBBRA merged in 1992.

Table 10. Burkina Faso: Industrial Production, 1989-94

	(Units)	1989	1990	1991	1992	1993	1994
Foodstuff, beverages, tobacco							
Edible oils	(Metric tons)	8,583	14	19,086	10,654	8,906	6,412
Sheanut butter	(Metric tons)	837	650	1,313	--	1,758	574
Flour	(Metric tons)	13,299	22,977	21,403	22,614	27,555	26,235
Pasta	(Metric tons)	1,375	1,080	1,094	1,160	1,175	633
Sugar	(Metric tons)	40,088	41,871	47,158	44,653	34,955	54,824
Beer	(Thousand hectoliters)	398	350	394	359	334	287
Softdrinks	(Thousand hectoliters)	117	108	99	84	106	86
Cigarettes	(Millions of packets)	30	41	49	49	47	44
Textile and leather							
Printed fabric	(Thousand sq. meters)	6,262	5,460	5,450	2,366	4,618	5,957
Shoes	(Thousand pairs)	66	65	--	--	--	--
Chemicals							
Soap	(Metric tons)	9,931	14,461	25,611	13,650	14,056	6,526
Matches	(Cartons)	22,720	14,835	26,686	13,599	14,587	--
Various							
Bicycles	(Units)	44,701	38,523	27,621	30,606	24,464	18,321
Mopeds	(Units)	23,167	23,500	18,568	18,509	12,857	5,423
Tires	(Thousands)	357	647	627	581	294	23
Inner tubes	(Thousands)	2,391	2,836	2,905	1,886	1,924	165

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

Table 11. Burkina Faso: Index of Industrial Production, 1988-94 ^{1/}
(1986 = 100)

	<u>Weights</u>	1988	1989	1990	1991	1992	1993	1994
Mining	46	191.7	75.1	100.0	77.2	85.8	53.4	41.9
Food, beverages, tobacco	342	95.7	91.0	100.0	109.0	106.4	92.3	107.2
Baked goods	67	99.0	91.7	100.0	110.7	112.8	108.1	105.7
Beverages, tobacco	192	80.7	86.9	100.0	116.2	112.6	108.8	98.7
Other food industry	82	102.0	92.7	100.0	104.5	100.7	77.4	112.2
Textiles	208	72.3	67.5	100.0	76.9	70.9	64.9	76.1
Chemical industry	140	85.2	81.2	100.0	80.5	83.3	73.7	34.2
Wood- and metalworking	73	118.2	112.2	100.0	105.0	108.9	85.8	69.7
Electricity, gas, water	191	82.0	88.2	100.0	104.3	108.2	114.2	114.1
Total	1,000	93.0	85.1	100.0	95.5	95.2	85.5	86.3

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

^{1/} Weights are based on the average share in value added during 1990.

Table 12. Burkina Faso: Gold Production, 1989-94

(Fine gold in kilograms)

	1989	1990	1991	1992	1993	1994
Industrial gold mining production ^{1/}	965	1,120	956	937	1,028	731
Official exports of gold ^{2/}	2,038	3,481	2,456	2,803	1,934	1,393
International gold price (US\$/fine ounce; London, U.K.)	381	384	362	343	360	384

Sources: Mining Research and Exploitation Company (SOREMIB); Precious Metals Trading Company (CMP); and National Institute of Statistics and Demographics (INSD).

^{1/} Including semi-industrial mining.

^{2/} Including traditional gold washing.

Table 13. Burkina Faso: Energy Consumption, 1989-94

	1989	1990	1991	1992	1993	1994
<hr/>						
	(In metric tons) 2/					
Consumption of petroleum products 1/						
Premium gasoline	8,227	9,185	9,720	10,963	11,501	9,587
Regular gasoline	55,082	56,515	55,748	55,649	53,406	54,804
Kerosene	14,782	14,859	16,569	16,050	15,907	20,807
Diesel	23,718	23,445	26,618	38,659	36,337	35,700
Light distillates	35,337	37,292	35,775	31,064	33,008	27,745
Fuel oil	25,803	28,648	26,239	33,989	30,588	30,017
Gas	1,698	2,156	2,432	2,888	3,494	3,482
Total	164,647	172,100	173,101	189,262	184,241	182,142
<hr/>						
	(In thousands of kilowatt-hours)					
Electricity						
Total production	164,251	184,576	193,228	200,894	215,517	216,006
Of which: Hydroelectric	(1,612)	(9,307)	(12,623)	(20,024)	(47,049)	(72,799)
Total sales	148,122	159,990	169,131	175,679	184,281	189,410
High voltage	84,276	82,750	89,507	88,150	86,872	92,154
Low voltage	63,846	77,240	79,624	87,529	97,409	97,256
<hr/>						
	(In kilometers)					
Length of distribution network	1,768.0	1,928.0	2,408.0	2,446.0	3,239.0	--
Medium voltage	558.0	624.0	728.0	1,118.0	947.0	...
Low voltage	1,210.0	1,304.0	1,680.0	1,328.0	2,292.0	...

Sources: National Hydrocarbons Company (SONABHY); National Electricity Company (SONABEL); and National Institute of Statistics and Demographics (INSD).

1/ Excluding aviation and jet fuel.

2/ Converted from cubic meters based on 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.

Table 14. Burkina Faso: Transport Activity, 1989-94
(In thousands of metric tons, unless otherwise indicated)

	1989	1990	1991	1992	1993	1994
Rail traffic (freight)						
Domestic traffic	1.2	2.9	4.6	4.4	7.0	...
International traffic						
Ivory Coast to Burkina Faso	326.7	280.0	277.2	246.4	187.8	...
Of which: cement	(19.2)	(55.8)	(50.3)	(21.8)	(29.9)	(45.0)
flammable liquids	...	(55.9)	(44.7)	(45.4)	(45.3)	(...)
Burkina Faso to Ivory Coast	60.2	64.9	51.0	47.7	51.9	...
Of which: cotton	(46.1)	(30.8)	(18.8)	(53.5)	(14.6)	(17.4)
live animals ^{1/}	(125.8)	(195.4)	(256.7)	(111.4)	(46.0)	(79.1)
Total traffic	388.1	347.8	332.8	298.5	246.7	--
Air traffic (Ouagadougou)						
Commercial landings and take-offs ^{1/}	4.5	4.8	4.8	4.5	4.3	4.9
Passengers ^{1/} ^{2/}	139.8	133.7	130.1	140.4	138.2	140.5
Freight	8.6	9.5	8.2	7.8	6.7	5.9
Mail	0.2	0.2	0.2	0.3	0.2	0.3

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

^{1/} In thousands.

