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### Senegal: Selected Issues and Statistical Appendix

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INTERNATIONAL MONETARY FUND



# Staff Country Reports

October 1997

IMF Staff Country Report No. 97/94

## **Senegal—Selected Issues and Statistical Appendix**

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

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INTERNATIONAL MONETARY FUND

SENEGAL

**Selected Issues and Statistical Appendix**

Prepared by a staff team consisting of David T. Coe (head),  
E. de Vrijer, M. Fouad, M. Lewis, and P. Rother (all AFR)

Approved by the African Department

July 14, 1997

	<b>Contents</b>	<b>Page</b>
Basic Data		vi
<b>Selected Issues</b>		
I.	Fiscal Adjustment and Public Debt Sustainability, 1986-96 .....	1
	A. Introduction .....	1
	B. Fiscal Adjustment and the Needed Fiscal Effort .....	2
	The rationale for fiscal adjustment .....	2
	Reforming the tax system .....	3
	Productive expenditure policy .....	4
	C. Structure of the Public Sector in Senegal and Historical Trends .....	4
	Institutional setting .....	4
	The public enterprise sector .....	5
	Fiscal deficits .....	6
	D. The Quality of Fiscal Adjustment in Senegal, 1986-96 .....	12
	Revenue mobilization and composition .....	12
	Expenditure policy .....	16
	E. Public Debt Sustainability .....	21
	F. Conclusion .....	23
	References .....	25
<b>Figures</b>		
	1. Budget Deficit and Arrears Accumulation .....	9
	2. Composition of Tax Revenue .....	14
	3. Economic Classification of Spending .....	17

4. Functional Composition of Current Spending (in CFAF billions) . . . . .	18
5. Functional Composition of Current Spending (in percent of GDP) . . . . .	18
6. Government Wage Bill and Civil Servants . . . . .	20
7. External Debt to GDP Ratio . . . . .	23
8. External Debt Service . . . . .	23
9. Actual and Equilibrium Primary Balance . . . . .	23
Boxes	
1. Indirect Tax Reform, 1994 . . . . .	15
2. Civil Service Reform . . . . .	19
Text Tables	
1. Public Enterprise Portfolio at end-December 1996 . . . . .	7
2. Indicators of Fiscal Deficits . . . . .	10
3. Total Government Revenue . . . . .	10
4. Budgetary Expenditure . . . . .	11
II. Financial Sector Developments and Financial Deepening in Senegal . . . . .	26
A. Introduction . . . . .	26
B. Financial Sector Restructuring of 1989-91 . . . . .	26
C. Financial Sector Developments Since 1991 . . . . .	29
Banking sector developments . . . . .	29
Health of the banking system . . . . .	36
Nonbank and local financial institutions . . . . .	39
D. Financial Deepening in Senegal . . . . .	42
Financial deepening and economic growth . . . . .	42
Obstacles to further financial deepening in Senegal . . . . .	44
E. Conclusion . . . . .	46
References . . . . .	48
Figures	
1. Deposits of Senegalese Held Abroad . . . . .	32
2. Deposits Held Abroad as Percent of Domestic Deposits . . . . .	32
3. Implied Lending Rates and Cost of Resources . . . . .	34
4. Discount and Money Market Rates . . . . .	35
5. Banks' Deposits at the BCEAO as Percent of Bank Liabilities . . . . .	36
Boxes	
1. Monetary Policy Reforms . . . . .	31
2. SOGECA . . . . .	40

**Text Tables**

1. Sources and Uses of Funds in the Banking System, 1992-95 .....	30
2. Deposit Ratios, 1991-96 .....	31
3. Net Income of the Banking System, 1990-95 .....	33
4. Prudential Requirements, 1992-96 .....	37
5. Banking Sector: Return on Assets, 1991-95 .....	38
6. Credit Unions, 1993-95 .....	42
7. Indicators of Financial Deepening, 1991-96 .....	44

<b>Appendix I. Summary of Tax System as of December 1996 .....</b>	<b>49</b>
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**Appendix II. Statistical Tables**

1. GDP by Economic Sector at Constant 1987 Prices (in CFA francs), 1991-96 .....	54
2. GDP by Economic Sector at Constant 1987 Prices (annual percentage changes), 1991-96 .....	55
3. Supply and Use of Resources at Current Prices, 1991-96 .....	56
4. Level of Rainfall on the Groundnut Basin, 1960/61-96/97 .....	57
5. Production and Disposition of Groundnuts (unshelled), 1990/91-96/97 .....	58
6. Cereals Balance, 1990/91-96/97 .....	59
7. Estimates of Production, Area Under Cultivation, and Yields of Principal Crops, 1990/91-96/97 .....	60
8. Producer Prices of Main Agricultural Products, 1990/91-96/97 .....	61
9. Fish Catch, 1991-96 .....	62
10. Fish Disembarked by Vessel Nationality, 1991-96 .....	63
11. Evolution of Livestock, 1991-96 .....	64
12. Indices of Industrial Production, 1991-96 .....	65
13. Production of Principal Mineral and Industrial Products, 1991-96 .....	66
14. Production, Sales, and Prices of Lime Phosphates, 1991-96 .....	67
15. Imports of Crude and Refined Petroleum Products by the Société Africaine de Raffinage (SAR), 1991-96 .....	68
16. Exports of Refined Petroleum Products, by the Société Africaine de Raffinage (SAR), 1991-96 .....	69
17. Retail Prices of Petroleum Products, January 1981-March 1996 .....	70
18. Trends in the Tourism Sector, 1991-96 .....	71
19. Public Investment, 1992-96 .....	72
20. Index of Consumer Prices for the Average Senegalese Family in Dakar, 1990-March 1997 .....	73
21. Index of Consumer Prices for Expatriate Technical Assistants in Dakar, 1990-March 1997 .....	74

<b>Content</b>	<b>Page</b>
<b>Tables (continued)</b>	
22. Price Control System .....	75
23. SMIG--Nominal and Real, January 1980-December 1996 .....	76
24. Government Financial Operations, 1990/91-96 .....	77
25. Fiscal Performance, 1990/91-96 .....	78
26. Outstanding Payments Arrears of the Central Government and Public Agencies, 1990/91-96 .....	79
27. Budgetary Revenue, 1990/91-96 .....	80
28. Current Budgetary Expenditure, 1990/91-96 .....	81
29. Government Wage Bill and Civil Servants, 1990/91-96 .....	82
30. Minimum and Maximum Salaries for Selected Civil Servants, January 1985-April 1994 .....	83
31. Net Foreign Assets of the Central Bank of West African States (BCEAO), 1991-96 .....	84
32. List of Commercial Banks and Financial Institutions as of December 31, 1996 .....	85
33. Monetary Survey, 1991-96 .....	86
34. Factors Affecting the Money Supply, 1991-96 .....	87
35. Indicators of Financial Savings, 1991-96 .....	88
36. Summary Accounts of the Central Bank, 1991-96 .....	89
37. Summary Accounts of the Deposit Money Banks, 1991-96 .....	90
38. Banking System Claims on the Government, 1991-96 .....	91
39. Distribution of Credit to the Economy, 1991-96 .....	92
40. Statutory Ceilings on Central Bank Advances to the Government and Actual Advances, June 1991-December 1996 .....	93
41. Overnight Money Market, 1988-96 .....	94
42. Liquidity Ratios of Commercial Banks, 1991-96 .....	95
43. Interest Rate Indicators, 1991-96 .....	96
44. Discount Rates Applied by the Central Bank, 1975-February 1997 .....	97
45. Maximum Lending Rates Applied by Commercial Banks, July 1975-December 1996 .....	98
46. Interest Rates Applied in the Money Market, 1990-96 .....	100
47. Deposit Rates Applied by Commercial Banks, March 1989-April 1996 .....	101
48. Balance of Payments, 1991-96 (in CFA francs) .....	102
49. Balance of Payments, 1991-96 (in SDRs) .....	103
50. Export and Import Price, Volume, and Terms of Trade Indices, 1991-96 .....	104
51. Merchandise Exports, 1991-96 .....	105
52. Merchandise Imports, 1991-96 .....	106
53. Direction of Foreign Trade, 1991-96 .....	107



	<b>Content</b>	<b>Page</b>
<b>Tables (concluded)</b>		
54.	Services and Transfers Account, 1991-96 .....	108
55.	External Public Debt Outstanding, 1991-96 .....	109
56.	External Public Debt Ratios, 1991-96 .....	110
57.	Public Sector Loan Disbursements, 1991-96 .....	111
58.	Structure and Terms of External Public Debt Commitments, 1991-96 .....	112
59.	External Public Debt Service, 1991-96 .....	113
60.	Exchange Rates, 1991-March 1997 .....	114
61.	Nominal and Real Effective Exchange Rate Indices, 1989-March 1997 .....	115

**Senegal - Basic Data**

Area, population, and GDP per capita

Area:	196,720 square kilometers
Population: Total (1995)	8.4 million
Growth rate	2.8 percent per annum
GDP per capita (1995)	US\$580

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u> Est.
<u>Gross domestic product at current prices<sup>1</sup></u> (in billions of CFA francs)	1,549.9	1,612.8	1,586.6	2,155.1	2,429.8	2,637.5
	(In percent of real GDP)					
Primary sector	20.7	20.6	19.9	21.8	21.0	21.3
<i>Of which: agriculture</i>	10.8	10.7	9.6	11.1	10.3	10.8
Secondary sector	18.3	18.6	18.6	18.6	19.5	19.7
<i>Of which: industry and mining</i>	12.5	12.6	12.7	12.5	13.1	13.0
Tertiary sector	61.0	60.7	61.5	59.6	59.6	59.0
<i>Of which: commerce</i>	22.6	22.6	22.4	21.1	21.2	21.2
	(In percent of nominal GDP)					
Consumption	94.7	93.4	95.1	92.6	89.6	88.6
Gross investment	12.3	14.0	13.2	13.6	15.6	16.5
Gross domestic savings	5.3	6.6	4.9	7.4	10.4	11.4
Resource gap	-6.9	-7.3	-8.3	-6.3	-5.2	-5.1
	(Annual percentage changes)					
Real GDP	-0.7	2.8	-2.1	2.0	4.8	5.6
Nominal GDP	-0.2	4.1	-1.6	35.8	12.7	8.5
<u>Prices</u>						
GDP deflator	0.5	1.2	0.4	33.2	7.6	2.8
Consumer price index	-1.8	0.0	-0.7	32.1	8.1	2.7
Export prices (in CFA francs)	-12.4	0.1	1.3	100.9	1.3	2.1
Import prices (in CFA francs)	-3.0	-1.8	3.8	102.2	1.3	3.2
Terms of trade	-9.7	1.9	-2.4	-0.6	0.0	-1.1

\* Sources: Data provided by the Senegalese authorities; and staff estimates.

<sup>1</sup> Figures for GDP, the composition of GDP, and the GDP deflator for 1992-96 are estimates.

**Senegal - Basic Data (continued)**

	<u>1991/92</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u> Est.
	(In billions of CFA francs)					
<b>Government finance<sup>2</sup></b>						
Total revenue and grants	327.5	313.9	272.6	385.6	439.7	442.0
<i>Of which: revenue</i>	307.3	293.4	255.9	301.5	366.2	394.3
Total expenditure and net lending	323.8	354.1	319.8	424.8	444.7	448.1
<i>Of which: current expenditure</i>	232.9	282.0	249.5	318.6	316.6	312.6
Overall surplus or deficit (-)						
Commitment basis	3.7	-40.2	-47.2	-39.2	-5.0	-6.1
Cash basis	6.1	8.3	-2.8	-200.0	-65.4	-6.1
External financing (net)	33.1	23.4	8.6	186.7	80.5	36.0
Domestic financing (net)	-39.2	-31.7	-5.8	13.3	-15.1	-29.9
<i>Of which: banking system</i>	-21.3	-27.3	-17.0	1.0	-14.2	-23.6
	(In percent of GDP)					
Total revenue and grants	20.7	19.5	17.2	17.9	18.1	16.8
<i>Of which: revenue</i>	19.4	18.2	16.1	14.0	15.1	14.9
Total expenditure and net lending	20.5	22.0	20.2	19.7	18.3	17.0
<i>Of which: current expenditure</i>	14.7	17.5	15.7	14.8	13.0	11.9
Overall surplus or deficit (-)						
Commitment basis	0.2	-2.5	-3.0	-1.8	-0.2	-0.2
Cash basis	0.4	0.5	-0.2	-9.3	-2.7	-0.2
	<u>1991</u>	<u>1992</u>	<u>1993<sup>3</sup></u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
	(In billions of CFA francs; end of period)					
<b>Money and credit<sup>3,4</sup></b>						
Foreign assets (net)	-184.0	-172.2	-202.9	-137.7	-80.2	-60.3
Domestic credit	510.6	520.5	508.0	583.0	583.0	625.5
Government (net)	109.8	290.2	264.9	312.5	309.2	295.5
Private sector	400.8	230.3	243.1	270.5	273.8	330.0
Money and quasi-money	371.6	384.9	336.5	463.7	499.2	540.9
	(Annual change in percent of beginning-of-period money stock)					
Domestic credit <sup>5</sup>	-3.7	2.7	-3.2	-6.6	0.0	8.5
<i>Of which: private sector</i>	-4.3	...	3.3	8.1	0.7	11.3
Money and quasi-money	5.8	3.6	-12.6	37.8	7.7	8.4

<sup>2</sup> Fiscal year ending June 30 through 1991/92; calendar year data starting in 1992.

<sup>3</sup> Accounts valued at exchange rate of CFAF 50 per French franc.

<sup>4</sup> Consolidated and refinanced credits included in credit to the private sector through 1991, and thereafter included in credit to the government (net). Percentage changes for 1994 are adjusted for the parity change.

<sup>5</sup> For 1994, the figure refers to revalued accounts.

Senegal - Basic Data (concluded)

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u> Est.
	(In millions of SDRs)					
Balance of payments <sup>6</sup>						
Exports, f.o.b.	586.7	587.7	506.6	552.3	638.5	679.2
<i>Of which: groundnut products</i>	80.1	46.5	33.8	69.8	67.4	55.1
Imports, f.o.b.	-814.4	-846.3	-778.2	-713.7	-802.4	-872.9
Trade balance (deficit -)	-227.6	-258.6	-271.6	-161.4	-163.9	-193.7
Services (net)	-159.6	-153.2	-155.4	-105.8	-106.9	-77.8
Unrequited transfers (net)	241.5	257.0	227.1	270.9	252.1	228.0
Current account balance (deficit -)	-145.8	-154.8	-199.9	2.7	-18.4	-43.6
Capital account (net)	52.2	62.4	0.3	89.6	31.3	41.3
Overall balance (deficit -)	-93.6	-92.4	-199.6	92.2	13.0	-2.3
Overall balance (deficit -) after debt rescheduling	-4.1	-58.9	-174.5	329.8	115.8	37.0
	(In percent of GDP)					
Exports, f.o.b.	14.6	13.6	12.6	20.4	19.9	19.1
Imports, f.o.b.	20.3	19.6	19.4	26.3	25.0	24.6
Current account balance (deficit -) (including official transfers)	-3.6	-3.6	-5.0	0.1	-0.5	-1.2
	(In millions of SDRs; end of period)					
Gross official international reserves (end of period)	9.2	10.0	2.5	123.1	183.1	200.5
External public debt <sup>6</sup>						
Disbursed and outstanding (end of period) <sup>7</sup>	2,238.1	2,385.1	2,449.0	2,234.1	2,359.6	2,523.7
Interest due	101.8	101.9	97.9	78.9	86.7	78.9
Amortization due (including Fund repurchases)	173.0	143.4	123.2	116.5	118.3	124.3
Debt rescheduling	89.6	33.5	25.0	61.8	88.5	39.3
Debt service after rescheduling (in percent of exports of goods and nonfactor services)	18.7	21.2	22.7	15.1	11.4	15.0
	(CFA francs per SDR)					
Exchange rates						
End of period	370.5	378.6	404.9	780.4	728.4	753.1
Period average	386.0	372.8	395.4	795.0	757.1	742.8

<sup>6</sup> Figures include the effect of debt cancellation.

<sup>7</sup> Including Fund credit and short-term liabilities of the Central Bank.

## **I. FISCAL ADJUSTMENT AND PUBLIC DEBT SUSTAINABILITY IN SENEGAL, 1986-96<sup>1</sup>**

### **A. Introduction**

1. With Dakar the capital of the former French West Africa Federation, Senegal became independent in 1960 with a well-developed infrastructure and productive base, a well-educated civil administration, and relatively high per-capita income. In the decade and a half following independence, the government's economic policy was based on an inward-looking strategy and widespread state intervention, with a soaring civil service and public sector. Government intervention spread, first in the agricultural sector and then gradually to all sectors of the economy, with labor, trade, and pricing policies leading to severe distortions in resource allocation. The number of public enterprises expanded through nationalization and new enterprise creation. By the early 1980s, the public enterprise sector was suffering severe problems due to undercapitalization, mismanagement, biased incentives, soft budget constraints, and dependence on government subsidies, all of which further distorted the Senegalese economy. The deterioration of the economic situation was accompanied by significant external official borrowing and budgetary assistance, and increasing recourse to short-term debt.

2. By the late 1970s, early 1980s, the Senegalese economy, afflicted by domestic and external imbalances, was in clear need of adjustment and the government embarked on a series of adjustment programs, supported by the IMF and the World Bank.<sup>2</sup> The outcome of the adjustment programs throughout the 1980s and early 1990s was mixed. While the financial situation was largely stabilized, economic growth, private investment, and saving did not pick up. There was little if any progress toward diversification of production and the economy remained vulnerable to the vagaries of the weather. In 1994, Senegal, together with the other members of the CFA franc zone undertook a 50 percent devaluation of the CFA franc, supported by a comprehensive adjustment program. The devaluation gave a second wind to the Senegalese economy, which has since recorded positive rates of growth.

3. Fiscal policy was a major component of the adjustment programs. The objectives were to strengthen public finances by improving the government revenue to GDP ratio, eliminating domestic and external payment arrears, reducing current spending, improving the efficiency of public investment, reducing the size of the public sector, and reducing or eliminating price distortions created by subsidies and transfers. This note examines the magnitude, quality, and composition of fiscal adjustment, and the sustainability of public debt in the context of a debt dynamics framework. The next section explains the rationale for fiscal adjustment and presents

---

<sup>1</sup>Prepared by Manal Fouad.

<sup>2</sup> The first adjustment program was supported by a stand-by arrangement in 1979, while the first Structural Adjustment Facility (SAF) was adopted in 1983.

some characteristics of the desired of tax and expenditure policies. Section C describes the structure and size of the public sector in Senegal, and discusses historical developments in fiscal deficits and debt accumulation. Against this background, Section D assesses the quality of fiscal adjustment in Senegal. Section E presents a framework for analyzing the dynamics of public debt and discusses the sustainability of Senegal's debt burden. Section F concludes.

## **B. Fiscal Adjustment and the Needed Fiscal Effort**

### **The rationale for fiscal adjustment**

4. Fiscal adjustment is at the core of the adjustment programs for the CFA franc zone countries. Strengthening the budgetary position and increasing government saving are key actions to help bolster domestic savings, restore external viability, and stabilize or reduce the debt burden. Adjustment also requires that the role of public enterprises be reduced, and their finances be put on a sound footing, in order to create opportunities and resources for the private sector to prosper and generate economic growth.<sup>3</sup> Fiscal adjustment must also be durable: although some policy measures with short-term effects may be easy to implement, the risk of reversals are high if the measures do not address structural fiscal problems. A competent and motivated public administration is essential for the efficient implementation of tax policy and public expenditure management. Strengthening administrative capacity is, therefore, an essential element of adjustment effort.

5. There are three crucial aspects of fiscal adjustment: magnitude, quality, and sustainability.<sup>4</sup> The necessary *magnitude* of fiscal adjustment, including the related issue of the length of time over which the adjustment is needed, will depend on the nature of the imbalance, the stance of macroeconomic policies, cyclical developments, and political or administrative constraints. Among the factors that determine the required amount of adjustment are whether the cause of the imbalance is short-lived or permanent; whether large external imbalances need to be corrected; and whether financing is available. A substantial reduction in fiscal imbalances will generally require a mix of revenue and expenditure policies. The *quality* of adjustment refers to this mix, as well as to the composition of the revenue and expenditure measures and to the short- to medium-term durability of the adjustment program. The quality of adjustment determines its impact on economic growth through its direct effect on saving, investment, and the efficiency of resource allocation. Finally, it is not only important that adjustment programs be durable, in the sense of not being quickly reversed, they also need to be *sustainable* in the sense that successful implementation results in a stable long-run debt burden that can be serviced without recourse to borrowing.

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<sup>3</sup>For a discussion of the composition of fiscal adjustment and its impact on growth in the context of Fund-supported programs for a group of eight countries, including Senegal, see EBS/95/166.

<sup>4</sup>This section draws on Fiscal Affairs Department, *Guidelines for Fiscal Adjustment*, International Monetary Fund, Pamphlet series, No. 49, 1995.

## Reforming the tax system

6. The role of tax policy is to raise sufficient government revenue to finance necessary expenditure, without creating excessive tax burdens or major distortions to relative prices. High tax rates and a complex tax system are likely to be counterproductive as they make compliance more difficult and encourage tax evasion. A good tax system has the following characteristics (IMF (1995) and EBS/95/166):

- ▶ The capacity to *generate revenue* increases in line with nominal GDP growth without the need for new taxes or frequent changes in tax rates. This implies the desirability of taxes that are levied on a nominal tax base rather than specific taxes levied on quantities.
- ▶ *Efficiency* in the sense that the distortionary impact on relative prices and resource allocation is minimized. Efficiency is achieved by levying taxes on a broad tax base, with few exemptions, and at uniform and relatively low rates; for particular categories of goods, excise taxes may be used.
- ▶ *Equity*, with a tax burden that is fair, differentiating according to the ability to pay (vertical equity) or giving equal treatment to those in similar circumstance (horizontal equity).
- ▶ *Transparency*, with tax codes that are readily understood, easy to administer and monitor, which should promote compliance. This also implies the importance of minimizing the frequency of discretionary modifications to tax laws, and clearly explaining and documenting any modifications that are made.
- ▶ A *low cost* system with respect to resources required for assessing and collecting taxes.

7. For a developing country such as Senegal, the following taxes have these characteristics: *value-added taxes* are efficient and easy to administer, particularly if there is a single rate, a minimum of exemptions, and no differentiation between the sources of production; *excise taxes* levied on an *ad valorem* basis on luxury goods or to discourage the consumption of products with negative externalities; a basic and progressive *income tax* excluding the poorest groups, with only a few income brackets and using withholding taxes to ensure compliance; and *profit taxes* levied at a single low rate, with tax incentives strictly limited in terms of coverage and duration. As a general rule, relatively high taxes on international trade are a feature of inward-looking development strategies, which are now recognized as counterproductive. *Export duties* could be justified as a substitute for income taxes that are otherwise difficult to collect, for example in rural areas; this, however, is not valid for Senegal. *Import duties* with low average rates, a limited number of rates and few if any exemptions can be an effective form of generating revenue provided there is a strong customs administration.

## **Productive expenditure policy**

8. Cutting expenditure is one obvious way to reduce a budget deficit. However, some spending, such as investment—broadly defined to include productive spending on infrastructure, health, education, and the judicial system—can raise the long-term growth potential of the economy. It is crucial therefore that expenditure reducing measures clearly distinguish between productive and unproductive expenditure, and that policy-makers look beyond the short-term effects of expenditure cuts. The following are guidelines for expenditure policies that enhance long-term economic growth:

- ▶ *Avoid across-the-board cuts* as they do not differentiate between expenditures that have very different economic and social impacts. Furthermore, these cuts are usually not durable because they defer more fundamental restructuring needed to strike the appropriate balance between personnel, operations, and capital outlays. Because of their *ad hoc* nature, across-the-board cuts also may lead to the accumulation of payments arrears if the reduced expenditures are essential for the functioning of the administration, the run-down of infrastructure, and may prevent the normal conduct of administrative work, including tax and customs administrations, which can aggravate the initial imbalances.
- ▶ *Offer adequate public sector salaries while containing the overall wage bill*, by minimizing disparities between private and public sector workers, relating wages to performance, and, if necessary, freezing or reducing the size of civil service.
- ▶ *Target social programs* by identifying vulnerable groups, means testing, and replacing general price subsidies schemes with targeted subsidies or income transfers.
- ▶ *Allocate sufficient resources to human resource development*, especially to the crucial areas of basic education, and primary health care. The efficiency and quality of public services in general can be improved through user fees where appropriate.
- ▶ *Ensure an efficient public investment program* by improving the design, implementation, and monitoring of projects, and by withdrawing from areas that can be better managed by the private sector.
- ▶ *Reform public enterprises* by adjusting their price structure, redefining their role, improving their management, and privatizing all enterprises except those that have a strictly public service function.

## **C. STRUCTURE OF THE PUBLIC SECTOR IN SENEGAL AND HISTORICAL TRENDS**

### **Institutional setting**

9. The public sector in Senegal consists of the central government, local authorities, and non-financial public enterprises. Apart from the Presidency, the Office of the Prime Minister, and the ministries (currently 25), the central government comprises the National Assembly,



the Economic and Social Council, and the Supreme Court, all of which are covered by the general budget. Local authorities consist of urban units (*communes*) and rural districts (*communautes rurales*). The local authorities were given special budgets in 1996 in the context of a deepening of the decentralization policy. In addition, there are 53 nonfinancial public enterprises or agencies,<sup>5</sup> a number of entities engaged in cultural and professional activities, and six financial institutions.

10. The consolidated central government financial accounts include all budgetary operations monitored by the Treasury. In 1992, the fiscal year was changed to the calendar year; prior to that, fiscal years ran from July 1 to June 30. The Treasury executes all cash transactions of the government. The Treasury also maintains a number of special and correspondent accounts. In the early 1990s, two major special accounts, the Debt Amortization Fund (CAA) and the Price Stabilization Fund (CPSP), were abolished.

11. Senegal is a member of the West African Economic and Monetary Union (WAEMU). In this context, there is statutory ceiling on central bank advances to the Treasury equivalent to 20 percent of recorded government revenue from the most recent audited year, which limits the extent of monetization of the budget deficit.

### **The public enterprise sector**

12. Public enterprises are present in a large array of activities. Until recently, the public sector had a virtual monopoly over public utilities, including electricity, water, and telecommunications. Public enterprises also dominate mining and transportation, with a smaller involvement in commercial activities, such as commerce, tourism, and manufacturing.

13. In 1985, the government adopted the "New Policy for the Parapublic Sector" (NPSPP) with the aims of (i) withdrawing the State from those enterprises that could be better run by the private sector, and (ii) rehabilitating and improving the efficiency of "strategic" public enterprises that would remain under State control. The initial impact of this strategy was limited: although there was improvement in the management of some enterprises, there was little progress in terms of privatization or liquidation of public enterprises, and the burden on public finance was not reduced.

14. A more comprehensive reform program was initiated in 1989 with World Bank support. The program called for the rehabilitation of enterprises remaining in the State's portfolio; the privatization or liquidation of 40 enterprises, and the establishment of sound financial relations between the government and the public enterprises. By 1992, only one of the 40 enterprises had not been privatized, while eight additional ones had been privatized. In

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<sup>5</sup>Figures on public enterprises may differ from one source to the other, depending on the classification used. The 53 enterprises referred to here are defined as those exerting a commercial or industrial activity, and therefore exclude the entities that are nonprofit such as universities, research centers, etc.

the context of this reform program, a number of performance contracts were signed to rehabilitate enterprises and restructure the relations between the government and the enterprises. The reform also introduced greater financial discipline and hardened budget constraints on commercial public enterprises.

15. As of end-1996, there were 10 public enterprises (*sociétés nationales*), 35 joint public enterprises (*sociétés d'économie mixte*), and some 20 public agencies (*établissements publics*) (Table 1). The *sociétés nationales* are entirely owned by the government and are mainly public utility providers (notably, electricity, communication, water, and transportation); in theory, they enjoy a relatively large degree of autonomy. The *sociétés d'économie mixte* are mixed capital enterprises, whether with a majority or minority government share, of which some may be owned by another public enterprise. There are three kinds of *établissements publics*: commercial and industrial (8 entities), administrative, and professional (some 15 entities). They have the least autonomy and, except for the commercial and industrial entities, they are nonprofit. Since the early 1990s, the government has started withdrawing from the monopolies in public utilities: the management of the water company (SONEES) has been privatized, one-third of the capital of the telecommunications company (SONATEL) was opened to the private sector, and a reform in the energy sector is expected to lead to the privatization of the national electricity company (SENELEC).

### **Fiscal deficits**

16. During the period 1978-84, Senegal experienced important declines in output, coupled with three droughts and a significant fall in the world market price of groundnuts, at that time the country's main export crop. The period was characterized by mounting external and domestic financial imbalances, little investment, and low or negative saving rates.

17. At the same time, the Senegalese government pursued expansionary financial policies that were successful in stimulating consumption but not productive investment, which stagnated. The budget deficit (on a commitment basis and excluding grants) increased from about 1 percent of GDP in 1978,<sup>6</sup> to a peak of 10 percent in 1981. Widening fiscal imbalances during that period mainly reflected a failure to contain current expenditure; weak tax collection, in part related to several droughts; deficits of price stabilization schemes and Treasury special and correspondents accounts; and poor financial performance of public enterprises. In addition, liquidity problems of public enterprises resulted in the accumulation of payment arrears, with financial difficulties transmitted from one enterprise to the other, resulting in accumulation of arrears *vis-à-vis* the Treasury. To finance the deficits as well as the high levels of imports stemming from strong domestic demand, the government made recourse to external borrowing. As a result, the debt service burden increased substantially and the government had to seek a number of debt reschedulings. The external debt stock more than tripled from 25 percent of GDP in 1978 to 86 percent in 1984. As external and domestic

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<sup>6</sup>For ease of exposition, years cited in the text refer to the fiscal years ending June 30, until 1992, and to calendar years from 1993 onward.

Table 1. Senegal - Public Enterprise Portfolio at end-December 1996 1/

Enterprise	Sector	Capital (CFA millions)	Share of Government (in percent)			Turnover (CFA millions)	Capital of Government
			Direct	Indirect	Total		
<b>Sociétés d'économie mixte: 35 entreprises</b>							
<i>Majority-owned: 23 entreprises</i>							
SONACOS	Groundnut marketing	10000.0 2/	80.1	...	80.1	107399.8	8010.0
SONEPI	Industrial research	150.0 2/	61.2	0.0	61.2	89.0	91.8
Dakar-Marine	Shipyard	3640.8 2/	96.7	0.0	96.7	2403.0	3521.7
SSPT	Phosphates	1000.0 2/	50.0	0.0	50.0	2601.8	500.0
SICAP	Housing	2742.6 2/	89.6	0.5	90.1	2495.9	2470.6
SONATRA	Air transport	200.0 2/	50.0	[4.14]	50.0	1522.0	100.0
CTS	Soil development	10.0	50.0	50.0	100.0	0.0	10.0
SODAGRI	Agriculture	120.0 2/	54.0	46.0	100.0	377.9	120.0
SODEVA	Agriculture	100.0	55.0	32.3	87.3	0.0	87.3
CICES	Commerce	140.0 2/	58.7	30.8	89.5	204.0	125.2
SODEFITEX	Textiles	750.0 2/	50.7	26.8	77.5	13260.3	581.6
SOLEIL	Newspaper	27.4	54.7	45.3	100.0	0.0	27.4
PETROSEN	Petroleum	1200.0 2/	99.9	0.0	99.9	3045.3	1198.8
SOTRAC	Urban transportation	2496.0 2/	64.3	0.0	64.3	10379.0	1605.4
SODIDA	Industrial estate	55.0 2/	64.4	...	64.4	197.0	35.4
SAPCO	Development	1100.0	98.6	...	...	198.0	0.0
SONAFOR	Mining	240.0	74.3	9.0	83.3	0.0	200.0
SERAS	Livestock	819.0	95.7	0.0	95.7	1873.0	783.8
SOTEXKA	Textiles	8627.5	63.6	0.0	63.6	175.1	5485.4
SONADIS	Retail distribution	916.0 2/	8.0	82.0	90.0	4541.0	824.1
SNR	Loan recovery	25.0 2/	100.0	...	100.0	...	25.0
SIDEC	Cinematographic industry	...	80.0	...	80.0	...	0.0
SENRE	Insurance	600.0	53.0	...	53.0	1883.2	318.0
<i>Minority-owned: 12 entreprises</i>							
SPHU-Terranga	Hotel	1812.8 2/	28.3	4.1	32.4	1942.0	587.2
ICS (estimates)	Chemicals	44234.4 2/	42.7	9.0	51.7	34000.0	22869.2
MIFERSO	Mining	281.4	28.0	0.0	28.0	3504.4	78.8
SN-SABODALA	Mining	1497.0	46.4	0.0	46.4	0.0	694.6
SCAT URBAM	Urban development	390.0	0.0	39.7	39.7	0.0	154.7
NEA Senegal	Publishing	30.0	20.0	0.0	20.0	0.0	6.0
COSENAM	Maritime transport	1000.0	15.0	...	15.0	6186.2	150.0
AGS	Insurance	...	5.0	...	5.0	...	0.0
NIS	Publishing	...	15.0	...	15.0	...	0.0
SAR	Petroleum refinery	...	10.0	...	10.0	...	0.0
SIMPEC	...	...	10.0	...	10.0	...	0.0
HAMO	Housing	...	7.0	...	7.0	...	0.0
<b>Sociétés nationales: 10 entreprises</b>							
SAED	Agriculture	2500.0	100.0	0.0	100.0	2675.0	2500.0
SONES	Water	3927.9 2/	100.0	0.0	100.0	24307.8	3927.9
SENELEC	Electricity	60000.0 2/	100.0	0.0	100.0	60738.2	60000.0
SONATEL	Telecommunications	50000.0 2/	100.0	0.0	100.0	53639.0	50000.0
LONASE	Lottery	110.0 2/	100.0	0.0	100.0	22009.0	110.0
SN PAD	Port authority	5000.0	100.0	0.0	100.0	9251.8	5000.0
SN HLM	Housing	6000.0 2/	100.0	0.0	100.0	1858.4	6000.0
SNCS	Railways	7000.0 2/	100.0	0.0	100.0	9228.0	7000.0
LaPoste	Post	2912.3	100.0	0.0	100.0	4002.4	2912.3
RTS	Radio-television	7000.0	100.0	0.0	100.0	3606.0	7000.0

Table 1. Senegal - Public Enterprise Portfolio at end-December 1996 1/

Enterprise	Sector	Capital (CFA millions)	Share of Government (in percent)			Turnover (CFA millions)	Capital of Government
			Direct	Indirect	Total		
<b>Etablissements publics à caractère industriel et commercial: 8 entities</b>							
ASACE 3/	Export insurance	150.0	100.0	0.0	100.0	0.0	150.0
ITA	Food research	12.3	100.0	0.0	100.0	...	12.3
ONFP	...	228.5 2/	100.0	0.0	100.0	230.3	228.5
APS	Press agency	23.1	100.0	0.0	100.0	...	23.1
ISRA	Agricultural research	414.1 2/	100.0	0.0	100.0	1235.1	414.1
CEREEQ	Equipment research	54.9 2/	100.0	0.0	100.0	393.7	54.9
SODESP	Agricultural research	17.2	100.0	0.0	100.0	...	17.2
MSAD	Decorative art	100.0	100.0	0.0	100.0	55.0	100.0
<b>Non profit administrative and professional entities 4/</b>							
<i>Etablissements publics à caractère administratif: 10 entities</i>							
ONAC	Veterans	10.4	100.0	0.0	100.0	...	10.4
COUD	University services	125.4	100.0	0.0	100.0	...	125.4
ISBEA	Institute	17.1	100.0	0.0	100.0	...	17.1
INSEPS	Institute	48.0	100.0	0.0	100.0	...	48.0
CNQP	Vocational training	10.8	100.0	0.0	100.0	...	10.8
IID	Institute	...	100.0	0.0	100.0	...	0.0
CROUS	Higher education	...	100.0	0.0	100.0	...	0.0
CNTDS	Theatre	...	100.0	0.0	100.0	...	0.0
ENSTP	Training	...	100.0	0.0	100.0	...	0.0
ENSA	...	...	100.0	0.0	100.0	...	0.0
<i>Etablissements publics à caractère professionnel: 4 entities</i>							
COSEC	Professional association	3078.1	100.0	0.0	100.0	1490.0	3078.1
BSDA	Professional association	...	100.0	0.0	100.0	...	0.0
Ch. de Commerce	Professional associations	...	100.0	0.0	100.0	...	0.0
Ch. de Métier	Professional associations	...	100.0	0.0	100.0	...	0.0

Data provided by the Cellule de gestion et de Contrôle du Portefeuille de l'Etat

1/ Highlighted enterprises are slated for privatization.

