REPORT ON MONETARY POLICY IN THE WAMU UNION

June 2026

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LIST OF ABBREVIATIONS AND ACRONYMS

BCEAO	Central Bank of West African States
BEAC	Bank of Central African States
BoG	Bank of Ghana
Bps	Basis points
BRVM	Regional stock exchange
CBN	Central Bank of Nigeria
CEMAC	Central African Economic and Monetary Community
CG	Central government
CPI	Consumer price index
ECB	European Central Bank
ECOWAS	Economic Community of West African States
FAO	United Nations Food and Agriculture Organization
Fed	United States Federal Reserve System
FOB	Free on board
GDP	Gross domestic product
HICP	Harmonized Index of Consumer Prices
IMF	International Monetary Fund
IPI	Industrial Production Index
LBUBC	Large businesses using bank credit
MSCI	Morgan Stanley Capital International (stock market benchmark index provider)
NEAs	Net external assets
NPISH	Non-profit institutions serving households
NSI	National statistics institute
NYMEX	New York Mercantile Exchange (specializing in energy and metals)
OECD	Organization for Economic Co-operation and Development
OPEC+	Organization of the Petroleum Exporting Countries and 10 other oil-producing countries
Pps	Percentage points
REER	Real effective exchange rate
SARB	South African Reserve Bank
SA-WDC	Seasonally adjusted - working day corrected
SDRs	Special drawing rights
TI	Turnover index
WAEMU	West African Economic and Monetary Union
WAMA	West African Monetary Agency
WTI	West Texas Intermediate, a benchmark for the price of oil on the US market

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SUMMARY OF CONCLUSIONS

1. On Wednesday, June 10, 2026, the Monetary Policy Committee of the Central Bank of West African States (BCEAO) held its second ordinary meeting of 2026 at BCEAO headquarters in Dakar, Republic of Senegal, under the chairmanship of Dr. Jean-Claude Kassi Brou, Governor of the Central Bank and statutory chairman of the Committee.

2. The Committee reviewed the major trends in the international and regional economy and assessed the risk factors that could affect the medium-term outlook for inflation and economic growth in the Union.

3. With regard to the international economic situation, the Committee noted that global economic activity continued to grow in the first quarter of 2026, despite the disruptions caused by the crisis in the Middle East, including higher energy and freight prices. According to forecasts published by the IMF in April 2026, the global economic growth rate is expected to stand at 3.1% in 2026 and 3.2% in 2027. However, these forecasts remain subject to mainly downside risks, particularly those associated with the conflict in the Middle East, renewed trade tensions, a resurgence of global inflation and the adverse effects of climate-related shocks.

4. On international commodity markets, energy prices rose by 25.9%, quarter on quarter, during the first quarter of 2026. Non-energy commodity prices increased by 4.5% over the same period, driven by higher prices for precious metals (+23.6%) and metals and minerals (+12.5%). By contrast, prices of non-oil commodities exported by WAEMU countries fell by 1.3% quarter on quarter, after declining by 0.9% one quarter earlier.

5. Reviewing the economic situation in WAEMU, the Monetary Policy Committee noted strong momentum in economic activity, with real GDP growing by 6.1% year on year in the first quarter of 2026, after 6.5% in the previous quarter. This trend reflects continued positive momentum across all sectors. According to the latest BCEAO projections, economic growth in the Union is expected to stand at 6.1% in 2026 and 6.2% in 2027, after an estimated 6.6% in 2025. The Monetary Policy Committee indicated that the growth outlook remains subject to risks related to developments in the international economic environment, the socio-political and security situation in the Union, and climate-related shocks.

6. Public finance management in the Union in the first quarter of 2026 resulted in a reduction in the overall budget deficit, on a commitment basis, including grants, which stood at 1.5632 trillion, or 4.1% of GDP, compared with 4.3% of GDP, or 1.5813 trillion, one year earlier. For 2026 as a whole, the budget deficit is expected to stand at 3.2% of GDP.

7. WAEMU countries' trade with the rest of the world showed a surplus of 2.2086 trillion in the first quarter of 2026, after a surplus of 1.1751 trillion in the same period of the previous year. This improvement reflects the current account balance, which showed a surplus of 2.2% of GDP, driven by a favorable trend in the terms of trade (+16.0%) and by higher exports of petroleum products, gold and cocoa. One year earlier, external current transactions had recorded a deficit of 0.6% of GDP. The strong performance of external accounts also benefited from the mobilization of external resources by Member States. In 2026, the aggregate external trade balance is expected to remain in surplus.

8. The Committee noted an improvement in bank liquidity in the first quarter of 2026, driven by the positive trend in external accounts. Against that favorable backdrop, and in the wake of the policy rate cuts implemented in March 2026, money market rates eased. The average rate on the interbank market fell to 4.52%, against 5.11% one quarter earlier. The cost of bank loans remained virtually stable, with the average lending rate, exclusive of taxes and charges, standing at 6.72%, compared with 6.73% in the previous quarter. Claims on the private sector increased by 4.4% as at end-March 2026.

9. The Monetary Policy Committee noted a continuing decline in the general price level in the first quarter of 2026, albeit at a slower pace. The inflation rate stood at -0.2%, after -0.8% in the previous quarter. This trend was mainly attributable to higher prices for restaurant and hotel services (+0.1 percentage point) and housing costs (+0.3 pp). It was partly offset by lower prices for food products (-0.6 pp). Core inflation, which tracks price changes excluding fresh foods and energy, stood at 1.3% during the quarter under review, after 0.1% in the previous quarter.

10. According to the latest Central Bank forecasts, the annual average inflation rate in the Union is expected to stand at 1.6% in 2026, driven by higher energy and imported food prices. The Committee stressed that risks of a sharper increase in prices remained, in connection with a possible continuation of the conflict in the Middle East.

11. The Committee further noted that although the Union's external position remains favorable, it is exposed to downside risks amid an international environment marked by high levels of uncertainty. The positive trend observed is predicated, among other things, on improved terms of trade and the mobilization of external financing by Member States. The materialization of geopolitical risks could therefore jeopardize the expected momentum.

12. In light of these recent developments and the risks to the short-term outlook, the Committee decided to maintain the Central Bank's key interest rates at their current levels. Accordingly, the minimum bid rate for tender operations remains unchanged at 3.00%, while the marginal lending facility rate remains at 5.00%, both rates having been in effect since March 16, 2026. The Committee also decided to maintain the required reserve ratio applicable to regulated institutions in the Union at 3.00%.

13. The Monetary Policy Committee will continue to closely monitor the risks that could affect price developments. It will take all appropriate measures, as necessary, to safeguard the monetary and financial stability of the Union.

Done in Dakar on June 10, 2026

The Chairman,

Jean-Claude Kassi Brou

SUMMARY

1. **Global economic activity** continued to grow in the first quarter of 2026, despite an unfavorable international environment marked in particular by disruptions in global supply chains associated with the crisis in the Middle East and the closure of the Strait of Hormuz. According to the latest available data, GDP growth in the United States stood at 2.7%, year on year, in the first quarter of 2026, after 2.0% in the previous quarter. In the Eurozone, GDP growth came in at 0.8% over the same period, against 1.2% a quarter earlier. In emerging countries, economic activity remained buoyant in China, with production up 5.0% in the first quarter of 2026, following 4.5% in the fourth quarter of 2025. In South Africa, the growth rate rose from 0.8% in the previous quarter to 1.8%. In the West African sub-region, economic activity strengthened in Nigeria and Ghana, with growth rates of 4.3% and 5.8, respectively, compared with 4.1% and 5.5% in the previous quarter.

2. **Inflation followed an overall upward trend** in the first quarter of 2026, reflecting the effects of the energy shock caused by the conflict in the Middle East. In the United States and the Eurozone, inflation stood at 3.5% and 2.6%, respectively, in March 2026, compared with 2.9% and 2.0% in December 2025. In emerging economies, the general price level in China rose by 1.0%, compared with 0.8% in December 2025. By contrast, inflation in South Africa eased to 3.1%, from 3.6% three months earlier. In the West African sub-region, inflationary pressures persisted in Nigeria (15.4% in March 2026, compared with 15.2% in December 2025), while easing in Ghana (3.2% in March 2026, compared with 5.4% in December 2025).

3. **International monetary and financial conditions** in the first quarter of 2026 were marked by an easing in short-term interest rates and upward pressure on long-term rates in advanced economies. In the United States, the overnight bank funding rate stood at 3.68% in the first quarter of 2026, down 22 basis points from the previous quarter. The benchmark index for the Eurozone interbank market (euro short-term rate, or €STR) averaged 1.93%, unchanged from the previous quarter. On the bond markets, however, 10-year US government bond yields rose by 10.1 basis points in the first quarter of 2026 to 4.19%, amid rising inflation expectations. This trend also reflects an increase in the sovereign risk premium caused by fiscal uncertainties associated with the war in Iran. In the Eurozone, the expansionary fiscal policy pursued in Germany and concerns about public finances in France led to increases of 13.4 and 1.4 basis points, respectively, in 10-year government bond yields, bringing them to 2.85% and 3.49% in the first quarter of 2026. In South Africa, 10-year Treasury bond yields contracted by 36 bps to 8.34%. On the foreign exchange market, the euro strengthened against the other major currencies, after remaining virtually stable in the fourth quarter of 2025.

4. On the **commodities market**, energy prices rose by 25.9%, quarter on quarter, after declining by 6.1% in the previous quarter. This trend mainly reflects the geopolitical tensions associated with the conflict in the Middle East, which have revived concerns over global supply. Disruptions to oil infrastructure and the closure of the Strait of Hormuz have contributed to higher risk premiums on energy markets. Prices for non-energy commodities also rose, by 4.5%, after declining by 1.8% one quarter earlier, mainly due to higher precious metal prices. By contrast, the price index for non-oil commodities exported by WAEMU countries fell by 1.3% in the first quarter of 2026, after contracting by 0.9% one quarter earlier. The largest declines were recorded in cocoa and coffee prices.

5. **Within WAEMU**, economic activity remained buoyant in the first quarter of 2026, with real GDP up 6.1%, year on year, after a 6.5% increase recorded in the previous quarter. This trend reflects the positive momentum in economic activity across all sectors.

6. The **inflation rate** in the Union stood at -0.2%, year on year, in the first quarter of 2026, after -0.8% in the previous quarter. This trend is mainly attributable to higher prices in the “Restaurants and Hotels” (+0.1 pp) and “Housing” (+0.3 pp) categories. It was, however, moderated by lower prices in the “Food Products” category (-0.6 pp). Core inflation, which tracks price developments excluding fresh food and energy, stood at 1.3% during the quarter under review, after 0.1% in the previous quarter.

7. According to data from Member States, **public finance management in WAEMU** in the first quarter of 2026 resulted in a narrowing of the overall budget deficit, on a commitment basis, I

including grants, which stood at 1.5632 trillion, or 4.1% of GDP, compared with 4.3% of GDP, or 1.5813 trillion, one year earlier.

8. WAEMU countries' **external trade** resulted in an overall balance of payments surplus of 2.2086 trillion in the first quarter of 2026, compared with a surplus of 1.1751 trillion in the same period a year earlier. This trend is mainly attributable to a 1.0978 trillion improvement in the balance of goods and services, combined with an increase in net inflows under the financial account, which rose by 36.2% compared with their level in the same period of the previous year. The current account balance showed a surplus of 2.2% of GDP, compared with a deficit of 0.6% recorded one year earlier, reflecting improved terms of trade (+16.0%) and higher hydrocarbon exports.

9. On the **money market,** interest rates eased during the first quarter of 2026, in line with improved bank liquidity and the reduction in the Central Bank's key interest rates. The weighted average interest rate on the BCEAO's one-week tender window fell by 70 bps in the first quarter of 2026 to stand at 3.96%. The weighted average interest rate on the interbank market, across all maturities, came in at 4.52%, against 5.11% one quarter earlier. For new loans, the average lending rate, exclusive of taxes and charges, fell to 6.72% in the first quarter of 2026, compared with 6.73% in the previous quarter.

10. On the **regional public securities market**, issue rates fell for almost all maturities compared with the previous quarter. For Treasury bills, average rates on the two most popular maturities, namely 3-month and 12-month bills, were down 59 bps and 39 bps respectively in the first quarter of 2026. On the bond segment, weighted average yields declined to 7.15% in the first quarter of 2026, from 7.39% in the previous quarter.

11. The **monetary situation** at end-March 2026 was marked by year-on-year growth of 18.1% in the money supply, from 17.4% one quarter earlier. This trend reflects an increase in net external assets of 9.6596 trillion, mainly in connection with the improvement in the aggregate external trade balance, and by a rise in internal claims of 3.0534 trillion. The increase in internal claims resulted from higher net claims of deposit-taking institutions on central governments (+1.4727 trillion or +5.6%) and claims on the private sector (+1.5807 trillion or +4.4%).