^{2/} Excluding passengers in transit.

Table 15. Burkina Faso: Prices of Petroleum Products, 1988-94

(In CFA francs per liter)

	1988	1989	1990	1991	1992	1993	1994
Import prices (c.i.f. Abidjan)							
Premier gasoline	77	77	77	54	49	59	80
Regular gasoline	70	70	70	49	45	49	73
Kerosene	86	86	86	55	45	57	82
Diesel	82	82	82	57	44	47	80
Retail prices (Ouagadougou) 1/							
Premium gasoline	285	285	285	285	285	285	395
Regular gasoline	272	272	272	272	272	272	368
Kerosene	160	160	160	160	160	160	160
Diesel	240	240	240	240	240	240	300
Two-stroke mixture	300	300	300	300	300	300	390

Source: National Hydrocarbons Company (SONABHY).

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

Table 16. Burkina Faso: Electricity Rates, 1988-94

(In CFA francs per kilowatt-hour)

	1988	1989	1990	1991	1992	1993	1994
High voltage ^{1/}							
Peak hours	76	76	87	94	94	94	110
Off-peak hours	68	68	58	43	43	43	51
Low voltage							
Lighting, domestic use							
Low tariff ^{2/}	68	68	68	68	68	68	73
High tariff ^{3/}	95	95	95	72	72	72	86
Power unit	100	100	104	108	108	108	130
Public lighting	100	100	100	100	100	100	120

Source: National Electricity Company (SONABEL).

^{1/} For 50 kw and over.

^{2/} For subscription of 0.7 kw and under.

^{3/} For subscriptions of 1.1 kw and over.

Table 17. Burkina Faso: Monthly Consumer Price Index
for European Households, 1989-94

(November 1985 = 100)

	1989	1990	1991	1992	1993	1994
January	107.5	108.7	112.5	115.8	119.4	126.0
April	107.5	109.1	114.8	117.6	119.7	167.3
June	107.5	109.6	114.8	118.5	121.0	173.8
October	108.4	111.5	115.5	118.6	121.4	179.4
Change in percent 1/	2.0	1.9	4.3	2.8	2.4	40.0

Sources: INSEE, Paris; and National Institute of Statistics and Demographics (INSD).

1/ Annual average.

Table 18. Burkina Faso: Consumer Price Index - African Households, 1989-94

	1989	1990	1991	1992	1993	1994
Food, beverages, tobacco	107.9	105.8	123.2	116.3	111.8	134.8
Food	...	...	115.8	107.1	101.1	119.0
Condiments	...	...	125.4	116.1	104.6	126.1
Vegetable oils	...	...	95.8	84.4	83.7	111.3
Meat and fish	...	...	99.1	98.8	92.7	118.0
Grains	...	...	118.6	106.2	101.8	111.6
Fruits and vegetables	126.0	125.0	123.6	122.9	125.8	177.9
Beverages, tobacco	152.8	153.9	155.5	156.3	157.9	203.3
Clothing	...	...	124.0	122.7	122.9	159.9
Housing	...	...	120.2	122.4	121.4	139.0
Rent and construction cost	121.4	124.7	124.7	134.7	156.4	193.9
Water, lighting, fuel	117.8	115.0	115.1	117.4	108.2	118.4
Equipment	...	...	128.4	127.5	133.3	162.6
Furniture and fixed accessories	...	...	124.5	125.4	132.2	150.0
Household equipment	...	...	139.5	135.4	136.5	199.0
Health	141.4	134.7	139.9	143.0	151.6	207.5
Transport and communications	142.4	141.9	139.4	140.1	144.3	198.4
Schooling, recreation, culture	...	...	141.6	140.7	173.3	214.9
Total	123.9	122.9	126.0	123.5	124.2	154.9
Average annual inflation rate	-0.3	-0.8	2.5	-2.0	0.6	24.7

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

Table 19. Burkina Faso: Consolidated Operations of the Central Government, 1989-94

	1989	1990	1991	1992	1993	1994
(In billions of CFA francs)						
Total revenue	79.8	92.9	104.9	93.0	100.0	113.3
Current revenue	79.8	92.9	104.3	92.9	99.4	113.3
Tax revenue	66.9	76.4	79.6	68.9	72.6	104.0
Income and profits	16.3	20.0	21.4	20.5	18.9	21.2
Domestic goods and services	17.0	18.0	17.0	15.3	14.8	19.4
International trade	32.0	35.6	38.7	31.0	36.4	61.2
Other	1.6	2.8	2.4	2.2	2.5	2.1
Nontax revenue	8.4	7.0	24.7	24.0	26.8	9.4
Capital revenue	--	--	0.6	0.1	0.6	--
Exceptional revenue	4.6	9.5	--	--	--	--
Expenditure and net lending 1/	129.6	147.6	169.5	165.4	182.4	227.0
Domestic expenditure and net lending	93.2	112.9	100.1	105.6	124.6	137.2
Of which: health and primary education	(...)	(...)	(18.8)	(19.8)	(19.2)	(29.2)
Wages and salaries	55.0	57.2	54.1	50.9	52.2	58.2
Goods and services	9.4	10.6	13.2	14.2	19.3	26.6
Interest payments	7.9	8.4	11.0	11.4	12.4	15.0
Current transfers	10.8	12.1	15.9	17.2	34.3	31.2
Other current expenditure	-0.3	18.2	--	--	--	--
Budgetary contribution to investment	9.3	8.4	6.6	11.8	8.8	9.2
Net lending 2/	1.1	-2.0	-0.6	0.1	-2.5	-3.0
Fiscal balance (excluding foreign-financed and restructuring operations)	-13.4	-20.0	4.8	-12.6	-24.6	-23.9
Foreign-financed government investment	35.8	34.0	49.4	59.0	54.6	62.5
On-lending	0.6	0.7	0.9	0.8	0.9	--
Restructuring operations	--	--	19.1	--	2.2	27.3
Overall surplus/deficit 1/	-49.8	-54.7	-64.6	-72.4	-82.4	-113.7
Change in payments arrears	10.6	23.3	-32.6	-2.4	2.9	-14.2
Domestic	6.5	27.3	-18.6	-2.0	--	-8.2
External	4.2	-4.0	-14.0	-0.4	2.9	-6.0
Grants	76.3	20.0	36.3	49.3	43.2	75.4
Of which: projects	(16.1)	(18.5)	(27.7)	(37.7)	(28.0)	(35.4)
Financing	-37.2	11.5	61.0	25.5	36.3	52.5
Foreign	-53.2	10.2	44.1	25.3	32.9	32.7
Drawings	20.2	16.2	29.5	30.8	35.3	56.0
Amortization	-90.8	-6.3	-4.4	-7.6	-9.8	-19.6
Change in amortization arrears	12.0	0.3	-19.6	-3.6	4.7	-11.4
Rescheduling	--	--	37.5	5.7	2.7	7.7
Domestic	16.0	1.3	16.9	0.3	3.4	19.8
Bank	1.6	-0.7	0.9	2.7	4.1	22.0
Of which: IMF	(--)	(--)	(2.4)	(--)	(3.4)	(13.9)
Nonbank	14.4	2.0	16.0	-2.4	-0.7	-2.2
Memorandum items:	(In percent of GDP, unless noted otherwise)					
Revenue	10.6	12.3	13.3	11.8	12.6	11.0
Total expenditure and net lending	17.2	19.6	21.6	20.9	22.9	22.0
Domestic expenditure and net lending	12.4	15.0	12.7	13.3	15.7	13.3
Overall deficit (-)/surplus 1/	3.5	-4.6	-3.6	-2.9	-4.9	-3.7
Excluding grants	-6.6	-7.3	-8.2	-9.1	-10.4	-11.0
Foreign-financed projects	-1.8	-2.7	-1.8	-1.6	-3.4	-5.0
and restructuring operations	-1.8	-2.7	0.6	-1.6	-3.1	-2.3
Adjustment assistance (billions of CFAF)	--	1.5	55.2	26.0	28.4	90.4

