

# COUNTRY PROFILE

## Quarterly update

July 2016



United Nations  
Economic Commission for Africa

CONGO

## Introduction

The main objective of this document is to provide an update to the 2015 Congo Country Profile, with a particular focus on the recently released annual data for 2015.

## Recent developments: Key highlights

After a strong performance in 2014, economic activity slowed in 2015 owing to falling global oil prices.

President Denis Sassou-Nguesso was re-elected for another term following the presidential elections in March 2016.

The Government revised downwards its fiscal targets for 2016 following the drop in global oil prices, which was greater than anticipated.

The decision of British voters to leave the European Union in June 2016 could affect countries belonging to the Central African Economic and Monetary Community (CEMAC), including the Congo.

## Economic performance

### Economic growth and sector performance

According to data from the Bank of Central African States, the Congo's economy grew by 5.6 per cent in 2014, thanks to a good performance in all sectors. Growth slowed in 2015 to 2.3 per cent as

a result of declining oil production coupled with the effects of the fall in global oil prices.

### Fiscal policy

Government revenue has declined owing to the drop in oil revenue and increased public spending, especially on infrastructure projects. The fiscal balance (on a commitment basis, excluding grants) declined from 5.7 per cent of GDP in 2013 to 3.4 per cent in 2014. In 2015, the deficit accounted for the equivalent of 1.6 per cent of GDP. The Government has lowered its fiscal targets for 2016 following the larger-than-expected drop in global oil prices.

### Inflation and monetary policy

Inflation, which rose between 2011 and 2013 owing to higher domestic demand, fell from 4.7 per cent in 2013 to 0.9 per cent in 2014, below the Central African Economic and Monetary Community's guideline rate of 3 per cent. In 2015, declining domestic demand owing to lower public spending kept inflation low, at 2.7 per cent. On 6 April 2016, after analysing recent developments in the liquidity of the banking system in the CEMAC region, the monetary policy committee of the Bank of Central African States decided to reduce by 50 per cent the reserve requirements for commercial banks in countries belonging to CEMAC, including, therefore, banks in the Congo.

### Current account

The current account balance moved from a surplus of 7.8 per cent of GDP in 2011 to a deficit of 15.3 per cent of GDP in 2013 and 6.9 per cent in

2014, as a result of the continuing decline in the trade balance owing to the collapse of oil exports and the long-term deficit in the services account. In 2015, with the continued fall in oil prices, the current account balance fell further to -43.1 per cent of GDP.

## Macroeconomic performance

	Value	Year
Nominal GDP (in billions of CFA francs)	5302.1	2015
Real GDP growth (%)	2.3	2015
Annual average inflation (%)	2.7	2015

## Fiscal policy

(% of GDP)	Value	Year
Total revenue	27.4	2015
of which: oil revenue	10.4	2015
of which: non-oil revenue	17.1	2015
Total expenditure	39.1	2015
of which: recurrent expenditure	20.5	2015
of which: capital expenditure	18.6	2015
Primary fiscal balance (- = deficit)	-8.8	2015
Underlying fiscal balance (- = deficit)	-9.3	2015
Fiscal balance, on a commitment basis excluding grants (- = deficit)	-11.6	2015
Fiscal balance, on a commitment basis including grants (- = deficit)	-11.6	2015

## Current account

(% of GDP)	Value	Year
Imports	95.5	2015
Exports	57.3	2015
Trade balance (- = deficit)	-38.2	2015
Current account balance (- = deficit)	-43.1	2015

# References

Bank of Central African States (2016). Cadrage macroéconomique.

Economist Intelligence Unit (2016). Country report – Republic of the Congo.