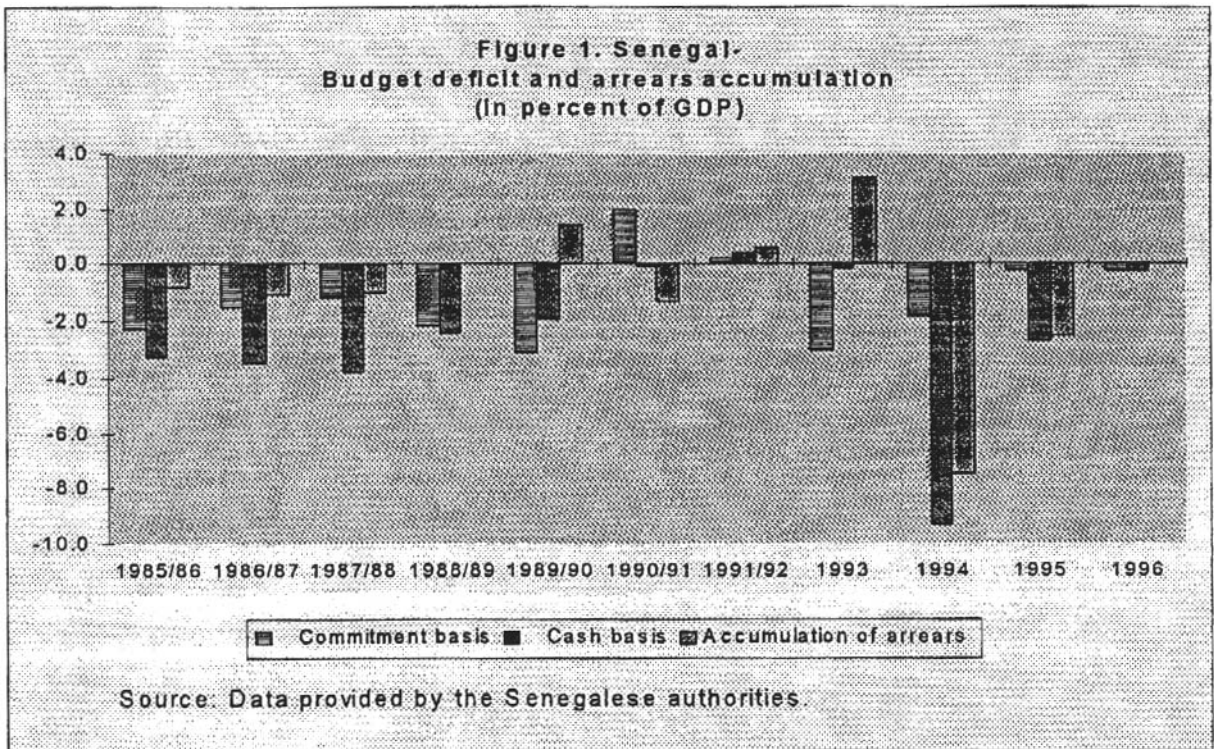
2/ Financial results are for 1995; for other enterprises, results are for earlier periods.

3/ Not formally an EPIC, but a public agency of a commercial nature.

4/ May not be exhaustive

financing covered only part of the deficit, the remainder was financed by the buildup of domestic and external payment arrears.

18. The government undertook to stabilize the economy through tighter fiscal policy as early as 1982. Although the adjustment program was characterized by repeated reversals of positive achievements, the budget deficit (on a commitment basis and excluding grants) declined steadily from 10 percent of GDP 1981 to 2½ percent of GDP in 1987 and 1988 (Figure 1, and Tables 2, 3, and 4). In 1989, however, the deficit widened again to 4 percent of GDP, but then improved markedly in 1991 and 1992, before returning to 4 percent of GDP in 1993.



19. The main reason behind these erratic results was stop-and-go implementation of adjustment policies that were not durable. As discussed in the next section, various tax reforms failed to generate a durable increase in receipts for several reasons: the tax base continued to be narrow because of the pervasiveness of exemptions; most taxes were relatively inelastic with respect to nominal income; the tax system relied heavily on cyclical revenues; customs and tax administrations were weak and fiscal fraud persisted; and the growing informal sector was not captured in the tax net. At the same time, high tariffs raised production costs and reduced competitiveness. Moreover, a significant proportion of the revenue measures were nonrecurring, such as the collection of tax arrears from public enterprises, and many of these were offset by compensating expenditure measures such as additional transfers to enterprises, and therefore had no impact on the budget.

Table 2. Senegal - Indicators of Fiscal Deficits  
(in billions of CFA francs)

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1993	1994	1995	1996
<b>Budget deficit</b>											
<b>Including grants</b>											
Commitment basis	-28.1	-19.7	-16.8	-30.9	-46.4	31.2	3.7	-47.2	-39.2	-5.0	-6.1
Cash basis	-40.7	-46.0	-53.9	-35.3	-29.0	-0.4	6.1	-2.8	-200.0	-65.4	-6.1
<b>Excluding grants</b>											
Commitment basis	-47.3	-34.8	-36.8	-59.4	-66.0	4.9	-16.8	-63.9	-123.3	-78.5	-53.8
Cash basis	-59.9	-61.1	-73.9	-63.8	-48.6	-26.7	-14.4	-19.5	-284.1	-138.9	-53.8
<b>Financing</b>											
External	28.0	52.0	51.9	47.7	56.8	7.2	33.1	8.6	186.7	80.5	36.0
Domestic	12.7	-6.0	2.0	-12.4	-27.8	-5.8	-39.2	-5.8	13.3	-15.1	-29.9
<b>Primary balance</b>											
Commitment basis	-6.3	4.8	9.3	-11.7	-20.7	43.0	19.2	-29.2	-51.8	-14.0	2.1
<b>Stock of external public debt</b>	899.4	937.5	1,069.6	852.3	810.7	829.2	903.0	991.6	1,743.5	1,718.6	1,900.5
<b>Memorandum item:</b>											
GDP	1,244.3	1,338.3	1,433.1	1,479.9	1,514.6	1,551.2	1,581.4	1,586.6	2,155.1	2,429.8	2,637.5

Source: Data provided by the Senegalese authorities.

Table 3. Total Government Revenue  
(in billions of CFA francs)

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1993	1994	1995	1996
<b>Total revenue</b>	218.1	251.0	251.4	245.7	259.9	300.9	307.3	255.9	301.5	366.2	394.3
<b>Tax revenue</b>	185.1	196.0	205.5	196.2	219.0	241.4	264.1	220.2	267.9	330.3	369.3
<b>Direct taxes 1/</b>	48.7	50.5	55.9	55.8	60.1	65.8	64.8	59.5	63.2	79.8	84.6
Taxes on domestic goods	58.0	60.4	59.3	58.2	60.3	62.9	57.4	55.7	69.0	83.7	94.6
Taxes on international trade	73.7	80.0	83.4	74.3	91.1	104.1	115.6	95.5	124.0	155.7	178.3
Import duties	73.4	79.4	82.7	73.6	91.1	104.1	115.6	95.5	124.0	155.7	178.3
Export duties	0.3	0.6	0.7	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other taxes	4.7	5.1	6.9	7.9	7.5	8.6	26.3	9.5	11.7	11.1	11.8
<b>Non-tax revenue</b>	33.0	55.0	45.9	49.5	40.9	59.5	43.2	35.7	33.6	35.9	25.0
<b>Memorandum item:</b>											
Grants	19.2	15.1	20.0	28.5	19.6	26.3	20.5	16.7	84.1	73.5	47.7

Source: Data provided by the Senegalese authorities.

1/ Taxes on net income and profits and employer's payroll tax.

2/ Including VAT collected by customs.

Table 4. Senegal - Budgetary Expenditure  
(in billions of CFA francs)

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1993	1994	1995	1996
<b>Current expenditure</b>	220.3	232.7	244.7	248.1	258.4	232.1	232.9	249.5	318.6	316.6	312.6
<b>Economic classification</b>											
General public services	70.2	74.7	71.0	...	73.2	68.9	80.9	65.4	88.4	81.3	81.4
National Defense	28.2	28.6	29.8	...	31.8	30.8	29.7	32.5	36.5	36.6	39.6
Education	45.0	48.4	51.4	...	59.4	62.1	62.1	67.0	74.8	76.9	79.5
Health	8.9	8.9	9.2	...	9.8	10.3	9.1	11.9	15.8	16.7	17.2
Social and community services	8.7	9.3	8.9	...	7.7	5.0	4.0	4.1	5.1	4.8	5.0
Economic services	13.4	13.8	13.5	...	13.0	10.6	8.3	15.7	8.9	8.0	7.6
Interest on government debt	41.0	39.6	46.1	47.7	45.3	38.1	36.0	34.7	71.5	64.5	55.9
Other	4.9	9.4	14.8	...	18.2	6.3	2.8	18.2	17.6	27.8	26.4
<b>Functional classification</b>											
Wages and salaries	111.8	119.8	122.3	125.2	126.8	129.5	134.9	132.3	148.8	157.5	162.6
Materials and supplies	40.2	43.2	46.5	49.3	50.8	38.0	39.1	47.4	50.0	48.4	52.5
Interest on government debt	41.0	39.6	46.1	47.7	45.3	38.1	36.0	34.7	71.5	64.5	55.9
of which external	40.3	39.3	43.6	42.6	40.7	31.1	29.8	28.1	58.3	55.8	45.9
Scholarships	2.8	2.8	3.8	3.5	4.1	4.4	2.3	5.7	6.6	6.6	0.0
Other transfers and subsidies	22.9	25.8	25.2	21.4	30.1	22.0	20.4	29.4	41.7	23.6	29.2
Unclassified	1.6	1.5	0.8	1.0	1.3	0.1	0.2	0.0	0.0	16.1	12.4
<b>Capital expenditure</b>	33.8	38.1	41.7	41.0	39.8	44.5	71.2	64.9	100.2	117.7	127.6
Domestically financed	5.8	8.1	11.7	11.0	7.8	12.0	37.2	27.9	26.2	35.7	41.6
Externally financed	28.0	30.0	30.0	30.0	32.0	32.5	34.0	37.0	74.0	82.0	86.0

Source: Data provided by the Senegalese authorities.

20. Part of the improvement in the fiscal position between 1986 and 1992 reflected a reduction in current spending, which was cut by almost 3 percent of GDP. The reduction in current spending reflected mostly a cut in the outlays on materials and supplies as well as subsidies and transfers, all of which were cut by about 1½ percent of GDP between 1986 and 1992. The wage bill was also brought down by almost one half a percent of GDP over the same period. Capital spending remained around 2¾ percent of GDP between 1986 and 1991, and then increased to around 4½ percent of GDP in 1992.

21. In 1994, the budget deficit deteriorated further to 5¾ percent of GDP, due to the effects of the devaluation, which increased spending more than revenue. After 1994, however, the budget deficit was steadily reduced to less than one half percent of GDP in 1996. The improved the fiscal performance since 1995 stemmed from durable measures to improve tax collection and to contain current spending, including the wage bill.

#### **D. THE QUALITY OF FISCAL ADJUSTMENT IN SENEGAL, 1986-96**

##### **Revenue mobilization and composition**

22. There are three tax collecting agencies in Senegal. The Customs Department (DGD) is in charge of assessing and collecting of taxes on imports and exports, including the value-added tax (VAT) on imports.<sup>7</sup> Until 1994, fiscal fraud, weak administrative capacity, inadequate human and material resources in the DGD, and a narrow tax base were reflected in low customs revenue. The Tax Department (DGI) is in charge of assessing and collecting domestic taxes, the most important of which are the VAT on domestic goods and the income tax. The third agency is the Treasury Department, which collects most nontax revenues, and receives the taxes collected by the DGD and DGI. The Treasury Department has traditionally suffered from weak organization and staffing, which has been reflected in the absence of strict and timely control over tax collection.

23. The government implemented several reforms to the tax system beginning in 1986. An important set of reforms took place in 1987 with the introduction of a new tax code that simplified the tax schedule, replaced specific taxes by ad valorem taxes, extended the VAT tax to primary commodities and construction materials, reformed the taxation of projects financed by external loans, and modernized a number of administrative procedures. Concomitantly, the investment code was revised to reduce the scope of exemptions. The computerization of the tax collection system was also significantly revamped. At customs, the reforms focused on a simplification of the external tariff and the computerization of customs operations, including the introduction of the current customs clearance computerized system (GAINDE). The number of fiscal rates was reduced and the dispersion of rates was lowered substantially. In addition, tariffs were lowered in two stages, reducing the effective tariff rate from 98 percent to 68 percent.

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<sup>7</sup>Export taxes were suspended in 1994.



24. Following an IMF technical assistance mission in 1989, another major reform was introduced in 1991. The measures included the introduction of a statistical tax of 3 percent on all merchandise entering customs checkpoints, whether subject to exemptions or not (except for imports financed by grants and diplomatic imports); the collection of deferred customs payments and tax arrears; reductions in customs and tax exemptions; improvements in customs valuation procedures; increased excise taxes on tobacco, coffee, alcoholic beverages, and luxury goods; the extension of the VAT to trade and services,<sup>8</sup> combined with a reduction in the maximum rate from 50 percent to 30 percent; the introduction of an equalization tax for small businesses; increases in personal income tax rates by 5 percentage points;<sup>9</sup> the introduction of an airport departure tax; increases in the rates and coverage of stamp duties and fees; and the introduction of a minimum presumptive tax based on business license fees. In addition, the tax department was reorganized in January 1990 along functional lines and the training of tax inspectors was intensified. The customs administration reinforced its inspection units and conducted an internal audit of its services. A Swiss import valuation agency, the *Société générale de surveillance*, also began operations in July 1992.

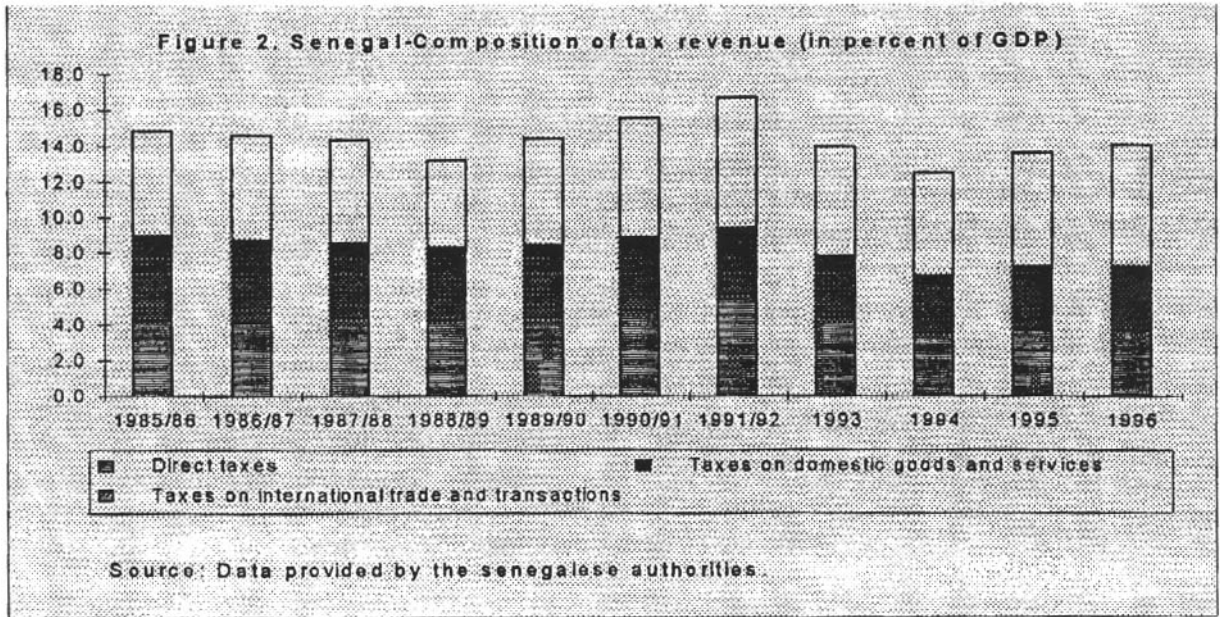
25. Despite the reforms initiated in 1986, tax revenue as a percent of GDP declined steadily from 15 percent in 1986 to 13½ percent in 1989, mostly because of declining taxes on goods and services and international trade (Figure 2). The tax to GDP ratio rose in the three subsequent years, mainly due to exceptional measures such as the collection of deferred taxes and tax arrears and the receipt of taxes on dividends from public enterprises. Poor revenue performance was due to weak tax administration, subdued economic activity, and the growing importance of the informal sector, which remained virtually untaxed. Nontax revenue was volatile, as it reflected many nonrecurrent factors such as privatization receipts, receipts from fishing agreements, and other exceptional measures.

26. In 1992, major policy slippages and delays in the implementation of structural reforms led to a rapid deterioration of Senegal's financial situation and a reversal of earlier gains. The fiscal balance (on a commitment basis and excluding grants) deteriorated to a deficit of 3¾ percent of GDP. There were revenue shortfalls because of delays in the implementation of the automatic adjustment mechanism of petroleum product prices, in the start-up of the import valuation agency, and in the introduction of the equalization tax. In 1993, there was a serious worsening of the fiscal situation, mainly due to expenditures related to presidential and legislative elections. To halt the deterioration, the authorities put in place a rescue plan (*plan d'urgence*) in August 1993, consisting of a package of internal adjustment measures aimed at reducing the fiscal deficit. On the revenue side, the measures included a doubling of the stamp duty to 6 percent, the imposition of a 12 percent duty on previously-exempt imports, an increase in the import duty on rice, an increase in the retail prices of petroleum products, the

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<sup>8</sup>The extension of the VAT became effective on in March 1992 instead of November 1991.

<sup>9</sup>This measure was introduced on October 1, 1990 and suspended on December 1, 1990, owing to strong political resistance. It was replaced by a number of compensatory measures such as a levy on sugar, a registration fee for the sale of motor vehicles, and an increase in passport fees.



extension of the VAT to the transportation of three major commodities, and the doubling of the equalization tax. The impact of these measures during the last four months of 1993 helped to increase total revenue, but, at 16 percent of GDP, it remained about 3½ percentage points below its 1992 level.

27. As part of a comprehensive adjustment program adopted at the time of the devaluation of the CFA franc in January 1994, the Senegalese authorities undertook a new reform of the tax system that focused on simplification of the system, reduction of rates, and extension of the tax base. The major measures included (Box 1): (i) the reduction of the number of VAT rates and the extension of the VAT tax base; (ii) the simplification of the taxation of petroleum products with a unified VAT rate of 20 percent; (iii) the reduction of excise rates on tobacco, cigarettes, and alcoholic beverages; and (iv) the simplification and reduction of customs tariffs. In addition, the customs and tax departments were gradually reinforced, reorganized, and their computer systems improved. More recent measures included the extension of the VAT to importers and manufacturers' clients, the conversion of the equalization tax into a withholding tax on VAT payments, the establishment of a large taxpayers unit, the incorporation of excise taxes into the VAT tax base, and the introduction of the single taxpayer registration number.

### **Box 1. Indirect Tax Reform, 1994**

Following the devaluation of the CFA franc, the Senegalese authorities introduced a major reform of the tax structure in February 1994 aimed at improving the efficiency of the tax system and enhancing tax compliance.

#### **Import taxes**

Import categories were simplified by reducing them from seven to four categories: (1) social goods, including inputs for the agricultural and the fisheries sector, and pharmaceutical industries; (2) capital and intermediate goods; (3) basic consumption goods; and (4) other consumption goods. The rates and categories were reduced and simplified, thus limiting tax dispersion. The following system was put in place:

- ▶ Customs duty: was reduced from 15 percent to 10 percent.
- ▶ Fiscal duty: the maximum rate was reduced from 50 percent to 30 percent; the number of rates were reduced from seven to four of 0, 10, 20, and 30 percent; the 10 percent rate was suspended for categories 1 and 2 of goods.
- ▶ Stamp duty: was reduced from 6 and 12 percent to 5 percent, and was extended to all imports with only a few exceptions.

#### **Value-added taxes**

The maximum rate was reduced from 34 percent to 20 percent, and the number of rates was reduced from five to two (10 and 20 percent). In 1996, the value-added tax base was amended to be augmented by the value of excises taxes.

#### **Excise taxes**

For alcoholic beverages and cola nuts, the maximum rates were reduced from 60 and 65 percent respectively, to 30 percent; the maximum rate on tobacco was reduced from 32.4 to 30 percent; and the excise on cement was abolished.

#### **Surcharge on luxury goods**

Selected luxury goods are subjected to a 20 percent surcharge.

In January 1998, a further reform is expected to be introduced in the context of the introduction of a common external tariff within the WAEMU zone. It is expected that the number of import categories will be reduced to four (one of which would be zero) and the maximum duty rate will be reduced to about 25 percent.

28. The impact of these reforms was not felt immediately. In 1994, there was a shortfall of almost 1 percent of GDP in total revenue compared with the objective. This was primarily due to a lower-than-expected level of imports, together with a shift in the composition of imports that led to lower customs receipts, as well as tax fraud and still weak administrative capacity. From 1995 onwards, however, there has been a clear improvement of government revenue, reflecting the earlier reforms as well as the recovery of economic activity that followed the devaluation. Between 1994 and 1996, total tax revenue increased by 1½ percent of GDP to

14 percent of GDP, with the most noticeable recovery in customs tax collection, which increased by 1 percent of GDP to 6¾ percent, followed by taxes on goods and services which increased by ½ percent of GDP to 3½ percent, and direct taxation, which increased by ¼ percent of GDP to 3¼ percent.

### **Expenditure policy**

29. The Budget Department is in charge of the preparation, execution, and monitoring of the budget. There are several weaknesses in budgeting procedures: the budget records the special and correspondents accounts on a net basis, and therefore under-estimates gross expenditures and revenues; and the budget does not cover the entire public sector, so that the overall deficit and public borrowing requirement is understated. In addition, public expenditure management is hampered by a cumbersome and slow process of implementation that was until recently circumvented routinely by administrators, which resulted in expenditure overruns, extrabudgetary spending, and the accumulation of domestic payment arrears. The authorities have recently taken steps to increase the role of the budget as an expenditure management tool.

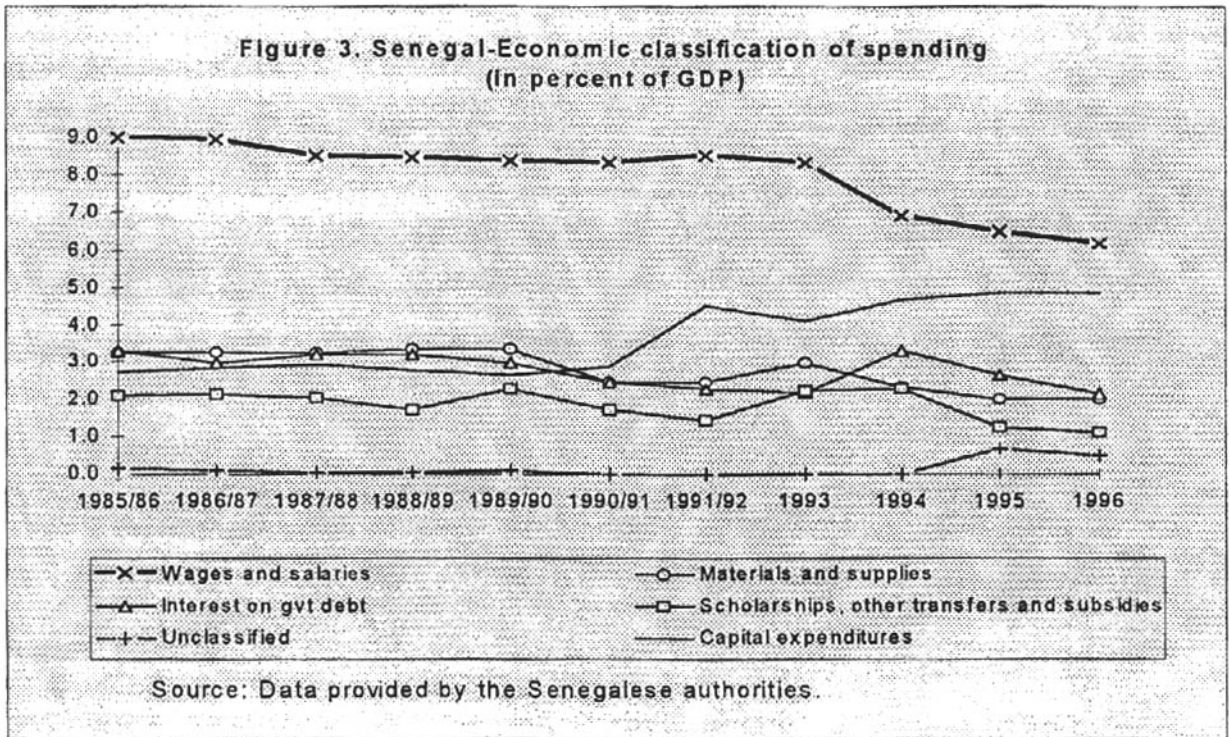
30. The budgetary procedure includes four steps: (i) the *engagement* (the commitment) after a ministry submits a proposal that is approved by the comptroller, and a credit title is issued to the supplier and a certification is issued to the ministry - a procedure that may take up to four months; (ii) in the *liquidation* stage the supply of the goods and services is verified, and the amount to be paid is determined; (iii) the *ordonnancement* is when the payment order is issued; and (iv) the *paiement effectif* is when the actual payment is made. The weakness of this system resides in the lengthy time between the beginning of the procedure and the actual payment, which can be anywhere between three months and one year. In addition, it appears that the lack of motivation of the staff often leads them not to follow the procedures diligently.

31. A public expenditure review (PER) was conducted in 1993 by the World Bank. Several of the problems with the budget process identified by that review have not been corrected. First, appropriations are made automatically from year to year, without a reevaluation of the appropriateness of the level of appropriations. Second, there is a weak link between the preparation of the capital and current budgets, with current spending often recorded in the capital budget, or double-counted, making it difficult to assess the efficiency and sustainability of capital expenditures. Third, the part of the investment program financed by external donors is not well monitored by the Treasury, so there is little information on current expenditure required for project implementation, with adverse effects on the execution of projects. Finally, some current expenditure are misclassified, notably some allowances to civil servants are included in materials and supplies instead of the wage bill.

32. The ratio of current expenditure to GDP has been declining steadily from 18 percent of GDP in 1986, to 15 percent in 1992, and further to 12 percent in 1996. This reduction occurred in large part on account of a reduction in the share of wages and salaries, which dropped from 9 percent of GDP to 6 percent over the same period, although the share of most other items also declined. At the same time, capital expenditures increased from 2¾ percent of

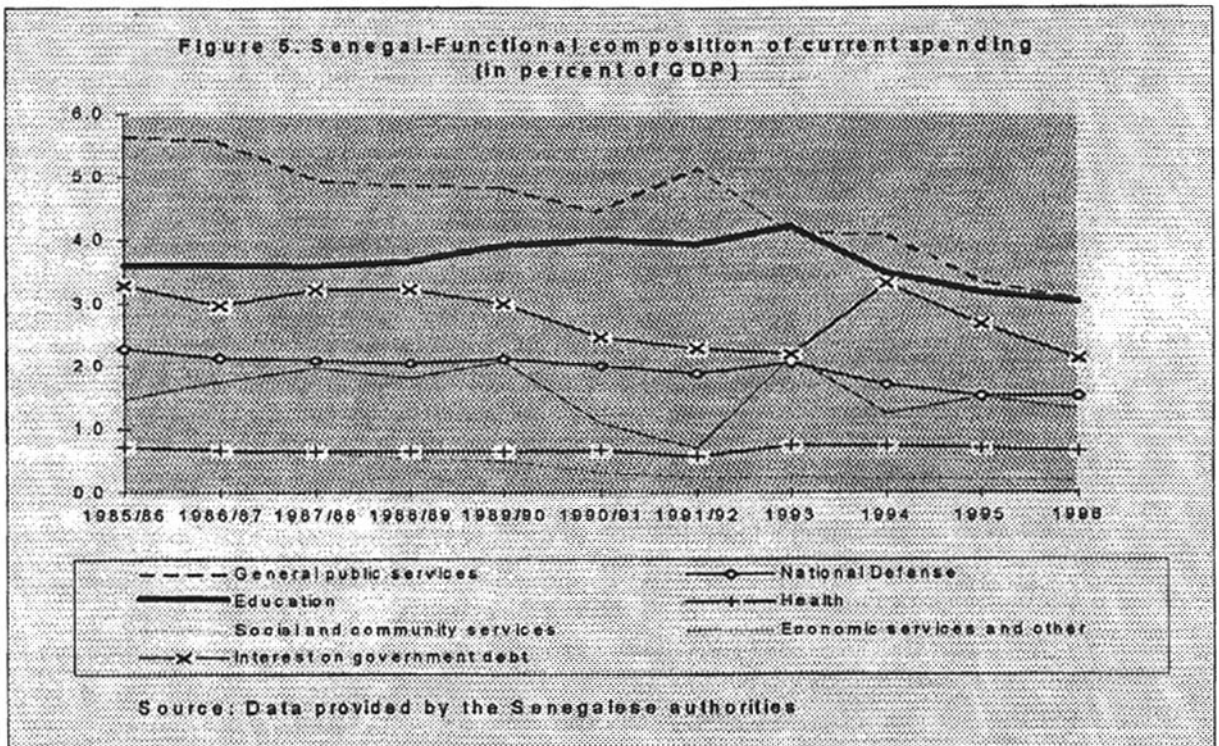
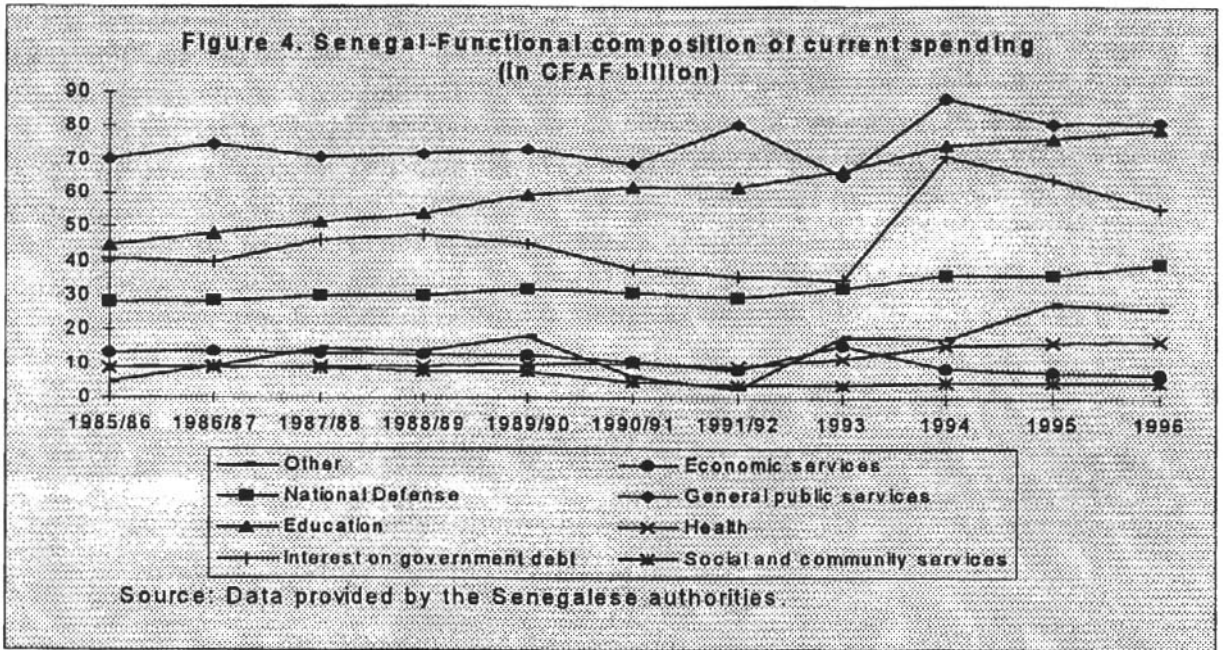
GDP in 1986 to 4¾ percent in 1996, with the share of the domestically financed portion increasing from ½ percent of GDP to 1½ percent.

33. In the economic classification of current spending, wages and salaries account for the largest share of current spending, over 50 percent on average during the period 1986-1996 (Figure 3). Wages and salaries reached a peak of over 60 percent of current expenditure in 1993, but by 1996 they had fallen back to about the same share in 1986 (about 52 percent). Wages and salaries also declined relative to GDP, with particularly sharp decreases since 1993. A recurrent feature of the wage bill until recently is the *rappels*, which are back payments for wage increases previously granted by the automatic promotion system. Material and supplies declined from 18 percent in 1987 to less than 17 percent in 1996. The decrease in spending on maintenance contributed to a deterioration of the existing infrastructure with detrimental effects on longer term growth prospects. Transfers and subsidies (including scholarships) also declined from about 12 percent in 1986 to about 9 percent in 1996.



34. In terms of the functional classification of current spending, on average over the period 1986-96, general public service had the largest share, followed by education, interest on debt, and national defense (Figure 4). Although The ranking of the shares has been relatively stable during the period as a whole, the share of total current spending allocated to education increased from 20½ percent in 1986 to 25½ in 1996, and the share allocated to health rose from 4 percent to 5½ percent over the same period. Despite a restructuring of health expenditures in favor of primary health care in the 1980s, the adequacy and quality of health delivery services has deteriorated and the balance between wages and salaries and materials and supplies has shifted in favor of the former. In the education sector, relatively

high teacher salaries have squeezed expenditure on non-wage current expenditure, and spending has favored higher education at the expense of primary education.<sup>10</sup> Spending on education and health services as a share of GDP remained relatively stable (Figure 5).



<sup>10</sup>A public expenditure review is now being done with World Bank assistance.

35. The government introduced a three-year rolling *public investment program* in 1986 (Rouis, 1994). The objectives were to ensure that investment plans were consistent with the macroeconomic framework, by incorporating the investment budget into the government's overall budget, and to improve project preparation, appraisal, and monitoring. Although there has been an improvement of the management and preparation of the public investment program, it still suffers from lack of coordination, and weak follow-up on the physical and financial execution. In addition, there are still problems in setting the priorities within the overall investment program. As a result, appropriations for social services, including health and education remain relatively low; and within the overall appropriations, the shares allocated for primary education and basic health—which are key to improved development of human resources—have generally been too low.

36. In 1992, the Senegalese authorities undertook measures to cut low-priority expenditures and provide adequate allocations for priority spending. In this context, the government wage bill was to be reduced through the voluntary departure program, limited recruitment, downsizing the staffing of embassies, and not granting cost of living adjustments (Box 2). Subsidies and transfers were also to be reduced, while budgetary allocations for maintenance, social services, and capital outlays were to be increased. In addition, the contribution rates for the national retirement fund (FNR) and the social security fund (IPRES) were raised in April 1991.