Sources: Data provided by the Burkinabè authorities; and staff estimates and projections.

1/ Commitment basis.

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

Table 20. Burkina Faso: Economic Classification of Consolidated Central Government Expenditure, 1989-94 ^{1/}

	1989	1990	1991	1992 Prel.	1993 Estimates	1994
<u>(In billions of CFA francs)</u>						
Total expenditure and net lending	129.6	147.6	169.5	165.4	180.2	221.7
Total expenditure	127.9	148.9	169.3	164.5	181.7	224.8
Current expenditure	82.9	106.5	94.2	93.7	118.2	131.0
Wages and salaries ^{2/}	55.0	57.2	54.1	50.9	52.2	58.2
Goods and services	9.4	10.6	13.2	14.2	19.3	26.6
Interest ^{3/}	7.9	8.4	11.0	11.4	12.4	15.0
On external debt	...	...	6.2	6.8	7.6	12.1
On domestic debt	...	...	4.8	4.5	4.8	2.9
Transfers	10.8	12.1	15.9	17.2	34.3	31.2
Special accounts, complementary period and unclassified	-0.3	18.2	--	--	--	--
Capital expenditure	45.0	42.4	75.1	70.8	63.5	93.8
Budget	8.0	7.2	6.6	11.8	8.8	9.2
Special accounts and extrabudgetary	1.3	1.2	--	--	--	--
Financed by foreign grants	16.1	18.5	27.7	37.7	28.0	35.4
Financed by foreign loans	19.6	15.5	21.8	21.3	26.6	27.1
Capital transfer for bank restructuring	--	--	19.1	--	--	22.1
Net lending	1.7	-1.3	0.3	0.9	-1.5	-3.0
<u>(In percent of GDP)</u>						
Total expenditure and net lending	17.2	19.6	21.6	20.9	22.6	21.5
Total expenditure	17.0	19.8	21.5	20.8	22.8	21.8
Current expenditure	11.0	14.2	12.0	11.8	14.9	12.7
Wages and salaries	7.3	7.6	6.9	6.4	6.6	5.7
Goods and services	1.2	1.4	1.7	1.8	2.4	2.6
Interest	1.0	1.1	1.4	1.4	1.6	1.5
Transfers	1.4	1.6	2.0	2.2	4.3	3.0
Special accounts, complementary period and unclassified	--	2.4	--	--	--	--
Capital expenditure	6.0	5.6	9.6	9.0	8.0	9.1
Net lending	0.2	-0.2	--	0.1	-0.2	-0.3
<u>(In percent of total expenditure and net lending)</u>						
Total expenditure and net lending	100.0	100.0	100.0	100.0	100.0	100.0
Total expenditure	98.7	100.9	99.8	99.5	100.8	101.4
Current expenditure	63.9	72.2	55.5	56.6	65.6	59.1
Wages and salaries	42.5	38.7	31.9	30.8	29.0	26.3
Goods and services	7.3	7.1	7.8	8.6	10.7	12.0
Interest	6.1	5.7	6.5	6.9	6.9	6.7
Transfers	8.4	8.2	9.4	10.4	19.0	14.1
Special accounts, complementary period and unclassified	-0.2	12.3	--	--	--	--
Capital expenditure	34.8	28.7	44.3	42.8	35.2	42.3
Net lending	1.3	-0.9	0.2	0.5	-0.8	-1.4
<u>(In billions of CFA francs)</u>						
<u>Memorandum items:</u>						
Technical assistance-related expenditure	8.8	4.8	8.7	7.3	7.3	12.6
Financed by foreign grants	2.0	1.9	3.4	2.3	2.0	2.7
Financed by foreign loans	6.8	2.9	5.3	5.0	5.3	9.9

Sources: Data provided by the Burkinabè authorities; and staff estimates.

^{1/} The consolidated operations of the Central Government include extrabudgetary loans and grants. Totals may not add up because of rounding.

^{2/} On the basis of the budget nomenclature used until 1992.

^{3/} Interest due as communicated by the Debt Directorate of the Ministry of Finance.

Table 21. Burkina Faso: Public Investment Program, 1989-94

(In billions of CFA francs)

	1989	1990	1991 Prel.	1992	1993 Estimates	1994
Government	52.6	42.2	62.2	73.4	67.9	109.6
Grants	23.0	21.4	33.0	42.7	33.3	63.0
Of which: technical assistance	(6.8)	(2.9)	(5.3)	(5.0)	(5.3)	(9.9)
Direct foreign loans	19.6	15.5	21.9	21.3	26.6	35.0
Of which: technical assistance	(2.0)	(1.9)	(3.4)	(2.3)	(2.0)	(2.7)
Budget	9.4	4.6	6.4	8.6	7.0	9.7
Foreign on-lent loans	0.6	0.7	0.9	0.8	0.9	1.9
Public enterprises	10.9	10.0	3.1	3.7	4.4	7.9
Government-guaranteed foreign loans	1.3	2.9	0.8	0.9	1.5	--
Self-financing/domestic loans	9.6	4.6	2.3	2.8	2.8	7.9
Other loans	...	2.6	--	--	--	--
Public Sector	63.5	52.3	65.3	77.1	72.2	117.5
Grants	23.0	21.4	33.0	42.7	33.3	63.0
Foreign loans	21.6	19.1	23.6	22.9	29.1	36.9
Budget, self-financing and domestic loans	18.9	11.8	8.7	11.4	9.8	17.6

Source: Data provided by the Burkinabè authorities.

