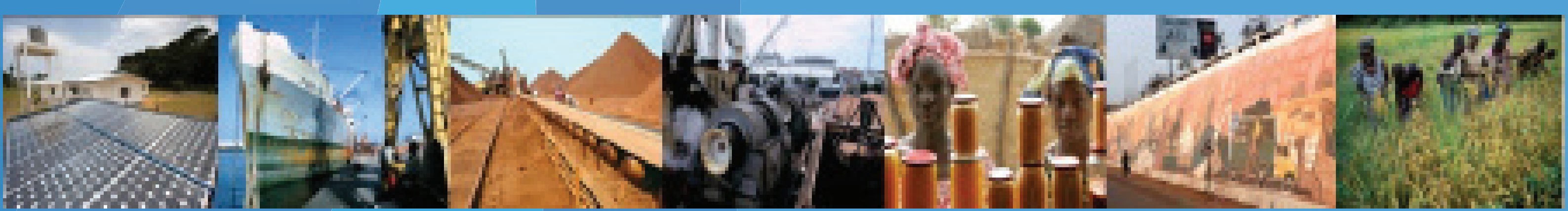
United Nations
Economic Commission for Africa

Socio-economic Profile of West Africa in 2014 and Prospects for 2015

May 2015



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Acronyms and abbreviations

WAMA :	West Africa Monetary Agency
AfDB:	African Development Bank
BCEAO:	Banque Centrale des Etats de l'Afrique de l'Ouest
UNECA/SRO-WA:	United Nations Economic Commission for Africa /Sub Regional Office for West Africa
ECOWAS:	Economic Community of West African States
IMF:	International Monetary Fund
WEO:	World Economic Outlook
OECD	Organisation for Economic Cooperation and Development
GDP:	Gross Domestic Product
HIPC:	Heavily Indebted Poor Country
UNDP	United Nations Development Programme
UEMOA:	West Africa Economic and Monetary Union
UN-DESA	United Nations - Department of Economic and Social Affairs
WAMZ:	West Africa Monetary Zone

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Foreword

The Sub-regional Office for West Africa of the Economic Commission for Africa (ECA/ SRO -WA) organised from 18 to 19 March 2015 in Dakar, Senegal, the statutory meeting of the Intergovernmental Committee of Experts (ICE) for the 15 West African Member States. Deliberations at the meeting focused on the theme "**Towards a structural transformation of economies in the West African sub-region through infrastructure development**".

The choice of this theme flows from the Economic Report on Africa 2014, compiled by the ECA in collaboration with the African Union Commission and entitled, "Dynamic Industrial Policy in Africa: Innovative Institutions, Effective Processes and Flexible Mechanisms" which, among other things, highlighted the dangers of a strong economic growth without industrial development and structural transformation and called for the provision of modern infrastructure and logistics required for industrialisation**.**

Besides the report dedicated to theme for the 18^{th} Session of the ICE, participants reviewed, with respect to the other statutory reports, this document on the "**Socio-economic profile of West Africa in 2014 and prospects for 2015**".

The main objective of this report is to analyse the economic and social conditions in West African countries in 2014 as well as prospects for 2015. More specifically, the report aims to provide an overview of the international economic environment and an update on the social and economic situation in the region in 2014 as well as prospects for 2015 while identifying the challenges facing the region in order to make the relevant recommendations for enhancing regional development and deepening integration. It also gives highlights on the economic and social profile in 2014 for each of the 15 Member States.

The Sub regional Office compiled this report based on data obtained from Member States and sub regional institutions, including ECOWAS, WAMA, UEMOA and BCEAO in addition to its own documentation. Other sources such as the United Nations Division for Economic and Social Affairs (UN-DESA), the IMF, World Bank and AfDB were used for data or information that are not available at the sub regional level.

Executive summary

1. The compilation of the 2015 Report on the Economic and Social Profile of West Africa is a regular activity of the Sub-Regional Office for West Africa of the Economic Commission for Africa (ECA/SRO-WA) which aims at providing: (i) an overview of economic and social conditions in West Africa and prospects for 2015 at the country level and the Economic Community of West African States (ECOWAS) level as well as (ii) an analysis of one major emerging social issue in the sub region.

2. This report on the economic and social profile of West Africa is s divided into three main parts.

3. **Part I** which reviews the international environment points to a slight upturn in world economic activity in 2014, with a growth rate which is expected to reach 2.6% against 2.5% in 2013 (UN DESA, 2015). In spite of this recovery trend at the global level, growth in the Euro zone remained weak with a growth rate estimated at 1.3% in 2014 against 0% in 2013. Japan also experienced a deceleration of its growth rate (0.4% in 2014 against 1.5% in 2013). However, the United States consolidated their economic recovery with a 2.2% and 2.3% rise in economic activity in 2013 and 2014 respectively.

4. Growth in countries in transition and developing countries was mixed. Brazil and Russia recorded growth rates of 0.3% and 0.5% respectively due to specific constraints associated with structural deficits and macroeconomic management, increased financial risks as well as geopolitical tensions. On the contrary, South and East Asian countries maintained a high level of activity at 5.9% in 2014.

5. With regard to Africa, in 2014, the growth rate is expected to stabilize at 3.5%, the same level as in 2013. On sub-regional basis, the growth trend was mixed. Whilst East Africa (6.5%), West Africa (6.3%) and Central Africa (4.3%) recorded growth rates above 4%, those of Southern Africa (2.9%) and North Africa (2.9%) were below 3%.

6. Overall, inflation was generally contained at 3% at the global level, however, with contrasting situations. In the European Union, the level of prices fell from 1.5% in 2013 to 0.7% in 2014, whilst in the Community of Independent States, the average increase in prices reached 8.1% in 2014 mainly as a result of high depreciation of the currency of most countries in the region. In Africa, average inflation would drop from 7.2% to 6.9% thanks to the combined effect of more prudent monetary policies and a moderate change in import prices. In East Asia, the easing of inflationary pressures observed since 2012 was consolidated at a level estimated at 2.4% in 2014. The same trend with a more pronounced decline was observed in South Asia where inflation would fall from 14.7% in 2013 to 9.2% in 2014. In Latin America and the Caribbean, pressures on price were stronger in 2014, generally raising inflation from 7.2% to 10.2% between 2013 and 2014.

7. As regards commodity prices, oil prices were generally on a on a downward trend in 2014, falling in November 2014 to their lowest level in five years. Concerning non-oil commodity prices, the nominal price index of non-oil goods fell by 6% over the period January to August 2014 on year-on-year basis, reflecting a relative drop in most commodity prices excluding oil.

8. Regarding world trade, the volume of imports and exports grew respectively by 3.3% and 3.5% in 2014 against 2.9% and 3.1% in 2013. In terms international capital flows, the major development remained the expected 6% decline in net private capital inflows into emerging economies, when compared to the level in 2013. On the currency market, the dominant trend was the steady appreciation of the dollar compared to other major reference currencies, the Euro, Yen and Pound Sterling.

9. Concerning prospects for Africa in 2015, the acceleration in the pace of growth is expected in the short term, with an upturn in activity projected at 4.6% in 2015 against 3.5% in 2014. Inflation would reach 6.9% in 2015, the same level as in 2014. Public deficits would persist in 2015 as a result of rising capital

expenditures, an expansion in the public wage bill and social safety net programmes underway in most countries on the continent.

10. In spite of this overall favourable global environment, Africa's economy may be constrained by both internal and external risk factors. On the external front, the economies of oil producing countries are threatened by a steeper fall in oil prices. Also, the slowdown of growth in China as well as the sluggish recovery in the Euro zone could also adversely affect export volumes of African countries. At the internal level, even though the effects of the Ebola epidemic were limited to the three most affected countries (Guinea, Liberia and Sierra Leone), the persistence of the disease or a wider spread in 2015 could affect the entire region, especially trade, tourism and transport sectors as well as agriculture, in addition to a negative social impact.

11. Part II of the report provides an analysis of the economic situation in the West Africa region.

12. In 2014, **economic growth** within the ECOWAS region is expected to follow its positive trend to stand at 6.3% against 5.6% in 2013 (ECOWAS, 2015).The renewed dynamism in regional activity is on account of the good performance recorded in most countries, with growth rates above 6% for some countries in the region.

13. The sub region was marked by a change in the base year for computing Nigeria's GDP from 1990 to 2010. Due to this change, Nigeria's GDP now account for 75% of the sub-region's GDP against 60% previously. This also reflected at the structural level an increase in the share of the non petroleum sector as well as a substantial growth in the relative share of the telecommunications sector.

14. Within the UEMOA space which account for 14.6% of GDP for the ECOWAS region, economic growth would rise from 5.8% to 6.8% between 2013 and 2014. This situation stemmed from an accelerated economic growth in all Member States, with Cote d'Ivoire, the best performing economy in the region in 2013 and 2014, expected to record a 9% expansion in activity in 2014.

15. In the WAMZ area, growth projections before the outbreak of the Ebola epidemic had to be reviewed for countries most affected by the disease, namely Guinea, Liberia and Sierra Leone. The declines in GDP would vary between 2 and 5 percentage points. Since the beginning of the epidemic and the subsequent downturn in economic activity, the three countries have reviewed several times their GDP projections for 2014 (ECA, 2015).

16. In 2014**, the level of inflation** (7.42%) would drop in West Africa compared to the level in 2013 (7.6%). This decline would be strongly linked to the general level of prices in UEMOA countries. The highest inflation rates in West Africa are observed in the WAMZ area. This situation was worsened in 2014 with the Ebola Virus Disease epidemic that severely hit three countries in the zone. The affected countries faced inflationary pressures as the Ebola disease spread, leading to the loss of competitiveness of companies, a decline in business activity as well as a fall in household purchasing power.

17. In 2014, the **overall fiscal balance excluding grants** as a percentage of GDP for ECOWAS could improve from -4% in 2013 to -2.9% in 2014 (IMF, 2014). Within UEMOA, the ratio of the overall budget balance excluding grants over GDP would further worsen in 2014 compared to the ECOWAS level. In 2014, the overall fiscal balance excluding grants as a percentage of GDP for UEMOA would settle at -7% against -6.4%, due to a slight increase in budget revenues in the face of rising expenditures.

18. In the WAMZ area, a significant deterioration in the budget deficit excluding grants is expected in 2014 for countries affected by the Ebola epidemic, namely: Guinea, Liberia and Sierra Leone. The impacts of the epidemic have led to a considerable decline in total revenues of affected countries whilst governments have seen their expenditures rising as a result of interventions to contain the disease. Cape Verde would also experience a further deterioration of its ratio of budget deficit over GDP from 11.5% in 2013 to 12.7% in 2014.

19. Total outstanding debt of the ECOWAS region went up marginally from 26.1% of GDP in 2012 to 27.50% in 2013 because of rising domestic debt. At the end of 2013, the stock of public debt accounted for 37.3% of GDP against 38% in 2012 in the UEMOA space. This positive trend is linked to the benefits Cote d'Ivoire derived from the HIPC Initiative and the Multilateral Debt Relief Initiative (MDRI). In 2014, the outstanding debt for WAMZ would increase mainly due to the Ebola epidemic raging in three of its Member States. As a proportion of GDP, Cape Verde's outstanding external debt accounted for 68.9% of GDP in 2013 against 65.3% of GDP in 2012 (WAMA, July 2014).

20. Money supply for the ECOWAS region expanded by 4.7% in 2013 against 15.0% in 2012. This deceleration in money supply is attributed to that of Nigeria which grew by 1.2% in 2013 against 16.4% in 2012. In UEMOA countries, money supply is expected to increase by 9.2% on the assumption that the accommodative stance of monetary policy within UEMOA would remain unchanged. This expansion in money supply would mainly stem from the 12.3% increase in outstanding domestic credit.

21. In 2013, **the current account balance** for ECOWAS recorded a surplus (+2.2% of GDP). This improvement is mainly due to the performance of Nigeria which recorded a surplus of 7.4% of GDP against 7.3% of GDP in 2012. The position of the overall balance for ECOWAS recorded a deficit of 0.4% of GDP against a surplus of 2.7% of GDP in 2012 as a result of a significant decline in Nigeria's surplus (-0.4% of GDP against 4.3% of GDP in 2012).

22. Data available on the UEMOA zone indicate the continued deterioration of the current account balance from -6.6% of GDP in 2012 to -7.9% of GDP in 2013. The overall position of the balance of payment of UEMOA Member States recorded a surplus of 0.3% of GDP following a deficit of 0.3% of GDP in 2012. In WAMZ countries, there was an increase the current account surplus (4.9% of GDP against +4.3% in 2012) in line with the improvement in the current account surplus in Nigeria.

23. Overall, in terms of macroeconomic convergence, all the ECOWAS countries could not comply with the all the eleven criteria in 2013. The best performance was achieved by Niger which met nine (9) convergence criteria, followed by Benin, Burkina Faso, Cote d'Ivoire, Mali and Senegal with eight (8) convergence criteria each. On the other hand, the weakest performance was recorded by Gambia which observed only two (2) criteria, preceded by Ghana with four (4) criteria, Benin and Mali which met two (2) additional criteria each compared to 2012. On the contrary, Gambia observed two criteria less compared to 2012.

24. As far **as economic prospects in West Africa** are concerned in 2015, economic growth would be consolidated at 6.9% (FMI, 2014) against 6.3% in 2014. The UEMOA region would grow by 7.2%. This favourable prospect is attributed to expected improvements in the energy and transport sectors in Senegal and Niger and in all sectors in Cote d'Ivoire. It will be sustained by the positive effects of the expected economic recovery in Mali and the consolidation of activity in Nigeria, given the country's dominant role in the GDP of West Africa, i.e. nearly 75%.

25. **Average inflation rate** in the ECOWAS region would fall slightly to settle at 7.9% in 2015 against 8.6% in 2014. The lowest levels of inflation would be observed in the UEMOA zone where inflation could settle around 2.3% partly as a result a sharp decline in oil prices.

26. The public finance situation would remain fragile in 2015 due to the priority attached to public investments in infrastructure and social sectors within a context of limited room to manoeuvre in term of increasing the tax pressure.

27. A risk analysis based on the World Bank recent doing business index point to an improvement in the business environment. Also, West Africa has been recording on average a score of 52.2 over a scale of 100 according the ranking based on the Mo Ibrahim index on governance assessment and remains the region with the fastest progress.

28. Part III of this report deals with the social situation in West Africa and the issue of youth employment.

29. In terms of human development, with an average development index of 0.450 for West Africa, most of the countries in the region fall within the category of countries with "low human development", with the exception of Cape Verde and Ghana that are in the category of countries with "average human development".

30. Though the region did not achieve the various MDG targets, West Africa has made significant progress. Generally, poverty is on the decline, according to the 2014 report on MDGs (ECA et al, 2014) even though the situation has worsened in some countries.

31. Gains made on the poverty front were extended to health and education, leading to an improvement in the Human Development Index of all West African countries by 1% in the 1980s, 0.7% in the 1990s and by 1.5% since the 2000s.

32. This part also addresses extensively the exclusion of the youth from the job market in West Africa.

33. Social exclusion is a multi-faceted concept that has undergone many conceptual changes. It emerged for the first time in 1994 in France and referred to a category of unemployed individuals, children in difficult situation, drug addicts and criminals who were described as "social cases" that did not enjoy any social protection. Today, the concept of social exclusion has evolved and is closely linked to the notion of poverty. Social exclusion has become a multidimensional concept of poverty which includes social participation and respect for rights within society.

34. Three types of exclusion can be identified within the African context: exclusion from sustainable livelihoods, ii) exclusion from access to basic social goods and services; and iii) exclusion from social rights. Youth unemployment forms part of the first form of exclusion and compels the youth to be closely linked to poverty in Africa.

35. In recent years, West Africa has been recording the highest growth in Africa if not in the world. Yet, the level of unemployment is still a source of concern. Majority of jobs available to the youth in many countries are unstable jobs. Young people entering the labour market without acceptable levels of education are very likely to remain in low productivity jobs and are affected by variations in job requirements.

36. The youth unemployment rate is often higher than that of adult. According to ILO (2010) estimates, the youth unemployment rate in Sub Saharan Africa is generally 1.9 times higher than that of adults. Unemployment among the youth is higher in urban areas and even higher among those who have a high level of education. Also, the unemployment rate among young women is higher compared to young men.

37. Factors that contribute to the exclusion of young people from the labour market in West Africa are: (i) lack of jobs in the formal public and private sector, (ii) lack of professional experience among the youth, (iii) assigning of jobs by affinities, (iv) mismatch between training and skills required by employers and (v) inadequate search for jobs and the relative ineffectiveness of information systems on the job market.

38. This exclusion of the youth from the job market has many consequences on the sub region. These include: (i) the risk of political instability, (ii) the increase of the poverty rate among the youth, (iii) increased difficulty in integrating the youth into the job market and finally (iv) the persistence of a vicious cycle of poverty and social exclusion.

Recommendations

39. To address the challenges listed above, the report makes the following recommendations :

To Member States:

(i) Pursue and expand public investments in order to reduce the costs of factors of production, facilitate the regional interconnection and support economic growth;
(ii) Sustain increased partnership initiatives with the private sector and utilize the financial markets to finance investments that will guarantee fiscal sustainability;
(iii) Take into account the developmental agenda and regional integration in the development and implementation of economic strategies and policies;
(iv) Develop and consolidate strategies to address youth employment challenges, in particular:
   - For the integration of young people in the agricultural sector by removing constraints on agricultural productivity, especially in terms of access to financing, adequate land policy, weak skills and inadequate support infrastructure for individual entrepreneurs;
   - The implementation of measures combining financing facilities and technical and management capacity building for young graduates ;
   - The implementation of tax incentive measures and programs for the employability of young graduates by companies and the acquisition of first work experience ;
   - Strengthening transparency on the labour market through the establishment of platforms for information on job opportunities and incentives for companies to implement good recruitment practices ;

To sub regional economic communities:

i. Accelerate the implementation of priority development programmes, namely, the Community Development Program (CDP) and Regional Economic Programme (REP) PER of ECOWAS and UEMOA respectively while attaching urgency to investments that will facilitate regional interconnection;
ii. Develop and consolidate the regional capacity to respond to health crises and their consequences;
iii. Implement the ECOWAS Sahel strategy and strengthen crisis management mechanisms in order to contain the security and terrorism risks.

Introduction

1. The report on the regional socio-economic profile compiled by the Sub-Regional Office for West Africa of the Economic Commission for Africa (ECA/SRO-WA) provides an analysis of the social and economic conditions over the period 2013 -2014 and prospects in 2015 for the Economic Community of West African States (ECOWAS) region. It is submitted to the Intergovernmental Committee of Experts to tease out the recommendations on development policies and strategies that are likely to contribute to structural transformation as well as economic and social development of countries in the region.

2. In 2014, West Africa is expected to maintain a relatively high growth rate of 6.3%, thus consolidating its role as the engine of growth on the continent in recent years.

3. The relatively favourable economic environment is however fraught with challenges. In fact, economic activity is still sustained by performance in sectors that are not labour intensive, namely the mines, petroleum and services, especially telecommunications.

4. The agricultural sector which employs about 60% of the working population in the region is still suffering from low productivity and over reliance on the weather though the sector recorded growth in Nigeria and Cote d'Ivoire in 2013. With regard to the secondary sector, the share of the manufacturing sector, estimated at nearly 9% of GDP in 2013 (ECOWAS, 2014) remained modest, leading to a marginal expansion in labour intensive and high value addition subsectors.

5. Besides, the positive growth prospects for 2014 and 2015 may be constrained by important risk factors associated with the instability in northern Nigeria and the Sahel region, the spread of the Ebola virus disease that has already had a negative impact on economic and social performance in affected countries and fluctuations in the price of crude oil and weather conditions.

6. At the social level, West Africa is still confronted with the challenge of "low human development". The region's ranking according the UNDP Human Development Index for 2014 shows that out of the last twenty countries, half of them are West African countries.

7. It is against this background that this report on the socio-economic profile of West Africa in 2014 has been compiled. The current edition covers a review of the international economic environment, an analysis of the regional economic and social situation in the region over the period 2013-2014 and prospects for 2015. The report analyses also the risks in the West African region and deals with one development challenge for the region, namely the labour market and the exclusion of the youth from the said market.

8. The Sub regional office compiled this report based on documents prepared by sub regional institutions, including ECOWAS, WAMA, UEMOA, BCEAO, in addition to its own documentation. Other sources such as the United Nations Division for Economic and Social Affairs (UN-DESA) and the IMF were used for data or information that are not available at the sub regional level.

1. International environment

1.1 Global context

9. The upturn in economic activity was expected to strengthen in 2014, with a growth rate estimated at 2.6%, indicating a slight increase compared to 2.5% in 2013 (UN DESA, 2015)[1].

10. This trend in world production, though limited, marked the first break with slow growth of 1.9% recorded over the period 2008-2011 as a result of the world financial crisis which occurred in 2008-2009. However, it reflects the difficulties developed economies are facing in their quest to return to pre-crisis growth rates. The average increase in activity over the period 2005-2007 was more than double the average level observed over the period 2011-2014, 2.7% against 1.25% to be precise.