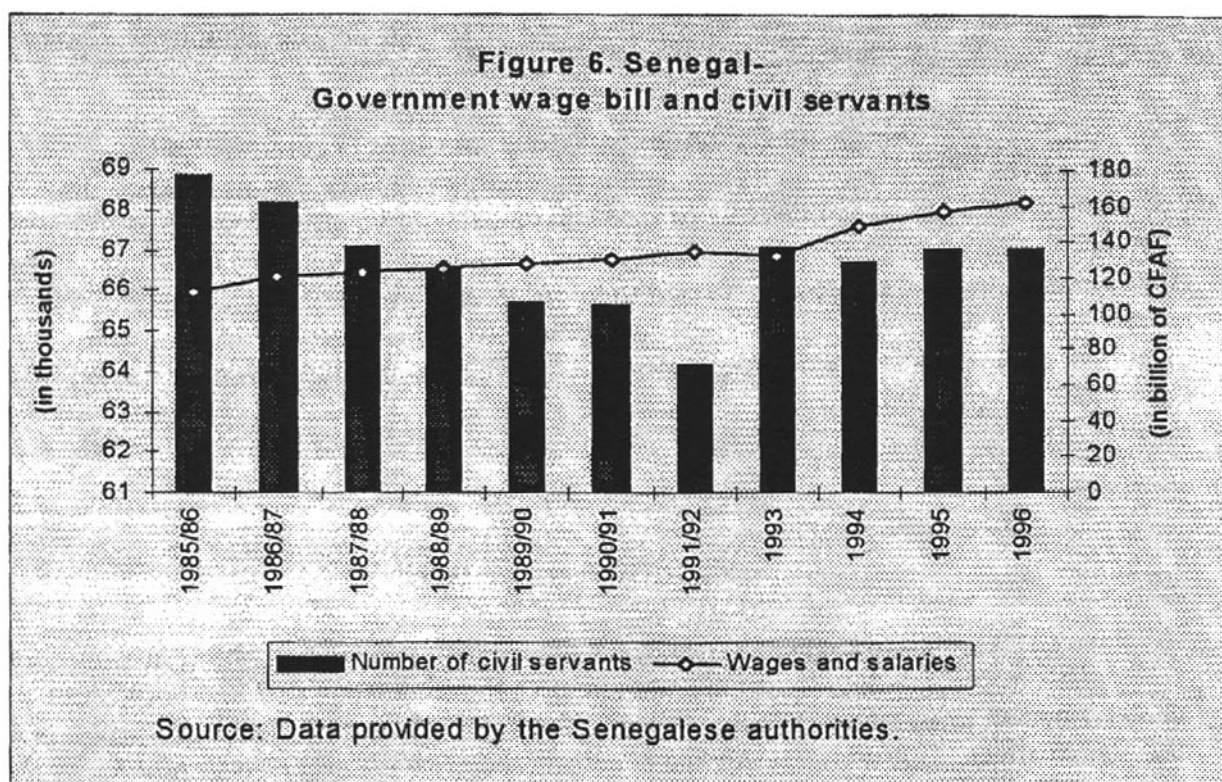
#### Box 2: Civil service reform

In January 1990, the government introduced a *civil service reform program*. The program envisaged a restructuring of the administration, with the elimination of 2,850 positions; an early retirement program that would affect about 1,450 staff; and a privatization program that would affect 1,309 staff. Health and education sectors were excluded from the program. The program granted compensation packages (of up to 60 months of salary for the lowest grades and 48 months for other), which were financed by external donors. The implementation of the program was mixed. By October 1991, out of 4,140 possible staff reductions, 3,745 actually departed from the payroll, partly because the funds provided had been used for other purposes in the budget. Ultimately, the program failed because the government was not able to control recruitment or the wage bill: in June 1992, the number of civil servants were 4 percent higher than programmed, and the wage bill was 13 percent higher than programmed (Figure 6). This was mainly the result of the lack of coordination between ministries and the lack of a systematic monitoring of the departures.

Source: Rouis (1994) pp. 322-24.

37. From 1986 to 1990 total expenditure was virtually stable at around 21 percent of GDP, before dropping to 18¾ percent of GDP in 1991 as the adjustment program was implemented. This drop, however, was on account of lower than expected spending on the

voluntary departure program and on banking sector reform, where only about 59 percent and 8½ percent of budgetary allocations were spent, respectively; there was actually an overrun in the wage bill, because of the slow implementation of the voluntary departure program and additional recruitment. Between 1986 and 1991, there were cuts in most functional categories of expenditure, except for education and health which increased by 4 percent and 16 percent, respectively. Slippages continued in 1992, with sizable overruns in the wage bill and the Treasury correspondents accounts. From 1991 to 1993, the government accumulated domestic and external payments arrears that reached a peak of 3½ percent of GDP in 1992.



38. As part of the internal adjustment program adopted in 1993, the authorities put in place several measures designed to cut expenditures. These included a wage cut of 5 percent for public sector employees earning less than CFAF 50,000 a month and a 15 percent cut for higher-paid employees, a reduction in the number of embassies and staff posted abroad, and measures to balance the financial accounts of public enterprises in the groundnut and cotton sectors. These measures were successful in curtailing total expenditure in the last four months of 1993. Following the devaluation of the CFA franc, the government succeeded in containing the wage bill, eliminating export subsidies, and reducing operating subsidies to public enterprises. In 1995, a number of measures were put in place to further contain spending, including the closure of several additional embassies a further reduction of diplomatic staff stationed abroad, and an additional increase in the contribution rates to the FNR. An audit of the civil service was also conducted in 1994-95. Finally, a law replacing the system of automatic wage increases with one based on merit was adopted in mid-1997, which, together



with other aspects of a public administration reform, should lead to the rationalization and possible reduction of the civil service, and better control of the wage bill.

39. To mitigate the short-term adverse effects of the 1994 devaluation on vulnerable population groups, the government put in place a three-year *social safety net* program in 1994. This program, which was allocated a budgetary appropriation of CFAF 15 billion in 1994 and CFAF 10 billion in 1995 and 1996, aimed at mitigating price increases for specific products such as bread, rice, and pharmaceuticals. In addition, a vast information campaign targeted at consumers, producers, and economic agents directly involved in trading local and imported products helped to moderate of price increases during the first few months of 1994. Furthermore, budget appropriations for social expenditure, particularly those related to education and primary health care, were raised to cover increases in the prices of imported products. Spending on the social safety net was as planned in 1994; in 1995, spending exceeded the target by CFAF 4 billion, mainly because of higher-than-expected outlays for wheat and rice consumer subsidies; in 1996, it was CFAF 4 billion less than targeted, because subsidies were less than expected as price liberalization lowered prices of some subsidized commodities. In 1997, social safety net expenditures were integrated into the functional expenditure categories.

#### E. PUBLIC DEBT SUSTAINABILITY

40. The budget deficits were mainly financed by external and, to a more limited extent, domestic borrowing, leading to an accumulation of debt. This section uses a standard debt dynamics framework to analyze the relationship between the fiscal deficit, the stock of debt, and GDP growth to assess the sustainability of Senegal's debt burden. For our purposes, a fiscal deficit is sustainable if the underlying debt to GDP ratio is stable.

41. The primary deficit -- the total revenue minus noninterest expenditure -- can be financed either by the change in the stock of domestic and external debt, or by money creation, and or by the change in payment arrears. For simplicity, we assume that the deficit is financed only by the change in the stock of debt. This gives the following identity:<sup>11</sup>

$$D_t = PB_t + i_t [(D_t + D_{t-1})/2] + D_{t-1} \quad (1)$$

where  $D_t$  is the stock of domestic and external debt at the end of period  $t$ ,  $PB_t$  is the primary balance in period  $t$ , and  $i_t$  is the interest rate at time  $t$  (divided by 100). The stable debt-to-GDP means that:

$$D_t/Y_t = D_{t-1}/Y_{t-1}, \quad (2)$$

where  $Y_t$  is nominal GDP at time  $t$ , and can be rewritten as:

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<sup>11</sup>Cash deficits in Senegal -- the deficit after change in payments arrears -- have been financed mainly by external borrowing because money creation is constrained by the BCEAO rule.

$$D_t = (1+g_t) D_{t-1} \quad (3)$$

where  $g_t$  is growth rate of nominal GDP in period  $t$  (divided by 100). Substituting equation 3 into equation 1 and rearranging yields the following condition for a sustainable debt-to-GDP ratio:

$$D_t/Y_t = - (PB_t/Y_t) / [(i_t - g_t) / (1+g_t) + (i_t * g_t / 2) / (1+g_t)] \quad (4)$$

42. Equation 4 indicates that the equilibrium debt-to-GDP ratio depends on the primary balance, the interest rate, and the nominal growth rate of GDP. The equilibrium debt-to-GDP ratio increases with the primary deficit to GDP ratio and the interest rate, and decreases with nominal GDP growth. In other words, if a country's primary deficit or the interest rate paid on its debt increases, its debt-to-GDP ratio will converge to a higher equilibrium level. Conversely, if the growth of nominal GDP increases, the equilibrium debt-to-GDP ratio will decline.

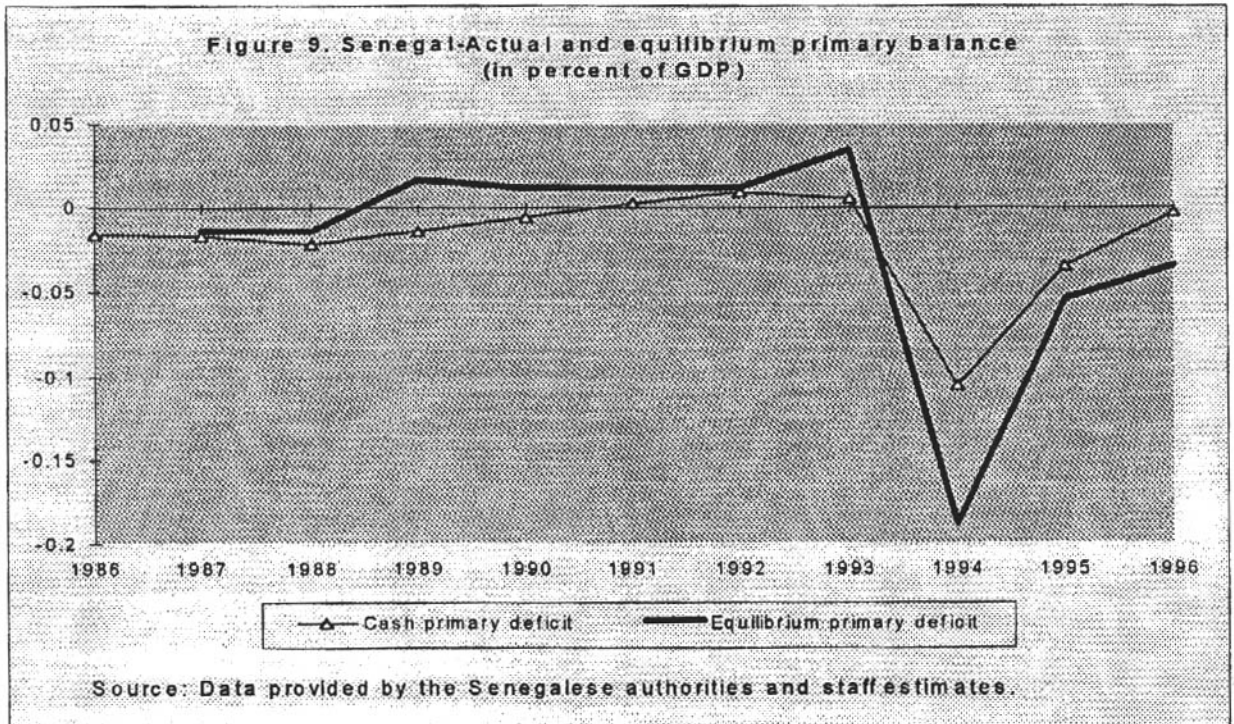
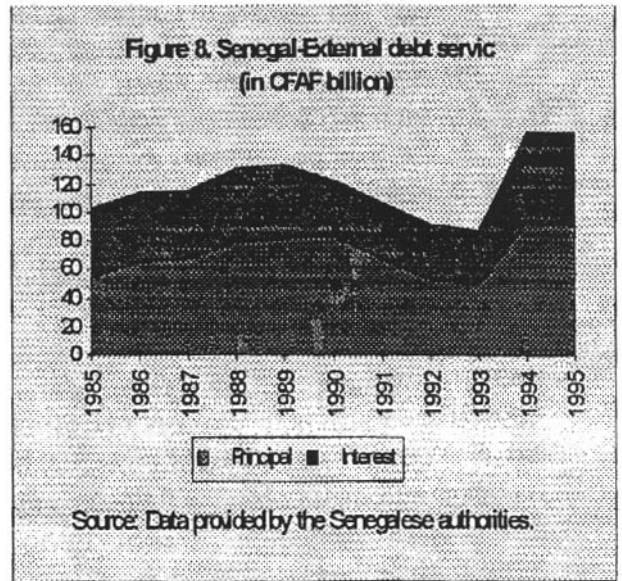
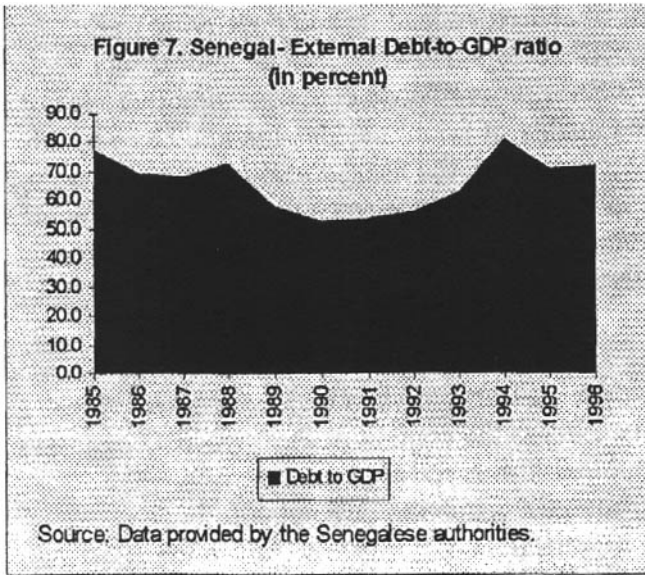
43. We focus on Senegal's public external debt because comprehensive data on public domestic debt, are not available before 1993.<sup>12</sup> The primary deficit is the cash deficit excluding grants and *external* interest payments. In 1996, the ratio of debt to GDP was 0.72 (Figures 7 and 8), the ratio of cash primary deficit to GDP was almost nil (0.003), nominal GDP growth was 0.085, and the implicit interest rate on foreign debt is 0.033. The equilibrium debt-to-GDP ratio was therefore 0.063, much below the actual.

44. Figure 9 plots the actual primary deficit and the implied equilibrium primary deficit that would stabilize the debt-to-GDP ratio. The results show that from 1987 to 1993, the actual primary deficit was below the equilibrium level, meaning that the Senegal's debt accumulating at an unsustainable rate in the sense that the equilibrium debt-to-GDP ratio was increasing. Since 1994, however, the actual primary deficit has been below the equilibrium one, indicating that Senegal's external debt is on a sustainable path and the equilibrium debt-to-GDP ratio is falling.<sup>13</sup> This evidence corroborates the analysis presented in Section D that the quality of Senegal's fiscal adjustment in the 1980s was poor, but that it became much improved in the mid-1990s. In addition, the interest rate on Senegal's external debt averaged 5 percent in 1987-92, but dropped to about 3.5 percent in 1993-96. This suggests that Senegal had recourse to external commercial borrowing in the 1980s, while, since the early 1990s it has financed its primary deficit mainly through concessional borrowing.

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<sup>12</sup>In 1993, the stock of government total domestic debt (including domestic payment arrears) amounted to 25 percent of GDP; at the end of 1996, it is estimated at 11 percent of GDP.

<sup>13</sup>The sharp drop in 1994 reflects the effect of the sharp increase in nominal GDP following the devaluation of the CFA franc.



## F. CONCLUSION

45. Senegal has made considerable progress in reducing fiscal imbalances since 1994. Although past experience shows that fiscal adjustment was often reversed, the quality of recent reform efforts has been higher and the adjustment has been more sustainable. The main features of the fiscal adjustment on the revenue side have been a simplification of the tax system, the lowering of tax rates, and an expansion of the tax base. On the expenditure side,

there has been progress in containing low-priority current spending and improving the efficiency of spending on infrastructure and social sectors. However, social indicators in Senegal still compare unfavorably with other sub-Saharan African countries, and there is a need to increase dramatically the coverage and quality of primary education and basic health services. It is important that the authorities persevere with the fiscal consolidation efforts they have pursued so far and make further efforts to raise the revenue to GDP ratio. This would not only help to preserve a stable macroeconomic environment conducive to private sector activity, it would also finance necessary increases in expenditures for human resource development and infrastructure.

46. A number of further reforms are anticipated, particularly in a regional context. First, a new tariff reform is to be introduced in January 1998 in the context of the WAEMU common external tariff. The new tariff rates will be simplified, the effective protection rate will be reduced, and the tax base will be expanded through the reduction or elimination of distortionary exemptions. This might result in a shortfall in customs revenues in the short term. In the longer run, however, it is expected that the economy will benefit from deeper liberalization, which will eventually contribute to increased revenues. In addition, a harmonized indirect taxation system is also planned, with a broadening of the VAT tax base, and the adoption of a common list of excisable goods. On the expenditure side, the new forthcoming budgetary accounting framework and the harmonized budget laws are expected to improve budgetary procedures and expenditure management.

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## **II. FINANCIAL SECTOR DEVELOPMENTS AND FINANCIAL DEEPENING IN SENEGAL, 1989-96<sup>1</sup>**

### **A. Introduction**

1. In response to growing imbalances during the 1970s and 1980s, Senegal undertook a wide-ranging financial sector restructuring program in 1989. The program, which was completed in 1991, was successful in placing the sector on a sound financial footing. However, financial institutions continued to face a number of obstacles to improved profitability and growth, including a weak client base and regulatory and legal constraints, many of which still impede the development of the financial sector in Senegal.

2. This note examines developments in the financial sector since 1989 and considers measures that would further strengthen financial institutions, permitting them to play a fuller role in financing private economic activities. Section B provides an overview of the financial sector restructuring program. Section C reviews developments in lending and deposit activities, interest rates, and financial markets with special attention to the health of the banking sector, developments in nonbank financial institutions, and the emerging microfinance sector. Section D briefly reviews the link between financial deepening and economic growth and discusses the institutional and regulatory obstacles that continue to hamper further financial deepening in Senegal. Section E concludes.

### **B. Financial Sector Restructuring of 1989-91**

3. A major consequence of the economic decline in Senegal in the 1970s and 1980s was a severe financial sector crisis.<sup>2</sup> The banking sector was plagued with continuing problems of mismanagement and sizable and growing nonperforming loans, in particular to public enterprises and to the agriculture sector. By September 1988, the value of non-performing loans in the Senegalese banking system was about half of total outstanding loans, and represented 3.7 times the sum of capital and reserves held by the banking system. As a result, the Senegalese authorities, with the support of the Central Bank of West African States (BCEAO), the World Bank, and other donors, embarked on a reform program to make the financial sector independent, more efficient, better managed, and more responsive to monetary policies.

4. The implementation of a set of policy reforms prior to restructuring Senegal's financial institutions was necessary to prevent recurrence of the difficulties that had led to the crisis and to introduce new market-oriented mechanisms into a system that had always been closely

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<sup>1</sup>Prepared by Mark Lewis.

<sup>2</sup>By the late 1980s, every country of the West African Monetary Union (WAMU) was experiencing substantial financial sector difficulties.

controlled by the authorities. Because of Senegal's membership in the WAMU and the ongoing financial sector difficulties in all WAMU countries, these reforms were carried out at the regional level. In August 1989, a set of reforms was adopted by the Council of Ministers of the WAMU that tightened the definition of ceilings on overall credit and credit to the government, strengthened banking supervision, and liberalized credit allocation. In particular:

- ▶ Crop credit was incorporated into overall credit ceilings;
- ▶ Sectoral allocation of credit was abolished and the system of prior authorization of credit above a certain threshold was gradually eliminated;
- ▶ The preferential discount rate was abolished;
- ▶ BCEAO refinancing of government guaranteed loans (largely to public enterprises) was included under the statutory limit of BCEAO advances to the government;<sup>3</sup> and
- ▶ Banking supervision, which had been the responsibility of both the BCEAO and the governments, was placed under the authority of a regional Banking Commission established by the BCEAO, which began its activities in October 1990.

5. In the context of the policy reforms being implemented, the Senegalese authorities undertook a domestic bank rehabilitation program to ensure that: (i) all remaining banks would be solvent and liquid; (ii) future government interference in banking operations would be minimized to allow surviving banks to allocate credit strictly on the basis of economic criteria; and (iii) the costs of the reform effort would not put undue strain on the government budget.<sup>4</sup> To discourage the government from intervening in the management of banks, the reform program aimed to limit the government's share in the equity of banks to 25 percent, below a blocking minority.

6. Altogether, the number of banks in Senegal declined from 15 at end-1988 to nine at end-1991.<sup>5</sup> The performing assets of the six banks that were closed, together with an equivalent amount of deposits, were distributed among the remaining operational banks; most of the nonperforming assets were consolidated by the BCEAO as discussed below. Of the nine remaining banks, four were identified as distressed. Of these banks, the non-performing assets of two were removed from their balance sheets and consolidated by the BCEAO; the healthy part of the portfolio of each was then used to create a new bank. A third distressed bank, the

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<sup>3</sup>Article 16 of the BCEAO statutes stipulates that the net advance of the BCEAO to a government can not exceed 20 percent of government tax receipts in the latest year for which audited fiscal data are available.

<sup>4</sup>In accordance with Article 68 of the BCEAO's statutes, the government assumes responsibility for repaying the liabilities of liquidated banks.

<sup>5</sup>One nonbank financial institution was also closed under the financial sector restructuring program. See Appendix II, Table 32 for the financial institutions currently operating in Senegal.

Banque Islamique du Senegal (BIS), was only successful in attracting the necessary capital infusion and restoring its operating license, which had been revoked from 1990-96, in late 1996. The national agricultural bank, the Caisse nationale de crédit agricole du Sénégal (CNCAS), was also identified as distressed and was slated for privatization. However, the authorities were unable to sell more than a small number of shares and the bank remained in serious financial difficulties until 1996.<sup>6</sup>

7. Four banks were unaffected by the reform: Société Générale de Banques au Sénégal (SGBS), Banque de l'Habitat du Sénégal (BHS), Banque Sénégal-Tunisienne (BST), and Citibank. The government sold 17 percent of the shares of a fifth bank, Banque Internationale pour le Commerce de l'Industrie du Sénégal (BICIS), which was in a healthy financial position, to reduce the government's equity in the bank to 25 percent. Included among the six liquidated banks was the Dakar branch of a multinational commercial banking group, which was closed in 1991 despite its healthy financial position following the collapse of its parent.

8. When the program to restructure Senegal's financial system was being prepared in early 1989, the amount of non performing assets of the distressed banks was estimated at CFAF 196 billion, based on data from end-September 1988. In light of subsequent audits of the banks, however, this figure was revised substantially to about CFAF 291 billion in 1990. Of this total, the government was to repay CFAF 242 billion as follows: CFAF 150 billion was consolidated by the BCEAO and rescheduled over 15 years at 3 percent interest with a 3 year grace period; CFAF 38 billion was provided through foreign assistance from the World Bank, France, and USAID; and CFAF 54 billion was to be met through loan recovery. The remaining CFAF 49 billion of debt (before interest arrears) from the collapse of the rural development agency, Office National pour la Coopération et l'Assistance au Développement (ONCAD), in the early 1980s was not consolidated and remained on the balance sheets of healthy banks to be reimbursed by the government.

9. Loan recovery efforts, which were carried out independently by the shells of the liquidated banks, proceeded very slowly. As a result, a single loan recovery institution, the Société Nationale de Recouvrement (SNR), was set up in February 1991 to streamline the recovery of non-performing loans. The SNR, which began operations in June 1991, was empowered with exceptional legal rights to facilitate and accelerate loan recovery, and was given the target of recovering CFAF 54.2 billion over the 1991-95 period and reimbursing depositors in the liquidated banks. Although the SNR did not meet the target for recoveries, the pace of recovery picked up, and by end-December 1996, the SNR had recovered CFAF 36.5 billion. These recoveries allowed the SNR to reimburse CFAF 23.3 billion to depositors of the liquidated banks by end-1996.

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<sup>6</sup>See para. 23.



### C. Financial Sector Developments since 1991

10. The bank restructuring effort left eight banks and four nonbank financial institutions operating in Senegal at end-1991, in addition to a ninth bank, the BIS, which reopened in late-1996. Since 1991, only one new financial institution has been established in Senegal, the investment company SENINVEST, which was set up in 1993. At end-1995, the assets of the Senegalese banking system totaled CFAF 562 billion (Table 1), and the capitalization of the sector was CFAF 22 billion.<sup>7</sup>

11. Despite the gains realized under the financial sector restructuring program in reducing government holdings in the financial sector and minimizing government interference in lending decisions, the government continues to hold more than a 25 percent share in three banks, including a majority share in the agricultural bank CNCAS. With the exception of CNCAS and the housing bank BHS, a large share of the equity of the remaining banks is held by foreign partners.

#### Banking sector developments

12. Despite the improved financial position of the banks following the financial restructuring program and the monetary policy reforms introduced by the BCEAO (Box 1), the deepening recession in Senegal prior to the January 1994 devaluation of the CFA franc was accompanied by a drop in the demand for money, in part due to growing expectations of a devaluation (Appendix II, Table 33). Deposits in the banking system fell over the 1991-93 period and credit demand was notably weak (Appendix II, Table 37); in this context, there was a deterioration of Senegal's contribution to the net foreign assets of the BCEAO.

13. Following the devaluation, money demand increased sharply, with broad money rising by 39 percent in 1994. A reduction in net bank credit to the government combined with a mild pickup in credit to the economy and large inflows of foreign assistance resulted in a sharp improvement in Senegal's contribution to the net foreign assets of the BCEAO. Broad money rose largely in line with nominal GDP in 1995 and 1996 as a steady improvement in the government's position *vis-a-vis* the banking system was more than offset by a rise in credit to the economy, particularly in 1996. Net foreign assets improved in 1995 and 1996. Preliminary information indicates that these trends have continued in the first part of 1997.

14. Credit to the economy, which was largely stagnant prior to the devaluation of the CFA franc, picked up moderately in 1994 and 1995 as confidence returned slowly and then increased sharply by 20.5 percent in 1996. The large increase in 1996 was mainly due to increased lending for international trade, particularly for rice imports, and for construction and

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<sup>7</sup>Data in Table 1, which comes from the Banking Commission, is not directly comparable with data from the BCEAO due to classification differences and, prior to 1995, the use of different fiscal years.

Table 1. Senegal - Sources and Uses of Funds in the Banking System, 1992-95  
(In billions of CFA francs)

	1992	1993	1994	1995
<b>Uses</b>	<b>360.8</b>	<b>372.4</b>	<b>386.5</b>	<b>477.7</b>
Nongovernment	265.1	283.2	274.7	322.4
Short term	126.4	126.5	119.9	146.9
Medium and long term	113.1	128.5	124.3	137.5
Nonperforming credits	25.6	28.2	30.5	38.0
Government	10.9	14.5	20.4	48.2
Short term	7.1	8.0	13.4	6.3
Medium and long term	0.0	0.1	0.3	0.4
Government securities and loans	3.8	6.4	6.6	41.6
Other	84.7	74.7	91.5	107.1
<b>Sources</b>	<b>406.1</b>	<b>397.5</b>	<b>491.7</b>	<b>562.4</b>
Nongovernment	259.1	236.1	307.1	356.6
Sight deposits	83.5	75.4	121.9	222.5
Term deposits	102.2	83.5	82.9	10.5
Savings accounts	66.3	69.4	88.9	109.4
Other	7.1	7.9	13.4	14.4
Government	42.0	45.5	44.2	91.1
Sight deposits	13.1	14.6	27.1	44.0
Term deposits	25.3	29.1	13.2	6.0
Other	3.6	1.9	3.9	41.0
Equity base	33.8	36.8	42.0	57.0
<i>of which:</i>				
Capital	21.1	21.8	21.8	22.3
Other, including borrowing	71.3	79.0	98.5	57.7
<b>Cash and near cash</b>	<b>-45.4</b>	<b>-25.1</b>	<b>-105.2</b>	<b>-84.7</b>
BCEAO	-33.3	-18.5	-52.8	-25.8
Banks and correspondants	-3.6	0.3	-43.9	-49.7
Cash in vault	-8.5	-6.8	-8.5	-9.2
<b>Off-balance sheet</b>	<b>108.7</b>	<b>96.8</b>	<b>149.9</b>	<b>147.3</b>

Source: Commission Bancaire.

Data are for fiscal years (Oct.-Sept.) except 1995, which covers the 15-month period Oct. 1994-Dec. 1995. Data is not directly comparable with data from the BCEAO presented in the monetary survey due to classification differences and, prior to 1995, different fiscal years.

industrial activities. Lending for industrial activities as a share of total credit to the economy has risen considerably since 1993 (Appendix II, Table 39), reflecting, *inter alia*, increased investments in the chemical and agro-processing sectors.

### Box 1. Monetary Policy Reforms

Following the reforms introduced in 1989, the BCEAO has continued to implement monetary policy reforms, with the aim of relying increasingly on indirect instruments. In October, 1993, the BCEAO reorganized the regional money market, introduced an interbank market with freely negotiated interest rates, and implemented a system of minimum reserve requirements. In August of 1996, the BCEAO introduced auctions of central bank bills to facilitate the absorption of excess liquidity in the banking system. Since 1989, the only interest rates that have been fixed by the central bank are the discount rate, a usury rate, which is set at two times the discount rate, and a minimum rate on passbook savings deposits (interest rates paid on certain time deposits and certificates of deposit are indexed to the money market rate).

15. Deposits in the banking system, both as a share of broad money and as a percent of GDP, fell steadily through 1994, suggesting that the financial restructuring program did not fully restore confidence in the banking system; these ratios have only recently begun to pick up (Table 2).<sup>8</sup> The share of demand deposits in total deposits increased significantly in 1994, as the excess liquidity in the banking system put downward pressure on rates paid on time deposits. A continuing source of concern as an indicator of weak confidence in the banking system, and by extension, the ability of the financial system to mobilize savings, is the high level of deposits held abroad (Figures 1 and 2).

Table 2. Senegal - Deposit Ratios, 1991-96 1/

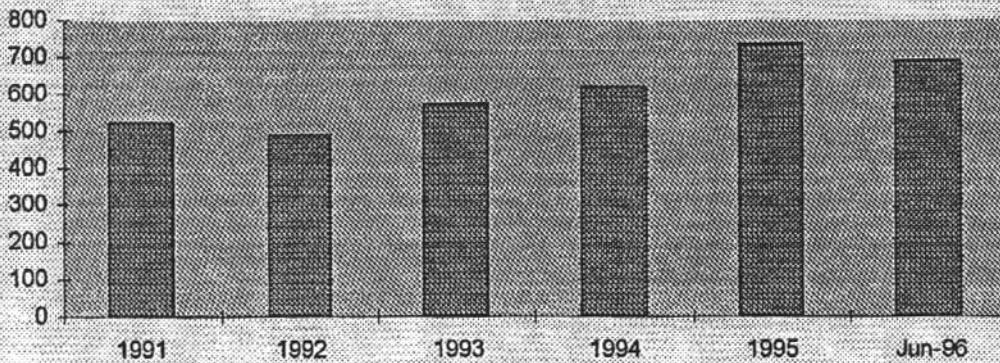
	1991	1992	1993	1994	1995	1996
Bank deposits (% of GDP)	17.5	17.0	15.1	14.6	14.1	14.9
Bank deposits (% of M2)	72.8	71.2	71.4	67.7	68.7	72.8
Demand deposits (% of total bank deposits)	41.5	38.9	42.2	48.6	46.2	47.5

1/ Excluding deposits in the postal checking agency.

Source: BCEAO

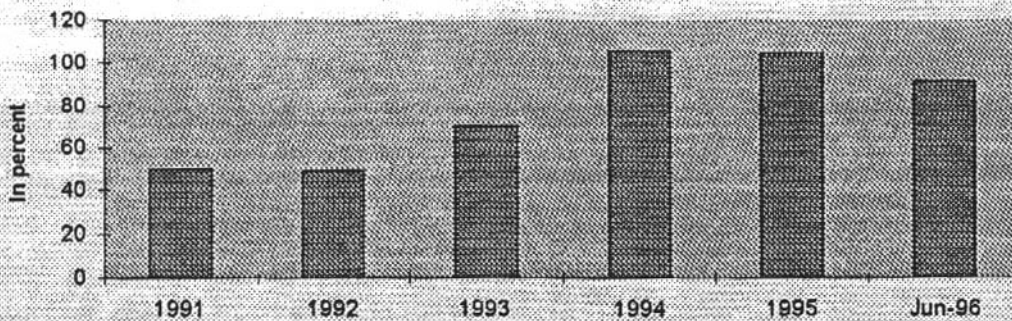
<sup>8</sup>Other factors influencing the level of deposits include, prior to the devaluation, increased expectations of the devaluation, and subsequently, more remunerative rates abroad.

Figure 1. Senegal - Deposits of Senegalese Held Abroad  
(US\$ millions, end of period)



Source: Bank for International Settlements

Figure 2. Senegal - Deposits Held Abroad as  
Percent of Domestic Deposits



Source: Bank for International Settlements; BCEAO

16. As a result of the excess liquidity in the banking system since the devaluation, the banks have made almost no recourse to central bank refinancing. Thus, the BCEAO has had limited influence on market interest rates. Moreover, the excess liquidity in the system has significantly lowered the banks' cost of resources, which has dropped from 6-7 percent before the devaluation to under 4 percent in 1995 (Table 3).<sup>9</sup> Lending rates have remained high, however, with average rates on the order of 11-12 percent, and thus margins increased

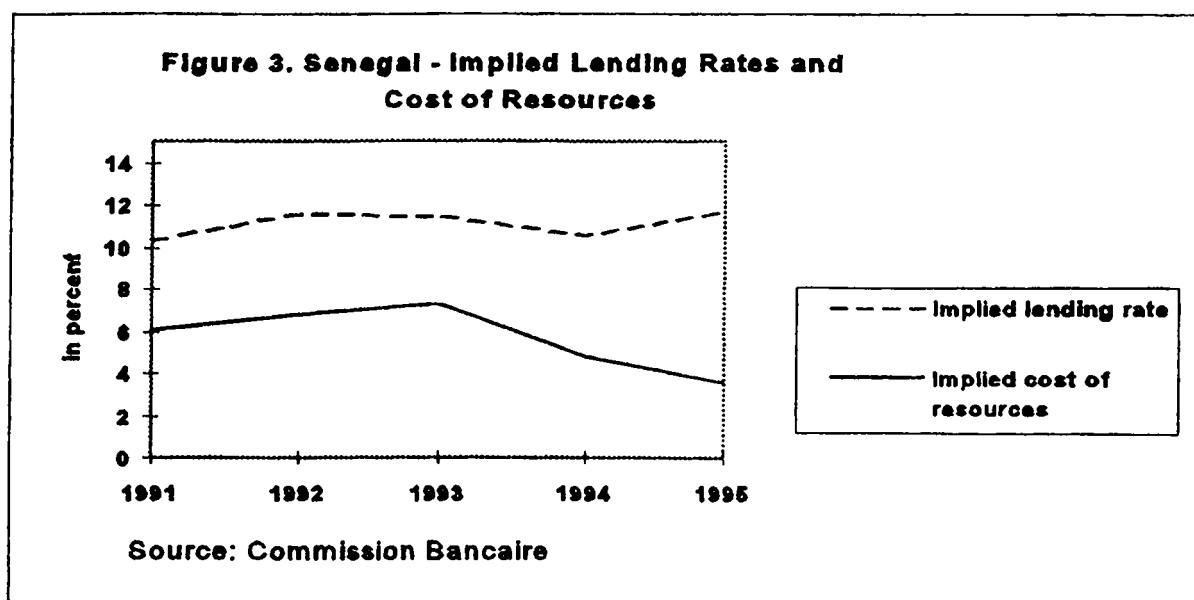
<sup>9</sup>Estimates for the cost of resources and average lending rates are implied rates drawn from Tables 1 and 3. Lending (deposit) rates are obtained by dividing interest income (expenses) for period N by the average stock of outstanding credits (deposits) for N and N-1.