Table 22. Burkina Faso: Personnel Expenditure, 1989-1994

	1989	1990	1991	1992 Prel.	1993 Estimates	1994 Estimates
Number of civil servants	33,867	33,518	34,237	34,299	35,661	37,052
(In billions of CFA francs)						
Total wage bill 1/						
Budget	53.5	56.2	54.7	51.2	52.2	58.1
Actual	55.0	57.2	54.1	50.9	52.2	58.2
Implementation ratio	102.8	101.8	98.8	99.4	100.1	100.3
Civilian	38.3	39.2	38.9	37.6	38.9	44.9
Military	16.7	18.0	15.1	13.3	13.3	13.3
Memorandum items:						
Average annual civilian wage						
In million of FCFA	1.1	1.2	1.1	1.1	1.1	1.2
As a ratio of per capita GDP	14.0	14.9	14.2	14.0	14.2	12.6

Source: Data provided by the Burkinabè authorities.

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

Table 23. Burkina Faso: Military Expenditure, 1989-94 1/

(In millions of CFA francs)

	1989	1990	1991	1992 Prel.	1993 Estimates	1994
Salaries	16,736	18,000	15,149	13,307	13,324	13,300
Percent change	8.2	7.6	-15.8	-12.2	0.1	-0.2
Goods and services	1,093	1,625	1,510	2,678	3,678	3,234
Percent change	-25.3	48.7	-7.1	77.4	37.3	-12.1
Current transfers	--	100	50	--	59	75
Percent change	...	...	-50.0	-100.0	...	27.1
Investments	316	430	62	52	136	175
Percent change	21.5	36.1	-85.6	-16.1	161.5	28.7
Total	18,145	20,155	16,771	16,037	17,197	16,784
Percent change	5.6	11.1	-16.8	-4.4	7.2	-2.4
Memorandum items:						
Military expenditures						
In percent of GDP	2.4	2.7	2.1	2.0	2.2	1.6
In percent of government current expenditure	21.9	18.9	17.8	17.1	14.5	12.8

Source: Data provided by the Burkinabè authorities.

1/ Budgetary data only.

Table 24. Burkina Faso: Central Government Revenue, 1989-94

	1989	1990	1991	1992 Prel.	1993 Estimates	1994 Estimates
(In billions of CFA francs)						
Total revenue	79.8	92.9	104.9	93.0	100.0	113.3
Current revenue	79.8	92.9	104.3	92.9	99.4	113.3
Tax revenue	66.9	76.4	79.6	68.9	72.6	104.0
Income taxes	16.3	20.0	21.4	20.5	18.9	21.2
Corporate income	5.0	4.5	8.1	7.8	7.8	8.4
Personal income	10.2	13.0	11.0	10.9	9.1	10.8
Other	1.1	2.5	2.3	1.8	2.0	2.1
Payroll taxes	1.1	1.8	1.1	1.1	1.1	1.1
Property taxes	0.1	0.3	0.4	0.3	0.5	0.4
Taxes on goods and services	17.0	18.0	17.1	15.3	14.8	19.4
Turnover taxes	6.1	7.7	7.8	6.4	9.4	12.1
Selective excises on goods	8.0	5.4	4.2	4.5	1.8	3.4
Fiscal monopolies net income	1.7	1.9	2.5	2.3	1.2	1.0
Other	1.1	3.0	2.7	2.1	3.7	2.9
Taxes on international trade	32.0	35.6	38.6	31.0	36.4	61.2
Import duties	30.6	25.1	28.3	22.7	23.6	42.4
Turnover taxes on imports	...	8.8	8.9	6.8	11.7	18.5
Export duties	0.7	0.9	0.8	0.8	0.5	--
Other	0.6	0.8	0.7	0.6	0.6	0.4
Other tax revenue	0.3	0.7	0.9	0.7	0.9	0.5
Nontax revenue	8.4	7.0	24.7	24.0	26.8	9.4
Property income	1.6	2.2	3.6	2.7	2.8	2.3
Admin. fees & nonindustrial sales	2.0	1.6	1.8	1.4	1.0	1.0
Other non tax revenue	4.8	3.1	19.4	19.9	22.9	6.0
Adjustment cash basis and unclassified	4.6	9.5	--	--	--	--
Capital revenue	--	--	0.6	0.1	0.6	--
(In percent of GDP)						
Total revenue	10.6	12.3	13.3	11.8	12.6	11.0
Current revenue	10.6	12.3	13.3	11.7	12.5	11.0
Tax revenue	8.9	10.2	10.1	8.7	9.1	10.1
Income taxes	2.2	2.7	2.7	2.6	2.4	2.1
Taxes on goods and services	2.3	2.4	2.2	1.9	1.9	1.9
Taxes on international trade	4.2	4.7	4.9	3.9	4.6	5.9
Other tax revenue	--	0.1	0.1	0.1	0.1	0.1
Nontax revenue	1.1	0.9	3.1	3.0	3.4	0.9
Adjustment cash basis	0.6	1.3	--	--	--	--
Capital revenue	--	--	0.1	--	0.1	--
(In percent of total revenue)						
Total revenue	100.0	100.0	100.0	100.0	100.0	100.0
Current revenue	100.0	100.0	99.4	99.9	99.4	100.0
Tax revenue	83.8	82.2	75.9	74.1	72.7	91.7
Income taxes	20.4	21.5	20.4	22.0	18.9	18.7
Taxes on goods and services	21.3	19.4	16.3	16.5	14.8	17.1
Taxes on international trade	40.1	38.3	36.8	33.3	36.4	54.0
Other tax revenue	0.4	0.7	0.9	0.8	0.9	0.5
Nontax revenue	10.5	7.5	23.5	25.8	26.8	8.3
Adjustment cash basis	5.8	10.2	--	--	--	--
Capital revenue	--	--	0.6	0.1	0.6	--

Sources: Data provided by Burkinabè authorities; and staff estimates.