12. On the **regional stock market**, activity gained momentum in the first quarter of 2026, with the aggregate index (the BRVM Composite) rising by 19.9%, following an 8.1% increase in the previous quarter. Overall market capitalization rose by 11.8% quarter on quarter, after increasing by 5.7% three months earlier, reflecting growth in both equity market capitalization (+18.1%) and bond market capitalization (+4.5%). Year on year, total market capitalization increased by 30.1% at end-March 2026.

13. The **economic outlook** remains broadly favorable in the Union, with growth projected at 6.1% in 2026 and 6.2% in 2027, after 6.6% in 2025. This trend reflects sustained momentum in the extractive and manufacturing industries, trade and services, together with the favorable outlook for the 2026/2027 agricultural season. These projections nevertheless remain contingent on international economic trends, the socio-political and security situation in the Union's Member States, and the effects of climate change.

14. **Public finance management** is expected to be marked by a continued narrowing of the Union's overall budget deficit as a share of GDP, from 3.3% in 2025 to 3.2% in 2026 and 2.9% in 2027. The projected reduction in the fiscal deficit mainly reflects the combined effects of economic growth and stronger tax revenue mobilization, with the tax-to-GDP ratio expected to rise from 15.1% in 2025 to 15.8% in 2026 and 16.0% in 2027. At the same time, total expenditure and net lending as a share of GDP are expected to remain contained, at 21.8% in 2026 and 21.6% in 2027, compared with 21.3% in 2025, mainly reflecting continued efforts by Member States to streamline public spending. Across the Union, the public debt ratio is projected at 62.4% of GDP in 2026 and 60.6% in 2027, compared with 63.2% in 2025.

15. WAEMU's **external trade** is expected to show a surplus in 2026 and 2027, as in 2025. The aggregate balance of payments would come in at 1.1894 trillion in 2026 and 1.4832 trillion in 2027, after a surplus of 7.0276 trillion in 2025. The decline in the surplus should mainly reflect a deterioration in the terms of trade resulting from higher petroleum product prices, compounded by lower prices for certain export commodities, particularly cocoa. The current account deficit is projected at 2.4% of GDP in 2026 and 2.8% in 2027, compared with 1.3% in 2025.

16. The **monetary situation** is expected to be characterized by an acceleration in private sector financing, following the slowdown observed in 2025. Claims on the private sector are projected to grow by 7.4% in 2026 and 8.0% in 2027, compared with 5.6% in 2025.

17. The annual average **inflation rate** in the Union is expected to return to its target range of 1%, 3%, rising from 0.0% in 2025 to 1.6% in 2026 and 2.1% in 2027. This forecast notably factors in the impact of the crisis in the Middle East on energy price trends in the Union and the anticipated increase in imported food prices in 2027.

18. **The balance of risks surrounding the inflation outlook remains skewed to the upside,** mainly due to the persistence of insecurity in certain areas of WAEMU and to heightened international geopolitical tensions, particularly the crisis in the Middle East, through their effects on prices for imported petroleum and food products, as well as on the costs of fertilizer, transportation and freight. Nevertheless, this upward trend could be partially contained by satisfactory supplies of cereal products on the markets. It could also be mitigated by measures taken by some Member States in response to the adverse effects of tensions in the Middle East.

1 - RECENT INTERNATIONAL DEVELOPMENTS

Global economic activity *strengthened in the first quarter of 2026, despite disruptions to global supply chains caused by the closure of the Strait of Hormuz[1]. According to the latest available data, year-on-year GDP growth rate in the United States stood at 2.7% in the first quarter of 2026, after 2.0% in the previous quarter. In the Eurozone, GDP growth came in at 0.8%, versus 1.2% a quarter earlier. In emerging countries, economic activity remained buoyant in China, with output rising by 5.0% in the first quarter of 2026, following 4.5% growth a quarter earlier. In South Africa, growth accelerated from 0.8% in the previous quarter to 1.8%.*

Inflation *trended upward across most regions, reflecting the impact of the energy shock triggered by the conflict in the Middle East. In advanced economies, particularly the United States and the Eurozone, year-on-year inflation stood at 3.5% and 2.6%, respectively, in March 2026, compared with 2.9% and 2.0% three months earlier. In emerging economies, inflation stood at 1.0% in China and 3.1% in South Africa, compared with 0.8% and 3.6%, respectively, in December 2025. In the West African sub-region, trends were mixed, with inflation edging up in Nigeria (15.4% in March 2026, compared with 15.2% in December 2025), while disinflation continued in Ghana over the same period (3.2%, compared with 5.4%).*

On the ***commodity*** *markets, energy prices rose by 25.9%, quarter on quarter, in the first quarter of 2026, after declining by 6.1% in the previous quarter, driven in particular by higher oil prices following the closure of the Strait of Hormuz. Non-energy commodity prices also rose by 4.5%, mainly due to higher precious metal prices, particularly gold, amid heightened uncertainty. By contrast, prices of non-petroleum commodities exported by WAEMU countries fell by 1.3% in the first quarter of 2026, after declining by 0.9% one quarter earlier. The sharpest declines were recorded in cocoa and coffee prices, reflecting supply-side factors.*

International monetary and financial conditions *in the first quarter of 2026 were marked by an easing of short-term rates and pressure on long-term rates in advanced economies. On money markets, borrowing conditions eased in the United States, where the overnight interbank rate (Overnight Bank Funding Rate) stood at 3.68% in the first quarter of 2026, versus 3.90% in the previous quarter. Conditions remained broadly stable in the Eurozone, where the €STR averaged 1.93%, unchanged from one quarter to the next. On bond markets, yields on 10-year US government bonds rose by 10.1 basis points, reflecting higher inflation expectations fueled by rising oil prices. In the Eurozone, expansionary fiscal policy in Germany and concerns about public finances in France led to an overall increase in 10-year government bond yields. On the foreign exchange market, the euro strengthened by 0.2% against the other major currencies, after remaining virtually stable in the fourth quarter of 2025.*

[1] The Strait of Hormuz is a critical vulnerability point for global energy supply chains. Located between Iran and Oman, this strategic passage connects the Persian Gulf to the Arabian Sea. According to estimates by the US Energy Information Administration (EIA), approximately 20.9 million barrels of oil per day passed through the Strait in 2025, equivalent to nearly one-fifth of global consumption, along with approximately 20% of global liquefied natural gas (LNG) trade

1.1 - Economic activity

1. In the **United States**, economic activity grew by 2.7% year on year in the first quarter of 2026, after expanding by 2.0% in the previous quarter. This acceleration was mainly ascribable to a rebound in federal government spending following the government shutdown in the fourth quarter of 2025. Activity was also supported by stronger household consumption and continued investment in artificial intelligence technologies. Inflation, as measured by the personal consumption expenditures price index, reached 3.5% in March 2026, up from 2.9% in December 2025, mainly reflecting higher energy prices amid geopolitical tensions in the Middle East.

2. In the **Eurozone**, year-on-year real GDP growth stood at 0.8% in the first quarter of 2026, after 1.2% in the previous quarter. This slowdown reflected disruptions since late February to supplies of oil, gas, and other goods shipped to the Eurozone through the Strait of Hormuz, which weighed on household consumption and heightened uncertainty. Increased government spending on defense and infrastructure, particularly in Germany, together with a resilient labor market, nevertheless helped cushion the slowdown in economic activity. Inflation rose to 2.6% in March 2026 from 2.0% in December 2025, driven by higher energy prices following the outbreak of the conflict in the Middle East.

Table 1 - Trends in year-on-year real GDP growth (as a %)

	2024				2024 *(annual)*	2025				2025 *(annual)*	2026
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1
Advanced countries											
United States	2.9	3.0	2.7	2.5	2.8	2.0	2.1	2.3	2.0	2.1	2.7
Eurozone	0.5	0.5	0.9	1.3	0.8	1.6	1.6	1.4	1.2	1.5	0.8
Germany	-0.4	-0.7	-0.6	-0.2	-0.5	0.3	0.4	0.3	0.4	0.4	0.3
France	1.7	1.0	1.1	0.6	1.1	0.6	0.8	1.0	1.3	0.9	1.1
Emerging countries											
China	5.3	4.7	4.6	5.4	5.0	5.4	5.2	4.8	4.5	5.0	5.0
South Africa	0.5	0.4	0.4	0.8	0.5	0.9	0.7	2.1	0.8	1.1	1.8
Neighboring countries											
Nigeria	2.3	3.2	3.5	3.8	3.2	3.1	4.2	4.0	4.1	3.9	4.3
Ghana	4.9	7.5	7.2	3.6	5.8	6.3	6.3	5.5	5.5	5.9	5.8

Sources: OECD, Eurostat, IMF, Tradingeconomics, Bloomberg

3. In emerging countries, economic activity remained broadly resilient over the period under review. In **China,** year-on-year GDP growth accelerated to 5.0% in the first quarter of 2026 from 4.5% in the previous quarter. This renewed momentum was driven by strong industrial output, supported by increased trade flows to Europe. Persistent weaknesses in the real estate sector and sluggish domestic demand nevertheless continued to weigh on activity. Inflation rose to 1.0% in March 2026 from 0.8% in December 2025, driven in particular by higher transportation prices. In **South Africa**, GDP growth accelerated to 1.8% in the first quarter of 2026 from 0.8% in the previous quarter, supported by robust mining activity, monetary easing, and strong domestic demand. Inflation eased to 3.1% in March 2026 from 3.6% in December 2025, reflecting slower growth in housing costs.

4. In **Nigeria**, the main trading partner of the WAEMU Member States within ECOWAS, economic activity grew by 4.3%, year on year, in the first quarter of 2026, versus 4.1% a quarter earlier. Growth was driven mainly by an expansion services and robust oil production. Inflation edged up to 15.4% in March 2026 from 15.2% in December 2025,

reflecting the pass-through of higher petroleum product prices to domestic prices against a backdrop of relative stability in the naira. In **Ghana**, economic activity remained buoyant in the first quarter of 2026, with growth accelerating to 5.8% from 5.5% in the previous quarter, supported by strong services and domestic demand. Inflation continued to decline, falling to 3.2% in March 2026 from 5.4% in December 2025, as food price pressures eased and the national currency appreciated.

Table 2 - Inflation trends in major partner countries

(change compared with the same period of the previous year, as a %)

	2024				2025				2026
	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March
Advanced countries									
United States	2.8	2.4	2.1	2.6	2.3	2.7	2.8	2.9	3.5
Eurozone	2.4	2.5	1.7	2.4	2.2	2.0	2.2	1.9	2.6
Emerging countries									
China	0.1	0.2	0.4	0.1	-0.1	0.1	-0.3	0.8	1.0
South Africa	5.3	5.1	3.8	3.0	2.7	3.0	3.4	3.6	3.1
Neighboring countries									
Nigeria	33.2	34.2	32.7	34.8	27.4	25.3	21.0	15.2	15.4
Ghana	25.8	22.8	21.5	23.8	22.4	13.7	9.4	5.4	3.2

Sources: OECD, Eurostat, National Statistics Institutes, Tradingeconomics

1.2 - Monetary and financial conditions

1.2.1 - Central bank decisions

5. In the first quarter of 2026, central banks maintained a cautious monetary policy stance amid heightened uncertainty, fueled in particular by the conflict in the Middle East and its impact on commodity prices.
6. The **United States Federal Reserve (Fed)** left its policy rates unchanged within a target range of 3.50% to 3.75% during the quarter under review following the rate cut in December 2025. The decision reflected upside risks to the inflation outlook as well as the need to support the labor market.
7. The **European Central Bank (ECB)** has chosen to keep its policy rates unchanged since the June 2025 cut against a backdrop of increased risks of higher inflation and weaker growth. The deposit facility rate, the ECB's main policy rate, remains at 2.00%. This unchanged stance reflects a cautious approach aimed at avoiding both premature tightening, which could exacerbate the economic slowdown, and overly rapid easing, which could fuel second-round effects on prices.
8. At its meeting of April 20, 2026, the **People's Bank of China (PBoC)** kept its key rates unchanged to support growth and preserve the stability of the yuan, despite the persistent fragilities of the real estate sector. The one-year loan prime rate (LPR) remained at 3.00%. On March 26, 2026, the **South African Reserve Bank (SARB)** decided to keep its key rate at 6.75% in view of upside inflation risks associated with the conflict in the Middle East.
9. The **Bank of Ghana (BoG)** cut its policy rate by 150 basis points to 14.00% at its meeting of March 18, 2026, bringing it to its lowest level since February 2022. This decision followed a 250-bps cut on January 28, 2026, amid continued disinflation. The **Central Bank of Nigeria (CBN)**, for its part, lowered its policy rate by 50 basis points to 26.50% on February 24, 2026, to support growth. The stability of the naira exchange rate and improved food supply conditions supported this decision.

