

COUNTRY PROFILE

Quarterly update

July 2016



United Nations
Economic Commission for Africa

SENEGAL

Introduction

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

Recent developments – Key highlights

- A reform of the Constitution was approved in a referendum held on 20 March 2016. The principal changes relate to a return to five-year Presidential terms, the promotion of local governance and grassroots development, and recognition of new citizens' rights, such as the right to a healthy environment, the right to natural resources and land tenure rights. The President launched an extended national dialogue encompassing all the country's stakeholders on 28 May 2016.
- The country is engaged in the implementation of the Plan Sénégal Émergent, 2014-2018. Second-generation Presidential projects were launched in the new city of Diamniadio, located some 30 kilometres from the capital, Dakar. It contains hospital facilities, administrative and industrial zones and a digital technology park which has received funding of 45 billion CFA francs from the African Development Bank.
- Senegal has also launched an initiative which is related to the Plan Sénégal Émergent, known as the Emergency Programme of Community Development, 2015-2016. This programme has

a budget of 113 billion CFA francs, from domestic sources, with the United Nations Development Programme as implementing agency. During the period 2015-2016, 3,050 km of rural roads will be constructed or rehabilitated, 250 wells and water towers will be completed, 325 villages will be supplied with electricity and 5,000 amenities opened in rural areas

Economic performance

Economic growth

Economic growth accelerated in 2015, reaching 6.5 per cent compared with 4.3 per cent in 2014. This trend in economic activity was mainly due to the performance of the primary sector, which grew by 18.2 per cent in real terms compared with 2.4 per cent the previous year, supported by strong growth in food production (31.7 per cent against 6.8 per cent in 2014). The main driver of growth was the record production of paddy rice: 900,000 tons, a rise of 61 per cent over 2014, in the context of efforts to achieve the country's goal of self-sufficiency in rice by 2017, with production of 1,600,000 tons. Senegal should confirm its positive trend in 2016, with growth of 6.6 per cent expected.

Budgetary policy and debt policy

The budget deficit shrank by 0.3 percentage points, from 384 billion CFA francs (5.1 per cent of GDP) in 2014 to 387 billion CFA francs (4.8 per cent of GDP) in 2015. This trend was due to the satisfactory mobilization of resources in a favourable economic environment and the continued rationalization of operating costs.

The Government is pursuing a prudent debt management policy: during the last review of its programme with the International Monetary Fund, in June 2016, Senegal was recognized as having the capacity to manage its debt independently.

Inflation and monetary policy

For 2015, Senegal maintained its record of low inflation, with a rise of 0.1 per cent compared with 2014. Inflation in 2016 is projected to be 2 per cent.

Current account

In 2015 the current account deficit should show an improvement of 1.7 percentage points, at 570.3 billion CFA francs (7.1 per cent of GDP) compared with 665.9 billion CFA francs (8.8 per cent of GDP) in 2014. This situation may be ascribed in part to the fall of 89.9 billion CFA francs in the trade deficit and the rise in the balance on current transfers of 44 billion CFA francs, supported by a high level of remittances, estimated at 963.9 billion CFA francs, or 12 per cent of GDP, in 2015.

Social developments

Poverty

The incidence of poverty was assessed at 46.7 per cent in 2011, reflecting a fall of 10.4 points in the poverty rate between 2001 and 2011.

The growth trend recorded between 2012 and 2015, with an annual average rate of 4.7 per cent, offers a glimpse of an improvement in the incidence of poverty in 2015. However, the share of households which considered themselves to be poor (subjective poverty) stood at 56.5 per cent in 2015.

Health

There has been major progress in reducing child mortality. Between 2005 and 2015, infant mortality was reduced from 61 per thousand (according to the 2005 population and health survey) to 39 per thousand (ongoing survey, 2015). Over the same period, infant and child mortality was cut from 121 deaths per 1,000 live births to 59.

Education

In 2015, access to education measured on the basis of the gross primary enrolment rate was estimated to be 84 per cent, compared with 67.2 per cent in 2000. This trend reveals real progress towards universal school attendance. However, there are some concerns as regards the quality of education. Almost one child of school age in three fails to complete primary education: the completion rate was estimated to be 65.9 per cent in 2013.

Economic performance

Macroeconomic performance	Value	Year
GDP, current prices (billions of CFA francs)	8049.6	2015
Real GDP growth rate (%)	6.5	2015
Inflation rate (%)	0.1	2015

Fiscal policy (billions of CFA francs)		
Total revenue and grants	2026.3	2015
Tax revenue and Energy Support Fund	1794.3	2015
Grants	232.0	2015
of which: budget grants	31.2	2015
of which: capital grants	200.8	2015
Total expenditure and net lending	2411.50	2015
Current expenditure	1504.4	2015
Salaries and wages	526.1	2015
Debt servicing	159.8	2015
of which: external	126.1	2015
of which: internal	33.6	2015
Other current expenditure	818.5	2015
Capital expenditure	907.2	2015
Total balance including grants	-387.0	2015
Total balance excluding grants	-619,0	2015

Monetary policy		
Minimum bid rate (%)	2.50	2015
Marginal lending rate (%)	3.50	2015
Interbank rate (%)	4.90	2015
Average borrowing rate (%)	5.89	2015
Borrowing rate for businesses	5.08	2015
Borrowing rate for individuals	9.34	2015
Average loan rate (%)	5.58	2015

Current account (billions of CFA francs)		
Trade balance	-1,293.3	2015
Exports (FOB)	1,664.6	2015
Imports (FOB)	2,957.9	2015
Current account	-570.3	2015

Capital and financial accounts (billions of CFA francs)		
Direct investment	188.3	2015
Portfolio investment	32.4	2015
Capital and financial accounts	725.2	2015

Social developments

Poverty		
Poverty rate (%)	46.7	2011

Health		
Infant mortality rate (‰)	39	2010-2014
Child mortality rate (‰)	59	2010-2014

Education		
Gross enrolment rate in primary education (%)	84	2014

References

Agence nationale de la statistique et de la démographie (2015). Enquête à l'écoute du Sénégal, septembre 2015, rapport préliminaire.

_____ (2016), Enquête démographique et de santé continue au Sénégal (EDS – Continue 2015) – Rapport sur les indicateurs clefs, troisième année.

Banque centrale des États de l'Afrique de l'Ouest (2016). Rapport sur les conditions de banque 2015.

Economic Commission for Africa (2015). Country Profile 2015: Senegal. Addis Ababa.

Conseil interministériel sur l'agriculture, communiqué du 17 mai 2016.

Direction de la prévision et des études économiques (2016). Situation économique et financière en 2015 et Perspectives 2016.