

## **Niger: Selected Issues and Statistical Appendix**

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INTERNATIONAL MONETARY FUND

NIGER

**Selected Issues and Statistical Appendix**

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Approved by African Department

December 6, 2006

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## I. FINANCIAL SECTOR DEVELOPMENTS

### A. Overview of The Financial Sector

1. **Niger is a member of the West African Economic and Monetary Union (WAEMU).** The Central Bank of West African States (BCEAO) is responsible for both Niger's monetary policy management and its banking regulation and supervision. Niger's relatively underdeveloped financial sector comprises the central bank, 10 commercial banks, two specialized banks, the national social security fund, five insurance companies, three brokerage firms, about 170 microfinance institutions (MFIs), and (until the end of 2005) the postal institution.<sup>1</sup> The WAEMU regional stock exchange has an office in Niamey, Niger's capital.
2. **Financial intermediation in Niger remains weak.** Niger at year-end 2005 had the lowest ratios of broad money to GDP and deposits to GDP in the WAEMU. By authorities' estimates, 80–90 percent of the population does not have access to financial services.
3. **The banking sector dominates the financial system.** Total assets of the financial system at year-end 2005 were CFAF 373 billion, or 21 percent of GDP (Table 1).<sup>2</sup> Of total assets, banks accounted for 63 percent, nonbank financial institutions had 29 percent, the insurance sector had 5.3 percent, and MFIs had 2.7 percent. Two-thirds of banks are owned by non-Nigerien investors, and nonnationals have interest in three of the country's four insurance companies (Table 2). One insurance company is wholly foreign-owned.
4. **Niger's financial sector experienced severe distress in the late 1980s and 1990s.** Banks, the postal institution, the social security fund, and MFIs all faced financial crises. Many factors contributed to these difficulties; at a macro level, such factors include long periods of political and economic instability, slow or negative economic growth, chronic poverty, low savings levels, and years of meager donor activity.

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<sup>1</sup> The National Postal and Saving Institution (ONPE) is being split into two entities that will separately manage postal and financial activities.

<sup>2</sup> In interpreting the various ratios relating to total assets, readers should note that MFI assets could be higher because not all MFIs reported results of their activities to the Microfinance Monitoring Unit of the Ministry of Economy and Finance (MEF), including the 70 or so institutions that currently operate without a license.

Table 1. Niger, Total Assets of the Financial System, 2005 <sup>1</sup>

Institutions	CFAF billion	Percent of total
<b>Banks</b>	<b>234.7</b>	<b>62.9</b>
Banque Internationale pour l'Afrique au Niger (BIA-Niger)	65.4	17.5
Bank of Africa-Niger (BOA-Niger)	56.5	15.2
Société Nigerienne de Banque (SONIBANK)	38.2	10.3
Banque Commerciale du Niger (BCN)	39.8	10.7
Banque Islamique du Niger pour Le Commerce et L'Investissement (BINCI S.A.)	7.7	2.1
ECOBANK-Niger (ECOBANK)	12.8	3.4
Banque Sahelo-Saharienne pour L'investissement et le Commerce-Niger (BSIC-Niger-SA)	2.8	0.8
Credit du Niger (CDN)	8.3	2.2
Bank Regionale de Solidarité du Niger (BRS-Niger)	3.2	0.9
Banque Atlantique Niger (BAN-Niger)		0.0
<b>Specialized financial institutions</b>	<b>1.9</b>	<b>0.5</b>
Caisse de Prets Aux collectivités Territoriales (CPCT)	1.9	0.5
Société Saheliene de Financement (SAHFI)	...	...
<b>Insurances companies</b>	<b>19.9</b>	<b>5.3</b>
Leyma	5.9	1.6
UGAN	7.9	2.1
CAREN	2.8	0.8
NIA	3.3	0.9
<b>Nonbank financial institutions</b>	<b>106.4</b>	<b>28.5</b>
of which: CNSS	88.0	23.6
ONPE	18.4	4.9
<b>Microfinance institutions</b>	<b>10.0</b>	<b>2.7</b>
<b>TOTAL</b>	<b>372.9</b>	<b>100.0</b>

Source: Nigerien authorities.

<sup>1</sup>Excluding the National Social Security Fund (CNSS).

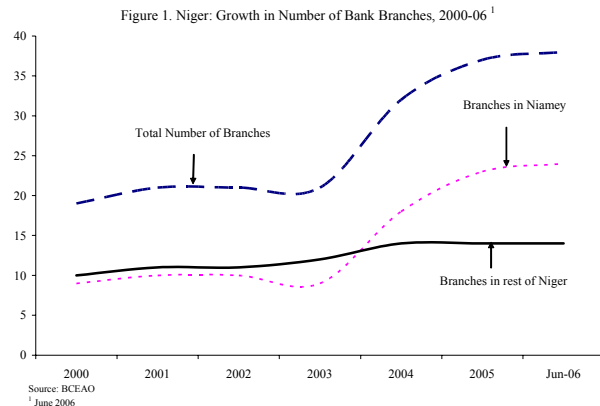
5. **Institutional factors have also hurt the sector.** Such factors include an inefficient judicial system; poor financial sector policies, including lax banking supervision; a rigid interest rate structure; and sectoral credit allocation. Mismanagement, subsidized and directed lending (particularly in the late 1970s and 1980s), and governmental budgetary problems contributed to the failure of state-controlled financial institutions.

## B. Recent Banking Developments

6. **Along with the rest of the financial system, the banking sector has suffered much financial distress since the late 1980s.** Besides factors that have affected the financial system as a whole, government arrears to banks and the private sector and the high cost of obtaining land titles have hurt the banking sector. Lending to the agricultural sector, which accounts for over 40 percent of GDP, has been constrained by lack of organization among farmers and the absence of adequate collateral.

7. **The situation has improved since the 1999 elections.** Improved political and socioeconomic conditions have made the environment more conducive to financial sector development. Further financial sector reforms implemented since then, including the restructuring of viable but financially-troubled banks and the liquidation of unviable banks, have also supported the banking sector's recovery.

8. **The number of banks and bank branches in recent years has increased rapidly.** In the early 1990s there were over 60 bank branches, mostly specialized banking institutions, but the number fell drastically in the 1980s after the closure of the Banque de Développement de la République du Niger (BDRN) and the Caisse Nationale de Crédit Agricole (CNCA). After falling to 9 banks (including one specialized bank) in 2000, the number of banks climbed to 12 (10 retail banks and 2 specialized banking institutions) by mid-2006. From 2003 to mid-2006 the number of bank branches increased from 21 to 38 (Figure 1), reflecting aggressive marketing by the four largest banks owing to increased competition.



9. **Niger's newest banks—the Atlantic Bank, a regional bank based in Côte d'Ivoire, and the Regional Solidarity Bank (RSB)—opened in 2005.** RSB's operations, which target traditional bank clients as well as lower-income clients, could help increase access to bank services and interact with MFIs.

10. **Niger's banking system is majority foreign owned.** Foreign shareholding at year-end 2005 constituted 66 percent of the banking sector's total capital (Table 2). The foreign presence is dominated by regional-based groups representing western and northern Africa, which have increased their presence significantly in recent years. The only other major international presence is Belgium-based Belgolaise bank, which has holdings in the BIA, Niger's largest bank.



Table 2: Niger: Distribution of Ownership of Commercial Banks and Specialized Financial Institutions  
(Year-end 2005)

Institutions	Parent Company	Capital						
		CFAF millions				Percent		
		Government	Private	Non-National	Total	Domestic	Foreign	Total
<b>Commercial Banks</b>								
BIA	Belgolaise/COFIPA	-	718	2,082	2,800	26	74	100
BOA	African Financial Holding	-	309	1,191	1,500	21	79	100
SONIBANK	Société Tunisienne de Banque	860	240	900	2,000	55	45	100
BCN	Libyan Arab Foreign Bank	342	-	1,685	2,027	17	83	100
BINCI	Islamic Development Bank and Daar Al Mal Al Islamic	610	-	1,200	1,810	34	66	100
ECOBANK	Ecobank Transnational Inc. <sup>1</sup>	-	975	1,125	2,100	46	54	100
BSIC	BSIC Group	-	-	3,337	3,337	-	100	100
CDN	Government of Niger	1,720	-	-	1,720	100	-	100
BRS	BRS Group	-	-	2,000	2,000	-	100	100
BAN <sup>1</sup>	Atlantic Bank Group	...	...	...	...	...	...	...
<b>Specialized Financial Institutions</b>								
CPCT	Government of Niger	1,129	-	-	1,129	100	-	100
SAHFI <sup>1</sup>	SAHFI S.A	...	...	...	...	...	...	...
<b>Total</b>		<b>4,661</b>	<b>2,242</b>	<b>13,520</b>	<b>20,423</b>	<b>34</b>	<b>66</b>	<b>100</b>

Source: BCEAO.

<sup>1</sup> Opened in 2005.

11. **The banking sector is highly concentrated.** In 2001–05 a single bank held over one-quarter of total assets and accounted for between one-quarter and one-third of total bank deposits and loans (Table 3). The four largest banks accounted for 80–92 percent of the market in that period. The highly concentrated credit portfolio reflects the nature of the economic structure, including the predominance of activity in a few key areas, the presence of much informal activity, and the banking sector's focus on corporate rather than on small and medium-sized enterprises.

Table 3. Niger: Concentration Ratio of Banks, 2001-05  
(Percent)

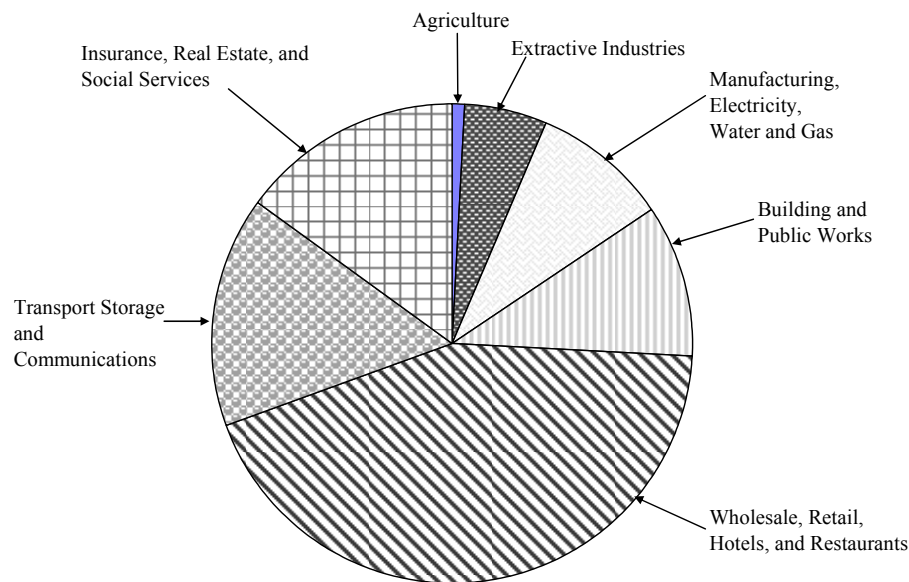
Concentration Ratio	2001			2002			2003			2004			2005		
	Assets	Deposits	Loans	Assets	Deposits	Loans	Assets	Deposits	Loans	Assets	Deposits	Loans	Assets	Deposits	Loans
Bank 1	28.8	28.5	36.7	26.6	29.3	32.0	27.4	28.7	28.6	28.4	28.9	29.4	27.5	31.5	30.1
Bank 1+2	52.7	53.8	64.5	55.0	57.6	62.3	54.8	57.1	56.0	55.2	55.2	57.0	51.3	55.1	54.8
Bank1+2+3	68.4	73.2	80.4	72.6	77.0	78.9	70.3	74.2	75.4	71.0	72.8	74.7	68.0	72.6	69.4
Bank1+2+3+4	80.0	86.4	91.4	85.5	89.7	92.3	85.1	88.1	86.8	85.0	89.1	84.8	84.1	89.4	83.8
Others	20.0	13.6	8.6	14.5	10.3	7.7	14.9	11.9	13.2	15.0	10.9	15.2	15.9	10.6	16.2
<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>	<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>	<b>100.0</b>

12. **The lending portfolio is concentrated among a few large enterprises.** The 10 largest beneficiaries at year-end 2005 accounted for 27 percent of private sector credit. In recent years there has been a shift in the composition of credit, with an increase in the share of telecommunication companies, and a decrease in that of the uranium companies, traditionally the largest users of credit. At end-2005 the top three telecommunication companies accounted for 7.7 percent of total credit, the top two petroleum companies for 7.1 percent, and the mining companies for 6 percent. The change in the portfolio structure

reflects, among other factors, completion of heavy investment by the main mining companies; and economic diversification. Some new private-sector-led initiatives in agriculture (new lines of products), mining (charcoal), and manufacturing (dairy products, leather, etc.) could further diversify the credit portfolio of firms. Most of these initiatives are still in an initial preparatory phase.

13. **The distribution of credit does not reflect the relative importance of the various sectors of the economy.** Despite its strong contribution to GDP, the agricultural sector has consistently received less than 1 percent of total credit (Figure 2). The trade sector has historically been by far the most important beneficiary; at year-end 2005, it accounted for 46 percent of private sector credit. Nevertheless, the share of credit to the trade sector fell in 2004 and 2005. In contrast, credit to transport, storage, and communications increased dramatically, from 4.2 percent in 2002 to over 16 percent in 2005, mostly owing to strong growth in the telecommunication sector following the establishment of mobile phone and internet services.

Figure 2. Niger: Distribution of Credit by Economic Activity, 2005



14. **The private sector has played a greater role in driving economic activity, as evidenced by its increasing share of total credit.** The share of credit to the private sector at year-end 2005 was 63 percent, up from 40 percent in 1999 (Table 5). Meanwhile the government's share of credit fell from 60 percent in 1999 to 37 percent in 2005.

Table 4. Niger : Summary Balance Sheet of Banks and Specialized Financial Institutions, 2001-05

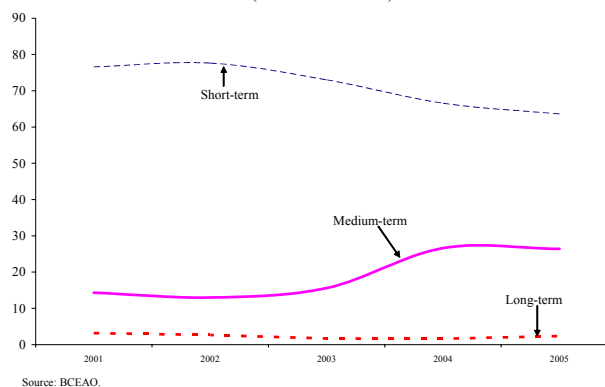
	2001		2002		2003		2004		2005	
	Millions of CFAF	Percent of Total	Millions of CFAF	Percent of Total	Millions of CFAF	Percent of Total	Millions of CFAF	Percent of Total	Millions of CFAF	Percent of Total
<b>Assets</b>										
Cash and due banks	53.1	33.0	48.3	30.0	63.1	35.1	68.2	33.5	66.4	28.0
Bank loans	71.8	44.6	82.3	51.2	87.9	48.9	104.1	51.1	131.9	55.7
of which: LT credit (initial term to maturity>12 years)	2.27	1.4	2.2	1.4	1.5	0.8	1.7	0.8	3.1	1.3
MT credit (2<initial term to maturity<10 years)	10.300	6.4	10.700	6.7	13.7	7.6	27.7	13.6	34.8	14.7
ST credit (initial term to maturity<2 years)	55.000	34.2	63.900	39.7	64.200	35.7	69.3	34.0	83.9	35.4
Others assets	36.1	22.4	30.2	18.8	28.7	16.0	31.5	15.5	38.5	16.3
of which : securities	8.9	5.5	9.4	5.8	7.600	4.2	7	3.4	10.9	4.6
<b>TOTAL ASSETS <sup>1</sup></b>	<b>161.0</b>	<b>100.0</b>	<b>160.800</b>	<b>100.0</b>	<b>179.7</b>	<b>100.0</b>	<b>203.8</b>	<b>100.0</b>	<b>236.8</b>	<b>100.0</b>
<b>Liabilities</b>										
Interbank deposits	14.4	9.0	11	6.9	19.6	10.9	13.5	6.6	21.5	9.1
Deposits	110	68.5	116.2	72.5	128.2	71.4	155.7	76.4	172.6	73.0
of which : Term deposits	36.1	22.5	47.4	29.6	50.9	28.4	99.2	48.7	111.7	47.2
Sight deposits	73.9	46.0	68.8	42.9	77.3	43.1	56.5	27.7	60.9	25.7
Other liabilities	15.3	9.5	11.000	6.9	9.9	5.5	10.3	5.1	14.7	6.2
Net worth	20.8	13.0	22.1	13.8	21.8	12.1	24.3	11.9	27.800	11.7
of which : Capital and reserves	19.1	11.9	20.4	12.7	21.400	11.9	23.2	11.4	27.4	11.6
<b>TOTAL LIABILITIES <sup>1</sup></b>	<b>160.5</b>	<b>100.0</b>	<b>160.3</b>	<b>100.0</b>	<b>179.5</b>	<b>100.0</b>	<b>203.8</b>	<b>100.0</b>	<b>236.6</b>	<b>100.0</b>

Source: BCEAO.

<sup>1</sup> Data do not match exactly due to rounding off.

15. **The structure of bank credit by maturity has evolved over time.** From 2003 to 2005, while the share of short-term credit fell by 13 percentage points, the share of medium-term credit almost doubled (Table 4; Figure 3). Principal factors behind this trend include (i) the major infrastructure investments made ahead of the December 2005 Francophonie Games; and (ii) increased investment by telecommunication firms.

16. **Despite the opening of more banks, the penetration rate in Niger remains among the lowest in the region.** The authorities estimate that only 10–20 percent of the population has access to banking services. Coverage is highly concentrated in Niamey. There, two-thirds of all bank branches serve a population of 808,000, or one branch for every 33,700 inhabitants, compared with one branch for every 844,000 inhabitants in areas outside the capital (Figure 1).

Figure 3. Niger: Distribution of Bank Credit by Maturity, 2001-05  
(Percent of total credit)

Source: BCEAO.

17. **Given the low penetration rate, financial deepening has been modest.** Most key indicators of financial depth have seen only modest growth in the past five years (Table 5). The ratios of credit to GDP and deposits to GDP have increased by only about 2 percentage points and the ratio of private sector credit to GDP by only about 1 percentage point since 2000. However, the ratio of broad money to GDP has risen by 5.6 percentage points.

Table 5. Niger: Key Indicators of Financial Deepening  
(Millions of CFA francs, unless otherwise indicated)

	2000	2001	2002	2003	2004	2005
Broad Money (M2)	103.2	137.0	136.4	194.0	233.3	248.6
Domestic Credit	111.6	114.0	128.9	139.7	186.4	191.8
Credit to the Economy	68.6	66.0	75.8	83.0	101.1	121.3
Net Credit to the Government	43.0	48.0	53.1	56.6	85.3	70.5
GDP	1,280.4	1,426.0	1,512.8	1,574.1	1,554.8	1,793.0
M2/GDP (percent)	8.1	9.6	9.0	12.3	15.0	13.9
Credit to the Economy/GDP (percent)	5.4	4.6	5.0	5.3	6.5	6.8
Deposits	69.5	85.5	95.4	106.6	132.5	137.9
Private Deposits	65.1	82.2	92.6	104.0	129.5	134.8
Government Deposits	4.3	3.4	2.8	2.6	3.0	3.1
Deposits/GDP (percent)	5.4	6.0	6.3	6.8	8.5	7.7
Domestic Credit/GDP	8.7	8.0	8.5	8.9	12.0	10.7

Sources: Nigerien authorities; and BCEAO.

Table 6. Niger: Selected Financial Indicators of WAEMU Countries, 2005  
(Percent)

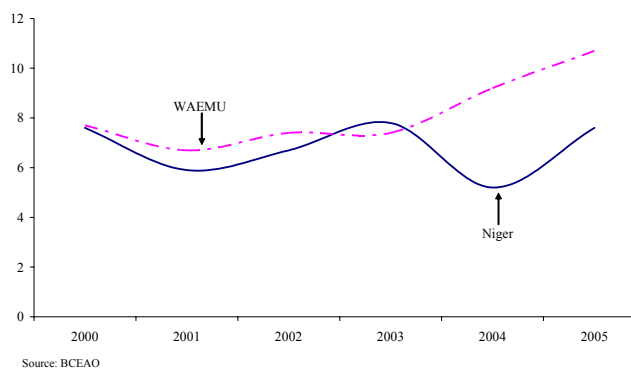
	Broad Money/GDP	Domestic Credit/GDP	Total Deposits/GDP	Private Sector Credit/GDP
Benin	27.4	12.9	17.7	16.2
Burkina Faso	18.7	14.9	13.4	15.9
Côte d'Ivoire	24.1	18.2	15.2	13.6
Guinea-Bissau	33.3	9.1	7.6	2.1
Mali	29.7	17.3	17.5	18.2
Niger	13.9	10.7	7.7	6.8
Senegal	34.2	22.1	25.6	22.8
Togo	28.3	18.0	22.4	17.6

Sources: IFS and WEO.

18. **Niger's limited financial deepening appears even more pronounced when compared with other WEAMU countries.'** Niger at year-end 2005 had the lowest ratios of broad money to GDP and deposits to GDP and the second-lowest ratios of total credit to GDP and private sector credit to GDP (Table 6), despite the opening of new banks.

19. **The quality of Niger's loan portfolio, however, appears relatively strong when compared with the regional data.** Except for in 2003, the ratio of nonperforming loans (NPLs) to total loans in Niger has been lower than the WAEMU average (Figure 4).

Figure 4. Niger: Nonperforming Loans of Banks and Financial Institutions, Niger versus Rest of WAEMU, 2000-05 (Percent of total loans)



Source: BCEAO

20. **Nigerien banks perform satisfactorily in complying with the WAEMU prudential ratios.** At year-end 2005, all Nigerien banks were fully compliant with three key WAEMU norms—the risk-weighted capital adequacy ratio, participation in nonbank companies' capital, and the required ratio of credit to insiders-to-effective capital (Table 7). Eight of ten banks also met the required liquidity ratio. One bank did not meet the minimum effective capital requirement.