10. At the conclusion of its April 2, 2026 meeting, the **Bank of Central African States (BEAC)** decided to leave all its monetary policy instruments unchanged; the tender rate remained at 4.75%. This decision came against a backdrop of tensions in the Middle East, fueling upside risks to the inflation outlook.

Table 3 - Summary of actions by the major central banks

	Change in the policy rate in 2025 (bps)	Change in the policy rate from January 1 to April 20, 2026 (in bps)	Policy rate as at April 20, 2026 (%)	Inflation target (%)	Inflation rate in March 2026 (%)
Advanced countries					
United States	-75	0	[3.50-3.75]	2.0	3.5
Eurozone	-100	0	2.15	2.0	2.6
Emerging countries					
China	-10	0	3.00	3.0	1.0
South Africa	-100	0	6.75	{3.0-6.0}	3.1
Partner countries					
Nigeria	-50	-50	26.50	{6.0-9.0}	15.4
Ghana	-900	-400	14.00	{8.0+/-2.0}	3.2
CEMAC	-50	0	4.75	NA	2.8
WAEMU zone					
WAEMU	-25	-25	3.00	{1.0-3.0}	0.1

Sources: Central banks of the countries concerned and Bloomberg for inflation forecasts
N/A: Not applicable – In accordance with Article 1 of its Statutes, the ultimate objective of the BEAC's monetary policy is to monetary stability, as reflected in a low inflation rate and an adequate currency coverage ratio, with a minimum threshold of 20%

1.2.2 - Financial conditions

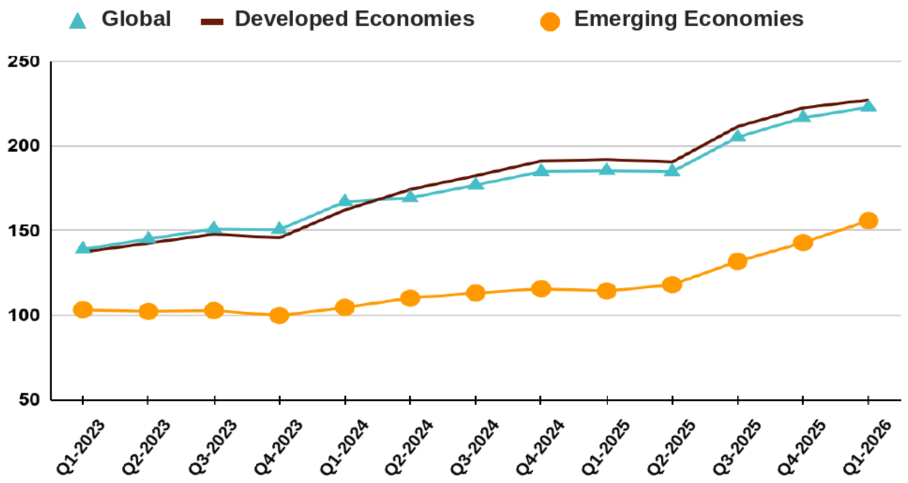
11. International monetary and financial conditions in the first quarter of 2026 were influenced by monetary and fiscal policy stances, as well as by the repercussions of the energy shock due to the conflict in the Middle East.

12. In the **Eurozone,** money market rates remained broadly stable, notably reflecting the European Central Bank's decision to maintain the status quo over the period under review. In particular, the €STR (Euro Short-Term Rate), the benchmark rate on the Eurozone overnight interbank market, averaged 1.93% in the first quarter of 2026, unchanged from the previous quarter and down 76 bps from the first quarter of 2025 (2.69%). In the **United States**, the overnight interbank rate, the Overnight Bank Funding Rate[2], continued to decline, standing at 3.68% in the first quarter of 2026, after 3.90% in the fourth quarter of 2025 and 4.33% a year earlier, following the Fed's two successive 25-bps cuts in October and December 2025.

13. On **equity markets**, indexes rose in the first quarter of 2026, despite heightened uncertainty in the global economy. The MSCI (Morgan Stanley Capital International) Developed Markets Index gained 2.1% in the first quarter of 2026, following a 5.2% increase in the previous quarter. This trend reflected the resilience of equity markets, supported notably by strong corporate earnings. Meanwhile, the MSCI Emerging Markets Index rose by 9.0%, after gaining 8.4% in the previous quarter, driven primarily by robust global demand for semiconductors, particularly in South Korea and Taiwan. The MSCI World Index, for its part, increased by 2.9%, following a 5.6% rise in the previous quarter. Gold-related stocks benefited particularly from the surge in gold prices, amid strong demand for safe-haven assets in the context of the crisis in the Middle East.

Graph 1 - Trends[2] in the MSCI indexes[3]

(base 100 = 2019) (year-on-year change, in %)



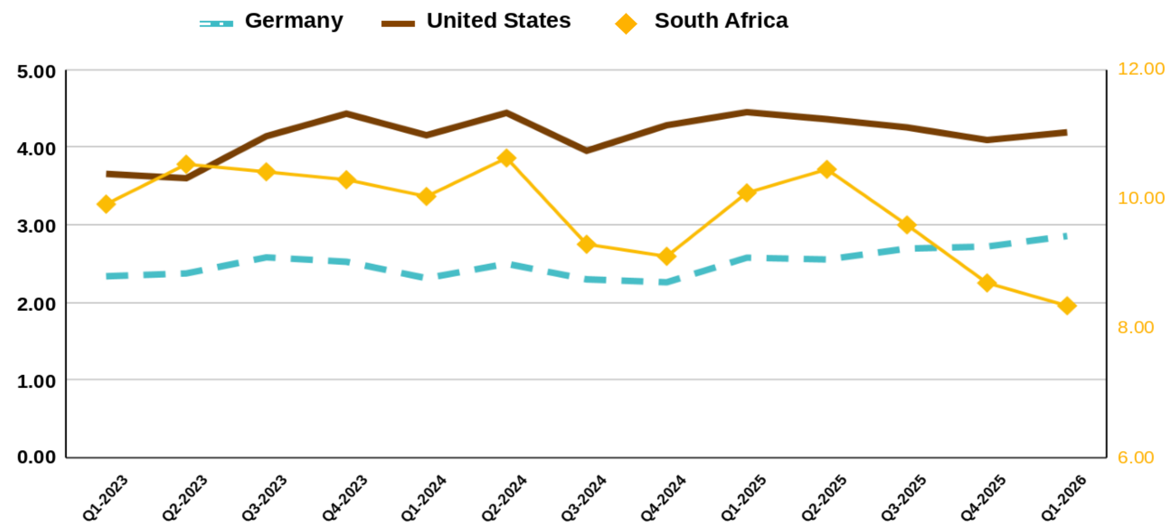
Source: Bloomberg

[2] The Overnight Bank Funding Rate is the main benchmark rate in the US interbank market

[3] The MSCI ACWI (All Country World Index), or global index, developed by MSCI, tracks the performance of 3,000 companies in 50 countries (23 developed countries and 27 emerging countries). It has several variants, two of which are widely used. The MSCI Developed Markets Index comprises companies listed in the 23 economies with the most developed financial markets. US-listed equities account for approximately 66% of this index. A complementary index, the MSCI Emerging Economies index, tracks the performance of equity markets in 27 emerging economies.

14. On **bond markets**, yields on benchmark 10-year government bonds rose overall in the first quarter of 2026. Yields on 10-year US government bonds increased by 10.1 bps compared with the previous quarter, to stand at 4.19%, amid rising inflation expectations fueled by higher energy prices. This trend also reflected an increase in the sovereign risk premium stemming from fiscal uncertainty related to the war in Iran. In the Eurozone, the implementation of an expansionary fiscal policy in Germany and concerns over public finances in France led to an overall increase in 10-year government bond yields, which rose by 13.4 bps and 1.4 bps respectively over the period under review to 2.85% and 3.49%. By contrast, in South Africa, yields on 10-year sovereign bonds fell by 36 bps to 8.34%, following a sharper decline of 89.8 bps in the previous quarter, amid contained inflation and renewed interest from foreign investors in domestic assets.

Graph 2 - Benchmark 10-year bond yields *(in %)*



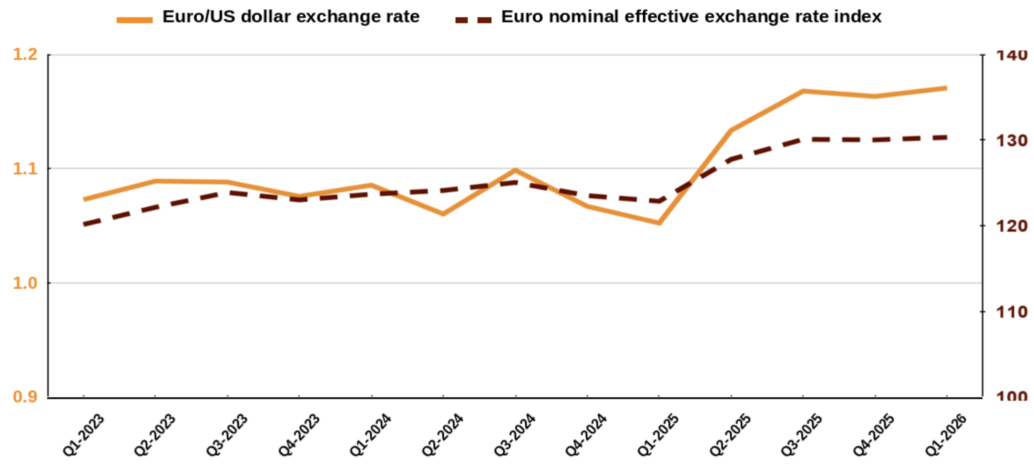
Source: Bloomberg, Investing

1.3 - Major developments on the foreign exchange market

15. On the foreign exchange market, the **euro** strengthened by 0.2% in the first quarter of 2026, quarter on quarter, against the other major currencies, after remaining almost stable (-0.03%) in the last quarter of 2025. More specifically, the European currency appreciated against the **Indian rupee** (+3.3%), the **Japanese yen** (+2.4%) and the **United States dollar** (+0.6%). By contrast, it depreciated against the **South African rand** (-3.8%), the **Chinese yuan** (-1.8%), the **Swiss franc** (-1.4%), the **Russian ruble** (-1.1%) and the **pound sterling** (-0.8%).

Graph 3 - Trends in the nominal effective euro exchange rate

(base 100 = 2013)



Sources: Banque de France, ECB

16. **Year on year**, the euro strengthened overall by 6.1% in the first quarter of 2026, after appreciating by 5.3% in the previous quarter. In particular, the European currency appreciated by 11.2% against the US dollar and by 5.9% against the Chinese yuan.

17. In the West African subregion, the **CFA franc** depreciated overall by 3.8% in the first quarter of 2026, quarter on quarter, against the currencies of the ECOWAS countries, after appreciating by the same magnitude in the previous quarter, based on the official exchange rates published by the monetary authorities of the countries. The currency of the WAEMU Member States weakened against the naira (-4.1%), the cedi (-3.0%), the leone (-1.0%) and the dalasi (-0.7%). By contrast, the CFA franc strengthened against the Liberian dollar (+2.5%) and the Guinean franc (+1.4%).

18. Compared with the same period of the previous year, the **CFA franc** depreciated by 2.8% against the currencies of other West African countries, owing in particular to its depreciation against the cedi (-21.0%) and the leone (-10.7%). It nevertheless appreciated against the Guinean franc (+13.1%), the dalasi (+10.7%), the Liberian dollar (+4.6%) and the naira (+1.4%).