11. This situation was sustained in Europe by the fragile recovery of 1.3% in 2014 against zero growth in 2013, with some countries almost falling into recession. In the case of Japan, in spite of the combined policies of fiscal and monetary stimulus, the country recorded a weaker growth of 0.4% in 2014 against 1.5% in 2012-2013. On the other hand, the United States consolidated their economic recovery with an expansion in economic activity by 2.2% and 2.3% in 2013 and 2014 respectively.

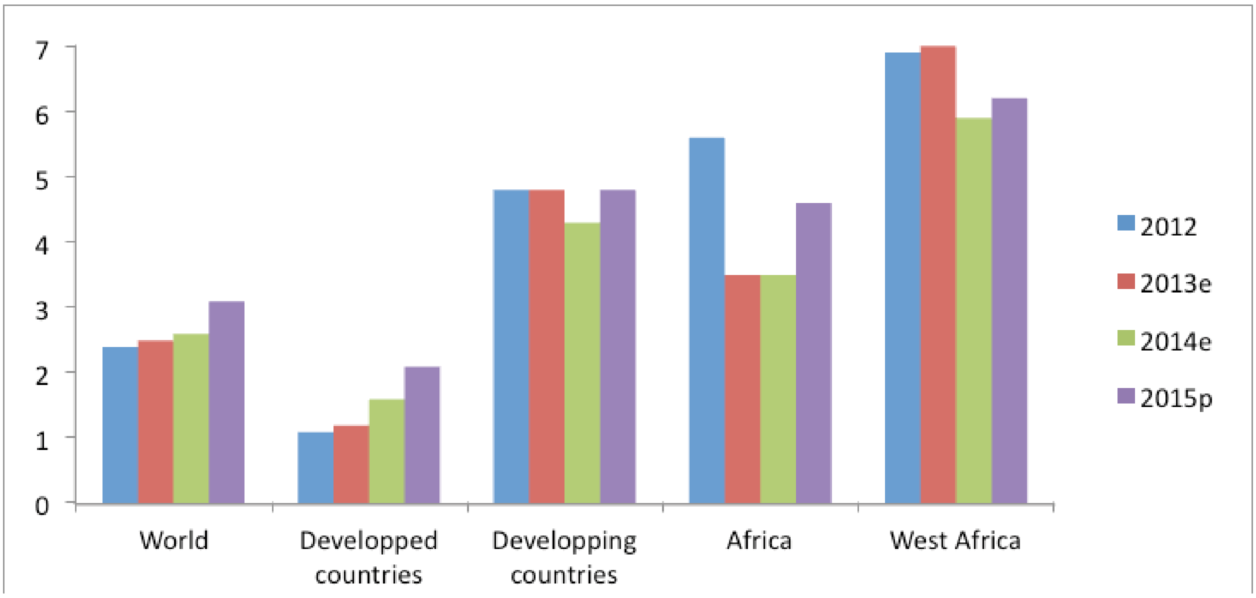
12. As regards transition and developing countries, production trends were very mixed in 2014. The performance of major economies in Latin America and the Community of Independent States, especially Brazil and Russia was very disappointing. These two countries with growth rates of 0.3% and 0.5% respectively in 2014 were exposed to specific constraints of structural deficits and macroeconomic management, high financial risks as well as geopolitical pressures.

13. On the contrary, East and South Asian countries maintained a high pace of activity at 5.9% in 2014. This trend was mainly sustained by China which continued to experience a healthy growth at 7.3% in 2014 against 7.7% in 2013, but indicating a deceleration when compared to the average of 9.6% over the period 2008-2011.

14. With regard to Africa, the growth profile stabilized at 3.5% in 2013 and 2014 after a leap to 5.6% in 2012. The growth observed in 2014, however, reflected a nuanced performance by the region. Thus, East and West Africa consolidated their position as the driving force of African growth as they grew by 6.5% and 6.3% respectively (ECOWAS 2015), while growth remained moderate in Central Africa at 4.3% and very limited in Southern and Northern Africa with 2.9% and 1.6% respectively.

1 Data used in this chapter were obtained from the World Economic Situation and Prospects, UN DESA, January 2015, unless otherwise stated.

Figure 1 : World Economic Outlook (in percentage change)



***e:** estimates, p: projections*

Sources: UN DESA, World Economic Situation and Prospects, January 2015

15. Concerning inflation, pressures on prices were generally contained at the global level at 3%, however, with contrasting situations. These pressures were thus limited in developed countries, with even risks of deflation in some EU countries which experienced a deceleration in the general level of prices from 1.5% in 2013 to 0.7% in 2014 within a context of a weak growth and strength of the Euro in the first half of 2014.

16. In developing and transition countries, the level of inflation remained relatively high in some of these economies, even though a downward trend was anticipated in the short to medium term. In the Community of Independent State, the average increase in prices reached 8.1% in 2014, mainly due to the strong depreciation in the currency of most countries in the region. In Africa, average inflation would fall from 7.2% to 6.9%, under the combined effect of more prudent monetary policies and a moderate variation in import prices. In South Asia, the easing of inflationary pressures observed since 2012 was consolidated at a level estimated at 2.4% in 2014. The same trend with a more pronounced decline was observed in South Asia where inflation would fall from 14.7% in 2013 to 9.2% in 2014. This drop was on account of India and the Islamic Republic of Iran which recorded respectively an increase of 5.7% and 17.8% in 2014 against 10.1% and 39.3% in 2013. For Latin America and the Caribbean, pressures on price were stronger in 2014, generally raising inflation from 7.2% to 10.2% between 2013 and 2014. This situation was on account of Argentina which recorded an inflation rate of 25% in 2014 against 10.9% in 2013 within a context marked by pressures from the country's major creditors.

17. Against the back drop of a moderate world growth, employment growth rate remained weak at 1.4% in 2014, a rate below the growth rate observed prior to the 2008-2009 financial crisis. This trend highlighted concerns about the persistence of high levels of unemployment in most regions. In developed countries, the dynamism on the jobs market in the United State in 2014, with an employment rate below 6% was offset by the high levels of unemployment in the Euro zone, where the youth unemployment rate hit 60% in Greece, 53% in Spain, 44% in Italy and 35% in Portugal.

18. With regard to developing and transition countries, unemployment rates remained stable and relatively low in 2013 in South and East Asia, settling at 4.5% and 4% respectively. This situation is partially linked to the limited rise in number of job seekers due to the growing size of the aged population and the late entry of the youth onto the labour market as a result of prolonged years of education. On the other hand, unemployment continued to rise in North Africa and West Asia at 12.2% and 10.9% respectively.

19. It is worth noting the inadequate nature of unemployment indicators in developing countries due to the extensive informal sector and under-employment in many countries. Thus, the International Labour Organization (ILO) estimates at 30 to 40% the share of informal jobs in total employment.

20. In terms of commodity prices, crude oil prices were on a downward trend in the course of 2014, falling in November 2014 to its lowest level in five years. This downward trend was fuelled by low demand within a context of excess supply by producers as well as the expansion of non conventional oil production in the United States and Canada. Concerning non-oil commodities, the nominal price index of non-oil goods fell by 6% over the period January to August 2014 on year-on-year basis, reflecting a relative drop in most commodity prices excluding oil.

21. As regards world trade, the volume of imports and exports grew respectively by 3.3% and 3.5% in 2014 against 2.9% and 3.1% in 2013. This improvement reflects a generally mixed trend in the external trade position of the various regions across the world. Developed countries consolidated their positive profile, with their volume of export and imports growing respectively by 3.5% and 3.3% in 2014 against 2.2% and 1.2% in 2013. A less favourable trend was observed in developing countries, with a decline in the export and import volumes by 4.5% and 5.3% in 2013 against 3.8% and 3.9% in 2014.

22. In terms international capital flows, the major development was the expected 6% decline in net private capital inflows into emerging economies, when compared to the level in 2013. This decline stemmed mainly from capital flights in Russia as a result of the difficult economic situation prevailing in the country and geopolitical tensions in the region. With regard to the specific component of Foreign Direct Investments (FDI) inflows, a positive profile was however observed with an annual average hovering around $550 billion over the last three years. These flows were primarily directed to emerging and developing countries both in terms of inflows and outflows. With respect to outflows, an amount of 460 billion dollars from emerging economies was recorded in 2013.

23. Finally, on the currency market, the dominant trend was the steady appreciation of the dollar against the major reference currencies, the Euro, the Yen and the Pound Sterling. The dollar index which measures the value of the dollar against a basket of six currencies of developed countries reached in November 2014 its highest level in four (4) years.

24. The appreciation of the American currency against the Euro is mainly attributed to the a relatively more favourable economic situation in the United States both in terms of growth and job creation as well as the gradual departure from the expansive monetary policy of the FED. On the other hand, the European Central Bank chose the reverse path, marked by a reduction of key rates and massive refinancing of the European economy, confronted with the risks of deflation.

1.2 Recent developments and prospects in Africa

1.2.1 Economic situation in 2014

25. Economic growth in Africa remained at 3.5% in 2013 and 2014 within a context a moderate upturn in world activity marked by a slow recovery in developed economies with the exception of the United States and a relative strength of activity in developing and emerging countries. The vibrancy in production is still linked to strong private consumption and investments in all the five regions of the continent. The positive trend in these two demand components was sustained by a higher consumer confidence, an expansion in the middle class and an improvement in business environment as well as higher public capital expenditures in infrastructural development. On the other hand, the continent was still confronted with an external trade imbalance owing to increased import pressures from the demand for capital goods for infrastructural and exploration works.

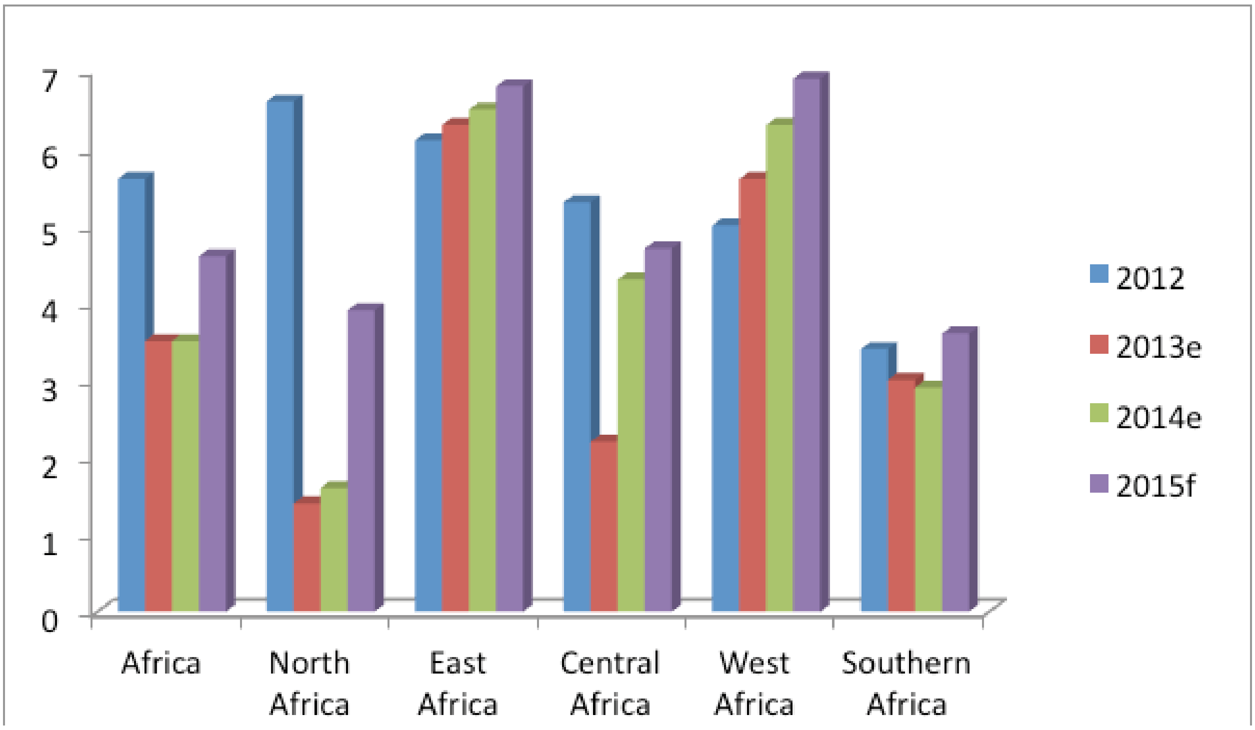
26. With regard to the reliance on the oil sector, activity growth in exporting countries virtually stagnated at 3.2% in 2014 against 3.3% in 2013 due to the moderate increase in oil prices and their sharp decline in the second half of the year as well as disruptions in production, particularly in North Africa. As far as importing countries are concerned, growth stood at 3.7%, the same level as in 2013. Within this group, countries like Ethiopia and Rwanda which are not endowed with mineral and oil resources continued to post strong growth at 8.2% and 6% respectively in 2014, thanks to the dynamism in the services sector, agriculture and infrastructure investments. .

27. On regional basis, various growth dynamics were recorded with a gap between the East-West and North South axes. The East-West axis continued to be the engines of growth in Africa, with respective growth of 6.5% and 6.3% (ECOWAS 2015) in 2014 for East and West Africa while in North Africa and Southern Africa, activity grew by 1.6% and 2.9% respectively. Central Africa recorded a leap of 4.3% in 2014 against 2.2% in 2013.

28. East Africa consolidated its position as the leading region in terms of growth, mainly sustained by the economies of Kenya and Uganda due to a strong performance in the financial, telecommunications and transport sectors as well as increased urbanization, infrastructure investments and the expansion of the middle class. West Africa, on its part, maintained a relatively fast pace of growth in production thanks essentially to buoyant activity in Nigeria which would grow by 6.2%.

29. Growth in North Africa, though moderate, saw an improvement compared to the 1.4% achieved in 2013 as result of the improvement in the political situation in Egypt and Tunisia. Southern Africa maintained the expansion in activity at 3% on account of the modest growth in South Africa by 1.4% in 2014.

Figure 2: Recent trend in economic growth in Africa



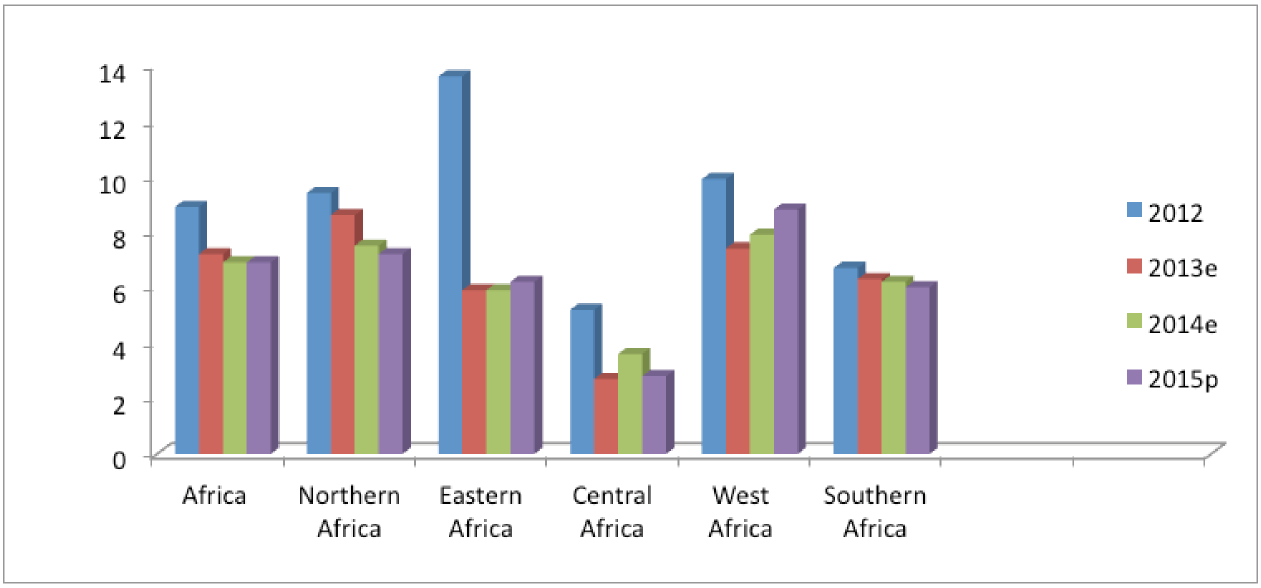
Sources: *UN DESA, World Economic Situation and Prospects, January 2015.*

30. With regard to inflation, the deceleration in the pace of price increases observed since 2012 was consolidate in 2014 at 5.6% thanks to the moderate rise in the prices of food, fuel and imported industrial products as well as the implementation of restrictive monetary policies in some countries where inflation used to be high.

31. At the regional level, Central Africa continued to record the lowest inflation rate at 3.6% in 2014 as a result of the replication of restrictive monetary policies of the Euro zone in the region due to the fact that the common currency ,the CFAF, is pegged to the Euro. In Southern Africa, the slight easing of inflationary pressures would be recorded with the inflation rate falling from 6.3% to 6.2% between 2013 and 2014 thanks to the downward trend in fuel and food prices. For East Africa, inflation stabilized at 5.9% between 2013 and 2014. The inflationary trend was partially linked to performance in seasonal agriculture production in Kenya as well as the depreciation of the national currency, the shilling, and hikes in electricity tariffs in Tanzania.

32. In the case of West Africa, inflationary pressures were slightly lower in 2014, settling at 7.4% against 7.6% in 2013 (ECOWAS, 2015). In North Africa, there was a consolidation of the downward trend in prices, with a deceleration of inflation from 8.6% in 2013 to 7.7% in 2014. Inflationary pressures were more contained in Algeria, Mauritania and Morocco due to the decline in food prices and a moderate increase in domestic demand, especially in Morocco. Nonetheless, these pressures were higher in Libya and Egypt owing to disruptions in the supply chain of products as a result of political unrest.

Figure 3: Recent inflationary trend in Africa



Sources: *UN DESA, World Economic Situation and Prospects, January 2015.*

33. As regards the fiscal situation, countries continued to generally record budget deficits stemming from increased capital expenditures, wage bill, transfers and subventions as well as social safety net policies. Major economies such as South Africa, Tanzania, Cameroon, Kenya and Ghana were still confronted with relatively high budget deficits, with respective rates of 4.4%, 5%, 5%, 6% and 7.8% in 2014.

34. Concerning the external position, oil exporting countries would maintain the surplus on their current account but the external imbalances would ease for oil importing countries thanks to the downward trend of crude oil prices in the first half of 2014. The appreciation of the dollar could also sustain the export of goods and services in oil exporting countries as well as countries with a better industrial fabric compared to countries which exports natural resources. However, these positive trends could be offset by the increase in the prices of imported goods valued in dollars. For the two leading economies on the continent, the situation would remain uneven with a balance that would record a surplus of 4.9% (ECOWAS, 2015) for Nigeria, while South Africa would record a deficit of 5.4% in 2014.

1.2.2 Prospects for Africa in 2015

35. In the short term, Africa would accelerate the pace of growth, with activity growing by 4.6% in 2015 against 3.5% in 2014. This renewed dynamism would still be driven by strong public and private demand. In fact, private consumption would be sustained by the expansion in the middle class and moderate increase in prices. Public demand would be consolidated thanks to higher public capital expenditures. Economic activity on the continent would continue to benefit from investment and the discovery of new minerals.

36. On regional basis, Northern and Southern Africa would record more favourable prospects as the growth climb from 1.6% and 2.9% in 2014 to 3.9 and 3.6% in 2015. In North Africa, the improvement in the socio-political situation would spur growth while in Southern Africa, regional activity would be sustained by investment in mineral resource and gas explorations in Mozambique, the recovery in private consumption in South Africa and investments in non diamond sectors in Botswana.

37. West and Central Africa would experience a more moderate activity growth from 4.3% and 6.3% respectively (ECOWAS, 2015) in 2014 to 4.7% and 6.9% in 2015 (IMF, 2014) within a context marked by increased risks of political instability and security threats, especially in the Central African Republic, Nigeria and the Sahel Saharan zone.

38. As regards East Africa, the growth rate is expected to jump from 6.5% in 2014 to 6.8% in 2015 thanks to the expansion in banking and telecommunication services, the middle class and urbanization in Kenya as well as increased activity in construction, financial, transport and telecommunications services in Uganda.

39. Inflation would reach 6.9% in 2015, the same level as in 2014. The easing of inflationary pressures would be as result of a moderate rise in prices of essential goods, including food products, imported capital goods and industrial products as well as the downward trend in oil prices.

40. Concerning the fiscal situation, public deficits would persist in 2015, due to higher capital expenditures, expansion in the public wage bill and social safety net programmes underway in most countries on the continent.

41. Despite this generally favourable environment, the African economy may be constrained by both internal and external risk factors.

42. On the external front, a more significant drop in oil and commodity prices could affect producing countries and lead to a deterioration of public finances and the economic situation in general. The slowdown in growth in China as well as the slow recovery in the Euro zone could also adversely affect export flows in these countries. Finally, changes in monetary policy in Europe and the United States as well as uncertainties on the capital market could generate increased volatility in the exchange rates of African currencies and expose countries to stronger inflationary pressures, reduced competitiveness and tighter financing conditions.