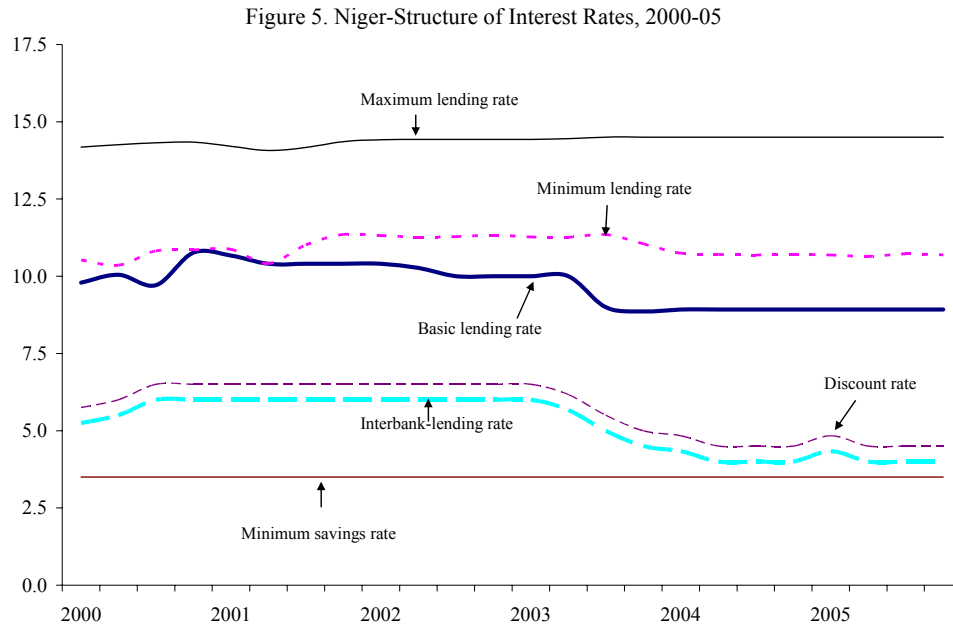
Table 7. Niger: Selected Indicators of Compliance with WAEMU Prudential Norms, 2003-05

WAEMU Prudential Ratio	Norm	Number of Banks Out of Total Meeting WAEMU Norms		
		2003	2004	2005
Minimum capital requirement	> CFAF 1,000 million	6/8	7/9	9/10
Risk-weighted capital adequacy ratio	> 8 Percent	8/8	9/9	10/10
Transformation ratio	> 75 Percent	4/8	8/9	6/10
Liquidity ratio	> 75 Percent	6/8	7/9	8/10
Participation in nonbank companies' capital	< 15 Percent	8/8	9/9	10/10
Fixed assets /Effective capital	< 100 Percent	8/8	8/9	8/10
Credit to management /Effective capital	< 20 Percent	8/8	9/9	10/10

Source: BCEAO.

21. **Interest rates in Niger are been very stable in recent years.** The BCEAO reduced the discount rate from 5.5 percent in July 2003 to 4.5 percent in March 2004 in three steps. More recently, the rate was increased to 4.75 percent in August 2006 (Figure 5). With the lower discount rate, and owing to increased competition, lending rates and deposit rates have since fallen. With the savings rate—the interest rate floor—unchanged, the interest rate spread has narrowed. As in the rest of the WAEMU, interest rates in Niger are partially regulated. Lending rates are set freely by banks up to a maximum of 18 percent (usury rate). The minimum passbook savings rate has been fixed at 3.5 percent for deposits up to CFAF 5 million since 1996; beyond that amount, banks and clients negotiate the interest rate.

22. **Nigerien banks have relatively high profit margins, though operating costs tend to exceed the regional average.** The average income on loans, net of cost of financial resources, in 2000–05 was 10.7 percent (Table 8), reflecting Niger's low average cost of resources and its relatively high lending rates (see Figure 5) as well as its relatively large share of non-interest bearing (sight) deposits (Table 4). The high share of sight deposits reflects the dominance of the trade sector—which requires companies to be highly liquid given Niger's lack of banking instruments—as well as the large informal sector. Although the average net income on loans in 2000–05 was marginally higher than the WAEMU average, operating costs were higher than in the rest of the region. Indeed, in 2000–05 the operating ratio—operating expenses as a percentage of net banking income—fluctuated between 68 percent and 75 percent, while the WAEMU average did not exceed 70 percent.



### C. Financial Sector Reforms

23. **The first major reforms of the financial sector were undertaken in the late 1980s and early 1990s.** These reforms, which were implemented in the context of more comprehensive reforms by the BCEAO, included legal and institutional measures. At the regional level, reforms included the adoption of a regional banking law (1989), establishment of the regional Banking Commission (1990), and introduction of a new regional insurance code. A regional regulatory and supervisory framework for the microfinance sector was also adopted in 1996.

24. **At the national level, reforms were centered on the restructuring of troubled but financially-viable banks as well as the liquidation of nonviable banks.** Four banks were restructured—the Nigerien International Bank (NIB) in 1983, the Banque Arabe Lybienne Nigérienne pour le Commerce Extérieur et le Développement (Balinex) in 1993, the Banque Internationale de l’Afrique de l’Ouest (BIAO-Niger) in 1995, and the Banque Islamique pour le Niger (BIN) in 1996. Four other banks were liquidated—the BDRN, CNCA, the Banque Internationale pour le Commerce et l’Industrie du Niger (BICIN) in 1992, and the Bank of Credit and Commerce-Niger (BCC) in 1995. The four banks that were restructured reemerged as new banks: the NIB became the BOA; the BIAO-Niger, which was taken over by the Belgolaise group, is now the Banque Internationale pour l’Afrique (BIA); the Balinex

Table 8. Niger: Bank Profitability, 2001-05  
(Millions of CFAF)

	2001	2002	2003	2004	2005
<b>1. INTEREST REVENUE</b>	<b>16214</b>	<b>16726</b>	<b>17574</b>	<b>20211</b>	<b>23669</b>
Treasury and interbank operations	1041	950	536	644	725
Customer operations	11406	12073	13244	15412	18116
Securities and miscellaneous operations	740	754	736	634	628
Financial leasing and similar operations	0	0	0	1	0
Exchange operations	2443	2121	2307	2750	3213
Off- balance-sheet operations	546	756	626	746	922
Financial services provided	61	83	121	136	79
Other income	0	0	4	16	11
<i>Less Interest on nonperforming treasury and interbank operations</i>	0	0	0	0	0
<i>Interest on nonperforming customer operations</i>	23	11	0	128	25
<b>2. INTEREST COST</b>	<b>2592</b>	<b>2651</b>	<b>2755</b>	<b>2802</b>	<b>3531</b>
Treasury and interbank operations	1180	608	515	644	624
Customer operations	1294	1608	1654	1858	2182
Securities and miscellaneous operations	4	9	10	8	6
Financial leasing and similar operations	0	0	0	0	0
Exchange operations	98	391	486	169	569
Off-balance-sheet operations	0	3	8	13	7
Financial services provided	14	18	13	44	64
Other expenses	2	14	69	66	79
<b>3. NET INTEREST INCOME (NII) (1-2)</b>	<b>13622</b>	<b>14075</b>	<b>14819</b>	<b>17409</b>	<b>20138</b>
<b>4. NON-INTEREST INCOME</b>	<b>192</b>	<b>166</b>	<b>180</b>	<b>297</b>	<b>240</b>
Property income	8	67	86	62	90
Other income (excluding subvention)	295	233	197	235	328
<i>Less Financial operations on fixed assets</i>	0	0	0	0	0
<i>Income on other non-financial operations</i>	111	134	103	0	178
<b>5. NON-INTEREST EXPENSES</b>	<b>8045</b>	<b>8665</b>	<b>9409</b>	<b>11765</b>	<b>12617</b>
Personal expenses	3284	3492	3888	4650	5007
Miscellaneous operating expenses	406	508	5032	6373	7026
Taxes and fees	4355	4665	489	742	584
<b>6. DEPRECIATION AND NET PROVISION ON FIXED ASSETS</b>	<b>1222</b>	<b>1124</b>	<b>1141</b>	<b>1334</b>	<b>1247</b>
<b>7. GROSS INCOME AFTER DEPRECIATION (3+4-5-6)</b>	<b>4547</b>	<b>4452</b>	<b>4449</b>	<b>4607</b>	<b>6514</b>
<b>8. NET PROVISION ON RISKS</b>	<b>2048</b>	<b>1656</b>	<b>2349</b>	<b>3056</b>	<b>1627</b>
Contributions to provisions and irrecoverable losses	3753	3456	3871	6809	2975
Contributions to real property depreciation and provisions	1705	1800	1522	3753	1348
<b>9. INTEREST ON BAD AND DOUBTFUL DEBT</b>	<b>23</b>	<b>11</b>	<b>0</b>	<b>128</b>	<b>25</b>
<b>10. OPERATING PROFIT/LOSS (-) (7-8+9)</b>	<b>2522</b>	<b>2807</b>	<b>2100</b>	<b>1679</b>	<b>4912</b>
11. Extraordinary items	-91	-96	597	596	-172
12. Income from the previous fiscal year	-501	-492	-204	124	-387
13. Profit tax	787	1147	769	1088	1502
<b>14. NET INCOME (10+11+12+13) = (15+16)</b>	<b>1143</b>	<b>1072</b>	<b>1724</b>	<b>1311</b>	<b>2851</b>
15. Profit	1745	1847	2531	2694	3894
16. Losses	-602	-775	-807	-1383	-1043
<i>Memorandum Items:</i>					
Average income on loans (Niger)	10.5	10.9	10.4	10.5	10.6
Average income on loans (WAEMU)	10.0	10.1	9.9	9.6	9.6
Return on Equity (percent) (Niger)	5.2	4.5	7.5	5.0	9.2
Return on Equity (percent) (WAEMU)	5.1	4.5	7.4	8.6	9.9
Operating ratio (Operating expenses/NII) (Niger)	68.0	69.5	71.2	75.2	68.8
Operating ratio (Operating expenses/NII) (WAEMU)	69.3	69.7	68.4	68.3	66.3

Source: WAEMU Banking Commission.

reemerged as the Banque Commerciale du Niger (BCN); and the BIN became the Banque Islamique du Niger pour le Commerce et l'Investissement (BINCI). Not all, however, were

immediately successful. The BINCI was placed under enhanced surveillance by the Banking Commission in 1996 after it registered huge losses and a deterioration in its capital base. During the period of enhanced surveillance, the bank improved its management and internal controls, which led to satisfactory compliance with key WAEMU prudential norms and, eventually, the lifting of enhanced surveillance in 2003. The BCN was placed under provisional administration in 2001 after years of weak profitability and high levels of nonperforming loans. Provisional administration was lifted in 2004 after restructuring and recapitalization.

25. **Public financial institutions also have faced financial difficulties.** In a further restructuring, Niger's two oldest financial institutions—the Crédit du Niger (CDN) and the Caisse de Prêts Aux Collectivités Territoriales (CPCT)—were placed under provisional administration in 1999. The CDN, which was established as a housing bank in 1957, mostly serves government employees who in the 1990s were paid irregularly. The accumulation of wage arrears eventually hurt CDN's deposits and reduced its ability to recover debt from employees awaiting payment, pushing the institution toward bankruptcy. The failure of the CPCT, a specialized institution established to provide financial services (such as investment credit) to local governments, similarly stemmed from the government's financial difficulties. Budgetary problems at all government levels in the 1990s strained CPCT's balance sheet, ultimately forcing it under provisional administration. The ONPE has also met major financial difficulties, resulting in a freeze of postal deposits in the late 1990s.

26. **In 2004 the authorities formulated a financial sector reform agenda, with assistance from the World Bank.** To support this program, the World Bank in 2004 approved a US\$14.8 million Financial Sector Development Project Loan (FSDP). The key elements of the reform agenda are (i) restructuring banks that remain under government control (CDN and CPCT)<sup>3</sup>; (ii) restructuring the ONPE; (iii) an actuarial audit of the Caisse Nationale de Sécurité Sociale (CNSS); (iv) reform of the insurance sector; and (v) promotion and supervision of the microfinance sector.<sup>4</sup> Though much remains to be done, there has been notable progress in implementing the reforms. Key developments and outstanding reform issues include:

- **Privatization of the CDN:** The objective is to privatize the CDN by early 2007. Following an exercise to confirm the financial position and net indebtedness of the bank in 2005, an expert recruited in 2006 gave the government three options for finalizing the privatization. The government opted to privatize through an international offer. A

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<sup>3</sup> The Fund has collaborated closely with the World Bank in completing studies of the CDN and CPCT.

<sup>4</sup> The restructuring of the BINCI was part of the original project; however, because enhanced surveillance of BINCI was lifted in 2003, such a restructuring is not covered by the project.



precondition is for the CDN to establish a repayment schedule for its debt towards the central bank, which is close to be finalized. The international offer is expected to be launched in early 2007 with a view to completing the privatization by mid-2007.

- **Restructuring the ONPE:** The ONPE is being split into two entities: **Nigerposte** and **Finaposte**, which will manage postal services and financial services, respectively. **Nigerposte** was created in March 2006, and its board approved in the same month the creation of the Finaposte. The entry into operation of the latter is conditional to recapitalizing the institution with a minimum amount of CFAF 1 billion, so as to meet the requirement for obtaining a financial license from the WAEMU Banking Commission, The government has committed to pay this amount before year-end 2006.
- **Reform of the CNSS:** While an important part of the restructuring, CNSS reform has made little progress owing to the need to carry out an updated actuarial audit.
- **Restructuring of the CPCT:** Owing to capacity constraints, the government has instead focused on restructuring the CDN and ONPE, delaying the CPCT restructuring until 2007.
- **Microfinance:** The key reform in this area involves the creation of a new regulator agency for microfinance institutions (see next section).

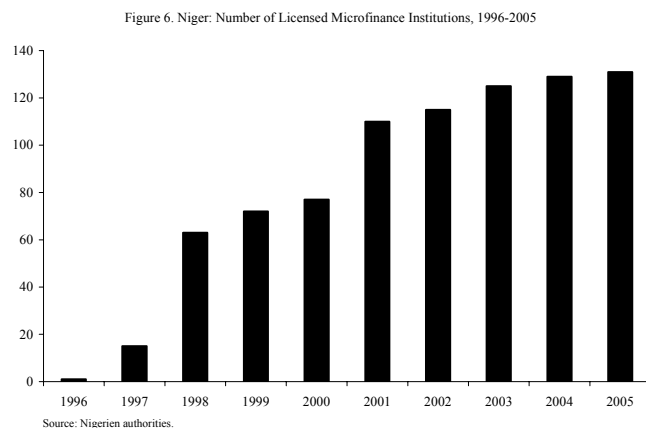
## D. The Microfinance Sector in Niger

### Background and Context

27. **Though dating back to 1989, Niger’s MFI activities only reached significant scale in the late 1990s**, when many institutions moved to fill the service void left by the BDRN and CNCA.

28. **The number of licensed MFIs shot up from 15 in 1997 to 72 in 1999** (Figure 6). By then, the role of MFIs, especially cooperatives formed in rural areas, in fighting poverty was widely accepted. In 2000, institutions based on direct credit arrived in Niger. More recently, institutions offering project-related credits financed by donor funds have joined the sector.

As noted above, about 170 MFIs currently operate in Niger; about 70 operate without a license.



29. The following three modes of MFI operations in Niger are the most common:

- **Credit unions:** About 140 credit unions provide credit to customers with savings accounts at the institution. The main players are MCEPEC and UMEC (networks) as well as TAMAICO, MECREF, and NGADA (autonomous institutions).
- **Direct credit institutions:** These institutions, which amount to 10, provide credit without requiring borrowers to have a savings account with the institution. The most prominent ones are SICR-KOKARI and AQUADEV/ASUSU CIIGABA.
- **Project-related institutions:** Rather than providing only financial services, these 20 institutions typically support the implementation of specific projects and thus do not continue operating after such projects are completed.

30. **The regulatory framework for Niger’s microfinance sector is similar to that in the rest of the WAEMU.** The framework consists of the Parmec Law (which was approved in 1996 to regulate savings institutions and credit unions) as well as instructions from the BCEAO that govern the production of financial statements. At the national level, the Ministry of Economy and Finance’s Microfinance Monitoring Unit supervises MFI activities. Supervision by this unit has been ineffective owing to, among other factors, lack of capacity, and inadequate human and financial resources. Indeed, the exact number of MFIs is unknown, and many such institutions operate without a license. A new MFI Regulatory Agency, expected to be established by year-end 2006, along with a comprehensive MFI survey—for which the results are expected to be published in the first half of 2007—should help address these weaknesses.

31. **Several major MFIs have experienced financial difficulties in recent years.** Two large institutions—the Movement des Caisses d’Epargnes et de Crédit (MCPEEC) (a network) and TAIMAKO (an autonomous MFI)—have been under provisional administration since 2001.<sup>5</sup> These two MFIs accounted for over 19 percent of total MFI beneficiaries in 2004. A third institution, ADDACHE, which has also been under provisional administration, is close to liquidation. Though not under administration, Union des Mutuelles de l’Epargne et de Crédits (UMEC), which had about 9 percent of total MFI membership in 2004, is in financial difficulties and could face liquidation.

32. **Nonetheless, some MFIs have been successful,** including the autonomous institutions of MECREF (a mostly women-based MFI), the SICR KOKARI, TANAADI, and the AQUADEV groups. Generally, the MFIs with competent management and strong internal control have been the most successful.

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<sup>5</sup> Only the parent entity of MCEPEC is under administration; most members of the network are in sound financial health. Many members of UMEC are also financially sound.

33. **Several factors have contributed to the poor state of many institutions.** At the level of MFIs, mismanagement, lack of qualified personnel, of adequate procedures and accounting systems have negatively affected performance. Supervision has also been inadequate, because of lack of audits and inspections, and failure to take necessary and decisive action against delinquent MFIs.

34. **To address these weaknesses, the microfinance sector has benefited from significant donor assistance.** The International Fund for Agricultural Development (FIDA), through the Rural Financial Sector Development Project (RFSDP), and the World Bank, through the FSDP, have provided financial and technical assistance to various structures, including MFIs, the Association of Nigerien Professional Microfinance Institutions (ANIP-MF), and the MFI Monitoring Unit. The World Bank has also assisted a number of MFIs through the Private Irrigation Project (PIP II) by providing direct subsidies, as well as utilizing the services of MFIs in implementing other project-related activities. Beyond the RFSDP and the FSDP, the Luxembourg Agency for Cooperation and Development (Lux Development) and Canadian-based Desjardins International Development (DID) have also assisted the microfinance sector; however, these efforts have been more targeted.<sup>6</sup> The Lux Development has been involved mostly in the artisanal sector through the intermediary of MFIs, while the DID has focused on the restructuring of the MCEPEC.

#### **E. Recent Trends in Key Microfinance Indicators**

35. **Key indicators point to a steady growth in MF activities, despite the sector's financial weaknesses.** From 1998 to 2005, MFI **membership** rose by over 50 percent, deposits almost doubled, and credit grew by almost two and a half times. (Table 9). The **social impact** of MFIs over that period has been significant.

36. **MFIs have had a positive impact on the poor.** One measure of this is access by women. As shown in Table 9, the number of women beneficiaries more than tripled in 2000-05. As a share of the total membership, women members accounted for about half of total beneficiaries at year-end 2005, compared with only one third in 2000. Another measure of the impact on the poor is outreach. The number of MFI service points totaled 177 at year-end 2005, which represents about 90 percent of service outlets of the entire financial system.

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<sup>6</sup> The DID is a Canadian group specializing in providing technical assistance to community-based investment in emerging and developing countries. It is present in 20 countries in Africa, Latin America, the Caribbean, Asia, East Europe, and Central Europe.

Table 9. Niger: Selected Indicators of Microfinance Institutions, 2000-05 <sup>1</sup>

	2000	2001	2002	2003	2004	2005
Number of institutions reporting to MEF	83.0	75.0	57.0	54.0	61.0	79.0
Total assets (millions of CFAF)	4,128.0	4,759.0	5,018.0	5,956.0	7,882.0	10,048.0
Deposits (millions of CFAF)	2,169.0	2,565.0	2,981.0	3,325.0	3,856.0	4,186.0
In percent of total for financial sector	3.0	2.9	3.0	3.0	2.8	2.9
Average size of deposits (CFAF)	43,393.0	30,568.0	38,013.0	39,625.0	40,987.0	...
Number of service points	171.0	167.0	177.0	177.0	170.0	...
In percent of total financial sector	90.0	88.8	89.4	89.4	84.2	...
Credit outstanding (millions of CFAF)	2,649.0	2,748.0	2,829.0	3,586.0	4,380.0	6,289.0
Number of loans outstanding	11,570.0	12,243.0	14,572.0	16,543.0	23,603.0	...
In percent of total for financial sector	2.3	2.4	2.1	2.5	2.3	3.2
Average size of outstanding loans (CFAF)	228,965.0	171,141.0	183,325.0	205,094.0	180,699.0	...
Non-performing loans (millions of CFAF)	322.0	406.0	431.0	405.0	415.0	...
NPL in percent of total credit of MFIs-Niger	12.2	14.8	15.2	11.3	9.5	...
NPL in percent of total credit of MFIs-WAEMU	11.3	6.4	6.7	5.9	5.1	n/a
Investment (millions of CFAF)	526.0	485.0	621.0	768.0	1,408.0	...
In percent of total assets	12.7	10.2	12.4	12.9	17.9	...
Subsidies (millions of CFAF)	286.0	291.0	354.0	347.0	578.0	590.0
In percent of total assets	6.9	6.1	7.1	5.8	7.3	5.9
Aggregated net earnings (millions of CFAF)	-296.0	-86.0	57.0	64.0	35.0	-21.0
Operating costs	1,168.0	990.0	1,026.0	1,158.0	1,416.0	21.2
Total beneficiaries <sup>2</sup>	100,000.0	125,000.0	151,000.0	156,000.0	170,988.0	225,588.3
of which: women <sup>3</sup>	33,576.6	39,858.8	73,178.4	78,104.9	85,609.0	118,111.0
Percentage of women in total MFI beneficiaries	33.6	39.9	48.5	50.1	50.1	52.4
Total population <sup>4</sup>	10,735,969.0	11,090,256.0	11,456,235.0	11,834,290.0	12,224,822.0	12,628,241.0
Number of families	1,576,744.4	1,628,777.0	1,702,072.0	1,778,665.2	1,858,705.1	1,923,460.0
Penetration rate <sup>5</sup>	6.3	7.7	8.9	8.8	9.2	11.7
MFI membership as a percentage of total population	0.9	1.1	1.3	1.3	1.4	1.8
Employees	226.0	255.0	310.0	332.0	...	...
In percent of total in financial sector	30.9	33.5	37.3	37.6	...	...

Source: Nigerien authorities; unless otherwise indicated.

<sup>1</sup>Except for indicators of population, number of families and penetration ratio, the data are based only on results of MFIs that reported to the Ministry of Economy and Finance, and may therefore not be fully representative of the entire sector.

<sup>2</sup>For 2000-03 the source is BCEAO. For 2004-05, staff estimates are based on various data sources, including the Association of Professionals of Microfinance Institutions of Niger (ANIP-MF), individual MFIs, and the Ministry of Economy and Finance's Microfinance Monitoring Unit.

<sup>3</sup>Data on the number of women are staff estimates based on the proportion of women in total beneficiaries reported to the MEF by MFIs (2000-03). For 2004-05 the data is based on the proportion of women reported by the ANIP-MF relative to total beneficiaries of the Association.