Table 25. Burkina Faso: Monetary Survey,
December 1989-December 1994

(In billions of CFA francs: end of period)

	1989	1990	1991	1992	1993	1994
Net foreign assets 1/	66.5	65.9	75.7	89.6	106.5	164.2
BCEAO	64.2	66.3	76.8	82.6	97.7	93.2
Commercial banks	2.4	-0.4	-1.1	7.0	8.7	70.9
Net domestic assets	98.0	96.0	96.9	89.3	88.5	105.0
Domestic credit	101.6	103.2	93.1	79.0	74.1	77.0
Net claims on Government 2/	-39.6	-42.0	-20.3	-20.2	-15.7	2.5
Credit to private sector	141.2	145.2	113.3	99.2	89.8	74.4
Credit to other financial institutions	3.2	1.6	2.8	2.2	1.2	0.6
Performing credit	124.1	123.5	98.8	88.7	74.2	63.1
Short-term	78.7	80.6	61.4	56.6	48.5	50.2
Of which: crop credit	(9.5)	(9.5)	(10.9)	(8.9)	(8.1)	(--)
Medium and long-term	45.5	42.9	37.4	32.1	25.7	12.8
Nonperforming credit	11.3	17.0	12.7	9.7	14.1	10.2
Other items (net)	-3.6	-7.2	3.8	10.2	14.4	28.1
Money and quasi-money	154.2	153.5	160.3	167.4	180.0	232.9
Currency	53.3	58.7	60.9	66.2	78.5	94.9
Demand deposits	52.0	44.9	48.4	44.3	44.1	75.4
Time and savings deposits	48.9	49.9	51.0	56.8	57.4	62.6
Long-term foreign liabilities	6.5	4.9	8.5	7.9	11.4	28.7
SDR allocations	3.9	3.5	3.7	3.6	3.6	7.6
<u>Memorandum items:</u>						
Net foreign assets 3/	-8.8	-0.4	6.4	8.7	10.1	32.1
Net domestic assets 3/	13.8	-1.3	0.6	-4.8	-0.5	9.2
Of which: net claims on Government 3/	(-0.6)	(-1.5)	(14.1)	(--)	(2.7)	(10.1)
credit to private sector 3/	(14.3)	(2.5)	(-20.8)	(-8.8)	(-5.6)	(-8.5)
Money and quasi-money 3/	3.7	-0.4	4.5	4.4	7.5	29.4
Nonperforming credit/Total credit (in percent)	9.8	13.8	10.2	8.4	16.0	14.5

Source: Data provided by the Central Bank of West African States (BCEAO).

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

2/ BCEAO's definition of Government, which includes Central Government and other official agencies such as CSPPA, OCP, and CNSS.

3/ Percentage changes in percent of broad money at the beginning of the year.

Table 26. Burkina Faso: Summary Accounts of the Central Bank,
December 1988-December 1994

(In billions of CFA francs; end of period)

	1989	1990	1991	1992	1993	1994
Net foreign assets 1/	64.2	66.3	76.8	82.6	97.7	93.2
Assets 1/	76.8	77.1	89.6	94.0	112.7	126.8
Liabilities	12.7	10.8	12.8	11.3	14.9	33.6
Of which: use of Fund credit 2/	(0.4)	(--)	(2.3)	(2.4)	(6.1)	(25.6)
Net claims on Government	14.1	14.0	16.1	17.0	17.9	25.4
Claims	18.2	19.3	21.6	22.6	26.3	44.8
Liabilities	4.1	5.3	5.5	5.6	8.4	19.5
Net claims on banks	-22.1	-18.9	-28.5	-29.4	-33.4	-22.3
Claims	4.3	3.9	9.0	9.0	9.0	--
Advances to money market	--	--	--	--	--	--
Rediscounts	--	--	--	--	--	--
Other	4.3	3.9	9.0	9.0	9.0	--
Liabilities	26.4	22.8	37.5	38.4	42.4	22.3
Deposits on money market	23.2	18.7	33.1	35.2	24.1	2.4
Other deposits	0.5	1.1	1.8	1.0	15.8	15.7
Currency	2.6	3.0	2.6	2.2	2.5	4.2
Net claims on other financial institutions	1.6	1.6	1.3	1.0	0.9	0.4
Currency outside banks	53.3	58.7	60.9	66.2	78.5	94.9
Public enterprises' deposits	1.3	0.6	0.7	1.0	0.5	3.2
SDR allocations 2/	3.9	3.5	3.7	3.6	3.6	7.6
Other items (net)	-0.7	0.3	0.3	0.3	0.5	-9.0

Source: Data provided by the Central Bank of West African States (BCEAO).

1/ Excluding gold.

2/ Valued according to Fund record.

Table 27. Burkina Faso: Summary Accounts of the Deposit Money Banks,
December 1989-December 1994 ^{1/}

(In billions of CFA francs: end of period)

	1989	1990	1991	1992	1993	1994
Net foreign assets	2.4	-0.4	-1.1	7.0	8.7	70.9
Assets	12.6	14.1	10.0	13.4	15.7	83.1
Liabilities	10.2	14.5	11.2	6.4	6.9	12.2
Net money market position	21.9	17.7	33.2	35.2	32.0	2.4
Deposits	23.2	18.6	33.2	35.2	32.0	2.4
Advances	1.3	0.9	--	--	--	--
Other reserves	2.9	3.7	3.2	2.5	9.0	18.5
Currency	2.6	3.0	2.6	2.2	2.5	4.2
Deposits at BCEAO	0.3	0.7	0.6	0.4	6.6	14.3
Net claims on Government	-53.9	-56.1	-36.2	-36.9	-34.3	-23.7
Claims	14.7	19.7	15.2	14.0	13.5	35.3
Deposits	68.6	75.8	51.4	50.9	47.8	59.0
Claims on economy ^{2/}	136.0	141.4	108.4	94.9	87.6	72.3
Performing credits	122.1	121.4	96.8	86.5	73.3	61.5
Short-term	76.6	78.4	59.4	54.4	47.6	48.7
Of which: crop credit	(9.5)	(9.5)	(10.9)	(8.9)	(8.1)	(--)
Medium and long-term	45.5	42.9	37.4	32.1	25.7	12.8
Nonperforming assets	13.9	20.1	11.6	8.4	14.3	10.8
Unpaid claims	5.8	4.7	1.7	0.9	1.5	1.2
Doubtful and litigious credit	8.1	15.3	9.9	7.5	12.8	9.6
Claims on other financial institutions	1.6	--	1.6	1.2	0.3	0.3
Deposits	97.4	91.9	96.8	98.2	99.4	132.4
Demand deposits	48.5	42.1	45.8	41.4	42.0	69.8
Public enterprises	7.4	6.7	7.8	6.6	6.0	11.4
Other	41.0	35.4	38.0	34.8	36.0	58.4
Time deposits	48.9	49.9	51.0	56.8	57.4	62.6
Public enterprises	10.8	10.5	9.2	8.4	9.4	13.3
Other	38.1	39.4	41.8	48.4	48.0	49.2
BCEAO claims	3.0	3.0	9.0	9.0	9.0	--
Long-term foreign liabilities	6.5	4.9	6.1	5.4	5.6	9.0
Other items (net)	4.1	6.5	-2.9	-8.8	-10.5	-0.7

Source: Data provided by the Central Bank of West African States (BCEAO).