Table 3. Senegal - Net Income of the Banking System, 1990-1995  
(In billions of CFA francs)

	1990	1991	1992	1993	1994	1995
Interest income	37.49	37.13	41.49	42.27	40.14	50.83
Cash operations	8.86	7.66	9.42	7.98	3.56	4.36
Financial institutions	0.16	0.14	0.13	0.16	0.12	1.30
Government	0.51	2.12	2.82	1.79	1.83	2.82
Nongovernment	27.96	27.21	29.12	32.34	34.63	42.35
Short term	22.00	20.72	20.73	22.69	23.81	27.72
Medium and long term	5.81	6.37	8.24	9.50	10.63	14.36
Other	0.15	0.12	0.15	0.15	0.19	0.27
Interest expenses	18.17	16.37	19.82	21.26	15.39	14.36
Cash operations	4.66	2.10	2.73	2.75	1.32	1.38
Financial institutions	0.12	0.02	0.45	1.24	0.92	1.32
Government	1.99	1.88	2.37	2.45	2.71	1.80
Nongovernment	11.40	12.37	14.27	14.82	10.44	9.86
Checking accounts	1.65	0.50	0.69	1.03	0.85	0.29
Term deposits	7.34	8.61	9.68	8.98	5.25	4.61
Other	2.41	3.26	3.90	4.81	4.34	4.96
Net interest income	19.32	20.76	21.67	21.01	24.75	36.47
Income on financial services	6.19	6.88	7.89	8.68	12.30	17.84
Expenses on financial services	0.13	0.17	0.25	0.29	0.37	5.17
Net result on banking activities	25.38	27.47	29.31	29.40	36.68	49.14
Other income	0.11	0.32	0.26	0.50	0.69	0.18
Operating expenses and taxes	15.35	16.04	17.78	18.37	21.61	26.32
Gross operating result	10.14	11.75	11.79	11.53	15.76	23.00
Amortization	2.04	2.06	2.27	2.51	2.56	2.92
Allocation to provisions	19.73	12.44	9.99	14.90	23.59	14.68
Recovery from provisions	0.75	0.96	1.35	1.61	4.20	3.22
Operating result	-10.88	-1.79	0.88	-4.27	-6.19	8.62
Other income/expenses	16.22	6.39	0.03	5.58	7.40	3.50
Pretax income	5.34	4.60	0.91	1.31	1.21	12.12
Profits tax	2.22	2.48	1.97	1.25	1.85	2.78
Net income	3.12	2.12	-1.06	0.06	-0.64	9.34

Source: Commission Bancaire.

Data are for fiscal years (Oct.-Sept.) except 1995, which covers the 15-month period Oct. 1994-Dec. 1995.



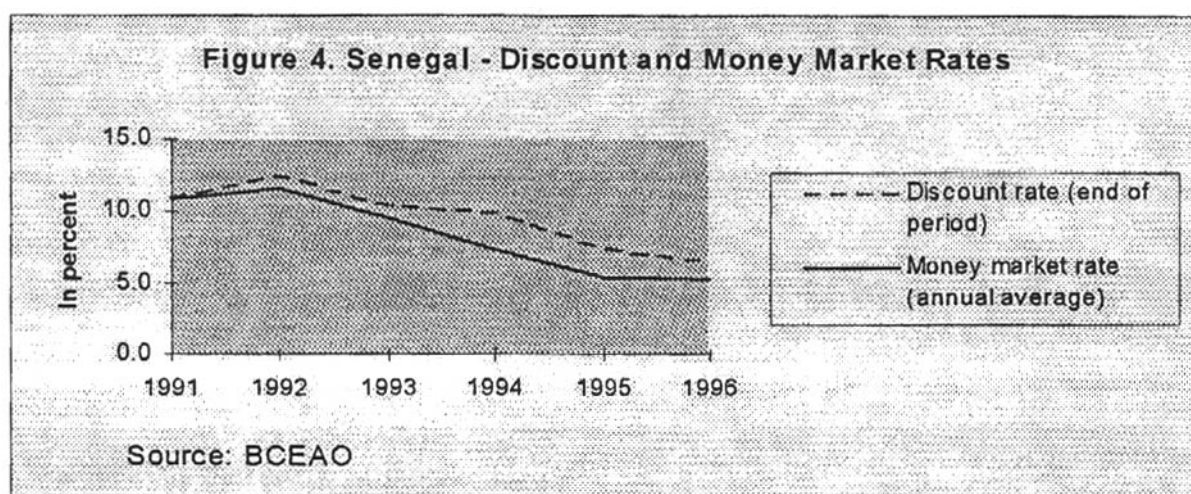
significantly in 1994 and 1995 (Figure 3).<sup>10</sup> Higher nominal lending rates in 1995, which covers the period October 1994 to December 1995, may partly reflect a rise in expected inflation related to the devaluation in January 1994. Although data for 1996 are not yet available, preliminary information indicates that both lending rates and the banks' cost of resources have declined slightly, leaving margins largely unchanged. The banks' prime rate fell from an average of 9.4 percent at end-1995 to 9.0 percent at end-1996, before falling further to 8.5 percent at end-March 1997. The drop in the prime rate partly reflects the pressure of international competition as clients have begun to take advantage of lower borrowing rates on international capital markets. Although financial innovation by banks was limited over the 1991-94 period, in 1995, Citibank arranged a syndicated loan for the groundnut processing company SONACOS on the European financial markets to take advantage of lower rates than were available in Senegal. This was the first such loan for a Senegalese enterprise, and was repeated in 1996. The improved creditworthiness of many large borrowers since the devaluation has also contributed to a lowering of rates.

17. Annual average money market rates have fallen steadily since 1992 (Figure 4), in particular following the money market reform in October 1993, although monthly averages spiked following the devaluation -- from an average of 7.5 percent in December 1993 to 9.25 percent in February 1994. Similarly, the year-end discount rate has continued to drop since 1992. The discount rate was raised from 10.5 percent at end-December 1993 to 14.5 percent

<sup>10</sup>Based on data from reports of the Banking Commission of the WAMU. Through 1994, data for a given year cover the fiscal year October-September (e.g., 1994 data refer to the period October 1, 1993 to September 30, 1994). Beginning in 1995, the Banking Commission shifted its coverage to a calendar year basis, and hence 1995 data cover the 15-month period October 1, 1994 to December 31, 1995.

1992. The discount rate was raised from 10.5 percent at end-December 1993 to 14.5 percent immediately after the devaluation in January 1994 (Appendix II, Tables 44 and 46), and then was lowered to 10 percent at end-1994, before declining gradually to 6.5 percent at end-1996.

18. The banking system experienced a surge in liquidity following the devaluation as a result of strong capital inflows combined with initially weak credit demand. In this context, money market and interbank rates fell rapidly, with the average money market rate declining to 5.5 percent by October 1994. Subsequently, money market rates have remained relatively unchanged, with rates on advances slipping to about 5 percent in late 1996 and early 1997. Rates offered by the BCEAO on central bank bonds, introduced in August 1996 and issued in weekly auctions through October, were slightly below 4 percent.<sup>11</sup>



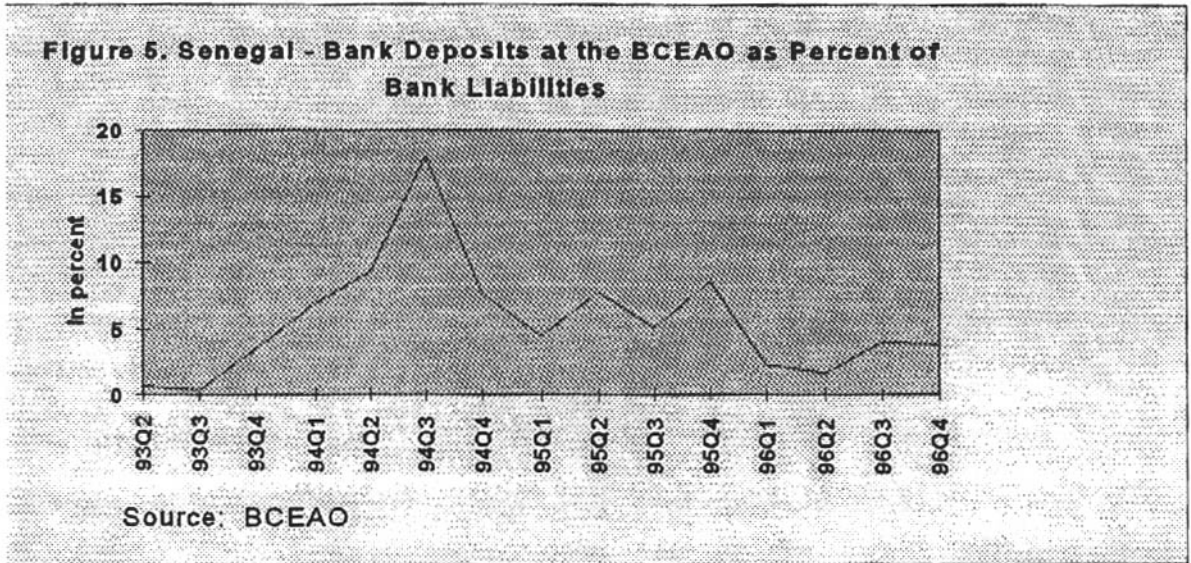
19. In response to the excess liquidity in the banking system following the devaluation, securities were issued in August 1994, representing the balance (CFAF 143.7 billion) of the debt that had been consolidated by the BCEAO and assumed by the government in the context of the financial sector restructuring.<sup>12</sup> These securities, carrying a 12-year maturity and a five percent tax-free interest rate, which is equivalent to a 7-8 percent taxable rate, are redeemable at par at the BCEAO at any time and can be used to meet reserve requirements. The securities proved popular with Senegalese banks and nonbank financial institutions, as well as with banks from other WAMU countries. As shown in Figure 5, bank deposits at the BCEAO (expressed as a percentage of total liabilities of the banks) declined steadily following the introduction of the securities.

<sup>11</sup> Banks have made increasing use of the interbank market, with rates generally mirroring those in the money market. For 1996, rates on the interbank market were in the range of 4.5-6 percent.

<sup>12</sup> Similar operations were carried out in all WAMU countries at the same time.

### Health of the banking system

20. In the context of the restructuring effort, Senegalese banks were obligated to make substantial provisions for nonperforming credits still on their books.<sup>13</sup> Following the



restructuring effort and the assumption in 1991 by the government of the bulk of the bad loans in the system, the level of provisioning dropped, but subsequently picked up in 1993 as the sharp recession further weakened the financial situation of clients. Since the devaluation, the amount of provisioning has leveled off in line with improvements in the position of banks' clients, although exceptional provisions of about CFAF 7 billion were made in 1994 to compensate for losses due to the exchange rate adjustment. Data from the Banking Commission for 1996 are not yet available, but the BCEAO has indicated that the portfolios of some banks deteriorated moderately in 1996.

21. Following the creation of the regional Banking Commission in 1990, new prudential ratios entered into force on June 27, 1991. The banks have largely been meeting the prudential ratios, as indicated for several key ratios in Table 4. In general, the liquidity ratio was met because the bulk of bank lending is short term, in part reflecting banks' reluctance to provide long-term finance due to loan recovery problems discussed below.

22. The profitability of the banking system was restored following the restructuring program. Nonetheless, the low level of economic activity until 1994, coupled with continued

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<sup>13</sup>Data in Table 1 on nonperforming credits is net of provisions and excludes amounts consolidated by the BCEAO under the financial sector restructuring program.



Table 4. Senegal - Prudential Requirements, 1992-96 1/

	Capital					Capital Adequacy Ratio					Liquidity Ratio				
	Minimum= CFAF 1000 million					Minimum= 4 percent					Minimum= 60 percent				
	1992	1993	1994	1995	1996	1992	1993	1994	1995	1996	1992	1993	1994	1995	1996
<b>Banks</b>															
CBAO	2111	2952	3897	1350	n.a.	5	4	7	1	n.a.	72	68	69	74	n.a.
BICIS	4096	4477	4556	4805	5299	5	6	6	5	9	57	56	58	59	57
SGBS	6972	7036	7045	7088	n.a.	11	10	9	7	n.a.	79	70	78	64	n.a.
CITIBANK	1721	1698	1982	2314	2630	14	8	7	7	9	89	90	86	64	95
BHS	4802	2467	4865	4452	13222	23	12	23	22	62	71	64	134	137	n.a.
CLS	3540	4246	5041	5238	5043	10	14	13	13	6	75	76	64	52	87
.CNCAS	3787	770	1287	2899	5123	10	6	13	32	52	57	116	125	143	84
BST	654	518	-841	-792	-776	18	17	(-)	(-)	(-)	76	62	68	31	n.a.
BIS 2/	...	...	...	...	1786	...	...	...	...	75	...	...	...	...	93
<b>NBFIs 3/</b>															
	Minimum= CFAF 300 million														
SOGECA	333	146	425	503	570	...	10	23	11	6	...	...	...	...	...
Crédit Sénégalais	328	350	278	420	404	66	63	27	19	35	...	...	...	...	...
SOCRES	304	313	315	319	314	53	65	54	62	71	...	...	...	...	...
LOCAFRIQUE	256	589	1431	1541	1684	13	32	107	82	67	...	...	...	...	...
SENINVEST 4/	...	...	552	554	550	...	...	428	246	165	...	...	...	...	...

Source: BCEAO and Commission Bancaire.

1/ The current definitions of the prudential ratios were used beginning with the 1992 fiscal year.

2/ The BIS resumed operations in October 1996.

3/ The prudential ratio on liquidity does not apply to NBFIs.

4/ SENINVEST was established in 1993.

weaknesses on the part of many bank clients (exacerbated by growing arrears from the government to private entities before 1994), led to weak demand for bank credit and contributed to poor income performance through 1994.<sup>14</sup> In 1995, however, the return on assets for the banking system reached almost 3 percent as bank lending picked up and the viability of many bank clients returned (Table 5).<sup>15</sup> Data on bank income for 1996 are not yet available, but the sharp rise in lending activities is expected to keep profitability at a relatively high level.<sup>16</sup> The ratio of operating expenses to net banking income declined gradually from 58.4 percent in 1991 to 53.6 percent in 1995, reflecting the banks' continued efforts to keep costs under control.

Table 5. Senegal - Banking Sector: Return on Assets, 1991-95  
(Fiscal years)

	1991	1992	1993	1994	1995
Return on assets (in percent)	1.29	0.26	0.36	0.32	2.80
Pre-tax income (CFAF billions)	4.60	0.91	1.31	1.21	12.12

Source: Commission Bancaire

23. Since 1991, several banks have experienced significant difficulties. The most important is the agriculture development bank, CNCAS, which remains majority government-owned. The CNCAS has had a weak portfolio, partly as a result of recurring problems of low reimbursement rates from clients, and partly because it has carried out a number of financing operations in the agriculture sector at the behest of the State. To assist the CNCAS in improving its balance sheet, the government assumed a stock of liabilities of CFAF 8.3 billion in December 1995 corresponding to nonperforming credits from previous CNCAS lending at the behest of the government and to certain liabilities from the liquidated price stabilization agency CPSP. These liabilities were consolidated and securitized, to be repaid to the CNCAS by the government over 15 years at 1 percent interest. This operation has allowed CNCAS to stabilize its financial position and to meet all prudential ratios, while at the same time the CNCAS has reduced its cost of resources to under 2 percent. Nonetheless, profits in 1996 are

<sup>14</sup>Poor results in 1994 were affected by exceptional losses related to the devaluation of the CFA franc in January 1994; excluding these losses, the return on assets in 1994 would have been 2.2 percent.

<sup>15</sup> Return on assets is calculated on the basis of pre-tax income after provisioning.

<sup>16</sup>Although as stated above, initial reports from the BCEAO indicated concern about the portfolios of some banks.

estimated to have been very weak, due in part to insufficient lending opportunities as a result of the bad agricultural season and to continued problems with loan recovery.<sup>17</sup>

24. The BST has also been in a very difficult financial position, with more than half of its portfolio non-performing. The bank, which has been characterized by a lax credit policy since its creation in July 1986, is currently being restructured, including a change in management. The net capital of the bank is now negative and the government is trying to find private sector investors to provide a fresh infusion of capital. In support of the restructuring operation, the government assumed CFAF 1.5 billion in liabilities in October 1996. These liabilities have been consolidated, to be reimbursed by the government to the BST over 15 years at 1 percent interest.

### **Nonbank and local financial institutions**

25. There are currently five nonbank financial institutions (NBFIs) in Senegal, 2 leasing institutions and 3 investment companies.<sup>18</sup> This sector remains small compared to the banking sector: at end-1996, total assets of the NBFIs were CFAF 10.2 billion and total capital was CFAF 3.1 billion, which was only 2 and 13 percent, respectively, of banking system assets and capital. The NBFIs have recently improved their financial position: net income of these institutions rose from a loss of CFAF 225 million in 1992 to a profit of CFAF 200 million in 1995. Most resources of NBFIs are raised from short-term bank borrowing, and are used to provide medium-and long-term credits and leases to clients. NBFIs are not permitted to accept deposits. As a result, the cost of resources for NBFIs is higher than for banks, about 8 percent compared with 4 percent. The recent decision by the BCEAO to allow NBFIs to issue bonds could allow these institutions to reduce their cost of resources and reduce the maturity risk inherent in their operations.

26. Leasing activities (*crédit-bail*) have been growing substantially in recent years, and have become particularly attractive as a source of financing for small and medium-sized enterprises. Because the financial institution maintains title to equipment leased, thereby allowing easier recovery in the event of default, the level of guarantees demanded is lower and credit history is less important than for traditional credit. Moreover, the leasing institutions are willing to provide 100 percent of financing for the leased equipment, whereas banks typically provide only 70-80 percent.

27. A more recent impetus to the growth of leasing, and a source of significant difficulties for the lending activities of NBFIs, has been the declining usury rate (set by law at twice the

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<sup>17</sup>CNCAS officials estimated loan recovery rates of about 95 percent in the groundnut sector, but less than 75 percent in the rice sector.

<sup>18</sup>Insurance companies are not discussed in this note because they are not subject to the WAMU Banking Law.

discount rate), which has steadily fallen from 15 percent at end-1995 to the current level of 12.5 percent. In Senegal, a lending rate fully adjusted to reflect the risk of lending to many small and medium-sized enterprises, as well as recently created enterprises, could likely exceed the usury rate. This fact, coupled with the higher cost of resources for NBFIs, often means that NBFIs are not able to lend at all. Leasing, however, is not subject to the usury rate. The largest NBFIs in Senegal, the Société Générale de Crédit Automobile (SOGECA), has considerably increased its leasing activities (Box 1).

**Box 2. SOGECA**

SOGECA was established by Renault in 1961 to finance vehicle purchases. Renault gradually divested itself of the enterprise. Beginning in 1976, SOGECA regularly encountered financial difficulties, and by 1993, the capital had fallen below the statutory minimum set by the BCEAO. In 1994, the International Finance Corporation, together with the CBAO of Senegal and PROPARGO of the Caisse Française de Développement, recapitalized the enterprise and put in place a rehabilitation plan, which included leasing activities. The results have been dramatic:

- ▶ Pre-tax income has risen from a loss of CFAF 84 million in 1993/94 to a profit of CFAF 249 million in 1996, corresponding to a return on capital of more than 40 percent.
- ▶ The balance sheet has risen from CFAF 1.6 billion in 1993/94, to CFAF 4.6 billion in 1995, and to CFAF 6.3 billion in 1996.
- ▶ Nonperforming credits have stayed roughly constant at about CFAF 500 million, falling from almost 50 percent of outstanding credits at the time of SOGECA's rehabilitation to less than 10 percent in 1996. 80 percent of the nonperforming credit that remains was lent prior to the implementation of the rehabilitation plan.

There has been a notable shift in favor of leasing:

	<u>1993/94</u>	<u>1994/95 1/</u>	<u>1996</u>
<b>Traditional Credit:</b>			
Number financed during period	160	650	403
CFAF millions	1,160	3,487	1,508
<b>Leasing:</b>			
Number financed during period	0	45	225
CFAF millions	0	1,149	2,802

Source: SOGECA  
1/ 15-month period.

28. Senegal has a long tradition of local mutual savings institutions modeled on the rotating savings clubs (*tontines*) in which members contribute a fixed amount to a common fund that is then lent in sequence to each member. Currently, innumerable *tontines* or similarly informal savings groups are active in Senegal. However, a number of local savings groups have evolved into much larger, structured financial institutions, many with permanent employees, that collect savings and provide credit on a more regular basis for their members. These institutions have proved effective at mobilizing savings and providing financial services to the informal sector, rural areas, or other groups that do not have access to, or choose to avoid, the formal financial sector.

29. In Senegal, there are two principal types of structured microfinance institutions that are recognized by the government. The first is a credit union (*mutuelle*), which is a cooperative that belongs to its members. A new framework for registering credit unions, which was adopted in 1995 in the context of a regional initiative to standardize the registration of credit unions, established prudential norms governing their activities and instituted a government guarantee for deposits. The second type comprises the local savings institutions (*caisse d'épargne et de crédit*), which are registered with the government but are subject to a less strict set of regulatory norms and do not benefit from a government guarantee of deposits. These entities are often connected with projects of donors and non-governmental organizations (NGOs), in which access to credit is not dependent on membership or deposits in the organization.<sup>19</sup> There is, in addition, a large number of organized village associations and *groupements* that carry out credit and savings functions without government recognition.

30. Microfinance institutions have grown significantly over the past several years (Table 6);<sup>20</sup> preliminary indications are that these trends have continued through 1996 and into 1997. These institutions have a number of advantages over formal sector financial institutions: (i) proximity to their clients and the fact that clients of the institutions are often members is reflected in very high repayment rates, in the range of 89-96 percent; (ii) overhead expenses are generally low compared with formal sector financial institutions, which partly compensates for the administrative burden of collecting small deposits and providing small credits; (iii) their lending activities are not subject to the limit of the usury rate; and (iv) in many cases, these

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<sup>19</sup>A recent concern of the authorities is the emergence of numerous small-scale pyramid schemes. These schemes are insignificant in size but, because they indirectly solicit deposits, pose a threat to the credibility of the microfinance institutions. The authorities have been carrying out a public information campaign to warn of the risks in placing funds with these schemes, and are examining other means of containing or curtailing their activities.

<sup>20</sup>Data on the microfinance sector are limited; in particular, the data presented in Table 6 only capture credit unions affiliated with credit union networks. Because of the changing composition of these networks, the data cover a shifting base and thus should be regarded with prudence.

institutions receive material, technical, or financial assistance from donors and NGOs, allowing them to provide competitive rates on deposits while limiting lending rates.

31. Both lending and deposits rates at microfinance institutions tend to be higher than in the banking system. Deposit rates have recently been situated between 4 and 6 percent, although for *mutuelles*, these rates are a means of channeling profits back to members. Lending rates at microfinance institutions can be quite high, as much as 2 percent a month, although many institutions provide rebates on interest payments for early reimbursement of claims. Also, embedded in the cost structure of many microfinance institutions are various education and training programs related to, for example, financial management, accounting, or rudimentary business administration. A number of microfinance institutions have formed associations that allow them access to refinancing with banks; in addition, an "interbank" market within the associations has emerged whereby institutions with excess liquidity lend money to those in need of resources.

Table 6. Senegal - Credit Unions, 1993-95

	1993	1994	1995
Number of mutuelles	140	126	165
Number of members	23,959	39,425	59,918
Deposits (CFAF millions)	568	1,314	2,461
Credits (CFAF millions)	369	2,063	3,519
Average default rate (percent)	11	4	7
Number of credits given in year	...	17,822	23,245
Net income (CFAF millions)	...	192	347

Source: BCEAO

#### D. Financial Deepening in Senegal

##### Financial deepening and economic growth

32. There is a large literature examining the connection between financial sector development and economic growth, and much of the empirical evidence indicates a strong link between the two.<sup>21</sup> There are number of mechanisms through which this could be the case,

<sup>21</sup>Levine (1996) and (Levine and King, 1993) provide useful summaries. These issues are also (continued...)

including: (i) more efficient allocation of capital; (ii) better mobilization of savings and higher rates of capital accumulation (McKinnon, 1973); and (iii) reduced cost of external finance (Rajan and Zingales, 1996). Other mechanisms, such as increasing the rate of technological innovation, might be more relevant over the short-and medium-term for countries with higher incomes.

33. The economic and institutional environments in which financial sectors develop are clearly important. Indeed, recent work has emphasized the significance of legal institutions and the ability to enforce contracts for the development of financial markets in particular, and for economic growth more generally (Dhonte, 1996; Clague, *et al.*, 1995; Laporta, *et al.*, 1996). The stage of economic development and the pace of economic growth are also important, although the direction of causality between financial development and economic growth is unclear, and may run both ways (Greenwood and Jovanovic, 1990; Thorton, 1995).<sup>22</sup>

34. In the case of Senegal, however, it seems clear that a well functioning financial system that provides a range of financial services with low intermediation costs is necessary to provide an environment conducive to a competitive and growing private sector. Private sector participants in Senegal routinely mention the limitations of the financial system -- high intermediation costs, administrative delays, and difficulties in obtaining long-term finance -- as central obstacles to their profitability and the growth of their operations. Despite the rebound in the economy since the devaluation, the level of financial deepening in Senegal, as measured by commonly used indicators, has not changed significantly since 1991 (Table 7), suggesting the presence of constraints to the development of the financial sector. Moreover, Senegal compares unfavorably with other members of the WAMU: at end-1995, for example, the average ratio of deposits to GDP and broad money to GDP for the WAMU were 17.0 percent and 25.5 percent, respectively, both above the corresponding figures for Senegal. The one notable trend concerning Senegal is that credit to the economy as a percent of total domestic credit has risen considerably since 1991, reflecting, in part, the improved fiscal position and the strengthening of private sector activity.

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<sup>21</sup>(...continued)  
examined in IMF (May 1994).

<sup>22</sup>Thorton employed Granger causality tests for a number of developing countries with ambiguous conclusions: in many cases, financial deepening does not make much difference to economic growth, and for cases where there is a link, financial deepening is almost as likely to be led by economic growth as to promote it. Thorton used only total bank deposits to nominal GDP as the measure of financial deepening. He found no evidence that financial deepening retards economic growth, as has been suggested by others (e.g., van Wijnbergen, 1983).

**Table 7. Senegal - Indicators of Financial Deepening, 1991-96  
(In percent)**

	1991	1992	1993	1994	1995	1996
Deposits (% of GDP)	17.7	17.2	15.3	14.8	14.3	15.1
M2 (% of GDP)	24.0	23.9	21.2	21.5	20.5	20.6
Credit to economy (% of Domestic credit)	37.2	44.2	47.9	46.4	47.0	52.8
Credit to economy (% of GDP)	12.3	14.3	15.3	12.6	11.3	12.5

Source: BCEAO

### **Obstacles to further financial deepening in Senegal**

35. Promoting financial development in Senegal will require measures to improve the legal and regulatory environment and to promote the emergence of new institutions and financial instruments. The aim of these policies should be to reduce the cost of financial intermediation and widen the availability of financial services. The regulations issued in July 1996 creating new negotiable debt instruments--Central Bank bills, treasury bills, certificates of deposit, and commercial paper--substantially increase the range of financial instruments. The issuance of commercial paper by financial institutions and enterprises will allow these entities more flexibility in mobilizing savings and will provide access to longer-term resources.

36. To improve conditions in the banking sector, continued reforms will be needed in the judicial system to improve the application of business law. According to the banks, the legal code regulating the financial sector is generally adequate, and is currently being modified in the context of the regional initiative under the auspices of the Organisation pour l'Harmonisation du Droit des Affaires (OHADA) to harmonize legal texts on corporate and bankruptcy laws for 16 francophone African countries. The main problems concern the prompt and impartial application of the existing legal framework. The recuperation of a mortgage in the event of nonpayment, for example, takes at least two years; other types of cases routinely take as many as 5 years to get through the judicial system. Judicial proceedings of this length clearly increase the costs for the lender and thus contribute to higher borrowing rates. The World Bank and other donors are currently assisting the authorities to improve the training of judges and magistrates, to provide them with adequate material resources, including legal texts, and to publicize decisions widely. Thus far, however, the results in terms of improved processing of cases have been modest.



37. Some concern has also been expressed by banks regarding the system of "*accords de classement*" whereby clients intending to borrow above a certain amount are evaluated by the BCEAO using a number of criteria to establish credit worthiness and to ensure complete and reliable accounts. Banks are required to have at least 60 percent of their portfolio with borrowers benefiting from *accords de classement* and only loans provided with an *accord de classement* can be presented to the BCEAO for refinancing. The banks consider this system to be overly restrictive on their lending activities, given that to obtain an *accord de classement*, a borrower has to satisfy almost 20 different ratios. Enterprises that do not have this rating are ineligible to issue corporate paper.

38. A problem specific to Senegal that continues to pose difficulties for five of the largest banks (SGBS, BICIS, CBAO, Citibank, and Crédit Lyonnais-Sénégal) concerns the debt from the former ONCAD, which was shut in 1980 with outstanding debts of CFAF 94 billion to various banks. The outstanding amount not consolidated by the BCEAO in 1990 totaled about CFAF 52 billion, of which about CFAF 3 billion is interest arrears, and has remained on the balance sheet of the banks, with only sporadic interest payments since 1991. This amount has remained as nonperforming assets, requiring the banks to raise charges on other lending activities in order to cover the cost of provisioning and to ensure an adequate margin; the nonperforming ONCAD debt has also made it more difficult for the banks to meet the relevant prudential ratios. The government made some initial payments in 1996 totaling about CFAF 1 billion on the stock of the ONCAD debt and has indicated that it intends to fix a calendar for paying the remainder.

39. A number of regulatory constraints are particularly significant for the NBFIs. The most important concerns the usury rate, which has squeezed NBFIs out of the lending market because the higher cost of resources of NBFIs and their riskier client base often imply lending rates in excess of the usury rate. Moreover, microfinance institutions, to whom the usury rate has not been applied, have widened the scope and size of their activities and now compete with NBFIs in sectors such as urban transport (e.g., financing the purchase of commercial passenger vehicles). The Council of Ministers of the WAMU has examined several proposals to modify the determination of the usury rate; the most recent proposal examined but not adopted by the Council of Ministers would set the usury rate at 20 percent for banks and 30 percent for all other lenders. Thus far, no proposal has been approved; in the case of Senegal, any proposal would have to be approved by the National Assembly.

40. In addition to the fact that they can not take deposits, the high cost of resources of the NBFIs is partly due to other limitations on their sources of funds. To issue paper, for example, current regulations require that NBFIs obtain the approval of the President of the Republic, which can be a time-consuming process; banks need only obtain the approval of the BCEAO. Similarly, the regulations governing the *accords de classement* weigh particularly on NBFIs because these institutions generally have a riskier client base, with a heavier concentration of new enterprises whose accounts do not conform to the criteria necessary for the *accords de classements*. In this context, the prudential ratio on *accords de classement* prevents NBFIs

from issuing bonds, since no NBFIs in Senegal currently satisfies the 60 percent minimum requirement.

41. An additional set of obstacles has dampened the growth of leasing activities. In particular, under the investment code, enterprises are allowed to receive tax deductions for capital investments financed through traditional credit but not for investment financed through leasing. Because leasing clients in Senegal are on average smaller than borrowers of traditional credit, this tax regulation introduces a bias in favor of larger firms. In addition, the fact that leasing contracts are not accepted on the money market for refinancing, which offers lower rates than normal short-term borrowing from banks, reduces the scope for leasing companies to lower their cost of resources.

42. The recent surge in the growth of microfinance institutions suggests that the authorities have now put in place a regulatory framework more appropriate to these institutions. It is crucial that policy actions do not impose further restrictions on their activities, such as stricter enforcement or an extension of usury regulations, or a lowering of the usury rate. More generally, small and informal-sector enterprises, and by extension the microfinance institutions that finance them, will best be served by an environment conducive to private sector growth.

### **E. Conclusion**

43. Despite progress in reestablishing stability in the financial sector, bank profitability was only restored when loan demand and the economic position of clients strengthened while the banks' cost of resources fell, allowing a widening of margins. The financial sector in Senegal remains thin, however, as measured by standard indicators of financial deepening and by the limited availability of financial instruments and services. The only part of the financial sector that has enjoyed substantial growth is microfinance. The success of microfinance institutions in reaching clients not previously served by the financial sector is encouraging, but this success also highlights the limitations of the formal financial sector.

44. Significant obstacles to the further development of the financial sector remain. Foremost among these are the deficiencies in the judicial system that significantly raise credit risks and hence lending rates. The development of new debt instruments will allow greater possibilities for financial institutions to raise long-term resources and thus to provide greater long-term lending because of lower maturity risk. However, the immediate obstacle to greater long-term lending is not access to resources but rather difficulties in collecting on claims and guarantees, which can only be solved through improvements to the judicial system to ensure prompt and impartial enforcement of contracts. Even given the difficulties with loan recovery, however, the criteria for qualifying for an *accord de classement* should be made less strict. The current system has the effect of confining lending to a narrow client base and compelling banks to adopt overly restrictive lending policies.

45. Further development of nonbank financial institutions and microfinance institutions are necessary to widen the range and availability of financial services in Senegal. To this end, a rapid reform of usury regulations and an increase in the usury rate are crucial. Similarly, the tax treatment of leasing should be comparable to that of traditional credit to encourage continued growth in leasing. These changes will be essential to ensure that the financial sector is fully equipped to mobilize savings and meet the credit needs of the rising number of small and medium-sized enterprises.

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Senegal: Summary of Tax System as of December 1996 (continued)

Tax	Nature of Tax	Deductions and Exemptions	Rates	
1.4 Individual income tax (Impôt sur le revenu des personnes physiques) (progressive)	A progressive surtax levied annually on total net income of all individuals with permanent residence in Senegal, regardless of nationality.	Exemptions include net income below CFAF 600,000 and income of foreign diplomatic personnel. Deductions are allowed for interest on loans and debts, arrears of bond interest, scheduled taxes paid, voluntary contributions to a retirement pension fund, and life insurance premiums up to a maximum of 5 percent of net professional income; 10 percent of profits reinvested in approved schemes. Taxable income is divided into a number of splits based on the size of the family (système de quotient familial), with one share for each adult whether single, married, divorced, or widowed, and one-half share for each child up to a maximum of five splits.	Brackets of annual income (in CFAF)	Marginal rates (in percent)
			0 - 600,000	nil
			600,000 - 890,000	18
			890,000 - 1,010,000	22
			1,010,000 - 1,410,000	25
			1,410,000 - 2,475,000	28
			2,475,000 - 3,540,000	30
			3,540,000 - 7,650,000	35
			7,650,000 - 9,650,000	40
			9,650,000 - 12,650,000	45
			over - 12,650,000	50
2. Employer's payroll taxes				
2.1 Payroll tax (Contribution forfaitaire à la charge des employeurs, etc.)	Levied on the amount of wages, salaries, and allowances paid.	Central government, local authorities, foreign public entities, and international institutions are exempt.	Salaries paid to:  Senegalese nationals Foreigners	3 percent 6 percent
3. Taxes on property				
3.1 Tax on buildings (Contribution foncière des propriétés bâties)	Levied annually on the net rental income of all built-up land, i.e., having permanent structures on it, including factories. 1/	Exemptions include: immovable property belonging to the state or used for religious worship and/or educational purposes, buildings used to lodge farm animals or to store agricultural harvests, etc. Deduction of 40 percent for houses and 50 percent for factories from the rental value of the property, in lieu of maintenance expenses. New buildings are exempted for between 6 and 16 years depending on the purpose of their use.		15 percent.
3.2 Tax on unimproved property (Contribution foncière des propriétés non-bâties)	Levied annually on unimproved property.	Same exemptions apply as in 3.1 above.	5 percent of the presumptive value of the property (valeur vénale).	
3.3 Tax on unimproved land (Surcharge sur les terrains non-bâties ou insuffisamment bâtis)	Levied annually on unimproved or insufficiently improved urban land. 1/	Land with general restrictions against construction.	Rates vary progressively from 1 percent to 3 percent on the presumptive market value and they also vary according to the location.	
3.4 Death and gift duties (Droits sur les successions, donations et legs)	Levied on net value of property transferred causa mortis or inter vivos within Senegal.	A deduction of CFAF 5 million is allowed from the taxable base for the spouse and CFAF 3 million for each dependent child.	Marginal rates vary between 3 percent and 50 percent depending on the relation of beneficiary to the deceased or to the donor.	