<sup>4</sup>The population data reported here differs from those reported in BCEAO publications on Microfinance Institutions in Niger because population data used here are those obtained from the Nigerien National Institute of Statistics (NIS).

<sup>5</sup>The penetration rate also differs from what is reported by the BCEAO. Here data on population and the number of families are based on National Institute of Statistics NIS data. For 2001 and 2005, data on the number of families are provided by the NIS. The number of families in 2001 in this table is based on the ratio of the number of families to population in 2001. For 2002-04 the number of families is calculated based on an annual growth rate of 4.5 percent based on INS estimates.

The impact on employment has also been positive. In 2000–04, employment by MFIs grew by 47 percent, to 332 employees. Reflecting the faster growth of MFIs relative to the rest of the financial system, the percentage of MFI employment as a share of total employment rose to 38 percent at year-end 2004, compared with 30 percent in 2000.

**37. The penetration ratio—another measure of social impact—has risen steadily, but remains low.** This indicator, which is measured by the ratio of the number of families to total beneficiaries, rose from 6.3 percent in 2000 to almost 12 percent in Niger in 2005.

Table 10. Niger: Penetration Ratio of Microfinance Institutions in the WAEMU, 2000

	Number of Beneficiaries (in '000) (a)	Population (in '000) (b)	Number of Families (c = b/6) <sup>1</sup>	Penetration Ratio
Benin	803.6	6,200.0	1,033.3	77.8
Burkina Faso	503.7	11,800.0	1,966.7	25.6
Côte d'Ivoire	331.3	16,800.0	2,800.0	11.8
Mali	392.3	11,308.0	1,884.7	20.8
Niger	100.0	10.7	1,576.7	6.3
Senegal	291.3	9,400.0	1,566.7	18.6
Togo	232.9	4,700.0	783.3	29.7

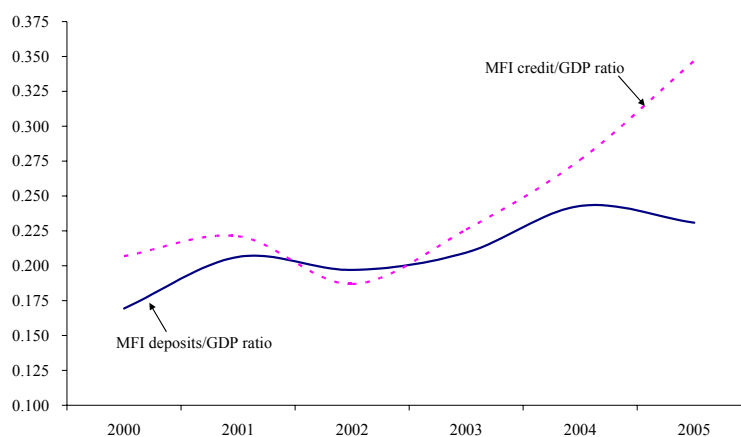
Sources: Nigerien authorities; and BCEAO.

<sup>1</sup>The data for Niger is based on 6.8 persons per family, which is the number provided by the Niger's National Institute of Statistics for 2001. For other countries it is based on 6 members per family based as provided by the BCEAO.

Nevertheless, it remains significantly lower than in the rest of the WAEMU. In 2000—the most recent data available for the zone as a whole—Niger’s penetration ratio was dwarfed by that in the rest of WAEMU. In Benin, the penetration rate was 78 percent and in Côte d’Ivoire—which had the second lowest rate— it was twice as high as in Niger (Table 10).

**38. Indicators of financial deepening among Nigerien MFIs are also remarkably low compared with the rest of the region.** Key indicators of financial depth—total deposits and total credit as a share of GDP—have only experienced significant growth very recently. In 2005 the deposit-GDP ratio rose to 0.23 percent and the credit-to-GDP ratio rose to 0.35 percent (Figure 7). In 2003–04, Niger’s ratio for these indicators was the lowest in the WAEMU region (Table 11).

Figure 7. Niger: Indicators of Financial Intermediation of MFIs (Percent)



Source: Nigerien authorities.

Table 11. Niger: Selected Financial Indicators of Microfinance Institutions in WAEMU countries, 2003-04

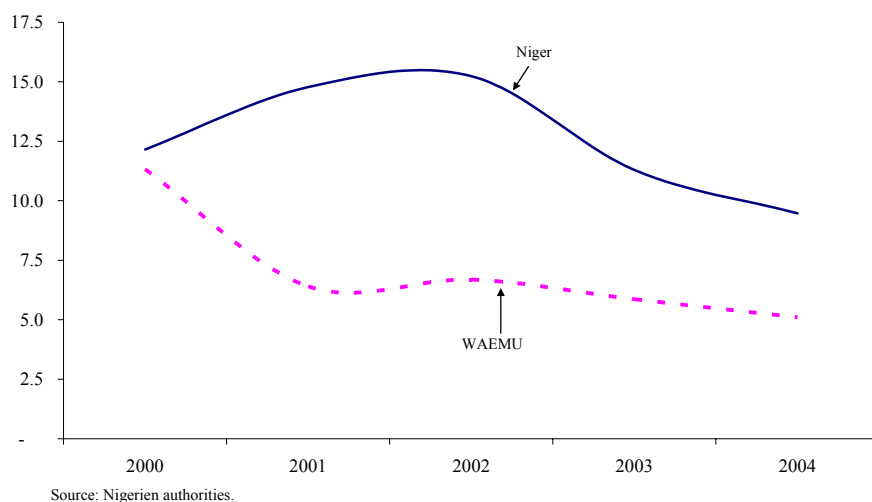
	Total Credit / GDP		Total Deposit / GDP	
	2003	2004	2003	2004
Benin	2.89	...	1.90	...
Burkina Faso	0.96	1.11	1.09	1.32
Côte d'Ivoire	0.24	...	0.58	...
Mali	1.22	1.34	0.96	1.04
Niger	0.23	0.25	0.21	0.18
Senegal	1.37	1.68	1.15	1.37
Togo	1.75	...	2.08	...

Source: BCEAO.

**39. The quality of the sector’s loan portfolio has improved considerably overall since 2002; however, individual MFI loan performance is worrisome.** For all MFIs, the ratio of

NPL to total credit fell from 15 percent in 2003 to just over 4 percent in 2004 (Figure 8). Data for the sector as a whole for 2005 are inconclusive; however, based on results reported by the MFI Monitoring Unit,<sup>7</sup> 8 out of 79 MFIs exceeded the ratio by 10 percent. The ratio of NPLs on donor credit was even worse, averaging 35 percent; for one of the networks, this ratio was a staggering 63 percent. A comparison of NPLs with the rest of the WAEMU confirms Niger's poorer quality of MFI loan portfolios: in each year during 2001–04, Niger's ratio was higher than in the rest of the WAEMU.

Figure 8. Niger: Nonperforming Loan of Nigerien Microfinance Institutions, 2000-04 (Percent of Total Loans)



40. **Only about half of all MFIs recorded in 2005 positive financial results.** Of the 79 MFIs that reported data to the Ministry of Economy and Finance, 28 recorded operating losses. That number rises to 39—half of all the MFIs that reported results—when subsidies are excluded. Out of the 20 MFIs whose balance sheet exceeds CFAF 100 million, two are in serious financial difficulties. One reported losses of CFAF 15.5 million, and the second has negative working capital of CFAF 2.4 million. Of the 79 respondents, 14 declared they had negative equity, while six others said they had negative working capital, meaning that one-quarter of MFIs operating costs exceed deposits and member savings. Many MFIs rely too heavily on external resources, and have a weak deposit mobilization. TAIMAKO, MCEPEC, and UMEC posted losses in 2005. (The two networks were only profitable in project-related activities managed on behalf of donors). Some of the MFIs in financial difficulty, however, are considered viable and could recover with adequate financial support.

<sup>7</sup> The latest data reported by the BCEAO and the authorities for 2005 differ greatly. While the BCEAO reports a deterioration in the overall ratio of NPL to total credit, the authorities' data show an improvement. A statement of the overall ratio of NPLs to total credit in 2005 is thus likely to be inaccurate at this stage.

41. **Because of poor financial management, much-needed external financial assistance has been held back.** The World Bank's PIP (II) has assisted a number of MFIs, including MCEPEC and UMEC. Besides utilizing the services of MFIs in implementing its activities, the project has provided subsidies to MFIs. However, after a World Bank review mission in 2005 concluded that MFIs had not appropriately used the financial support received, this component of the project was suspended. Management issues also played a key role in the cessation of assistance by the French Development Agency (FDA), which cost the sector over €2 million in assistance.<sup>8</sup> The FDA co-financed the first phase of the RFSDP; however, after being dissatisfied with MFI mismanagement and financial crises, it ceased offering assistance in 2005.

42. **The multiple challenges faced by the microfinance sector prompted the authorities to adopt in March 2004 a national strategy for the microfinance sector.** This was expected to be implemented through nationwide consultation among key stakeholders, including the state, donors, management, and members of MFIs. The objective was to revive MFIs that are facing financial problems. However, the implementation of the strategy has so far been slow.

43. **In the context of the national strategy, the government and other stakeholders (MFIs, donors, NGOs, etc.) prepared an eight-point action plan in 2005:**

- carry out an exhaustive survey of MFIs and collection of data;
- formalize administrative, accounting, and financial procedures for MFIs and for the operations of various organisms;
- revise credit policies of MFIs to ensure that these are better adapted to the current context and objectives of the sector;
- improve the financial viability of MFIs;
- provide support to MFIs to allow them to produce key documentation required for short- and medium-term planning (annual budgets, business plans, etc.);
- strengthen the management and supervision of MFIs;
- strengthen institutional capacity of individual MFIs, networks, the ANIP/MF, support and management structures, and supervisory and monitoring structures; and
- improve reporting systems and management information systems of MFIs and set up a database of MFIs.

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<sup>8</sup> The DAF initially planned to contribute €3.4 million, an amount that was reduced to €1.9 million in 2004. At the time of its pull-out, only €1.5 million had been disbursed.

44. **Implementation of this action plan is still at an early stage but there has been some progress.** A comprehensive survey of MFIs, expected to be completed in 2007, will provide the basis for the surveillance function of the new Microfinance Supervisory Agency, which is expected to be established by decree by year-end 2006. A pilot committee established to create the legal and institutional framework for the new agency submitted its proposals to the government in June 2006. This agency will fall under the aegis of the Ministry of Economy and Finance and will function under the rules and regulations of the WAEMU.

45. **Efforts to improve the financial viability of MFIs are being implemented mostly by restructuring institutions that are under administration.** The restructurings of MCEPEC and TAIMAKO are progressing (with the MCEPEC restructuring being supported by the World Bank (through the PDSF), FIDA (through the PDSFR), and the DID. The strategy adopted for restructuring TAIMAKO is to transform member deposits into capital, which would allow it to reduce its debt. The restructuring of these institutions will help reestablish their financial health and expand services, and could encourage further assistance from development partners.

## F. Conclusions

46. **The financial sector is underdeveloped, and key financial indicators lag those in other countries in the region.** Nevertheless, positive developments have emerged in recent years. Indeed, the improved socioeconomic environment has resulted in several foreign banks opening in Niger and increased prospects in extractive industries, in agriculture and agribusiness, and in the services sector offer opportunities for financial sector innovation. Financial sector reforms continue and are being supported by the World Bank (through the Financial Sector Development Project (FSDP)) and other donors.

47. **In a country with so few banks, especially in rural areas, MFIs can play an important role in filling the financial services gap.** So far, however, the contribution of Niger's MFIs have been undermined by mismanagement and financial problems. Key reforms under way in the regulatory and supervisory framework should help address these deficiencies. Success in attracting more external financial support and greater assistance in improving MFI capacity and professionalism would also enhance the microfinance sector's performance



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## II. SOURCES OF ECONOMIC GROWTH IN NIGER<sup>9</sup>

### A. Introduction

48. **Niger's economic growth in the past several decades has been relatively modest and was below the rate of population growth.** In the early 1960s through the late 1970s economic growth was weakened by a series of droughts that adversely affected the agriculture sector. In 1979–82, economic growth was strengthened by increased world demand for uranium which improved the terms of trade and raised export revenues. However, growth weakened with the collapse of world uranium prices in the early 1980s, precipitating a prolonged recession. Though the 1994 devaluation of the CFA franc improved Niger's external competitiveness, real GDP growth has been too low to boost per capita income. This chapter investigates reasons behind Niger's relatively weak growth performance. It uses a growth accounting framework to assess the contribution to growth by factor inputs and total factor productivity (TFP) during 1963–2003. Further, the section presents neoclassical growth model estimates of the role of macroeconomic variables and other factors in determining economic growth in Niger.

49. **The results indicate that the disappointing growth in output per capita during the sample period covered reflects negative growth in both TFP and physical capital per capita.** The regression analysis show that key determinants of Niger's growth performance were droughts, the stage of financial sector development, openness to trade, and investment.

### B. Historical Overview

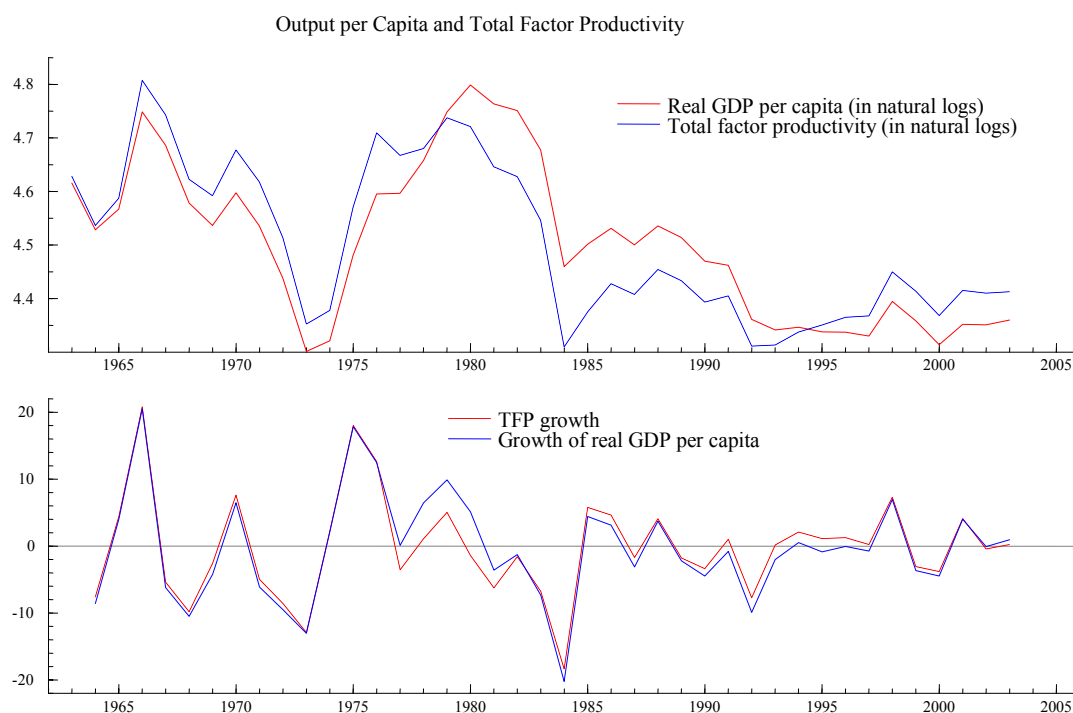
50. Economic developments in Niger since it gained independence in 1960 can be divided into five periods.

- **1963–78: Drought-Induced Weakening.** The rural sector contributed more than half of total value added, with mining accounting for about 7 percent. A series of droughts in the late 1960s and early 1970s hurt growth and weakened the agricultural sector. Per capita real GDP growth averaged 0.8 percent a year.
- **1979–82: Uranium Boom.** Higher uranium prices pushed real per capita GDP growth to 2.5 percent a year, with the mining sector's contribution to overall GDP almost doubling to 13 percent. This increased government revenue and facilitated greater public investment in infrastructure.

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<sup>9</sup> This paper draws largely from J. Nachege and T. Fontaine, 2006, "Economic Growth and Total Factor Productivity in Niger," IMF Working Paper 06/208 (Washington: International monetary Fund).

- **1983–93: Uranium Bust.** International uranium prices and Niger’s terms of trade declined sharply in these years, significantly reducing export earnings, slowing investment, and weakening the financial sector. Limited policy adjustment to the terms-of-trade shock and political instability worsened the situation. On balance, per capita real GDP declined, on average, by 3.4 percent a year.
- **1994–98: Reform Momentum.** Along with devaluation of the CFA franc, the Nigerien authorities initiated reforms liberalizing the economy.<sup>10</sup> These measures improved external competitiveness and strengthened the economy’s overall supply response. Good weather conditions boosted the performance of the agricultural sector, though real per capita GDP growth still averaged just 0.5 percent a year.



- **1999–2003, More Prudent Policy But Still Modest Growth.** The 1999 elections ushered in a democratic government and brought consensus on the need for more

<sup>10</sup> The realignment of the exchange rate from CFAF 50 to CFAF 100 per French franc, part of a comprehensive external adjustment strategy, depreciated the real effective exchange rate by 30 percent in foreign currency terms.

prudent policies and reforms to strengthen growth and reduce poverty. In this context, the authorities took steps to privatize state-owned companies and liberalize domestic and external trade. While these reforms strengthened the economy's supply response, droughts continued to buffet the economy, owing to Niger's limited progress in increasing agricultural productivity and reducing the sector's dependence on weather conditions. Consequently, real per capita GDP only improved modestly.

### C. Growth Accounting

51. **Identifying the sources of growth in Niger is crucial to designing reforms that could raise long-term economic growth.** Researchers have long recognized that the sources of economic growth help determine whether or not such growth is sustainable (Young 1992, Krugman 1994).<sup>11</sup> This section uses a growth accounting framework to assess sources of growth in Niger during 1963-2003. We use the standard Cobb-Douglas aggregate production function linking output to factor inputs (capital and labor) and productivity.

$$Y_t = A_0 e^{bt} K_t^\alpha L_t^{1-\alpha}. \quad (1)$$

Total factor productivity (TFP) ( $A_0 e^{bt}$ ) is assumed to grow at a rate  $b$ . Dividing equation (1) by  $L$  and taking the natural logarithms of equation (1) yields:

$$y_t = a + bt + \alpha k_t, \quad (2)$$

where  $y$  denotes the natural logarithms of output and  $k$  denotes physical capital in per capita terms. Estimating the parameter  $\alpha$  in equation (2) allows us to decompose output growth into the contribution of the increases in labor and capital and the contribution of TFP. Assuming that the production function exhibits constant returns to scale and that goods and factor markets are competitive, the growth rate of output ( $\Delta Y/Y$ ) can be written as:

$$\Delta Y/Y = \alpha \Delta K/K + (1 - \alpha) \Delta L/L + \Delta A/A, \quad (3)$$

where  $\alpha$  is the share of capital in total value added. With an estimate of  $\alpha$ , the growth rate of TFP ( $\Delta A/A$ ) can be derived as:

$$\Delta A/A = \Delta Y/Y - (\alpha \Delta K/K + (1 - \alpha) \Delta L/L). \quad (4)$$

In this regard, the neoclassical model implies that steady-state growth is driven by TFP growth.

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<sup>11</sup> For example, Krugman (1994) argued that growth in East Asian economies was unsustainable because it was largely driven by capital accumulation and improvements in labor quality rather than by gains in productivity.

52. **To implement the growth accounting framework, we estimate the production function (Equation (2)).** To test for cointegration between output and physical capital, we apply the Johansen's procedure to a second-order vector autoregression (VAR(2)). Both the maximal and trace eigenvalue statistics reject the null hypothesis of no cointegrating vector in favor of one cointegration vector:<sup>12</sup>

$$y = 2.9 - 0.007 t + 0.36 k. \quad (5)$$

The estimated elasticity of output with respect to capital is significant and of the expected positive sign. The coefficient of the trend is negative, suggesting that TFP growth, on average, was negative over the sample period. The estimated parameter of the production function is close to the value of 0.35 found by Sacerdoti et al. (1998) for West African countries, including Niger. Senhadji (2000) finds an average value of 0.43 for sub-Saharan Africa, while Bosworth et al. (1995) find a coefficient of 0.4 for developing countries.

53. **The results of the growth accounting framework show that weak capital formation and meager TFP growth hobbled Niger's growth performance** (see Text Table II.1 below). In 1964–2003, real per capita GDP declined by 0.4 percent a year owing to falling TFP (which accounted for some 71 percent of the decline) and falling capital per worker. TFP and

Growth Accounting, 1964-2003

	Growth Rate of Output Per Worker	Contribution of	
		Physical Capital Per Worker	Total Factor Productivity
1964 - 1978	0.75	-0.01	0.76
1979 - 1982	2.49	3.01	-0.52
1983 - 1993	-3.42	-0.94	-2.48
1994 - 2003	0.23	-0.57	0.8
1964 - 2003	-0.35	-0.1	-0.25

Notes:

1. The share of physical capital in income is 0.35.
2. The growth rate of total employment is proxied by the rate of population growth. The annual growth rate of population is 2.7 percent for 1964-82 and 3.3 percent for 1983-2003.

capital formation varied with the period. In 1964-78 marginal growth in per capita GDP was driven by improvements in TFP while the ratio of capital to labor remained stagnant. In 1979–82, the reverse was true; in this period, capital accumulation was the main source of

<sup>12</sup> The lag length of the VAR was selected using the Schwartz Bayesian criterion; the results of the statistical tests are reported in WP/06/208.

growth, offsetting falling TFP. As noted above, expansion in uranium mining and exports owing to increased world demand boosted investment in 1979–82. Declines in both TFP and capital formation led to reduced per capita GDP in 1983–93. The situation improved in 1994–2003, once TFP growth strengthened, but capital formation remained weak.

#### D. Factors Behind Niger's Weak TFP

54. The following modified neoclassical growth model estimates the role of macroeconomic variables and other factors in determining economic growth:

$$gy_t = a_0 + a_1 gk_t + a_2 govcons_t + a_3 finance_t + a_4 aid_t + a_5 tot_t + a_6 drought_t + a_7 open_t + a_8 inf_t + a_9 ghucap_t + a_{10} fiscbal_t + a_{11} polity_t + a_{12} durable_t + \varepsilon_t, \quad (6)$$

where  $gy$  is the rate of change of real income per capita,  $gk$  is the rate of change of physical capital per capita,<sup>13</sup>  $govcons$  is a measure of government size,  $finance$  is a measure of financial development (proxied by bank deposits as a percentage of GDP),  $aid$  is official development assistance (in percent of GDP),  $tot$  is the growth rate of the terms of trade,  $drought$  is the drought dummy variable,  $open$  is openness to trade,  $inf$  is the rate of inflation,  $ghucap$  is human capital growth,  $fiscbal$  is the overall fiscal balance (in percent of GDP),  $polity$  is a measure of institutional quality,  $durable$  is a measure of political stability,  $a_0$  is the constant term, and  $\varepsilon$  is the error term. Equation (6) is estimated using ordinary least squares (OLS) with stationary variables and a lag number consistent with the lag length selected for the cointegration analysis. The general-to-specific methodology (removing the variables with t-values of less than 1.5) is used. Likelihood ratio tests are used to validate the selection procedure at each stage; the parsimonious model is evaluated using the standard diagnostic tests.