^{1/} Including the Treasury and the postal checking system (except net external position).

^{2/} Including public corporations.

Table 28. Burkina Faso: Balance of Payments, 1989-94

	1989	1990	1991	1992 Preliminary	1993 Preliminary	1994 Est.
(In billions of CFA francs)						
Exports, f.o.b.	65.4	77.1	75.9	62.9	74.5	125.2
Of which: cotton	(20.3)	(29.3)	(29.3)	(25.0)	(22.2)	(32.8)
Imports, f.o.b.	-140.9	-147.6	-138.2	-142.3	-133.4	-202.7
Trade balance	-75.5	-70.5	-62.3	-79.4	-58.9	-77.5
Services (net)	-37.7	-28.7	-54.8	-41.0	-47.9	-95.0
Nonfactor services	-33.9	-26.7	-52.3	-37.8	-44.1	-87.2
Factor services	-3.8	-2.0	-2.5	-3.2	-3.8	-7.8
Of which: interest payments	(-6.2)	(-6.5)	(-7.0)	(-7.4)	(-8.3)	(-12.5)
Transfers (net)	116.1	90.4	105.0	121.2	113.0	148.6
Private	44.8	28.6	27.7	29.4	27.3	31.2
Of which: workers' remittances	(49.5)	(38.0)	(31.9)	(34.1)	(32.0)	(35.0)
Official	71.3	61.8	77.3	91.8	85.7	117.4
Of which: budgetary	(76.3)	(20.0)	(36.3)	(49.3)	(43.2)	(75.4)
Current account (deficit -)	2.8	-8.7	-12.1	0.8	6.2	-23.9
Excluding official transfers	-68.4	-70.5	-89.4	-91.0	-79.5	-141.3
Official capital	-73.0	7.8	24.1	22.4	24.8	35.0
Disbursements	20.2	16.2	30.3	31.6	36.8	56.0
Of which: budget	(20.2)	(16.2)	(29.5)	(30.8)	(35.3)	(56.0)
Amortization	-93.2	-8.4	-6.1	-9.3	-12.1	-20.9
Of which: budget	(-90.8)	(-6.3)	(-4.4)	(-7.6)	(-9.8)	(-19.6)
Private capital	4.8	-3.1	6.2	2.5	2.7	13.5
Errors and omissions	31.3	8.4	-17.0	-11.1	-27.3	30.1
Overall balance	-34.1	4.5	1.2	14.5	6.3	54.7
Financing	34.1	-4.5	-1.2	-14.5	-6.3	-54.7
Net foreign assets	12.6	-0.7	-9.6	-16.1	-17.3	-45.1
Net official reserves	15.8	-2.2	-9.9	-6.1	-15.6	6.3
Gross official reserves	16.4	-2.1	-12.3	-6.1	-19.0	-7.6
IMF (net)	-0.6	-0.1	2.4	--	3.4	13.9
Net foreign assets, commercial banks	-3.2	1.5	0.3	-10.0	-1.7	-51.4
Change in arrears	16.2	-3.7	-33.7	-4.1	7.6	-17.3
Debt relief 1/ 2/	5.3	--	42.1	5.7	3.4	7.7
Financing gap (after IMF purchases)	--	--	--	--	--	--
Memorandum items:	(In percent of GDP, unless otherwise specified)					
Trade balance (deficit -)	-10.0	-9.4	-7.9	-10.0	-7.4	-7.5
Current account (deficit -)	0.4	-1.2	-1.5	0.1	0.8	-2.3
Excluding official transfers	-9.1	-9.4	-11.4	-11.5	-10.0	-13.7
Overall balance (deficit -)	-4.5	0.6	0.2	1.8	0.8	5.3
Debt service 2/	-13.2	-2.0	-1.7	-2.1	-2.6	-3.2
Debt service ratio 2/ 3/	-127.5	-15.6	-13.8	-20.9	-22.3	-22.6
Gross official reserves (in billions of CFA francs)	66.5	66.3	76.5	82.4	97.7	156.6
Net foreign assets of the Post Office	2.3	2.8	3.3	4.7	5.2	1.2
GDP at current prices (in billions of CFA francs)	753.8	752.7	786.7	791.4	796.1	1,030.2

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

1/ Including debt relief on government-guaranteed debt.

2/ Includes CFAP 0.8 billion in 1993 on account of interest due on Paris Club I debt rescheduling.

3/ In percent of exports of goods and nonfactor services; before debt relief.

Table 29. Burkina Faso: Balance of Payments, 1989-94

(In millions of SDRs)

	1989	1990	1991	1992 Preliminary	1993 Preliminary	1994 Est.
Exports, f.o.b.	159.9	208.8	196.7	168.7	188.3	157.5
Of which: cotton	(49.6)	(79.3)	(75.9)	(67.0)	(56.1)	(41.3)
Imports, f.o.b.	-344.6	-399.6	-358.0	-381.7	-337.4	-255.0
Trade balance	-184.7	-190.7	-161.3	-213.0	-149.1	-97.5
Services (net)	-92.2	-77.6	-141.9	-109.9	-121.2	-119.5
Nonfactor services	-82.9	-72.2	-135.4	-101.4	-111.5	-109.7
Factor services	-9.3	-5.3	-6.6	-8.5	-9.7	-9.8
Of which: interest payments	(-15.1)	(-17.6)	(-18.0)	(-19.9)	(-21.0)	(-15.7)
Transfers (net)	283.9	244.8	272.0	325.1	285.9	186.9
Private	109.5	77.4	71.8	78.9	69.0	39.3
Of which: workers' remittances	(121.1)	(102.9)	(82.6)	(91.5)	(80.9)	(44.0)
Official	174.3	167.4	200.2	246.3	216.8	147.6
Of which: budgetary	(186.6)	(54.0)	(94.0)	(132.3)	(109.4)	(94.8)
Current account (deficit -)	6.9	-23.5	-31.3	2.2	15.7	-30.1
Excluding official transfers	-167.4	-190.8	-231.5	-244.1	-201.2	-177.7
Official capital	-178.4	21.1	62.5	60.0	62.6	44.1
Disbursements	49.5	43.9	78.4	84.9	93.2	70.4
Of which: budget	(49.5)	(43.9)	(76.4)	(82.6)	(89.3)	(70.4)
Amortization	-227.9	-22.8	-15.9	-24.8	-30.6	-26.3
Of which: budget	(-222.1)	(-17.1)	(-11.5)	(-20.3)	(-24.7)	(-24.7)
Private capital	11.6	-8.4	15.9	6.6	6.8	17.0
Errors and omissions	76.5	22.8	-44.0	-29.9	-69.1	37.9
Overall balance	-83.3	12.0	3.1	39.0	16.0	68.9
Financing	83.3	-12.0	-3.1	-39.0	-16.0	-68.9
Net foreign assets	30.7	-2.0	-24.9	-43.3	-43.8	-56.7
Net official reserves	38.6	-6.1	-25.6	-16.5	-39.6	7.9
Gross official reserves	40.0	-5.7	-31.9	-16.5	-48.1	-9.5
IMF (net)	-1.5	-0.4	6.3	--	8.5	17.4
Net foreign assets, commercial banks	-7.9	4.1	0.7	-26.8	-4.3	-64.6
Change in arrears	39.6	-10.1	-87.3	-10.9	19.2	-21.8
Debt relief 1/ 2/	13.0	--	109.1	15.2	8.5	9.6
Financing gap (after IMF purchases)	--	--	--	--	--	--
Memorandum item:						
CFAF/SDR exchange rate (period average)	408.9	369.4	386.0	372.8	395.4	795.0