Table 4 - Exchange rate of the CFA franc against West African currencies

(units of foreign currency per 1,000 CFA F)

Currencies	2025				2026	Change (%)	
	Q1	Q2	Q3	Q4	Q1	quarterly	annual
Gambian dalasi	114.3	121.7	125.2	127.8	126.9	-0.7	10.7
Ghanaian cedi	24.5	21.7	19.7	20.0	19.4	-3.0	-21.0
Guinean franc	13,791.7	14,881.1	15,394.0	15,381.2	15594.4	1.4	13.1
Liberian dollar	313.8	344.5	348.5	319.9	327.9	2.5	4.6
Naira (Nigeria)	2,435.8	2,724.7	2,708.4	2,574.9	2469.8	-4.1	1.4
Leone (Sierra Leone)	27,547.7	25,574.1	24,820.1	24,846.2	24599.6	-1.0	-10.7
West Africa (*)	**478.0**	**512.6**	**502.2**	**483.1**	**464.6**	**-3.8**	**-2.8**

Sources: WAMA (official data from central banks), BCEAO (*) Index (base 100=2016)

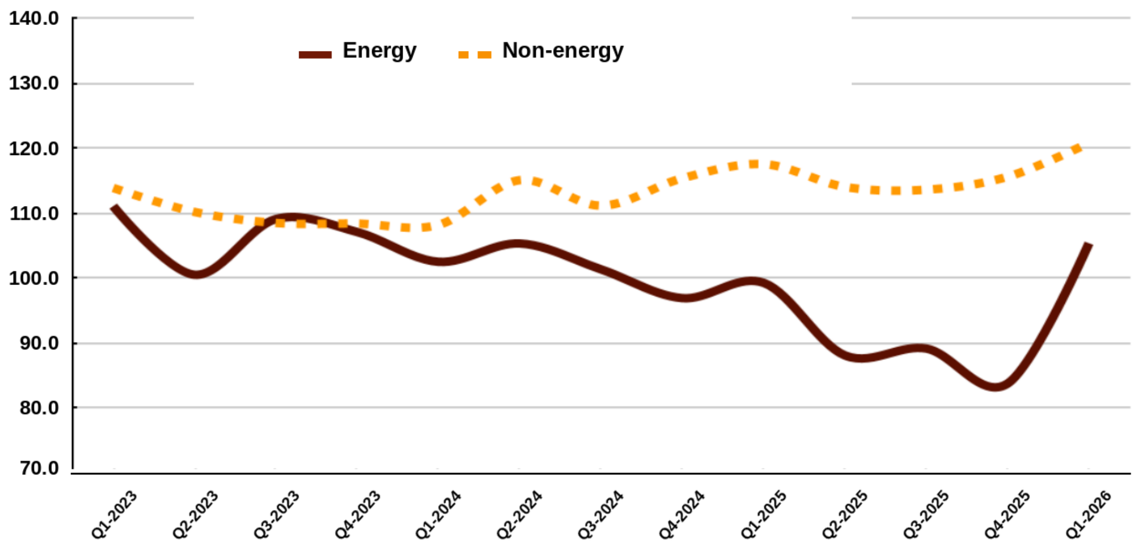
1.4 - Commodity prices

19. During the first quarter of 2026, international energy commodity prices increased by 25.9% quarter on quarter, after declining by 6.1% one quarter earlier. This increase was mainly attributable to the sharp rise in natural gas (+24.8%) and crude oil (+20.4%) prices, fueled by renewed concerns over global supplies of these products following disruptions to maritime traffic through the Strait of Hormuz.

20. **Non-energy commodity prices** increased by 4.5% quarter on quarter in the first quarter of 2026, after rising by 1.8% one quarter earlier. This acceleration was mainly driven by a sharp increase in precious metal prices (+23.6%), supported by a preference for safe-haven assets amid an international environment marked by high uncertainty, and rising metal and mineral prices (+12.5%). Higher fertilizer prices (+12.4%) also contributed to this trend. By contrast, agricultural commodity prices dropped by 0.9%, after falling by 1.1% in the previous quarter.

Graph 4 - Commodity price indexes

(base 100 = 2010)



Sources: World Bank, BCEAO

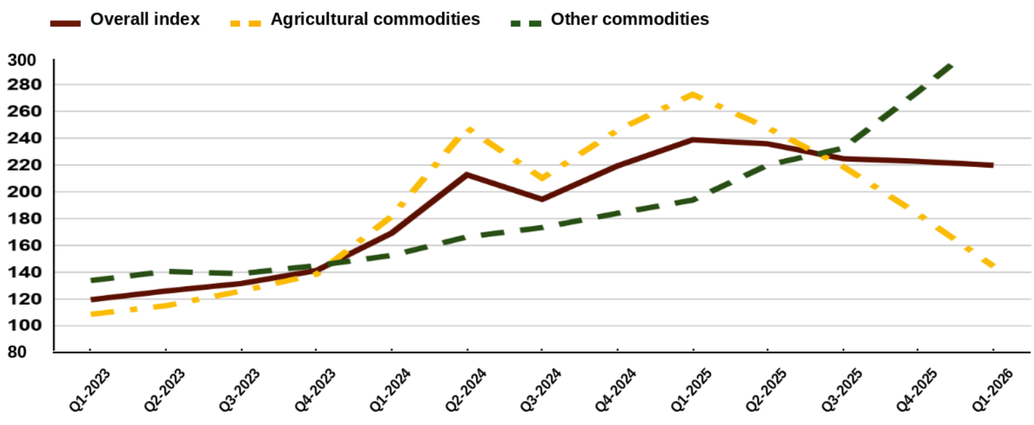
1.4.1 - Price index[4] of non-petroleum commodities exported by WAEMU countries

21. **The price index of non-petroleum commodities** exported by WAEMU countries fell by 1.3% quarter on quarter in the first quarter of 2026, after declining by 0.9% in the previous quarter. This contraction was mainly due to lower prices for cocoa (-31.8%), coffee (-12.0%) and phosphate (-8.9%). By contrast, prices for gold (+17.3%), palm oil (+15.3%), palm kernel oil (+7.0%), uranium (+10.4%), rubber (+8.1%), cashew nuts (+4.1%) and cotton (+2.3%) increased over the same period.

[4] The index is denominated in foreign currency.

Graph 5 - Price index of non-petroleum commodities exported by WAEMU

(base 100 = 2013)



Sources: World Bank Commodity Price Data, Reuters, BCEAO calculations

22. The downturn in **cocoa** prices is attributable to expectations of weaker global demand against a backdrop of relatively strong supply. Markets anticipate optimal weather conditions in West Africa and an increase in production in Ecuador, while slower consumption and the use of cocoa substitutes in the chocolate industry have led to a buildup of inventories. The decline in **coffee** prices was associated with forecasts for record harvests in Brazil, the world's leading producer, supported by favorable weather conditions. The drop in **phosphate** prices was due to weak demand for phosphate fertilizers in Western Europe.

23. On the other hand, the conflict in the Middle East has contributed to an increase in gold prices by stimulating demand for gold as a safe-haven asset. The rise in **palm oil** and **palm kernel oil** prices was due to stock replenishment ahead of the Chinese New Year[5], as well as stronger demand from India, the leading consumer. **Uranium** prices were supported by robust demand, driven by rising global consumption following the construction of new nuclear power plants, particularly in China and India, as well as by plans to restart nuclear facilities in Europe and extend the operating life of existing plants. Supply nevertheless remained constrained by US restrictions on imports of Russian uranium. Higher **rubber** prices resulted from seasonal supply constraints, as most major producing regions in Southeast Asia had completed the rubber harvest. In addition, the Association of Natural Rubber Producing Countries (ANRPC) estimates that global demand is expected to exceed production in 2026, driven by sustained growth in the automotive sector. The rise in **cotton** prices was due to concerns over production disruptions caused by a severe winter storm[6] in the United States. Oil prices have been buoyed by supply disruptions associated with tensions in the Middle East[7].

[5] Chinese New Year was celebrated on February 17, 2026.

[6] In January 2026, a winter storm involving an influx of Arctic air moving southward over the Cotton Belt caused a temporary shutdown of ginning mills and damaged cotton fibers stored outdoors.

[7] The region accounts for nearly one-third of the world's crude oil supply.

Table 5 - Prices of commodities exported by WAEMU countries

	Average prices Q1-2026				Change compared to Q4-2025 (%)		Change compared to Q1-2025 (%)	
	units and value in foreign currency		units and value in CFAF		foreign currency	CFAF	foreign currency	CFAF
Crude oil (NYMEX)	$/barrel	70.9	metric ton	284,625.2	17.3	16.9	0.0	-9.9
Robusta coffee (ICO)	cents/lb.	190.8	kg	2,361.3	-12.0	-12.4	-29.0	-36.0
Cocoa (ICCO)	cents/lb.	179.1	kg	2,216.4	-31.8	-32.1	-58.5	-62.8
Cotton (NY #2)	cents/lb.	66.2	kg	818.9	2.3	1.9	-2.3	-12.1
Palm oil	$/metric ton	1,362.1	kg	764.8	15.3	14.9	0.2	-9.6
Palm kernel oil	$/metric ton	1,997.7	kg	1,122.0	7.0	6.6	7.1	-3.5
Rubber	eurocents/kg	176.6	kg	1,158.5	8.1	8.1	-13.3	-13.3
Cashew nuts	$/metric ton	1,593.3	kg	894.5	4.1	3.7	-10.9	-19.7
Gold	$/ounce	4,870.0	gram	96,430.1	17.3	16.8	70.2	53.3
Uranium	$/lb.	69.8	kg	86,389.9	10.4	10.0	26.8	16.5
Phosphates	$/metric ton	171.7	kg	96.4	-8.9	-9.2	5.7	-2.9

Sources: Reuters, BCEAO calculations

1.4.2 - Price index[8] of food products imported by WAEMU countries

24. The price index of the main food products imported by WAEMU countries continued to decline quarter on quarter. It fell by 4.5% in the first quarter of 2026, after declining by 8.9% one quarter earlier. This trend mainly reflected lower prices for milk (-8.5%) and sugar (-1.6%). By contrast, soybean oil (+16.4%), wheat (+5.8%) and rice (+4.5%) prices continued to increase from one quarter to the next.

25. The decline in **milk** prices was attributable to excess global supply and high inventory levels, owing to favorable production conditions in North America and Europe. **Sugar** prices fell due to expectations of abundant supply. According to projections by the International Sugar Organization (ISO), the global sugar market is expected to show a surplus of 1.2 million metric tons in the 2025/2026 crop year.

26. By contrast, **soybean oil prices** continued to rise, mainly due to stronger demand for soybean-based biofuels, supported by higher energy prices. The increase in wheat prices was due to renewed concerns about weather conditions, particularly the risk of frost in parts of southern Russia and Ukraine, which could affect harvests. Rice prices increased, driven by strong international demand.

27. On an annual basis, **the price index of the main food products imported by WAEMU countries** fell by 11.2% in the first quarter of 2026, after declining by 17.8% in the previous quarter. This trend mainly reflected lower prices for milk (-22.5%), rice (-22.3%), sugar (-9.3%) and wheat (-0.4%). The increase in vegetable oil prices (+32.8%) moderated this trend.

[8] The index is in foreign currency. The base year is 2017.

2 - AGGREGATE SUPPLY AND DEMAND

According to the latest estimates, WAEMU's real GDP is estimated to have grown by 6.1% year on year in the first quarter of 2026, after 6.5% in the previous quarter. This trend in economic activity was driven by higher value added across all sectors. Domestic demand remained the main driver of growth, supported by final consumption and investment.

2.1 - Aggregate supply

28. Economic activity in WAEMU remained buoyant in the first quarter of 2026, with annual growth in the gross domestic product (GDP) ringing in at 6.1%, following a performance of 6.5% in the previous quarter. The business climate indicator, which summarizes the views of business leaders, remained above its long-term trend, standing at 100.8 points after 101.0 points in the previous quarter, reflecting continued confidence among business leaders in the economic outlook. The growth carry-over, which indicates the minimum level of growth that would be reached by year-end, stood at 4.1% in the first quarter of 2026.

29. Real GDP growth in the Union reflects the continued positive trend in economic activity across all sectors. During the quarter under review, the contribution of the primary sector to GDP growth increased by 0.1 pp to 1.1 pp. The contribution of the secondary sector stood at 2.0 pps, after 2.2 pps in the previous quarter, while the contribution of the tertiary sector stood at 3.0 pps, compared with 3.3 pps one quarter earlier.

Table 6 - Contributions to real GDP growth, year on year

(seasonally adjusted - working day corrected (SA-WDC) data, in %)

	2024	2025				2025	2026
		Q1	Q2	Q3	Q4		Q1
Primary sector	1.2	0.8	0.8	1.0	1.0	0.9	1.1
Secondary sector	1.4	2.4	2.3	2.3	2.2	2.3	2.0
Tertiary sector	3.5	3.6	3.6	3.2	3.3	3.4	3.0
GDP	**6.1**	**6.8**	**6.7**	**6.5**	**6.5**	**6.6**	**6.1**

Source: BCEAO

30. Year-on-year trends in economic activity broken down by country are presented in Table 7 below.

Table 7 - Trends in real GDP growth in the Union

(year-over-year SA-WDC data, in %)

Countries	2024	2025				2025	2026
		Q1	Q2	Q3	Q4		Q1
Benin	7.5	8.5	8.4	8.0	7.4	8.1	6.4
Burkina Faso	4.8	6.4	5.8	5.8	5.3	5.3	5.6
Côte d'Ivoire	6.0	6.3	6.4	5.9	6.7	6.6	6.7
Guinea-Bissau	4.1	5.3	5.5	5.6	5.6	5.5	5.5
Mali	5.0	5.7	6.0	5.8	5.5	5.6	6.1
Niger	8.3	9.8	5.1	6.1	6.0	6.6	6.1
Senegal	6.1	7.8	8.6	7.3	6.5	7.8	4.7
Togo	6.5	8.5	6.1	6.1	6.0	6.2	5.8
WAEMU	**6.1**	**6.8**	**6.7**	**6.5**	**6.5**	**6.6**	**6.1**

Sources: National Statistics Institutes, BCEAO

2.1.1. Primary sector

31. Value added in the primary sector increased by 5.9% year on year in the first quarter of 2026, after rising by 5.0% in the previous quarter. This increase reflects the continued positive trend in livestock farming, fishing and food crop activities.