#### Results

55. **Of the variables used, five are strongly correlated with growth in real per capita GDP: aid flows, drought, financial sector development, openness to trade, and physical capital accumulation** (Table 12).<sup>14</sup> Government consumption, quality of institutions, and terms-of-trade shocks are also marginally significant. Four other variables—human capital, inflation, political stability, and the fiscal balance are not significant, likely because such factors and their impact are hard to capture in a time series analysis.

<sup>13</sup> If  $govcons$ ,  $finance$ ,  $aid$ , ...,  $durable$  influence growth primarily through their impact on physical capital accumulation, we would not expect them to appear significant in equation (6). Furthermore, we would expect the coefficient  $a_1$  to be numerically very close to  $\alpha$  in equation (2).

<sup>14</sup> Our results are consistent with other similar studies (see, for example, Boworth and Collins, 2003).

### High Correlation with Growth

- **Foreign aid.** A one percentage point increase in the aid-to-GDP ratio boosts per capita income growth by about 0.7 percentage points. In the past, cuts and delays in donor financing owing to political instability and delayed economic reforms have hurt growth.
- **Droughts.** Periods of drought have, on average, cost Niger 10 percentage points of real per capita GDP growth a year. Given Niger's heavy dependence on agriculture and its susceptibility to droughts, investments in irrigation systems, storage facilities, and rural roads should be a priority.
- **Financial sector development.** A one percentage-point increase in the change in the ratio of bank deposits to GDP boosts per capita income growth by more than 1.5 percentage points, suggesting that the restructuring and privatization of state-owned banks and the development of viable microfinance institutions could fuel growth.
- **Openness to trade.** Trade reforms in the late 1990s and in early 2000 helped improve openness to trade and significantly increased trade with other members of the West African Economic and Monetary Union.
- **Physical capital accumulation.** The coefficient is numerically close to and not significantly different from the estimated capital share of 0.35–0.36. To add 1 percent of output growth in Niger, capital stock would have to grow 2.5–2.8 percent annually.

### Marginal Correlation with Growth

- **Government consumption.** The marginally significant correlation between government consumption and growth suggests that a significant share of current expenditure in Niger over the sample period went to counterproductive activities, suggesting that improved public expenditure management should be a high priority.
- **Terms-of-trade shocks.** Improvement in the terms of trade boosts production and exports. The impact was especially pronounced in 1979–82, a period of booming uranium exports.
- **The quality of institutions** has an unexpected negative sign but it is only marginally significant. Other studies have found that greater democracy is not always positively correlated with higher economic growth (see, for instance, Barro 1996). The apparent lack of a relationship, however, may reflect the difficulty of capturing the impact of institutional strength in a time series analysis (as compared to a panel or cross-section analysis).

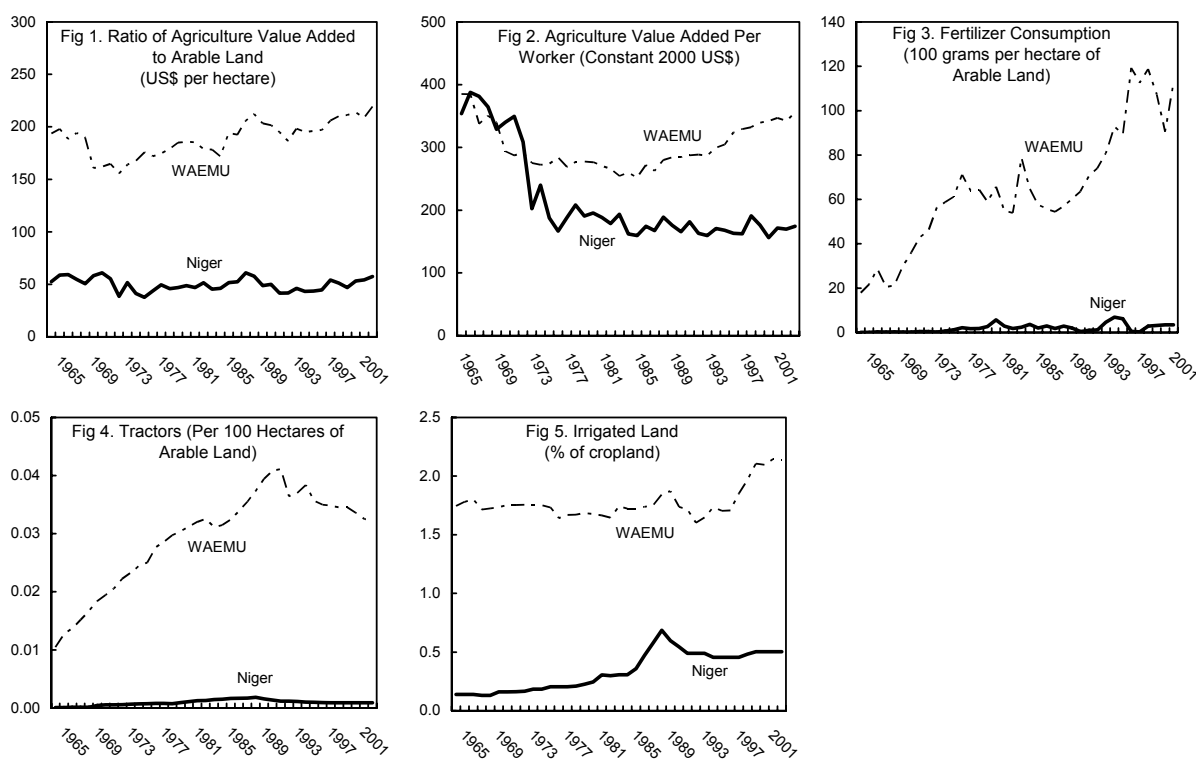
56. **In the following section, we provide a brief discussion of the performance of the agriculture sector, including the evolution of partial productivity measures.** This is



important given that overall growth performance was dominated by developments in this sector which accounts for close to 40 percent of overall GDP.

### E. Agricultural Sector Performance

**57. Developments in the agricultural sector dominate overall economic performance.** The sector's growth averaged only about 2 percent a year and was fairly volatile over the 1984–2004 period, though overall GDP growth was 2.7 percent a year. Agricultural productivity in that period was also more disappointing than in other countries in the region. Droughts, soil erosion, and limited progress in modernizing farming techniques contributed to the sector's weak performance. These factors, in turn, have hurt Niger's overall economic performance, undermined poverty reduction, and increased food insecurity.



Source: World Development Indicators

**58. Agricultural modernization in Niger lags that in other sub-Saharan African countries.** Relatively limited use of inputs, such as fertilizers and tractors, and slow progress in expanding Niger's irrigation infrastructure has constrained the agricultural sector's productivity. As a result, both land productivity (measured as the ratio of agriculture value-added to arable land) and labor productivity were stagnant from 1985 to 2001 (see Figures I.1-5).

**59. The Nigerien authorities must first and foremost boost agricultural productivity.** In 2006, the Nigerien government, with assistance from its development partners (including

FAO), developed a rural development strategy to strengthen the agricultural sector's performance. A key element of this strategy is to expand the country's irrigation infrastructure, which is currently limited to 85,000 hectares of land (out of a potential total of about 270,000 hectares and compared with rain-fed agriculture coverage of about 11 million hectares). In 2000–05, irrigation was brought to about 2,400 hectares a year; this yearly trend, if continued, would make only about a total of 110,000 hectares of land irrigable by 2015. To expand the irrigation infrastructure more quickly, there is a need to improve project execution capacity. Other elements include (i) the development of rural infrastructure (such as roads) to increase access to local markets, (ii) the expansion of extension services, and (iii) incentives to develop a viable microfinance system to support investment in modern techniques (including the use of fertilizers).

## F. Conclusion

60. **Niger's growth performance was weak over the past several decades.** The growth accounting exercise indicates that weak capital accumulation and TFP contributed to this weak performance. Further, the chapter provides evidence that financial sector development, openness to trade and increased investment are critical for economic growth performance in Niger. Since 2000, Niger had made progress in strengthening socio-political stability, deepening macroeconomic stability and in implementing structural reforms to enhance the supply response of the economy. Nevertheless, periodic droughts and limited progress in modernizing the agriculture sector, which employs some 80 percent of the economically-active population, constrains economic growth and poverty reduction.

61. **In this context, improvements in the agricultural sector, whose performance largely drives overall economic growth, would be critical for boosting economic growth and poverty reduction in Niger.** With aid flows expected to increase, investments in irrigation systems, nonfarm businesses, and other agricultural-related infrastructure could help accelerate per capita income growth. Greater efforts to increase farmers' access to credit, including by developing a viable microfinance system, could boost productivity and output by encouraging farmers to use more modern agricultural inputs.

Table I2. Determinants of the Growth Rate of Real GDP Per Capita, 1963-2003

The dependent variable is the growth rate of real GDP per capita.	Specifications					
	(1)	(2)	(3)	(4)	(5)	(6)
Intercept	-9.56 (-5.16)**	-9.86 (-5.17)**	-9.30 (-4.90)**	-9.67 (-5.16)**	-9.50 (-5.31)**	-9.55 (-5.20)**
<i>gk</i>	0.40 (2.99)**	0.43 (3.06)**	0.44 (3.05)**	0.40 (2.97)**	0.39 (3.03)**	0.39 (2.88)**
<i>tot</i>	0.10 (2.05)*	0.08 (1.93)*	0.08 (1.82)*	0.09 (2.03)*	0.08 (2.02)*	0.07 (1.63)
$\Delta govcons(t) + \Delta govcons(t-1)$	-0.60 (-1.91)*	-0.58 (-1.83)*	-0.60 (-1.87)*	-0.56 (-1.71)	-0.48 (-1.54)	-0.56 (-1.78)*
$\Delta open(t) + \Delta open(t-1)$	0.28 (3.25)**	0.28 (3.16)**	0.30 (3.31)**	0.30 (3.29)**	0.29 (3.41)**	0.28 (3.26)**
<i>aid(t-1)</i>	0.74 (5.47)**	0.76 (5.44)**	0.72 (5.25)**	0.74 (5.46)**	0.74 (5.72)**	0.74 (5.53)**
<i>finance(t-1)</i>	1.58 (3.37)**	1.55 (3.27)**	1.64 (3.43)**	1.56 (3.29)**	1.6 (3.55)**	1.43 (2.99)**
<i>drought</i>	-9.98 (-5.29)**	-10.54 (-5.16)**	-10.12 (-5.30)**	-10.00 (-5.26)**	-10.22 (-5.60)**	-10.12 (-5.40)**
$\Delta ghucap(t-1)$	..	0.30 (0.76)	..	..	..	..
$\Delta fiscbal(t-1)$	..	..	0.25 (0.76)	..	..	..
$\Delta inf$	..	..	..	-0.04 (-0.71)	..	..
$\Delta polity(t) + \Delta polity(t-1)$	..	..	..	..	-0.20 (-1.78)	..
$\Delta durable(t-1)$	..	..	..	..	..	0.15 (1.21)
Sigma	3.44	3.46	3.46	3.47	3.31	3.40
R <sup>2</sup>	0.81	0.81	0.81	0.81	0.83	0.82
Number of observations	37	37	37	37	37	37
F(7, 29) or F(8, 28)	17.43**	15.10**	15.09**	15.06**	16.78**	15.67**
DW	1.73	1.67	1.73	1.78	1.91	1.83
Number of parameters	8	9	9	9	9	9

Notes:

1. *t* statistics are in parentheses.
2.  $\Delta$  denotes the absolute change of a given variable.

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## Niger: Basic Data

Area, population, and GDP per capita (2005)

Area	1,267,000 square kilometers
Population	13.9 million
Population growth rate	3.3 percent
GDP per capita	US\$156.4

	1998	1999	2000	2001	2002	2003	2004	2005
(Billions of CFA francs)								
National accounts								
GDP at current market prices	1,225.2	1,242.6	1,280.4	1,426.0	1,512.8	1,574.1	1,554.8	1,793.0
(Percent of GDP)								
Primary sector	40.2	41.4	39.5	44.1	38.7	40.0	36.9	38.5
<i>of which: agriculture</i>	25.2	24.9	22.2	17.5	20.9	21.0	17.6	20.1
Secondary sector	16.6	16.5	16.7	15.9	16.0	17.3	18.1	17.7
<i>of which: mining</i>	6.8	6.7	6.5	6.1	6.1	6.0	6.0	5.8
Tertiary sector	43.2	42.1	44.4	40.0	45.3	42.7	45.0	43.8
Consumption	97.2	96.1	96.5	95.6	94.7	95.5	94.6	96.9
Gross investment	11.4	11.2	11.4	12.1	14.2	14.3	16.4	16.5
Resource gap	-8.5	-7.3	-7.9	-7.7	-8.9	-9.8	-11.0	-13.3
Gross domestic savings	2.8	3.9	3.5	4.4	5.3	4.5	5.4	3.1
(Annual percentage change)								
Real GDP	10.4	-0.6	-1.4	7.1	3.0	4.4	-0.6	6.8
Nominal GDP	13.7	1.4	3.0	11.4	6.1	4.0	-1.2	15.3
Prices								
GDP deflator	3.0	2.0	4.5	4.0	3.0	-0.4	-0.6	8.0
Consumer price index (average)	4.5	-2.3	2.9	4.0	2.7	-1.8	0.4	7.8
Terms of trade, 2000=100	6.7	10.5	-12.8	10.0	-2.4	-6.3	-0.6	-0.1

## Niger: Basic Data (continued)

	1998	1999	2000	2001	2002	2003	2004	2005
(Billions of CFA francs)								
Central government finance								
Total revenue	111.8	109.6	110.1	132.8	160.9	156.7	173.8	189.0
<i>of which</i> : tax revenue	96.9	100.6	102.8	125.5	144.6	152.1	167.6	181.3
Total expenditure and net lending	211.9	233.0	214.3	245.6	278.1	275.4	317.6	323.9
<i>of which</i> : current expenditure	142.5	154.1	143.8	157.4	161.8	159.9	172.7	165.3
Overall balance (-)								
Commitment basis	-100.1	-123.4	-104.2	-112.8	-117.2	-118.7	-143.8	-134.8
Cash basis	-104.7	-74.3	-216.2	-129.8	-150.6	-130.9	-163.1	-147.2
Foreign financing (net)	118.4	67.0	236.3	120.5	139.9	134.2	138.6	145.6
Domestic financing (net)	-13.7	7.2	-20.2	9.3	10.7	-3.4	24.5	1.5
<i>of which</i> : banking system	-11.0	7.8	-28.6	5.0	5.1	3.5	28.7	-14.8
(Percent of GDP)								
Total revenue	9.1	8.8	8.6	9.3	10.6	10.0	11.2	10.5
<i>of which</i> : tax revenue	7.9	8.1	8.0	8.8	9.6	9.7	10.8	10.1
Total expenditure and net lending	17.3	18.7	16.7	17.2	18.4	17.5	20.4	18.1
<i>of which</i> : current expenditure	11.6	12.4	11.2	11.0	10.7	10.2	11.1	9.2
Overall balance (-)								
Commitment basis (excl. grants)	-8.2	-9.9	-8.1	-7.9	-7.7	-7.5	-9.2	-7.5
Cash basis (excl. grants)	-8.5	-6.0	-16.9	-9.1	-10.0	-8.3	-10.5	-8.2
(Billions of CFA francs; end of period)								
Money and credit								
Net foreign assets	-0.2	-14.9	-1.3	33.1	24.4	75.8	67.9	79.2
Domestic credit	112.9	119.2	111.6	114.0	128.9	139.7	186.4	191.8
<i>of which</i> : credit to the government (net)	63.7	71.5	43.0	48.0	53.1	56.6	85.3	70.5
<i>of which</i> : credit to the economy (net)	49.2	47.7	68.6	66.0	75.8	83.0	101.1	121.3
Money and quasi money	100.3	94.8	103.2	137.0	136.4	194.0	233.3	248.6
(Percentage change, in relation to beginning-of-period money stock)								
Domestic credit	-0.1	6.3	-8.1	2.3	10.9	7.9	24.1	2.3
<i>of which</i> : credit to the economy (net)	10.9	-1.5	22.1	-2.5	7.1	5.3	9.3	8.7
Money and quasi money	0.7	-5.5	8.9	32.8	-0.4	42.2	20.3	6.5

## Niger: Basic Data (continued)

	1998	1999	2000	2001	2002	2003	2004	2005
	(Billions of CFA francs)							
Balance of payments								
Exports, f.o.b.	197.0	176.6	201.2	199.7	194.8	194.7	230.7	263.5
<i>of which:</i> uranium	76.5	65.1	64.0	63.0	62.5	65.5	70.1	78.5
Imports, c.i.f.	252.5	232.6	264.9	283.3	302.5	335.7	391.8	503.3
Imports, f.o.b.	232.5	202.8	235.1	243.1	258.7	272.3	311.5	400.1
Trade balance	-35.5	-26.2	-33.9	-43.3	-63.8	-77.5	-80.8	-136.6
Services and income (net)	-83.0	-76.7	-78.9	-77.3	-87.7	-84.4	-96.2	-110.3
Unrequited transfers (net)	34.3	22.1	33.7	52.7	52.6	63.0	67.5	113.8
Current account balance	-84.2	-80.9	-79.1	-67.9	-98.9	-95.1	-109.5	-133.1
Capital and financial account	30.2	46.4	65.4	52.8	77.6	78.4	107.8	140.6
Errors and omissions	12.2	-12.1	-16.6	-9.2	-21.6	-16.5	-24.1	8.1
Overall balance	-41.9	-46.6	-30.2	-24.3	-42.9	-33.2	-25.8	15.6
Debt relief	26.8	7.5	157.7	25.0	18.8	18.4	30.3	39.4
	(Percent of GDP)							
Exports, f.o.b.	16.1	14.2	15.7	14.0	12.9	12.4	14.8	14.7
Imports, c.i.f.	20.6	18.7	20.7	19.9	20.0	21.3	25.2	28.1
Current account balance (including official transfers)	-6.9	-6.5	-6.2	-4.8	-6.5	-6.0	-7.0	-7.4
	(Billions of CFA francs)							
Gross official international reserves (end of period)	40.1	25.1	57.7	80.8	84.5	142.4	120.8	138.5

## Niger: Basic Data (concluded)

	1998	1999	2000	2001	2002	2003	2004	2005
	(Billions of CFA francs)							
External public debt								
Disbursed and outstanding (end of period)	847.2	917.0	1,041.4	1,086.9	1,083.6	916.7	888.4	1,018.3
Interest due (including Fund charges)	17.8	18.5	21.6	25.4	22.6	17.4	8.1	10.1
Amortization due (including Fund repurchases)	33.9	27.5	35.4	41.3	46.2	38.6	28.6	22.1
Debt relief	26.8	7.5	157.7	25.0	18.8	18.4	30.3	39.4
Debt service due after relief (percent of exports of goods and nonfactor services)	17.3	19.5	24.7	27.5	30.4	24.2	12.9	9.3
	(CFA francs per SDR)							
Exchange rates								
End of period	762.6	896.2	918.5	935.4	887.0	803.1	753.7	792.0

Sources: Ministry of Finance and Economy; and IMF staff estimates.



Table 1. Niger: Gross Domestic Product at Constant 1987 Prices, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
(Billions of CFA francs, unless otherwise indicated)								
Rural sector	370.8	352.4	322.8	365.5	372.4	393.0	360.4	401.4
Agriculture	219.7	197.7	166.3	202.8	204.4	206.3	171.6	209.4
Livestock	116.0	117.7	118.2	121.7	124.8	127.6	130.5	131.8
Forestry and fishing	35.2	37.0	38.3	40.9	43.2	59.2	58.3	60.3
Mining	58.9	58.2	58.3	58.7	59.4	62.1	66.5	69.0
Industry, energy, and handicrafts	72.3	75.2	77.2	79.6	82.3	88.4	90.4	93.6
Manufacturing industries and handicrafts	53.8	56.2	58.0	60.0	62.0	63.0	66.7	68.7
Electricity, gas, and water	18.4	19.1	19.2	19.6	20.3	25.5	23.7	24.9
Construction and public works	14.2	15.0	16.0	17.0	18.0	19.2	20.1	22.1
Commerce, transport, and services	263.8	273.1	286.1	298.1	311.1	324.7	343.3	358.1
Commerce	141.3	148.5	158.0	165.4	173.6	179.5	186.5	190.1
Transport	38.5	39.3	40.6	42.7	45.0	49.9	53.2	57.8
Services	84.0	85.4	87.5	90.0	92.5	95.3	103.6	110.2
Government	73.1	73.1	73.0	73.6	74.8	73.7	71.4	72.5
GDP at factor cost	853.2	847.0	833.5	892.4	918.1	961.2	952.2	1,016.7
Import taxes and duties	17.0	18.2	19.6	21.2	22.9	21.6	24.4	26.2
GDP at constant 1987 market prices	870.1	865.2	853.1	913.6	941.0	982.8	976.6	1,042.9
Annual rate of growth (percent)	10.4	-0.6	-1.4	7.1	3.0	4.4	-0.6	6.8
Modern sector	220.7	221.6	225.6	231.3	238.8	246.0	257.5	270.7
Annual rate of growth (percent)	2.6	0.4	1.8	2.6	3.2	3.0	4.7	5.1
Traditional sector	649.5	643.6	627.5	682.3	702.3	736.8	719.1	772.2
Annual rate of growth (percent)	13.4	-0.9	-2.5	8.7	2.9	4.9	-2.4	7.4
GDP deflator (1987=100)	140.8	143.6	150.1	156.1	160.8	160.2	159.2	171.9
Annual rate of growth (percent)	3.0	2.0	4.5	4.0	3.0	-0.4	-0.6	8.0

Sources: Ministry of Finance and Economy, and IMF staff estimates.