43. At the internal level, even though the effects of the Ebola epidemic were largely confined to the three most affected countries (Guinea, Liberia and Sierra Leone), the persistence and spread of disease in 2015 could affect the West Africa region, especially trade, tourism and transport sectors as well as the agricultural sector in addition the negative social impact. The continent would still remain exposed to political instability and security threats in North-East Nigeria, the Sahel strip, Libya and Somalia. Finally, the effects of uncertain climatic conditions on performance in the agricultural sector in particular, will remain in most regions in Africa.

II. Regional economic profile over the period 2013 – 2014 and prospects for 2015

44. Economic activity in West Africa is expected to grow by 6.3% against 5.6% in 2013. This trend, which consolidated the favourable growth of about 5.6% over the last four years, occurred within a context marked by uncertainties resulting from the Ebola epidemic as well as security and political tensions in northern Nigeria and the Sahel zone.

2.1 Economic situation

2.1.1 Economic growth

45. In 2014, the West Africa region maintained the pace of growth with a rate of 5.6% against 5.0% in 2012 while the world economy continued to experience moderate recovery. The buoyancy of activity in the ECOWAS sub region is attributed to the good performance achieved by countries in terms of economic growth in 2013: Sierra Leone (13.0%), Côte d'Ivoire (9.0%), Liberia (8.1%), Ghana (7.6%), Burkina Faso (6.6%), and Nigeria (5.4%) (ECOWAS, 2015).

46. With regard to the UEMOA zone, the growth rate stood at 5.8% in 2013 against 6.6 % in 2012. Most of the UEMOA Member States experienced the same growth trend (six out of eight countries recorded growth rates above 8%) (WAMA, 2014). This growth was fuelled by the good performance in the secondary (4.9% for industrial production) and tertiary sectors. In this regard, the turnover index for retail trade went up by 11.9% in Member States (BCEAO, 2014). The 2013/2014 farming season was adversely affected by erratic rainfall in some Sahel countries. However, food production recorded a score above the average for the previous five seasons (WAMA, 2013). GDP for the UEMOA zone accounted for about 14.6% of GDP for the ECOWAS region.

47. In the WAMZ area, growth stood at 6.9% against 6.8% in 2012. This performance was sustained by growth in Nigeria (5.4% in 2013 against 4.2% in 2012) and Sierra Leone (13.0% in 2013 against 15.2% en 2012) (CEDEAO, 2015). Cape Verde observed a decline in growth which fell from 2.5% in 2012 to 1% in 2013 due to the contraction in domestic demand (WAMA).

48. With respect to expenditure, investment was the engine of growth within the ECOWAS region. This situation was on account of the development of socio-economic infrastructure under various programmes in many countries in order to achieve economic emergence.

49. In 2014, economic growth within the ECOWAS region was expected to remain on track and settle at 6.3% against 5.6% in 2013 (CEDEAO, 2015). The renewed dynamism in regional activity is attributed to the good performance recorded in most countries, with a growth rate above 6% for some countries in the region. Cote d'Ivoire, Sierra Leone, Niger, Burkina Faso, achieved GDP growth of 9%, 6.6%, 7.1% et 4.5% respectively. Nigeria's GDP would be up by 6.2% (CEDEAO, 2015).

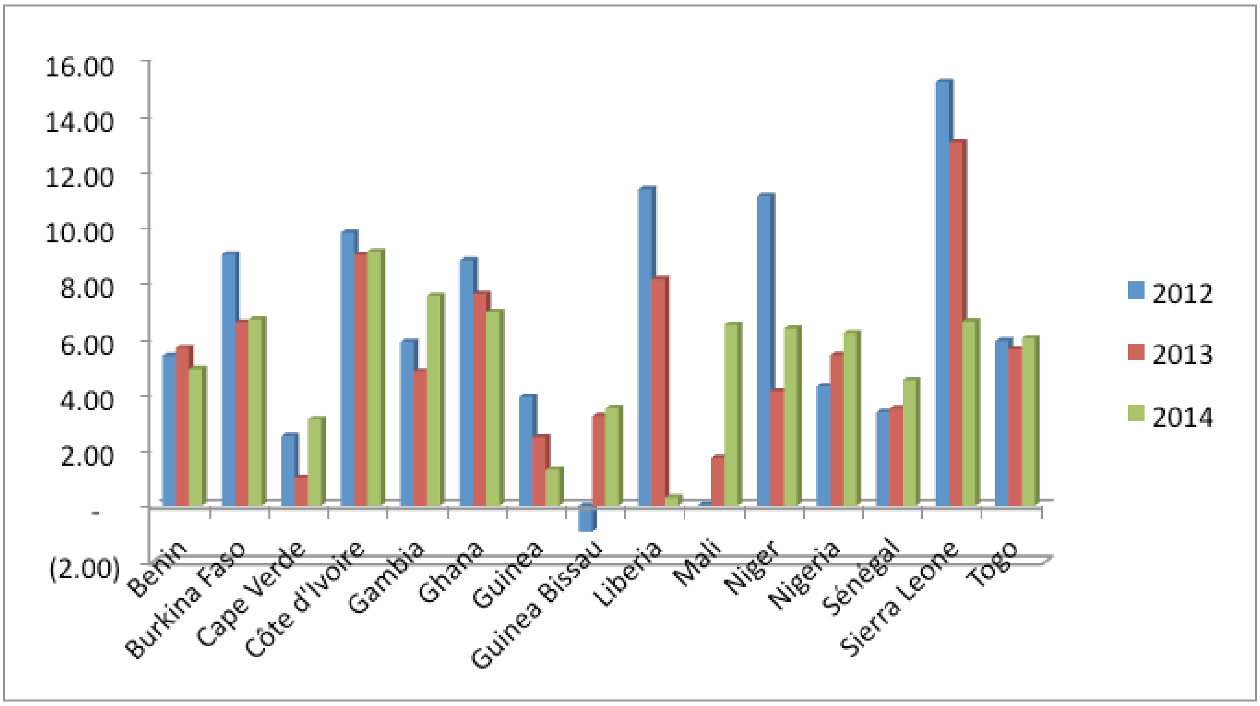
50. This good performance may be due to rising public and private investments in some countries within the framework of building development infrastructure. It was also sustained by the good showing in other sectors of the economy such as telecommunications, trading and agriculture.

51. In Nigeria, which thanks to the change in the base year for the calculation of its GDP from 1990 to 2010 accounts for 75% of the regional GDP (CEDEAO, 2015), activity was driven by growth in non oil sectors such as agriculture trading, information and telecommunication technologies, entertainment industry and other services sectors (AfDB, OECD, UNDP 2014)

52. At the level of the eight UEMOA countries which represent 14.6% of GDP for the ECOWAS region, economic growth would climb from 5.8% à 6.8% between 2013 and 2014. This situation is attributed to accelerated economic growth in all the countries, with Cote d'Ivoire, the best performing economy in the region in 2013 and 2014, recording a 9% expansion in activity in 2014. Countries such as Cote d'Ivoire, Guinea Bissau and Mali are recovering from political instability crises or armed conflicts that have crippled their economies in the recent past.

53. As regards the WAMZ area, growth projections before the Ebola epidemic had to be reviewed for countries that were most affected by the disease, namely, Guinea, Liberia and Sierra Leone. The contraction in GDP would vary between 2 to 5 percentage points. In terms of purchasing power parity (PPP), this corresponds to a total loss in GDP terms of about 716 million dollars for these three economies. Since the outbreak of the epidemic, and the subsequent slowdown in activity, these countries have on several occasions reviewed their GDP projections for 2014 (ECA, 2015). Guinea reviewed its GDP growth rate from 4.5% to 3.5% and then to 1.3%; that of Sierra Leone was reviewed from 11.3% to 8% and to 6.6%; that of Liberia was cut from 5.9% to 2.5% then to 1% and settled at 0.3% according to the Central Bank in its January 2015 report on the economic situation in 2014.

Figure 4: Real GDP Growth



estimates- *** projections*
Source: ECOWAS AND ECA/SRO-WA, 2015 Data

Box 1 : Change in the base year for GDP calculation in Nigeria: ***A more realistic picture of the Nigerian economy***

In order to give a more realistic picture of its economy, Nigeria decided to change the base year and conducted a reassessment of the country's national accounts, including GDP. Nigeria was using 1990 as reference year to calculate its GDP which did not take into account the rapid growth of some activities that are booming in the country such as ICTand the entertainment sector (especially the film industry of Nollywood), thus undervaluing the national wealth of the country. It must be recalled that the United Nations Statistical Commission (UNSC) recommended that countries recalculate their GDP every five years to reflect changes in the structure of production and consumption.

Following activities involved in the change of the year to 2010 as the new reference year, the National Bureau of Statistics (NBS) published in July 2014 its final estimates of nominal and constant GDP as well as the GDP growth rate for the period. This resulted in Nigeria's GDP almost doubling, making the country the largest economy in West Africa and the 26th economy in the world. It accounts for 45% of Sub Saharan GDP (measured in current terms) and 1% of world GDP.

In relation to the sub region, Nigeria's GDP would represent in 2014 over 75% of GDP for the ECOWAS region. It is followed by Ghana (4.8%), Cote d'Ivoire (4.6%) and Senegal (2.1%). The four countries alone account for 89.5% of wealth produced in West Africa.

Source: Report on regional prospects, IMF, October 2014 and ECOWAS (2015) ECA/SRO-WA

2.1.2 Inflation

54. The level of inflation stood at 7.6% in 2013, reflecting a deceleration compared to 10.3% in 2012 (ECOWAS, 2015). This drop in inflation is attributed to the easing of pressures on the world commodity markets and the effects of tight monetary policies in many countries.

55. Within the UEMOA zone, inflation fell drastically in 2013 and settled at 1.5% against 2.7% in 2012. This development is due to the drop in local grains prices as a result of a 24.8% increase in grains production during the 2012/2013 farming season and the cost of energy products in some countries. All the Member States saw their inflation decline, with the exception of Niger.

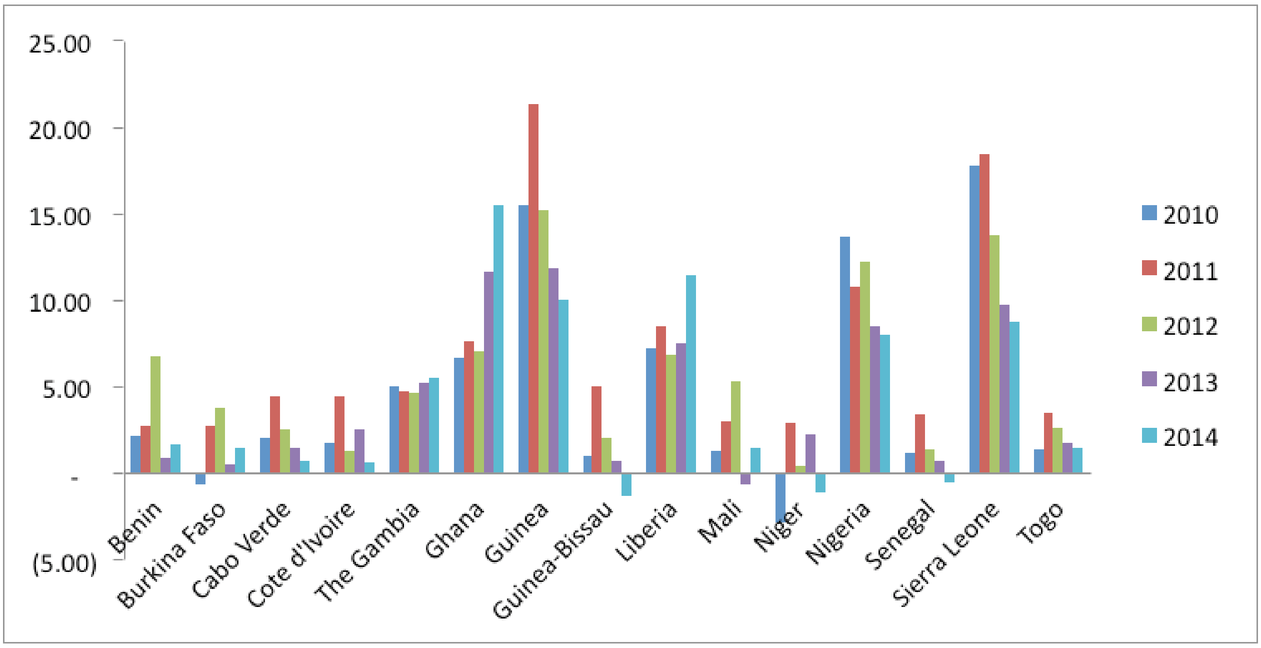
56. In WAMZ, there was also a dip in the level of inflation which settled at 8.4% in 2013 against 11.7% in 2012. This drop is on account of the slight reduction in pressures on prices in several countries, including Nigeria (8.5% against 12.2% in 2012), Guinea (11.9% against 12.8% in 2012) and Sierra Leone (8.2% against 11.4% in 2012). On the other hand, the other countries in the zone recorded higher inflation rates (WAMA).

57. In 2014, the level of inflation (7.42%) was expected to drop in West Africa compared to the level in 2013 (7.6%).

58. In the UEMOA zone, inflation fell from 1.5% to -0.1% in 2014. Cote d'Ivoire and to a lesser extent Senegal and Togo saw their inflationary pressures reduce between 2013 and 2014 from 2.5% to 0.5% and from 0.7% to -1.1% and 1.7% to 0.2% respectively. All Member States were expected to be below the community standard which requires an inflation rate below or equal to 3%.

59. The highest inflation rates in West Africa were recorded in the WAMZ countries. This situation was compounded in 2013 by the Ebola epidemic which affected three countries in the zone. The affected countries faced inflationary pressures as the disease spread, leading to loss of competitiveness of companies, a decline in commercial activities as well as the crumbling of the purchasing power of households. For example, in Liberia, the level of inflation in June 2014 reached 11% and stood at 14.7% in December 2014 against 8.5% in 2013. In Sierra Leone, inflation could reach 10% against 8.5% in 2013. The inflationary pressure in WAMZ were sustained by the 15.5% leap in Ghana mainly as a result of hikes in electricity and water tariffs as well as the depreciation of the local currency against the US dollar.

Figure 5 : Consumer prices (*Annual average, percentage change)*



Source: *ECOWAS AND ECA/ SRO - WA Data, 2015*

2.1.3 Public finances

60. The overall budget deficit excluding grants for the ECOWAS region in 2013 was estimated at 4% of GDP, indicating a deterioration compared to situation in 2012 which was 3.6% of GDP (WAMA). The continuous public investments and rising wage bills are probably the cause of the worsening budget deficit excluding grants. In this context of a general deterioration, some countries improved their situation in 2013 compared to that of 2012, namely, Sierra Leone, Guinea Bissau, Senegal and Gambia. The budget balances of these countries in 2013 stood respectively at -5.1%, -6.0%, -8.2% and 10.8% against -8.0%, -8.1%, -9.0% and -13.5% in 2012. Nigeria experienced a moderate increase in its budget deficit of -2.7% of GDP in 2013 against -2.5% in 2012. Countries which recorded a deterioration were Niger (-9.8% against -7.3% in 2012), Togo (-9.0% against -8.2% in 2012), Burkina Faso (-8.8% in 2013 and 2012), Ghana (-8.7% against -7.6% in 2012) and Guinea (-7.5% against -5.4% in 2012). According to the IMF, total revenues excluding grants for the ECOWAS region jumped by 12.6% in 2013 against 15.2% while expenditures grew by 16% against 16.7% in 2012.

61. In the UEMOA zone, the public finance situation in 2013 was marked a deterioration of budget deficits due to a higher growth in expenditures (UEMOA, 2014). Total revenues went up by 9.9% to account for 18.5% of GDP as in 2012. The upward trend in revenues stemmed from efforts made to collect tax revenues which climbed by 9.0% to account for 18.5% of GDP against 18.0% in 2012.

62. This trend is sustained by reforms underway within financial authorities to combat tax fraud and ensure a better administration of VAT, apply strict controls on exemptions and establish a better taxation system in the informal sector. The increase in tax revenues is linked to the sharp rise in Benin (11.7%), Burkina Faso (11.4%), Niger (12.4%) and Togo (23.1%) and a limited increase in Cote d'Ivoire (8.8%) and Mali 6.0%). Non tax revenues jumped by 16.6% to settle at 2.1% of GDP against 1.9% in 2012. Grants increased significantly to account for 3.1% of GDP against 2.3% in 2012. The highest increases were recorded in Burkina Faso, Mali and Cote d'Ivoire.

63. Total expenditures and net lending climbed by 12.5% in 2013 to account for 25.1% of GDP against 23.8% in 2012. This growth was essentially fuelled by capital expenditures which went up by 31.0%. Current expenditures grew by 4.4% as a result of a 4.5% increase in transfer expenditures and subsidies as well as a 6.9% rise in the wage bill, offset by a 6.9% drop in operational expenditures. In all, the over-

all deficit excluding grants and the overall deficit for UEMOA worsened and accounted respectively for 6.4% of GDP and 3.3% of GDP in 2013 against 5.5% and 3.1% in 2012.

64. In WAMZ, the overall deficit excluding grant stood at 3.3% of GDP in 2013 against 3.0% of GDP in 2012, representing a deterioration of 3 percentage points of GDP. This deterioration is due to the poor performance observed in the other countries in the zone, with the exception of Gambia and Sierra Leone.

65. In Cape Verde, the overall deficit excluding grants shrank but remained high at 10.9% of GDP against 14.0% of GDP in 2012. This high level of deficit is mainly linked to the government's wish to take advantage of the low interest rates on the international market to raise funds for priority public investments.

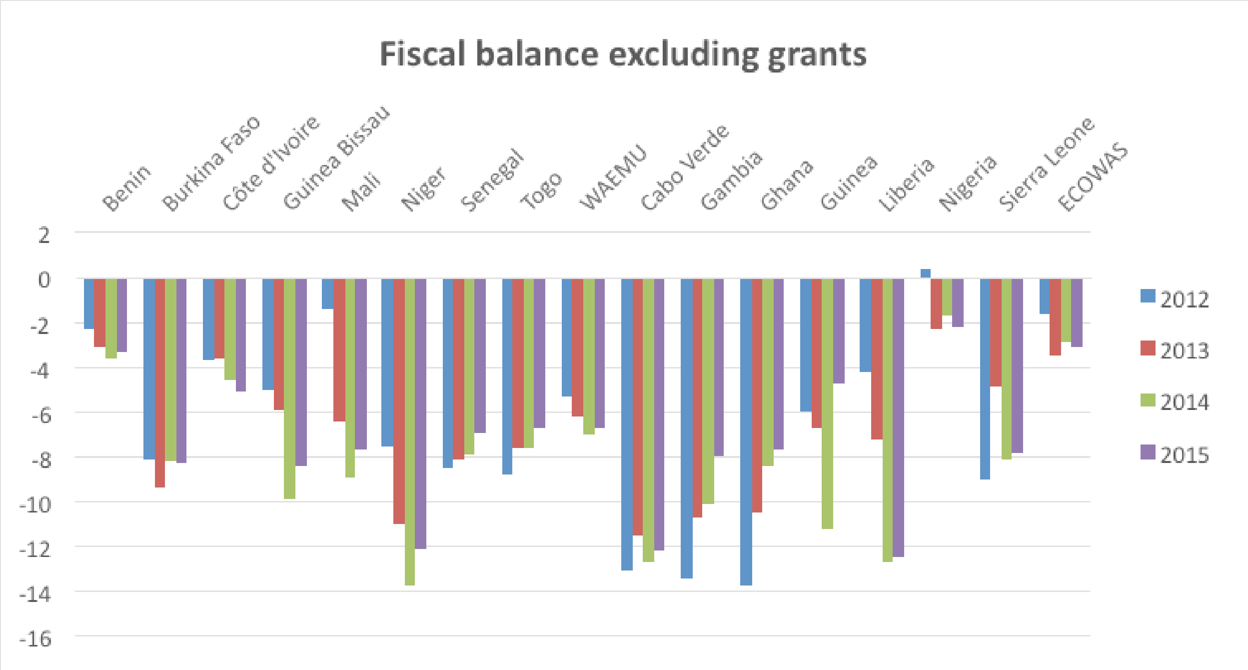
66. In 2014, the overall budget balance excluding grants as a percentage of GDP for ECOWAS could improve from -4% in 2012 to -2.9% in 2014 (IMF, 2014). This situation would be attributable to an improvement in the budget deficit in countries such as Burkina Faso (-8.2% in 2014 against -9.4% in 2013), Senegal (-7.9% in 2014 against -8.1% in 2013), Gambia (-10.1% in 2014 against -10.7% in 2013), Ghana (-8.4% in 2014 against -10.5% in 2013) and Nigeria (-1.7% in 2014 against -2.3% in 2013).

67. Within UEMOA, the ratio of the overall budget balance excluding grants to GDP would deteriorate further in 2014 compared to the regional level for ECOWAS. In 2014, the overall budget balance excluding grant as a percentage of GDP for UEMOA is expected settle at -7% against 6.4% due to a lower increase in budget revenues compared to rising expenditures. Budget revenues would grow by 10.9% to account for 18.7% of GDP thanks the expected rise in tax revenues by 13.0%. This upturn would be on account of efforts aimed at improving revenue collection. Total expenditures and net lending would go up by 11.9% to account for 25.6% of GDP. In all, the overall deficit including grants for the West African Economic and Monetary Union in relation to GDP improved from 3.1% in 2013 to 2.9% in 2014.