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

1/ Including debt relief on government-guaranteed debt.

2/ Including CFAF 0.8 billion in 1993 on account of interest due on Paris Club I debt rescheduling.

Table 30. Burkina Faso: Composition of Exports, 1989-94

	1989	1990	1991	1992 Preliminary	1993 Preliminary	1994 Est.
<u>(In billions of CFA francs)</u>						
Export value	65.4	77.1	75.9	62.9	74.5	125.2
Livestock products	6.8	10.3	8.2	8.7	8.2	32.9
Live animals	3.0	5.8	4.7	4.9	4.2	22.3
Meats	0.6	0.7	0.7	0.8	0.9	1.3
Hides and skins	3.2	3.7	2.8	3.0	3.2	9.3
Cotton	20.3	26.5	29.3	25.0	22.2	32.8
Gold	11.4	15.9	11.0	8.5	8.1	9.7
Other	26.8	24.4	27.4	20.7	35.9	49.8
<u>(In percent of total)</u>						
Export value	100.0	100.0	100.0	100.0	100.0	100.0
Livestock products	10.5	13.4	10.8	13.8	11.0	26.3
Live animals	4.5	7.6	6.2	7.8	5.6	17.8
Meats	1.0	1.0	0.9	1.3	1.2	1.1
Hides and skins	5.0	4.8	3.7	4.8	4.2	7.4
Cotton	31.0	34.4	38.6	39.7	29.8	26.2
Gold	17.5	20.6	14.5	13.5	10.9	7.7
Other	41.1	31.6	36.1	32.9	47.3	39.2
<u>(Changes in percent)</u>						
Export value	-7.9	18.0	-1.6	-17.2	18.4	68.1
Livestock products	12.0	50.8	-20.4	5.9	-5.7	301.3
Live animals	-28.0	97.8	-19.4	4.0	-15.2	437.0
Meats	12,660.5	16.6	-5.9	14.2	12.6	46.6
Hides and skins	62.5	14.7	-24.9	7.1	5.0	195.2
Cotton	-1.2	30.9	10.5	-14.7	-11.1	47.8
Gold	-24.3	39.3	-30.8	-22.7	-4.3	19.0
Other	-8.4	-9.1	12.3	-24.5	70.0	39.5

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

Table 31. Burkina Faso: Composition of Imports, 1989-94

	1989	1990	1991	1992 Preliminary	1993	1994 Est.
<u>(In billions of CFA francs)</u>						
Total imports, f.o.b.	140.9	147.6	138.2	142.3	133.4	202.7
Food products	27.2	26.5	29.2	23.7	20.0	38.0
Petroleum products	20.4	22.5	22.6	17.7	16.9	19.5
Capital equipment	32.2	35.1	31.3	34.0	24.5	44.2
Raw materials	4.0	5.2	7.8	10.0	12.0	22.0
Miscellaneous and unclassified ^{1/}	57.1	58.3	47.3	56.9	60.0	79.0
<u>(In percent of total)</u>						
Total imports, f.o.b.	100.0	100.0	100.0	100.0	100.0	100.0
Food products	19.3	18.0	21.1	16.7	15.0	18.7
Petroleum products	14.5	15.2	16.4	12.4	12.7	9.6
Equipment goods	22.9	23.8	22.6	23.9	18.4	21.8
Raw materials	2.8	3.5	5.6	7.0	9.0	10.9
Miscellaneous and unclassified ^{1/}	40.5	39.5	34.2	40.0	45.0	39.0
<u>(Changes in percent)</u>						
Total imports, f.o.b.	-0.9	4.8	-6.4	3.0	-6.3	51.9
Food products	-3.2	-2.6	10.2	-18.8	-15.6	90.0
Petroleum products	39.7	10.3	0.4	-21.7	-4.5	15.4
Equipment goods	-15.0	9.0	-10.8	8.6	-27.9	80.4
Raw materials	-18.4	30.0	50.0	28.2	20.0	83.3
Miscellaneous and unclassified ^{1/}	0.7	2.1	-18.9	20.3	5.4	31.7

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

^{1/} Including adjustments for nonrecorded imports.

Table 32. Burkina Faso: Services and Transfers, 1989-94

(In billions of CFA francs)