32. According to available data for the 2025/2026 crop year, food crop production in the Union stood at 80,690,479 metric tons, up 4.3% from the previous crop year. This upswing was driven by higher cereal production (+6.8% or 2,266,308 metric tons) and tuber production (+3.7% or 1,056,628 metric tons). Compared with the average for the previous five crop years, harvests in the 2025/2026 crop year increased by 12.1%.

Table 8 - Trends in food crop production in WAEMU

(in metric tons, unless otherwise indicated)

	2021/2022	2022/2023	2023/2024	2024/2025* (1)	2025/2026* (2)	Average over the past five crop years (3)	Change (%)	
							(2)/(1)	(2)/(3)
Cereals	25,973,438	29,705,322	32,311,106	33,328,054	35,594,362	30,133,393	6.8	18.1
Tubers	25,948,733	26,877,149	28,151,219	28,262,998	29,319,626	27,092,812	3.7	8.2
Other crops	13,493,780	15,224,153	14,883,154	15,771,971	15,776,491	14,740,386	0.0	7.0
Total	**65,415,951**	**71,806,624**	**75,345,479**	**77,363,023**	**80,690,479**	**71,966,591**	**4.3**	**12.1**

Sources: Member States' national agriculture departments, BCEAO calculations *(*) Estimates*

33. Supplies of export crops were up at the end of the 2025/2026 crop year compared with the previous crop year, with the exception of cocoa, coffee and seed cotton.

Table 9 - Cash crop production in WAEMU

(in metric tons, unless otherwise indicated)

	2022/2023	2023/2024	2024/2025* (1)	2025/2026* (2)	Average over the past five crop years (3)	Change (%)	
						(2)/(1)	(2)/(3)
Cocoa	2,376,300	1,841,820	1,912,400	1,862,200	2,112,892	-2.6	-11.9
Coffee	120,000	74,202	101,833	57,300	97,290	-43.7	-41.1
Seed cotton	2,104,794	2,020,814	2,134,665	1,988,034	2,218,956	-6.9	-10.4
Groundnut	3,759,759	4,059,362	4,584,081	5,338,155	4,026,861	16.4	32.6
Cashew nut	1,539,292	1,779,388	1,486,900	2,128,350	1,491,711	43.1	42.7
Rubber	1,332,600	1,624,824	1,686,600	1,853,100	1,338,737	9.9	38.4

Sources: National marketing authorities *(*) Estimates at end-December 2025*

34. **Groundnut** harvests rose by 16.4%, to 5,338,155 metric tons, reflecting the favorable distribution of rainfall in producing countries. Significant increases were recorded in Senegal (+26.8%), Côte d'Ivoire (+21.4%) and Benin (+21.3%).

35. The regional **rubber** supply stood at 1,853,100 metric tons, up 9.9% from the previous crop year, due notably to the support provided by the Ivorian authorities for the structuring of the sector.

36. **Cashew nut** production stood at 2,128,350 metric tons, up 43.1%, reflecting increased supplies in Côte d'Ivoire (+64.0%), Guinea-Bissau (+11.0%) and Burkina Faso (+10.0%). This trend reflects favorable weather conditions in production areas, particularly in Côte d'Ivoire, where support to producers on best agricultural practices, as well as higher farm-gate prices, contributed to the increase in production.

37. By contrast, **cocoa** production declined by 2.6% to 1,862,200 metric tons, reflecting lower output in Côte d'Ivoire (-2.7%), owing to unfavorable weather conditions for the crop.

38. **Coffee** harvests also contracted by 43.7% at the end of the 2025/2026 crop year, standing at 57,300 metric tons, mainly due to a 62.2% decline in supply in Côte d'Ivoire as a result of adverse weather conditions.

39. **Seed cotton** production is estimated at 1,988,034 metric tons, down 6.9% compared with the 2024/2025 crop year, owing to persistent attacks by jassids, a cotton crop pest. This decline was primarily due to lower production in Mali (-33.9%) and Côte d'Ivoire (-10.4%), partially offset by increased production in Togo (+21.9%), Burkina Faso (+14.9%), Benin (+7.4%) and Guinea-Bissau (+2.7%).

2.1.2. Secondary sector

40. During the quarter under review, value added in the secondary sector increased by 7.3% in real terms, year on year, slowing from the 9.5% recorded one quarter earlier. The business climate indicator in the secondary sector remained above its long-term trend, at 100.4 points, reflecting continued confidence among business leaders in the economic outlook.

41. The industrial production index (IPI) increased by 5.9% in the first quarter of 2026, after rising by 6.8% in the fourth quarter of 2025. This more moderate trend reflected a slowdown in extractive activities, particularly hydrocarbon activities in Côte d'Ivoire and mining activities in Mali. It also reflected a decline in beverage and chemical manufacturing in Burkina Faso, Niger and Senegal.

42. The slowdown in the IPI was mitigated by the strength of the food manufacturing, textile production and clothing industries in Benin and Côte d'Ivoire.

Table 10 - Trends in the Industrial Production Index (IPI) in WAEMU

(SA-WDC data, year on year, in %)

Industries	2025				2025	2026
	Q1	Q2	Q3	Q4		Q1
EXTRACTIVE ACTIVITIES	**44.1**	**24.6**	**16.7**	**7.9**	**21.5**	**5.9**
Hydrocarbon extraction	386.2	203.1	51.7	5.3	83.9	5.7
Metal ore mining	-10.3	-21.4	-3.5	10.1	-6.9	2.8
Other extractive activities	12.5	16.4	8.4	9.4	11.5	23.4
MANUFACTURING ACTIVITIES	**4.5**	**2.9**	**4.7**	**6.6**	**4.7**	**6.1**
Food manufacturing	8.2	5.3	-0.7	-0.3	3.2	5.8
Beverage manufacturing	33.3	14.9	12.5	23.1	20.7	9.0
Textile manufacturing	-17.4	11.3	7.5	-0.7	-7.0	4.9
Petroleum refining and coking	3.0	5.0	10.4	16.6	8.7	9.0
Chemical manufacturing	-5.1	-0.4	32.9	40.3	16.2	-1.6
Clothing manufacturing	-46.8	-48.4	62.0	95.2	-0.3	156.2
Manufacturing of mineral materials	3.4	8.5	-3.2	3.4	2.9	0.8
ELECTRICITY AND GAS PRODUCTION AND DISTRIBUTION	**4.9**	**4.6**	**7.6**	**2.6**	**4.9**	**4.3**
Electricity and gas production and distribution	4.9	4.6	7.6	2.6	4.9	4.3
WATER PRODUCTION AND DISTRIBUTION, SANITATION, WASTE TREATMENT AND REMEDIATION	**4.1**	**5.3**	**5.8**	**5.2**	**5.1**	**6.0**
Water collection, purification and distribution	4.1	5.3	5.8	5.2	5.1	6.0
INDUSTRIAL PRODUCTION INDEX	**13.9**	**8.7**	**8.4**	**6.8**	**9.4**	**5.9**

Source: BCEAO

2.1.3 Tertiary sector

43. Value added in the tertiary sector increased by 5.6% year on year in the first quarter of 2026, compared with 5.7% in the previous quarter. The business climate indicator in the tertiary sector remained above its long-term trend at 101.1 points, compared with 101.3 points one quarter earlier, reflecting continuing optimism among business leaders regarding the economic outlook, particularly in the market services sector.

44. The turnover index (TI) in trade rose by 3.7% over the quarter under review, after rising by 4.2% in the fourth quarter of 2025. The rise in the index was driven by attributable to a stronger motor vehicle and motorcycle sales and repair sector in Benin, Guinea-Bissau, Mali, Niger and Togo. It was also supported by wholesale trade in petroleum products in Benin, Côte d'Ivoire, Mali, Niger and Senegal. The contraction in retail trade observed in Côte d'Ivoire, Guinea-Bissau, Senegal and Togo nevertheless contributed to tempering this upturn.

45. In financial services, the activity index[9] recorded growth of 15.4% during the quarter under review, compared with 15.5% one quarter earlier, mainly due to positive momentum in bank deposits, which rose by 19.0%.

46. Turnover in market services, excluding financial services, increased by 6.5% year on year in the first quarter of 2026, after growing by 5.4% in the previous quarter. In particular, accommodations and food services increased in Benin, Côte d'Ivoire, Guinea-Bissau and Senegal. Real estate services also strengthened in Benin, Côte d'Ivoire, and Mali. In addition, transportation services in Burkina Faso, Côte d'Ivoire, Guinea-Bissau and Mali, as well as information and communication services in Côte d'Ivoire, Mali and Niger, continued on a positive trend.

Table 11 - Trends in the turnover index (TI) in WAEMU

(SA-WDC data, year on year, in %)

	2025	2025				2026
		Q1	Q2	Q3	Q4	Q1
Wholesale and Retail Trade Turnover Index	**1.9**	**2.1**	**1.3**	**0.0**	**4.2**	**3.7**
Trade and repair of motor vehicles and motorcycles	*6.7*	*6.2*	*7.3*	*10.4*	*3.4*	*5.3*
Wholesale trade and commission trade	*5.4*	*6.6*	*5.9*	*3.5*	*5.7*	*4.4*
Retail trade	*0.5*	*0.3*	*-0.5*	*-1.9*	*4.0*	*3.3*
Market Services Turnover Index	**6.2**	**3.1**	**6.6**	**9.9**	**5.4**	**6.5**
Transportation and storage services	*6.7*	*1.4*	*4.4*	*9.7*	*11.3*	*8.6*
Accommodations and food services	*2.6*	*0.0*	*1.0*	*5.9*	*3.6*	*4.7*
Information and communication services	*6.0*	*-6.2*	*-3.3*	*24.6*	*11.6*	*11.5*
Real estate services	*18.4*	*65.7*	*10.3*	*5.0*	*-1.0*	*17.2*
Specialized, scientific, and technical services	*33.0*	*15.1*	*67.6*	*46.9*	*2.0*	*8.5*
Financial Services Turnover Index	**15.5**	**16.3**	**15.3**	**15.1**	**15.5**	**15.4**

Source: BCEAO

2.2 - Aggregate demand

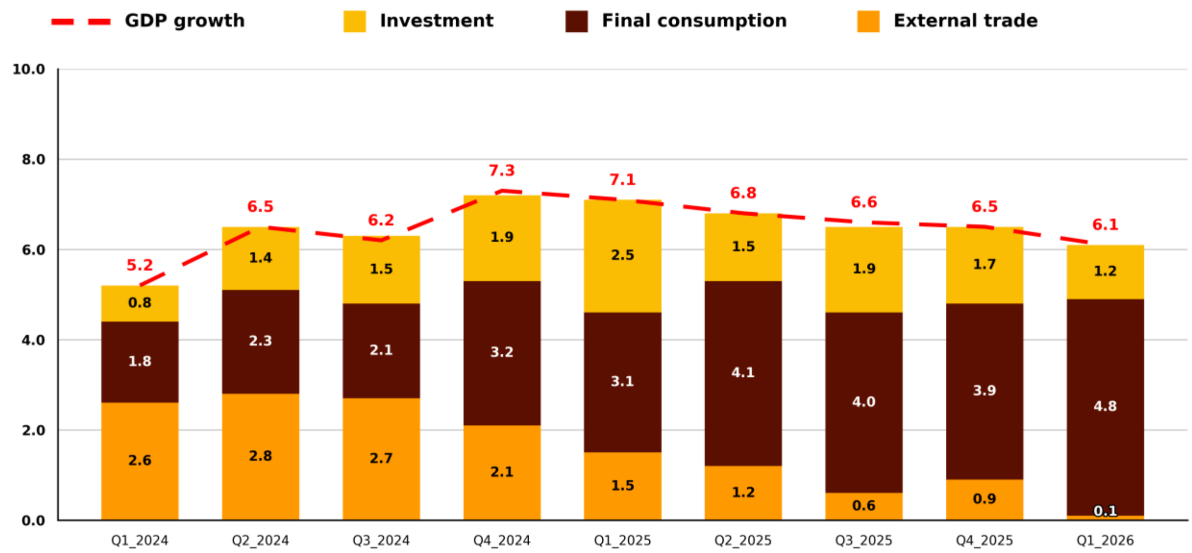
47. Growth in WAEMU in the first quarter of 2026 was driven mainly by internal demand, which increased by 6.0% year on year, after rising by 6.4% in the previous quarter.