68. In WAMZ countries, a sharp deterioration of the budget deficit excluding grants is expected in 2014 in countries affected by the Ebola virus, namely, Guinea, Liberia and Sierra Leone. The epidemic through its impact on economic activity led to a significant decline in total revenues while government expenditure was rising due to interventions to contain the disease. Guinea's budget deficit excluding grants settled at 6.8% of GDP in 2014 against 6.7% in 2013. In the case of Liberia, the overall budget deficit as proportion of GDP could settle at 12.7% in 2014 against 7.2% in 2013. In Sierra Leone, projections indicate an overall budget deficit excluding grants of 8.1% in 2014 against 4.9% in 2013.

69. Cape Verde could also see the ratio of its budget deficit over GDP deteriorate further from 11.5% in 2013 to 12.7% in 2014.

Figure 6 : Overall fiscal balance, excluding grants



Source: *Regional Economic Outlook, IMF, Oct 2014*

70. Total outstanding debt for the ECOWAS region went up marginally from 26.1% of GDP in 2012 to 27.50% in 2013 as result of a rise in domestic debt. The outstanding foreign debt improved due to debt cancellation obtained by many countries under the HIPC initiative. In 2013, this ratio was 9.8% of GDP against 10.5% of GDP in 2012 (IMF, October 2014). Outstanding debt for the ECOWAS region in 2014 would account for 28.10% of its GDP.

71. At the end of 2013, the public debt stock accounted for 37.3% of GDP against 38% in 2012 within UEMOA. This positive trend is linked to the benefits derived by Cote d'Ivoire from the HIPIC Initiative and the MDRI. Cote d'Ivoire's outstanding foreign debt dropped from 44.8% of GDP in 2012 to 39.9% of GDP in 2013, representing a 4.9 point decrease. However, it is worth noting the rapid increase in this ratio in some Member States, particularly Senegal whose outstanding public debt would account for 46.8% of GDP in 2014. The Union's outstanding debt and end 2014 would account for 37.3% of its GDP.

72. The total outstanding debt went up by 0.9 point compared to 2012. This development is linked to the level of outstanding domestic debt which rose by 1.5% as a result of the intervention on the financial market in some countries. In 2014, the outstanding debt of WAMZ is expected to shoot up mainly due to the Ebola epidemic raging in three member countries. In fact, one of the effects of the Ebola epidemic is the rise in public expenditures and a decline in tax revenues because of the slowdown in economic activity. For example, Liberia's public debt grew by 64 million US dollars between January and September 2014, from $630.6 million dollars to $694.8 million, indicating a 10.2% increase.

73. In Cape Verde, total outstanding public debt remained very high (99.4% of GDP in 2013 against 91.3% of GDP in 2012, according to the International Monetary Fund) due largely to the external component. As a ratio of GDP, Cape Verde's outstanding foreign debt accounted for 68.9% of GDP in 2013 against 65% of GDP in 2012 (WAMA, July 2014). In 2014, the total debt stock of Cape Verde could settle at 110.4% of GDP.

2.1.4 Monetary situation

74. In 2013, the trend in monetary and interest rates policy was marked by the adoption of flexible monetary policies by all Central Banks, except that of Ghana and Gambia. They maintained their key rates at same level as in 2012 or they brought to a lower level.

75. Thus, the Central Banks of Nigeria and Cape Verde maintained their key rates at 12% and 5.7%% respectively with the aim of ensuring stable prices. BCEAO and the Central Banks of Guinea and Sierra Leone relaxed their monetary policy. The rate of the marginal lending window and the minimum bid rate went down respectively from 4.0% and 3.5% at the end of 2012 to 3.5% and 2.5% at end 2013. On average, the Central Banks of Guinea and Sierra Leone reduced their key rates respectively from 20% and 22% in 2012 to 10% and 16% in 2013.

76. In contrast, the Central Banks of Ghana and Gambia reviewed their key rates upward respectively from 15% and 13% at end 2012 to 16% and 20% at end 2013 in order to contain inflation and stabilize their exchange rates.

77. Both the relaxation and tightening of the monetary policy were reflected in most interest rates except savings rates. With respect to the ninety day treasury bills, the response was effective in all the countries except Guinea where the interest rates of 90 day treasury bills climbed marginally from 15.5% in 2012 to 15.8% in 2013 despite the reduction of the key rate in 2013. For commercial loans, a response to trends in key rates was observed in all the countries except Sierra Leone where commercial lending rates went up from 21% in 2012 to 22.5% in 2013 despite the relaxation of monetary policies by the Central Bank of Sierra Leone. However, for Gambia, despite the tightening of the monetary policy, commercial lending rates dipped slightly from 16.0% in 2012 to 15% in 2013. In terms of small savings, it was only in Ghana that a response of the small savings rate to the monetary policy was observed in 2013.

78. Money supply within the Community expanded by 4.7% in 2013 against 15.0% in 2012. This deceleration in money supply was due to that of Nigeria which grew by 1.2% in 2013 against 16.4% in 2012.

79. At the level of UEMOA countries, money supply increased by 10.4% in 2013 against 9.8% in 2012. The expansion in money supply stemmed from net credits to governments and the private sector, with contributions of 5.0% and 9.6% respectively. Net foreign assets offset the expansion in money supply by 5.0%. Benin and Guinea Bissau recorded the most significant expansion, with 17.6% and 14.8% respectively. For these two countries, the growth in money supply was due to domestic credits and foreign assets. In Mali and Togo money supply increased by 5.9% and 8.1% respectively as result of the strengthening of foreign assets and credits to the private sector. For the other countries, namely Burkina Faso (10.7%), Cote d'Ivoire (11.6%), Niger (10.4%) and Senegal (8.0%), the surge in money supply was as a result of the increase in credits to the private sector and governments. Generally, the expansion in money supply in UEMOA countries is due to domestic credit, with the exception of Benin, Mali Niger and Togo where foreign assets contributed positively to the increase in money supply.

80. At the WAMZ level, money supply grew by 3.1% in 2013 against 16.7% in 2012. This low growth in money supply is due to Nigeria's control over money supply which expanded by only 1.2% in 2013 against 16.4% in 2012. Domestic credit was the main sources of expansion in money supply in WAMZ countries.

81. At the country level, Liberia recorded the highest increase in money supply, with 22.8%. Credits to the private sector were the main sources of expansion in money supply by 20.4%. Ghana, recorded a 19.1% growth in money supply mainly as a result of domestic credits, with credits to government contributing 14. 4% and credits to the economy 15.9%. In Sierra Leone, money supply grew by 16.6% due mainly to the consolidation of foreign assets (10.4% contribution) and domestic credits (13.1% contribution). For Gambia and Guinea, their money supply expanded by 15.1% and 14.2% respectively in line with trends in domestic credits which contributed 19.9% for each country.

82. In Cape Verde, money supply grew by 15.3% against 4.8% in 2012. This rise in money supply is mainly due to credits to the government (4.2%), and to the private sector (6.2%) as well foreign assets (3.6%). Compared to June 2013, money supply expanded by 6.6% on account of credits to the private sector and foreign assets which contributed 1.4% and 3.9% respectively.

83. In 2014, if the accommodative monetary policy within UEMOA remains unchanged, money supply would grow by 9.2%. This growth would be mainly due a 12.3% rise in outstanding domestic credit. The increase in domestic credits would stem from the robust lending to the economy (12.8%) and the deterioration of the net debtor position of government (+340.2 billion), reflecting the persistence of pressures on state funds. The consolidation of overall liquidity would also be linked to the increase in foreign assets by 10.3 billion.

2.1.5 External Account

84. In 2013, the current account balance for ECOWAS recorded a surplus (+2.2% of GDP). This improvement is mainly due to the performance of Nigeria which achieved a surplus of 7.4% of GDP against 7.3% of GDP in 2012. The position of the overall balance for ECOWAS recorded a deficit of 0.4% of GDP against a surplus of 2.7% of GDP in 2012, owing to the significant drop in Nigeria's surplus (-0.4% of GDP against 4.3% of GDP in 2012). However, there were improvements in some countries, including Benin (2.4% of GDP against 1.8% of GDP in 2012), Guinea Bissau (2.1% of GDP against -7.4% of GDP in 2012) and Cape Verde (3.5% of GDP against 2.6% of GDP in 2012).

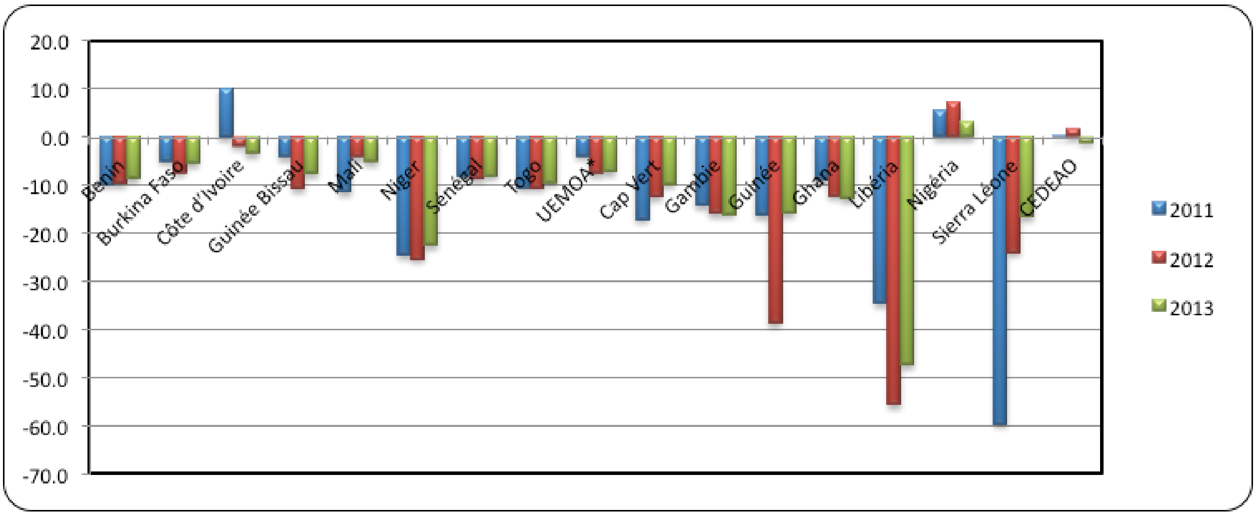
85. However, for 2013, the community's trade balance recorded a surplus of 4.9% of GDP which weakened under balance of goods and services component due to exports of goods and services at a rate of 33.2% of GDP and import of goods and services at a rate of 36.1% of GDP. The terms of trade index remained stable for the region with 133.0 in 2013 against 134.0 in 2012 (IMF).

86. Data available on the UEMOA zone indicate the continued deterioration of the current account balance from -6.6% of GDP in 2012 to -7.9% of GDP in 2013 as a result the worsening balance of goods and services as well as net revenues, with the effect being offset by an improvement in net current transfers.

87. The overall position of the balance of payment of UEMOA Member States recorded a surplus of 0.3% of GDP following a deficit of 0.3% of GDP in 2012. This trend is mainly attributed to the strengthening of the surplus on the financial operations account, whose effects were mitigated by the decline in the surplus on the capital account and the worsening of the current account deficit.

88. In WAMZ countries, there was an increase in the current account surplus in 2013 (4.9% of GDP against +4.3% in 2012) in line with the improvement in the current account surplus in Nigeria.

Figure 7: **Current account balance excluding grants (as a percentage of GDP)**

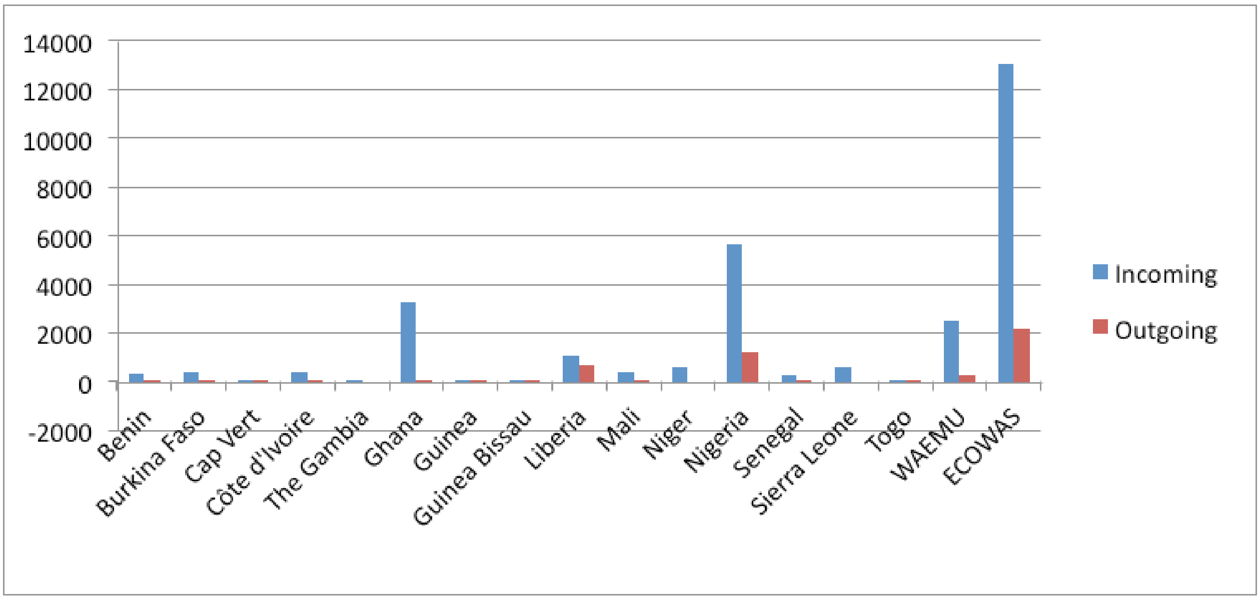


Sources: *BCEAO, UEMOA, WAMA, 2013, IMF, Africa Department Database (8 October 2013)*

89. In 2014, external trade in the UEMOA zone would be marked by an improvement in the balance of current and capital transactions thanks to an increase in capital transfers offset by the widening of the current account deficit. As a percentage of GDP, the current account deficit excluding grants would account for 7.4% of GDP in 2014. The financial account would deteriorate in line with the decline in external resources mobilized for foreign direct investments and other investments. The balance of payments would therefore record a total surplus of 10.3 billion following a deficit of 82.4 billion in 2013.

90. An analysis of the external room for manoeuvre (measured in terms the coverage rate of import by exchange reserves) shows unsatisfactory performance in almost all the countries except Nigeria which has a coverage rate above the average, i.e. 8.9 months in 2013.

Figure 8: FDI flows in 2013 (in millions of $ US)



Source: *UNCTAD, 2013*

Box 2 : Economic Impacts of Ebola on Africa

One of the major developments that marked West Africa in 2014 was the outbreak of the EBOLA disease. The epidemic had serious consequences in terms of loss of human lives and adverse socio-economic effects.

It is against this background that the ECA, under the coordination of the Sub Regional Office for West Africa, conducted a study with the overall objective of assessing the socio-economic impacts of the disease on the countries, the region and Africa as a whole, from the angle of the actual costs incurred as well as development and growth prospects in order to make policy recommendations to support mitigation efforts.

From an economic perspective, the ECA study highlights a contraction in economic activity in the three most affected countries, namely: Guinea, Sierra Leone and Liberia. This contraction is due to a combination of various factors, including the decline in sales on markets and in enterprises, reduced activity in restaurants, hotels, public transports, construction, educational institutions (caused by government measures such as the declaration of a state of emergency and restrictions imposed on the free movement of persons), as well as a slowdown of activity in companies while many expatriates left the country, leading to a drop in demand for some services.

In terms of public finance, the epidemic led to low revenues and increased expenditures, especially in the health sector, weakening the state's capacity to contain the disease and to strengthen the economy at the same time through fiscal stimulus, for example.
As regards investments, savings and private consumption, in the face of dwindling public revenue and increased outlays, the crisis may divert public spending from investments in physical and human capital to health and other social expenditures. Foreign and domestic private investments are also declining in the short term, often out of the fear-mongering prompted by the disease. Authorities in all three countries are reported to have postponed or suspended investments in major projects.

As regards inflation, currency and exchange rates, inflationary pressures were mounting as the epidemic spread, thus undermining the competitiveness of businesses and traders and reducing households' purchasing power. External assets were substantially reduced and local currencies depreciated as foreign trade tumbled and demand for dollars was rising. Countries' currency reserves have also been hit.

Concerning external repercussions, though Guinea, Liberia and Sierra Leone have recorded a significant drop in their GDP, the impacts on West African and on the continent as a whole will be minimal partly because, based on estimates for 2013, the three affected economies account for only 2.42% of West Africa GDP and 0.68% of that of Africa.

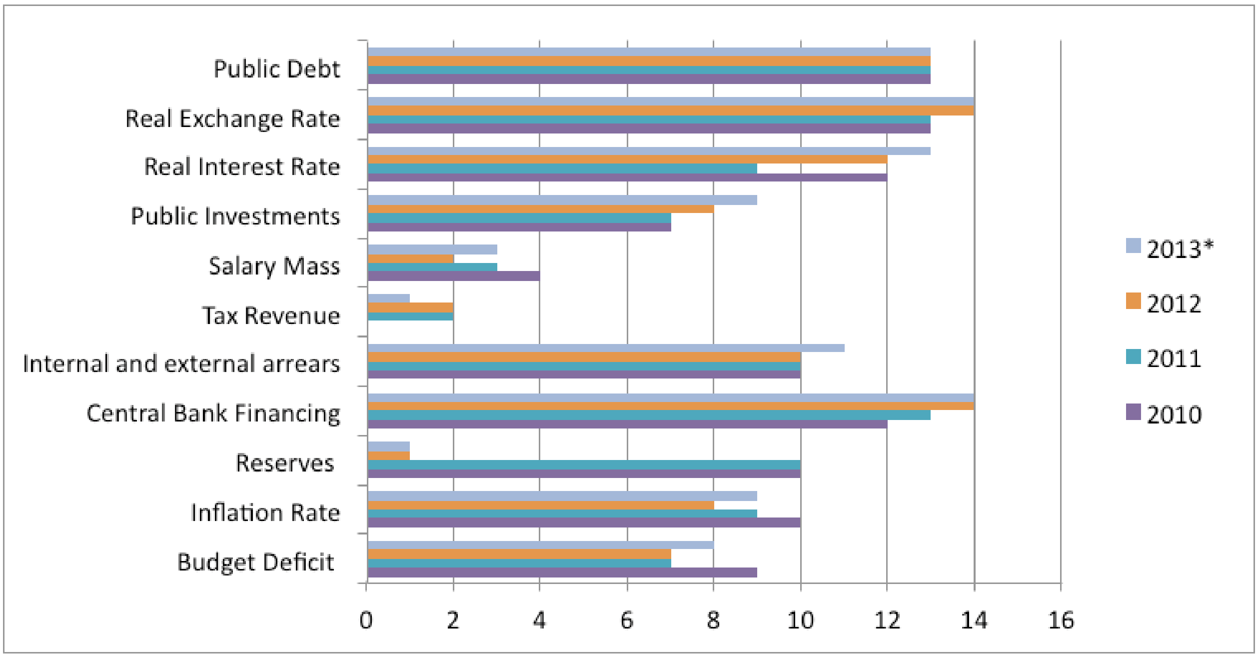
Consequently, if the epidemic is limited to these three countries, the extent of its effects on GDP and growth will be very insignificant. ECA simulations based on a pessimistic scenario according to which the three countries would record zero growth in 2014 and 2015 suggest that the effect on growth for these two years in West Africa will be -0.19 and -0.15 percentage points respectively over the two years. For Africa as a whole, the impact will be negligible, with -0.05 and -0.04 percentage point respectively over the two years.

Source: Socio-economic impacts of Ebola on Africa, ECA, Revised Edition, January 2015

2.2 Macroeconomic Convergences Status

91. On the whole, the macroeconomic convergence profile within ECOWAS improved in 2013 both in terms of primary and secondary criteria. Thus, with regard to compliance with the convergence criteria, it was observed that a greater number of countries met the six criteria compared to 2012.