Senegal: Summary of Tax System as of December 1996 (continued)

Tax	Nature of Tax	Deductions and Exemptions	Rates																
3.5 Property transfer taxes ( <u>Droits d'enregistrement</u> )	Levied on company creation and company mergers; on capital increases, transfer of shares, and transfer of securities; on the sale, lease, exchange, and mortgage of real estate; on the sale and lease of movable property; and on selected transactions, namely transfer of goodwill, financial claims, and auctions.		Rates vary between 0.2 percent and 20 percent depending on the transaction involved.																
<b>4. Taxes on goods and services</b>																			
4.1 Value-added tax ( <u>Taxe sur la valeur ajoutée-VAT</u> )	Levied on the value added in manufacturing, crafts, and other productive activities with the exception of agricultural production and salaried activities. The VAT applies to imports and any act of production. The VAT does not apply to wholesale and retail trade. For imports the tax base is c.i.f. value augmented by all other import duties and taxes.	Exports, administrative services rendered by public entities, the sale of buildings, insurance business, etc.	<table> <thead> <tr> <th></th> <th><u>Percent</u></th> </tr> </thead> <tbody> <tr> <td>IVA</td> <td></td> </tr> <tr> <td>Normal rate</td> <td>20</td> </tr> <tr> <td>Reduced rate</td> <td>10</td> </tr> </tbody> </table>		<u>Percent</u>	IVA		Normal rate	20	Reduced rate	10								
	<u>Percent</u>																		
IVA																			
Normal rate	20																		
Reduced rate	10																		
4.2 Excises 2/ ( <u>Taxe de consommation</u> )	Levied on all raw or processed tobacco products, alcoholic beverages, edible oils, soft drinks, kola seeds, tea, and coffee. Tax is levied on import value, including taxes and duties imposed at customs; and on the normal domestic sales price.	Exemptions include exports, and alcohol used for medicinal or religious purposes, etc.	<table> <thead> <tr> <th><u>Product</u></th> <th><u>Percent</u></th> </tr> </thead> <tbody> <tr> <td>Tobacco products</td> <td>30.00</td> </tr> <tr> <td>Alcoholic beverages</td> <td>30.00</td> </tr> <tr> <td>Fats</td> <td>12.00</td> </tr> <tr> <td>Soft drinks</td> <td>2.75</td> </tr> <tr> <td>Kola seeds</td> <td>30.00</td> </tr> <tr> <td>Tea</td> <td>3.80</td> </tr> <tr> <td>Coffee</td> <td>11.00</td> </tr> </tbody> </table>	<u>Product</u>	<u>Percent</u>	Tobacco products	30.00	Alcoholic beverages	30.00	Fats	12.00	Soft drinks	2.75	Kola seeds	30.00	Tea	3.80	Coffee	11.00
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4.3 Tax on insurance contracts ( <u>Taxe sur les contrats d'assurances</u> )	Levied on insurance premiums and related charges collected by the insurer.		<table> <thead> <tr> <th><u>Insurance policies</u></th> <th><u>Rates (in percent)</u></th> </tr> </thead> <tbody> <tr> <td>Fire</td> <td>20.00</td> </tr> <tr> <td>Sea, river, and air transport</td> <td>5.00</td> </tr> <tr> <td>Life</td> <td>3.00</td> </tr> <tr> <td>Life annuities</td> <td>6.00</td> </tr> <tr> <td>Export credits</td> <td>0.25</td> </tr> <tr> <td>Other</td> <td>10.00</td> </tr> </tbody> </table>	<u>Insurance policies</u>	<u>Rates (in percent)</u>	Fire	20.00	Sea, river, and air transport	5.00	Life	3.00	Life annuities	6.00	Export credits	0.25	Other	10.00		
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Senegal: Summary of Tax System as of December 1996 (continued)

Tax	Nature of Tax	Deductions and Exemptions	Rates																					
4.4 Tax on vehicles ( <u>Taxe sur les véhicules à moteur</u> )	Levied annually on owners of motor vehicles; varies according to the horsepower of the vehicle.	Government-owned vehicles and other specified vehicles are exempt.	<table border="1"> <thead> <tr> <th rowspan="2">Horsepower up to</th> <th colspan="2">Rates (in CFAF)</th> </tr> <tr> <th>Private vehicles</th> <th>Commercial vehicles</th> </tr> </thead> <tbody> <tr> <td>0 - 8</td> <td>24,000</td> <td>15,000</td> </tr> <tr> <td>9 - 12</td> <td>34,000</td> <td>18,000</td> </tr> <tr> <td>13 - 16</td> <td>108,000</td> <td>30,000</td> </tr> <tr> <td>17 - 19</td> <td>168,000</td> <td>60,000</td> </tr> <tr> <td>20 or more</td> <td>236,000</td> <td>60,000</td> </tr> </tbody> </table>		Horsepower up to	Rates (in CFAF)		Private vehicles	Commercial vehicles	0 - 8	24,000	15,000	9 - 12	34,000	18,000	13 - 16	108,000	30,000	17 - 19	168,000	60,000	20 or more	236,000	60,000
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20 or more	236,000	60,000																						
			Half rates apply to vehicles more than 10 years old.																					
			<u>Motor vehicles with two or three tires</u>																					
			Rates vary between CFAF 3,000 and CFAF 10,500.																					
4.5 Special tax on company-owned cars ( <u>Taxe spéciale sur les véhicules des sociétés</u> )	Levied annually on company-owned cars in addition to tax on vehicle (see 4.4 above). <u>2/</u>		Up to 9 hp - CFAF 100,000 Over 9 hp - CFAF 200,000																					
4.6 Business license fees ( <u>Contribution des patente et licences</u> ) <u>1/</u>	<u>Patente</u> is levied annually on any person engaged in trade, industry, or a professional activity. <u>Licence</u> is levied annually on all sellers of alcoholic beverages.	Newly established industries are exempted from the <u>patente</u> for the first five years of operation; also exempt are craftsmen, farmers, and fishermen.	<u>Patente</u> consists of two levies each for business and professional activities. These two levies are a <u>fixed tax</u> according to turnover, number of staff and value of equipment used in the activity; and a <u>proportional levy</u> that applies to the rental value of premises.																					
4.7 Tax on firearms ( <u>Taxe sur les armes à feu</u> )	Tax levied on owners of firearms.	Firearms used by police and military.	Various specific rates ranging from CFAF 2,000 to CFAF 20,000 depending on caliber.																					
5. <u>Taxes on foreign trade</u>																								
5.1 Import duties																								
5.1.1 Customs duty ( <u>Droit de douane</u> )	Levied on the c.i.f. value of imports. A minimum tariff of customs duty is applicable to goods originating in countries that are WTO members and countries with commercial agreements with Senegal. A special tariff applied to goods originating in the member countries of the Economic Community of West African States (ECONAS). A general tariff that is three times the minimum tariff applies to other countries.	Exemptions suspended for a large number of products are specified in Annex I of Law 90-95 of February 15, 1994. Exempted from import duties are some products originating in countries with which a bilateral commercial agreement is in force (e.g., Morocco, Cameroon, and Algeria). Deductions for industrial products originating in the West African Economic and Monetary Union (WAEPU) of 30 percent or 5 percent.	Minimum tariff: 10 percent of c.i.f. value. General tariff: three times the minimum tariff Special tariff for industrial products from the member countries of the Economic Community of West African States: 5 percent																					



Senegal: Summary of Tax System as of December 1996 (concluded)

Tax	Nature of Tax	Deductions and Exemptions	Rates
5.1.2 Fiscal duty ( <u>Droit fiscal</u> )	Levied on c.i.f. value of imports.	Certain essential foodstuffs, medical supplies, boats, and airplanes. Exemptions for the ECOWAS and WAEMU imports as in 5.1.1.	Reduced rate (raw materials, capital goods, spare parts, and medicines): 10 percent. Normal rate (semifinished products and noncompeting finished products): 20 percent. Increased rate (luxury products): 30 percent. The reduced rate applicable to social goods, inputs, and to capital goods is temporarily suspended. Luxury goods are subject to a surcharge of 20 percent.
5.1.3 Customs stamp ( <u>Timbre douanier</u> )	Levied on the c.i.f. value.	Merchandise declared as being in transit, for transshipment, or destined for the Free Industrial Zone; products imported by diplomats; projects executed by donors; military assistance.	5 percent
5.1.4 Value-added tax on imports	Levied on imports on their c.i.f. value or standard value to which are added the customs duty and fiscal duty assessed by the Customs Administration.	Annex I of Law 94-52 of May 27, 1994.	Reduced rate 10 percent Normal rate 20 percent
5.2 Export duties			
5.2.1 Fiscal duty ( <u>Droit fiscal</u> )	Levied only on exports of phosphates and phosphate-based fertilizer, and on groundnut products. The export duty is currently suspended.		20 percent
6. Other taxes			
6.1 Stamp duties ( <u>Droits de timbre</u> )	Levied on legal documents drawn up for various acts.		Rates vary between CFAF 10 and CFAF 15,000 depending on the document to be stamped.

Source: Data provided by the Senegalese authorities.

- 1/ Entirely earmarked for use by the local authorities.  
2/ Of which taxes on alcoholic beverages are earmarked for use by the CAA.  
3/ Half of the proceeds are earmarked for use by the local authorities.

Table 1. Senegal: GDP by Economic Sector at Constant 1987 Prices, 1991-96

(In billions of CFA francs)

	1991	1992	1993	1994	1995	1996
	Estimates					
<b>Primary sector</b>	307.9	315.5	298.2	332.6	335.5	360.4
Agriculture	160.9	163.6	143.3	170.2	165.2	183.2
Livestock	104.3	108.2	110.3	114.4	119.1	123.9
Fishing	30.8	31.3	31.9	35.2	38.1	40.0
Forestry	12.0	12.3	12.6	12.8	13.1	13.4
<b>Secondary sector</b>	271.7	284.8	278.6	283.7	311.3	332.7
Mining	3.2	3.3	2.7	2.6	2.6	2.3
Industry	182.6	189.9	187.2	188.3	206.3	217.7
Oil milling	8.9	10.1	7.6	8.1	9.5	8.3
Energy	29.5	32.1	31.5	33.1	34.7	36.2
Construction and public works	47.5	49.3	49.6	51.7	58.2	68.3
<b>Tertiary sector</b>	906.7	928.4	920.4	910.4	953.0	995.6
Transportation	149.9	154.1	150.2	145.7	152.8	159.0
Commerce	335.6	345.2	334.9	321.5	338.5	357.5
Government	178.9	179.7	184.9	186.1	189.1	190.5
Other services	242.1	249.4	250.4	257.1	272.5	288.6
<b>GDP</b>	1,486.4	1,528.7	1,497.1	1,526.7	1,599.8	1,688.7

Source: Data provided by the Senegalese authorities.

Table 2. Senegal: GDP by Economic Sector at Constant 1987 Prices, 1991-96

(Annual percentage changes)

	1991	1992	1993	1994	1995	1996
	Estimates					
<b>Primary sector</b>	-3.2	2.4	-5.5	11.6	0.9	7.5
Agriculture	-8.4	1.7	-12.4	18.7	-2.9	10.9
Livestock	4.4	3.7	2.0	3.7	4.1	4.0
Fishing	3.4	1.8	1.9	10.3	8.0	5.3
Forestry	-6.4	3.0	2.1	1.9	2.0	2.0
<b>Secondary sector</b>	-1.9	4.8	-2.2	1.8	9.7	7.0
Mining	-23.8	3.0	-19.0	-4.1	1.6	-10.8
Industry	-2.6	4.0	-1.4	0.6	9.6	5.4
Oil milling	-17.6	12.9	-24.4	7.1	17.0	-9.1
Energy	2.3	8.9	-2.0	4.9	5.0	4.3
Construction and public works	3.9	3.9	0.5	4.2	12.5	17.5
<b>Tertiary sector</b>	0.5	2.4	-0.9	-1.1	4.7	4.5
Transportation	-1.5	2.8	-2.5	-3.0	4.9	4.0
Commerce	2.2	2.8	-3.0	-4.0	5.3	5.6
Government	-0.9	0.4	2.9	0.6	1.6	0.8
Other services	0.7	3.0	0.4	2.7	6.0	5.9
<b>GDP</b>	-0.7	2.8	-2.1	2.0	4.8	5.6
<b><u>Memorandum item:</u></b>						
GDP deflator	0.5	1.2	0.4	33.2	7.6	2.8

Source: Data provided by the Senegalese authorities.

Table 3. Senegal: Supply and Use of Resources at Current Prices, 1991-96

	1991	1992	1993	1994	1995	1996
		Estimates				
(In billions of CFA francs)						
GDP	1,549.9	1,612.8	1,586.6	2,155.1	2,429.8	2,637.5
Gross domestic expenditure	1,657.6	1,731.2	1,718.1	2,289.8	2,556.1	2,772.6
Consumption	1,467.4	1,506.2	1,508.9	1,995.7	2,176.0	2,337.1
Private	1,257.5	1,261.3	1,282.1	1,729.4	1,904.8	2,062.5
Public	209.9	244.9	226.8	266.3	271.2	274.6
Investment	205.5	225.0	209.2	294.2	380.1	429.3
Private	134.4	142.4	144.3	194.0	262.4	301.7
Public	71.1	82.6	64.9	100.2	117.7	127.6
Change in stocks	-15.3	0.0	0.0	0.0	0.0	6.2
Resource gap	-107.7	-118.4	-131.5	-134.7	-126.3	-135.1
Exports of goods and nonfactor services	383.1	371.5	340.8	706.2	770.5	812.1
Imports of goods and nonfactor services	-490.8	-489.9	-472.3	-840.9	-896.8	-947.2
Gross domestic savings	82.5	106.6	77.7	294.2	253.8	300.4
Gross national savings <sup>1</sup>	35.7	73.1	46.5	94.8	188.0	239.6
(In percent of GDP)						
Gross domestic expenditure	106.9	107.3	108.3	96.3	105.2	105.1
Consumption	94.7	93.4	95.1	92.6	89.6	88.6
Private	81.1	78.2	80.8	80.2	78.4	78.2
Public	13.5	15.2	14.3	12.4	11.2	10.4
Investment	13.3	14.0	13.2	13.6	15.6	16.3
Private	8.7	8.8	9.1	9.0	10.8	11.4
Public	4.6	5.1	4.1	4.6	4.8	4.8
Change in stocks	-1.0	0.0	0.0	0.0	0.0	0.2
Resource gap	-6.9	-7.3	-8.3	-6.3	-5.2	-5.1
Exports of goods and nonfactor services	24.7	23.0	21.5	32.8	31.7	30.8
Imports of goods and nonfactor services	-31.7	-30.4	-29.8	-39.0	-36.9	-35.9
Gross domestic savings	5.3	6.6	4.9	7.4	10.4	11.4
Gross national savings <sup>1</sup>	2.3	4.5	2.9	4.4	7.7	9.3

Source: Data provided by the Senegalese authorities.

<sup>1</sup> Excluding official transfers.

APPENDIX II

Table 4. Senegal: Level of Rainfall on the Groundnut Basin, 1960/61-96/97

(In millimeters)

Crop season <sup>1</sup>	Casamance	Diourbel	Louga	Senegal-Oriental	Sine Saloum	Total
1960/61	1,079	739	523	602	601	3,544
1961/62	1,254	566	448	789	664	3,721
1962/63	1,319	621	346	862	592	3,740
1963/64	1,219	579	451	943	644	3,836
1964/65	1,310	726	495	1,024	877	4,432
1965/66	1,458	563	449	939	655	4,064
1966/67	1,251	605	371	1,235	181	3,643
1967/68	1,560	858	667	964	907	4,956
1968/69	830	340	237	792	441	2,640
1969/70	1,198	571	372	745	655	3,541
1970/71	1,136	386	285	690	482	2,979
1971/72	983	564	296	1,255	771	3,869
1972/73	702	410	205	622	415	2,354
1973/74	1,118	307	272	723	464	2,884
1974/75	1,110	538	341	957	564	3,510
1975/76	1,322	453	267	783	694	3,519
1976/77	1,282	443	284	970	540	3,519
1977/78	813	302	250	932	415	2,712
1978/79	1,258	571	331	575	941	3,676
1979/80	968	478	247	691	571	2,955
1980/81	760	349	328	609	436	2,482
1981/82	1,109	438	356	878	599	3,380
1982/83	1,073	388	324	736	584	3,105
1983/84	723	197	182	515	355	1,972
1984/85	1,232	463	174	591	609	3,069
1985/86	1,368	391	216	554	634	3,163
1986/87	986	237	349	799	638	3,009
1987/88	950	463	283	667	689	3,052
1988/89	1,304	623	413	938	646	3,924
1989/90	1,197	554	473	756	771	3,751
1990/91	1,111	402	287	656	511	2,967
1991/92	1,211	354	250	671	394	2,880
1992/93	923	146	203	551	415	2,238
1993/94	1,320	263	342	401	443	2,769
1994/95	1,120	428	220	904	672	3,334
1995/96	953	695	292	791	583	3,314
1996/97	821	419	316	680	388	2,463

Source: Data provided by the Senegalese authorities.

<sup>1</sup> The level of rainfall refers to the period May-October of the first year shown.

Table 5. Senegal: Production and Disposition of Groundnuts (Unshelled),  
1990/91-96/97

(In thousands of metric tons)

	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97 Est.
Production (total)	703.0	728.0	579.0	631.0	719.0	791.0	628.0
Production for export	260.0	412.0	163.0	215.0	250.0	213.6	127.1
Oil mills	255.0	410.0	160.0	211.0	245.0	209.7	122.1
Confectionery nuts <sup>1</sup>	5.0	2.0	3.0	4.0	5.0	3.9	5.0
Other	443.0	315.0	416.0	416.0	469.0	577.4	500.9
Autoconsumption <sup>2</sup>	334.0	202.0	310.0	392.0	437.0	536.4	459.1
Seeds	105.0	105.0	103.0	21.0	27.0	33.1	38.9
Losses	4.0	8.0	3.0	3.0	5.0	7.9	2.9

Source: Data provided by the Senegalese authorities.

<sup>1</sup> Including hand-picked select.

<sup>2</sup> Including sales in the parallel market.

Table 6. Senegal: Cereals Balance, 1990/91-96/97 <sup>1</sup>

	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97 Est.
Population (thousands)	7,598	7,713	7,937	8,230	8,361	8,597	8,767
(In thousands of metric tons)							
<b>Supply</b>							
Production (net)	798	812	714	898	789	886	836
Beginning-of-period stocks	128	147	149	120	101	75	114
Farmers	26	32	29	3	54	45	60
Other	102	115	120	117	47	30	54
Imports	652	599	620	517	641	498	465
Commercial	595	551	575	481	612	489	453
Food aid	57	48	45	36	29	9	12
Total supply/use	1,577	1,558	1,483	1,535	1,531	1,459	1,415
<b>Use</b>							
End-of-period stocks	104	99	76	106	83	114	90
Farmers	19	15	14	54	45	60	40
Other	85	84	62	52	38	54	50
Consumption	1,453	1,444	1,399	1,409	1,428	1,325	1,305
Other uses	20	15	8	20	20	20	20
Apparent consumption per person (kg)	188	187	176	171	171	153	149

Source: Information provided by the Senegalese authorities.

<sup>1</sup> Data may not add up because of rounding.

Table 7. Senegal: Estimates of Production, Area Under Cultivation, and Yields of Principal Crops, 1990/91-96/97<sup>1</sup>

(Production in thousands of metric tons; area in thousands of hectares; yield in metric tons per hectare)

	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97 Est.
<b>Export crops</b>							
<b>Groundnuts</b>							
Production	702.6	727.8	578.5	631.3	718.0	791.0	628.0
Area	913.9	871.6	956.8	764.3	928.0	881.3	919.8
Yield	0.8	0.8	0.6	0.8	0.8	0.9	0.7
<b>Cotton (unginned)</b>							
Production	36.0	52.0	50.3	50.0	37.0	28.8	37.7
Area	35.9	44.2	44.8	49.7	33.0	35.0	50.3
Yield	1.0	1.2	1.1	1.1	1.0	0.8	0.7
<b>Food crops</b>							
<b>Millet and sorghum</b>							
Production	660.4	670.6	562.7	752.6	670.8	794.1	734.5
Area	1,038.0	978.8	905.1	1,100.2	1,077.7	1,039.3	1,122.9
Yield	0.6	0.7	0.6	0.7	0.6	0.8	0.6
<b>Maize</b>							
Production	133.1	102.6	114.6	138.3	108.2	106.5	88.6
Area	116.7	90.6	105.0	108.9	106.8	97.8	84.9
Yield	1.1	1.1	1.1	1.3	1.0	1.0	1.0
<b>Rice (paddy)</b>							
Production	156.1	193.9	177.3	193.3	162.2	155.1	148.7
Area	73.0	73.1	73.7	77.9	77.7	68.9	73.8
Yield	2.1	2.7	2.4	2.5	2.0	2.2	2.0
<b>Cowpeas</b>							
Production	12.2	16.8	8.7	55.8	28.9	41.9	20.6
Area	45.3	50.7	73.7	118.4	91.5	97.4	88.6
Yield	0.3	0.3	0.1	0.5	0.3	0.4	0.2
<b>Manioc</b>							
Production	69.3	24.5	45.8	43.4	76.9	55.5	36.9
Area	19.7	9.9	21.4	15.7	30.7	17.4	14.0
Yield	3.5	2.5	2.2	2.8	2.5	3.1	2.6
<b>Vegetables</b>							
Production	141.8	159.6	154.4	147.6	154.6	...	...
Area	9.7	10.2	9.7	9.5	9.5	...	...
Yield	14.6	15.6	15.9	15.5	16.2	...	...

Source: Data provided by the Senegalese authorities.

<sup>1</sup> Crop year (November-October).



Table 8. Senegal: Producer Prices of Main Agricultural Products, 1990/91-96/97<sup>1</sup>

	Weights (in percent)	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97
	Pondération en pourcentage	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97
		(In CFA francs per kilogram) (En francs CFA par kilo)						
Oil groundnuts	...	80.0	80.0	80.0	100.0	130.0	125.0	131.0
Confectionery groundnuts	...	85.0	85.0	85.0	110.0	135.0	125.0	131.0
Cotton	...	100.0	100.0	100.0	110.0	150.0	170.0	170.0
Tomatoes	...	30.0	30.0	30.0	...	...	...	...
Millet/sorghum	...	70.0	70.0	70.0	...	...	...	...
Maize	...	70.0	70.0	70.0	...	...	...	...
Paddy	...	85.0	85.0	85.0	176.0	...	...	...
Cowpeas	...	110.0	110.0	110.0	...	...	...	...
		(Price index of main agricultural products, 1985/86 = 100) (Indice des prix des principaux produits agricoles)						
Oil groundnuts	30.11	88.9	88.9	88.9	111.1	144.5	138.9	145.6
Confectionery groundnuts	0.55	77.3	77.3	77.3	100.0	122.8	113.7	119.1
Cotton	1.80	100.0	100.0	100.0	110.0	150.0	170.0	170.0
Tomatoes	0.79	130.4	130.4	130.4	...	...	...	...
Millet/sorghum	47.50	100.0	100.0	100.0	...	...	...	...
Maize	7.57	100.0	100.0	100.0	...	...	...	...
Paddy	7.57	100.0	100.0	100.0	207.1	...	...	...
Cowpeas	4.11	100.0	100.0	100.0	...	...	...	...
General index	100.00	96.8	96.8	96.8	...	...	...	...
		(Annual percentage change) (Variation annuelle en pourcentage)						
Oil groundnuts	30.11	14.3	0.0	0.0	0.0	62.5	-3.8	-100.0
Confectionery groundnuts	0.55	0.0	0.0	0.0	29.4	22.7	-7.4	4.8
Cotton	1.80	0.0	0.0	0.0	0.0	10.0	13.3	0.0
Tomatoes	0.79	0.0	0.0	0.0	...	...	...	...
Millet/sorghum	47.50	-4.1	0.0	0.0	...	...	...	...
Maize	7.57	-9.1	0.0	0.0	...	...	...	...
Paddy	7.57	0.0	0.0	0.0	107.1	...	...	...
Cowpeas	4.11	0.0	0.0	0.0	...	...	...	...
General index	100.00	0.6	0.0	0.0	...	...	...	...

Source: Data provided by the Senegalese authorities.

<sup>1</sup> By December 1988, the producer prices for all agricultural products had been liberalized, except those for oil groundnuts, cotton, and paddy; the price of paddy was liberalized in June 1994. The producer prices for oil groundnuts and cotton are determined by a committee representing the farmers, the marketing agencies, and the Government, taking into account developments in world market prices.

<sup>2</sup> In August 1993, the producer prices for oil groundnuts and cotton were reduced to CFAF 70/kg and CFAF 85/kg, respectively.

Table 9. Senegal: Fish Catch, 1991-96

(In thousands of metric tons)

	1991	1992	1993	1994	1995	<u>1996</u> Est.
<b>Small-scale fishing</b>	249.3	286.8	266.9	282.3	266.3	327.9
<b>Industrial fishing</b>	138.5	171.2	150.4	155.0	173.6	162.3
<b>Sardine<sup>1</sup></b>	32.3	34.1	7.6	3.5	3.9	3.7
<b>Trawler fishing</b>	61.6	96.3	105.0	75.7	84.8	79.3
<b>Tuna</b>	44.6	40.8	37.8	75.8	84.9	79.4
<b>Total</b>	387.8	458.0	417.3	437.4	439.9	490.2

Source: Direction de l'océanographie et des pêches maritimes.

<sup>1</sup> Domestic catch only for 1993-96; 1991-92 include catch from domestic and Russian vessels.

Table 10. Senegal: Fish Disembarked by Vessel Nationality, 1991-96

(In thousands of metric tons)

	1991	1992	1993	1994	1995	<u>1996</u> Prel.
France	11.2	8.9	7.1	5.9	2.5	0.2
Greece	3.2	0.7	2.1	3.3	1.4	2.1
Italy	0.3	0.4	0.9	0.5	0.0	0.0
Spain	17.0	23.6	27.7	31.1	26.5	12.3
Former Soviet Union	25.3	51.2	51.9	23.2	28.9	31.5
Others	3.4	0.2	0.2	0.6	0.9	3.2
Total	60.4	85.0	89.9	64.6	60.2	49.3

Source: Direction de l'océanographie et des pêches maritimes.

APPENDIX II

Table 11. Senegal: Evolution of Livestock, 1991-96

(In thousands of heads)

	1991	1992	1993	1994	1995	<u>1996</u> Prel.
Cattle	2,539	2,602	2,693	2,760	2,800	2,870
Sheep	3,342	3,498	3,657	3,821	3,890	4,045
Goats	2,853	2,944	3,076	3,213	3,293	3,440
Pigs	124	146	154	161	163	171
Camels	5	5	5	5	5	5
Horses	453	431	433	434	434	436
Donkeys	328	364	366	366	366	367

Source: Ministry of Rural Development.

Table 12. Senegal: Indices of Industrial Production, 1991-96  
(1976 = 100)

	Weights (in percent)	1991	1992	1993	1994	1995	1996 Prel.
Mining	18.5	89.4	119.7	92.2	87.1	86.5	79.5
<i>Of which:</i> phosphates	16.2	101.6	136.2	105.1	99.3	98.4	90.4
Food production	43.1	84.8	89.1	89.0	94.6	104.1	97.0
<i>Of which:</i> fish canning	2.8	189.9	152.6	118.6	132.6	212.4	151.8
oil mills	12.2	30.5	57.2	55.8	66.0	79.9	78.2
sugar and confectionery	13.2	130.6	125.4	136.5	140.1	131.2	115.5
Textiles, clothing, and leather	12.3	73.3	73.9	65.8	67.9	58.3	60.9
<i>Of which:</i> textiles	10.0	83.0	84.5	74.8	77.8	64.3	69.4
other	2.3	31.5	28.0	27.0	25.0	32.2	24.1
Wood products	0.5	104.0	102.4	101.0	85.8	97.6	99.9
Paper	1.8	129.4	106.5	97.3	110.2	100.2	100.3
Chemical industries	11.4	96.8	89.7	90.4	78.4	103.8	98.6
<i>Of which:</i> refined petroleum	1.6	96.8	89.7	90.4	78.4	89.1	88.0
fertilizers and pesticides	3.7	156.8	127.0	128.2	114.1	157.0	144.8
plastic and rubber materials	2.8	29.4	32.1	27.8	29.5	35.4	37.3
Construction materials	3.3	109.7	127.2	126.0	151.2	152.9	173.2
Machinery and equipment	4.0	108.3	94.9	101.1	91.7	108.1	103.6
Electricity and water	5.1	181.0	203.8	196.4	200.2	211.5	217.3
<i>Of which:</i> electricity	2.7	190.2	216.8	206.0	223.1	236.2	242.5
water	2.4	170.7	189.3	185.6	174.6	183.8	189.0
General index without oil processing	87.8	101.9	106.7	99.7	99.5	102.4	101.3
General index	100.0	93.2	100.7	94.3	95.5	99.6	98.5

Source: Data provided by the Senegalese authorities.

Table 13. Senegal: Production of Principal Mineral and Industrial Products, 1991-96

	Unit	1991	1992	1993	1994	1995	1996 Prel.
Lime phosphates	thousands of tons	1,740.0	2,282.0	1,667.0	1,587.4	1,543.8	1,384.0
Aluminium phosphates	thousands of tons	65.8	53.7	21.3	19.2	40.7	27.2
Attapulgit	thousands of tons	108.9	103.4	109.4	95.0	81.5	79.2
Salt	thousands of tons	60.7	20.8	21.9	105.5	25.1	113.4
Sugar (cubes)	thousands of tons	43.8	42.0	46.1	49.5	48.0	68.4
Tobacco products	tons	1,974.0	1,743.0	1,795.0	1,216.0	1,272.0	1,425.0
Groundnut oil (unrefined)	thousands of tons	75.5	115.5	56.9	80.2	99.0	91.2
Refined vegetable oil	thousands of tons	20.8	50.9	71.3	79.2	95.8	84.2
Tuna (canned)	thousands of tons	18.3	24.0	22.5	20.6	24.1	19.8
Shoes	millions of pairs	0.2	0.6	0.5	0.4	0.6	0.7
Cotton yarn	tons	1,321.0	1,325.0	673.0	1,201.0	1,237.0	1,452.0
Soap	thousands of tons	36.9	42.0	35.7	22.7	35.3	46.3
Paints and varnishes	thousands of tons	2.7	2.8	4.2	2.7	2.9	3.1
Cement	thousands of tons	502.4	601.4	591.2	697.8	694.2	811.1
Metal cans	millions	212.8	178.6	183.2	158.0	141.8	128.9
Electricity	millions of kilowatt-hours	915.7	1,000.7	988.0	1,020.4	1,080.9	1,109.9

Source: Data provided by the Senegalese authorities.

Table 14. Senegal: Production, Sales, and Prices of Lime Phosphates, 1991-96

	1991			1992			1993			1994			1995			1996		
	CSPT	SSPT	Total	CSPT	SSPT	Total	CSPT	SSPT	Total	CSPT	SSPT	Total	CSPT	SSPT	Total	CSPT	SSPT	Total
Production (thousand tons)	1,546	194	1,740	2,101	181	2,282	1,585	82	1,667	1,559	28	1,587	1,533	11	1,544	1,376	8	1,384
Exports Volume <sup>1</sup> (thousand tons)	1,184	120	1,304	1,057	129	1,186	864	225	1,090	579	157	736	854	118	972	830	6	836
Value (billions of CFA francs)	15.6	1.1	16.7	13.1	1.1	14.2	9.6	2.5	12.1	11.1	3.5	14.6	14.0	2.4	16.4	14.3	0.1	14.4
Price (CFA francs per ton)	13,175	9,167	12,807	12,394	8,527	11,973	11,106	11,006	11,085	19,131	22,903	19,932	16,363	20,894	16,913	17,250	14,290	17,229

Sources: Compagnie Sénégalaise des Phosphates de Taïba (CSPT); and Société Sénégalaise des Phosphates de Thiès (SSPT).

<sup>1</sup> Includes lime, clinker, and slag/gelite.

**Table 15. Senegal: Imports of Crude and Refined Petroleum Products by the Société Africaine de Raffinage (SAR), 1991-96**

(Volume in tons; value in millions of CFA francs)

	Crude		Refined		Total
	Volume	Value	Volume	Value	Value
1991	506,346	25,977	335,736	16,630	42,607
1992	621,987	24,809	367,660	14,601	39,410
1993	544,809	21,276	364,702	14,354	35,630
1994	302,782	19,949	782,344	60,116	80,065
1995	649,500	43,648	324,026	25,928	69,576
1996	645,034	52,142	403,387	38,059	90,201

Source: Société Africaine de Raffinage (SAR).



**Table 16. Senegal: Exports of Refined Petroleum Products  
by the Société Africaine de Raffinage (SAR), 1991-96**

(Volume in tons; value in millions of CFA francs)

	Mali		Other		Total	
	Volume	Value	Volume	Value	Volume	Value
1991	50,141	3,355	13,168	930	63,309	4,285
1992	52,952	2,840	15,120	563	68,072	3,403
1993	54,305	2,914	14,431	691	68,736	3,605
1994	71,241	6,690	15,322	1,445	86,563	8,135
1995	63,247	5,596	41,971	3,412	105,218	9,008
1996	62,503	6,539	34,766	3,694	97,269	10,233

Source: Société Africaine de Raffinage (SAR).

Table 17. Senegal: Retail Prices of Petroleum Products, January 1981-March 1996

	Gasoline				Gas-Oil			Diesel	Fuel-Oil		
	Premium	Regular	Fishing boat	Kerosene	Vehicles	Boats	Fishing		180 <sup>1</sup> octane	380 <sup>1</sup> octane	Electricity generation
	(In CFA francs per liter)							(In CFA francs per ton)			
Jan-81	195	185	83	118	126	82	50	99,287	61,016	58,723	51,370
Jul-81	265	255	83	140	150	98	56	117,923	72,469	69,746	57,026
Jul-82	270	260	83	140	155	108	61	142,281	87,998	87,214	66,429
Apr-83	270	260	83	140	155	108	71	152,241	94,158	94,389	76,133
Aug-83	290	280	103	150	165	118	81	162,940	104,857	98,693	81,382
Jul-84	300	290	110	160	177	126	87	175,975	104,857	98,693	81,382
Dec-84	325	315	135	175	200	140	100	190,485	113,760	106,950	81,400
Jun-85	350	335	155	185	210	150	105	199,160	119,150	111,945	81,400
Jul-86	350	335	155	185	210	150	105	199,160	119,150	111,945	69,336
Jul-91	335	320	155	185	210	150	105	159,328	95,320	89,556	52,002
Jun-92	335	320	155	185	210	150	105	159,328	95,320	89,556	52,002
Aug-93	350	320	180	185	250	150	105	159,328	95,320	89,556	52,002
Jan-94	455	415	235	225	300	...	...	199,160	119,150	111,945	62,402
Mar-95	455	415	260	225	300	...	...	199,160	119,151	111,946	62,403
Dec-95	455	415	260	225	300	...	...	199,160	125,065	120,240	62,402
Dec-96	455	415	260	225	300	...	...	199,160	125,078	118,615	62,402

Source: Data provided by the Senegalese authorities.

1/ Prices to large consumers.

Table 18. Senegal: Trends in the Tourism Sector, 1991-96 <sup>1</sup>

	1991	1992	1993	1994	1995	<u>1996</u> Est.
	<u>(In thousands)</u>					
Number of arrivals	269.3	281.6	195.3	280.0	321.2	305.0
Number of beds	13.7	14.9	15.0	15.2	15.6	16.0
Number of nights	1,083.8	1,120.5	730.4	1,100.0	1,224.3	1,153.0
	<u>(In percent)</u>					
Annual rate of occupancy	34.5	33.4	27.2	34.0	35.0	35.0
	<u>(In billions of CFA francs)</u>					
Gross receipts	37.9	39.2	25.2	53.0	78.7	74.0

Source: Ministry of Tourism.

<sup>1</sup> Figures may differ from those in the services and transfers account because of different methods used for recording data.