Table 2. Niger: Gross Domestic Product by Sector of Origin at Constant 1987 Prices, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
	(Annual change, percent)							
Rural sector	21.1	-5.0	-8.4	13.2	1.9	5.5	-8.3	11.4
Agriculture	37.0	-10.0	-15.9	22.0	0.8	0.9	-16.8	22.0
Livestock	3.9	1.5	0.4	3.0	2.5	2.2	2.3	1.0
Forestry and fishing	2.8	5.0	3.7	6.7	5.7	36.8	-1.4	3.4
Mining	2.7	-2.0	-0.1	0.5	1.3	4.5	7.0	3.8
Industry, energy, and handicrafts	3.2	4.1	2.6	3.1	3.5	7.4	2.2	3.6
Manufacturing industries and handicrafts	3.7	4.3	3.3	3.4	3.4	1.5	5.9	3.1
Electricity and water	2.0	3.5	0.5	2.3	3.7	25.2	-6.9	5.2
Construction and public works	3.0	5.0	3.1	3.9	4.2	6.4	5.0	9.8
Commerce, transport, and services	4.7	3.5	4.8	4.2	4.4	4.4	5.7	4.3
Commerce	5.7	5.1	6.4	4.7	5.0	3.4	3.9	1.9
Transport	3.6	1.9	3.4	5.3	5.3	10.8	6.6	8.7
Services	3.6	1.6	2.6	2.8	2.8	3.0	8.7	6.4
Government	0.3	0.0	-0.1	0.8	1.6	-1.4	-3.1	1.5
GDP at factor cost	10.5	-0.7	-1.6	7.1	2.9	4.7	-0.9	6.8
Import taxes and duties	7.0	7.1	8.0	8.1	8.1	-5.8	13.0	7.2
GDP at market prices	10.4	-0.6	-1.4	7.1	3.0	4.4	-0.6	6.8
Modern sector	2.6	0.4	1.8	2.6	3.2	3.0	4.7	5.1
Traditional sector	13.4	-0.9	-2.5	8.7	2.9	4.9	-2.4	7.4

Sources: Ministry of Finance and Economy, and IMF staff estimates.

Table 3. Niger: Gross Domestic Product by Sector at Current Market Prices, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
(Billions of CFA francs, unless otherwise indicated)								
Rural sector	522.2	506.1	484.4	570.4	598.6	629.4	573.8	690.1
Agriculture	309.3	283.9	249.5	316.6	328.5	330.4	273.2	360.0
Livestock	163.3	169.1	177.4	190.0	200.6	204.3	207.7	226.5
Forestry and fishing	49.6	53.1	57.6	63.9	69.5	94.7	92.8	103.6
Mining	83.0	83.6	87.5	91.6	95.6	99.5	105.9	118.7
Industry, energy, and handicrafts	101.8	108.1	115.8	124.2	132.4	141.6	143.9	161.0
Manufacturing industries and handicrafts	75.8	80.7	87.0	93.6	99.7	100.8	106.2	118.1
Electricity and water	26.0	27.4	28.8	30.6	32.7	40.8	37.7	42.9
Construction and public works	20.0	21.5	24.1	26.5	29.0	30.7	32.0	38.0
Commerce, transport, and services	371.4	392.2	429.4	465.2	500.2	520.1	546.6	615.6
Commerce	198.9	213.2	237.1	258.1	279.1	287.6	297.0	326.7
Transport	54.3	56.4	60.9	66.7	72.4	79.9	84.6	99.3
Services	118.2	122.6	131.4	140.4	148.7	152.7	165.0	189.5
Government	102.9	105.0	109.6	114.9	120.2	118.1	113.7	124.6
GDP at factor cost	1,201.3	1,216.5	1,250.9	1,392.9	1,476.0	1,539.5	1,515.9	1,748.0
Import taxes and duties	23.9	26.1	29.5	33.1	36.9	34.6	38.9	45.0
GDP at current market prices	1,225.2	1,242.6	1,280.4	1,426.0	1,512.8	1,574.1	1,554.8	1,793.0
Annual rate of growth (percent)	13.7	1.4	3.0	11.4	6.1	4.0	-3.6	15.3
Modern sector	310.7	318.2	338.6	361.1	383.9	394.0	410.0	465.4
Annual rate of growth (percent)	5.7	2.4	6.4	6.7	6.3	2.7	-0.1	13.5
Traditional sector	914.4	924.4	941.8	1,064.9	1,129.0	1,180.1	1,144.8	1,327.6
Annual rate of growth (percent)	16.8	1.1	1.9	13.1	6.0	4.5	-4.8	16.0

Sources: Ministry of Finance and Economy, and IMF staff estimates.

Table 4. Niger: Gross Domestic Product of the Modern Sector at Current Market Prices, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
	(Billions of CFA francs)							
Mining	73.0	73.0	75.8	79.3	82.7	86.9	93.3	104.4
Manufacturing industries	12.0	12.6	14.5	15.9	17.3	17.5	16.5	18.4
Electricity and water	26.0	27.4	28.8	30.6	32.7	40.8	37.7	42.9
Construction and public works	8.4	9.0	10.6	11.9	13.4	14.0	14.4	18.1
Commerce and hotels	22.4	22.4	23.9	26.2	28.3	25.8	31.5	34.9
Transport	27.8	27.8	30.2	32.7	35.0	41.3	44.9	54.8
Services	14.3	14.9	15.6	16.5	17.3	15.1	19.1	22.5
Total (excluding government)	183.9	187.1	199.5	213.1	226.7	241.3	257.4	295.8
Government	102.9	105.0	109.6	114.9	120.2	118.1	113.7	124.6
Import taxes and duties	23.9	26.1	29.5	33.1	36.9	34.6	38.9	45.0
<b>Total</b>	<b>310.7</b>	<b>318.2</b>	<b>338.6</b>	<b>361.1</b>	<b>383.9</b>	<b>394.0</b>	<b>410.0</b>	<b>465.4</b>

Sources: Ministry of Finance and Economy, and IMF staff estimates.

Table 5. Niger: Gross Domestic Product of the Traditional Sector at Current Market Prices, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
	(Billions of CFA francs)							
Agriculture	309.3	283.9	249.5	316.6	328.5	330.4	273.2	360.0
Livestock	163.3	169.1	177.4	190.0	200.6	204.3	207.7	226.5
Forestry and fishing	49.6	53.1	57.6	63.9	69.5	94.7	92.8	103.6
Mining and quarries	9.9	10.6	11.7	12.4	12.8	12.6	12.6	14.3
Artisanal activities	63.8	68.0	72.5	77.7	82.4	83.4	89.7	99.8
Construction and public works	11.7	12.5	13.5	14.5	15.6	16.7	17.6	19.9
Commerce and hotels	176.5	190.8	213.2	231.9	250.8	261.8	265.5	291.9
Transport	26.4	28.6	30.7	34.0	37.3	38.6	39.7	44.5
Services	103.9	107.7	115.8	124.0	131.4	137.5	145.9	167.0
Total	914.4	924.4	941.8	1,064.9	1,129.0	1,180.1	1,144.8	1,327.6
Total (excluding rural sector) <sup>1</sup>	392.3	418.3	457.4	494.4	530.3	550.6	571.0	637.4

Sources: Ministry of Finance and Economy, and IMF staff estimates.

<sup>1</sup>Agriculture, livestock, and forestry and fishing.

Table 6. Niger: Supply and Use of Resources at Current Market Prices, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
(Billions of CFA francs, unless otherwise indicated)								
Supply of resources	1,547.6	1,531.3	1,609.3	1,776.9	1,877.6	1,977.8	2,011.6	2,357.9
Gross domestic product	1,225.2	1,242.6	1,280.4	1,426.0	1,512.8	1,574.1	1,554.8	1,793.0
Imports of goods and nonfactor services	322.5	288.7	329.0	351.0	364.8	403.7	456.8	564.9
Use of resources	1,547.6	1,531.3	1,609.3	1,776.9	1,877.6	1,977.8	2,011.6	2,357.9
Consumption	1,190.6	1,194.1	1,235.0	1,362.8	1,433.0	1,502.7	1,470.5	1,737.2
Private	1,023.3	994.9	1,068.1	1,186.2	1,247.9	1,323.9	1,255.6	1,527.7
Public	167.3	199.3	167.0	176.6	185.1	178.8	214.9	209.5
Gross domestic investment	139.1	139.5	146.4	172.8	214.5	225.2	254.7	295.1
Gross fixed investment	136.1	136.5	143.4	169.8	211.5	222.2	254.7	290.1
Private	56.5	45.0	59.5	68.4	78.7	90.5	90.5	101.4
Public	79.6	91.5	83.9	101.4	132.8	131.7	164.2	188.7
Changes in stocks	3.0	3.0	3.0	3.0	3.0	3.0	0.0	5.0
Exports of goods and nonfactor services	217.9	197.6	227.9	241.3	230.0	249.9	286.5	325.5
Resource gap (deficit -)	-104.6	-91.1	-101.1	-109.6	-134.7	-153.8	-170.3	-239.4
As percent of GDP	-8.5	-7.3	-7.9	-7.7	-8.9	-9.8	-11.0	-13.3
Domestic savings	34.5	48.4	45.3	63.2	79.8	71.4	84.4	55.7
As percent of GDP	2.8	3.9	3.5	4.4	5.3	4.5	5.4	3.1
Memorandum items:								
Net factor income from abroad	-13.9	-11.8	-11.8	-11.0	-16.8	-7.0	-6.7	-7.6
Current account balance (incl. grants)	-84.2	-80.9	-79.1	-67.9	-98.9	-95.1	-109.5	-133.2
Gross national income	1,245.6	1,252.8	1,302.3	1,467.7	1,548.6	1,630.1	1,615.6	1,899.2
Gross national saving	54.9	58.7	67.3	104.9	115.6	130.0	145.2	161.9

Sources: Ministry of Finance and Economy; and IMF staff estimates.

Table 7. Niger: Production, Marketing, and Exports of Agricultural Products,  
1997/98-2004/05<sup>1</sup>

	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
(Thousands of metric tons)								
Millet								
Production	1,351.9	2,391.0	2,296.2	1,679.0	2,358.7	2,567.2	2,037.7	2,652.4
Sorghum								
Production	289.7	501.4	476.1	371.0	663.6	669.7	599.5	943.9
Cowpeas								
Production	192.5	774.6	420.7	263.0	509.5	654.2	339.5	586.1
Exports	43.0	40.5	56.6	24.0	26.4	37.6	40.8	23.9
Groundnuts (unshelled)								
Production	87.9	99.0	103.7	113.2	82.0	153.7	159.1	139.1
Rice								
Production	64.4	55.1	60.5	60.0	75.1	79.9	72.4	38.7
Cotton (unginned)								
Production	10.4	13.0	...	24.0	2.7	8.3	4.7	7.9
Exports (ginned)	0.1	2.1	1.3	...	...	...	...	...

Sources: Ministry of Agriculture and Livestock (production data); Office des Produits Vivriers du Niger (OPVN); Ministry of Commerce, Transport, and Tourism (export data); and IMF staff estimates.

<sup>1</sup>Crop year: October 1- September 30.

Table 8. Niger: Area under Cultivation and Yield of Principal Crops,  
1997/98-2004/05 <sup>1</sup>

	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
(Thousands of hectares)								
<b>Area under cultivation</b>								
Principal food crops								
Millet	4,504	5,361	5,351	5,151	5,212	5,576	5,604	5,894
Sorghum	1,833	2,241	2,099	2,156	2,604	2,240	2,219	2,477
Rice	14	13	15	18	25	24	21	13
Principal cash crops								
Cowpeas	3,296	3,636	3,794	3,846	3,512	3,845	2,722	3,464
Groundnuts (unshelled)	233	230	250	360	192	335	349	309
Cotton (unginned)	12	12	3	6	4	5	5	8
(Kilograms per hectare)								
<b>Average yields</b>								
Principal food crops								
Millet	300	446	429	326	455	460	364	450
Sorghum	158	224	227	172	255	299	270	381
Rice	4,568	4,295	4,111	3,313	3,049	3,352	3,443	2,870
Principal cash crops								
Cowpeas	58	213	111	68	145	170	125	169
Groundnuts (unshelled)	378	431	415	314	426	460	455	450
Cotton (unginned)	904	1,111	1,050	435	697	1,607	4,700	7,900

Sources: Ministry of Agriculture and Livestock; and IMF staff estimates.

<sup>1</sup>Crop year: October I-September 30.



Table 9. Niger: Cereal Production, Imports, and Consumption, 1998-2005 <sup>1</sup>

	1998	1999	2000	2001	2002	2003	2004	2005
	(Thousands of metric tons)							
Production	3,045	2,832	2,319	3,110	3,338	3,575	2,637	3,596
Available supply from domestic production	2,570	2,474	1,959	2,627	2,821	3,026	2,450	3,146
Initial stocks	26	258	389	19	35	126	91	33
Imports	204	209	353	303	320	268	...	...
Total supply	2,800	2,941	2,701	2,949	3,176	3,421	...	...
Consumption	2,542	2,552	2,507	2,695	2,786	2,993	2,919	3,081
Overall balance	258	389	194	254	390	427	...	...
<i>of which</i> : domestic balance	28	-78	-548	-48	69	159	-223	...
Final stocks	258	389	194	147	170	163	73	176
Memorandum items:								
Imports by OPVN	91	109	8	...	...	...	...	...
Grants	45	14	8	8	0	8	...	...
Commercial imports	46	95	0	295	320	260	...	...

Sources: Ministry of Finance and Economy, Ministry of Agriculture and Livestock; Office des Produits Vivriers du Niger (OPVN); and IMF staff estimates.

<sup>1</sup>Crop year: October 1-September 30.

Table 10. Niger: Size and Value of the Herd, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
	(Thousands of heads)							
Cattle	3,274	3,339	3,406	3,474	3,544	3,615	3,687	3,760
Sheep	6,246	6,433	6,626	6,825	7,029	7,240	7,457	7,606
Goats	8,147	8,351	8,559	8,773	8,993	9,218	9,448	9,636
Camels	1,050	1,066	1,082	1,098	1,143	1,160	1,177	1,200
Other <sup>1</sup>	928	941	953	966	979	992	998	1,100
	(Millions of CFA francs)							
Cattle	225,191	258,917	327,595	334,147	405,635	413,748	415,610	425,217
Sheep	85,395	87,513	108,088	111,331	133,100	137,093	146,211	148,911
Goats	56,442	64,651	79,663	81,654	95,861	98,257	104,232	107,217
Camels	94,745	106,218	133,593	135,597	170,306	172,861	172,204	179,123
Other <sup>1</sup>	34,865	36,846	44,369	44,865	49,676	50,236	47,000	50,413

Sources: Ministry of Finance and Economy; and IMF staff estimates.

<sup>1</sup>Mainly horses.

Table 11. Niger: Production and Exports of the Uranium Sector, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
	(Millions of CFA francs, unless otherwise specified)							
Production	3,713	2,916	2,898	2,920	3,072	3,143	3,273	3,093
SOMAIR (Société Minière de l'Air)	1,510	1,010	978	1,008	1,066	1,126	1,277	1,302
COMINAK (Companie Minière d'Akouta)	2,203	1,906	1,920	1,912	2,006	2,017	1,996	2,100
Exports	3,399	2,960	2,950	2,960	2,960	3,120	3,340	3,400
SOMAIR	1,415	1,000	990	1,000	1,000	1,160	1,280	1,300
COMINAK	1,984	1,960	1,960	1,960	1,960	1,960	2,060	2,100
Change in stocks during the year (- decrease)	314	-44	-52	-40	112	-20	-26	-306
Level of stocks at end of year	1,214	1,170	1,118	694	806	786	760	454
Prices (in CFA francs per kilogram)								
Minegate price	23,100	21,666	21,328	21,009	20,820	20,728	20,758	22,500
Unit value of exports	22,500	22,000	21,700	21,300	21,100	21,000	21,000	23,100
Value of exports <sup>1</sup>								
Total	76,478	65,100	64,015	63,048	62,456	65,360	70,140	78,194
Total (millions of U.S. dollars)	130	106	89	86	90	112	133	149
Total (millions of SDRs)	96	73	70	68	69	80	90	101
Value of stocks <sup>1,2</sup>								
Total	28,039	23,131	17,680	13,447	15,081	16,292	15,059	8,741
Total (millions of U.S. dollars)	48	38	25	18	22	28	30	20
Total (millions of SDRs)	35	26	19	14	17	20	20	13
Memorandum items:								
Average exchange rate (CFA francs per U.S. dollar)	590.0	614.9	710.1	732.4	694.8	580.1	527.5	527.0
Average exchange rate (CFA francs per SDR)	800.0	840.7	936.5	932.3	899.7	811.2	781.4	778.8

Sources: Nigerien authorities; and IMF staff estimates.

<sup>1</sup>Data on the value of exports differ from those provided on the balance of payments series owing to differences in the timing of the recording of exports.

<sup>2</sup>Value of stocks estimated on the basis of the unit value of exports during the year.

Table 12. Niger: Turnover, Output and Value Added (VA) by the Industrial Sector, 2000-2005

	2000			2001			2002			2003			2004			2005		
	Turnover	Production	Value Added	Turnover	Production	Value Added	Turnover	Production	Value Added	Turnover	Production	Value Added	Turnover	Production	Value Added	Turnover	Production	Value Added
Mining	15.3	25.8	21.9	10.9	19.6	18.8	11.0	17.5	17.6	9.8	16.1	15.3	10.1	17.2	14.0	10.4	18.6	15.3
Manufacturing industries	7.1	9.8	7.6	5.4	9.5	6.7	5.4	9.2	6.5	6.1	10.3	7.4	5.4	9.8	6.8	5.3	9.1	6.1
Electricity, gas, and water	9.2	10.5	10.5	6.5	11.8	11.8	6.0	13.1	11.3	6.5	9.7	13.4	6.6	10.6	11.1	6.1	8.1	10.1
Construction and public works	12.4	14.4	10.3	8.3	14.9	9.9	9.3	16.0	10.3	9.4	16.5	10.7	9.4	15.9	10.4	9.2	16.6	10.5
Wholesale and retail trade	39.4	15.6	17.7	53.2	17.3	16.4	53.7	17.4	16.4	54.1	17.4	15.0	54.3	16.7	14.5	55.0	16.1	13.5
Hotels and restaurants	1.1	1.5	1.6	1.3	2.0	2.4	1.3	1.9	2.4	1.1	2.1	2.4	1.1	2.1	2.2	1.2	2.0	2.0
Transport and communications	10.6	10.3	12.3	6.6	11.5	14.3	5.2	11.6	15.3	6.2	14.3	14.2	6.1	14.3	16.6	6.1	15.1	17.0
Banking, insurance and services	4.2	5.0	7.7	3.2	5.7	8.4	3.4	5.8	8.4	3.5	5.2	8.9	3.6	5.2	9.8	3.5	5.5	11.8
Services to community	0.7	7.1	10.4	4.6	7.7	11.4	4.7	7.6	11.8	3.3	8.4	12.8	3.4	8.2	14.7	3.2	8.8	13.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(Percent of total)

Source: Ministry of Finance and Economy.

Table 13. Niger: Production Capacity and Output of the Industrial Sector, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
(Thousands of metric tons)								
Flour mills								
Production capacity	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Output	8.5	0.0	0.0	0.0	0.0	0.0	3.9	4.6
Rice processing mills								
Production capacity	29.0	29.0	29.0	29.0	35.0	35.0	35.0	35.0
Rice processed	2.9	5.4	4.7	4.2	6.7	4.5	6.7	2.0
Cotton ginning								
Production capacity (unginned cotton)	12.0	24.0	24.0	24.0	24.0	24.0	26.0	26.0
Unginned cotton processed	5.2	3.0	3.7	1.4	6.6	6.8	7.1	7.8
Cement								
Production capacity	40.0	40.0	40.0	40.0	60.0	60.0	60.0	60.0
Output	32.8	33.5	33.1	47.0	54.7	63.7	59.2	83.4
Soap, manufacturing								
Production capacity	13.0	13.0	13.0	13.0	17.0	17.0	17.0	17.0
Output	5.6	7.9	8.1	7.5	8.7	10.4	10.2	9.4
(Millions of meters)								
Textiles								
Production capacity	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Output	5.6	6.1	5.8	6.7	7.0	5.6	4.0	2.0
(Thousands of bottles)								
Brewery								
Production capacity	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0
Output	124.5	126.4	129.7	124.4	120.4	116.5	103.5	94.9

Source: Ministry of Finance and Economy.

Table 14. Niger: Production, Imports, Sales, and Prices of Electricity, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
(Millions of kilowatt-hours)								
<b>Volume</b>								
Domestic production	186	170	205	180	191	194	205	202
<i>of which</i> : SONICHAR	159	139	135	134	144	149	155	158
Imports	226	232	204	220	211	235	295	339
Transmission losses	-21	-25	-39	-38	-30	-51	-59	-43
Electricity sales	330	316	327	342	365	363	382	416
Household usage	117	98	116	135	147	157	171	192
Other low voltage	4	24	22	16	15	16	18	19
Medium voltage	210	194	189	191	203	189	194	205
<i>of which</i> : mining sector	112	96	91	88	94	98	101	103
(Millions of CFA francs)								
<b>Value</b>								
Electricity sales	25,530	24,606	25,485	27,275	29,001	28,661	29,296	31,765
Household usage	10,035	8,433	10,005	11,538	12,594	13,534	14,707	16,464
Other low voltage	473	2,076	1,892	1,421	1,359	1,424	1,546	1,638
Medium voltage	15,022	14,097	13,589	14,316	15,047	13,702	13,043	13,662
(CFA francs per kilowatt-hour)								
<b>Average unit prices<sup>1</sup></b>								
Low voltage	86	86	86	86	86	86	86	88
Medium voltage	78	75	75	73	74	73	71	70

Sources: NIGELEC; and IMF staff estimates.

<sup>1</sup>Unit prices are derived from the NIGELEC rate schedules and may not correspond to value and volume data.

Table 15. Niger: Prices of Petroleum Products in Niamey, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
(CFA francs per liter)								
Gasoline								
Super	410.0	425.0	515.0	508.0	498.0	499.0	587.0	665.0
Regular	340.0	340.0	425.0	420.0	416.0	416.0	503.0	583.0
Kerosene	200.0	200.0	240.0	240.0	240.0	240.0	240.0	434.0
Diesel	290.0	290.0	365.0	361.0	337.0	353.0	464.0	534.0
(Dollars per US gallon, unless otherwise indicated)								
Gasoline								
Super	2.6	2.6	2.7	2.6	2.7	3.2	4.2	4.8
Regular	2.2	2.1	2.3	2.2	2.3	2.7	3.6	4.2
Kerosene	1.3	1.2	1.3	1.2	1.3	1.6	1.7	3.1
Diesel	1.9	1.8	1.9	1.9	1.8	2.3	3.3	3.8
Memorandum item:								
Average period exchange rate								
(CFA francs per U.S. dollar)	590.0	615.7	712.0	733.0	697.0	581.2	527.6	527.1

Sources: Ministry of Trade and Private Sector; and Ministry of Transport and Communications.

<sup>1</sup>1 U.S. gallon = 3.785 liters.

Table 16. Niger: Consumption of Petroleum Products, 1998-2005<sup>1</sup>

	1998	1999	2000	2001	2002	2003	2004	2005
	(Thousands of cubic meters)							
Diesel fuel	50.6	58.9	66.3	56.6	62.2	69.7	80.6	82.2
Gasoline	74.1	72.5	70.0	65.5	63.6	73.1	74.7	70.8
Jet fuel	13.8	13.2	17.5	14.6	12.1	12.6	14.4	15.7
Kerosene	8.1	11.2	11.9	8.8	10.4	13.7	14.0	8.2
Total	146.6	155.8	165.7	145.5	148.3	169.0	183.7	176.9

Sources: Ministry of Trade and Private Sector.