Figure 9 : Number of countries that have met the convergence criteria in ECOWAS



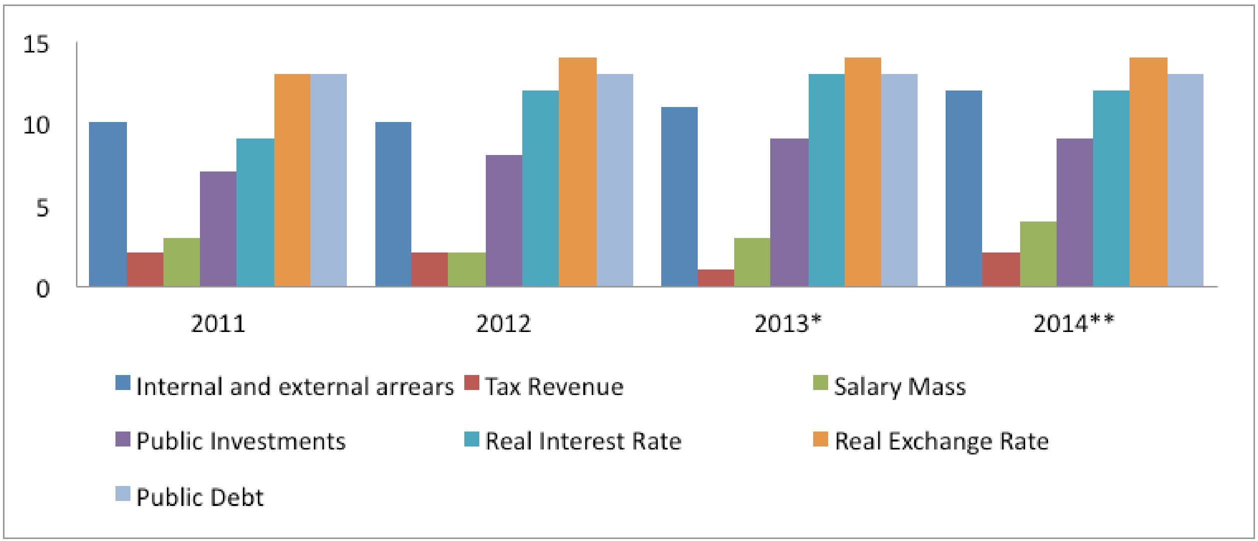
Source: *WAMA, 2014 * Estimates and ** Projections*

92. According WAMA report (June 2014), improvements observed in terms of primary criteria were in respect of the budget deficit and inflation. In fact, eight (8) countries met the criterion on budget deficit, meaning an additional country compared to 2013. A drop in the ratio of overall budget deficit over GDP was recorded in seven countries, with the most significant being observed in Sierra Leone. As regards inflation, performance improved slightly compared to 2012. UEMOA countries have observed this criterion in recent years. However, inflation remains above the community standard in Ghana where the inflation rate reached double digits and would exceed 15% in 2014.

93. Performance in terms of budget deficit financing by the Central Bank was sustained in 2013, with fourteen (14) countries observing the standard. In contrast, with respect the gross exchange rate, there was no improvement, only Nigeria met this criterion as was already the case in 2012.

94. An analysis of the individual performance of countries show that none of the countries could meet all the primary criteria in 2012 as in 2012, while the number of countries that have complied with three (3) primary criteria rose from 3 countries in 2012 to six (6) in 2013. Projections for 2014 indicate a similar situation as in 2013.

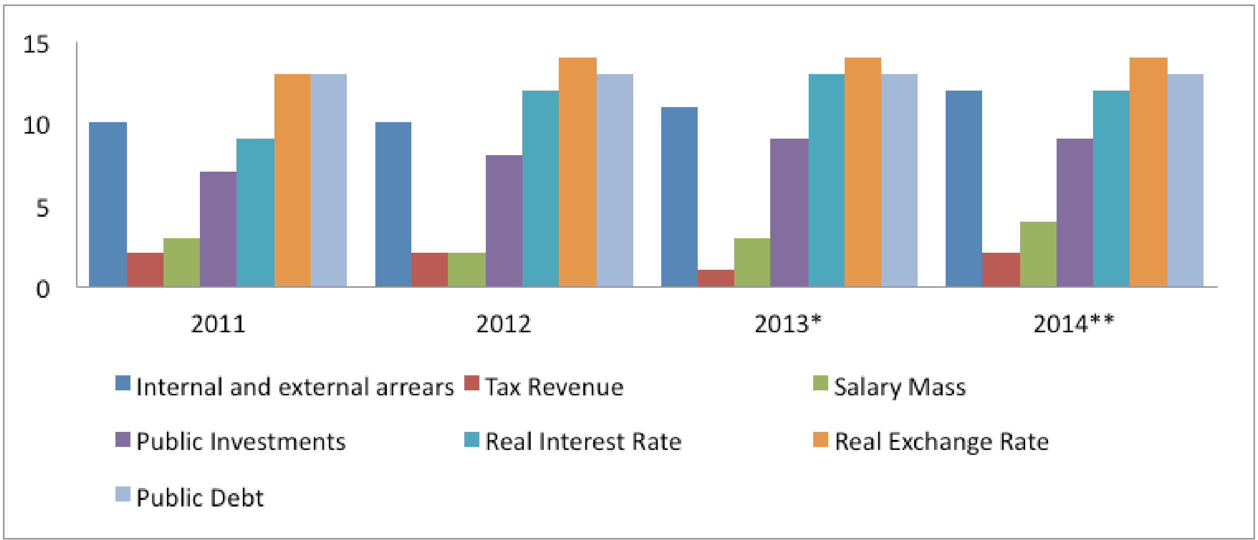
Figure 10: **Performance of ECOWAS countries in terms of compliance with primary criteria**



* *Estimates and ** Projections*
Source: WAMA, 2014

95. With regard to secondary criteria, among the criteria which recorded an improvement, the nominal exchange rate stability is the leading criterion, with fourteen countries complying with the standard in 2013. This was followed by a positive trend with respect to public debt, real interest rate, non accumulation of domestic and external arrears and to a lesser extent domestically financed investments. However, all the ECOWAS countries are struggling to comply with the criteria on tax pressure rate and wage bill

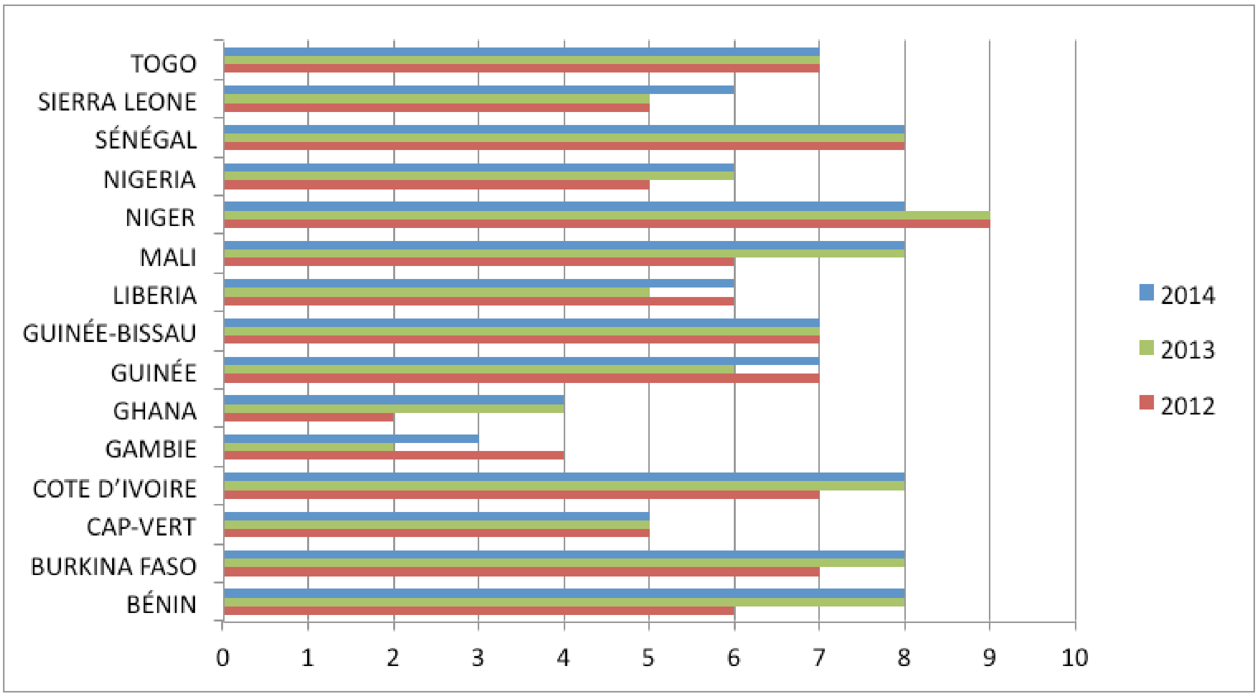
Figure 11: **Performance of ECOWAS countries in terms of compliance with secondary criteria**



Source: *WAMA, 2014 * Estimates ** Projections*

96. Overall, all the ECOWAS countries could not meet all the eleven criteria in 2013. The best performance was achieved by Niger which observed nine (9) convergence criteria, followed by Benin, Burkina Faso, Cote d'Ivoire, Mali and Senegal with eight (8) criteria each. However, the lowest performance was recorded by Gambia which met only two criteria, followed by Ghana, with four (4) criteria observed. In 2013, the most significant improvements were made by Ghana, Benin and Mali, which complied with two (2) additional criteria compared to 2012. On the other hand, Gambia observed two (2) criteria less compared to 2012.

Figure 12: Total number of convergence criteria achieved per country



Source: *National Authorities; WAMA*

2.3 Economic prospects for ECOWAS countries in 2015

97. In West Africa, economic growth would be consolidated at 6.9% against 6.3% in 2014 (IMF 2014). With regards to UEMOA, a growth rate of 7.2% is expected. This favourable prospect is due to the expected expansion in the energy and transport sectors in Senegal and Niger and in all sectors in Côte d'Ivoire. It would also be sustained by the expected positive impact of economic recovery in Mali and the consolidation of activity in Nigeria, considering the prominent role of the country in the GDP of West Africa, nearly 75%. According to projections, most of the countries in the region will record high growth which should exceed 8% on average in Côte d'Ivoire and reach over 7% in Nigeria thanks to the dynamism in the non-oil sector and the recovery in oil production provided that flight-related and pipelines shutdown problems are gradually resolved.

98. The average inflation rate in the ECOWAS region would record a slight decline to settle at 7.9% in 2015 against 8.6% in 2014. The lowest inflation levels would be observed in the UEMOA area where average inflation could be around 2.3% in 2015 partly due to the fall in oil prices. However, in Ghana, inflation would be high and remain at a double digit or 15.1%, mainly as a result of past currency depreciations and fuel price adjustments.

99. In 2015, public finances would remain fragile due to the priority given to public investment in social sectors and infrastructure in a context of reduced room for manoeuvre to increase the tax pressure. The overall fiscal balance including grants and overall balance excluding grants should settle at -2.6% of GDP and -3.1% of GDP respectively for the whole community in 2015 (IMF, 2014). In UEMOA, the deficit in both balances is expected to be 3.3% of GDP and 6.7% of GDP respectively.

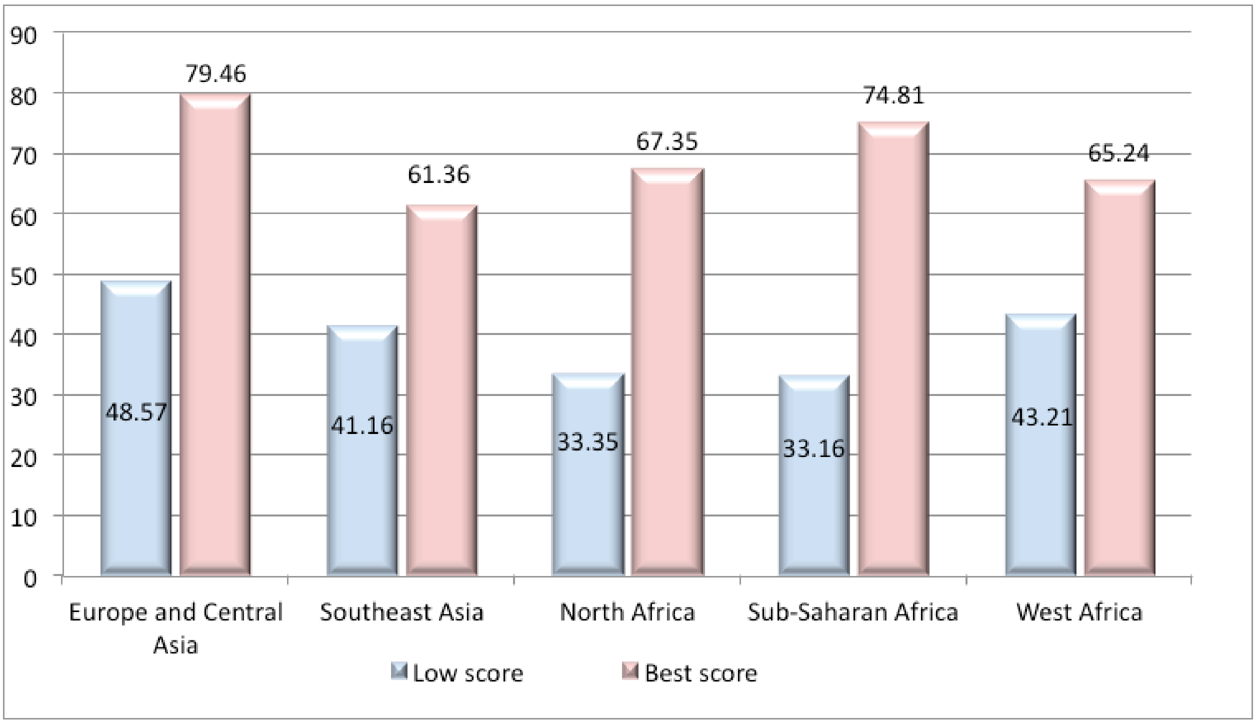
100. The challenging security conditions in some Sahel countries (especially Mali, Niger) and northern Nigeria and the Ebola virus disease outbreak will remain major threats to economic prospects in 2015.

2.4. Risk analysis

101. This analysis focuses on West Africa's performance in relation to reference indicators and rankings in terms of the business environment, good governance and human development.

102. Regarding the business environment, West Africa experienced an improvement in the 'Doing Business Index' of the World Bank over the recent period. This relative performance was driven by the progress in the regulatory business environment in 2013/2014 for companies in Benin, Côte d'Ivoire, Senegal and Togo. However, with the exception of Ghana, ranked 70th according to the 2015 'Doing Business Report', most West African countries were in the bottom half of the countries in terms of improvement in the business climate.

Figure 13: Gap between the highest and the lowest score in terms of business climate in 2015

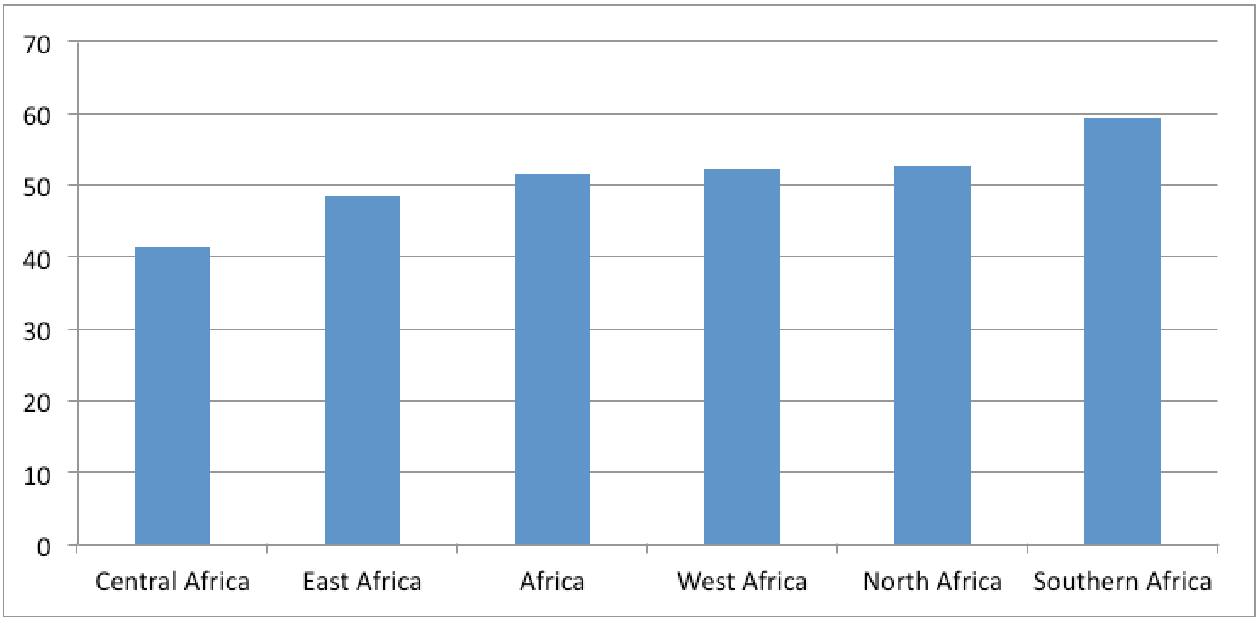


Source: *Doing Business Database, 2015*

103. With regards to governance assessments, West Africa recorded an average score of 52.2 on a scale of 100 according to rankings made on the basis of the Mo Ibrahim Index and remains the region advancing the most. Indeed, since 2004, the best performance has been recorded in West Africa with Liberia, Sierra Leone and Togo among the top three. Since 2009, Côte d'Ivoire, Guinea and Niger have reversed the negative trend to be ahead of the countries with best scores in the last five years. In 2014, three countries recorded a good performance in the region and they are among the top ten. These are Cape Verde, Ghana and Senegal. However, this region is still facing challenges with good governance including several poorly ranked countries in terms of overall governance. A review of the average change in the overall « Mo Ibrahim Index » and the average level of growth for ECOWAS Member States over the period from 2000 to 2010 showed a positive correlation of about 0.7[2], or a relatively strong link between progress in terms of good governance and economic growth (ECOWAS, 2014).

2 Correlation rate calculated between average growth rate of countries (2001-2009) and the average changes in the Ibrahim Index between 2000 and 2010 in index points

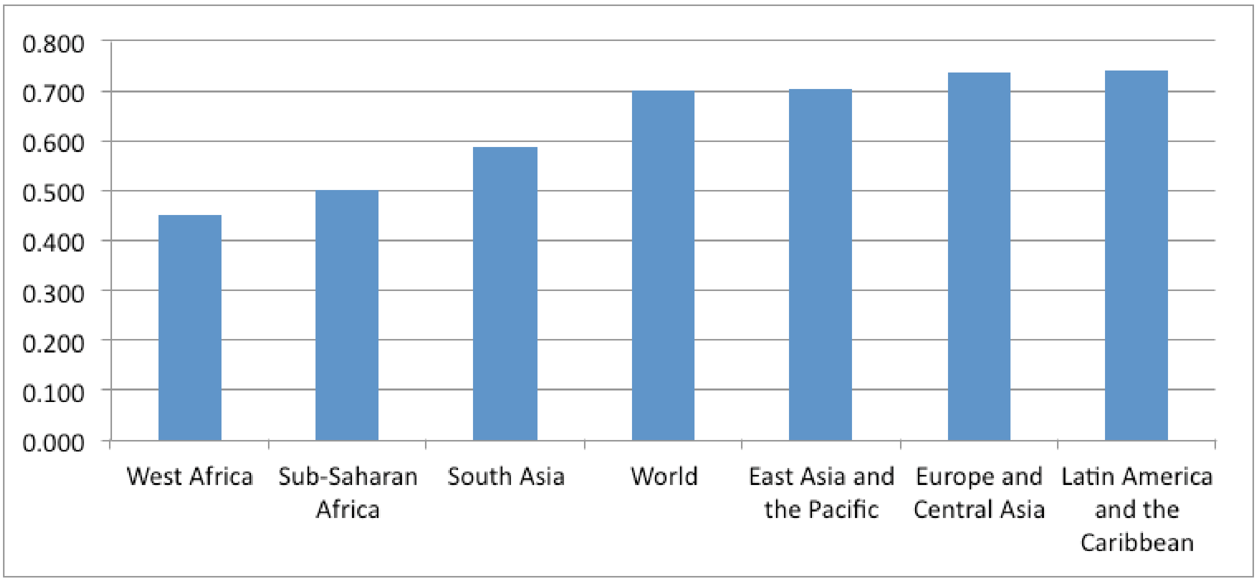
Figure 14: Average score for effective governance (Mo Ibrahim Index) by region, 2014



Source: *Mo Ibrahim Foundation, 2015*

104. In terms of human development, with an average development index of 0.450 for West Africa, most countries in the region are in the category of countries with « low human development », with the exception of Cape Verde and Ghana which classified in the category of countries with « average human development ».

Figure 15: Average score of the human development index in West Africa compared to other regions, 2014



Source: *UNDP, 2015*

105. The fight against corruption is a major concern in the West African region and can be assessed in various ways. In terms of transparency and combating corruption, Cape Verde occupies a prominent place in West Africa and is ranking 42nd at the global level according to Transparency International, with a score of 57 against an average of 34.73 for West Africa. Ghana and Senegal, ranked 61 and 69 respectively out of 175 in 2014, improved their scores with increases of 3 and 7 points on their respective scores between 2012 and 2014.

Table 1: Corruption Perceptions Index in West Africa

Country	Score /100 (2012)	Score /100 (2013)	Score /100 (2014)	Rank/175 (2014)
Benin	36	36	39	80
Burkina Faso	38	38	38	85
Cape Verde	60	58	57	42
Côte d'Ivoire	29	27	32	115
Gambia	34	28	29	126
Ghana	45	46	48	61
Guinea	24	24	25	145
Guinea-Bissau	25	19	19	161
Liberia	41	38	37	94
Mali	34	28	32	115
Niger	33	34	35	103
Nigeria	27	25	27	136
Senegal	36	41	43	69
Sierra Leone	31	30	31	119
Togo	30	29	29	126

Source: Transparency International, CPI Index 2014

III. Social situation and youth employment issues in West Africa

3.1 Social situation

106. Africa's progress towards achieving the MDGs has been accelerated in recent years. Although the continent is on target to achieve only two of the goals, MDG 2 (Ensuring universal basic education for all) and 3 (Promoting gender equality), the poverty rate is declining within a context of relatively steady growth.