	1989	1990	1991	1992 Preliminary	1993 Preliminary	1994 Est.
Services (net)	-37.7	-28.7	-54.8	-41.0	-47.9	-95.0
Factor services (net)	-3.8	-2.0	-2.5	-3.2	-3.8	-7.8
Nonfactor services (net)	-33.9	-26.7	-52.3	-37.8	-44.1	-87.2
Nonfactor services (net)	-33.9	-26.7	-52.3	-37.8	-44.1	-87.2
Credit	12.5	18.7	19.2	17.0	17.1	22.5
Debit	46.5	45.4	71.5	54.8	61.2	109.7
Freight and insurance (net)	-22.1	-27.3	-33.7	-24.6	-30.4	-57.9
Credit	--	--	--	--	--	--
Debit	22.1	27.3	33.7	24.6	30.4	57.9
Other transports	...	-6.6	-8.7	-8.7	-8.8	-13.2
Credit	...	3.4	2.6	1.9	1.9	2.9
Debit	...	10.0	11.3	10.6	10.7	16.1
Travel	-5.7	-5.7	-1.7	0.8	0.8	-2.6
Credit	3.2	3.1	4.6	6.4	6.4	8.7
Debit	8.9	8.8	6.3	5.6	5.6	11.3
Government services	1.3	4.1	-0.8	-2.2	-2.6	-9.7
Credit	7.5	9.5	8.9	6.0	6.0	7.5
Debit	6.2	5.4	9.7	8.2	8.6	17.2
Other nonfactor services	-7.5	-4.6	-7.4	-3.1	-3.1	-3.9
Credit	1.8	2.6	3.1	2.7	2.7	3.4
Debit	9.3	7.2	10.5	5.8	5.8	7.3
Factor services (net)	-3.8	-2.0	-2.5	-3.2	-3.8	-7.8
Credit	2.7	4.8	4.6	4.9	5.1	5.4
Debit	6.5	6.8	7.2	8.1	9.0	-13.2
Transfers (net)	116.1	90.4	105.0	121.2	113.0	148.6
Private	44.8	28.6	27.7	29.4	27.3	31.2
Credit	63.6	51.6	48.7	48.1	46.0	51.8
Of which: workers' remittances	(49.5)	(38.0)	(31.9)	(34.1)	(32.0)	(35.0)
Debit	18.8	23.0	21.0	18.6	18.7	20.6
Official	71.3	61.8	77.3	91.8	85.7	117.4
Credit	76.3	65.5	83.8	94.3	88.2	120.4
Of which: capital grants	(16.1)	(18.5)	(27.7)	(37.7)	(28.0)	(35.4)
Debit	-5.0	-3.7	-6.5	-2.5	-2.5	-3.0

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

Table 33. Burkina Faso: Direction of Recorded Exports, 1989-92

	1989	1990	1991	1992
(In billions of CFA francs)				
Europe	15.6	21.9	17.2	7.5
European Community	15.4	17.2	10.9	3.9
France	8.8	9.5	4.0	2.2
United Kingdom	0.4	0.9	0.1	0.3
Germany	0.7	-	0.1	0.3
Italy	1.8	3.1	3.0	0.6
Denmark	0.4	0.2	0.1	...
Other	3.4	3.3	3.6	...
Other	0.2	4.8	6.3	3.6
Africa	7.2	9.3	5.8	5.6
WAMU countries	6.2	6.6	4.7	5.1
Ivory Coast	3.8	4.7	3.4	4.4
Togo	1.8	1.3	0.8	0.6
Other	0.6	0.7	0.5	0.1
Ghana	0.2	0.1	0.2	0.3
Nigeria	-	0.4	0.4	0.5
Other	0.8	2.2	0.5	0.5
Taiwan, Province of China	5.1	3.1	1.8	1.8
Japan	0.5	0.5	0.6	0.6
China	0.3	3.2	0.8	0.5
Other	1.5	3.2	3.7	0.8
All countries	30.3	41.3	29.9	16.8
(In percent of total)				
Europe	51.7	53.1	57.5	44.6
EC countries	51.0	41.6	36.5	23.2
France	29.2	23.1	13.4	13.1
United Kingdom	1.2	2.3	0.3	1.8
Germany	2.2	-	0.3	1.8
Italy	5.9	7.6	10.0	3.6
Denmark	1.2	0.6	0.3	...
Other	11.3	8.0	12.0	...
Other Europe	0.7	11.5	21.1	21.4
Africa	23.9	22.6	19.4	33.3
WAMU countries	20.5	16.0	15.7	30.4
Ivory Coast	12.5	11.3	11.4	26.2
Togo	6.1	3.1	2.7	3.6
Other	1.9	1.6	1.7	0.6
Ghana	0.7	0.3	0.7	1.8
Nigeria	-	0.9	1.3	3.0
Other	2.6	5.3	1.7	...
Taiwan	16.9	7.5	6.0	10.7
Japan	1.6	1.3	2.0	3.6
China	1.1	7.8	2.7	3.0
Other	4.8	7.7	12.4	4.8

Source: Data provided by the Burkinabè authorities.

Table 34. Burkina Faso: Origin of Recorded Imports, c.i.f., 1989-92

	1989	1990	1991	1992
(In billions of CFA francs)				
Europe	63.8	71.6	73.6	63.2
European Community	60.1	66.1	60.7	59.7
France	36.1	40.1	39.6	34.4
Netherlands	4.3	4.9	4.1	5.9
United Kingdom	2.9	2.7	2.6	2.3
Germany	5.9	6.9	6.0	5.7
Italy	5.3	5.1	4.0	4.7
Belgium-Luxembourg	2.0	2.7	3.3	3.3
Other	3.5	3.7	1.1	3.4
Other	3.7	5.5	12.9	3.5
Africa	30.8	41.2	44.5	35.5
WAMU countries	24.0	30.2	32.9	29.0
Ivory Coast	18.2	21.2	25.4	19.9
Togo	3.6	4.8	3.9	4.3
Other	2.1	4.2	3.6	4.8
Ghana	0.8	1.2	1.2	1.1
Nigeria	1.8	3.3	4.2	3.5
Other	4.2	6.5	6.2	1.9
United States	5.6	9.2	7.4	5.9
Japan	5.9	6.2	6.3	6.0
China	1.5	1.3	2.3	3.0
Canada	1.0	2.0	1.4	1.6
Other	16.7	14.4	14.8	8.1
All countries	125.4	145.8	150.3	123.3
(In percent of total)				
Europe	50.9	49.1	49.0	51.3
European Community	48.0	45.3	40.4	48.4
France	28.8	27.5	26.3	27.9
Netherlands	3.4	3.4	2.7	4.8
United Kingdom	2.3	1.8	1.7	1.9
Germany	4.7	4.8	4.0	4.6
Italy	4.2	3.5	2.7	3.8
Belgium-Luxembourg	1.6	1.9	2.2	2.7
Other	2.8	2.5	0.7	2.8
Other	2.9	3.8	8.6	2.8
Africa	24.6	28.2	29.6	28.8
WAMU countries	19.1	20.7	21.9	23.5
Ivory Coast	14.5	14.5	16.9	16.1
Togo	2.9	3.3	2.6	3.5
Other	1.7	2.9	2.4	3.9
Ghana	0.7	0.8	0.8	0.9
Nigeria	1.5	2.2	2.8	2.8
Other	3.3	4.5	4.1	1.5
United States	4.5	6.3	4.9	4.8
Japan	4.7	4.2	4.2	4.9
China	1.2	0.9	1.5	2.4
Canada	0.8	1.4	0.9	1.3
Other	13.3	9.8	9.8	6.6

Source: Data provided by the Burkinabè authorities.