<sup>1</sup>Evolution of petroleum product consumption may vary from imports because of stock adjustments.



Table 17. Niger: Indices of Consumer Prices in Niamey, 2003-2006

	Weights	2003			2004			2005			2006					
		Sep	Dec	Ave	Jun	Sept.	Dec	Ave	Mar	Jun	Sept.	Dec	Ave	Mar	Jun	Sept
General index	10,000.0	113.6	112.8	114.3	113.2	116.1	117.9	114.5	117.9	123.0	129.4	123.7	123.5	121.3	123.6	126.2
Food, beverage, tobacco	4,513.0	116.0	114.1	117.9	114.1	118.2	121.4	116.2	122.5	133.3	146.1	132.2	133.5	127.2	131.1	135.4
Clothing and footwear	582.0	105.5	107.1	106.0	103.6	103.9	104.6	104.2	108.5	108.7	106.3	106.5	107.5	105.7	106.8	102.6
Housing, water, electricity, gas and fuels	1,389.0	108.1	108.0	107.4	106.5	110.3	112.0	108.9	110.5	107.5	110.4	111.0	109.9	110.5	110.1	111.5
Furniture, households fittings, house upkeep	767.0	106.4	105.7	106.2	104.4	103.9	103.8	104.2	103.0	103.9	103.7	103.6	103.5	104.0	104.0	107.4
Health	165.0	97.9	97.1	97.8	94.8	92.7	91.9	93.4	92.0	92.3	91.6	91.3	91.8	89.3	89.5	90.1
Transportation	1,205.0	121.7	120.0	120.3	124.9	128.9	130.1	126.2	124.9	130.6	135.9	137.9	132.3	138.3	143.3	146.7
Leisure, entertainment, and culture	218.0	101.4	102.0	102.2	103.7	103.7	103.6	103.6	111.3	109.6	107.4	106.3	108.6	106.3	103.8	103.5
Education	155.0	132.6	137.1	133.8	135.6	135.1	135.6	136.3	131.9	131.9	132.1	139.5	133.9	139.5	139.5	139.5
Hotels, cafés, restaurants	475.0	119.3	119.3	119.2	125.8	128.2	128.6	125.5	132.4	133.1	133.1	132.9	132.9	131.6	131.6	132.2
Other goods and services	531.0	108.7	109.9	108.9	110.4	111.1	112.0	110.7	104.7	104.6	104.6	105.9	105.0	104.5	103.7	103.0

(Base 100 = 1996)

Sources: Directorate of Statistics and National Accounts, Ministry of Economy and Finance.

Table 18. Niger: Financial Operations of the Central Government, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
	(Billions of CFA francs)							
Total revenue	111.8	109.6	110.1	132.8	160.9	156.7	173.8	189.0
Tax revenue	97.0	100.6	102.8	125.5	144.6	152.1	167.6	181.3
Nontax revenue	10.1	3.9	3.8	4.1	3.8	1.2	1.4	4.9
Annexed budgets/special accounts	4.7	5.1	3.5	3.2	4.1	3.4	3.9	2.8
Total expenditure and net lending	211.9	233.0	214.3	245.6	278.1	275.4	317.6	323.9
Total current expenditure	142.5	154.1	143.8	157.4	161.8	159.9	172.7	165.3
Budgetary expenditure	134.4	147.1	138.5	147.1	153.7	157.5	155.8	158.0
Wages and salaries	45.1	50.6	51.8	50.4	55.3	57.1	59.2	63.0
Goods and services	50.9	53.4	41.1	43.2	45.5	39.5	50.3	43.6
Subsidies and transfers	24.8	17.1	24.0	28.1	30.3	37.3	38.2	31.9
Interest, scheduled	19.2	19.7	21.6	25.4	22.6	17.4	8.1	10.1
External debt	17.8	18.5	19.6	24.1	21.2	16.1	8.0	8.0
Domestic debt	1.4	1.3	2.0	1.3	1.5	1.3	0.1	2.1
Annexed budget/special accounts	8.1	7.0	5.3	10.3	8.1	8.6	16.9	16.6
Capital expenditure and net lending	69.5	78.9	70.5	88.1	116.3	115.5	144.9	158.6
Capital expenditure	69.9	80.3	73.6	89.0	116.5	115.5	144.0	158.6
Domestically financed	9.7	17.1	8.1	25.1	27.1	28.5	34.0	51.0
HIPC resources	0.0	0.0	0.0	7.9	9.8	12.0	17.0	22.3
Externally financed	60.1	63.2	65.5	63.9	89.4	87.0	93.0	85.5
Net lending	-0.4	-1.4	-3.1	-0.8	0.0	0.0	0.9	-0.2
Overall balance (commitment basis excl. grants )	-100.1	-123.4	-104.2	-112.8	-117.2	-118.7	-143.8	-134.8
Basic fiscal balance (excl. HIPC-financed investment)	-40.0	-60.2	-38.7	-41.1	-18.0	-19.7	-33.8	-27.0
Basic fiscal balance	-40.0	-60.2	-38.7	-48.9	-27.8	-31.7	-50.8	-49.3
Change in payments arrears	-4.6	49.1	-112.0	-17.0	-33.4	-12.2	-19.3	-12.4
Domestic arrears (net)	-19.3	23.6	3.6	-17.0	-33.4	-12.2	-19.3	-12.4
External arrears (net)	14.7	25.6	-115.6	0.0	0.0	0.0	0.0	0.0
Overall balance (cash, excl. grants)	-104.7	-74.3	-216.2	-129.8	-150.6	-130.9	-163.1	-147.2
Financing	104.8	74.3	216.2	129.8	150.6	131.6	163.1	147.1
External financing	118.5	67.1	236.3	120.5	139.9	134.2	138.6	145.6
Grants	65.4	56.8	59.3	66.5	74.6	76.0	89.2	102.2
Budget financing	26.7	12.1	22.2	25.7	18.6	25.1	26.5	38.7
Project financing	38.7	44.7	37.1	32.7	45.8	39.4	46.5	45.3
HIPC Initiative assistance	0.0	0.0	0.1	8.1	10.3	11.5	16.2	18.2
Loans	52.0	26.6	54.7	53.7	78.0	68.4	64.1	55.0
Budget financing	30.5	8.1	26.3	30.4	44.2	32.8	17.6	14.8
Project financing	21.4	18.5	28.4	23.3	33.8	35.6	46.5	45.3
Amortization	-25.7	-23.8	-35.4	-41.3	-46.2	-38.6	-22.4	-14.6
Debt relief obtained (incl. Debt under discussion)	26.8	7.5	157.7	41.6	33.5	28.4	7.7	3.0
Domestic financing	-13.7	7.2	-20.2	9.3	10.7	-2.7	24.5	1.5
Banking sector	-11.0	7.8	-28.6	5.0	5.1	4.2	28.7	-14.8
of which : IMF (net)	7.3	-3.7	6.7	6.9	12.9	8.2	0.6	1.7
Non banking sector	-4.0	-0.6	0.0	-0.7	8.6	-4.3	-4.2	16.3
Privatization receipts (net)	1.3	0.0	8.5	5.0	-3.0	-2.5	0.0	0.0

Sources: Nigerien authorities and IMF staff estimates.

Table 19. Niger: Contribution of the Uranium and Gold Sectors to Budgetary Receipts, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
(Billions of CFA francs)								
Royalties	3,706	2,843	2,782	2,759	2,883	2,990	4,011	5,071
COMINAK	2,200	1,858	1,840	1,806	1,883	1,864	2,283	2,225
SOMAIR	1,506	985	942	953	1,000	1,126	1,490	1,642
SML	...	...	...	...	...	...	238	1,204
Export duty	835	641	633	621	646	669	...	...
COMINAK	497	420	420	407	422	419	...	...
SOMAIR	338	221	213	214	224	250	...	...
SML	...	...	...	...	...	...	...	...
Tax on general revenue	680	1,279	1,218	1,204	1,238	1,201	1,153	1,373
COMINAK	400	746	746	715	730	746	667	709
SOMAIR	280	533	472	489	508	455	486	554
SML	...	...	...	...	...	...	...	110
Tax on wages	1,104	...	...	...	...	...	...	...
COMINAK	620	...	...	...	...	...	...	...
SOMAIR	484	...	...	...	...	...	...	...
SML	...	...	...	...	...	...	...	...
Tax on corporate profits	835	...	...	...	...	...	...	...
COMINAK	496	...	...	...	...	...	...	...
SOMAIR	340	...	...	...	...	...	...	...
SML	...	...	...	...	...	...	...	...
Dividends	...	119	...	...	...	386	295	594
COMINAK	...	...	...	...	...	249	295	265
SOMAIR	...	119	...	...	...	137	...	329
SML	...	...	...	...	...	...	...	...
Tax on distributed dividends	...	62	...	...	...	130	139	195
COMINAK	...	...	...	...	...	89	106	95
SOMAIR	...	62	...	...	...	41	33	100
SML	...	...	...	...	...	...	...	...
Other	1,950	969	799	869	624	1,157	1,541	1,712
COMINAK	879	720	617	560	462	492	665	940
SOMAIR	1,071	187	182	219	162	665	645	475
SML	...	...	...	...	...	...	231	297
Total contribution	9,110	5,851	5,432	5,453	5,391	6,533	7,139	8,945
COMINAK	5,092	3,744	3,623	3,488	3,497	4,159	4,016	4,234
SOMAIR	4,019	2,107	1,809	1,875	1,894	2,674	2,654	3,100
SML	...	...	...	...	...	...	238	1,204
(Percent, unless otherwise indicated)								
Memorandum items:								
Total production (metric tons)	3,713	2,916	2,898	2,960	3,072	3,143	3,273	3,093
Price (CFA francs per kilogram)	22,500	22,000	21,700	21,300	21,100	21,000	21,000	23,100
Gold Production	...	...	...	...	...	...	1,590	4,922
Average price of gold	...	...	...	...	...	...	5,756	6,370
Contribution/total budgetary revenue	8	5	5	4	3	4	4	4
COMINAK/total contribution	59	64	63	64	65	59	56	46
SOMAIR/total contribution	41	36	37	36	35	36	37	33
SML/total contribution	...	...	...	...	...	...	4	18

Sources: Compagnie Minière d'Akouta (COMINAK); and Société Minière de l'Air (SOMAIR).

Table 20. Niger: Functional Classification of Budgetary Expenditure, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
	(Billions of CFA francs)							
Current expenditure	142.5	154.1	143.8	157.4	161.8	159.9	173.8	165.3
General services	51.8	61.0	65.1	63.8	64.6	63.1	85.9	94.7
Defense	13.0	14.5	14.3	18.2	14.4	14.3	16.7	17.3
Security	8.0	8.7	9.7	10.9	8.6	8.5	13.2	13.5
Education	21.0	26.2	31.0	24.2	31.0	29.6	41.9	48.6
Health	9.4	10.3	9.7	10.2	10.2	10.3	13.6	14.8
Social affairs	0.4	1.3	0.4	0.3	0.4	0.4	0.5	0.4
Economic services	7.1	8.6	3.9	10.6	7.0	3.9	10.7	13.9
Agriculture	2.3	2.8	2.6	3.9	3.1	2.9	3.5	4.2
Mining	0.3	0.3	0.3	0.4	0.4	0.3	0.3	0.6
Road infrastructure	3.6	5.2	0.0	5.6	3.5	0.6	4.6	5.8
Transport and communications	0.8	0.2	0.5	0.7	0.0	0.1	0.8	1.7
Other economic services	0.1	0.1	0.5	0.0	0.0	0.0	1.4	1.6
Miscellaneous	83.6	84.5	74.8	83.0	90.2	92.9	77.2	56.8
of which : interest payments	19.2	19.0	21.6	25.4	22.6	17.4	8.1	10.1
Capital expenditure	69.9	80.3	73.6	89.0	116.3	115.5	144.0	158.6
General services	22.5	27.1	24.2	22.8	33.2	31.4	24.0	17.1
Education	5.3	7.3	4.5	4.3	12.5	11.3	15.7	10.6
Health	9.1	16.8	16.4	15.6	16.8	20.0	7.3	5.4
Social affairs	8.1	3.0	3.3	2.9	3.9	0.0	1.0	1.1
Economic services	39.5	28.3	31.8	31.8	55.1	46.8	38.8	35.1
Agriculture	25.3	17.5	12.3	18.6	26.3	16.3	25.2	22.0
Mining and industry	1.0	1.5	1.2	1.4	0.0	0.0	1.1	0.2
Energy	1.3	0.1	0.9	0.5	0.0	0.0	0.0	0.0
Water	5.8	4.2	3.9	7.1	13.1	18.4	0.0	0.0
Road infrastructure	5.6	4.7	13.3	4.2	15.4	12.1	12.6	12.9
Other economic services	0.5	0.3	0.2	0.0	0.3	0.0	0.0	0.0
Miscellaneous	7.9	24.9	17.6	34.4	28.0	37.3	81.2	106.5
of which : environmental protection	...	...	...	...	...	...	23.9	13.1

Source: Ministry of Finance and Economy.

Table 21. Niger: Monetary Survey, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
	(Millions of CFA francs; end of period)							
Net foreign assets	-0.2	-14.9	-1.3	33.1	24.4	75.8	67.9	79.2
BCEAO	-4.4	-18.0	2.5	19.7	10.2	68.1	49.0	67.1
Commercial banks	4.2	3.1	-3.7	13.4	14.2	7.7	18.9	12.0
Net domestic assets	100.5	109.7	104.4	103.9	112.0	118.2	165.4	169.4
Domestic credit	112.9	119.2	111.6	114.0	128.9	139.7	186.4	191.8
Net bank claims on the government	63.7	71.5	43.0	48.0	53.1	56.6	85.3	70.5
BCEAO	57.9	65.4	41.8	47.6	54.5	56.2	85.6	75.1
<i>of which</i> : statutory advances	31.7	30.4	25.8	32.2	33.1	33.1	33.1	32.1
IMF resources	42.6	39.0	45.8	53.0	66.2	74.4	73.5	75.2
Commercial banks	3.1	3.3	-0.3	-1.3	-3.1	-2.0	-3.5	-7.1
Other	2.7	2.9	1.6	1.6	1.7	2.4	3.2	2.5
Credit to the economy	49.2	47.7	68.6	66.0	75.8	83.0	101.1	121.3
Other items, net	-12.4	-9.6	-7.2	-10.1	-16.9	-21.5	-21.0	-22.4
<i>of which</i> : revaluation account	-8.0	-8.0	-8.0	0.0	-8.0	0.0	0.0	0.0
Money and quasi money	100.3	94.8	103.2	137.0	136.4	194.0	233.3	248.6
Currency outside banks	44.9	34.1	32.2	49.8	39.3	84.9	97.7	108.1
Private deposits with ONPE	2.5	2.9	1.6	1.6	1.7	2.4	3.2	2.5
Deposits with banks	52.9	57.7	69.5	85.5	95.4	106.6	132.5	137.9
Private sector	49.0	54.4	65.1	82.2	92.6	104.0	129.5	134.8
Public institutions	3.9	3.4	4.3	3.4	2.8	2.6	3.0	3.1
	(Annual variation, in percent of beginning-of-period broad money, unless otherwise indicated)							
Net foreign assets	-1.0	-14.6	14.4	33.3	-6.3	37.7	-4.1	4.8
BCEAO	-0.4	-13.5	21.5	16.7	-6.9	42.4	-9.8	7.8
Commercial banks	-0.6	-1.1	-7.2	16.6	0.6	-4.7	5.8	-3.0
Net domestic assets	1.7	9.1	-5.5	-0.5	5.9	4.5	24.3	1.7
Domestic credit	-0.1	6.3	-8.1	2.3	10.9	7.9	24.1	2.3
Net bank claims on the government	-11.1	7.8	-30.1	4.9	3.7	2.6	14.8	-6.3
BCEAO	-1.3	7.4	-24.9	5.7	5.0	1.3	15.2	-4.5
<i>of which</i> : statutory advances	-0.4	-1.3	-4.9	6.2	0.7	0.0	0.0	-0.4
Commercial banks	-9.9	0.2	-3.8	-0.9	-1.3	0.8	-0.8	-1.5
Other	0.0	0.2	-1.4	0.1	0.1	0.5	0.4	-0.3
Credit to the economy	10.9	-1.5	22.1	-2.5	7.1	5.3	9.3	8.7
Other items, net	1.8	2.8	2.6	-2.8	-4.9	-3.4	0.3	-0.6
Money and quasi money	0.7	-5.5	8.9	32.8	-0.4	42.2	20.3	6.5
Memorandum items:								
Credit to the economy (annual change)	28.5	-3.0	43.8	-3.8	14.8	9.5	21.7	20.0
Velocity of circulation	12.2	13.1	12.6	10.4	11.1	8.1	6.7	7.2

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

Table 22. Niger: Net Foreign Assets, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
(Billions of CFA francs; end of period)								
Central Bank								
Foreign assets	40.1	25.1	57.7	80.8	84.5	142.4	120.8	138.5
<i>of which</i> : operations account	22.3	15.1	46.1	63.2	76.1	133.8	113.2	131.5
Foreign liabilities	44.4	43.0	55.2	69.9	83.0	74.3	71.8	71.4
Use of Fund resources	43.8	41.5	54.1	68.9	81.0	72.1	69.5	68.6
Other	0.6	1.6	1.2	1.0	2.0	2.2	2.3	2.8
Net foreign assets	-4.4	-18.0	2.5	19.7	10.2	68.1	49.0	67.1
Commercial Banks								
Foreign assets	21.3	28.9	26.4	40.0	30.3	34.0	39.0	48.0
Foreign liabilities	17.1	25.8	30.2	26.6	16.4	26.4	20.1	35.9
Net foreign assets	4.2	3.1	-3.7	13.4	13.9	7.7	18.9	12.0
Banking System								
Foreign assets	61.3	53.9	84.1	120.8	114.8	176.4	159.8	186.5
Foreign liabilities	61.6	68.8	85.4	96.5	99.3	100.7	91.9	107.3
Net foreign assets	-0.2	-14.9	-1.3	24.3	15.4	75.7	67.9	79.2

Sources: Central Bank of West African States (BCEAO); and Nigerien authorities.

Table 23. Niger: Banking System Claims on the Government, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
	(Billions of CFA francs; end of period )							
Central bank	57.9	65.4	41.8	47.6	54.5	56.0	85.6	75.3
Claims	74.3	69.4	72.2	85.6	99.7	109.2	107.6	107.8
Statutory advances	31.7	30.4	25.8	32.2	33.1	33.1	33.1	32.1
IMF on-lending	42.6	39.0	45.8	53.0	66.2	74.4	73.5	75.2
Consolidated advances	0.0	0.0	0.6	0.5	0.4	1.7	1.1	0.5
Liabilities	16.4	4.2	30.4	38.0	45.2	53.3	22.0	32.5
Post office deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Treasury deposits	0.0	0.8	0.0	0.0	0.0	0.0	0.8	1.7
Other government deposits	16.0	3.0	30.0	37.6	44.8	52.1	20.5	30.4
Treasury currency holdings	0.4	0.4	0.4	0.4	0.4	1.1	0.7	0.4
Commercial banks	3.0	3.4	-0.3	-1.3	-3.1	-2.0	-3.5	-7.1
Claims	12.8	12.2	11.4	10.7	10.4	10.9	10.3	12.1
Postal checking system	0.7	0.9	0.4	0.2	0.5	0.5	1.0	0.6
Government paper	6.1	5.6	5.3	5.7	4.7	4.7	2.2	4.1
Other	6.2	5.7	5.7	4.9	5.3	5.6	7.1	7.4
Liabilities	9.8	8.8	11.6	12.0	13.6	12.8	13.8	19.2
Demand deposits	8.7	7.2	10.0	11.3	9.9	9.0	9.7	16.8
Time deposits	1.1	1.6	1.6	0.7	3.6	3.8	4.1	2.3
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private deposits with								
Postal checking system	2.5	2.9	1.6	1.6	1.7	2.4	3.2	2.5
Customs duty bills	0.0	0.0	0.0	0.0	0.0	2.4	3.2	2.5
Net banking system claims on the government	63.4	71.7	43.1	48.0	53.1	56.4	85.3	70.5

Sources: Central Bank of West African States (BCEAO); and Nigerien authorities.

Table 24. Niger: Summary Accounts of the Central Bank, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
	(Billions of CFA francs; end of period)							
Net foreign assets	-14.5	-17.9	2.5	19.7	10.2	68.1	49.0	67.1
Assets	29.9	25.1	57.7	80.8	84.5	150.2	120.8	138.5
Liabilities	44.4	43.0	55.2	61.1	74.3	82.1	71.8	71.4
Net claims on the government	57.9	65.4	41.8	47.6	54.5	56.2	85.6	75.1
Claims	74.3	69.5	72.2	85.6	99.7	109.2	107.6	107.8
Liabilities	16.4	4.1	30.4	38.0	45.2	53.3	22.0	32.5
Net claims on banks	-3.8	-7.1	-11.0	-15.4	-22.3	-29.5	-30.8	-28.8
Claims	3.9	1.2	1.2	1.2	1.2	1.2	1.2	1.1
Advances, money market	3.9	1.2	1.2	0.0	0.0	0.0	0.0	0.0
Other advances	0.0	0.0	0.0	0.0	0.0	1.2	1.2	1.1
Liabilities	7.7	8.3	12.2	16.6	23.5	30.7	32.0	29.9
Deposits, money market	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other deposits	4.5	6.2	10.0	12.3	18.6	23.2	23.8	21.3
Currency held by banks	3.2	2.1	2.3	4.4	4.9	7.6	8.3	8.5
Net claims on other financial institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency outside banks	24.5	34.1	32.2	49.8	39.3	84.9	97.7	108.1
SDR counterpart	7.6	7.9	9.0	8.8	8.7	7.7	7.5	7.2
Other items, net	7.1	-2.2	-8.2	-7.1	-6.0	1.6	-1.5	-2.0

Sources: Central Bank of West African States (BCEAO); and Nigerien authorities.