Table 19. Senegal: Public Investment, 1992-96

(In billions of CFA francs)

	1992			1993			1994			1995			1996		
	Planned	Realized investment		Planned	Realized investment		Planned	Realized investment		Planned	Realized investment		Planned	Realized investment	
		Total	Percentage distribution		Total	Percentage distribution		Total	Percentage distribution		Total	Percentage distribution		Total	Percentage distribution
<b>Primary sector</b>	<b>55.6</b>	<b>41.0</b>	<b>36.6</b>	<b>46.8</b>	<b>40.1</b>	<b>39.1</b>	<b>48.5</b>	<b>45.1</b>	<b>37.1</b>	<b>88.6</b>	<b>56.7</b>	<b>31.9</b>	<b>87.8</b>	<b>59.5</b>	<b>33.4</b>
Agriculture	27.1	16.1	14.4	25.6	19.3	18.8	24.4	17.9	14.7	46.0	21.4	12.0	42.4	25.9	14.5
Livestock	1.1	1.2	1.1	1.3	0.7	0.7	2.1	1.2	1.0	2.2	1.7	1.0	3.0	2.4	1.3
Forestry	3.4	4.1	3.7	3.5	3.4	3.3	3.9	6.5	5.3	8.7	5.7	3.2	9.5	8.6	4.8
Fisheries	2.3	1.5	1.3	0.8	0.7	0.7	0.2	0.1	0.1	3.3	1.2	0.7	1.8	1.0	0.6
Rural water supply	7.9	7.9	7.1	8.4	8.4	8.2	9.4	8.5	7.0	17.7	15.7	8.8	14.7	8.8	4.9
Other (including research)	13.8	10.2	9.1	7.2	7.6	7.4	8.3	10.9	9.0	10.7	11.1	6.2	16.2	12.6	7.1
<b>Secondary sector</b>	<b>19.2</b>	<b>13.3</b>	<b>11.9</b>	<b>13.0</b>	<b>9.2</b>	<b>9.7</b>	<b>19.0</b>	<b>13.9</b>	<b>11.4</b>	<b>25.4</b>	<b>24.2</b>	<b>13.6</b>	<b>24.1</b>	<b>13.7</b>	<b>7.7</b>
Industry	2.7	1.8	1.6	3.9	3.1	3.1	4.9	8.8	7.2	5.5	2.2	1.2	6.1	2.0	1.1
Mining	0.5	0.4	0.4	0.4	0.2	0.2	1.0	0.8	0.7	1.0	1.0	0.6	0.9	0.9	0.5
Energy	15.4	9.4	8.4	5.2	4.1	4.0	7.9	3.0	2.5	11.6	15.9	8.9	11.5	6.4	3.6
Other	1.3	1.7	1.5	3.6	2.5	2.4	5.2	1.3	1.1	7.3	5.1	2.9	5.7	4.5	2.5
<b>Tertiary sector</b>	<b>37.1</b>	<b>27.5</b>	<b>24.6</b>	<b>40.2</b>	<b>25.4</b>	<b>24.8</b>	<b>42.7</b>	<b>13.7</b>	<b>11.3</b>	<b>52.0</b>	<b>27.2</b>	<b>15.3</b>	<b>53.2</b>	<b>23.9</b>	<b>13.4</b>
Tourism	0.2	0.2	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.6	0.5	0.3	0.6	0.2	0.1
Commerce	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Transport	26.9	20.6	18.4	32.7	18.6	18.1	36.9	9.8	8.1	51.4	22.7	12.8	49.4	21.8	12.2
Telecommunications	8.6	6.2	5.5	4.1	3.5	3.4	0.6	2.1	1.7	2.8	2.5	1.4	0.0	0.0	0.0
Other (including research)	1.4	0.5	0.4	3.3	3.3	3.2	5.2	1.8	1.5	2.2	1.5	0.8	3.2	1.8	1.0
<b>Other sectors</b>	<b>51.2</b>	<b>30.2</b>	<b>27.0</b>	<b>39.7</b>	<b>27.1</b>	<b>26.4</b>	<b>47.1</b>	<b>48.8</b>	<b>40.2</b>	<b>96.9</b>	<b>69.9</b>	<b>39.3</b>	<b>108.6</b>	<b>81.2</b>	<b>45.5</b>
Urban water supply/sewage	6.2	3.3	2.9	5.8	1.9	1.9	6.5	2.5	2.1	14.2	9.7	5.4	47.3	5.2	2.9
Housing	13.5	5.0	4.5	6.0	3.9	3.8	6.3	3.3	2.7	7.1	7.1	4.0	4.7	8.0	4.5
Health	6.0	5.2	4.6	6.8	5.4	5.3	6.8	8.8	7.2	16.5	12.3	6.9	13.6	9.6	5.4
Education	2.3	1.5	1.3	5.3	3.7	3.7	7.1	11.4	9.4	20.9	9.6	5.4	17.8	20.0	11.2
Other	26.2	15.2	13.6	15.8	12.1	11.8	20.4	22.8	18.8	38.2	31.2	17.5	25.1	38.4	21.5
<b>Total</b>	<b>166.8</b>	<b>112.0</b>	<b>100.0</b>	<b>139.8</b>	<b>102.5</b>	<b>100.0</b>	<b>157.3</b>	<b>121.5</b>	<b>100.0</b>	<b>267.9</b>	<b>178.0</b>	<b>100.0</b>	<b>273.7</b>	<b>178.3</b>	<b>100.0</b>
<b>Financing</b>	<b>166.8</b>	<b>112.0</b>	<b>100.0</b>	<b>139.8</b>	<b>102.5</b>	<b>100.0</b>	<b>157.3</b>	<b>121.5</b>	<b>100.0</b>	<b>267.9</b>	<b>178.0</b>	<b>100.0</b>	<b>273.7</b>	<b>178.3</b>	<b>100.0</b>
Domestic	...	45.4	40.5	...	38.9	37.9	...	38.0	31.3	53.5	45.6	25.6	...	...	...
Public and parapublic	...	44.0	39.3	...	35.6	34.7	...	33.1	27.2	45.6	39.5	22.2	...	...	...
Private	...	1.4	1.3	...	3.3	3.2	...	4.9	4.0	7.9	6.1	3.4	...	...	...
Foreign	...	66.6	59.5	...	63.6	62.1	...	83.5	68.7	214.5	132.4	74.4	...	...	...
Grants	...	35.7	31.9	...	32.4	31.6	...	45.0	37.0	...	69.2	38.9	...	...	...
Concessional	...	21.4	19.1	...	22.3	21.8	...	34.6	28.5	...	63.2	35.5	...	...	...
Semicommercial borrowing	...	6.2	5.5	...	8.9	8.7	...	3.9	3.2	...	...	...	...	...	...
Commercial borrowing	...	3.3	2.9	...	0.0	0.0	...	0.0	0.0	...	...	...	...	...	...

Source: Direction de la coopération économique et financière.

Table 20. Senegal: Index of Consumer Prices for the Average Senegalese Family in Dakar, 1990-March 1997

(1967 = 100)

	Index	Percentage change <sup>1</sup>	Foodstuff	Clothing	Housing	Household goods	Transport and leisure
Weight	100.0		56.0	11.9	16.2	4.0	11.9
1990	493.8	0.3	514.9	453.1	387.6	689.3	513.4
1991	485.1	-1.8	498.8	459.9	385.7	668.8	521.2
1992	485.1	0.0	493.9	462.6	383.3	667.5	543.2
1993	481.5	-0.7	485.1	469.1	386.2	672.7	544.0
1994	636.0	32.1	672.8	554.2	516.5	877.4	626.0
1995	687.4	8.1	735.8	590.8	538.8	967.4	664.1
1996	706.3	2.7	748.9	650.2	559.7	1,002.3	662.6
1989							
I	480.9	...	491.8	456.3	387.0	674.9	516.3
II	484.0	...	497.7	456.3	387.0	674.9	514.5
III	503.1	...	532.6	456.3	386.7	674.9	512.1
IV	500.8	...	526.1	456.3	386.7	683.8	518.8
1990							
I	490.7	2.0	508.8	456.3	387.2	683.8	516.0
II	491.8	1.6	512.0	453.6	387.7	685.2	511.5
III	494.2	-1.8	516.8	448.3	387.7	694.4	511.2
IV	498.4	-0.5	522.0	467.3	388.0	696.6	515.3
1991							
I	482.7	-1.6	496.1	457.1	389.6	649.5	516.1
II	484.6	-1.5	497.3	459.3	389.6	669.9	517.1
III	485.0	-1.9	499.3	459.8	382.1	666.5	522.0
IV	488.1	-2.1	502.7	463.4	381.3	665.1	529.6
1992							
I	485.1	0.5	495.2	465.3	381.8	664.5	537.4
II	483.2	-0.3	491.3	465.3	383.7	664.5	537.7
III	486.3	0.3	495.6	465.3	383.7	668.3	541.3
IV	485.7	-0.5	493.4	454.6	384.0	672.5	556.5
1993							
I	475.8	-1.9	472.6	463.8	388.3	672.5	556.4
II	472.9	-2.1	471.3	466.3	385.2	669.8	538.1
III	491.6	1.1	504.3	466.8	386.0	672.5	539.8
IV	486.5	0.2	492.0	479.4	385.1	675.9	541.8
1994							
I	577.9	21.5	601.0	539.2	455.3	794.3	601.6
II	616.7	30.4	637.1	546.4	535.8	864.8	619.1
III	667.9	35.9	719.8	546.4	535.8	920.0	640.4
IV	683.1	40.4	733.3	598.1	539.9	930.6	642.9
1995							
I	661.5	14.5	698.6	577.3	542.2	929.1	643.5
II	669.6	8.6	704.2	584.8	537.0	968.3	672.0
III	705.9	5.7	766.9	586.1	535.0	980.6	678.3
IV	712.6	4.3	773.7	615.0	540.9	992.7	662.6
1996							
I	688.8	4.1	720.5	647.0	550.5	1,001.7	664.1
II	693.4	3.6	724.9	652.3	560.0	1,002.1	664.1
III	722.2	2.3	777.0	647.0	564.1	1,002.5	660.5
IV	721.0	1.2	773.0	654.4	564.1	1,002.5	661.7
1997							
I	712.1	3.4	749.1	696.2	559.2	1,003.4	662.3

Source: Data provided by the Senegalese authorities.

<sup>1</sup> Annual change for annual data, change over four quarters for quarterly data.

Table 21. Senegal: Index of Consumer Prices for Expatriate  
Technical Assistants in Dakar, 1990-March 1997

(1961=100)

	General Index	Percentage change <sup>1</sup>	Foodstuffs	Gas, electricity, telephone	Housing	Household goods	Sports and leisure	Transport	Other
Weight	100.0		45.0	2.3	4.6	24.5	11.7	7.9	4.0
1990	640.8	4.7	809.3	308.1	457.2	515.9	438.1	681.9	426.8
1991	666.6	4.0	843.5	314.6	477.1	544.0	445.1	701.3	427.5
1992	676.6	1.5	869.6	310.9	477.1	548.7	445.2	703.9	430.0
1993	684.4	1.2	874.9	318.2	477.1	553.9	452.4	709.4	430.0
1994	953.0	39.2	1,253.9	419.4	477.1	767.9	611.5	956.6	531.4
1995	997.2	4.6	1,304.5	420.9	477.1	812.5	662.8	1,007.4	559.1
1996	1,027.2	3.0	1,340.8	427.7	480.2	861.3	670.5	1,012.6	560.7
1989									
I	608.2	...	755.2	309.9	440.7	504.1	433.1	637.9	409.1
II	595.1	...	728.2	309.9	440.7	503.8	434.4	637.9	409.1
III	608.4	...	754.4	308.1	447.3	504.8	435.3	642.1	401.1
IV	637.2	...	809.4	308.1	447.3	507.5	431.8	678.5	422.1
1990									
I	637.2	4.8	808.6	308.1	447.3	507.2	433.1	679.5	426.8
II	629.4	5.8	787.9	308.2	447.3	512.2	435.8	679.5	426.8
III	637.6	4.8	801.0	308.1	457.2	519.1	439.7	680.6	426.8
IV	658.9	3.4	839.9	308.1	477.1	525.2	444.0	686.0	426.8
1991									
I	660.1	3.6	829.7	317.0	477.1	539.5	449.6	704.4	426.6
II	648.6	3.1	802.9	317.0	477.1	540.7	449.8	707.1	426.8
III	670.8	5.2	852.9	313.2	477.1	547.0	440.3	698.1	426.8
IV	687.1	4.3	888.5	311.3	477.1	548.7	440.7	695.6	430.0
1992									
I	673.9	2.1	857.6	311.3	477.1	548.9	443.6	702.1	430.0
II	662.9	2.2	860.1	311.3	477.1	548.5	445.2	703.1	430.0
III	684.6	2.1	880.7	310.4	477.1	548.0	445.7	704.1	430.0
IV	684.8	-0.3	879.9	310.4	477.1	549.3	446.3	706.2	430.0
1993									
I	674.8	0.1	854.3	320.1	477.1	550.6	449.9	713.6	430.0
II	677.6	2.2	850.8	317.2	477.1	550.6	450.9	711.6	430.0
III	693.6	1.3	890.7	318.2	477.1	556.0	452.8	722.9	430.0
IV	691.7	1.0	903.9	317.1	477.1	558.2	455.9	689.4	430.0
1994									
I	867.7	28.6	1,139.2	415.5	477.1	696.4	536.0	898.9	480.2
II	938.8	38.5	1,216.2	420.7	477.1	771.1	614.8	982.0	537.1
III	984.8	42.0	1,290.2	420.7	477.1	803.4	646.6	957.6	546.7
IV	1,020.7	47.6	1,370.1	420.7	477.1	800.5	648.7	987.9	561.5
1995									
I	987.2	13.8	1,292.0	420.7	477.1	800.0	653.7	1,003.3	559.1
II	975.4	3.9	1,262.7	420.6	477.1	800.4	663.6	1,005.7	559.1
III	997.8	1.3	1,301.2	420.9	477.1	817.9	668.2	1,008.6	559.1
IV	1,028.5	0.8	1,362.2	421.5	477.1	831.5	665.5	1,011.9	559.1
1996									
I	1,031.3	4.5	1,357.2	426.6	480.2	849.6	668.7	1,011.9	559.1
II	1,013.0	3.9	1,309.4	426.6	480.2	862.5	668.7	1,011.9	559.1
III	1,026.1	2.8	1,335.5	428.9	480.2	866.8	670.3	1,012.6	559.1
IV	1,038.3	1.0	1,361.2	428.9	480.2	866.0	674.2	1,014.0	565.5
1997									
I	1,027.3	-0.4	1,334.6	428.9	480.2	866.5	675.7	1,014.0	583.0

Source: Data provided by the Senegalese authorities.

<sup>1</sup> Annual change for annual data, change over four quarters for quarterly data.

Table 22. Senegal: Price Control System

(as of April 15, 1997)

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**Category I - Goods and Services Subject to Fixed Pricing**

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**Retail prices: Charcoal and petroleum products**

**Services: Water, electricity, telephone; state-contracted physician's fees; clinic and hospital charges.**

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**Category II - Goods and Services Subject to the Procedure of  
Strict Certification Requirements (*homologation*)**

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**Gas (*butane*)**

**Domestically produced pharmaceutical products**

**Tariffs of auxiliary transportation services**

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**Source: Information provided by the Senegalese authorities.**

Table 23. Senegal: SMIG—Nominal and Real, January 1980–December 1996<sup>1</sup>

	1980 Jan.	1981 July	1982 July	1983 Apr.	1985 Jan.	1989 July	1993 Sept.	1994 Dec.	1995 Dec.	1996 Dec.
Nominal (CFA francs per hour)	133.8	140.5	152	174.9	183.8	201.1	201.1	201.1	201.1	209.0
Real <sup>2</sup> (1980 = 100)	100.0	96.4	86.8	95.5	80.2	81.7	82.8	60.6	57.4	58.3

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

<sup>1</sup> SMIG, Salaire minimum interprofessionnel garanti.

<sup>2</sup> Calculated using the consumer price index for the average Senegalese family.



Table 24. Senegal: Government Financial Operations, 1990/91-96<sup>1</sup>

(in billions of CFA francs)

	1990/91	1991/92	1992	1993	1994	1995	1996 Prel.
<b>Total revenue and grants</b>	<b>327.2</b>	<b>327.5</b>	<b>313.9</b>	<b>272.6</b>	<b>385.6</b>	<b>439.7</b>	<b>442.0</b>
Revenue	300.9	307.3	293.4	255.9	301.5	366.2	394.3
Tax revenue	241.4	264.1	247.1	220.2	267.9	330.3	369.3
Of which:							
taxes on net income and profits	61.3	60.3	59.9	55.4	59.1	75.2	79.0
taxes on goods and services	62.9	57.4	57.6	55.7	69.0	83.7	94.6
taxes on foreign trade	104.1	115.6	111.4	95.5	120.0	155.7	178.3
Nontax revenue	59.5	43.2	46.3	35.7	33.6	35.9	25.0
Grants	26.3	20.2	20.5	16.7	84.1	73.5	47.7
Of which: capital <sup>2</sup>	13.5	13.0	13.0	13.0	15.0	30.0	30.0
<b>Total expenditure and net lending</b>	<b>296.0</b>	<b>323.8</b>	<b>354.1</b>	<b>319.8</b>	<b>424.8</b>	<b>444.7</b>	<b>448.1</b>
Current expenditure	232.1	232.9	282.0	249.5	318.6	316.6	312.6
Wages and salaries	129.5	134.9 <sup>3</sup>	138.5 <sup>3</sup>	132.3	148.8	157.5	160.6
Interest due	38.1	36.0	32.0	34.7	71.5	64.5	55.9
Of which: external <sup>4</sup>	31.1	29.8	26.6	28.1	58.3	55.8	45.9
Other current expenditure <sup>5</sup>	64.5	62.0	111.5	82.5	98.3	94.6	94.1
Capital expenditure	44.5	71.2	82.6	64.9	100.2	117.7	127.6
Domestically financed	12.0	37.2	46.6	27.9	26.2	35.7	41.6
Externally financed	32.5	34.0	36.0	37.0	74.0	82.0	86.0
Banking sector reform	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Voluntary departure program	8.8	3.9	0.2	0.0	0.1	0.0	0.0
Treasury special accounts (net) <sup>6</sup>	-11.4	-3.1	-4.3	-2.7	-5.0	-4.2	1.3
Treasury correspondents (net) <sup>6</sup>	1.5	-12.7	15.0	-2.7	-0.9	-6.2	-9.2
<b>Overall fiscal surplus or deficit (-) (commitment basis)</b>	<b>31.2</b>	<b>3.7</b>	<b>-40.2</b>	<b>-47.2</b>	<b>-39.2</b>	<b>-5.0</b>	<b>-6.1</b>
Adjustment to cash basis	-31.6	2.4	48.5	44.4	-160.8	-60.4	0.0
Payments arrears of the government and public agencies (reduction -)	-20.0	9.0	54.5	49.3	-160.8	-60.4	0.0
Crop credit (repayment -) <sup>7</sup>	-11.6	-6.6	-6.0	-4.9	0.0	0.0	0.0
<b>Overall fiscal surplus or deficit (-) (cash basis)</b>	<b>-0.4</b>	<b>6.1</b>	<b>8.3</b>	<b>-2.8</b>	<b>-200.0</b>	<b>-65.4</b>	<b>-6.1</b>
<b>Financing</b>	<b>0.4</b>	<b>-6.1</b>	<b>-8.3</b>	<b>2.8</b>	<b>200.0</b>	<b>65.4</b>	<b>6.1</b>
External	7.2	32.1	23.4	8.6	186.7	80.5	36.0
Drawings	25.5	48.1	49.5	40.1	80.9	81.6	79.5
Treasury	6.5	15.5	14.9	0.1	18.9	29.6	23.5
Project loans	19.0	21.0	23.0	22.0	44.0	52.0	56.0
Other <sup>8</sup>	0.0	11.6	11.6	18.0	18.0	0.0	0.0
Amortization due <sup>4</sup>	-52.5	-53.8	-46.7	-41.4	-83.1	-73.1	-72.7
Debt relief <sup>9</sup>	28.5	32.1	11.3	9.9	188.9	72.0	33.2
Banking sector reform	1.5	6.7	9.3	0.0	0.0	0.0	0.0
Voluntary departure program	4.2	0.0	0.0	0.0	0.0	0.0	0.0
Domestic	-6.8	-39.2	-31.7	-5.8	13.3	-15.1	-29.9
Banking system <sup>10</sup>	-19.4	-21.3	-27.3	-17.0	1.0	-14.2	-23.6
Repayment of consolidated debt	-6.1	-7.2	-5.5	-6.9	0.0	0.0	0.0
Nonbank borrowing	0.6	2.9	1.9	9.1	13.2	6.0	-7.9
Other <sup>11</sup>	4.6	-0.1	-0.8	9.0	-0.9	-6.9	1.6
Borrowed funds of correspondents	13.5	-13.5	0.0	0.0	0.0	0.0	0.0

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

<sup>1</sup> Fiscal year ending June 30 through 1991/92; calendar year data starting in 1992.<sup>2</sup> Foreign financial assistance for externally financed capital outlays of the central government.<sup>3</sup> Includes CFAF 4.6 billion in nonbudgeted back payments of wages and salaries.<sup>4</sup> The external debt service figures include all debt directly contracted by the government and the part of the government-guaranteed debt serviced by the government.<sup>5</sup> Consisting of outlays for materials, supplies, maintenance, subsidies, other current transfers, and unclassified expenditure.<sup>6</sup> Deficits are added to expenditures, while surpluses are deducted. The Treasury's special accounts exclude net repayments in the Debt Amortization Fund, National Energy Fund, and investment expenditures relating to the Fifth and Sixth Plans, which are shown separately.<sup>7</sup> Net of a transfer from SONACOS of CFAF 10 billion in 1989/90.<sup>8</sup> Amounts shown for 1992-94 represent the three tranches of a loan from the African Development Bank for the financing of small- and medium-scale enterprise development.<sup>9</sup> Includes debt rescheduling from the London and Paris Clubs and other official bilateral creditors; debt cancellation in 1989/90 and granted by France in early 1994; and commercial bank rescheduling requested.<sup>10</sup> Includes counterparties of Fund purchases and repurchases, as well as those of loans under the structural and enhanced structural adjustment facilities; and starting in 1994, also includes repayments of consolidated debt, and crop credit.<sup>11</sup> Includes errors and omissions.

Table 25. Senegal: Fiscal Performance, 1990/91-96 <sup>1</sup>

	1990/91	1991/92	1992	1993	1994	1995	1996 Prel.
(in percent of GDP)							
Total revenue and grants	21.1	20.7	19.5	17.2	17.9	18.1	16.8
Revenue	19.4	19.4	18.2	16.1	14.0	15.1	14.9
Tax revenue	15.6	16.7	15.3	13.9	12.4	13.6	14.0
Of which:							
taxes on net income and profits	4.0	3.8	3.7	3.5	2.7	3.1	3.0
taxes on goods and services	4.1	3.6	3.6	3.5	3.2	3.4	3.6
taxes on foreign trade	6.7	7.0	6.9	6.0	5.8	6.4	6.8
Nontax revenue	3.8	2.7	2.9	2.3	1.6	1.5	0.9
Grants	1.7	1.3	1.3	1.1	3.9	3.0	1.8
Total expenditure and net lending	19.1	20.5	22.0	20.2	19.7	18.3	17.0
Current budgetary expenditure	15.0	14.7	17.5	15.7	14.8	13.0	11.9
Of which: wages and salaries	8.3	8.5	8.6	8.3	6.9	6.5	6.1
Capital expenditure	2.9	4.5	5.1	4.1	4.6	4.8	4.8
Other <sup>2</sup>	1.3	1.3	-0.7	0.3	0.3	0.4	0.3
Overall fiscal balance (deficit -)							
(commitment basis)							
Including grants	2.0	0.2	-2.5	-3.0	-1.8	-0.2	-0.2
Excluding grants	0.3	-1.0	-3.8	-4.0	-5.7	-3.2	-2.0
Overall fiscal balance (deficit -)							
(cash basis)	0.0	0.4	0.5	-0.2	-9.3	-2.7	-0.2
(annual percentage change)							
Total revenue and grants	17.1	0.1	-2.6	-13.2	41.5	14.0	0.5
Of which: revenue	15.8	2.1	-3.9	-12.8	17.8	21.5	7.7
tax revenue	10.2	9.4	-1.6	-10.9	21.7	23.3	11.8
Total expenditure and net lending	-9.2	9.4	15.0	-9.7	32.8	4.7	0.8
Of which:							
current expenditure	-8.7	0.3	22.6	-11.5	27.7	-0.6	-1.3
capital expenditure	11.8	60.0	48.6	-21.4	54.4	17.5	8.5
Nominal GDP	2.4	1.9	4.1	-1.6	35.8	12.7	8.5
Memorandum item:							
Nominal GDP (in billions of CFA francs)	1,551.2	1,581.4	1,612.8	1,586.6	2,155.1	2,429.8	2,637.5

Source: Table 24.

<sup>1</sup> Fiscal year ending June 30 through 1991/92; calendar year data starting in 1992.

<sup>2</sup> Includes the Treasury's special and correspondent accounts, and outlays for the banking system reform and voluntary departure programs.

Table 26. Senegal: Outstanding Payments Arrears of the Central Government  
and Public Agencies, 1990/91-96

(In billions of CFA francs: end of period)

	June 30		December 31				
	1990/91	1991/92	1992	1993	1994	1995	1996
I. External debt service arrears	<u>0.0</u>	<u>9.5</u>	<u>45.1</u>	<u>87.1</u>	<u>45.5</u>	<u>0.0</u>	<u>0.0</u>
II. Domestic payments arrears	<u>10.1</u>	<u>9.5</u>	<u>35.0</u>	<u>47.0</u>	<u>14.9</u>	<u>0.0</u>	<u>0.0</u>
1. Central Government	<u>10.1</u>	<u>9.5</u>	<u>35.0</u>	<u>47.0</u>	<u>14.9</u>	<u>0.0</u>	<u>0.0</u>
Commitments not disbursed	10.1	9.5	35.0	47.0	14.9	0.0	0.0
Commitments for which payment orders have not been issued	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outlays not recorded as commitments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2. Public agencies	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Commitments not disbursed	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commitments for which payment orders have not been issued	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outlays not recorded as commitments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total (I + II)	<u>10.1</u>	<u>19.0</u>	<u>80.1</u>	<u>134.1</u>	<u>60.4</u>	<u>0.0</u>	<u>0.0</u>

Source: Data provided by the Senegalese authorities.

Table 27. Senegal: Budgetary Revenue, 1990/91-96<sup>1</sup>

	1990/91	1991/92	1992	1993	1994	1995	1996 Prel.
(In billions of CFA francs)							
<b>I. Tax revenue</b>	<b>241.4</b>	<b>264.1</b>	<b>247.1</b>	<b>220.2</b>	<b>267.9</b>	<b>330.3</b>	<b>369.3</b>
Taxes on net income and profits	61.3	60.3	59.9	55.4	59.1	75.2	79.0
Taxes on industrial and commercial profits and professional income	16.1	17.2	16.7	11.5	14.6	20.7	22.8
Taxes on wages and salaries	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Taxes on capital income	8.4	4.5	4.6	4.3	6.3	6.1	6.4
Taxes on rental income	0.3	0.2	0.2	0.1	0.1	0.4	0.4
Taxes on real estate capital gains	0.2	0.2	0.3	0.2	0.5	0.2	0.5
General income tax	1.7	2.1	2.9	6.6	3.2	3.7	3.5
Individual income tax	34.5	36.1	35.2	32.7	34.4	44.1	45.4
Employer's payroll tax	4.5	4.5	4.4	4.1	4.1	4.6	5.6
Taxes on property	3.5	19.5	6.7	4.3	6.3	5.9	6.0
Registration duties	3.1	19.2	6.4	4.0	6.0	5.6	5.6
Mortgage duties	0.4	0.3	0.3	0.3	0.3	0.3	0.4
Taxes on goods and services	62.9	57.4	57.6	55.7	69.0	83.7	94.6
Value-added tax	52.9	47.6	48.5	46.8	60.2	73.7	85.0
Excise duties	4.7	4.8	4.2	3.9	4.4	4.6	4.4
Tax on insurance contracts	1.0	1.0	0.8	1.0	0.8	1.4	1.4
Tax on vehicles	1.7	1.6	1.6	1.6	1.5	1.9	1.7
Other excises earmarked for the CAA <sup>2</sup>	2.6	2.4	2.4	2.4	2.1	2.1	2.1
Taxes on foreign trade	104.1	115.6	111.4	95.5	124.0	155.7	178.3
Import duties <sup>3</sup>	...	115.6	111.4	95.5	124.0	155.7	178.3
Export duties	...	0.0	0.0	0.0	0.0	0.0	0.0
Other taxes	5.1	6.8	7.2	5.2	5.4	5.2	5.8
Of which: stamp duty	3.9	5.2	5.0	4.5	4.9	4.8	5.5
<b>II. Nontax revenue</b>	<b>59.5</b>	<b>43.2</b>	<b>46.3</b>	<b>35.7</b>	<b>33.6</b>	<b>35.9</b>	<b>25.0</b>
Property income	6.4	8.2	3.0	1.5	2.2	1.5	2.6
Service fees	6.4	3.8	2.7	2.5	1.8	0.6	1.0
Revenue earmarked for the CAA <sup>4</sup>	5.2	5.2	4.9	0.0	2.6	0.8	1.3
Other <sup>5</sup>	41.5	26.0	35.6	31.7	27.0	33.0	20.1
Of which: SAR	29.2	23.1	27.8	26.4	27.0	21.9	20.1
<b>Total revenue (I + II)</b>	<b>300.9</b>	<b>307.3</b>	<b>293.4</b>	<b>255.9</b>	<b>301.5</b>	<b>366.2</b>	<b>394.3</b>
Memorandum items:							
(Percentage share)							
Tax revenue	80.2	85.9	84.3	86.0	88.9	90.2	93.7
Of which: taxes on net income and profits	20.4	19.6	20.4	21.6	19.6	20.5	21.5
taxes on goods and services	20.9	18.7	19.6	21.8	22.9	22.9	24.0
taxes on foreign trade	34.6	37.6	38.0	37.3	41.1	42.5	45.2
Nontax revenue	19.8	14.1	15.7	14.0	11.1	9.8	6.3
Of which: SAR	9.7	7.5	9.5	10.3	9.0	6.0	5.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Data provided by the Senegalese authorities.

<sup>1</sup> Fiscal year ending June 30, through 1991/92; calendar year data starting in 1992.<sup>2</sup> Taxes on alcohol and cement.<sup>3</sup> Including Regional Cooperation Tax, value-added tax, and other surcharges on imports, for which no breakdown is available.<sup>4</sup> Consisting of profit transfers from the BCEAO, interest on special deposits, and proceeds from water sales.<sup>5</sup> Including unclassified revenue.

Table 28. Senegal: Current Budgetary Expenditure, 1990/91-96 <sup>1</sup>

(In billions of CFA francs)

	1990/91	1991/92	1993	1994	1995	1996 Prel.
<b>Economic classification</b>						
Wages and salaries	129.5	134.9	132.3	148.8	157.5	162.6
Materials supplies and maintenance	38.0	39.1	47.4	50.0	48.4	52.5
Interest on government debt	38.1	36.0	34.7	71.5	64.5	55.9
<i>Of which: external</i>	31.1	29.8	28.1	58.3	55.8	45.9
Scholarships	3.5	2.3	5.7	6.6	6.6	0.0
Other transfers and subsidies	22.9	20.4	29.4	41.7	23.6	29.2
Unclassified	0.1	0.2	0.0	0.0	16.1	12.4
<b>Total</b>	<b><u>232.1</u></b>	<b><u>232.9</u></b>	<b><u>249.5</u></b>	<b><u>318.6</u></b>	<b><u>316.6</u></b>	<b><u>312.6</u></b>
<b>Functional classification</b>						
General public services	68.9	80.9	65.4	88.4	81.3	81.4
National defense	30.8	29.7	32.5	36.5	36.6	39.6
Education	62.1	62.1	67.0	74.8	76.9	79.5
Health	10.3	9.1	11.9	15.8	16.7	17.2
Social and community services	5.0	4.0	4.1	5.1	4.8	5.0
Economic services	10.6	8.3	15.7	8.9	8.0	7.6
Unallocable	44.4	38.8	52.9	89.1	92.3	82.3
<i>Of which: interest on     government debt<sup>2</sup></i>	38.1	36.0	34.7	71.5	64.5	55.9
<b>Total</b>	<b><u>232.1</u></b>	<b><u>232.9</u></b>	<b><u>249.5</u></b>	<b><u>318.6</u></b>	<b><u>316.6</u></b>	<b><u>312.6</u></b>

Source: Data provided by the Senegalese authorities.

<sup>1</sup> Fiscal year ending June 30 through 1991/92; calendar year data starting in 1993.

<sup>2</sup> Including scheduled interest on government debt serviced by the Caisse Autonome d'Amortissement (CAA) through a Treasury special account.

Table 29. Senegal: Government Wage Bill and Civil Servants, 1990/91-96 <sup>1</sup>

	1990/91	1991/92	1992	1993	1994	1995	<u>1996</u> prel.
Wage bill (in billions of CFA francs)	129.5	134.9	138.5	132.3	148.8	157.5	162.6
Annual change in wage bill (in percent)	2.1	4.2	6.2	-4.5	12.5	5.8	3.2
As percent of current budgetary expenditure	55.8	57.9	49.1	53	46.7	49.7	52.0
As percent of total expenditure and net lending	43.8	41.7	39.1	41.4	35	35.4	36.3
As percent of GDP	8.3	8.5	8.6	8.3	6.9	6.5	6.2
Number of civil servants as of end-of-period <sup>2</sup>	65,625	64,156	65,290	67,056	66,696	67,049	67,029
Annual change in the number of civil servants (in percent)	-0.1	-2.2	1.1	2.7	-0.5	0.5	0.0

Source: Data provided by the Senegalese authorities.

<sup>1</sup> Fiscal year ending June 30; calendar year data starting in 1992.

<sup>2</sup> Excluding technical assistants and employees in process of retirement.

Table 30. Senegal: Minimum and Maximum Salaries  
for Selected Civil Servants, January 1985-April 1994 <sup>1</sup>

(In CFA francs per month)

	1985 Jan.	1989 July	1993 Sept.	1994 Jan.	1994 Apr.
<b>Minimum</b>					
Base salary	27,211	30,211	25,679	30,211	42,211
Special allowance	5,442	6,042	5,135	6,042	6,042
Residence allowance	3,809	4,229	3,595	4,229	4,229
Total	36,462	40,482	34,409	40,482	52,482
<b>Maximum</b>					
Base salary	177,735	180,735	153,624	180,735	197,235
Special allowance	35,547	36,147	30,724	36,147	36,147
Residence allowance	24,883	25,302	21,507	25,302	25,302
Total	238,165	242,184	205,855	242,184	258,684

Source: Data provided by the Senegalese authorities.

<sup>1</sup> Salary levels have remained unchanged since April 1994.

Table 31. Senegal: Net Foreign Assets of the Central Bank  
of West African States (BCEAO), 1991-96 <sup>1</sup>

(In billions of CFA francs; end of period)

	1991	1992	1993		1994	1995	1996
			Act.	Rev. <sup>2</sup>			Est.
<b>Assets</b>	3.4	3.8	1.0	1.5	4.3	4.5	3.9
SDRs	0.1	0.5	0.1	0.2	0.6	2.0	1.0
Reserve position in the Fund	0.4	0.4	0.4	0.8	0.9	0.9	0.9
Foreign exchange	2.9	3.0	0.5	0.5	2.8	1.6	2.0
<b>Liabilities</b>	162.8	157.8	187.8	283.3	152.6	111.7	83.6
Fund <sup>3</sup>	89.8	75.6	67.3	134.6	166.2	180.3	169.5
Operations account <sup>4</sup>	40.3	49.3	83.3	83.3	-91.8	-128.9	-147.1
Other	32.7	32.9	37.2	65.4	78.2	60.3	61.2
<b>Net foreign assets</b>	-159.4	-154.0	-186.8	-281.8	-148.3	-107.2	-79.7

Sources: Data provided by the BCEAO; and IMF, International Financial Statistics.

<sup>1</sup> Fund-related assets and liabilities as recorded by the Fund.

<sup>2</sup> Accounts revalued at the new exchange rate of CFAF 100 per French franc.

<sup>3</sup> Excluding Trust Fund and SDR allocations.

<sup>4</sup> By end-1994, the operations account turned positive.



Table 32. Senegal: List of Commercial Banks and Financial Institutions as of December 31, 1996

	Shareholders (in percent)			Date of establishment	Capital (in millions of CFA francs)	Total deposits and borrowing (in millions of CFA francs)	Number of permanent branches
	Public <sup>1</sup>	Private	Other				
<b>Commercial banks</b>							
1. Compagnie Bancaire pour l'Afrique Occidentale-Sénégal (CBAO)	3	36	61	Jul-65	2,640	108,211	7
2. Banque Internationale pour le Commerce et l'Industrie du Sénégal (BICIS)	25	8	67	Mar-65	3,500	106,804	13
3. Société Générale de Banques au Sénégal (SGBS)	0	38	62	Mar-65	4,528	141,423	10
4. CITIBANK	0	0	100	Nov-75	1,000	46,839	1
5. Banque de l'Habitat du Sénégal (BHS)	32	59	9	Dec-79	1,650	50,241	2
6. Banque Islamique du Sénégal (BIS)	0	26	74	Jul-82	2,706	2,609	1
7. Caisse Nationale de Crédit Agricole du Sénégal (CNCAS)	62	18	20	Jun-84	2,300	32,641	13
8. Banque Sénégal-Tunisienne (BST)	39	13	48	Jul-86	2,000	3,377	1
9. Crédit Lyonnais-Sénégal (CL-S)	5	95	0	Jun-89	2,000	44,400	3
<b>Financial institutions</b>							
1. Société Générale de Crédit Automobile (SOGECA)	0	59	41	Jul-65	450	5,666	1
2. Compagnie Ouest-Africain de Crédit-Bail (LOCAFRIQUE)	0	0	100	May-77	1,157	1,680	1
3. Société de Crédit et d'Équipement du Sénégal (SOCRES)	0	8	92	Dec-83	300	637	3
4. Société de Promotion et de Financement (Le Crédit Sénégalais)	0	100	0	Nov-86	600	2,242	1
5. Société d'Investissement (SENINVEST)	0	100	0	Oct-93	550	...	1

Source: Information provided by the BCEAO.