48. Final consumption increased by 6.8% during the period under review, after rising by 6.0% in the fourth quarter of 2025. This trend is explained by higher household spending on food products, as well as on real estate, accommodation and food services, amid easing prices. Capital expenditure, meanwhile, rose by 4.0%, from 7.6% in the previous quarter, reflecting a slowdown in construction and public works activities in both the public and private sectors.

49. With regard to external trade, the contribution to economic growth was lower in the first quarter of 2026, while remaining positive (+0.1 point compared with +0.9 point), reflecting a more moderate improvement in the trade balance.

[9] The turnover index for financial services is calculated on the basis of the sum of banks' and financial institutions' Financial Intermediation Services Indirectly Measured (FISIM). FISIM represents the margin earned by financial intermediaries from managing loans and deposits for their customers.

Graph 6 - Contributions of demand items to growth *(in percentage points)*



Source: BCEAO

50. It should be recalled that, for 2025 as a whole, the Union's real GDP growth was estimated at 6.6%, after 6.1% in 2024. The tertiary sector remained the main driver of growth, with a contribution of 3.7 percentage points, supported by buoyant trade and services activities. The secondary sector's contribution to economic growth stood at 2.0 percentage points, reflecting stronger extractive output, supported by the exploitation of hydrocarbon deposits in Côte d'Ivoire, Senegal and Niger, as well as higher manufacturing output. The primary sector contributed 0.9 percentage point, due to increased agricultural production, especially food crop production (+4.3%), during the 2025/2026 crop year.

51. Analyzed through the prism of GDP uses, economic growth in 2025 was primarily driven by final consumption and investment, which contributed 3.9 and 1.9 percentage points, respectively. The contribution of the external sector stood at 0.8 percentage point, reflecting higher exports, particularly of mining, oil and gas products.

Table 12 - Trends in GDP growth rates, in real terms *(in %)*

	2023	2024	2025*	
			Est. (March 2026)	Est. (June 2026)
Primary sector	**0.6**	**1.0**	**1.0**	**0.9**
Secondary sector	**2.2**	**1.5**	**2.3**	**2.0**
incl.: - Manufacturing industries	*1.5*	*0.6*	*0.6*	*0.6*
- Extractive industries	*0.1*	*0.7*	*1.4*	*1.0*
- Public works and civil engineering	*0.6*	*0.1*	*0.2*	*0.3*
Tertiary sector	**2.4**	**3.6**	3.4	3.7
Real GDP	**5.2**	**6.1**	**6.7**	**6.6**
Final consumption	**2.8**	**1.6**	**3.7**	**3.9**
Private	*2.6*	*1.1*	2.7	3.6
Public	*0.2*	*0.5*	1.0	0.3
CapEx	**2.3**	**2.0**	**1.8**	**1.9**
Private	*1.8*	*1.4*	1.3	1.3
Public	*0.5*	*0.6*	0.5	0.6
External sector	**0.1**	**2.5**	**1.2**	**0.8**

Sources: National Statistics Institutes, BCEAO

52. Compared with the estimates previously published in the March 2026 report, the Union's economic growth was revised slightly downward by 0.1 percentage point in 2025. This adjustment can mainly be ascribed to downward revisions to growth in Burkina Faso (-1.2 percentage points), Mali (-0.5 percentage point) and Niger (-0.3 percentage point), partially offset by upward revisions in Benin (+0.6 percentage point) and Côte d'Ivoire (+0.1 percentage point).

53. The 1.2 pp downward revision to Burkina Faso's economic growth is due to a decline in banking activities (-3.9%, compared with a previously projected increase of 6.4%). In Mali, weaker economic growth resulted from a contraction in extractive activities (-9.8%, compared with an initially projected increase of 14.5%). The 0.3-percentage-point loss in growth in Niger is due to a decline in agricultural activities (-1.1%, compared with a previously projected increase of 4.7%). Conversely, the 0.6-percentage-point increase in growth in Benin reflects higher value added in transportation, storage and communication activities (+8.6%, compared with +7.1% initially) and in construction and public works (+12.0%, compared with +9.8% previously). The 0.1-percentage-point upward revision in Côte d'Ivoire is attributable to a stronger-than-expected increase in agricultural activities (+9.0%, compared with +7.5% previously).

3 - RECENT TRENDS IN INFLATION AND COMPETITIVENESS

The inflation rate in the Union stood at -0.2%, year over year, in the first quarter of 2026, compared with -0.8% in the previous quarter. This trend was primarily attributable to higher prices in the "Restaurants and Hotels" category (+0.1 pp versus -0.3 pp) and the "Housing" category (+0.3 pp versus +0.2 pp). The rise in inflation was mitigated by lower prices in the "Food Products" category (-0.8 pp versus -0.6 pp). Core inflation stood at 1.3% during the quarter under review, after 0.1% in the previous quarter.

The real effective exchange rate (REER) declined by 4.2% in the first quarter of 2026 compared with the same period of the previous year, after falling by 1.7% in the fourth quarter of 2025. This trend, which reflects a gain in competitiveness for the Union, resulted from a 3.2% depreciation of the nominal effective exchange rate, combined with a favorable inflation differential of 1.0 pp.

3.1 - Recent trends in inflation

54. The inflation rate in WAEMU stood at -0.2% in the first quarter of 2026, compared with -0.8% one quarter earlier. The rise in inflation is mainly attributable to price increases in the "Housing" and "Restaurants and Hotels" categories.

55. Prices in the "Housing" category rose by 2.9%, after rising by +2.1%, contributing 0.3 pp to overall inflation. The most pronounced changes were recorded in the prices of firewood (+5.4%, after +1.2%), housing maintenance and repair services (+0.7%, compared with -0.4%) and home security equipment (+0.5%, after -0.4%). Prices for this component increased notably in Benin (+6.6% after +2.1%), Burkina Faso (+3.5% versus +0.7%), and Côte d'Ivoire (+3.3% after -1.4%).

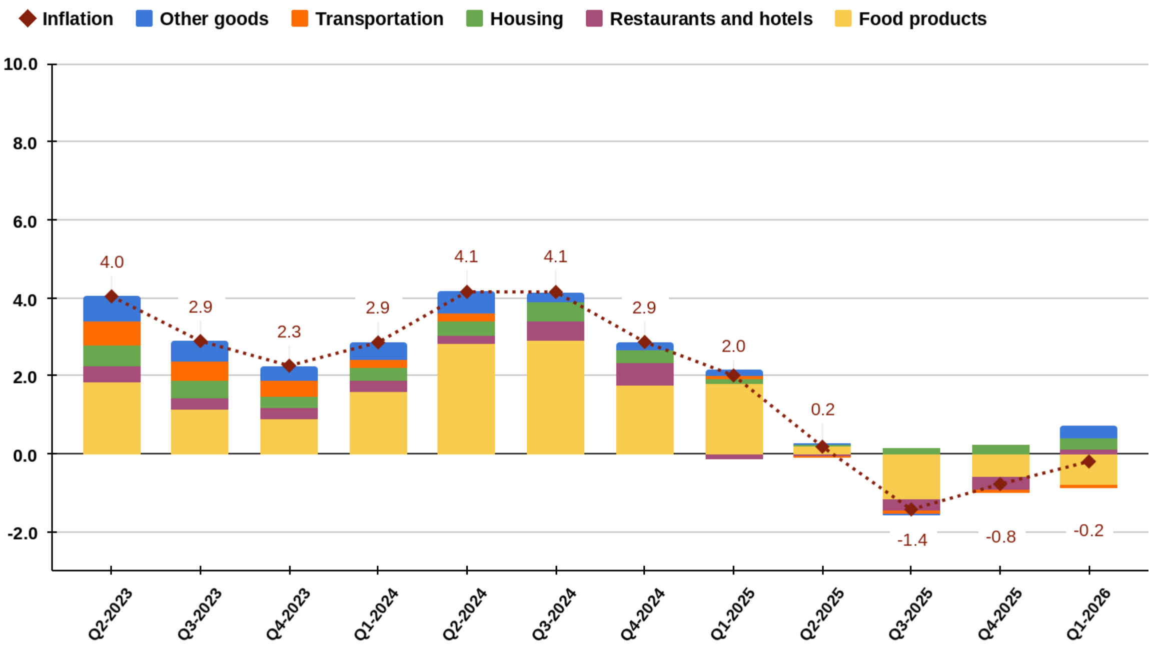
56. Similarly, prices in the "Restaurants and Hotels" component contributed to the rise in overall inflation (+0.1 pp), increasing by 1.1%, after a drop of 2.8% in the previous quarter. Prices for catering and accommodations services rose notably in Mali (+3.1% versus -2.6%), Togo (+2.8% versus +2.3%), Côte d'Ivoire (+1.9% versus +1.4%), and Benin (+0.1% versus -3.5%).

57. These trends were moderated by the continued decline in food prices, which fell by 2.2% during the quarter under review, after decreasing by 1.6% one quarter earlier. The largest price declines were recorded for cereals (-11.1%, compared with -10.2%), fresh fish (-5.6%, compared with +5.8%), vegetable oils (-5.5%, after -3.3%) and fresh vegetables (-1.5%, compared with +12.8%).

58. The strong results of the 2025/2026 crop year (+6.8% in cereal production) led to an improvement in the supply of food crops on markets. Consequently, rice prices fell by 24.5% in Burkina Faso, after declining by 23.2%, and by 14.7% in Mali, after -15.4% one quarter earlier. Similarly, millet prices declined, notably in Mali (-33.3%, after -39.7%) and Burkina Faso (-29.9%, compared with -37.3%). The maize market followed a similar trend, with price contractions in Burkina Faso (-35.9% compared with -27.1%) and Mali (-23.0% compared with -29.4%). Despite a weaker agricultural season in Niger, prices for cereal products recorded pronounced declines, notably for rice (-24.4% after -26.2%), millet (-29.7% from -29.1%), and maize (-39.8% from -33.7%).

59. In addition, the price index of food products imported by WAEMU Member States, expressed in CFA francs, declined by 23.2% year on year in the first quarter of 2026, after falling by 26.1% one quarter earlier. In particular, world prices for rice (-30.6% compared with -36.6%), sugar (-30.3% compared with -32.7%), milk (-26.0% after -10.5%) and oil (-0.1% compared with -4.7%) declined during the period under review.

Graph 7 - Contributions to change in the HICP in WAEMU *(in pps)*



Source: BCEAO

60. The breakdown by type shows that goods prices declined by 1.0% in the first quarter of 2026, as in the previous quarter. Meanwhile, services prices increased by 1.3% during the period under review, after 0.3% in the previous quarter, reflecting higher prices for accommodations and recreational services.

61. Core inflation, which measures changes in prices excluding fresh food and energy, stood at 1.3% during the quarter under review, after 0.1% in the fourth quarter of 2025. This trend can be explained by higher prices for certain food products included in the core index, particularly dried fruit and grain-mill products. Price increases on non-food products included in core inflation mainly applied to accommodations and housing services, as well as recreation and cultural services.

62. By contrast, the fresh food price index declined by 3.4%, after falling by 3.5% in the previous quarter, reflecting lower prices for cereals, fresh fish, oils, and fresh vegetables. Energy prices remained stable, after increasing by 1.8% one quarter earlier, owing to year-on-year declines in fuel prices in Côte d'Ivoire (-6.3%), Senegal (-7.1%), and Mali (-2.4%).

Table 13 - Trends in inflation and its components

	Annual change (%)		Contributions (% points)		
	Q4-2025	Q1-2026	Q3-2025	Q4-2025	Q1-2026
Fresh foods	-3.5	-3.4	-1.3	-1.0	-1.0
Energy	1.8	0.0	-0.1	0.1	0.0
Core inflation	***0.1***	***1.3***	***0.0***	***0.1***	***0.8***
Headline inflation	**-0.8**	**-0.2**	**-1.4**	**-0.8**	**-0.2**
Food products	-1.6	-2.2	-1.2	-0.6	-0.8
Alcoholic beverages	0.0	2.7	0.0	0.0	0.0
Clothing	0.6	0.4	0.0	0.1	0.0
Housing	2.1	2.9	0.1	0.2	0.3
Furnishings	-2.5	0.6	-0.1	-0.1	0.0
Health	-1.9	0.9	-0.2	-0.1	0.1
Transportation	-0.7	-0.6	-0.1	-0.1	-0.1
Communications	1.6	1.1	0.1	0.1	0.1
Recreation and Culture	-0.3	1.0	0.0	0.0	0.0
Education	0.9	0.6	0.0	0.0	0.0
Restaurants & Hotels	-2.8	1.1	-0.3	-0.3	0.1
Insurance & Financial Services	0.7	4.7	0.0	0.0	0.0
Other goods	0.1	1.1	0.0	0.0	0.1

Sources: National Statistics Institutes, BCEAO

63. Country-level analysis shows an increase in prices in Côte d'Ivoire (+1.8% compared with +0.1%), Senegal (+0.9% compared with +2.5%), Togo (+0.7% compared with -0.1%), Burkina Faso (+0.5% compared with -2.7%), Mali (+0.2% compared with -0.1%), and Benin (+0.1% compared with +1.4%). By contrast, a decline in the overall price level was seen in Niger (-10.0% after -8.3%) and Guinea-Bissau (-3.6% compared with -2.1%).