107. Poverty is therefore declining in West Africa according to the 2014 MDG report (ECA et al 2014a). The majority of the population living in extreme poverty (with less than $ 1.25 per day) decreased from 56.5 % in 1990 to 48.5 % in 2010 in West Africa. MDG 1 which focuses on reducing by half the number of people living in extreme poverty by 2015 presented a mixed situation in the sub-region, as it is attained by Guinea and there are prospects that this goal will be achieved by Gambia, Ghana, Mali, Niger and Senegal. However, Côte d'Ivoire and Nigeria are not expected to achieve this goal.

108. The gains made on the poverty front were extended to health and education sectors, showing an average improvement of the Human Development Index for all West African countries by 1 % in the 1980s, 0.7 % in the 1990s and 1.5 % since 2000.

109. It should be noted that progress in terms of access to health and education is higher than what is achieved in terms of per capita income, with an increase in the health and education indices by 1.4 % between 2005 and 2012, against 1 % for the income index.

110. Regarding gender promotion, significant progress has been noted across Sub-Saharan Africa. Women's participation in politics is a telling indicator: with 21 % of female representatives in national parliaments, or the doubling of this figure in barely a decade (IPU, 2014). In terms of educational performance, the number of girls out of school has reduced considerably : though more than half the number of children out of school in Sub-Saharan Africa are girls, their number fell from 24 to 9 million between 2000 and 2013 (ISU, 2014). In 2012, almost half of the African countries achieved gender parity in primary education.

111. The performance obtained for some indicators has not yet resulted in a radical reversal of gender inequalities in terms of access to and control over economic resources. According to the ILO, in 2012, women were a large majority among the holders of positions that are vulnerable, poorly paid and with exploitative working conditions.

112. UNDP Gender Inequality Index (GII) for 2012 highlights the efforts that Africa must make to ensure equal rights for women and promote their economic and social empowerment. This index highlights gender constraints in terms empowerment (participation in public life and access to higher education), labour market (employment rate) and reproductive health (maternal mortality and fertility rate).

113. Improved women's access to education, including post secondary and higher levels, can increase income-generation opportunities and strengthen human development. In West Africa, countries with the highest GII are Niger (70.7), Mali (64.9), Burkina Faso (60.9), Togo (56.6) and Ghana (56.5).

3.2 Labour market and social exclusion of young people in West Africa

114. Social exclusion is a multifaceted concept which has undergone many changes from a conceptual point of view. It emerged first in France in 1974 and referred to a category of unemployed individuals, children in difficult situations, drug addicts, criminals) described as "social cases" who enjoyed no social protection. Today, the concept of social exclusion has evolved and it is closely linked to the concept of poverty. Social exclusion has become a multidimensional concept of poverty which includes, in particular, the social participation and respect for human rights in society. Beyond a theoretical concept, social exclusion is a notion which is similar to an intolerable situation and a deep sense of injustice facing all societies. It also reveals the failure of the state which is unable to satisfy the basic social needs and to mobilize domestic resources to reduce the scale of social problems.

115. Three dimensions of exclusion can be identified in the African context: i) exclusion from sustainable livelihoods, ii) exclusion from access to basic goods and social services and iii) exclusion from social rights. Youth unemployment is one of the leading forms of exclusion and it forces young people to be closely linked to poverty in Africa.

116. West Africa has recorded one of the highest growth rates in recent years in Africa and even the world. However, levels of unemployment and poverty continue to be a source of concern. Deon Filmer and Louise Fox (2014) point out that the urban youth have expressed their dissatisfaction and that urban protests led mainly by the politically active but economically marginalized youth are increasing in African capitals.

117. According to the World Bank (2009), urban violence is probably due to more general factors than the employment situation (such as inequality and exclusion) confronting young people and the gap between the expectations of the young people and employment opportunities can contribute to it. In Africa, the ratio of youth unemployment /adult unemployment (ILO 2006) ranges from one to three, this clearly denotes the specific challenges that hinder youth participation in the labour market.

118. The issue of youth employment remains a major concern of political leaders in West Africa. Indeed, « high growth is not sufficient to guarantee productive employment for all. Vast segments of the population, especially young people, may find themselves left behind and frustrated. In the absence of a political process that enables them to express themselves and influence public policy, they constitute a threat to stability, as was the case last year in several North African countries. The time has come to redirect the agenda of African countries towards a strategy conducive to an inclusive, job generating and sustainable growth, with the primary goal of meeting the specific needs of young people»[3].

119. It is against this background that the analysis of the youth labour market in West Africa was conducted to highlight the factors behind their exclusion and propose solutions to address them.

3.2.1 Mapping of the situation of young people on the labour market in West Africa

Sector of activity and types of jobs for young people

120. In Sub-Saharan Africa, « salaried employment », meaning jobs for which workers receive regular salary and sometimes other complementary benefits, account for only about 16% of jobs. The rest of the jobs are provided through « family farms » (62 %) and « individual businesses » (22%). These can be considered as the informal sector and generally include work on a small plot, selling vegetables in the street, dressmaking at home. These activities often generate small income, partly because these « businesses »

3 International Labour Conference (2012), 101st session, « Youth employment crisis: Time for action » and AfDB, OECD, UNDP and ECA (2012), Issue « Promoting Youth Employment », African Economic Outlook 2012 Report.

tend to be very small and usually involve only the family. Young people work mostly in agriculture where they occupy 65 % of jobs (ILO, 2007).

121. Most of the jobs available to young people in Ghana, Mali and Senegal are unstable jobs (table 1). The unstable employment rate of young people in these countries is 75.5%, 94.6% and 88% respectively. Meanwhile, Nigeria has a relatively low unstable employment rate among the youth (25.5%).

Table 2 : Salaried employment and unstable employment among young people in West Africa

	Salaried Employment	Self-employment	Family work	Others	Total	Unstable employment
Ghana	13.3	26.2	50.4	10.2	100	75.6
Mali	5.4	41.6	53	0	100	94.6
Nigeria	72.6	17	8.5	1.9	100	25.5
Senegal	12.3	41.7	46	0	100	88

Source: Working Population Surveys (EPA) 2002-2007. Extract from the AfDB Report on Youth Employment in 2012.

Disparity based on pathways followed

122. The World Bank (2009) report states that in Africa, young people follow two types of pathways for their transition into working life: many of them begin to work directly, having hardly received formal education, while others enter the workforce after a few years of studies in the formal education system. Young people entering the labour market directly have a high probability to remain confined to low-productivity jobs and are more affected by changes in the demand for labour.

Disparity between young people and adults

123. Youth unemployment rate is often higher than that of adults. For example, the survey based harmonized indicators program (SHIP) shows that youth unemployment stood at 31.3% against 8.7% for adults in Ghana in 1998 while in Sierra Leone, the youth unemployment rate was 52.5% against 10.2% for adults in 2003. The ILO report (2010) estimates more generally that in Sub-Saharan Africa, the youth unemployment rate is about 1.9 times higher than that of adults. The probability of young people working in the informal sector is higher than that of adults while the likelihood that of the youth being salaried workers or self-employed is lower. The AfDB report (2012) also stresses that adults are more likely to be part of the specialized profession or head a company, reflecting the more difficult conditions of access to these two occupational categories and the scarcity of opportunities for young people.

Disparity based on place of residence

124. The prevalence of youth unemployment is higher in urban areas and among those with higher educational level. By way of illustration, according to the survey based harmonized indicators program (SHIP), unemployment among urban youth was 36.7% against 27.4% for rural youth in Ghana in 1998. On average, unemployment of the youth with secondary level (or higher) education is much more significant than that of uneducated youth. The urban youth have more educational opportunities, stay longer in school and enter the workforce later than the rural youth. Young people often find themselves working for long hours with intermittent and unstable jobs, characterized by low productivity and lower wages. The prevalence of underemployment is stronger among young people than in adults and in the rural areas than urban areas.

Disparity based on gender

125. The unemployment rate among young women is higher than that of young men. For example, in Senegal, 71 out of 100 unemployed young people are women. Unemployment rate among young women was 19 % against a rate of 8.3 % among young men according to the ESPS-II 2011 report. This situation is the same in Côte d'Ivoire. In 2012, female youth unemployment rate stood at 53.2% against 46.8% for young men (AGEPE, 2014).

3.2.2 Factors contributing to youth exclusion on the labour market in West Africa

Low demand for labour in the public and private formal sectors

126. In recent years, Sub-Saharan Africa experienced strong economic growth accompanied by job creation but the jobs are still insufficient to absorb the majority of unemployed youth due to high population growth. Kapsos (2005) shows that the elasticity of youth employment in relation to GDP growth in Sub-Saharan Africa has declined considerably. Indeed, it stood at 0.62 over the period 1999-2003 against 0.90 over the period 1995-1999.

127. The rate of job creation in Africa is still insufficient to absorb this mass of unemployed youth (AfDB, OECD 2012):

128. Over the period 2000-2007, the working age population increased by 21 % (2.6 % annually) in Africa over the period 2000-2007 while employment growth climbed even more by 23 % or 2.9 % per year. In terms of absolute value, the working age population rose by 96 million people while the number of jobs went up by only by 63 million.

129. Considering that each year, 10 to 12 million young people arrive on the job market in Africa, growth in employment should be much more substantial to significantly reduce the number of unemployed and disillusioned youth.

130. In West Africa, after years of independence, the public sector played the role of the main provider of jobs. But with the advent of the IMF structural adjustment programmes and the implementation of various government restructuring and fiscal consolidation programmes, the number of public sector jobs fell sharply. This decline in formal employment opportunities was exacerbated by weak job creation capacity of the formal private sector. This has led to the creation of informal and unstable jobs in a context of increased pressures on labour supply.

Box 3 : Senegal, a country with insufficient employment capacity in the private sector

The high unemployment and underemployment rate suggests that there is a shortfall in the creation of new jobs: about 100 000 graduates of higher education enter the labour market each year and less than 30 000 employment contracts are recorded by the office of labour statistics.

According to the survey conducted as part of the YEN/YIF (2009) study in 378 private enterprises in 26 key sectors, 10 264 jobs were created for young people between 2010 and 2014, including 6 183 temporary jobs. The huge number of these temporary jobs reflects the tendency of employers to outsource services for more flexibility.

Thus, the formal private sector does not provide significant job opportunities. According to the IMF (2010), the volume of jobs in the formal sector has stagnated over the past 15 years: the informal sector is the major job creation sector. The World Bank (2007b), YEN/YIF (2009) study and the National Competitiveness Report of Senegal (2011) estimated the share of the informal sector in the jobs created at between 80 to 97 %. Trading is the main business of the urban informal sector in Senegal and the main source of employment in the suburbs with a large population of street vendors. USAID (2011) shows that the vast majority of young Senegalese believe that the informal sector could not be a better final option and accept a temporary activity pending a formal employment.

Source: *Country Note - Senegal, AfDB & OECD (2012)*

Work experience : a constraint to the integration of young people

131. One of the simplest questions to ask is this: how can one have experience if companies require only people with work experience? This is the problem faced by many young people in West Africa. Employers are reluctant to employ young people in their companies. One of the major causes is that they do not have work experience. The real problem at this level is that the education system provides skills to learners and the companies use the fruits of the education system after their graduation. However, to be more productive, there should be time for in-service training. The learning time has a cost element and the learner is less efficient during that period; this is the training stage. The company providing training also runs a risk. At the end of the training, the learner may leave the company. This is why companies require people with work experience. In the absence of a coordinated policy on professional training, internships involving training institutions, governments and companies, this practice is expected to continue.

Assignment of jobs by affinity

132. The perception that young people have of the labour market defines their determination to be integrated into it or exclude themselves from it. This perception is a signal which can be either positive or negative. Regardless of the state of the perception, it conditions the mind of the young person on the labour market. According to the AfDB and OECD report on youth employment 2012, in addition to the scarcity of employment, the main constraint mentioned by young people is that getting a job is essentially through acquaintances (well placed individuals). AfDB points out that this practice of giving positions to acquaintances clearly indicates that jobs demanding specific technical skills are rare. On a strong labour market, employers compete over workers and they must deploy various means to attract the workforce they need. It is only in a context of excessive supply of young entrants unto the labour market that employers can rely on their acquaintances to fill positions.

Education and skills mismatch

133. A major obstacle to the integration of young people into the labour market stems from the mismatch between the skills provided by the educational system and those required by companies. The dichotomy between these two sectors increases unemployment among young graduates. Training at the university and professional levels have not undergone any major reforms to address the requirements of the labour market which have changed significantly since the period of independence to the present day. A survey (AfDB & OECD, 2012) conducted as part of its report on employment in nine African countries among recruitment and temporary work agencies indicates that these agencies find it more difficult to get candidates who have completed tertiary education who are suitable for South Africa and Tunisia than the low-

income countries such as Kenya, Ghana or even Niger. This survey reveals that despite the persistence of high youth unemployment, there are vacancies due to lack of required skills.

134. Unemployment also strongly affects young people with secondary education. Secondary education in most countries is quite general and not oriented towards the specifics of the labour market. When young people come out of the educational system at this level, they find themselves confronted with the harsh realities of the world of work that are totally disconnected from the training received.

135. According to the report of the Ivorian Observatory of the Agency for Employment Studies and Promotion (AGEPE) on the employment situation in 2012, long studies seem to be an obstacle to getting a job. Indeed, the young unemployed have higher level of education than the employed youth. This report points out that in Côte d'Ivoire; there is currently no proper match between the realities of the labour market and the training systems.

136. In an interview with IRIN (Integrated Regional Information Network) in 2014 on the theme, «Breaking the cycle of youth unemployment and poverty», the director of the ECOWAS Group of economic policy analysis said that in Africa young people's skills do not match market demands. He pointed out that Africa has not succeeded in training its population to meet its needs but has rather trained young Africans to meet the needs of others. For example, he stressed that in Senegal, the agricultural sector employs nearly 80 per cent of the workforce but the majority of university graduates studied in fields such as economics, humanities, social sciences and international relations. Although these areas are important, they make young people unemployed or underemployed if they remain in Africa or push them to migrate to the US or Europe.

Inadequate search for jobs and relative ineffectiveness of information systems on the job market

137. Job search is an essential component for all people entering the job market. This goes beyond the acquisition of knowledge. To better market one's knowledge, one must first find a vacancy. Job search means the youth must search for information. Thus, job search strategy is crucial in the access to employment. In the labour market economics, it is recognized that inadequate information is one of the important elements responsible for the friction on the labour market. On the labour market two leading actors co-exist: the companies offering employment and the unemployed jobseekers. Companies are looking for information on the workers who are qualified to fill the vacancies created and the unemployed explore the employment areas in search for information on these positions. The more these two actors on the labour market are active in their efforts, the higher the probability that the jobs are matched.

138. Job search as information gathering process has several advantages: i) it reduces friction on the labour market and increases the probability of getting a job; ii) it helps to detect the signals sent out by the companies, iii) it allows jobseekers to know the profiles sought by companies and iv) it helps to develop a strategy to learn about the behaviour of employers and their competitors to adapt to jobs and to increase one's chances for integration.

139. The literature shows that getting a job is often the result of intensive job search efforts (Barron and Mellow, 1979; Pissarides, 1984; Sabatier, 2002; Wahba and Zenou, 2005; Wasmer and Zenou, 2006).

140. In 2000, a survey on the exclusion from the urban labour market in Guinea revealed that the main job search method is personal relationships with a proportion of 51%. This shows lack of job search strategy but it highlights the role of affinities in the allocation of positions.

141. In Côte d'Ivoire, the observatory of the Agency for Employment Studies and Promotion (AGEPE) shows that in 2008, 73% of unemployed people in Abidjan had not made any job search efforts. The reasons given are mainly lack of qualification, despondency and lack of knowledge in job search techniques. Moreover, among the job-seekers, very few unemployed people combine job search methods. The main method is the use of personal relationships (relatives, friends and acquaintances), as if the unemployed

seek to avoid the queues imposed by the market procedures (direct contact with companies, responses to advertisements, etc.).

142. This situation appears to persist in Côte d'Ivoire. Indeed, the AGEPE report on the employment situation in 2012 also shows that personal relationships is the main job seeking method of the unemployed (68.7%), more for first-time job-seekers (70.6%) and for the city of Abidjan (73.2%).

143. In Senegal, personal relationships were by far the main strategy used by the unemployed to find jobs in 2011. In fact, nearly 58% of unemployed people used this strategy to gain access to employment. Applications to companies are very common and 22% of the unemployed use this medium, 6% use advertisements in the media and 5% of those seeking funding. State institutions for employment promotion are very rarely used. Only 1% of the unemployed use the Directorate for Employment and a very small proportion (less than 0.1%) solicit help from the National Agency for Youth Employment (ANEJ). This lack of job search culture seems to be widespread in Africa. In North Africa, the youth do not seem to believe that lack of knowledge on career opportunities is a significant obstacle (AfDB, OECD, 2012). In Algeria, for instance, 41 % of respondents believe access to employment is determined by personal or family relationships.

144. The availability of a labour market information system facilitates the meeting between job providers and job-seekers. Young people often do not know where to find information. These structures can guide the youth in job search and refine their job search strategies. With the development of computers and low penetration of ICTs in Africa, only the educated and relatively affluent young people have easy access to information on the labour market via internet. Therefore, the lack of information system is detrimental to young people, in particular, the disadvantaged young people seeking jobs. Kluve (2006) shows that in Europe, job search assistance is more effective for individuals who are sufficiently educated and have better prospects on the job market, and less for the disadvantaged.

3.2.3 Consequences of the exclusion of young people from the labour market

Risk of political instability in West Africa

145. One of the threats that could put West Africa at risk due to the high rate of youth unemployment is political instability. This region includes many countries that have experienced conflicts. Maintaining political stability has become a priority for ECOWAS because a conflict in a member state has serious repercussions on the political and macroeconomic stability as well as the business climate in the entire region. Now, it is widely accepted that in fragile states, the lack of adequate employment is among the major threats to stability (see Box 3). The youth employment challenge goes beyond the national boundary because it can have repercussions on the overall stability of the region.

Box 4 : Relationship between youth unemployment and political instability in fragile states

Why is youth unemployment a critical issue in fragile states?

If non-violent political instruments are not adequate or responsive, young people may express their grievances through violence (USAID, 2006). These grievances revolve around unemployment and its impact on income and social cohesion. Among young people who joined insurgent movements, one out of two said that unemployment was the main motivation (World Bank, 2011b). Thus, Liberia has witnessed two civil wars since 1989, fuelled by an explosive mixture of ethnic divisions, predatory elites, corruption and the race for the profits from natural resources. However, unemployment is considered as the main threat to the stability in this country today (International Crisis Group, 2011). In addition, when conflicts rage in a country, the annual growth rate of neighbouring countries is slashed by 0.5 percentage point (Collier et al. 2003). Conflict can generate a population of refugees, disrupt trade, trigger an arms race, provide refuge for insurgents and can itself become the theatre of a new war.

Source: *International Network on Conflict and Fragility (INCAF), Development Cooperation Directorate of OECD, culled from AfDB report on youth employment*

High poverty rate among young people

146. One of the direct consequences of youth unemployment is poverty. On average, 72 % of young Africans live on less than US $ 2 per day. The incidence of poverty among young people in Nigeria is over 80 % (table 2). High prevalence of poverty is observed among young women and the youth in rural areas.

Table 3: Incidence of poverty among young people in West Africa

County	Less than $2 a day (PPP)
Côte d'Ivoire, 1998	46.5
Ghana, 1998	66.5
Nigeria, 1996	92.9
Sierra Leone, 2003	68.0

Source: *World Bank Programme on Survey based Harmonized Indicators (SHIP), culled from Africa Development Indicators 2008/09*

- **Difficulty of integration into the labour market**

147. The World Bank Report (2014) on youth employment in Sub-Saharan Africa shows that when young people do not find work, the risk of being unemployed in adulthood increases as well as their likelihood of being poorly paid later. Indeed, during the first years on the labour market, the skills developed and the experience accumulated are essential for future professional development of young people. It also provides a signal on the expertise of the applicant for companies. Other striking factors which explain this difficult integration of young people have been revealed by the AfDB, OECD (2012) :

» Long periods of inactivity or underemployment in the informal sector can adversely affect the productive potential and therefore employment opportunities (Guarcello *et al.*, 2007).

» For the few people who manage to get jobs in the formal sector where initial salaries increase, the initial period of inactivity can have significant adverse effects on the income acquired throughout their lives (OECD, 2010).

Vicious cycle of poverty and exclusion from the labour market

148. There is a self-perpetuating nature of the relationship between youth poverty and exclusion from the labour market. Their exclusion from the labour market deprives them of a fairly stable income and makes them more likely to be hit by poverty. Youth poverty is an obstacle in finding a decent job. As mentioned above, job search determines the entry into the labour market. Very often, the job search involves costs that these poor youth cannot cope with.