Table 25. Niger: Summary Accounts of the Commercial Banks, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
(Billions of CFA francs; end of period)								
Net foreign assets	4.2	3.1	-3.8	13.4	14.2	8.0	21.5	17.7
Assets	21.3	28.9	26.4	40.0	30.3	34.0	39.0	48.0
Liabilities, short term	17.1	25.8	30.2	26.6	16.1	26.0	17.4	30.3
Net money market	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other reserves	7.7	8.8	10.5	15.2	22.1	30.1	31.1	28.3
Currency holdings	3.2	2.1	2.3	4.4	4.9	7.6	8.3	8.5
Deposits at central bank	4.5	6.7	8.3	10.9	17.1	22.5	22.8	19.8
Net bank claims on the government	3.1	3.3	-0.3	-1.3	-3.1	-2.0	-3.5	-7.1
Claims	12.8	12.1	11.3	10.7	10.4	10.9	10.3	12.1
Deposits	9.8	8.8	11.6	12.0	13.5	12.9	13.8	19.2
Credit to the private sector	49.2	47.7	68.6	66.0	75.8	83.0	101.1	121.3
Short term	35.7	35.1	56.2	54.0	62.7	64.1	71.0	83.0
Medium- and long term	13.5	12.7	12.5	12.1	13.1	18.9	30.1	38.3
Performing credit	12.1	11.2	11.0	10.4	12.3	14.5	28.6	35.6
Nonperforming credit	1.3	1.5	1.5	1.7	0.8	4.4	1.5	2.7
Deposits	52.7	57.7	69.2	85.2	95.0	106.2	132.4	137.8
Demand	32.1	34.0	42.2	52.4	54.5	61.8	82.0	81.6
<i>of which</i> : public enterprises	1.7	2.1	2.3	2.0	1.7	1.4	2.6	3.1
Time	20.6	23.8	27.0	32.7	40.5	44.4	50.3	56.2
<i>of which</i> : public enterprises	2.2	1.3	2.0	1.3	1.1	1.2	2.7	3.4
Central bank rediscounts	3.9	1.2	1.2	1.2	1.2	1.2	1.2	1.1
Long-term foreign liabilities	0.0	0.0	0.0	0.0	0.3	0.3	2.6	5.6
Other items, net	7.5	4.0	4.7	7.0	12.4	11.5	14.0	15.6

Sources: Central Bank of West African States (BCEAO); and Nigerien authorities.

Table 26. Niger: Distribution of Credit to the Public and Private Sectors, 1998-2005<sup>1,2</sup>

	1998	1999	2000	2001	2002	2003	2004	2005
(Millions of CFA francs; end of period)								
<b>Short term</b>								
Agriculture	1,326	1,169	1,105	1,040	410	516	632	928
Mining	4,450	1,278	1,476	626	1,178	1,212	2,833	2,155
Industry	6,650	8,702	7,698	8,196	9,468	4,703	7,812	9,675
Construction	7,720	7,797	5,214	5,944	5,963	6,838	8,018	10,597
Transport	3,450	3,674	3,391	2,589	2,456	3,845	45,235	53,711
Commerce	29,500	35,116	41,720	40,099	34,136	40,743	5,080	11,474
Other	8,541	9,033	11,770	15,920	17,370	19,713	12,000	11,632
<b>Total</b>	<b>61,637</b>	<b>66,769</b>	<b>72,374</b>	<b>74,414</b>	<b>70,981</b>	<b>77,570</b>	<b>81,610</b>	<b>100,172</b>
<i>of which</i> : public and semi public enterprises	6,851	13,181	21,497	16,985	15,741	13,490	16,792	17,184
<b>Medium term</b>								
Agriculture	56	0	0	38	35	47	29	162
Mining	0	0	0	0	0	0	182	3,312
Industry	280	421	772	613	431	493	2,273	2,787
Construction	64	60	309	377	574	410	670	554
Transport	562	705	1,099	804	998	1,012	6,257	7,483
Commerce	1,109	2,716	2,303	2,342	1,808	2,131	6,614	7,672
Other	989	2,338	2,940	4,266	6,670	5,345	7,690	10,002
<b>Total</b>	<b>3,061</b>	<b>6,240</b>	<b>7,423</b>	<b>8,440</b>	<b>10,516</b>	<b>9,438</b>	<b>23,715</b>	<b>31,981</b>
<i>of which</i> : public and semipublic enterprises	7	532	910	1,575	1,288	1,010	1,688	5,214
<b>Long term</b>								
Agriculture	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0
Industry	21	9	7	0	0	0	0	0
Construction	0	0	0	36	0	0	0	0
Transport	0	16	14	45	17	0	0	0
Commerce	37	42	33	0	14	24	31	111
Other	295	2,238	1,947	1,879	1,658	1,128	1,205	814
<b>Total</b>	<b>353</b>	<b>2,305</b>	<b>2,001</b>	<b>1,960</b>	<b>1,689</b>	<b>1,152</b>	<b>1,236</b>	<b>2,635</b>
<i>of which</i> : public and semi public enterprises	0	750	577	554	554	554	554	1,368
<b>Total</b>	<b>65,051</b>	<b>75,314</b>	<b>81,798</b>	<b>84,814</b>	<b>83,186</b>	<b>88,160</b>	<b>106,561</b>	<b>134,788</b>
<i>of which</i> : public and semi public enterprises	6,858	14,463	22,984	19,114	17,583	15,054	19,034	23,766

Sources: Central Bank of West African States (BCEAO); and Nigerien authorities.

<sup>1</sup>Excluding central government.

<sup>2</sup>As declared to the *Centrale des Risques du Niger*; totals may differ from those in Table 28.

Table 27. Niger: Distribution of Credit to the Public and Private Sectors, 1998-2005<sup>1</sup>

	1998	1999	2000	2001	2002	2003	2004	2005
	(Percent; end of period)							
Short term								
Agriculture	2.2	1.8	1.5	1.4	0.6	0.7	0.8	0.9
Mining	7.2	1.9	2.0	0.8	1.7	1.6	3.5	2.2
Industry	10.8	13.0	10.6	11.0	13.3	6.1	9.6	9.7
Construction	12.5	11.7	7.2	8.0	8.4	8.8	9.8	10.6
Transport	5.6	5.5	4.7	3.5	3.5	5.0	55.4	53.6
Commerce	47.9	52.6	57.6	53.9	48.1	52.5	6.2	11.5
Other	13.9	13.5	16.3	31.4	24.5	25.4	14.7	11.6
Total	100.0	100.0	99.9	100.0	100.0	100.0	100.0	100.0
of which : public and semi public enterprises	11.1	19.7	29.7	22.8	22.2	17.4	20.6	17.2
Medium and long term								
Agriculture	1.8	0.0	0.0	0.5	0.3	0.5	0.1	0.5
Mining	0.0	0.0	0.0	0.0	0.0	0.0	0.8	10.4
Industry	9.1	6.7	10.4	7.3	4.1	5.2	9.6	8.7
Construction	2.1	1.0	4.2	4.5	5.5	4.3	2.8	1.7
Transport	18.4	11.3	14.8	9.5	9.5	10.7	26.4	23.4
Commerce	36.2	43.5	31.0	27.7	17.2	22.6	27.9	24.0
Other	32.3	37.5	39.6	50.5	63.4	56.6	32.4	31.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
of which : public and semi public enterprises	0.2	8.5	12.3	18.7	12.2	10.7	7.1	16.3
Short, medium, and long term								
Agriculture	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mining	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Industry	5.9	0.4	0.3	0.0	0.0	0.0	0.0	0.0
Construction	0.0	0.0	0.0	1.8	0.0	0.0	0.0	0.0
Transport	0.0	0.7	0.7	2.3	1.0	0.0	0.0	0.0
Commerce	10.5	1.8	1.6	0.0	0.8	2.1	2.5	4.2
Other	83.6	97.1	97.3	95.9	98.2	97.9	97.5	30.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
of which : public and semi public enterprises	10.5	19.2	28.1	22.5	21.1	17.1	17.6	17.6

Sources: Central Bank of West African States (BCEAO); and Nigerien authorities.

<sup>1</sup>Excluding central government.

Table 28. Niger: Rediscount Rates Applied by the Central Bank, 1989-2006 <sup>1</sup>

(Percent per year)

	Discount Rate <sup>2</sup>	Treasury Advance Special Rate <sup>3</sup>
October 2, 1989	10.50	9.60
November 27, 1989	11.00	9.60
August 20, 1992	13.00	9.70
November 9, 1992	12.50	8.90
December 20, 1993	10.50	9.70
January 18, 1994	14.50	7.70
June 27, 1994	12.00	7.70
August 1, 1994	11.00	5.20
August 29, 1994	10.00	5.20
January 23, 1995	9.00	5.20
June 5, 1995	8.50	4.50
December 26, 1996	7.50	6.50
August 19, 1996	7.00	4.50
October 21, 1996	6.50	4.50
February 17, 1997	6.25	4.51
September 8, 1997	6.00	5.20
August 31, 1998	6.25	4.95
January 4, 1999	5.75	4.95
December 31, 1999	5.75	4.95
June 19, 2000	6.50	5.20
July 7, 2003	5.50	4.95
October 20, 2003	5.00	4.50
December 31, 2003	5.00	4.50
March 22, 2004	4.50	...
August 24, 2006	4.75	...

Source: Central Bank of West African States (BCEAO).

<sup>1</sup>Rates applied to short-term credit of 1 year or less and to medium-term credit of up to 1 and 15 years since October 1, 1989. The BCEAO also rediscounts long-term credit that at the time of rediscounting, has no more than 10 years to maturity.

<sup>2</sup>The unified discount rate is applicable to all advances except those to the treasury.

<sup>3</sup>Since the abolition of statutory advances by the BCEAO to member states in January 2004, this rate is no longer applicable.

Table 29. Niger: Lending Rates Applied by Commercial Banks, 1988-1993

	Dec. 23 1988		March 30 1989		Oct 2 1989	Nov 27 1989	Aug 20 1992	Nov 9 1992	Since Oct 1 1993
	Min.	Max.	Min.	Max.	Max.	Max.	Max.	Max.	
(Percent per year)									
Short- and medium-term credit									
Crop financing and export credit	8.5	9.5	10.0	11.0	15.5	16.0	18.0	17.5	Free
Financing of storage of agricultural products	8.5	9.5	10.0	11.0	15.5	16.0	18.0	17.5	Free
Credit to small and medium-sized national enterprises <sup>1</sup>	8.5	10.5	10.0	12.0	15.5	16.0	18.0	17.5	Free
Credit to nationals <sup>2</sup> for construction of first primary residence	8.5	10.5	10.0	12.0	15.5	16.0	18.0	17.5	Free
Other credits	9.5	14.5	10.0	15.0	15.5	16.0	18.0	17.5	Free
Long-term credit <sup>3</sup>									
Credit to small and medium-sized national enterprises <sup>1</sup>	8.5	10.5	10.0	12.0	15.5	16.0	18.0	17.5	Free
Credit to nationals <sup>2</sup> for construction of first primary residence	8.5	10.5	10.0	12.0	15.5	16.0	18.0	17.5	Free
Other credits	9.5	14.5	10.0	15.0	15.5	16.0	18.0	17.5	Free

Source: Central Bank of West African States (BCEAO).

<sup>1</sup>Originally not exceeding CFAP 20 million; since May 1, 1979, not exceeding CFAP 30 million.<sup>2</sup>Of any member state of West African Monetary Union (WAMU).<sup>3</sup>Originally, with maturity of more than 2 years and less than 10 years, and less than 15 years since October 2, 1989.

Table 30. Niger: Deposit Rates Applied by Commercial Banks, 1989-2005<sup>1</sup>

	March 1989 - October 1989				November 1989 - October 1993				January 1994 - Present				
	30 Mar. 1989	22 Sept. 1989	23 Dec. 1988	30 Mar. 1989	2 Oct. 1989	27 Nov. 1989	20-Aug 1992	9 Nov. 1992	1 Oct. 1993	18 Jan. 1994	8 Jul. 1994	26 Sep. 1994	1er Avril 1996
Public deposits <sup>2</sup>				(Up to CFAF 500 000)		(Up to CFAF 5 million)		(Up to CFAF 5 million)					
Other deposits <sup>3</sup>				Determined by agreement									
Demand deposits	--	--	--	--	--	--	--	--	--	--	--	--	--
Time deposits													
Less than six months	5.00	4.75	5.50	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Six months- less than one year	6.50	5.75	6.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
One year and more	7.75*	7.00*	8.00*	8.50*	8.50*	8.50*	8.50*	8.50*	8.50*	8.50*	8.50*	8.50*	8.50*
Certificates of deposit													
Six months -- less than one year	6.50	5.75	6.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
One year and more	7.75*	7.00*	8.00*	8.50*	8.50*	8.50*	8.50*	8.50*	8.50*	8.50*	8.50*	8.50*	8.50*
Savings deposits <sup>5</sup>	7.50	6.50	7.00	7.50	6.50	7.00	9.00	8.50	4.50	8.00	5.00	4.50	3.50
				(Above CFAF 500 000)		(Above CFAF 5 million)		(Above CFAF 5 million)					
Public deposits <sup>2</sup>				Determined by agreement									
Other deposits	--	--	--	--	--	--	--	--	--	--	--	--	--
Demand deposits													
Time deposits													
Less than six months	6.50	5.75*	6.50*	7.00	6.50*	7.00*	9.00*	8.50*	6.50	6.50	6.50	6.50	6.50
Six months -- less than one year	7.75	7.00*	7.75*	8.25	7.50*	8.00*	10.00*	9.50*	7.50	7.50	7.50	7.50	7.50
One year and more	9.00*	8.00*	9.00*	9.50*	8.50*	9.00*	11.00*	10.50*	8.50	8.50	8.50	8.50	8.50
Certificates of deposit													
Six months -- less than one year	7.75	7.00*	7.75	8.25*	7.50*	8.00*	10.00*	9.50*	7.50	7.50	7.50	7.50	7.50
One year and more	9.00*	8.00*	9.00*	9.50*	8.50*	9.00*	11.00*	10.50*	8.50	8.50	8.50	8.50	8.50
Savings deposits <sup>5</sup>	7.50	6.50	7.00	7.50	6.50	7.00	9.00	8.50	4.50	8.00	5.00	4.50	3.50

Source: Central Bank of West African States (BCEAO).

<sup>1</sup>Fixed rates, unless marked with an asterisk (\*), in which case they are minimum rates.

<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.

<sup>3</sup>Deposit rates no longer fixed by the BCEAO.

<sup>4</sup>Average monthly money market rate published by the BCEAO minus 2 percent.

<sup>5</sup>Applicable to savings deposits of less than CFAF 5 million.

<sup>6</sup>The requirement that banks pay interest on demand deposits was suspended beginning January 1, 1985.

Table 31. Niger: Interest Rates on the Money Market, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
	(Percent per year)							
January	4.50	5.00	4.95	4.95	4.95	4.95	4.95	4.95
February	5.50	5.00	4.95	4.95	4.95	4.95	4.95	4.95
March	4.50	5.00	4.95	4.95	4.95	4.95	4.95	4.95
April	4.60	5.00	4.95	4.95	4.95	4.95	4.95	4.95
May	4.80	5.00	4.95	4.95	4.95	4.95	4.95	4.95
June	4.95	5.00	4.95	4.95	4.95	4.95	4.95	4.95
July	4.95	5.00	4.95	4.95	4.95	4.95	4.95	4.95
August	4.95	5.00	4.95	4.95	4.95	4.95	4.95	4.95
September	4.95	5.00	4.95	4.95	4.95	4.95	4.95	4.95
October	4.95	5.00	4.95	4.95	4.95	4.95	4.95	4.95
November	4.95	5.00	4.95	4.95	4.95	4.95	4.95	4.95
December	4.95	5.00	4.95	4.95	4.95	4.95	4.95	4.95

Source: Central Bank of West African States (BCEAO).

Table 32. Niger Balance of Payments, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
(Billions of CFA francs, unless otherwise indicated)								
Current account balance	-84.2	-80.9	-79.1	-67.9	-98.9	-95.1	-109.5	-133.1
Balance on goods	-35.5	-26.2	-33.9	-43.3	-63.8	-77.5	-80.8	-136.6
Exports, f.o.b	197.0	176.6	201.2	199.7	194.8	194.7	230.7	263.5
Uranium	76.5	65.1	64.0	63.0	62.5	65.5	70.1	78.5
Cattle	24.0	26.4	37.0	40.3	38.9	35.5	26.8	29.1
Gold	0.0	0.0	0.0	0.0	0.0	0.0	10.7	34.2
Other exports	96.5	85.0	100.2	96.4	93.5	102.3	123.1	121.7
<i>of which</i> : reexports	17.3	11.6	26.1	36.7	24.0	36.3	21.4	27.3
Imports, f.o.b	232.5	202.8	235.1	243.1	258.7	272.3	311.5	400.1
<i>of which</i> : Food products	76.5	59.9	64.1	76.9	83.0	78.9	94.6	124.8
Petroleum products	33.0	33.8	47.3	25.8	28.4	31.7	40.5	66.3
Services and income (net)	-83.0	-76.7	-78.9	-77.3	-87.7	-84.4	-96.3	-110.3
Services (net)	-69.1	-64.9	-67.2	-66.3	-70.9	-76.5	-89.6	-102.7
Income (net)	-13.9	-11.8	-11.8	-11.0	-16.8	-7.9	-6.7	-7.6
<i>of which</i> : interest on external public debt	-17.8	-18.5	-19.6	-24.1	-21.2	-16.1	-8.0	-8.0
Unrequited current transfers (net)	34.3	22.1	33.7	52.7	52.5	58.8	67.5	113.8
Private (net)	-3.4	2.1	2.7	10.5	8.6	7.0	16.2	66.5
Public (net)	37.8	20.0	31.0	42.2	43.9	51.8	51.3	47.3
<i>of which</i> : grants for budgetary assistance	26.7	12.1	22.2	25.7	18.6	25.1	26.5	38.7
Capital and financial account	30.2	46.4	65.4	52.8	77.6	78.4	107.8	140.6
Capital account	41.1	47.3	38.4	34.2	53.8	42.6	52.2	50.3
Private capital transfers	2.4	2.6	1.3	1.5	8.0	3.2	5.7	5.0
Project grants	38.7	44.7	37.1	32.7	45.8	39.4	46.5	45.3
Financial account	-10.9	-0.9	27.0	18.6	23.8	35.8	55.6	90.3
Direct investment	-0.7	0.3	6.4	19.4	2.9	13.0	7.1	7.8
Portfolio investment	-0.5	-0.1	6.5	2.7	1.0	1.0	2.5	14.5
Other investment	-9.7	-1.1	14.1	-3.5	19.9	21.8	46.0	68.0
Public sector (net)	26.3	2.7	19.3	12.4	31.8	29.8	49.8	40.4
Disbursements	52.0	26.6	54.7	53.7	78.0	68.4	64.1	55.0
Loans for budgetary assistance	30.5	8.1	26.3	30.4	44.2	32.8	17.6	14.8
Project loans	21.4	18.5	28.4	23.3	33.8	35.6	46.5	40.2
Amortization	25.7	23.8	35.4	41.3	46.2	38.6	22.4	14.6
Other (net)	-36.0	-3.8	-5.2	-16.0	-11.9	-8.0	-3.9	27.6
Errors and omissions	12.2	-12.1	-16.6	-9.2	-21.6	-16.5	-24.1	8.1
Overall balance	-41.9	-46.6	-30.2	-24.3	-42.9	-33.2	-25.8	15.6
Financing	41.9	46.6	21.7	24.3	43.0	-33.2	25.8	-15.6
Net foreign assets (Central Bank of West African States)	0.4	13.6	-20.4	-17.3	9.5	-57.9	19.1	-18.4
Rescheduling obtained	26.8	7.5	157.7	41.6	33.5	24.7	6.7	2.8
Change in arrears	14.7	25.6	-115.6	0.0	0.0	0.0	0.0	0.0
Financing gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Sources: Nigerien authorities; and IMF staff estimates and projections.



Table 33. Niger: Composition of Exports, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
(Value in billions of CFA francs; volumes in tons, and prices in CFA francs per kilogram, unless otherwise indicated)								
Total Exports	197.0	176.6	201.2	199.7	194.8	194.7	230.7	263.5
Uranium								
Value	76.5	65.1	64.0	63.0	62.5	65.5	70.1	78.5
Volume	3,399.0	2,960.0	2,950.0	2,960.0	2,960.0	2,960.0	3,340.0	3,400.0
Price (In 000's of CFA francs per kilo.)	22.5	22.0	21.7	21.3	21.1	21.1	21.1	23.1
Cattle								
Value	24.2	26.4	37.0	40.3	38.9	35.5	26.8	29.1
Volume	54,483.0	42,724.0	74,699.0	70,058.0	62,667.0	45,047.0	35,817.0	40,152.0
Price	441.1	618.8	495.5	575.0	620.0	645.0	748.3	723.9
Cowpeas								
Value	12.8	11.9	13.4	6.9	7.6	10.8	14.0	11.4
Volume	1,950.0	40,526.0	56,640.0	24,000.0	26,400.0	37,646.0	40,761.0	23,940.0
Price	298.0	294.1	237.0	288.0	287.0	257.4	344.4	477.5
Onions								
Value	16.6	15.3	11.8	10.8	13.8	13.9	35.7	33.8
Volume	56,055.0	49,825.0	57,121.0	38,748.0	49,181.0	45,707.0	93,261.0	83,247.9
Price	299.0	306.1	207.0	279.0	281.0	307.7	383.0	406.3
Other Exports								
Value	66.9	57.9	74.9	78.7	72.0	77.6	84.1	110.7

Sources: Central Bank of West African States (BCEAO); and IMF staff estimates.

Tableau 34. Niger: Composition of Imports, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
(Values in billions of CFA francs, volumes in tons)								
Total imports, c.i.f	252.5	232.6	264.9	283.3	302.5	335.7	391.8	503.3
Petroleum products	36.7	40.0	54.8	31.1	34.3	47.0	51.0	83.3
Rice and related products								
Value	85.2	71.0	74.3	92.7	100.2	98.1	119.0	157.0
Volume	392.4	272.5	397.2	433.5	403.8	415.9	485.0	630.0
Price (per ton)	217.1	260.4	187.0	213.8	224.2	235.8	245.3	249.0
Consumption goods	55.6	43.2	67.1	85.6	72.4	84.1	86.6	99.9
Intermediate & capital goods	74.9	78.4	68.8	73.9	95.7	106.5	135.3	163.1
(Percent of total imports)								
Petroleum products	12.9	16.1	19.2	10.3	10.6	14.0	13.0	16.6
Rice and related products	30.0	28.5	26.0	30.7	31.1	29.2	30.4	31.2
Consumption goods	30.6	23.9	30.8	34.6	28.6	25.1	22.1	19.8
Intermediate goods	26.4	31.5	24.0	24.4	29.7	31.7	34.5	32.4

Sources: Central Bank of West African States (BCEAO); and IMF staff estimates.