64. In **Niger,** disinflation was mainly due to the continued decline in prices in the "Food Products" category (-19.4% compared with -11.8%), reflecting lower prices for cereals (-30.7% compared with -27.9%), vegetables (-27.7% compared with -22.0%), sugar (-18.4% compared with -10.2%) and fish (-8.1% compared with -5.6%). The contraction in the overall price level was partially offset by a smaller decline in prices in the "Furnishings" category (-0.9% compared with -8.8%), reflecting higher prices for household furniture (+4.2% compared with +2.6%), while prices for kitchen appliances recorded only a limited decline (-1.5% compared with -4.5%).

65. In **Côte d'Ivoire**, the rise in inflation remains primarily driven by renewed price pressures in the "Housing" (+3.3% after -1.4%) and "Food Products" (+2.7% after +2.0%) categories. The acceleration in prices in the "Housing" category is notably attributable to higher rental charges (+4.0% after -4.2%), water supply services (+8.1% after -5.7%), and housing repair and maintenance services (+2.0% after -2.7%). The increase in food prices results from higher prices for fresh meat (+9.3% versus +8.4%) and fresh fish (+0.1% after -11.1%). This increase was mitigated, among other factors, by the slowdown in prices in the "Communications" category (+2.2% versus +3.5%).

66. The slowdown in inflation in **Senegal** can be ascribed to slower growth in food prices (+0.4% after +2.2%), driven by lower prices for meat (-2.3% compared with -1.8%) and milk (-6.0% after +1.4%), partially offset by higher cereal prices (+7.0% compared with +5.0%). Inflation in the country also reflects easing price pressures in the "Housing" (+0.4% after +2.1%) and "Restaurants and hotels" (+2.5% after +2.8%) categories, owing respectively to slower increases in prices of materials used for housing repair and maintenance (+1.0% after +6.8%) and restaurant and café services (+0.8% after +4.1%).

67. In **Togo,** the upward trend in prices was mainly driven by the "Transportation" (+0.1% compared with -1.8%), "Restaurants and hotels" (+0.1% after -2.1%) and "Food products" (-1.5% after -1.9%) categories. The increase in transportation prices was linked to a smaller decline in fuel prices (-0.7% compared with -12.9%) and passenger transportation services (-1.1% compared with -3.9%). In the "Restaurants and hotels" category, the increase in inflation is explained by faster growth in prices for restaurant services (+2.8% compared with +2.3%). The smaller decline in food prices reflects the moderate decrease in the prices of vegetables and tubers (-2.5% compared with -12.9%) and flour (-6.8% compared with -42.2%), as well as the increase in meat prices (+7.8% compared with +5.3%), owing to their scarcity on the markets.

68. In **Burkina Faso**, the return of inflation to positive territory was associated with higher prices for restaurant and hotel services (+4.0% compared with +3.6%) and housing (+3.5% after +0.7%), compounded by less pronounced declines in food prices (-2.0% compared with -4.2%). These developments reflected higher prices for charcoal (+7.9% compared with -2.2%) and accommodation services (+1.9% after +1.4%), as well as faster increases in the prices of fresh fish (+4.3% after +1.5%) and vegetables (+12.9% compared with -7.6%).

69. **In Mali**, the return to positive inflation was driven by higher prices in the "Restaurants and Hotels" category (+1.5% after +1.3%), reflecting an increase in accommodations service rates (+3.1% after -2.6%). This increase was further supported by a slower decline in "Food Products" prices (-0.9% after -2.5%), notably cereal prices (-9.3% versus -10.4%), alongside faster increases in fresh fish prices (+0.1% versus -12.1%) and bakery product prices (+7.9% versus -5.3%). The pickup in inflation also reflected a less pronounced decline in "Transportation" prices (-0.5% after -4.9%). It should be recalled that the Government of Mali raised petroleum product prices effective March 28, 2026, with gasoline increasing from 775 CFA F/liter to 875 CFA F/liter (+12.9%) and diesel from 725 CFA F/liter to 940 CFA F/liter (+29.7%).

70. In **Benin**, the slowdown in inflation was mainly driven by easing prices in the "Food Products" category (-0.4% after +5.2%), reflecting lower cereal prices (-9.5% versus -5.6%) and vegetable oil prices (-2.3% versus +11.6%), as well as slower growth in tuber prices (+2.5% after +4.0%). Inflation developments also reflected easing price pressures in the "Transportation" category (+0.6% after +1.9%). This trend was partially offset by the rebound in prices in the "Housing" category (+6.6% versus +2.1%), particularly firewood (+20.8% after +10.6%) and rental charges (+1.1% versus -1.0%).

71. In **Guinea-Bissau**, the downward trend in inflation was associated with the contraction in prices in the "Food Products" category (-9.7% versus -1.4%), reflecting the decline in prices for local cereals (-16.7% versus -13.9%), tubers (-16.0% versus -2.4%), and fish (-2.6% after -1.5%). This trend was partly offset by an increase in charcoal prices (+0.8% versus -5.3%), alongside the change in prices in the "Housing" category (+0.0% after -2.4%).

Table 14 - Year-on-year trends in inflation by country in WAEMU *(%)*

Country	2024(*)	2025(*)	T1-2025	T2-2025	T3-2025	T4-2025	T1-2026
Benin	1.2	1.1	0.5	1.1	1.5	1.4	0.1
Burkina Faso	4.2	-0.5	2.0	1.5	-2.7	-2.7	0.5
Côte d'Ivoire	3.5	0.1	1.0	0.0	-0.6	0.1	1.8
Guinea-Bissau	3.7	0.9	6.1	1.4	-1.8	-2.1	-3.6
Mali	3.2	2.3	6.3	3.7	-0.5	-0.1	0.2
Niger	9.1	-4.7	3.8	-4.2	-9.4	-8.3	-10.0
Senegal	0.8	1.4	0.7	0.3	2.2	2.5	0.9
Togo	2.9	0.4	2.0	0.4	-0.7	-0.1	0.7
WAEMU	**3.5**	**0.0**	**2.0**	**0.2**	**-1.4**	**-0.8**	**-0.2**

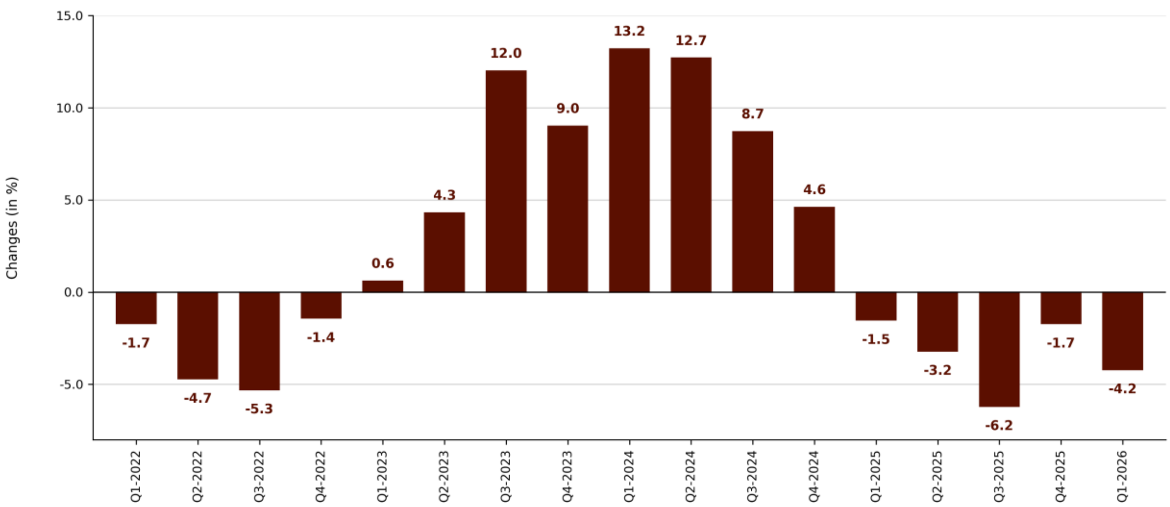
Sources: National Statistics Institutes, BCEAO *(*) Annual average*

3.2 - External competitiveness

72. The real effective exchange rate (REER) fell by 4.2% in the first quarter of 2026 compared to the same period the previous year, following a drop of 1.7% in the fourth quarter of 2025. This trend, which reflected the continued gain in price competitiveness for the Union, resulted from a 3.2% depreciation of the nominal effective exchange rate, combined with a favorable inflation differential of 1.0 percentage point.

73. Inflation in the Union stood at -0.2% in the first quarter of 2026, compared with an average of +4.0% across partner countries. Among neighboring partners, inflation was 15.4% in Nigeria and 3.2% in Ghana. The nominal effective exchange rate depreciated year on year in the first quarter of 2026, reflecting the weakening of the CFA franc against the Ghanaian cedi (-21.0%), the Swiss franc (-3.1%), and the South African rand (-1.7%). This was partly offset by the CFA franc's appreciation against the Turkish lira (+33.9%), the U.S. dollar (+11.2%), and the Chinese yuan (+5.9%).

Graph 8 - Year-on-year changes in the REER



Source: BCEAO *(*) Estimates* *(-) indicates a gain and (+) a loss of competitiveness*

74. An analysis of REER misalignment using the IMF's EBA-Lite methodology indicated that the Union's external position was undervalued relative to its fundamentals. The REER gap was estimated at -11.48%, outside the IMF's [-5%; 5%] corridor. This suggested that the CFA franc was below its equilibrium value, potentially enhancing the external competitiveness of domestically produced tradable goods.

75. In addition, WAEMU preserved most of the competitiveness gains generated by the January 1994 parity adjustment. At end-March 2026, the Union's REER was 25.8% below its 1993 level, indicating a net competitiveness gain vis-à-vis all its trading partners. The gain stood at 35.3% in December 1994. Accordingly, 73.2% of the competitiveness gains generated by the CFA franc parity adjustment remained in place at end-March 2026.

76. The table below shows the overall competitiveness gains (-) or losses (+) relative to the groups of partners.

Table 15 - Trends in competitiveness by partner group *(%)*

	Year			Quarterly change				Annual change			
	2019	2024	2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026(*)	2Q 2025	3Q 2025	4Q 2025	1Q 2026(*)
Industrialized countries	-3.5	1.0	-1.6	0.6	1.1	-0.7	-0.9	-1.8	-2.0	-0.7	-0.8
Eurozone	-2.2	0.8	-1.9	-0.1	-0.3	-0.8	-0.7	-1.5	-3.1	-2.5	-2.1
Neighboring countries	-11.5	48.5	-9.8	-4.6	-16.9	8.5	-3.0	-5.1	-28.1	-15.1	-21.6
Asian countries	-5.7	2.9	-0.8	-0.4	10.3	-2.1	3.4	-3.2	6.8	10.2	10.7
EU countries	-2.2	0.5	-0.2	-0.2	-0.1	-0.8	-0.8	-1.8	-3.1	-2.4	-1.9
Emerging countries	-4.9	2.2	-1.7	-1.0	9.1	-2.7	1.5	-3.9	4.5	6.6	5.5
CEMAC	-1.3	-1.0	-4.3	0.8	-1.3	-2.0	-2.0	-4.0	-5.6	-5.1	-3.7
All	**-5.6**	**9.6**	**-3.4**	**-1.0**	**-0.6**	**0.4**	**-0.6**	**-3.2**	**-6.2**	**-1.7**	**-4.2**

Source: BCEAO
(*) Estimates

(+) REER appreciation or loss of competitiveness
(-) REER depreciation or gain in competitiveness

4 - TRENDS IN PUBLIC FINANCE

According to data from Member States, the execution of financial operations in the first quarter of 2026 led to a narrowing of the overall fiscal deficit, on a commitment basis including grants. The deficit stood at 1.5632 trillion, equivalent to 4.1% of GDP, compared with 1.5813 trillion, or 4.3% of GDP, over the same period of the previous year. This improvement was driven by stronger growth in budget revenue and grants relative to public expenditure and net lending.

Revenue growth, supported mainly by tax receipts, reflected the favorable momentum of economic activity in WAEMU, alongside continued efforts to strengthen domestic resource mobilization. The rise in expenditure remained largely associated with the continued implementation of development programs and projects, as well as higher expenses linked notably to civil service recruitment and promotions. It also reflected an increase in financial charges on debt.