3.2.4 Actions to facilitate the integration of young people into the labour market

149. The various strategies to be put in place to address the youth employment challenge in West Africa can be implemented at two levels: actions to be undertaken at the national level and those at the regional level.

National level

- **Agriculture**

150. The agricultural sector absorbs the majority of youth employment. Young people are there as smallholder farmers. However, it is noted that agricultural productivity is lower in Africa than any other region in the world and agriculture is the least productive sector in African economies (Deon Filmer et Louise Fox, 2014). This low productivity is attributable to the following factors :

- » Smallholder farmers cannot take advantage of the economies of scale or other techniques to increase productivity because they work in most cases on small plots of land with uncertain land tenure.
- » Lack of rural infrastructure (transport, electricity and irrigation) leads to additional costs of inputs and loss of competitiveness of their products.
- » Smallholder farmers have difficulty in accessing credit to finance their activities.
- » The rural youth usually have lower level of education than the urban youth and this could hinder the adoption of best practices to increase productivity.

151. The various policies to be implemented at this level will aim at increasing productivity in the agricultural sector to make it more attractive and improve the income of those who are there. Actions must also include the removal of constraints associated with financial services and credit, land policy, infrastructure, skills as well as the lack of qualified personnel.

- **Individual companies**

152. Many young people work as self-employed but in most cases they have not undergone any entrepreneurial training. This is why the majority of youth working in this area have low productivity.

153. The youth can benefit from specific programs that support their entrepreneurial activities but these must be well targeted. Support for young entrepreneurs includes measures that provide the unemployed with financial and technical assistance for entrepreneurship, including micro credits, business management training, mentoring and initiatives to increase their opportunities for expansion. These young people must receive business management training which will allow them to acquire the necessary capacities. Box 5 provides a successful example of such programmes.

154. Youth assistance programmes must be well targeted especially where funds are provided otherwise they may fail or even be harmful and have very little impact.

155. In this regard, the « Senegal Promise Programme» implemented in Senegal (AfDB, OECD, 2012) recorded positive results. It is an intensive training initiative for youth entrepreneurship over a period of 14 months. It includes the provision of incubators with office space, monthly training workshops, group learning, mentorship and counselling. The initiative is the link between young entrepreneurs and the National Youth Employment Fund (FNEJ), through financing facilities. In 2008, 17 « promising » entrepreneurs graduated from the first batch; 9 young participants established their companies and 35 company managers were recruited to mentor young entrepreneurs. The 9 young entrepreneurs created a total of 137 jobs in their enterprises.

156. To promote individual companies, other actions may be taken to i) ensure individual companies have access to a workspace and infrastructure by improving urbanization policies, ii) rely on non-governmental organizations to carry out integrated interventions that help the disadvantaged youth to get into the sector by addressing multiple constraints (e.g. Jointly develop a set of skills or develop skills while providing access to financing).

- The salaried employment sector

157. – Private sector development: the private sector is assigned an important role in job creation in West Africa. Yet, it is still confronted with significant constraints and low productivity.

158. It is important to make this sector dynamic to provide specific solutions to the obstacles faced by each group of companies.

159. According to surveys on businesses conducted by the World Bank in Sub-Saharan Africa, the main obstacles are not regulations or education but rather electricity and funding. Governments must therefore implement measures to alleviate electricity supply problems and promote access to credit.

160. **-Integration of young graduates:** One of the obstacles related to the integration of young people is the lack of work experience and the mismatch between the skills taught at school and those required in the labour market.

161. In terms of facilitating the integration of young people, the following steps can be taken:

- » Alleviate the tax burden of companies with provisions that promote the employment of young people,
- » Develop programs like the youth Employment and Skills Development Project (PEJEDEC) in Côte d'Ivoire to give young people their first experience in companies,
- » Ensure a better match between education / training and labour market needs.

Regional level

- **Accelerating regional integration**

162. **Promotion of regional integration** is an important factor which allows regional companies not only to increase returns to scale but also to better adjust to external shocks in order to overcome them. Regional integration enables companies to expand their activities to the sub-region and facilitate inter-regional trade which has a positive effect on youth employment.

- » **Ensure a healthy macroeconomic framework:** meeting the convergence criteria provides a framework to improve the macroeconomic environment. A sound macroeconomic environment promotes increased investments and therefore employment;
- » **Give priority to infrastructure**: facilitate the interconnection between the countries while eliminating non-tariff barriers and accelerating the establishment of the ECOWAS common market to better prepare for the continental free trade area;
- » **Foster Regional Financial Integration (RFI**): the financial systems in the sub-region are not sufficiently developed and they offer only a limited range of products at relatively high costs.

- **Ensure the maintenance of peace**

163. Peacekeeping is one of the major challenges facing ECOWAS countries. The promotion of youth employment involves the stimulation of the business climate which cannot be done without a fairly stable political and security environment. The West Africa region has been hit by recurrent political instability and insecurity. Since 2011, security tensions have increased sharply in the Sahel-Saharan region with persistent crises and terrorist activities in northern Mali, Nigeria and more recently in the border areas between Nigeria and Niger. Armed conflicts create an atmosphere of terror and fear which are not conducive to economic activities since they constitute a more important risk factor than the risks inherent in the activity. Armed conflicts result in the destruction of basic infrastructure, diversion of funds for the purchase of weapons, recruitment of young idlers in militias and a decline in human development indicators. ECOWAS must therefore play a very important role in peacekeeping, especially in a context which will be marked by elections, which often generate instability, in many countries in the region over the period 2014-2016 (Nigeria, Togo, Burkina Faso, Côte D'Ivoire, Niger and Benin).

IV. Conclusion and Recommendations

164. West Africa was marked, among other things, by two major events in 2014 which place the region under the spotlight of international media. These are the outbreak of Ebola and the resurgence of security tensions in Sahel region.

165. The Ebola outbreak induced a decline in activity in the three most affected countries, Guinea, Liberia and Sierra Leone. The turnaround of the established trend for countries that had returned to vigorous activity led to a sluggish growth of 0.3% in Liberia and 1.3% in Guinea in 2014, with the exception of Sierra Leone which was able to limit the deceleration of its economy to 6.6%.

166. The second major event was the intensification of terrorist activities in north-eastern Nigeria with repercussions on neighbouring countries like Niger and the persistent political instability and insecurity in northern Mali.

167. Despite these uncertainties, the region was able to maintain its favourable pattern of economic growth. The expansion in activity would settle at 6.3% in 2014, with a prospect of accelerating to 6.9% in 2015. This expansion mainly stems from the dynamism of public investments and increased activity in the telecommunications, trading and agriculture sectors, in a context of the development of oil and mining activities.

168. These trends, to some extent, reflect the resilience to shocks at the regional level, with the gradual building of foundations for long term growth, which however, is still taking time to be inclusive. On the other hand, they point out a high vulnerability of economic performance for individual countries and therefore the need to develop national and international response capacities to multifaceted crises. In this regard, the various episodes of the Ebola crisis, in particular, limited and poorly-coordinated responses at the beginning of the outbreak and the extensive national and international efforts deployed thereafter should be capitalized for resilience capacity building for countries in the region.

169. The spread of the effects of economic growth continue to lag behind expectations in terms of improving the social situation. An analysis of the social situation revealed that the region is still marked by low human development and persistent high unemployment, particularly among the youth. In this regard, the goal of reducing extreme poverty by half by 2015 would be out of reach for more than half of the countries in the region. The relatively high exclusion of the youth from labour market is a source of major concern. Indeed, apart from the consequences of lack of income, unemployed or underemployed youth in precarious situations are more prone to marginalization and violence and this could easily push them to join criminal or terrorist groups.

170. Regarding regional integration, the creation of a single currency in 2020 has been backed by a strong political support through the nomination of the Heads of State of Ghana and Niger as leaders to accelerate the process. Progress was also noted in the area of free movement with the adoption of the biometric identity card by ECOWAS in 2014. In addition, in the move towards a common market, the region took an important step with the entry into force of the ECOWAS common external tariff in January 2015.

171. On the deepening of regional economic development, ECOWAS adopted the Community Development Programme in July 2014 to define the development priorities of the region. On its part, UEMOA engaged in the implementation of its regional economic programme with the mobilization of significant funding in September 2014 in Dubai to accelerate the implementation of community investment projects and programmes. Finally, it should be noted that the two Commissions finalized technical discussions with the European Union with the view to signing the Economic Partnership Agreement.

172. Despite the significant progress made, challenges remain. Difficulties exist in the interconnection between countries, thus limiting the effects of creating trade and intra-community investment opportunities. Also, the urgency to continue and expand investments in physical and social infrastructure and building production capacity remains. In terms of monetary integration, recurring changes in agenda and roadmap raises doubts about the implementation of the single currency.

173. Against this background, the following recommendations are formulated for states:

- Continue and expand public investment expenditures to reduce the costs of factors of production, facilitate regional interconnection and support economic growth;
- Continue increased private sector partnership initiatives and use of financial markets for funding investments to ensure fiscal sustainability;
- Consider the development agenda and regional integration in the development and implementation of economic strategies and policies ;
- Develop and consolidate strategies to address youth employment challenges in particular :
  - (a) For the integration of young people in the agricultural sector : removing constraints to agricultural productivity, particularly in terms of access to financing, adequate land policy, weak skills and inadequate support infrastructure;
  - (b) For individual entrepreneurs : the implementation of measures combining financing facilities and technical as well as management capacity-building;
  - (c) For young graduates : the implementation of tax incentive measures and programmes for the employability of young graduates by companies and the acquisition of first work experience ;
  - (d) Labour market transparency: establishment of platforms for information on job opportunities and incentives for companies to implement good recruitment practices.

174. Concerning the sub-regional Commissions, two recommendations were proposed :

- Accelerate the implementation of priority development programmes, namely, the Community Development Programme (CDP) and Regional Economic Programme (REP) PER of ECOWAS and UEMOA respectively while attaching urgency to investments that will facilitate regional interconnection;
- Develop and consolidate the regional capacity to respond to health crises and their consequences;
- Implement the ECOWAS Sahel strategy and strengthen crisis management mechanisms in order to contain the security and terrorism risks.

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Appendix:

A. Economic situation on country basis in 2014

Benin

1. In 2014, Benin recorded a growth rate estimated at 5.3%. This performance is attributable to the good performance in all sectors of the economy with a growth of 6.6% in the primary sector, 4.6% in the secondary sector and 4.4% in the tertiary sector. As regards jobs, economic growth would be mainly driven by final consumption which would jump by 6.9% in 2014 against 4.7% in 2013, primarily due to public consumption which would go up from 4.2% in 2013 to 8.0% in 2014.

2. Economic activity in 2014 occurred within a context of contained inflation. The average annual inflation would settle at -1.1%.

3. In 2014, the public finance situation was marked by the simultaneous decline in government revenues and expenditures. Total revenues amounted to 780.8 billion in 2014 against 795.4 billion the previous year, representing a decrease of 1.8%. The decline in revenue is due to the fall in customs revenues (-2.6%) and non-tax revenues (-37.5%). However, tax revenues went up by 14.4% to settle at 339.1 billion. Total expenditure dropped by 3.7% in 2014, from 952 billion to 916.5 billion. The decrease is linked to lower current transfers (-3.1%) and interest paid on domestic debt (-20.2%). On cash basis, the overall balance recorded a deficit of CFAF 166.2 billion or worsened by 12.8%. This deficit was financed with domestic resources through « other bank financing » and external resources through grants/projects and program me loans.

4. Foreign trade in 2014 continued to be characterized by the worsening of the trade deficit. The balance of payments was marked by deterioration in the current account deficit which measured in terms of nominal GDP would settle at 8.2% in 2014 against 7.9% in 2013, due to the widening of the trade deficit and the primary income balance coupled with the decline in the secondary income surplus. The overall balance is expected to settle at 1.5% of GDP in 2014 against 2.8% in 2013.

Burkina Faso

5. In 2014, economic growth in Burkina Faso stood at 4.5%. This performance is as a result of the dynamism in the secondary sector (5.4% growth) and the tertiary sector (5.9% expansion). The primary sector which grew by only 2.7% was severely affected by the late onset of the rains which caused a reduction in the production of grains in favour of other less water-intensive crops.

6. The level of prices in Burkina Faso dropped in 2014 from 0.5% in 2013 to -0.3%. This decline is mainly attributed to a downward trend in prices of local products.

7. Public finance was characterized by an improvement in the overall deficit, representing 1.9% of GDP in 2014 against 3.3% in 2013. This is as a result of the disproportionate increase in revenue compared to that of total expenditure and net lending. (UEMOA Report, December 2014).

8. In terms of foreign trade in 2014, exports rose by 25.3% in volume and 5.6% in value. However, imports declined by 5.3% in volume and 19.2% in value.

Cape Verde

9. Despite its past success, Cape Verde is struggling to continue on a sustainable and inclusive growth path. Without renewable natural resources and due to conditions that are not conducive for agriculture, the country is very vulnerable to exogenous shocks. The tourism sector, which is the main engine of growth, was able to make judicious use of its potentials such as biodiversity, landscapes and the environment. The hotels and restaurants sector, for example, recorded an expansion which was almost six times faster than that of the national economy between 2000 and 2010 and totalled nearly 16 % of GDP in 2010.

10. After settling at 0.5% in 2013, the real GDP growth of Cape Verde stood at 1% in 2014. The economy of Cape Verde which is dependent on tourism would be partly affected by the outbreak of Ebola in the sub-region which is dissuading many tourists.

11. Inflation stood at -0.24% in 2014, thus registering a decline of 1.74 percentage points compared to its level of 1.5% in 2013.

12. With regards to public finances, total state revenue expanded by 2.7% from 37.420 billion (24.22% of GDP) to 38.447 billion (24.40% of GDP) in local currency. Government expenditure rose in value but declined as a percentage of GDP. In terms of value, government expenditure climbed from 51.332 billion in local currency to 51.573 billion representing an increase of 0.5% as a percentage of GDP. In 2014, it was 32.7% against 33.2% in 2013. Cape Verde's budget deficit as a percentage of GDP deteriorated further from 11.5% in 2013 to 12.7% in 2014.

13. Imports of goods and services expanded by 8.7% in 2014 against a decline of 5.1% in 2013. Exports shrank by 0.025%. The current account balance further worsened from US $ -74 million in 2013 to US $ -173 million in 2014. The current account deficit was 3.6% of GDP in 2013 and 9.1% of GDP in 2014.

Côte d'Ivoire

14. Côte d'Ivoire sustained its growth momentum. Indeed, the growth rate stood at 9% in 2014 against 9.2% in 2013. This growth was driven by the dynamism in all the sectors of activity.

15. The annual average inflation in 2014 was contained below the community threshold of 3%. Indeed, inflation stood at 0.5% and this is explained by a drop in food and non-alcoholic beverages prices by -2.1%. However, prices of non-food products went up by 1.4%. Year-on-year inflation in December 2014 inched up by 0.9%.

16. In terms of public finances in 2014, total revenue and grants grew by CFAF 255.7 billion or 8.4%. Total expenditure and net lending expanded by CFAF 279.6 billion which is higher than the increase in revenue and grants. This led to the deterioration of the overall fiscal balance which settled at -2.2% of GDP.

17. Foreign trade was marked by a simultaneous increase in imports and exports in both value and volume. There was a more significant increase in exports compared to imports. In fact, the volume of exports grew by 4.3% against 3.8% for imports while the value of exports went up by 9.8% against 5.6% for imports. This resulted in an increase in trade surplus by 42.25% and improved the coverage rate and terms of trade.

18. Regarding the monetary situation, there was a 15.9% expansion in money supply, an improvement in net foreign assets by 13.7% and an increase in domestic credit by 19.3%.

Gambia

19. Economic growth in Gambia fell drastically in 2014 following an initial deceleration. Indeed, growth which was first projected at over 5% settled at -0.22% in 2014 against 4.78% in 2013 according to the World Economic Outlook published by the International Monetary Fund. The Gambian economy which is heavily dependent on agriculture and tourism and started recovering slowly from the 2011 severe drought had to experience once again adverse weather conditions in 2014. The rainy season which was a disaster caused the loss of nearly 15% of agricultural production. The outbreak of the Ebola virus disease in West Africa in the second half of 2014 put a heavy strain on the resources that support tourism activities in the sub-region. Although Gambia was not affected by the Ebola virus disease, it saw a decline it its tourism revenue by half over the 2014/2015 season. This whole situation put pressure on the value of the local currency (Dalasi) with about 7.8% depreciation against the USD over the second half of 2014.

20. Inflation stood at 6.27% in 2014 against 5.22% in 2013. The level in 2014 was 1 percentage point higher than that of 2013 whose value was 5.22%. The increase in the price level is partly explained by the pressure created by the decline in agricultural production.

21. With regard to public finances, there was an increase in total revenue from 5.99 billion Dalasi in 2013 to 7.72 billion in 2014 representing an increase of 28.88%. The revenue accounted for 22.45% of GDP in 2014. Total expenditure also went up in 2014 from 8.75 billion in 2013 to 10.79 billion, representing an increase of 23.31%. Expenditure amounted to 10.797 billion Dalasi (31.4% of GDP) in 2014 against 8.753 billion (27.1% of GDP) in 2013. The increase in government expenditure is due to the effect of external shocks and persistent financial difficulties in public utility companies. In fact, emergency spending worth the equivalent of 5.25% of GDP was made by the national water and Electricity Company, telecommunications and peanut companies. Government debt in 2014 stood at nearly 12.25% of GDP and this increase is explained by government revenue losses due to external shocks (0.75% of GDP), non- receipt of budget support from the World Bank and the African Development Bank (1% of GDP) and many other factors. The budgetary impact of the Ebola virus disease was estimated at US $ 7 million.

22. In terms of foreign trade in 2014, exports of goods and services dipped by 13.53% while the import of goods and services rose by 6.07%. There was a deterioration of the current account deficit from US $ 96 million to US $ 105 billion. As a percentage of GDP, the current account balance rose from -10.7% in 2013 to -12.7% in 2014 or an increase of 2 percentage points. The Gambian authorities estimated the impact of the rainy season and the Ebola outbreak at about US $ 12 million on their balance of payments.

23. At the monetary level, Gambia continued its flexible exchange rate policy and maintained a tight monetary policy to support the macroeconomic policy and exchange rate stability.

Ghana

24. The growth rate stood 4.2% in 2014 against 7.3% in 2013. This growth was driven mainly by the non-oil sector.

25. The inflation rate in the country was 15.5% at the end of June 2014 well above the target of the Central Bank of Ghana which wanted to achieve less than a double-digit inflation rate (8% +/-2%). Inflation was driven by the impact of the delay in effecting price hikes and the 31% depreciation of the national currency (Cedi) against the US Dollar.

26. In 2014, the budget deficit in Ghana remained very high despite the actions taken in mid-2013 for the gradual consolidation of the tax base. The budget deficit on cash basis stood at 9.5% of GDP against an initial forecast of 8.5% of GDP. Despite high oil revenues, improved tax collection and payroll controls, the delay in the implementation of certain measures associated with the payment of unbudgeted salary allowances led to the further deterioration in the budget deficit. Budget deficit on commitment basis was close to 10% of GDP.

27. The external situation was marked by a decline in exports from US $ 13752 million in 2013 to US $12983 million in 2014 indicating a 5.6% fall. Imports also went down from € 17600 million in 2013 to € 14573 million in 2014, or recorded a drop of 17.2%. This accelerated decline in imports compared to exports helped to improve the trade deficit which fell from US $ 3848 million to US $ 1590 million or from 7.9% of GDP to 4.1% of GDP. The balance of services also improved from -2444 million in 2013 to 2136 million in 2014. The balance of transfers and income deteriorated compared to 2014 but the current account balance improved in relation to its value in 2013. The capital and financial account went down from a balance of US $ 5368 million (11% of GDP) in 2013 to US $ 3350 million (8.7% of GDP) in 2014. Overall, the balance of payment deficit stood at US $ 37 million (0.1% of GDP), an improvement compared to its value of US $ 436 million (0.9% of GDP) in 2013.

Guinea

28. In 2014, Guinea revised its GDP growth rate from 4.5 % to 3.5 %, and then to 1.3 %, due to the Ebola outbreak, which led to a contraction in the level of economic activities. Year-on-year inflation level and annual average reached 9.0% and 9.7% respectively against 10.5% and 11.9% in 2013. This deceleration in consumer prices is linked, among others, to the efforts at sustaining programmes that support food security, coupled with the decline in demand due to the Ebola hemorrhagic fever.

29. In 2014, the cumulative trade deficit was 12.2% of GDP from a level of 22.6% in 2013, representing a drop of 10.4 points thanks to a 22.6% rise in export earnings, year-on-year, against a decrease in imports by 11.7%. Over the period, the degree of openness of Guinea declined by 1.1 points to settle at 31.6% of GDP in 2014 against 32.7% in 2013, due among others to the impact of the psychosis of the Ebola hemorrhagic fever.

30. In 2014, the cumulative total revenue and expenditure reached 21.0% and 25.3% of GDP respectively against 21.6% and 24.5% in 2013, indicating a decline in revenues by 0.6 point against an increase in expenditures by 0.8 point. This situation is partly due to the impact of the psychosis of the Ebola hemorrhagic fever outbreak. In 2014, the overall budget deficit and excluding grants stood at 4.3% and 6.8% of GDP respectively against 2.1% and 6.9% in 2013. This represents an upward trend in the overall deficit against a relative stability of the budget deficit excluding grants.