Table 35. Niger: Direction of Trade, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005
(Millions of U.S. dollars)								
Exports, f.o.b. <sup>1</sup>	206.1	178.7	195.7	162.3	156.3	174.6	243.7	306.6
Industrial countries	140.2	108.3	99.9	88.2	94.3	102.4	156.6	131.7
<i>Of which:</i> France	96.7	69.2	60.0	56.1	60.9	61.2	91.6	108.8
Spain	7.5	7.2	6.2	5.8	6.0	6.3	...	...
Japan	32.8	31.0	27.3	25.3	26.7	28.4	34.1	37.7
Developing countries	65.9	70.4	95.8	74.0	62.4	72.2	87.0	175.0
<i>Of which:</i> Côte d'Ivoire	10.0	8.8	5.4	4.3	1.5	2.6	8.3	6.8
Nigeria	42.5	50.9	78.0	61.4	51.9	55.3	54.4	44.5
(Percent of total exports)								
Industrial countries	68.0	60.6	51.0	54.3	60.3	58.6	64.3	43.0
<i>Of which:</i> France	46.9	38.7	30.7	34.5	39.0	35.1	37.6	35.5
Spain	3.6	4.0	3.2	3.6	3.8	3.6	...	...
Japan	15.9	17.3	13.9	15.6	17.1	16.3	14.0	12.3
Developing countries	32.0	39.4	49.0	45.6	39.9	41.4	35.7	57.1
<i>Of which:</i> Côte d'Ivoire	4.9	4.9	2.8	2.6	1.0	1.5	3.4	2.2
Nigeria	20.6	28.5	39.9	37.8	33.2	31.7	22.3	14.5
(Millions of U.S. dollars)								
Imports, c.i.f. <sup>1</sup>	362.0	315.1	280.8	324.8	395.2	492.3	626.1	684.9
Industrial countries	191.8	141.6	121.5	129.5	150.4	142.5	279.7	250.8
<i>Of which:</i> France	95.1	70.7	55.2	62.1	66.7	80.8	99.5	115.1
Spain	8.2	7.8	5.8	4.3	5.7	6.1	..	...
Japan	17.0	19.7	16.6	15.6	18.4	24.0	30.8	21.1
Developing countries	162.6	168.3	157.3	192.1	239.5	295.6	346.4	434.1
<i>Of which:</i> Côte d'Ivoire	39.4	47.5	39.9	47.4	59.2	68.5	60.8	63.7
Nigeria	32.2	25.2	28.4	33.5	29.2	37.9	46.6	40.5
(Percent of total exports)								
Industrial countries	53.0	44.9	43.3	39.9	38.1	28.9	44.7	36.6
<i>Of which:</i> France	26.3	22.4	19.6	19.1	16.9	16.4	15.9	16.8
Spain	2.3	2.5	2.1	1.3	1.4	1.2	...	...
Japan	4.7	6.3	5.9	4.8	4.7	4.9	4.9	3.1
Developing countries	44.9	53.4	56.0	59.1	60.6	60.0	55.3	63.4
<i>Of which:</i> Côte d'Ivoire	10.9	15.1	14.2	14.6	15.0	13.9	9.7	9.3
Nigeria	8.9	8.0	10.1	10.3	7.4	7.7	7.4	5.9
(Percent of total trade)								
Industrial countries	58.4	50.6	46.5	44.7	44.4	36.7	50.2	38.6
<i>Of which:</i> France	33.8	28.3	24.2	24.3	23.1	21.3	22.0	22.6
Spain	2.8	3.0	2.5	2.1	2.1	1.9	...	...
Japan	3.0	4.0	3.5	3.2	3.3	14.4	13.5	19.8
Developing countries	30.4	35.9	34.1	40.3	43.7	44.7	40.8	44.5
<i>Of which:</i> Côte d'Ivoire	14.4	19.9	24.7	22.3	20.1	18.6	13.2	10.9
Nigeria	5.7	5.1	6.0	6.9	5.3	5.7	5.4	4.1

Sources: IMF, Direction of Trade Statistics Yearbook, and IMF staff estimates.

<sup>1</sup>Regional data do not add up to world totals.

Table 36 Niger: Medium- and Long-Term External Public Debt by Creditor, 1998-2005<sup>1</sup>

	1998	1999	2000	2001	2002	2003	2004	2005
(Billions of CFA francs; unless otherwise indicated; end of period)								
Supplier's credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
France	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
United States	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Multilateral loans	546.7	606.5	676.8	763.3	738.2	711.6	731.3	839.1
African Development Bank (AFDB)	1.6	0.1	0.0	0.0	0.0	0.0	0.0	0.0
African Development Fund (AFDF)	71.6	77.3	90.0	105.3	98.1	96.7	116.9	136.5
ABEDA <sup>2</sup>	16.8	6.8	0.9	19.8	19.5	15.5	13.9	18.5
Conseil de L'Entente	0.4	0.8	0.9	1.0	2.4	2.4	0.0	0.0
ECOWAS Fund <sup>3</sup>	0.5	0.5	0.6	0.6	0.9	0.0	0.0	0.0
WAEMU	0.0	0.0	0.0	0.0	8.2	8.2	8.1	7.6
European Union	4.0	4.0	4.0	4.0	25.7	3.0	0.0	2.8
European Investment Bank	19.5	19.5	19.4	19.4	...	12.3	10.9	10.4
International Fund for Agricultural Dev.	16.2	14.8	38.0	53.0	...	21.1	19.2	22.2
IDA	387.7	448.5	490.0	522.0	545.4	518.9	516.2	575.9
Islamic Development Bank	24.1	23.5	27.7	26.8	27.1	23.7	21.3	23.0
OPEC Fund for International Development	4.4	6.8	5.3	10.2	8.1	6.4	11.9	18.9
West African Development Bank	...	3.9	...	1.2	2.6	3.4	12.0	22.2
Other	...	...	...	...	...	...	0.8	1.2
Bilateral loans	257.9	266.6	312.5	266.5	275.0	133.4	83.7	108.4
Algeria	8.9	11.8	11.9	12.4	14.3	7.3	4.6	9.7
China	7.7	7.7	9.5	7.0	1.7	1.4	2.1	1.6
France	109.8	110.8	115.5	93.3	89.6	61.4	0.0	0.0
Iraq	1.1	1.1	1.5	1.4	1.2	1.1	0.0	1.1
Japan	13.7	12.7	18.2	17.6	14.4	0.0	0.0	0.0
Kuwait	20.0	24.1	37.8	42.4	26.3	0.0	20.6	24.0
Libya	11.0	14.1	17.8	17.9	18.2	11.7	6.9	12.5
Saudi Arabia	21.0	21.1	26.0	8.5	26.3	0.0	20.5	26.1
Spain	11.9	10.8	12.5	12.4	11.4	0.0	0.0	0.0
United Arab Emirates	1.6	1.6	0.0	0.0	3.1	0.0	0.0	0.0
United Kingdom	10.8	10.3	11.8	10.4	8.7	0.0	0.0	0.0
United States	6.2	6.3	7.7	7.8	6.7	0.0	0.0	0.0
Taiwan Province of China	34.2	34.2	42.3	35.4	53.2	50.5	28.9	33.5
Use of Fund resources	42.6	43.9	52.1	57.1	70.4	71.7	73.5	70.7
Total disbursed debt outstanding	847.2	917.0	1,041.4	1,086.9	1,083.6	916.7	888.4	1,018.3
Memorandum items:								
Supplier's credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Multilateral loans	69.6	70.9	70.0	75.5	74.6	85.4	90.6	89.4
of which: IMF, IDA, AFDB/AFDF	59.4	62.1	60.7	63.0	65.9	75.0	79.5	76.9
Bilateral loans	30.4	29.1	30.0	24.5	25.4	14.6	9.4	10.6
of which: France	13.0	12.1	11.1	8.6	8.3	6.7	0.0	0.0

Sources: Nigerien authorities; and IMF staff estimates.

<sup>1</sup>Disbursed and outstanding; data may not add up due to rounding.

<sup>2</sup>Arab Bank for Economic Development in Africa.

<sup>3</sup>Economic Community of West African States.

Table 37. Niger: Medium- and Long-Term External Public Debt by Creditor, 1998-2005<sup>1</sup>

	1998	1999	2000	2001	2002	2003	2004	2005
(Millions of U.S. dollars; end of period)								
Supplier's credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
France	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
United States	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Multilateral loans	933.4	933.5	999.5	1,078.7	1,323.8	1,316.6	1,494.7	1,498.3
African Development Bank (AFDB)	2.7	0.2	0.0	0.0	0.0	0.0	0.0	0.0
African Development Fund (AFDF)	121.3	119.0	127.7	143.7	156.9	178.9	239.0	244.4
ABEDA <sup>2</sup>	28.5	10.4	1.3	27.0	31.2	28.7	28.4	33.1
Conseil de L'Entente	0.7	1.2	1.3	1.3	3.9	4.4	0.0	0.0
ECOWAS Fund <sup>3</sup>	0.9	0.8	0.9	0.8	1.5	0.0	0.0	0.2
WAEMU	0.0	0.0	0.0	0.0	13.1	15.2	16.6	12.8
European Union	6.8	6.2	5.7	5.4	41.1	5.6	0.0	4.7
European Investment Bank	33.0	30.0	11.6	26.5	...	22.8	22.3	17.6
International Fund for Agricultural Dev.	27.5	22.8	27.5	72.3	...	39.0	39.2	39.7
IDA	657.2	690.4	695.1	712.2	872.0	960.1	1,055.1	1,030.9
Islamic Development Bank	40.9	36.1	53.9	36.6	43.3	43.9	43.6	39.1
OPEC Fund for International Development	7.5	10.5	39.3	13.9	13.0	11.8	24.3	33.9
West African Development Bank	6.7	6.1	7.5	1.6	4.2	6.3	24.5	39.8
Other	...	...	...	...	...	...	1.7	2.1
Bilateral loans	437.1	410.2	444.1	367.7	439.6	246.9	171.0	194.0
Algeria	15.1	18.2	16.9	16.9	22.9	13.5	9.5	17.4
China	13.1	11.9	13.5	9.6	2.7	2.6	4.3	2.8
France	186.1	170.5	163.8	127.3	143.2	113.6	0.0	0.0
Iraq	1.8	1.7	2.1	1.9	1.9	2.0	0.0	1.9
Japan	23.2	19.6	25.8	24.0	23.0	0.0	0.0	0.0
Kuwait	33.8	37.1	53.6	57.9	42.0	0.0	42.2	42.9
Libya	18.7	21.7	25.3	24.4	29.1	21.7	14.1	22.3
Saudi Arabia	35.5	32.4	36.9	11.6	42.0	0.0	42.0	46.7
Spain	20.2	16.6	17.7	16.9	18.3	0.0	0.0	0.0
United Arab Emirates	2.8	2.5	0.0	0.0	4.9	0.0	0.0	0.0
United Kingdom	18.3	15.8	16.7	14.2	13.9	0.0	0.0	0.0
United States	10.5	9.6	10.9	10.6	10.7	0.0	0.0	0.0
Taiwan Province of China	58.0	52.7	60.9	48.3	85.0	93.4	59.1	60.0
Use of Fund resources	73.4	68.1	73.2	80.8	106.5	131.4	134.3	127.8
Total disbursed debt outstanding	1,443.9	1,411.8	1,516.8	1,527.2	1,869.9	1,694.8	1,800.0	1,820.2
Memorandum items:								
Supplier's credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Multilateral loans	64.6	66.1	70.7	70.6	70.8	77.7	83.0	82.3
of which: IMF, IDA, AFDB/AFDF	54.1	57.3	59.1	56.0	55.0	67.2	71.9	70.1
Bilateral loans	30.3	29.1	29.3	24.1	23.5	14.6	9.5	10.7
of which: France	12.9	12.1	10.8	8.3	7.7	6.7	0.0	0.0

Sources: Nigerien authorities; and Fund staff estimates.

<sup>1</sup>Disbursed and outstanding; data may not add up due to rounding.

<sup>2</sup>Arab Bank for Economic Development in Africa.

<sup>3</sup>Economic community of West African States.

## Niger: Summary of the Tax System, October 31, 2006

Tax	Nature and Scope of Tax	Exemptions and Deductions	Rates
1. Taxes on income and profits			
1.1. Tax on industrial and commercial profits (Impôt sur les bénéfices industriels et commerciaux – BIC)	<p>Levied on the net income of incorporated and unincorporated enterprises engaging in commercial, industrial, agricultural, or artisanal business in Niger.</p> <p>The BIC is also applicable to cooperatives and unions operating a store, vendors of lots for development, real estate companies, and commercial public institutions.</p> <p>Limited companies are required to pay the BIC. Individuals are liable for the BIC only if their sales/resales exceed [CFAF] 30 million or if they provide more than [CFAF] 15 million worth of services.</p>	<p>Exempt: cooperatives and their unions not operating retail outlets, mutual aid companies, credit unions, and other agricultural bodies, and cultural centers.</p> <p>Five-year exemption for enterprises that have adopted the Investment Code.</p>	<p>Limited companies: 35 %</p> <p>One-man enterprises: 35%</p> <p>Mining companies: 35%</p>
1.2. Tax on noncommercial profits (Impôt sur les bénéfices des professions non commerciales – BNC)	<p>Levied on net income from noncommercial professions. Affects primarily the liberal professions and the use of office space.</p>	No exemption.	<p>35%</p> <p>In cases of partnership operations, the tax is payable by the partners.</p>
1.3. Minimum lump-sum tax (Impôt minimum forfaitaire -- IMF)	Levied on enterprises liable for the BIC and the BNC.	Two-year exemption for new enterprises	1% on annual turnover.
1.4. Advance tax payment (Acompte provisionnelle)	Industrial profits and noncommercial profits.	Firms who have entered into a pertinent agreement with the authorities ( <i>sociétés sous régime conventionnelle</i> ).	60% payable in two 30% tranches in August and October.
1.5. BIC/BNC advance	Customs operation or billing (domestic), tax		

payment (Acompte BIC/BNC)

withholding.

**I. Port operations:**

- imports made by operators having no tax identification number (NIF).....7%

**II. Customs operations:**

- imports made by operators having a NIF.....4%
- imports made by operators having no NIF.....7%
- re-export or transit operations made by operators having a NIF but having no certificate of BIC/BNC exemption.....4%
- re-export or transit operations made by operators having neither a NIF nor a certificate of BIC/BNC exemption.....7%

Not subject to taxes on industrial, commercial and noncommercial profits

**II. Operations on the domestic market:**

- sales to operators without NIFs.....7%
- sales to operators having NIFs.....7%
- services rendered to deliveries of goods made to the government, government agencies, or enterprises by an economic operator having no NIF.....7%
- services rendered to the government, government agencies, or enterprises by an economic operator having a NIF.....2%.

1.6 Property tax (Impôt sur les revenus fonciers)

Land tax (Taxe foncière) borne by individuals owning landed property.

Exempt: principal residences of households, religious sites, school buildings, farms, and adobe brick buildings not producing income.

Secondary residences: 7%  
Premises vacant or occupied free of charge: 12%  
Leased premises: 20%

Real property tax (Taxe immobilière) borne by

Exempt: non-revenue producing

<p>corporations on their real property.</p>	<p>government buildings, buildings used as schools, works for the distribution of energy belonging to central and local governments, etc. New constructions are exempt for 2 years.</p>		<p>2.5% of the value recorded in the balance sheet before amortization</p>
<p>1.7. Flat tax on land and real estate property rights (Impôt forfaitaire sur le droit de propriété foncière et immobilière)</p>	<p>Tax on real estate assets belonging to individuals and corporations.</p>	<p>Principal family home; Business premises subject to the real property tax (<u>taxe immobilière</u>).</p>	<p>- Undeveloped plot: CFAF 15,000 - Fenced-in plot: CFAF 20,000 - Adobe house (<i>maison en banco</i>): CFAF 25,000 - House with semi-rigid structure (<i>en semi dur</i>): CFAF 30,000 - Rigid one-story structure (<i>en dur</i>) (villa or set of <i>célibatierum</i> one-person/small-family units): CFAF 50,000 - Two-story structure, ground floor + 1: CFAF 75,000 - Two-story structure, ground floor + 1: annexes; CFAF 100,000 - Structures having more than two stories: CFAF 150,000.</p>
<p>1.8. Single tax on wages and salaries (Impôt unique sur les traitements et salaires – IUTS)</p>	<p>Withheld at source annually by employers on wages, salaries, and pensions</p>	<p>Exempt: family allowances, military and civilian disability pensions, veterans' pensions, remuneration collected by the staff of diplomatic missions and international organizations, etc.</p> <p>Application of a system of reductions for family obligations: 5 percent for each dependent, up to 30 percent for seven dependents. 10 percent deduction for professional expenses.</p>	<p>Progressive tax: CFAF 0-25,000: 2% 25,001-50,000: 3% 50,001-100,000: 7% 100,001-150,000: 15% 150,001-300,000: 32% 300,001-400,000: 38% 400,001: 45 percent.</p>
<p>1.9. General income tax (Impôt général sur le revenu – IGR)</p>	<p>Paid by French and Libyan technical assistance experts, on a basis determined by the conventions signed</p>		<p>Progressive schedule of 0-45</p>



	between these countries.		percent.
1.10 Business license tax (Contribution des patentes)	Commercial, industrial occupations and all others not expressly exempt		Table A, B Tax set at variable and calculated rates, or proportional tax determined on the basis of the rental value of the premises used to run the business.
1.11. General business license (Patente synthétique -- PS)	Borne by all individual taxpayers with a turnover of less than [CFAP] 30 million in sales/resales or [CFAP] 15 million in provision of services.	Corporations and liberal professions must pay the BIC or the BNC.	CFAP 35,000-90,000, depending on the activity and the turnover.
1.12. Tax on interest and dividend income (Impôt sur le revenu des valeurs mobilières -- IRVM)	Levied on the payment of distributions by limited companies to their shareholders and on interest income. Withheld at source by distributing companies.	Exempt: savings banks, operations on current account, capital amortization operations, Crédit du Niger, cooperatives, Crédit municipal, etc.	Bonds 13 and 15%. Dividends 0%. Other 25% (attendance vouchers)
1.13. Overheads tax (Taxe sur les frais généraux -- TSFG)	Levied on gifts, charges for the receipt and maintenance of vehicles exceeding certain ceilings (e.g., [CFAP] 10,000 a year and per recipient of the gifts in question).	Exempt: enterprises covered by the Petroleum, Mining, and Investment Codes.	30 percent of any amount exceeding the established ceilings.
1.14. Apprenticeship tax (Taxe d'apprentissage -- TAP)	Borne by enterprises liable for the BIC or the BNC.	Exemptions granted in consideration of expenditures made by the enterprise within the framework of vocational training for their employees.	2 percent of wages paid to employees who are nationals. 4 percent for other employees.
<b>2. Taxes on goods and services</b>			
2.1. Value-added tax (VAT)	Levied on imports and sales operations as well as on the provision of services within Niger.	Exempt: exports, certain essential goods (flour, vegetable oil, rice, etc.), unprocessed local products, pharmaceuticals, agricultural inputs, road transportation of merchandise and passengers, insurance operations, etc.	Single rate of 19 percent.

2.2. Excise taxes (Droits d'accises)	Levied on certain goods imported or manufactured in Niger (tobacco, beverages, cola nuts, oils, etc.)	Tobacco 30%. Beer 25%. Other alcoholic beverages 45% Cola, oils, cosmetics and perfumes 15%. Tea 12%.
2.3. Mining royalty (Redevance minière)	Paid by corporations mining uranium, when they are exporting the ore.	5.5%.
2.4. Tax on exterior commercial advertising on posters, placards, hoardings, and illuminated signs (Taxe sur la publicité commerciale extérieure sur les affiches, placards, panneaux, enseignes lumineuses)	Tax on posters, placards, hoardings, and illuminated signs or any other electronic or laser device used for advertising, installed on government property.	- For posters, placards, and advertising hoardings: CFAF 20,000 per unit and per year; - For lighting facilities or any other electronic or laser device: CFAF 10,000 per unit and per year 15%.
2.5. Urban gambling tax (Taxe sur le Pari Mutuel Urbain)	Tax on all urban <i>pari mutuel</i> gambling.	
<b>3. Stamp and registration duties</b>		
3.1. Registration duties on real estate transactions	Levied on real estate transactions (rentals, sales, donations).	Duty set at proportional or progressive rates, depending on the type of property and the transaction concerned.
3.2. Single tax on insurance	Levied on insurance conventions and contracts.	1.2-36%, depending on the risk.
3.3. Differential motor vehicle tax (Taxe différentielle sur les véhicules à moteur -- TDVM)	Levied on motor vehicles registered in Niger (tax disc).	CFAF 5,000-50,000, depending on the capacity of the

Advertising on nongovernment property.

Exempt: life insurance and reinsurance companies

Exempt: vehicles of central and local governments, diplomats and similar persons, disabled persons, etc.

vehicle, expressed in hp.

### 3.4. Stamp duty

Levied on legal documents, correspondence to the government, certain invoices, and most official documents.

Variable, depending on the document in question.

Payment by revenue stamp.

### 3.5 Simplified titling formalities

Titling in accordance with expedited, simplified procedures.

No exemptions.

- Undeveloped plot: CFAF 15,000

- Fenced-in plot: CFAF 25,000

- Adobe house

(*maison en banco*): CFAF 75,000.

- House with semi-

rigid structure (*en*

*semi*

*dur*): CFAF 100,000

- Rigid one-story

structure (*en dur*)

(villa or set of

*célibaterium* one-

person/small-family

units):

CFAF 150,000

- Two-story

structure, ground

floor + 1:

CFAF 300,000.

- Two-story

structure, ground

floor + 1: annexes;

CFAF 400,000.

- Structures having

more than

two stories:

CFAF 500,000.

- Garden, urban

area: CFAF 600,000

- Garden,

semiurban area:

CFAF 30,000.

- Garden, rural area: CFAF 10,000.
- Field, semiurban area: CFAF 20,000.
- Field, urban area: CFAF 5,000.

#### 4. *Duty and taxes on foreign trade*

4.1. Customs duty on imports	Levied on the value, c.i.f., of imports.	Class 0 products (zero rate) in the Common External Tariff (CET).	Customs duty category 0: 0 %. 1: 5 %. 2: 10 %. 3: 20 %.
4.2. Statistical fee	Levied on the value, c.i.f., of imports from all sources.		1 %.
4.3. Petroleum tax	Levied on the marketing of petroleum products.	Exempt: petroleum products under conditional relief arrangements and those intended for international air transport.	Rate per liter variable, depending on the type of product.
4.3.1. Exclusive of TIPP	The tax base is the value, c.i.f., of the products, which varies, depending on changes in prices and the dollar exchange rate.		
4.3.2. TIPP	Specific taxation		Price per liter varies according to type of product: Super 91 : CFAF 75 per liter Oil: CFAF 0 per liter Diesel: CFAF 29 per liter. Domestic fuel oil: CFAF 0 per liter.
4.4. Community solidarity levy (Prélèvement communautaire de solidarité (PCS)) of the WAEMU	Charged on the value of the imports concerned.	Exempt: petroleum products and merchandise from WAEMU countries.	1.0% for non WAEMU products.
4.5. ECOWAS solidarity levy (prélèvement de solidarité)	Levied on the value of the imports concerned.	Nonoil products originating from ECOWAS are exempt.	1.0 percent for non-ECOWAS products.
4.6. Statistical fee on exports	Levied on the value of the exports concerned.		3%.

4.7. Special re-export tax

Levied on re-exported merchandise.

Variable, depending on the destination and the type of product.  
Specifically:  
(i) Cigarettes:  
    – to Nigeria: 5 percent  
    – to other countries: 15 %  
(ii) Other products: 10 percent.

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