<sup>1</sup> Includes the Senegalese Government, other Senegalese public institutions, and the BCEAO.

Table 33. Senegal: Monetary Survey, 1991-96<sup>1</sup>

	1991		1992		1993			1994		1995		1996	
	June	Dec.	June	Dec.	June	Dec.	Dec. <sup>2</sup>	June	Dec.	June	Dec.	June	Dec. Est.
(In billions of CFA francs, end of period)													
Net foreign assets	-175.9	-184.0	-165.6	-172.2	-186.1	-202.9	-316.9	-216.1	-137.7	-88.5	-80.2	-78.2	-60.3
Central Bank	-161.0	-159.4	-142.9	-154.0	-164.1	-186.8	-281.8	-237.3	-148.3	-109.5	-107.2	-103.8	-79.7
Commercial banks	-14.9	-24.6	-22.7	-18.2	-22.0	-16.1	-35.1	21.2	10.6	21.0	27.0	25.6	19.4
Domestic credit	506.0	510.6	498.8	520.5	502.0	508.0	605.1	623.6	583.0	544.8	583.0	599.6	625.5
Credit to the Government (net)	102.4	109.8	81.1	290.2	269.4	264.9	362.0	372.0	312.5	282.1	309.2	293.6	295.5
Credit to the economy	403.6	400.8	417.7	230.3	232.6	243.1	243.1	251.6	270.5	262.7	273.8	306.0	330.0
Ordinary credit	391.4	393.6	392.3	209.9	214.8	235.5	235.5	232.8	257.8	253.5	273.4	293.8	328.9
Of which:													
ONCAD	65.3	65.3	65.3	...	...	...	...	...	...	...	...	...	...
Reclassified crop credit	27.5	27.0	26.5	...	...	...	...	...	...	...	...	...	...
Other	298.6	301.3	300.5	...	...	...	...	...	...	...	...	...	...
Crop credit	12.2	7.2	25.4	20.4	17.8	7.6	7.6	18.8	12.7	9.2	0.4	12.2	1.1
Money and quasi-money	368.9	371.6	384.3	384.9	351.9	336.5	336.5	417.6	463.7	464.4	499.2	519.1	540.9
Currency in circulation	99.7	97.5	104.7	107.2	100.3	93.0	93.0	119.6	145.6	124.3	152.0	130.1	144.2
Demand deposits	123.5	115.7	109.7	110.1	97.7	104.7	104.7	138.2	154.5	153.6	158.6	173.7	187.2
Time deposits	145.7	158.4	169.9	167.6	153.9	138.8	138.8	159.7	163.6	186.5	188.6	215.3	209.5
Other items (net) <sup>3</sup>	-38.8	-45.0	-51.1	-36.6	-36.0	-31.4	-48.3	-10.1	-18.4	-8.1	3.6	2.3	24.3
<b>Memorandum item:</b>													
Domestic assets (net)	544.8	555.6	549.9	575.4	556.3	557.9	655.0	658.3	626.3	576.4	603.2	618.4	624.4
(Annual change in percent of beginning-of-period money stock) <sup>4</sup>													
Net foreign assets	4.6	2.1	2.8	3.2	-5.3	-8.0	...	30.0	53.3	30.6	12.4	2.2	4.0
Central Bank	-5.6	1.1	4.9	1.5	-5.5	-8.5	...	13.2	39.7	30.6	8.9	1.2	5.5
Commercial banks	10.3	1.0	-2.1	1.7	0.2	0.5	...	16.7	13.6	0.0	3.5	1.0	-1.5
Domestic credit	-12.8	-3.7	-2.0	2.7	0.8	-3.2	...	5.5	-6.6	-18.9	0.0	11.8	8.5
Credit to the Government (net)	-5.5	0.6	-5.8	...	...	-6.6	...	3.0	-14.7	-21.5	-0.7	2.5	-2.7
Credit to the economy	-7.3	-4.3	3.8	...	...	3.3	...	2.5	8.1	2.7	0.7	9.3	11.3
Ordinary credit	-3.0	-3.1	0.2	...	...	6.7	...	-0.8	6.6	5.0	3.4	8.7	11.1
Of which:													
ONCAD	-0.1	0.0	0.0	...	...	...	...	...	...	...	...	...	...
Reclassified crop credit	-1.6	-1.3	-0.3	...	...	...	...	...	...	...	...	...	...
Other	-1.2	-1.7	-0.5	...	...	...	...	...	...	...	...	...	...
Crop credit	-4.3	-1.3	3.6	3.6	-2.0	-3.3	...	3.3	1.5	-2.3	-2.7	0.6	0.1
Money and quasi-money	-1.0	5.8	4.2	3.6	-8.4	-12.6	...	24.1	37.8	11.2	7.7	11.8	8.4
Currency in circulation	-2.7	0.7	1.4	9.7	-1.1	-3.7	...	7.9	15.6	1.1	1.4	1.3	-1.6
Demand deposits	1.0	1.9	-3.7	-3.6	-3.2	-1.4	...	10.0	14.8	3.7	0.9	4.3	5.7
Time deposits	0.7	3.2	6.6	9.2	-4.1	-7.5	...	6.2	7.4	6.4	5.4	6.2	4.2
Other items (net) <sup>3</sup>	-7.0	-7.4	-3.3	...	...	-1.4	...	11.4	8.9	0.5	22.7	2.2	4.1
<b>Memorandum item:</b>													
Domestic assets (net)	-5.7	3.7	1.4	0.6	-3.1	-4.5	...	1.0	-8.5	-19.7	-5.0	9.0	4.2

Source: Data provided by the BCEAO.

<sup>1</sup> Consolidated and refinanced credits are included in credit to the economy through June 1992, and thereafter are included in credit to the Government (net).<sup>2</sup> Accounts revealed at the new exchange rate of CFAF 100 per French franc.<sup>3</sup> Includes medium- and long-term liabilities and the valuation account.<sup>4</sup> Percentage change for June 1994 is based on revealed December 1993 figures.

Table 34. Senegal: Factors Affecting the Money Supply, 1991-96

	1991	1992	1993	1994	1995	1996 Est.
(Annual change in billions of CFA francs)						
Net foreign assets	7.5	11.8	-30.7	179.2	57.5	19.9
Net domestic assets <sup>1</sup>	13.0	19.8	-17.5	-28.7	-24.4	21.2
<i>Of which:</i>						
Credit to the Government (net) <sup>2</sup>	2.2	...	-25.3	-49.5	-3.3	-13.7
Credit to the economy	-15.2	...	12.8	27.4	3.3	56.2
Money and quasi-money	20.5	13.3	-48.4	127.2	35.5	41.7
(Annual change in percent of beginning- of-period money stock)						
Net foreign assets	2.1	3.2	-8.0	53.3	12.4	4.0
Net domestic assets <sup>1</sup>	3.7	0.6	-4.5	-8.5	-5.0	4.2
<i>Of which:</i>						
Credit to the Government (net) <sup>2</sup>	0.6	...	-6.6	-14.7	-0.7	-2.7
Credit to the economy	-4.3	...	3.3	8.1	0.7	11.3
Money and quasi-money	5.8	3.6	-12.6	37.8	7.7	8.4
<b>Memorandum item:</b>						
Velocity of broad money	4.2	4.2	4.7	4.6	4.9	4.9

Source: Table 33.

<sup>1</sup> Consolidated and refinanced credits are included in credit to the economy through 1991, and thereafter are included in credit to the Government (net).

<sup>2</sup> Not including securities held by local nonbank investors and by investors from other WAEMU countries for 1994 and 1995.

Table 35. Senegal: Indicators of Financial Savings, 1991-96

(In percent of GDP, unless otherwise indicated)

	1991	1992	1993 <sup>1</sup>	1994	1995	<u>1996</u> Est.
M2	24.0	23.9	21.2	21.5	20.5	20.5
M1	13.8	13.5	12.5	13.9	12.8	12.6
Currency in circulation	6.3	6.6	5.9	6.8	6.3	5.5
Deposits	17.7	17.2	15.3	14.8	14.3	15.0
Demand deposits	7.5	6.8	6.8	7.2	6.5	7.1
Time and savings deposits	10.2	10.4	8.7	7.6	7.8	7.9
Cross-border deposits <sup>2</sup>	9.5	8.0	10.2	15.8	14.6	...
Cross-border deposits in percent of deposits in Senegal	53.5	46.7	66.3	106.6	103.4	...

Sources: Data provided by the Senegalese authorities; International Financial Statistics; and staff estimates.

<sup>1</sup> Accounts valued at the exchange rate of CFAF 50 per French franc.

<sup>2</sup> Cross-border deposits of private nonbank Senegalese residents as reported in International Financial Statistics.

Table 36. Senegal: Summary Accounts of the Central Bank, 1991-96<sup>1</sup>

(in billions of CFA francs; end of period)

	1991		1992		1993			1994				1995			1996				
	June	Dec.	June	Dec.	June	Dec.	Dec. <sup>2</sup>	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec. Est.
Net foreign assets	-161.0	-159.4	-142.9	-154.0	-164.1	-186.8	-281.8	-240.8	-237.3	-208.5	-148.3	-109.9	-109.5	-95.8	-107.2	-82.1	-103.8	-86.2	-79.7
Assets	4.7	3.4	3.4	3.8	2.9	1.0	1.5	6.1	3.1	31.5	96.1	123.8	136.3	143.5	133.4	157.0	122.4	153.4	151.0
Liabilities <sup>3</sup>	165.7	162.8	146.3	157.8	167.0	187.8	283.3	246.9	240.4	240.0	244.4	233.7	245.7	239.3	240.6	239.1	226.2	239.6	230.7
Claims on government (net)	159.2	159.3	155.3	315.7	306.9	299.6	396.7	394.1	403.4	400.9	340.9	286.2	287.7	271.6	330.7	283.4	277.1	276.0	269.4
Claims	168.3	165.4	159.2	319.7	310.8	305.3	402.4	420.5	418.5	424.7	354.7	302.8	310.0	285.7	349.9	307.9	302.0	300.3	296.2
Liabilities <sup>4</sup>	9.1	6.1	3.9	4.0	3.9	5.7	5.7	26.4	15.1	23.8	13.8	16.6	22.3	14.1	19.2	24.5	24.9	24.3	26.8
Claims on deposit money banks (net)	113.0	108.2	103.7	-35.7	-26.7	-7.9	-7.9	-20.3	-23.1	-61.9	-31.3	-21.7	-31.8	-26.6	-44.2	-24.2	-18.1	-37.2	-21.6
Claims	175.9	179.9	188.0	38.7	32.1	25.3	25.3	17.3	13.2	0.0	11.5	9.1	7.0	5.1	0.0	0.0	0.0	0.0	2.6
Advances to money market	0.3	3.5	4.6	8.2	3.0	7.7	7.7	3.5	2.1	0.0	11.5	9.1	7.0	5.1	0.0	0.0	0.0	0.0	0.0
Rediscounts	24.8	25.9	33.1	30.5	29.1	17.6	17.6	13.8	11.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.6
Consolidated claims	150.8	150.5	150.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities	62.9	71.7	84.3	74.4	58.8	33.2	33.2	37.6	36.3	61.9	42.8	30.8	38.8	31.7	44.2	24.2	18.1	37.2	24.2
Deposits on money market	54.1	63.8	76.4	61.4	51.7	19.2	19.2	12.5	1.3	7.0	7.0	6.6	4.1	5.7	7.6	6.8	2.1	12.1	0.0
Other deposits	2.2	2.3	1.5	4.0	1.5	8.5	8.5	18.8	27.2	55.2	24.1	14.9	26.3	18.7	30.0	9.2	6.2	16.0	15.1
Currency held by banks	6.6	5.6	6.4	9.0	5.6	5.5	5.5	6.3	7.8	5.5	11.7	9.3	8.4	7.3	6.6	8.2	9.8	9.1	9.1
Net claims on other financial institutions	0.5	0.6	0.6	0.6	0.4	0.3	0.3	0.1	-0.1	0.3	0.2	0.0	-0.1	0.2	0.5	0.2	0.3	0.3	0.2
Claims	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.7	0.7	0.7	0.7	0.7	0.7	0.5
Liabilities	0.0	0.0	0.0	0.0	0.2	0.3	0.3	0.5	0.7	0.3	0.4	0.5	0.8	0.5	0.2	0.5	0.4	0.4	0.3
Currency outside banks	99.7	97.5	104.7	107.2	100.3	93.0	93.0	109.7	119.6	116.2	145.6	135.9	124.3	121.7	152.0	148.3	130.1	121.8	144.2
SDR counterpart	9.6	9.6	9.4	9.4	9.3	9.3	18.6	19.8	19.8	19.8	19.8	19.8	18.9	18.9	18.9	18.9	18.3	18.3	18.3
Other items (net)	2.4	1.6	2.6	10.0	6.9	2.9	2.9	10.8	10.7	2.0	3.3	6.1	10.4	16.0	16.1	17.3	14.3	20.0	13.0
Revaluation account	0.0	0.0	0.0	0.0	0.0	0.0	-7.2	-7.2	-7.2	-7.2	-7.2	-7.2	-7.2	-7.2	-7.2	-7.2	-7.2	-7.2	-7.2

Source: Data provided by the BCEAO.

<sup>1</sup> Data may not add up owing to rounding. Consolidated and refinanced credits are included in credit to the economy through June 1992, and thereafter are included in claims on the government.<sup>2</sup> Accounts revalued at the new exchange rate of CFAF 100 per French franc.<sup>3</sup> Excluding Trust Fund.<sup>4</sup> Including cash held by the Treasury.

Table 37. Senegal: Summary Accounts of the Deposit Money Banks, 1991-96<sup>1</sup>

(In billions of CFA francs; end of period)

	1991		1992		1993			1994				1995			1996			Dgn. Est.	
	June	Dec.	June	Dec.	June	Dec.	Dec. <sup>2</sup>	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June		Sept.
Net foreign assets	-14.9	-24.6	-22.7	-18.2	-22.0	-16.1	-35.1	11.0	21.2	17.4	10.6	7.5	21.0	28.8	27.0	43.1	25.6	31.4	19.4
Assets	19.9	17.3	18.2	20.1	21.6	20.2	31.4	46.6	61.8	71.6	70.2	55.3	63.7	69.1	78.4	78.8	67.8	73.2	74.1
Liabilities (short-term)	34.8	41.9	40.9	38.3	43.6	36.3	66.5	35.6	40.6	54.2	59.6	47.8	42.7	40.3	51.4	35.7	42.2	41.8	54.7
Money market position (net)	46.7	53.2	64.7	46.1	48.7	14.3	14.3	9.0	-0.8	1.2	-4.5	-2.5	-2.9	0.6	7.6	6.8	2.1	12.1	0.0
Deposits	54.1	63.8	76.4	61.4	51.7	22.0	22.0	12.5	1.3	1.2	7.0	6.6	4.1	5.7	7.6	6.8	2.1	12.1	0.0
Advances	7.4	10.6	11.7	15.3	3.0	7.7	7.7	3.5	2.1	0.0	11.5	9.1	7.0	5.1	0.0	0.0	0.0	0.0	0.0
Other reserves	8.7	7.6	8.0	12.8	6.5	12.0	12.0	25.3	34.0	56.3	24.8	23.7	28.5	21.3	36.6	17.4	16.0	25.1	24.2
Currency holdings	6.6	5.6	6.4	9.0	5.6	5.5	5.5	6.3	7.8	5.5	11.7	9.3	8.3	7.3	6.6	8.2	9.8	9.1	9.1
Deposits at central bank <sup>2</sup>	2.1	2.0	1.6	3.8	0.9	6.5	6.5	19.0	26.2	50.8	13.1	14.4	20.2	14.0	30.0	9.2	6.2	16.0	15.1
Claims on the government (net)	-58.0	-50.3	-75.4	-26.5	-39.1	-35.4	-35.4	-40.0	-33.2	-33.6	-30.0	11.9	-7.0	12.8	-23.3	19.0	15.8	10.0	26.3
Claims	17.7	32.8	25.6	74.3	75.0	82.6	82.6	75.4	78.7	83.5	109.3	151.2	132.5	146.9	113.0	159.8	160.8	164.7	169.9
Deposits	75.7	83.1	101.0	100.8	114.1	118.0	118.0	115.4	111.9	117.1	139.3	139.3	139.5	134.1	136.3	140.8	145.0	154.7	143.6
Credit to the private sector	400.3	398.0	414.3	227.3	217.8	240.2	240.2	251.9	249.3	234.6	267.6	256.8	259.2	260.5	271.0	294.7	302.7	313.5	326.5
Short-term	205.4	189.5	206.1	109.7	101.8	112.2	111.2	123.4	120.4	104.8	142.0	128.5	125.9	123.5	127.7	144.4	144.0	151.6	...
Medium- and long-term	160.0	165.8	167.4	77.1	74.0	105.0	105.0	105.5	105.5	106.2	103.4	108.7	108.3	112.6	106.5	120.0	123.8	131.5	...
Nonperforming credit	34.9	42.7	40.8	40.5	42.0	23.0	23.0	23.0	23.4	23.6	22.2	19.6	25.1	24.4	36.8	30.3	34.9	30.4	...
Deposits	264.8	270.7	275.5	274.2	247.7	240.2	240.2	270.4	293.9	305.6	313.8	334.7	335.1	356.5	343.0	383.9	385.3	395.8	393.6
Demand	119.1	112.3	105.6	106.6	93.8	101.4	101.4	121.4	134.2	139.9	152.4	166.3	152.8	167.1	158.4	174.2	173.4	179.9	186.9
Of which: public enterprises	12.3	10.3	7.9	7.5	7.7	7.1	7.1	7.2	10.4	8.7	12.0	9.8	11.5	13.4	10.8	14.8	12.3	14.6	...
Time	145.7	158.4	169.9	167.6	153.9	138.8	138.8	149.0	159.7	165.7	161.4	168.5	182.3	189.4	184.6	209.7	211.9	215.9	206.7
Of which: public enterprises	10.5	9.0	10.9	13.5	8.0	6.2	6.2	5.7	7.3	7.0	6.8	6.1	7.0	7.0	6.1	13.7	16.8	16.1	...
Credit from the central bank	169.1	170.8	177.7	24.6	30.1	18.9	18.9	14.1	12.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.6
Long-term foreign liabilities	5.9	7.9	8.4	9.0	8.0	9.2	13.8	11.1	13.3	13.6	13.4	13.4	12.9	13.4	13.2	5.7	11.1	17.3	13.2
Other items (net)	-57.0	-65.5	-72.7	-66.3	-73.9	-53.3	-53.3	-37.3	-47.6	-42.2	-57.6	-49.6	-48.1	-44.8	-36.3	-17.5	-33.1	-19.9	-11.9
Revaluation account	0.0	0.0	0.0	0.0	0.0	0.0	-23.6	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1

Source: Data provided by the BCEAO.

<sup>1</sup> Consolidated and refinanced credits are included in credit to the economy through June 1992, and thereafter are included in claims on the government.<sup>2</sup> Accounts revalued at the new exchange rate of CFAF 100 per French franc.<sup>3</sup> Until 1994 there is a discrepancy between the data provided by the central bank and that provided by deposit money banks.

Table 38. Senegal: Banking System Claims on the Government, 1991-96

(in billions of CFA francs; end of period)

	1991		1992		1993			1994				1995				1996			
	June	Dec.	June	Dec.	June	Dec.	Dec. <sup>1</sup>	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
Central Bank, net claims	159.2	159.3	155.3	315.7	306.9	299.6	396.7	394.1	403.4	400.9	340.9	286.2	287.7	271.6	330.7	283.4	277.1	276.0	269.4
Claims <sup>2</sup>	168.3	165.4	159.2	319.7	310.8	305.3	402.4	420.5	418.5	424.7	354.7	302.8	310.0	285.7	349.9	307.9	302.0	300.3	296.2
Treasury overdraft	45.6	41.1	41.5	51.9	51.4	55.0	55.0	50.8	55.0	58.1	57.8	56.0	49.1	51.2	44.3	50.7	56.0	55.3	60.0
Discounted customs duty bills	2.4	1.7	2.2	1.9	1.6	1.3	1.3	0.0	0.8	1.5	1.3	1.5	1.5	1.8	1.7	1.6	1.2	0.0	0.0
IMF credit on-lent	88.3	90.6	83.5	77.8	72.9	70.0	140.0	164.4	158.2	168.0	162.2	159.7	176.0	173.6	182.1	179.7	170.7	185.9	175.6
Consolidated credits <sup>3</sup>	0.0	0.0	0.0	156.1	152.8	147.0	147.0	146.2	145.4	138.0	74.3	26.5	24.3	0.0	62.7	16.8	15.0	0.0	1.5
Other	32.0	32.0	32.0	32.0	32.0	32.0	59.1	59.1	59.1	59.1	59.1	59.1	59.1	59.1	59.1	59.1	59.1	59.1	59.1
Liabilities	9.1	6.1	3.9	4.0	3.9	5.7	5.7	26.4	15.1	23.8	13.8	16.6	22.3	14.1	19.2	24.5	24.9	24.3	26.8
Treasury currency holdings	1.8	0.9	1.0	0.6	1.1	1.1	1.1	1.7	1.9	0.9	0.9	1.4	1.6	1.5	1.2	1.7	1.6	2.0	1.2
Government deposits	7.3	5.2	2.9	3.4	2.8	4.6	4.6	24.7	13.2	22.9	12.9	15.2	20.7	12.6	18.0	22.8	23.3	22.3	25.6
Deposit money banks, net claims	-58.0	-50.3	-75.4	-26.5	-39.1	-35.4	-35.4	-40.0	-33.2	-33.6	-30.0	11.9	-7.0	12.8	-23.3	19.0	15.8	10.0	26.3
Claims	17.7	32.8	25.6	74.3	75.0	82.6	82.6	75.4	78.7	83.5	109.3	151.2	132.5	146.9	113.0	159.8	160.8	164.7	169.9
Postal checking system	0.2	0.6	0.2	0.1	0.1	0.2	0.2	0.4	0.2	0.2	0.3	0.3	0.4	0.3	0.2	0.3	1.4	0.3	...
Government paper held	1.7	1.5	1.5	1.5	1.5	6.8	6.8	6.7	6.5	6.4	24.7	75.1	62.7	77.3	46.6	93.5	92.3	96.4	101.1
Other credits/ONCAD	0.0	0.0	0.0	51.5	51.5	54.0	54.0	53.2	52.3	51.5	51.5	51.5	51.5	51.5	51.5	51.5	51.5	51.5	50.2
Other claims	15.8	30.7	23.9	21.2	21.9	21.6	21.6	15.1	19.7	25.4	32.8	24.3	17.9	17.8	14.7	14.5	15.6	16.5	...
Liabilities	75.7	83.1	101.0	100.8	114.1	118.0	118.0	115.4	111.9	117.1	139.3	139.3	139.5	134.1	136.3	140.8	145.0	154.7	143.6
Government deposits	75.7	83.1	101.0	100.8	114.1	118.0	118.0	115.4	111.9	117.1	139.3	139.3	139.5	134.1	136.3	140.8	145.0	154.7	143.6
Counterparts	1.2	0.8	1.2	1.0	1.6	0.7	0.7	0.4	1.8	3.3	1.6	1.7	1.4	2.1	1.8	2.0	0.7	1.5	-0.2
Private deposits with postal checking system	4.0	3.0	4.0	3.4	3.8	3.0	3.0	2.8	3.5	5.6	3.9	4.0	4.2	4.2	4.0	4.2	3.3	3.9	2.8
Customs duty bills held by the Treasury	2.8	2.2	2.8	2.4	2.2	2.3	2.3	2.4	1.7	2.3	2.3	2.3	2.8	2.1	2.2	2.2	2.6	2.4	3.0
Net claims on the government	102.4	109.8	81.1	290.2	269.4	264.9	362.0	354.5	372.0	370.6	312.5	299.8	282.1	286.5	309.2	304.4	293.6	287.5	295.5

Source: Data provided by the BCEAO.

<sup>1</sup> Accounts revalued at the new exchange rate of CFAF 100 per French franc.<sup>2</sup> Excluding Trust Fund.<sup>3</sup> Consolidated and refinanced credits are included in credit to the economy through June 1992, and thereafter are included in claims on the government.

Table 39. Senegal: Distribution of Credit to the Economy, 1991-96<sup>1</sup>

(In billions of CFA francs; end of period)

	1991	1992	1993	1994	1995	1996 Prel.
Short-term	292.2	335.3	342.3	337.6	332.5	331.5
Medium-term	71.5	88.6	90.4	93.4	105.8	127.5
Long-term	73.1	75.0	76.2	75.3	77.2	77.5
<b>Total</b>	<b>436.8</b>	<b>499.3</b>	<b>508.9</b>	<b>506.3</b>	<b>515.5</b>	<b>536.5</b>
<i>Of which: public and semipublic enterprises</i>	151.4	167.8	160.7	167.6	151.6	144.7
<b>Agriculture and related activities</b>	13.0	9.3	9.0	10.0	10.5	8.5
<b>Fishing</b>	11.2	11.6	13.7	13.8	12.3	13.7
<b>Industry</b>	65.1	78.1	76.4	85.5	96.9	117.9
<i>Of which: food</i>	17.7	21.4	22.5	26.7	28.5	33.4
chemicals	18.8	18.7	18.8	23.9	27.7	35.2
textiles	8.9	11.6	10.9	11.2	14.8	13.9
<b>Construction and public works</b>	28.1	33.4	37.1	28.4	30.2	31.9
<b>Transportation and communications</b>	26.2	30.4	30.3	27.5	33.3	24.9
<b>Tourism</b>	9.8	11.8	13.4	12.8	13.9	14.0
<b>Commerce</b>	190.2	218.4	219.4	218.7	208.8	222.2
Wholesale	160.2	181.4	180.0	181.7	170.9	184.3
Retail	30.0	37.0	39.4	37.0	38.0	37.7
<b>Other</b>	93.2	106.3	109.6	109.6	109.5	103.4
<b>Short-term</b>	<b>66.9</b>	<b>67.2</b>	<b>67.3</b>	<b>66.7</b>	<b>64.5</b>	<b>61.8</b>
<b>Medium-term</b>	<b>16.4</b>	<b>17.7</b>	<b>17.8</b>	<b>18.4</b>	<b>20.5</b>	<b>23.8</b>
<b>Long-term</b>	<b>16.7</b>	<b>15.1</b>	<b>14.9</b>	<b>14.9</b>	<b>15.0</b>	<b>14.4</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<i>Of which: public and semipublic enterprises</i>	34.6	33.6	31.6	33.1	29.4	27.0
<b>Agriculture and related activities</b>	3.0	1.9	1.8	2.0	2.0	1.6
<b>Fishing</b>	2.6	2.3	2.7	2.7	2.4	2.5
<b>Industry</b>	14.9	15.6	15.0	16.9	18.6	22.0
<i>Of which: food</i>	4.0	4.3	4.4	5.3	5.5	6.2
chemicals	4.3	3.7	3.7	4.7	5.4	6.6
textiles	2.0	2.3	2.1	2.2	2.9	2.6
<b>Construction and public works</b>	6.4	6.7	7.3	5.6	5.9	6.0
<b>Transportation and communications</b>	6.0	6.1	6.0	5.5	6.5	4.6
<b>Tourism</b>	2.3	2.4	2.6	2.5	2.7	2.6
<b>Commerce</b>	43.6	43.7	43.1	43.2	40.5	41.4
Wholesale	36.6	36.3	35.4	35.9	33.1	34.3
Retail	6.9	7.4	7.7	7.3	7.4	7.0
<b>Other</b>	21.3	21.3	21.5	21.6	21.2	19.3

Source: Data provided by the BCEAO.

<sup>1</sup> Based on information provided by the Centrale des Risques. Data in this table differ from those in Table 33 mainly because of differences in definition and coverage.



Table 40. Senegal: Statutory Ceilings on Central Bank Advances to the Government and Actual Advances, June 1991-December 1996

(In billions of CFA francs, end of period)

	1991		1992		1993				1994				1995				1996			
	June	Dec.	June	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	Jun.	Sept.	Dec.
Ceiling	42.7	42.7	46.1	46.1	46.1	46.1	46.1	46.1	51.7	51.7	51.7	51.7	51.9	51.9	51.9	51.9	60.5	60.5	60.5	60.5
Actual advances	45.6	41.1	41.5	51.9	50.0	51.4	51.3	55.0	50.8	55.0	58.1	57.8	56.0	49.1	51.2	44.3	50.7	56.0	55.3	60.0
Actual advances in percent of ceiling	106.8	96.2	90.0	112.6	106.4	111.5	111.3	119.3	98.3	106.4	112.4	111.8	107.9	94.6	98.7	85.4	83.8	92.6	91.4	99.2

Source: Data provided by the BCEAO.

Table 41. Senegal: Overnight Money Market, 1988-96

(Monthly averages in billions of CFA francs)

		Supply	Demand	Demands granted
	1988	693	706	706
	1989	1,250	749	749
	1990	1,662	1,335	1,335
	1991	1,255	83	83
	1992	1,742	158	158
Jan. - Sep.	1993 <sup>1</sup>	1,311	155	155
Oct. - Dec.	1993	973	136	134
	1994	1,260	125	125
	1995	490	242	242
Jan. - July	1996	182	27	27
Aug. - Dec.	1996 <sup>2</sup>	82.5	59	59

Source: Data provided by the BCEAO.

<sup>1</sup> From October 1993, averages are from the weekly WAEMU market.

<sup>2</sup> Beginning in August 1996, the two-way auctions of the money market were replaced by a system of withdrawing liquidity through the auction of central bank bills, and injecting liquidity from the BCEAO.

Table 42. Senegal: Liquidity Ratios of Commercial Banks,  
1991-96 <sup>1</sup>

(In percent; end of period)

	1991	1992	1993	1994	1995	1996
Overall ratio <sup>2</sup>	70.5	70.8	81.9	75.4	76.8	...
Overall adjusted ratio <sup>3</sup>	70.7	65.8	69.6	71.0	72.6	...

Source: Data provided by the BCEAO.

<sup>1</sup> The data exclude the liquidated banks and the BCCI. From October 1, 1991, date of entry into force of the new prudential mechanism, the liquidity ratio has been defined as a ratio between the current or short-term assets on the one hand and, on the other hand, the ratified current liabilities or the current liabilities that may be fulfilled within a short period of time (three months maximum).

<sup>2</sup> The overall liquidity ratio is defined as the ratio of the commercial banks' total short-term assets to total short-term liabilities.

<sup>3</sup> The overall adjusted liquidity ratio is defined as the mean of all the individual commercial banks' liquidity ratios.

Table 43. Senegal: Interest Rate Indicators, 1991-96

(In percent per year)

	1991	1992	1993 <sup>1</sup>	1994 <sup>1</sup>	1995 <sup>1</sup>	1996
<b>Interest rates</b>						
Deposits <sup>2</sup>	9	11	7.4	5.5	5.75	5.0
Rediscount rate (TES)	11	13	10.5	10	7.5	6.5
Money market BCEAO <sup>3</sup>	11	12.7	7.4	5.5	5.75	5.0
Money market Paris <sup>4</sup>	9.5	10.4	6.9	5.3	4.75	3.25
<b>Memorandum items:</b>						
Deposits-GDP deflator	8.5	9.8	7	-27.7	-1.85	2.2
Deposits-TES	-2	-2	-3.1	-4.5	-1.75	-1.5
Money market BCEAO-TES	-0.03	-0.28	-3.1	-4.5	-1.75	-1.5
Money market BCEAO - money market Paris	1.5	2.3	0.5	0.2	1.0	1.75

Sources: Data provided by the Senegalese authorities; International Financial Statistics; and staff estimates.

<sup>1</sup> End of period.

<sup>2</sup> Minimum rate on accounts above CFAF 2,000,000 for more than one year through 1992, and thereafter rate applied to deposits on money market.

<sup>3</sup> Until 1992, overnight advances to deposit money banks; thereafter, auction of weekly advances.

<sup>4</sup> Day-to-day loans against commercial paper.

Table 44. Senegal: Discount Rates Applied by the Central Bank, 1975-February 1997<sup>1</sup>

(In percent per year)

	Normal discount rate <sup>2</sup>	Preferential discount rate <sup>3</sup>	Discount rate <sup>4</sup>
Prior to July 1, 1975	5.50	5.50	
1-Jul-75	8.00	5.50	
14-Apr-80	10.50	8.00	
7-Apr-82	12.50	10.00	
5-Apr-83	10.50	8.00	
24-Mar-86	9.50	7.00	
22-Sep-86	8.50	6.00	
23-Dec-88	9.50	7.50	
30-Mar-89	10.00	9.00	
2-Oct-89	abolished	abolished	10.50
27-Nov-89			11.00
20-Aug-92			13.00
9-Nov-92			12.50
20-Dec-93			10.50
18-Jan-94			14.50
27-Jun-94			12.00
1-Aug-94			11.00
29-Aug-94			10.00
23-Jan-95			9.00
5-Jun-95			8.50
26-Dec-95			7.50
5-Aug-96			7.25
19-Aug-96			7.00
21-Oct-96			6.50
17-Feb-97			6.25

Source: Information provided by the BCEAO.

<sup>1</sup> Rates applied to short-term credit of one year or less and to medium-term credit of up to ten years. The BCEAO will also rediscount long-term credit which, at the time of rediscounting, has no more than 15 years to maturity.

<sup>2</sup> Rates applied also to advances against Government and private paper, to rediscount of customs duty bills, and to *prise en pension* (a rediscount operation with a promise to transfer the credit title back to the original lender).

<sup>3</sup> Rates applied to crop credit, credit to the Government and local authorities, small national enterprises with total credit outstanding not exceeding CFAF 30 million, and nationals for the construction of the borrower's first primary residence (maximum CFAF 15 million with maturities shorter than ten years). Also applied to overdrafts by the Treasury.

<sup>4</sup> Rates applied to all credits, with the exception of advances to the Treasury, for which the rate was 5.2 percent on December 31, 1996.

Table 45. Senegal: Maximum Lending Rates Applied by Commercial Banks, July 1975-December 1996

(In percent per year)

	From July 1975 to October 1, 1989	From October 2, 1989 to September 30, 1993	From October 1, 1993
<b>A. Structure</b>			
<b>Short- and medium-term credit</b>			
Crop financing and export credit	Preferential discount rate + 2 percent maximum		
Financing of storage of agricultural products	Preferential discount rate + 2 percent maximum	Maximum: Discount rate + 5 percent for all types of credit	Maximum: Discount rate x 2 for all types of credit
Credit to small and medium-sized national enterprises	Preferential discount rate + 3 percent maximum		
Credit to nationals <sup>1</sup> for construction of first primary residence	Preferential discount rate + 3 percent maximum		
Other credits	Normal discount rate + 5 percent maximum		
<b>Long-term credit<sup>2</sup></b>			
Credit to small and medium-sized national enterprises	Preferential discount rate + 3 percent maximum		
Credit to nationals <sup>1</sup> for construction of first primary residence	Preferential discount rate + 3 percent maximum		
Other credits	Normal discount rate + 5 percent maximum		

Table 45 (concluded). Senegal: Maximum Lending Rates Applied by Commercial Banks, November 1989-February 1997

(In percent per year)

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

Source: Information provided by the BCEAO.

<sup>1</sup> Of any member state of WAMU.<sup>2</sup> With maturity of more than 2 years and less than 15 years.