31. In December 2014, money supply reached 31.8% of GDP against 29.2% in 2013, indicating an upward trend due notably to the significant expansion in government spending. The increase in net domestic assets by 19.2% of GDP from December 2013 to 24.3% in 2014 is partly due to higher domestically financed investment expenditure. The increase in net domestic assets by 19.2% of GDP from December 2013 to 24.3% in 2014 is partly due to the upturn in investment expenditure funded with domestic resources. On the other hand, the decline in net foreign assets by 10.0% of GDP in 2013 to 7.4% in December 2014 stemmed, among others, from a significant shortfall in grants and loans projections.

32. Over the period, credits to government and the economy settled at 15.8% and 12.9% of GDP respectively in 2014 against 14.1% and 9.3% in 2013, indicating an increase due to the expansion of government expenditure with a slight upsurge in private investments.

Guinea Bissau

33. Economic growth in 2014 stood at 2.9% in 2014 against 0.9% in 2013. This renewed growth could be explained by the recovery in all sectors. The primary sector achieved 2.3% growth in 2014, the secondary sector recorded 2.9% expansion in 2014 against 1.9% in 2013 and the tertiary sector grew by 3.5% in 2014 after a negative rate of -1.1% in 2013.

34. Just like many UEMOA countries, the inflation rate dropped from 0.7% in 2013 to -1% in 2014. This situation of falling prices is attributable to the, «Food and non-alcoholic beverages», «Communication» as well as «clothing and footwear» functions.

35. As regards public finances, 2014 was marked by a worsening of the government deficit excluding grants which widened from 7.2% in 2013 to 10.5% in 2014. This situation is attributed to the substantial growth in government expenditures compared to government revenue. Total outstanding public debt stood at 64.8% of GDP against 57.6% in 2013. This relatively high rate is linked to the domestic debt which accounted for more than half of the outstanding total public debt. (UEMOA)

36. Foreign trade was marked by an increase in both exports (4.1%) and imports (13.8%). This faster growth of imports compared to exports further aggravated the already deteriorating trade balance and thereby lowering the coverage rate.

Liberia

37. In Liberia 2014 was marked by deteriorating economic conditions. This economic downturn was due to the combined effect of the Ebola virus disease and structural problems. Real GDP growth which was previously projected at 5.9% for 2014 was reviewed to 0.3%, from 8.7% at the end of 2013.This sharp contraction is on account of the outbreak of the Ebola epidemic. With the exception of agriculture which is expected to increase slightly, all the other sectors are expected to register a decline: logging (0% in 2014 against 0.5% in 2013); mining and panning (-5.9% in 2014 against 49.6% in 2013); manufacturing sector (4.2 % in 2014 against 9.2% in 2013) and services (2.9% against 7.2% at the end of 2013).

38. In 2014, inflation increased mainly due to a sharp rise in food prices. Inflation at the end of 2014 was estimated at 14.7% by the International Monetary Fund.

39. Public finance in Liberia was severely affected by the Ebola virus disease. The budget for the period 1 July 2014 to 30 June 2015 with a value of US $ 635.2 million was increased by 9% compared to that of the period July 2013 to June 2014. The configuration of the last budget differs from that of the previous year due to the impact of the Ebola crisis on budget revenues and macroeconomic indicators. With the exception of expenditure in the field of health and security, all other expenses were reduced compared to the amounts in the provisional budget proposal. Tax revenues are expected to contribute 53.4% to the financing of this new budget, non-tax revenue 9.8%, subsidies 9.3% and loans from institutions at about 17%. Under the June 2013/July 2014 budget, Liberia was able to collect 91% of its tax revenue projections and 85% non-tax revenue projections.

Mali

40. The economic growth rate in Mali stood at 5.8% in 2014 against 1.7% in 2013. This performance was driven by the buoyancy in all sectors with an expansion of 9.4% for the primary sector against -7.4% in 2013. In the secondary sector, there was 1.8% growth in 2014 against 5.5% in 2013. The tertiary sector recorded an expansion of 8.9% after declining by 8.7% in 2013.

41. Inflation stood at 0.9% in 2014, thus below the threshold under the UEMOA convergence criteria. This containment of prices is linked to the 2013-2014 farming season.

42. The public finance situation in 2014 was characterized by a simultaneous growth in total revenue and expenditure. In terms of total revenue, there was an increase of 11.45% mainly as a result of an expansion of 14.92% in tax revenues. However, tax revenues were still insufficient because the 15.8% tax pressure rate was lower than the new criterion of 20% set by UEMOA. Public current expenditures grew by 9.28%. The overall budget balance including grants as a percentage of GDP was -4.7% in 2014, in-

dicating a deterioration compared to the ratio in 2013 which was -2.8%. The budget balance excluding grants stood at -10.1% of GDP in 2014 against -6.5% in 2013.

43. The year 2014 was marked by a sharp deterioration in the trade balance. Imports grew by 6.55% while exports dwindled by 7.55%. The rise in imports could be attributed to the increase in the imports of petroleum and food products. The overall position of the balance of payments recorded a surplus of CFAF 5.2 billion in 2014 against a deficit of 86 billion in 2013.

Niger

44. Real GDP growth of the country stood at 7.1% in 2014 against 4.1% in 2013. This positive trend is attributable to the good performance in all sectors of the economy. The primary sector recorded grew by 8.2% in 2014 against 0% in 2013. Growth in the secondary sector stood at 3.7% against 7.3% in 2013. The tertiary sector registered an expansion of 5.1% in 2014 against 6.7% in 2013. On the demand side, growth was driven mainly by investments (15.9% expansion against 2.6% in 2013), consumption increased by 3.4% and exports by 4.2%.

45. The consumer price level stood at 2.5% in 2014 against 2.3% in 2013. Niger therefore met the UEMOA community standard set at less than 3%. The decline in the general price levels could be attributed to the success of the 2014-2015 crop year as production is expected to be 7% higher than the previous crop year.

46. With regards to public finances, there was a simultaneous increase in budget revenues and total expenditures. Total revenues recorded a growth of 20.21% in 2014 thanks partly to the increase in tax revenues by 15.43%. However, the tax pressure rate of 16.7% remains below the 20% rate set by UEMOA. Grants increased by 7.51%. In terms of total expenditure, there was an increase of 72.8% due mainly to the 126.95% growth in capital expenditures and an expansion of 18.04% in current expenditures. The overall budget balance including grants settled at -2.9% of GDP against -0.5% in 2013.

47. With regards to the external sector, the trade deficit was CFAF 287.1 billion against CFAF 228.0 billion in 2013. The current account deficit stood at 730.3 billion against 590.6 billion in 2013. In total, the balance of payments surplus was 147.1 billion in 2014 against 102.4 billion in 2013.

Nigeria

48. In 2014, economic growth in Nigeria stood at 6.22% against 5.49%. This expansion was sustained by the non-oil sectors which are the agricultural sector (with a growth rate of 4.27% against 2.94% in 2013), the industrial sector (6.76% against 2.16% in 2013) and the services sector (6.85% against 8.38% in 2013). In 2014, the primary sector contributed 22.90% to GDP against 23.33% in 2013, the secondary sector contributed 24.93% to GDP against 24.81% in 2013 and the tertiary sector contributed 52.16% to GDP against 51.86% in 2014.

49. The level of inflation in 2014 was 8.05% against 8.50% in 2013. This decline in inflation is attributable to the simultaneous fall in the general price level. However, this downward trend was much more pronounced in the level of prices of goods excluding agricultural products (6.9% in 2014 against 7.7% in 2013 or a decline of 80 basis point) than the level of prices of agricultural products and by-products (9.5% in 2014 against 9.7% in 2013 or a drop of 20 basis points).

50. Foreign trade in 2014 was marked by a growth in both imports and exports. There was also an improvement in the trade surplus in that it grew by 37.9% compared to its level in 2013. This improvement in the trade balance is on account of the increase in exports by 20.87% against an expansion of only 3.1% of imports.

Senegal

51. Real GDP growth rate was estimated at 4.5% in 2014. This growth was driven by the upturn in the secondary sector (4.9% expansion against -1.5% in 2013) and the strength of the services sector (5% growth against 6.4% in 2013).

52. The inflation rate fell from 0.7% in 2013 to -1.1% in 2014. In fact, prices have benefited from a favourable context marked by the drop in crude oil prices.

53. There was an improvement in the tax pressure which was estimated at 18.9% in 2014 against 18.4% in 2013. However, this tax pressure was below the 20% standard set by UEMOA. The improvement in the tax pressure is attributed to the continued modernization of the tax administration, greater ownership of the new General Tax Code in the second year of implementation and further streamlining of public spending policy. Compared to 2011, there was a reduction in overall budget deficit from -6.7% of GDP in 2011 to -5.1% of GDP in 2014. Total public debt of Senegal stood at CFAF 3836.7 billion in 2014 or 49.3% of GDP, including 74% foreign debt and 26% domestic debt. Although the ratio of debt to GDP was high, it was lower than the community standard of 70% set by UEMOA.

54. With regards to the external sector, there was an improvement in current account deficit which reached 9.6% of GDP in 2014 against 10.8% in 2013. The improvement in the current account was as a result of the improved trade deficit (19.2% of GDP in 2014 against 20.3% in 2013) and the strengthening of private current transfers. With the good performance of the capital and financial transactions account, the surplus of the balance of payments is projected at 92 billion against 21.1 billion deficit in 2013.

Sierra Leone

55. Sierra Leone was on track to achieve the target of 11% growth in 2014, given the achievements made in 2013 and the first half of 2014. Performance in 2013 and the first half of 2014 was driven by the mining sector and agriculture which helped to offset the effect of the outbreak of the Ebola virus disease. The 2014 growth rate was estimated at about 6.6% thanks mainly to the unexpected rise in iron ore production. This upsurge in production helped to offset the decline in iron ore prices.

56. Inflation was below 10% for the first time at the end of 2013 in the country during the decade. It followed this trend till the outbreak of the Ebola virus disease in the country in mid-2014. Inflation which had dropped from 8.5% at the end of 2013 to 7.8% at the end of June 2014 shot up to 9.3% at the end of November 2014 and reached double digits at the end of December 2014. This rising inflation is explained by the distortions in supply and the decrease in the amount of food due to the border closure. There was also a heavy blow in the agricultural sector and a depreciation of the national currency.

57. The execution of the 2014 budget was marked by declining revenues due to the slowdown in the economy and increased spending because of the socio-economic impacts of the Ebola virus disease. At the end of June 2014, the revenue collected was below the intended target of nearly US $ 76 million due to the decline in mining revenue, import duties and income tax. The outbreak of the Ebola virus disease caused an increase in wage bill due to unbudgeted recruitment, expenses to stem the Ebola outbreak which was also not budgeted for and higher expenses compared to the initial estimates of goods and services and domestic public investments.

58. The improvement in the balance of payments observed in 2012-2013 extended to the first half of 2014. The growth in 2014 was due to higher export earnings thanks to the rise in iron ore production and lower imports of mining equipment. The current account balance deteriorated during the second half of 2014 due to lower prices of iron ore and rising imports of pharmaceutical products and other items to combat the Ebola virus disease. There was also a significant increase in capital inflows in the second half of 2014 which helped improve the position of the balance of payments and budget support from development

partners of Sierra Leone. The pressure of demand on the foreign exchange market resulted in a depreciation of the Leone from 2% in July 2014 to 13.54% in December 2014.

Togo

59. Real GDP growth rate was 5.5% in 2014 thanks to the dynamism in all sectors. The primary sector recorded a growth rate of 14.9% and this trend is attributed to the increase in food production. Growth in the second sector stood at 3.9% owing to the acceleration in the production of clinker and phosphate. Growth in the tertiary sector stood at 4.4% due to developments in trade and services. On the demand side, growth was driven by private final consumption, private investments and net exports of goods and services.

60. Inflation rate in 2014 settled at 0.2% against 1.8% in 2013. This decline in inflation occurred in almost all the UEMOA countries.

61. With regards to public finances, there was an increase in government revenue by 7.8% partly due to the 6% rise in tax revenues. Government spending climbed by 11.9%. This increase in government spending was due to the rise in capital expenditures by 24.9%, current expenditures by 4.7% and 6.8% for wages. The tax pressure rate of 20.4% in 2014 was in line with the new standard set by UEMOA. Expenditure for the presidential elections and the high social demand are the reasons behind the increased public spending. The ratio of wage bill to tax revenue which was 33.3% enabled the country to also meet this UEMOA convergence criterion. The budget balance stood at -2% of GDP, thus meeting the UEMOA convergence criterion.

62. With regards to the external sector, the balance of the current transactions was in deficit because of the trade deficit. The capital account and financial account recorded a surplus of CFAF 111.8 billion and CFAF 70.3 billion respectively. In all, the balance of payment was in deficit in 2014.

63. The monetary situation was marked by the decline in net foreign assets, increase in credit to the economy notably in the building and public works sub sector, trade and services as well as the expansion in money supply.

B. Tables and graphs

Table 4 : Real GDP Growth

	2012	2013	2014*	2015**
Benin	5.4	5.6	5.5	5.2
Burkina Faso	9	6.6	4.5	6.8
Côte d'Ivoire	10.7	8.7	9	7.9
Guinea Bissau	-2.2	0.3	2.6	4
Mali	0	1.7	5.9	4.8
Niger	11.1	4.1	7.1	4.9
Senegal	3.4	3.5	4.5	4.6
Togo	5.9	5.1	5.6	5.7
UEMOA	7	5.7	6.6	6.2
Cape Verde	1.2	0.5	1	3
Gambia	5.3	6.3	-0.24	7
Ghana	8.8	7.1	4.5	4.7
Guinea	3.8	2.3	1.3	4.1
Liberia	8.3	8.7	0.3	4.5
Nigeria	4.3	5.4	6.2	7.3
Sierra Leone	15.2	20.1	6.6	9.9
ECOWAS	5.1	5.7	6.7	6.9

Source: / ECOWAS Annual Report, 2014, National Authorities, IMF, Regional Economic Outlook, October 2014

Table 5: Consumer prices (*End of period, percentage change*)

	2012	2013	2014*	2015*
Benin	6.8	-1.8	4	2.8
Burkina Faso	1.6	0.1	2	2
Côte d'Ivoire	3.4	0.4	1.6	1.6
Guinea Bissau	1.6	-0.1	1.3	2
Mali	2.4	0	1.5	2.6
Niger	0.7	1.1	-0.3	1.2
Senegal	1.1	-0.1	1.4	1.5
Togo	2.9	1.8	2	2.7
UEMOA	2.7	0.1	1.7	1.9
Cape Verde	4.1	0.1	2	2.5
Gambia	4.9	5.6	5	5
Ghana	8.1	13.5	18.5	15.1
Guinea	12.8	10.5	9.4	7.1
Liberia	7.7	8.5	13.1	8.1
Nigeria	12	7.9	9	8.5
Sierra Leone	12	8.5	10	9.5
ECOWAS	10.2	7.2	8.6	7.9

Source: IMF, Regional Economic Outlook, October 2014

Table 6: Overall fiscal balance excluding grants (As percentage of GDP)

	2012	2013	2014	2015
Benin	-2.3	-3.1	-3.6	-3.3
Burkina Faso	-8.1	-9.4	-8.2	-8.3
Côte d'Ivoire	-3.7	-3.6	-4.6	-5.1
Guinea Bissau	-5	-7.2	-10.5	-8.4
Mali	-1.4	-6.5	-10.1	-7.7
Niger	-7.5	-11	-13.7	-12.1
Senegal	-8.5	-8.1	-7.9	-6.9
Togo	-8.8	-7.6	-7.6	-6.7
UEMOA	-5.3	-6.2	-7	-6.7
Cape Verde	-13.1	-11.5	-12.7	-12.2
Gambia	-13.4	-10.7	-10.1	-8
Ghana	-13.7	-10.5	-9.5	-7.7
Guinea	-6	-6.7	-6.8	-4.7
Liberia	-4.2	-7.2	-12.7	-12.5
Nigeria	0.4	-2.3	-1.7	-2.2
Sierra Leone	-9	-4.9	-8.1	-7.8
ECOWAS	-1.6	-3.5	-2.9	-3.1

Source: *IMF, Regional Economic Outlook, October 2014 & Country Data*

Table 7 : Mo Ibrahim Index

Country	Overall score in 2014
Benin	56.67
Burkina Faso	53.28
Cape Verde	76.59
Côte d'Ivoire	44.32
Gambia	51.55
Ghana	68.17
Guinea	43.28
Guinea-Bissau	33.23
Liberia	49.34
Mali	49.47
Niger	49.44
Nigeria	45.82
Senegal	64.33
Sierra Leone	51.13
Togo	46.45

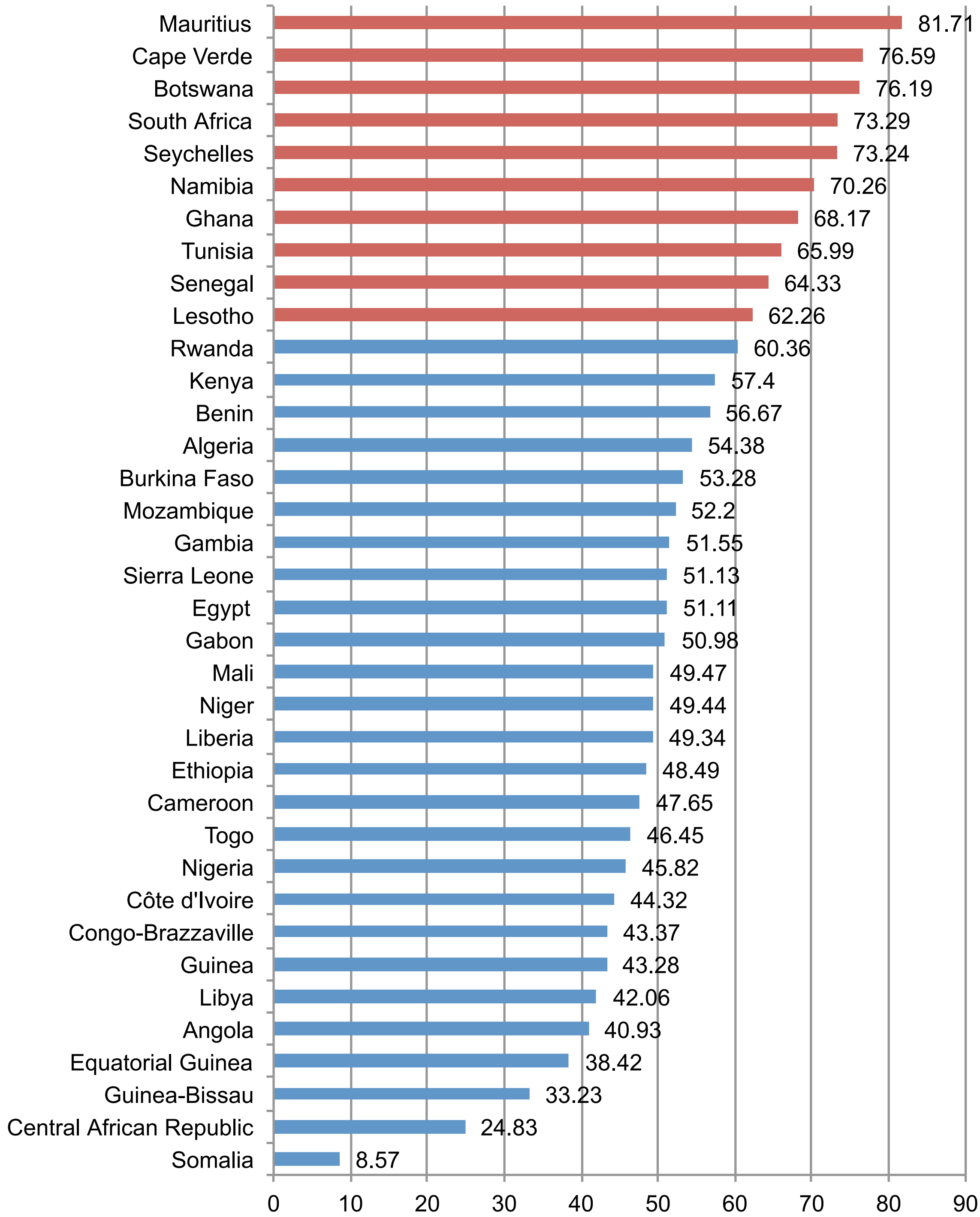
Source; Mo Ibrahim Foundation, 2015

Table 8: Human Development Index

Country	Score	Rank
Cape Verde	0.636	123
Ghana	0.573	138
Nigeria	0.504	152
Senegal	0.485	163
Benin	0.476	165
Togo	0.473	166
Côte d'Ivoire	0.452	171
Gambia	0.441	172
Liberia	0.412	175
Mali	0.407	176
Guinea-Bissau	0.396	177
Guinea	0.392	179
Burkina Faso	0.388	181
Sierra Leone	0.374	183
Niger	0.337	187

Source: UNDP, 2015

Figure 16 : Business climate in West Africa compared with other countries



Source: *Doing Business Database, 2015*