Table 46. Senegal: Interest Rates Applied in the Money Market, 1990-96

(In percent per year)

	Deposits <sup>1</sup>	Advances <sup>1</sup>	Deposits <sup>2</sup>	Advances <sup>2</sup>	Deposits <sup>3</sup>	Advances <sup>3</sup>
1990	10.850	10.975	10.850	10.975	10.850	10.975
1991						
November 4	10.600	10.725	10.725	10.850	10.850	10.975
1992						
March 20	10.600	10.725	10.725	10.850	10.850	10.975
June 22	10.100	10.725	10.225	10.850	10.350	10.975
August 20	11.100	12.725	11.225	12.850	11.350	12.975
November 9	10.100	11.975	10.225	12.100	10.350	12.225
1993						
April 26	9.350	11.225	9.475	11.350	9.600	11.475
May 10	8.850	10.725	8.975	10.850	9.100	10.975
May 24	8.350	10.225	8.475	10.350	8.600	10.475
October 4/ November		9.350				
December		8.500				
		7.510				
1994						
January		7.940				
February		9.250				
March		9.250				
April		9.250				
May		9.250				
June		8.350				
July		7.040				
August		5.940				
September		5.570				
October		5.500				
November		5.500				
December		5.500				
1995						
January		5.500				
February		5.500				
March		5.500				
April		5.500				
May		5.500				
June		5.500				
July		5.500				
August		5.500				
September		5.500				
October		5.500				
November		5.500				
December		5.810				
1996						
January		5.510				
February		5.500				
March		5.500				
April		5.480				
May		5.210				
June		5.370				
July		5.410				
August		5.250				
September		5.250				
October		5.250				
November		5.200				
December		5.050				

Source: Information provided by the BCEAO.

<sup>1</sup> Day-to-day.<sup>2</sup> Month-to-month.<sup>3</sup> Quarter-to-quarter.<sup>4</sup> In October 1993, the money market was transformed into an auction of weekly advances.

Figures shown are monthly averages. Rates paid on auctions of central bank bills, introduced in August 1996, are not included.



Table 47. Senegal: Deposit Rates Applied by Commercial Banks, March 1989-April 1996<sup>1</sup>

(In percent per year)

	Mar. 30 1989	Mar. 30 1989	Oct. 2 1989	Nov. 27 1989	Aug. 20 1992	Nov. 9 1992	Oct. 1 1993	Jan. 19 1994	Jul. 8 1994	Sept. 26 1994	Apr. 1 1996
<u>(Up to CFAF 500,000)</u>											
Public deposits <sup>2</sup>	Determined by agreement										
Other deposits											
Time deposits											
Less than six months	5	6	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	TMM-2 <sup>4</sup>	TMM-2 <sup>4</sup>	TMM-2 <sup>4</sup>	TMM-2 <sup>4</sup>	TMM-2 <sup>4</sup>
Six months - less than one year	6.5	7	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	TMM-2 <sup>4</sup>	TMM-2 <sup>4</sup>	TMM-2 <sup>4</sup>	TMM-2 <sup>4</sup>	TMM-2 <sup>4</sup>
One year and more	7.75*	8.5*	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>
Certificates of deposit											
Six months - less than one year	6	7	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	TMM-2 <sup>4</sup>	TMM-2 <sup>4</sup>	TMM-2 <sup>4</sup>	TMM-2 <sup>4</sup>	TMM-2 <sup>4</sup>
One year and more	7.75*	8.5*	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>
Savings deposits <sup>5</sup>	7.5	7.5	6.5	7	9	8.5	4.5	8	5	4.5	3.5
<u>(Above CFAF 500,000)</u>											
Public deposits <sup>2</sup>	Determined by agreement										
Other deposits											
Time deposits											
Less than six months	6.5*	7.0*	6.5	7.0*	9	8.5*	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>
Six months - less than one year	7.75*	8.25*	7.5*	8*	10*	9.5*	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>
One year and more	9*	9.5*	8.5*	9*	11*	10.5*	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>
Certificates of deposit											
Six months - less than one year	7.75*	8.25*	7.5*	8*	10*	9.5	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>
One year and more	9*	9.5*	8.5*	9*	11*	10.5	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>
Savings deposits	7.5*	7.5*	6.5*	7*	9*	8.5	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>	... <sup>3</sup>

Source: Information provided by the BCEAO.

<sup>1</sup> Fixed rates, unless marked with an asterisk (\*), in which case it is a minimum rate.<sup>2</sup> Includes deposits of the Treasury, Post Office, Savings Bank, and other government agencies, public and mixed enterprises, and special private sector deposits resulting from legal requirements, such as reserves of insurance companies.<sup>3</sup> Deposit rates no longer fixed by the BCEAO.<sup>4</sup> Average monthly money market rate (TMM) published by the BCEAO minus 2 percent.<sup>5</sup> Applicable to savings deposits of less than CFAF 5 million.

Table 48. Senegal: Balance of Payments, 1991-96

(In billions of CFA francs, unless otherwise indicated)

	1991	1992	1993	1994	1995	1996 Est.
Trade balance	-87.9	-96.4	-107.4	-128.3	-124.0	-143.9
Exports, f.o.b.	226.5	219.1	200.3	439.1	483.4	504.5
<i>Of which: groundnut products</i>	30.9	17.3	13.4	55.5	51.0	40.9
Imports, f.o.b.	-314.3	-315.5	-307.7	-567.4	-607.5	-648.4
<i>Of which: petroleum</i>	-36.8	-35.0	-30.8	-69.4	-60.6	-79.4
Services (net)	-61.6	-57.1	-61.5	-85.3	-79.6	-57.8
Credits	164.5	163.1	149.0	279.6	301.5	322.4
Debits	-226.1	-220.2	-210.5	364.9	381.0	380.2
<i>Of which: interest on public debt<sup>1</sup></i>	-39.3	-38.0	-38.7	-69.7	-69.4	-58.6
Unrequited transfers (net)	93.2	95.8	89.8	215.4	190.9	169.3
Private (net)	3.9	6.9	10.3	21.4	19.9	20.5
Public (net)	89.3	88.9	79.5	194.0	171.0	148.8
<i>Of which: gross official transfers</i>	98.3	94.2	83.7	201.2	179.4	157.4
Current account (deficit -)	-56.3	-57.7	-79.0	1.8	-12.7	-32.4
Capital account	20.1	23.2	0.1	71.5	21.5	30.7
Public sector (net)	16.4	37.2	23.3	35.0	33.2	33.9
Drawings	69.8	78.9	64.3	120.5	109.6	103.5
Amortization due <sup>1</sup>	-53.4	-41.7	-41.0	-85.5	-76.4	-69.6
Other capital (including private capital, errors and omissions)	3.7	-13.9	-23.2	36.5	-11.7	-3.2
Overall balance (deficit -)	-36.1	-34.5	-78.9	73.3	8.7	-1.7
Debt rescheduling <sup>2</sup>	34.6	12.5	9.9	188.9	77.9	29.2
Financing	1.6	22.0	69.0	-262.2	-86.6	-27.5
Net foreign assets (BCEAO)	-4.0	-5.4	31.7	-133.5	-41.1	-27.5
Operations account and other	-7.1	6.3	39.4	-155.7	-62.1	-22.4
Net use of Fund resources	3.1	-11.7	-7.7	22.2	21.0	-5.1
Payments arrears (reduction -)	5.6	27.4	37.3	-128.7	-45.5	0.0
Memorandum items:						
Current account (in percent of GDP)						
Including gross official transfers	-3.6	-3.6	-5.0	0.1	-0.5	-1.2
Excluding gross official transfers	-10.0	-9.4	-10.3	-9.3	-7.9	-7.2
Current account						
Excluding gross official transfers	-154.6	-151.9	-162.7	-199.4	-192.1	-189.9

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

<sup>1</sup> In 1996, after ODA cancellation granted by France in 1994.<sup>2</sup> In addition to debt rescheduling from London Club, the Paris Club, and other bilateral creditors, includes in 1993 through 1996 relief requested from commercial banks, and includes in 1994 and 1995 the impact of the debt cancellation granted by France in early 1994.

Table 49. Senegal: Balance of Payments, 1991-96

(In millions of SDRs, unless otherwise indicated)

	1991	1992	1993	1994	1995	1996 Est.
Trade balance (deficit -)	-227.6	-258.6	-271.6	-161.4	-163.9	-193.7
Exports, f.o.b.	586.7	587.7	506.6	552.3	638.5	679.2
Of which: groundnut products	80.1	46.5	33.8	69.8	67.4	55.1
Imports, f.o.b.	-814.4	-846.3	-778.2	713.7	-802.4	-872.9
Of which: petroleum	-95.3	-93.8	-77.9	-87.3	-80.0	-106.9
Services (net)	-159.6	-153.2	-155.4	-105.8	-106.9	-77.8
Credits	426.2	437.5	376.9	354.9	395.4	434.1
Debits	-585.8	-590.8	-532.3	-460.8	-502.4	511.9
Of which: interest on public debt <sup>1</sup>	-101.8	-101.9	-97.9	-87.7	-91.7	-78.9
Unrequited transfers (net)	241.5	257.0	227.1	270.9	252.1	228.0
Private (net)	10.1	18.5	26.1	26.4	26.3	27.6
Public (net)	231.4	238.5	201.1	244.5	225.9	200.4
Of which: gross official transfers	254.7	252.7	211.7	254.6	236.9	211.9
Current account balance (deficit -)	-145.8	-154.8	-199.9	2.7	-18.4	-43.6
Capital account (net)	52.2	62.4	0.3	89.6	31.3	41.3
Public sector (net)	42.5	99.7	58.9	44.0	43.8	45.6
Drawings	180.8	211.5	162.6	151.6	144.8	139.4
Amortization due <sup>1</sup>	-138.3	-111.9	-103.7	-107.5	-100.9	-93.7
Other capital (including private capital, errors and omissions)	9.7	-37.3	-58.6	45.6	-12.5	-4.3
Overall balance (deficit -)	-93.6	-92.4	-199.6	92.2	13.0	-2.3
Debt rescheduling <sup>2</sup>	89.5	33.5	25.0	237.5	102.9	39.3
Financing	4.1	58.9	174.5	-329.8	-115.8	-37.0
Net foreign assets (BCEAO)	-10.4	-14.6	80.2	-167.9	-55.7	-37.0
Operations account and other	-18.4	16.9	99.7	-195.8	-83.5	-30.2
Net use of Fund resources	8.0	-31.5	-19.5	27.9	27.9	-6.9
Payments arrears (reduction -)	14.5	73.5	94.4	-161.9	-60.1	0.0
Memorandum items:						
Current account (in percent of GDP)						
Including gross official transfers	-3.6	-3.6	-5.0	0.1	-0.5	-1.2
Excluding gross official transfers	-10.0	-9.4	-10.3	-9.2	-7.9	-7.2
Current account						
Excluding gross official transfers	-400.4	-407.5	-411.6	-251.9	-255.3	-255.4
Exchange rate (CFAF/SDR)	386.0	372.8	395.4	795.0	757.1	742.8

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

<sup>1</sup> In 1996, after ODA cancellation granted by France in 1994.<sup>2</sup> In addition to debt rescheduling from London Club, the Paris Club, and other bilateral creditors, includes in 1993 through 1996 relief requested from commercial banks, and includes in 1994 and 1995 the impact of the debt cancellation granted by France in early 1994.

Table 50. Senegal: Export and Import Price, Volume, and Terms of Trade Indices, 1991-96<sup>1</sup>

	1991	1992	1993	1994	1995	1996 Est.
	(1983 = 100)					
Terms of trade	104.4	106.4	103.8	103.2	102.0	103.2
Price indices (CFA franc terms)						
Exports	89.9	90.0	91.2	183.2	185.5	189.4
Imports	86.1	84.6	87.8	177.5	179.9	185.6
Volume indices						
Exports	105.5	97.0	89.7	97.8	104.9	107.1
Imports	97.2	98.4	94.0	85.6	89.8	93.6
	(percent change)					
Terms of trade	-9.7	1.9	-2.4	-0.6	0.0	-1.1
Prices (CFA franc terms)						
Exports	-12.4	0.1	1.3	100.9	1.3	2.1
Imports	-3.0	-1.8	3.8	102.2	1.3	3.2
Volumes						
Exports	8.8	-8.1	-7.5	9.1	7.3	2.1
Imports	1.5	1.2	-4.5	-9.0	5.0	4.2

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

<sup>1</sup> Using the Paasche method.

Table 51. Senegal: Merchandise Exports, 1991-96

(Values in billions of CFA francs; volumes in thousands of metric tons; prices in CFA francs per kilogram)

	1991	1992	1993	1994	1995	1996 Est.
Groundnut products	43.3	43.3	43.3	55.5 <sup>1</sup>	51.0	40.9
Groundnut oil	24.7	13.2	10.9	41.8	44.6	33.0
Volume	92.8	83.7	59.0	73.5	88.4	71.3
Price	266.2	157.5	185.1	568.9	504.2	463.1
Groundnut meal	5.4	3.8	2.4	6.8	5.8	7.6
Volume	157.8	106.5	63.0	83.8	93.8	91.2
Price	34.2	36.1	37.7	81.7	61.4	83.6
Seeds	0.8	0.3	0.0	0.9	0.7	0.3
Volume	5.1	2.2	0.0	2.5	2.6	1.0
Price	156.9	142.5	138.9	351.9	270.2	277.8
Phosphates	19.0	16.0	12.1	14.6	16.4	19.3
Volume	1,470.0	1,331.1	1,089.5	736.0	971.6	944.4
Price	12.9	12.0	11.1	19.9	16.9	20.4
Fish	59.6	47.9	51.3	120.4	137.2	146.3
Fresh fish	34.1	26.3	28.9	67.2	78.7	87.1
Volume	101.9	97.0	106.6	122.5	134.8	148.2
Price	334.5	271.1	271.0	548.8	584.0	587.8
Canned fish	25.5	21.6	22.4	53.2	58.5	59.2
Volume	34.4	34.4	35.5	41.6	45.8	45.8
Price	740.3	629.0	631.6	1,277.9	1,277.5	1,291.5
Cotton	8.5	8.3	6.0	11.1	8.7	9.6
Volume	17.2	18.4	17.7	14.6	10.0	10.9
Price	494.2	452.9	338.8	761.1	874.7	879.3
Salt	2.1	2.0	2.1	5.7	4.7	3.4
Volume	71.4	67.7	68.5	105.4	88.7	81.9
Price	29.4	29.5	30.7	54.2	52.5	41.2
Fertilizer	2.0	6.7	5.5	12.8	20.5	17.0
Volume	109.7	114.0	116.1	119.6	165.8	140.9
Price	18.2	59.2	47.2	106.7	123.8	121.0
Phosphoric Acid <sup>2</sup>	28.2	18.7	14.4	37.7	38.9	41.3
Volume	383.3	258.3	223.8	223.6	259.7	258.4
Price	73.6	72.4	64.4	168.7	149.8	160.0
Petroleum products	4.3	3.7	3.9	8.1	9.0	10.2
Volume	65.0	79.3	73.4	86.6	102.1	97.3
Price	66.2	46.7	52.5	94.0	85.5	105.2
Other	55.0	72.1	72.0	129.6	143.9	160.2
Re-exports	16.9	26.3	19.7	43.5	53.4	56.3
Total exports. f.o.b.	226.5	219.1	200.3	439.1	483.4	504.5

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

<sup>1</sup> Includes exports of unprocessed groundnuts valued at CFAF 6.0 billion.<sup>2</sup> Phosphoric acid and other chemicals exported by Industries Chimiques du Sénégal.

Table 52. Senegal: Merchandise Imports, 1991-96

(Values in billions of CFA francs; volumes in thousands of metric tons; prices in CFA francs per kilogram)

	1991	1992	1993	1994	1995	1996 Est.
Food products	94.8	91.0	93.6	162.9	188.3	195.1
Rice	25.4	21.2	23.5	44.4	58.9	89.6
Volume	394.6	338.4	362.8	327.8	387.5	607.8
Price	64.4	62.7	64.7	135.5	152.0	147.4
Wheat	8.0	7.4	8.6	17.0	24.4	25.0
Volume	151.0	151.1	176.9	177.4	203.7	184.6
Price	53.0	49.3	48.6	95.9	119.8	135.6
Other	61.4	62.4	61.5	101.5	105.0	80.5
Beverages and tobacco	4.3	5.0	5.1	9.4	8.1	7.1
Petroleum	41.8	39.7	35.0	78.9	68.9	90.2
Crude oil	25.7	25.5	20.9	19.8	43.4	52.1
Volume	505.8	643.3	544.8	302.8	649.5	645.0
Price	50.9	39.7	38.4	65.5	66.8	80.8
Refined oil	16.1	14.2	14.1	59.1	25.5	38.1
Volume	335.7	364.2	364.7	782.3	324.0	405.4
Price	47.9	39.0	38.6	75.5	78.8	93.9
Other consumer goods	52.3	56.0	54.5	94.1	99.2	104.0
Capital goods	46.5	46.2	45.0	85.3	89.9	95.2
Intermediate goods	97.2	96.9	99.0	180.6	195.7	207.5
Change in warehouse stocks	20.3	23.6	17.5	33.6	40.1	37.7
Total imports, c.i.f.	357.2	358.5	349.6	644.8	690.3	736.8
Freight and insurance	42.9	43.0	42.0	77.4	82.8	88.4
Total imports, f.o.b.	314.3	315.5	307.7	567.4	607.5	648.4

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

Table 53. Senegal: Direction of Foreign Trade, 1991-96

	1991	1992	1993	1994	1995	1996 Est.
<b>I. Exports</b> (In percent of total exports)						
Industrial countries	54.3	46.5	47.2	48.7	61.7	44.1
France	30.9	28.3	26.0	22.6	30.0	20.9
Germany	2.1	1.9	1.6	1.6	2.6	1.0
Italy	8.8	5.4	6.8	5.6	12.8	8.6
Japan	1.7	2.0	1.7	1.1	1.7	2.2
Netherlands	2.6	2.5	1.2	5.1	1.9	0.9
Spain	2.9	2.3	1.6	2.0	5.2	4.2
United Kingdom	0.9	0.5	0.7	1.6	2.1	2.4
United States	1.0	0.4	2.0	1.5	1.2	0.7
Other countries	3.4	3.2	5.6	7.6	4.2	3.2
Developing countries	34.3	43.8	40.6	40.2	31.0	45.5
Africa	14.5	20.8	18.2	19.8	20.1	21.3
Cameroon	1.5	1.2	1.2	1.1	1.9	1.6
Côte d'Ivoire	2.6	2.9	2.2	2.1	0.0	1.2
Mali	4.4	6.0	5.2	9.9	7.3	6.8
Mauritania	-	0.7	2.1	1.9	1.4	0.0
Nigeria	0.2	0.7	0.6	2.2	1.4	1.7
Other countries	5.8	9.3	6.9	2.6	8.1	10.1
Asia	16.3	20.1	18.8	17.5	8.5	22.0
Europe	0.1	0.1	1.2	0.8	0.2	0.1
Middle East	2.8	2.4	2.1	1.4	1.7	1.7
Western Hemisphere	0.6	0.4	0.3	0.7	0.7	0.4
Other countries	11.4	9.7	12.2	11.1	7.3	10.4
Total	100.0	100.0	100.0	100.0	100.0	100.0
Memorandum items:						
European Union	50.9	43.9	42.4	46.3	65.3	39.7
Oil exporting countries	3.9	4.7	3.7	3.5	3.3	3.6
Non-oil developing countries	30.4	39.1	38.9	40.6	27.7	42.0
<b>II. Imports</b> (In percent of total imports)						
Industrial countries	66.8	66.9	68.3	68.7	74.7	70.1
France	32.5	31.2	35.4	36.5	37.8	36.1
Germany	3.3	3.4	3.7	3.4	4.3	4.9
Italy	4.9	5.6	4.2	4.0	4.2	3.6
Japan	2.8	3.5	3.6	4.9	3.1	1.9
Netherlands	2.8	2.3	3.4	3.6	4.1	2.4
Spain	3.2	3.4	3.5	5.2	4.2	5.7
United Kingdom	1.5	1.8	1.5	1.6	4.2	3.6
United States	7.7	6.4	5.2	5.5	5.6	3.7
Other countries	8.1	9.3	7.8	4.0	7.2	8.2
Developing countries	32.5	31.4	30.4	30.1	25.3	29.9
Africa	16.7	16.9	15.8	14.8	5.4	10.2
Algeria	0.0	0.1	0.1	0.1	0.1	0.0
Côte d'Ivoire	6.4	6.6	5.1	3.7	2.4	2.3
Gabon	3.5	1.4	1.8	0.3	0.0	0.9
Nigeria	5.5	6.3	6.2	2.9	1.7	5.2
Other countries	1.3	2.5	2.5	7.8	1.0	1.8
Asia	11.5	12.3	13.0	13.5	14.8	11.6
China	1.5	1.9	2.1	3.0	3.0	2.5
Other countries	10.0	10.4	10.9	10.5	11.8	9.1
Europe	1.4	0.2	0.5	0.4	1.0	2.4
Middle East	0.4	0.3	0.2	0.3	0.1	0.3
Western Hemisphere	2.5	1.7	0.9	1.1	4.0	5.4
Other countries	0.7	1.7	1.3	1.2	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0
Memorandum items:						
European Union	52.6	51.8	50.8	51.2	64.1	60.7
Oil exporting countries	9.4	8.5	10.5	11.0	2.0	5.5
Non-oil developing countries	23.1	22.9	21.5	20.3	23.2	24.4

Sources: Data communicated by the Senegalese authorities for 1990-94; and IMF, Direction of Trade Statistics; annually for 1995 and quarterly for 1996.

Table 54. Senegal: Services and Transfers Account, 1991-96

(In billions of CFA francs)

	1991	1992	1993	1994	1995	1996 Est.
<b>Services (net)</b>	-61.6	-57.1	-61.5	-85.3	-79.6	-57.8
<b>Credits</b>	164.5	163.1	149.0	279.6	301.5	322.4
Freight and insurance	5.6	5.8	6.4	9.5	10.5	12.1
Other transport	23.9	19.5	16.8	30.2	34.7	40.0
Travel and tourism	48.1	48.9	36.4	72.0	78.7	83.4
Investment revenue	7.9	10.7	8.5	12.5	14.4	14.8
Government	57.7	52.1	55.0	71.9	75.5	79.6
Other services	21.3	26.1	25.9	83.5	87.7	92.5
<b>Debits</b>	226.1	220.2	210.5	364.9	381.0	380.2
Freight and insurance	42.9	43.0	42.0	77.4	82.8	88.4
Other transport	26.2	28.3	26.0	36.0	39.0	40.6
Travel and tourism	12.8	14.0	14.1	26.5	29.9	31.4
Investment revenue	49.6	45.8	45.9	91.4	91.7	81.4
Interest	42.6	38.8	39.0	72.2	72.5	61.9
Public debt	39.3	38.0	38.7	69.7	69.4	58.6
Private debt	3.3	0.8	0.3	2.5	3.1	3.3
Other	7.0	7.0	6.9	19.2	19.2	19.6
Government	74.5	66.4	64.6	88.7	91.4	91.9
Other services	20.1	22.7	17.9	44.9	46.2	46.5
<b>Transfers (net)</b>	93.2	95.8	89.8	215.4	190.9	169.3
<b>Credits</b>	130.6	129.4	122.5	259.6	237.4	217.2
Public	98.3	94.2	83.7	201.2	179.4	157.4
Private	32.3	35.2	38.8	58.4	58.0	59.8
<b>Debits</b>	37.4	33.6	32.7	44.2	46.5	47.9
Public	9.0	5.3	4.2	7.2	8.4	8.6
Private	28.4	28.3	28.5	37.0	38.1	39.3
<b>Invisibles (net)</b>	31.6	38.7	28.3	130.1	111.3	111.5
<b>Memorandum items:</b>						
<b>Nonfactor services (net)</b>	-19.9	-22.0	-24.1	-6.4	-2.2	8.8
Credits	156.6	152.4	140.5	267.1	287.1	307.6
Debits	176.5	174.4	164.6	273.5	289.3	298.8

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



Table 55. Senegal: External Public Debt Outstanding, 1991-96

(In billions of CFA francs; end of period)

	1991	1992 <sup>1</sup>	1993 <sup>1</sup>	1994 <sup>1</sup>	1995	1996 Prel.
<b>Total</b>	829.2	903.0	991.6	1,743.5	1,718.6	1,900.6
<b>Medium- and long-term debt</b>	704.1	781.7	833.6	1,555.2	1,525.0	1,712.3
<b>Multilateral<sup>2</sup></b>	352.6	410.7	448.3	906.9	863.8	1,003.3
IBRD/IDA	238.9	266.8	285.5	571.6	562.3	705.0
EDF/EIB	32.8	34.0	32.9	67.9	61.9	58.4
AfDB/AfDF	51.6	74.0	95.6	209.8	191.8	199.9
OPEC/IDB/BADEA	19.2	21.9	23.6	37.9	29.3	26.3
Other	10.1	14.0	10.6	19.6	18.5	13.7
<b>Bilateral<sup>3</sup></b>	206.4	204.1	214.8	355.9	311.0	363.8
OECD countries	116.4	129.2	139.0	143.4	130.8	132.8
<i>Of which: France</i>	61.9	61.9	71.1	0.0	0.0	0.0
Arab countries <sup>4</sup>	80.4	63.9	70.0	179.2	162.5	173.7
Other countries	9.6	11.0	5.8	33.3	17.7	57.3
<b>Commercial debt<sup>3,5</sup></b>	16.2	21.0	15.5	3.3	2.0	0.0
Guaranteed debt	12.9	18.1	13.2	3.3	2.0	0.0
Nonguaranteed debt	3.3	2.9	2.3	0.0	0.0	0.0
<b>Rescheduled debt</b>	128.9	145.8	155.0	289.1	348.1	345.2
Paris Club	103.5	129.9	145.0	254.3	280.8	283.6
London Club	10.0	9.8	10.0	13.2	9.7	7.5
Other	15.4	6.1	0.0	21.7	57.6	54.1
<b>IMF credit</b>	84.8	74.7	72.0	157.6	167.0	163.8
Use of Fund resources	15.4	5.1	1.0	24.1	22.5	22.9
SAF and ESAF	69.4	69.6	71.0	133.5	144.5	140.9
<b>Short-term debt<sup>6</sup></b>	40.3	46.6	86.0	30.7	26.7	24.6

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

<sup>1</sup> Includes arrears outstanding at the end of the year.<sup>2</sup> EDF/EIB: European Development Fund/European Investment Bank; AfDB/AfDF: African Development Bank/Fund; OPEC/IDB/BADEA: Organization of Petroleum Exporting Countries/Islamic Development Bank/Arab Bank for Economic Development in Africa.<sup>3</sup> Excludes rescheduled debt.<sup>4</sup> In 1994-96, includes Dépôt Koweïtien.<sup>5</sup> Not including arrears on commercial debt, which was the object of a debt buyback operation in December 1996.<sup>6</sup> Short-term foreign liabilities of the Central Bank, related to the operations account.

Table 56. Senegal: External Public Debt Ratios, 1991-96

(End of period)

	1991	1992	1993	1994	1995	1996
(As percent of GDP)						
Total	53.5	56.0	62.5	80.9	70.7	72.1
Medium- and long-term debt	45.4	48.5	52.6	72.2	62.8	64.9
Multilateral	22.7	25.5	28.3	42.1	35.6	38.0
Bilateral <sup>1</sup>	13.3	12.7	13.5	16.5	12.8	13.8
Commercial debt <sup>1</sup>	1.0	1.3	1.0	0.2	0.1	0.0
Guaranteed	0.8	1.1	0.8	0.2	0.1	0.0
Nonguaranteed	0.2	0.2	0.1	0.0	0.0	0.0
Rescheduled debt	8.3	9.0	9.8	13.4	14.3	13.1
IMF credit	5.5	4.6	4.5	7.3	6.9	6.2
Short-term debt <sup>2</sup>	2.6	2.9	5.4	1.4	1.1	0.9
(As percent of total debt)						
Medium- and long-term debt	84.9	86.6	84.1	89.2	88.7	90.1
Multilateral	42.5	45.5	45.2	52.0	50.3	52.8
Bilateral <sup>1</sup>	24.9	22.6	21.7	20.4	18.1	19.1
Commercial debt <sup>1</sup>	2.0	2.3	1.6	0.2	0.1	0.0
Guaranteed	1.6	2.0	1.3	0.2	0.1	0.0
Nonguaranteed	0.4	0.3	0.2	0.0	0.0	0.0
Rescheduled debt	15.5	16.2	15.6	16.6	20.3	18.2
IMF credit	10.2	8.3	7.3	9.0	9.7	8.6
Short-term debt <sup>2</sup>	4.9	5.2	8.7	1.8	1.6	1.3

Source: Table 55.

<sup>1</sup> Excludes rescheduled debt.<sup>2</sup> Short-term foreign liabilities of the Central Bank, related to the operations account.

Table 57. Senegal: Public Sector Loan Disbursements, 1991-96

(In billions of CFA francs)

	1991	1992	1993	1994	1995	1996 Est.
<b>Total disbursements</b>	69.8	78.9	64.3	120.5	109.6	103.5
<b>Multilateral institutions<sup>1</sup></b>	50.6	41.3	50.3	75.0	47.7	46.3
<i>Of which: AfDB/AfDF<sup>2</sup></i>	11.4	17.1	32.0	17.4	3.0	3.2
EDF/EIB <sup>2</sup>	0.2	4.1	0.0	0.0	0.0	0.0
World Bank	14.3	12.2	12.9	27.6	36.6	34.4
<b>Bilateral creditors<sup>1</sup></b>	13.1	22.6	13.9	26.6	30.0	33.7
<i>Of which: France</i>	3.5	7.9	0.0	0.0	0.0	0.0
Germany	0.3	0.5	0.1	1.4	0.3	4.2
Kuwait	0.9	0.8	1.0	0.6	1.7	1.0
Saudi Arabia	0.5	0.1	0.0	0.5	3.2	3.8
<b>Budgetary loans</b>	5.3	15.0	0.1	18.9	29.6	23.5
<i>Of which: France</i>	0.0	0.0	0.0	0.0	0.0	0.0
World Bank	5.3	15.0	0.1	14.6	29.6	23.5
<b>Commercial creditors</b>	0.8	0.0	0.0	0.0	0.0	0.0

Source: Data provided by the Senegalese authorities, and staff estimates.

<sup>1</sup> Excluding budgetary loans.

<sup>2</sup> AfDB/AfDF, African Development Bank/Fund; EDF/EIB, European Development Fund/European Investment Bank.

Table 58. Senegal: Structure and Terms of External  
Public Debt Commitments, 1991-96 <sup>1</sup>

	1991	1992	1993	1994	1995	1996 Prel.
(In billions of CFA francs)						
New commitments	82.4	65.8	26.2	73.0	160.4	58.5
Multilateral	80.7	54.0	17.0	62.2	145.5	41.9
Bilateral	1.7	11.8	9.2	10.8	14.9	16.6
Guaranteed commercial debt	...	...	...	...	...	...
Nonguaranteed commercial debt	...	...	...	...	...	...
(In percent)						
Average interest rate <sup>2</sup>	4.9	1.9	1.7	3.0	0.9	2.1
Multilateral	5.0	1.7	1.8	3.3	0.9	0.9
Bilateral	0.9	3.0	1.5	1.1	1.6	1.3
Guaranteed commercial debt	...	...	...	...	...	...
Nonguaranteed commercial debt	...	...	...	...	...	...
(In years)						
Average maturity period <sup>2</sup>	28.4	34.2	28.9	20.7	29.2	28.2
Multilateral	28.2	36.2	32.7	16.6	28.9	24.0
Bilateral	40.0	25.0	22.0	44.1	32.3	35.0
Guaranteed commercial debt	...	...	...	...	...	...
Nonguaranteed commercial debt	...	...	...	...	...	...
Average grace period <sup>2</sup>	7.1	7.8	7.5	7.5	7.9	7.1
Multilateral	7.0	8.4	8.3	8.3	7.9	7.5
Bilateral	10.0	5.0	6.0	6.0	7.7	6.8
Guaranteed commercial debt	...	...	...	...	...	...
Nonguaranteed commercial debt	...	...	...	...	...	...

Source: Data provided by the Senegalese authorities.

<sup>1</sup> Medium- and long-term government and government-guaranteed debts, excluding IMF credits and rescheduled debt.

<sup>2</sup> Weighted average of new disbursements.

Table 59. Senegal: External Public Debt Service, 1991-96<sup>1</sup>

	1991	1992	1993	1994	1995	1996
	(In billions of CFA francs)					
Debt service before rescheduling <sup>2</sup>	106.1	91.4	87.4	155.4	155.1	150.9
Principal	66.8	53.5	48.7	92.6	89.4	92.3
Medium- and long-term	53.4	41.7	41.0	76.7	69.3	69.5
IMF repurchases	13.4	11.7	7.7	15.9	20.1	22.8
Interest	39.3	38.0	38.7	62.7	65.7	58.6
Medium- and long-term	35.6	35.7	37.3	59.5	62.8	56.4
IMF charges	3.7	2.3	1.4	3.2	2.9	2.2
Debt rescheduling	34.6	12.5	9.9	49.1	67.0	29.2
Debt service after rescheduling	71.6	78.9	77.5	106.3	88.1	121.6
	(In percent of exports of goods and nonfactor services)					
Debt service before rescheduling <sup>2</sup>	27.7	24.6	25.6	22.0	20.1	18.6
Principal	17.4	14.4	14.3	13.1	11.6	11.4
Medium- and long-term	13.9	11.2	12.0	10.9	9.0	8.6
IMF repurchases	3.5	3.1	2.3	2.3	2.6	2.8
Interest	10.3	10.2	11.4	8.9	8.5	7.2
Medium- and long-term	9.3	9.6	10.9	8.4	8.2	6.9
IMF charges	1.0	0.6	0.4	0.5	0.4	0.3
Debt rescheduling	9.0	3.4	2.9	7.0	8.7	3.6
Debt service after rescheduling	18.7	21.2	22.7	15.1	11.4	15.0
Memorandum item:						
Exports of goods and nonfactor services (in billions of CFA francs)	383.1	371.5	340.8	706.2	770.5	812.1

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

<sup>1</sup> Medium- and long-term government and government-guaranteed debts, excluding debt service obligations of the multilateral companies, Air Afrique, and Agence pour la Sécurité de la Navigation Aérienne.

<sup>2</sup> After debt cancellation obtained through 1995.

Table 60. Senegal: Exchange Rates, 1991-March 1997

	1991	1992	1993	1994	1995	1996	1997 Jan.-Mar.
<b>Period averages</b>							
CFAF/SDR	385.98	372.79	395.38	795.04	757.13	742.67	779.45
CFAF/U.S. dollar	282.11	264.69	283.16	555.20	499.15	511.55	559.71
<b>End of period</b>							
CFAF/SDR	370.48	378.57	404.89	780.44	728.38	753.06	782.69
CFAF/U.S.dollar	259.00	275.33	294.78	534.60	490.00	523.70	564.35

Source: IMF, International Financial Statistics.

Table 61. Senegal: Nominal and Real Effective  
Exchange Rate Indices, 1989-March 1997<sup>1</sup>

(1990 = 100)

	Real	Nominal
<b>1989</b>		
I	98.007	84.932
II	96.795	85.060
III	98.181	87.117
IV	98.762	90.845
<b>1990</b>		
I	100.324	96.485
II	100.356	99.201
III	98.976	100.899
IV	100.343	103.415
<b>1991</b>		
I	97.301	104.005
II	93.223	100.954
III	91.206	102.029
IV	93.101	105.473
<b>1992</b>		
I	93.557	107.621
II	93.070	110.239
III	94.390	115.279
IV	94.587	117.135
<b>1993</b>		
I	92.312	118.022
II	90.806	120.198
III	89.877	119.259
IV	89.305	122.300
<b>1994</b>		
I	54.057	63.501
II	57.189	65.347
III	61.310	67.285
IV	62.600	67.357
<b>1995</b>		
I	61.887	68.124
II	62.417	68.816
III	64.529	69.364
IV	65.947	70.071
<b>1996</b>		
I	64.256	69.839
II	63.235	69.228
III	64.460	69.605
IV	64.303	69.246
<b>1997</b>		
I	63.107	67.800

<sup>1</sup> Period averages, based on the following average trade weights (in percent):  
France (30.20), United States (10.45), Germany (8.17), Japan (7.81),  
Italy (7.48), Netherlands (5.04), Belgium (4.87), United Kingdom (4.82),  
Spain (4.13), and other countries (17.03).