Member States' financing needs were covered through debt securities issuances on regional and international financial markets and through resources mobilized from external partners. On the regional financial market, borrowing costs fell across almost all maturities in the first quarter of 2026 relative to the previous quarter.

4.1 - Revenue and grants

77. According to data from the Member States, budget revenue amounted to 6.2211 trillion at end-March 2026, representing an increase of 732.3 billion, or 13.3%, compared with the same period of the previous year. The increase was driven by tax revenue, which rose by 681.8 billion, or 13.9%, to 5.5803 trillion, reflecting the favorable performance of economic activity and the implementation of tax reforms in several Member States. The tax-to-GDP ratio improved to 14.6% of GDP at the end of the first quarter of 2026, from 13.5% of GDP one year earlier.

78. Grants, for their part, increased by 0.5% to reach 110.7 billion at end-March 2026.

Table 16 - Financial operations of WAEMU Member States

(in billions, unless otherwise indicated)

	Mar. 2025 (1)	Mar. 2026* (2)	Difference (2) – (1)	
			in value	*in %*
Budgetary revenue and grants	**5,599.9**	**6,332.8**	**732.9**	**13.1**
(% of GDP)	*15.4*	*16.6*	-	-
Budgetary revenue	**5,489.8**	**6,222.1**	**732.3**	**13.3**
Fiscal revenue	4,898.5	5,580.3	681.8	13.9
(% of GDP)	*13.5*	*14.6*	-	-
Other revenue	591.3	641.8	50.5	8.5
Grants	**110.1**	**110.7**	**0.6**	**0.5**
Total expenditure and net loans	**7,181.2**	**7,896.0**	**714.8**	**10**
(% of GDP)	*19.7*	*20.7*	-	-
Current expenditure	**5,036.4**	**5,274.8**	**238.4**	**4.7**
including payroll	1,919.5	2,088.0	168.5	8.8
transfers and subsidies	1,157.8	1,127.4	-30.4	-2.6
interest payments on debt	1,022.2	1,090.1	67.9	6.6
Capital expenditure	**1,701.1**	**2,186.9**	**485.8**	**28.6**
(% of GDP)	*4.7*	*5.7*	-	-
Other expenditure	**447.7**	**435**	**-12.7**	**-2.8**
Net loans	**-4**	**-0.7**	**3.3**	**-83**
Balance on a commitment basis, incl. grants	***-1,581.3***	***-1,563.2***	***18.1***	***1.1***
(% of GDP)	*-4.3*	*-4.1*	-	-
Balance on a cash basis, including grants	***-1,530.5***	***-1,563.2***	***-32.7***	***-2.1***
(% of GDP)	*-4.2*	*-4.1*	-	-

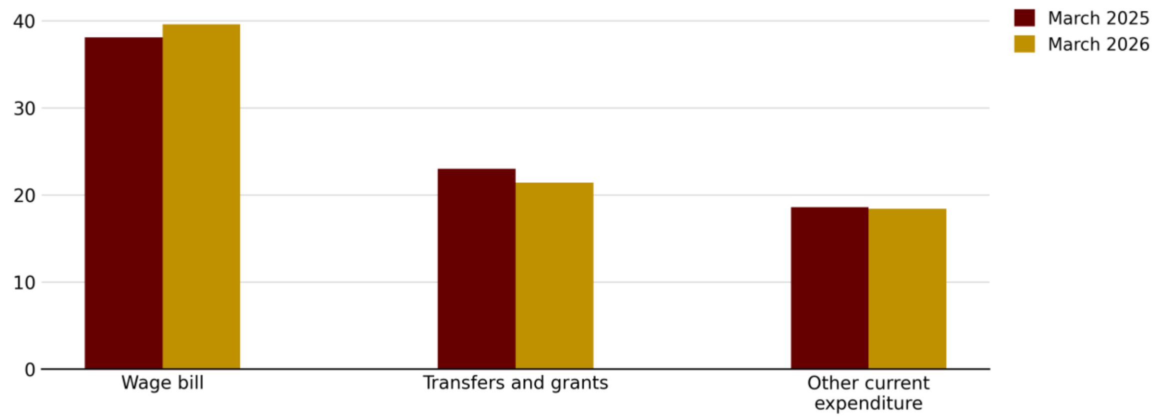
Sources: National departments *(*) Estimates*

4.2 - Total expenditure and net loans

79. Based on data from Member States, total expenditure and net lending reached 7.8960 trillion at the end of the first quarter of 2026, up 714.8 billion, or 10%, from March 2025. The increase mainly reflected higher capital expenditure (+28.6%) and current expenditure (+4.7%), partly offset by a decline in other expenditure (-2.8%). The increase in capital expenditure was notably associated with the continued implementation of projects included in the Member States’ development plans.

80. The increase in current expenditure resulted from simultaneous increases in personnel expenditure (+8.8%) and interest payments on public debt (+6.6%), mitigated by a reduction in transfers and subsidies (-2.6%). The increase in the wage bill reflected, among other factors, the financial impact of recruitment and grade promotions in the civil service.

Graph 9 - Changes in the structure of current expenditure *(in %)*



Sources: National departments

4.3 - Budget balance and financing

81. In light of the trends described above, the budget deficit, on a commitment basis including grants, narrowed by 18.1 billion to 1.5632 trillion at end-March 2026, or 4.1% of GDP, compared with 1.5813 trillion, or 4.3% of GDP, one year earlier. To meet their financing needs, the Union's Member States relied, among other sources, on the regional and international financial markets, as well as on financial loans from external sources.

4.3.1 - Issues on the regional public debt market

82. During the first quarter of 2026, WAEMU Member States raised 5.0116 trillion on the regional public debt market, compared with 3.7320 trillion over the same period of the previous year, an increase of 1.2796 trillion, or 34.3%. This trend was driven by the increase in Treasury bond issues (+98.9%, or 1.8769 trillion), partially offset by the decline in Treasury bill issues (-32.6%, or -597.3 billion). Treasury bonds remained predominant in the issuance structure, accounting for 75.3% of total issues, compared with 50.9% in the first quarter of 2025.

83. In the first quarter of 2026, subscription coverage ratios stood at 336.6% for Treasury bills and 127.5% for Treasury bonds, compared with 155.7% and 110.1%, respectively, one quarter earlier. Over the same period in 2025, the ratios stood at 167.6% for bills and 83.3% for bonds, confirming stronger investor appetite on the regional financial market.

84. In the Treasury bill segment, Member States raised 1.2362 trillion in the first quarter of 2026, compared with 1.3742 trillion in the fourth quarter of 2025 and 1.8335 trillion one year earlier. Twelve-month issues were the most in demand, totaling 1.0364 trillion, or 83.8% of Treasury bills issued during the period, followed by 6-month maturities (143.7 billion or 11.6%) and 3-month maturities (56.1 billion or 4.5%).

85. In the bond segment, public treasuries raised 3.7754 trillion in the first quarter of 2026, compared with 2.3624 trillion in the fourth quarter of 2025 and 1.8985 trillion one year earlier. The total amount of bonds issued through auctions stood at 2.9712 trillion, or 78.7% of total bond issues, while syndicated issues amounted to 804.2 billion (21.3% of total bond issues). The majority of the bonds were issued with a three-year maturity, amounting to 1.9859 trillion (52.6%), followed by five-year maturities representing 934.4 billion (24.7%), seven-year maturities representing 558.2 billion (14.8%), and ten-year maturities representing 296.9 billion (7.9%).

Table 17 - Gross issues of public securities on the regional market

(in billions of CFA F)

Instrument	2024 Q4	Total 2024	2025 Q1	2025 Q2	2025 Q3	2025 Q4	Total 2025	2026 Q1
Bills	1,532.6	5,055.0	1,833.5	1,847.4	981.1	1,374.2	6,036.2	**1,236.2**
Bonds	1,169.2	4,297.0	1,898.5	2,592.9	2,215.1	2,362.4	9,068.9	**3,775.4**
By auction	*940.2*	*3,072.3*	1,136.6	*2,176.3*	*1,378.7*	*1,131.1*	*5,822.7*	2,971.2
By syndication(*)	*229.0*	*1,224.7*	761.9	*416.6*	*836.4*	*1,231.3*	*3,246.3*	804.2
Total	**2,701.8**	**9,352.0**	**3,732.0**	**4,440.3**	**3,196.2**	**3,736.6**	**15,105.1**	**5,011.6**

Sources: UMOA-Titres, AMF-UMOA, BCEAO *(*) Provisional data for syndication*

86. With regard to financing conditions on the regional financial market, borrowing costs declined across all maturities in the first quarter of 2026 compared with the previous quarter, except for the five-year maturity. The trend observed notably reflected improved bank liquidity and lower Central Bank policy rates.

87. In the Treasury bill segment, interest rates declined for the three-month (-59 basis points) and twelve-month (-39 basis points) maturities. In the bond segment, weighted average yields also declined. In particular, yields on three-year and ten-year maturities fell to 7.41% (-96 basis points) and 6.44% (-43 basis points), respectively. By contrast, the average yield on the five-year maturity stood at 7.24%, up 46 basis points from the previous quarter.

Table 18 - Average interest rates and yields on public securities *(%)*

	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2024 Average	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2025 Average	2026 Q1
1 month	-	5.39	6.00	5.80	5.71	-	-	-	4.50	4.50	-
3 months	6.64	6.56	5.77	6.13	6.17	6.27	9.41	5.21	5.44	5.68	4.85
6 months	7.10	7.33	7.28	6.24	7.01	6.48	7.40	9.80	-	7.02	5.72
12 months	7.25	8.12	7.84	7.14	7.63	7.85	7.74	7.25	6.88	7.59	6.49
WAR* on bills	**7.09**	**7.60**	**6.80**	**6.48**	**6.98**	**7.41**	**7.72**	**6.83**	**5.88**	**7.06**	**6.32**
3 yrs	8.46	8.51	8.04	7.95	8.24	7.89	7.65	7.53	8.37	7.81	7.41
5 yrs	6.47	6.99	6.98	7.32	6.99	6.7	7.13	6.72	6.78	6.81	7.24
7 yrs	6.25	6.61	5.84	6.73	6.30	6.44	7.04	6.65	6.59	6.65	6.44
10 yrs	6.81	6.47	7.41	6.99	6.70	7.47	6.95	6.97	6.87	6.93	6.44
20 yrs	-	-	-	-	-	-	-	-	-	-	-
WAY on bonds**	**7.31**	**7.37**	**7.02**	**7.46**	**7.30**	**7.07**	**7.45**	**7.11**	**7.39**	**7.27**	**7.15**

Sources: BCEAO, UMOA-Titres, AMF-UMOA *(*) WAR: weighted average rate (**) WAY: weighted average yield*

4.3.2 - Outstanding public securities on the regional market

88. The total outstanding stock of government securities stood at 32.1517 trillion at end-March 2026, compared with 31.3085 trillion at end-December 2025, an increase of 843.2 billion. The total outstanding stock stood at 25.3621 trillion at end-March 2025. Its composition shows a predominance of Treasury bonds, accounting for 88.7% of the total.

Table 19 - Outstanding public securities by country as at the end of March 2026

(in billions of CFA F)

		Benin	Burkina Faso	Côte d'Ivoire	Guinea-Bissau	Mali	Niger	Senegal	Togo	WAEMU
Bills	Auction	108.3	386.7	593.7	130.8	579.5	604.4	1,157.3	59.9	3,620.6
Bonds	Auction	1,112.7	2,562.4	6,679.6	393.0	1,999.5	1,524.5	3,774.2	1,604.7	19,650.6
	Syndication	591.9	1,250.2	4,820.6	0.0	1,322.7	507.0	388.1	0.0	8,880.5
	Total bonds	1,704.6	3,812.6	11,500.2	393.0	3,322.2	2,031.5	4,162.3	1,604.7	28,531.1
Total outstanding		**1 812,9**	**4,199.3**	**12,093.9**	**523.8**	**3,901.7**	**2,635.9**	**5,319.6**	**1,664.6**	**32,151.7**

Sources: BCEAO, UMOA-Titres *Data as at March 31, 2026*

4.3.3 - External resource mobilization by WAEMU Member States

89. In addition to their operations on the regional financial market, Union countries received financial support from external partners. This support came mainly from the World Bank (472.6 billion).

90. Several countries also received IMF disbursements during the first quarter of 2026, notably (i) **Benin** (65.6 billion), following the seventh review of its program under the Extended Credit Facility (ECF) and the fourth review under the Resilience and Sustainability Facility (RSF), (ii) **Burkina Faso** (18.4 billion), following the fourth review of its ECF-supported program, (iii) **Guinea-Bissau** (1.8 billion), following the ninth and tenth reviews of its ECF-supported program, and (iv) **Niger** (50.7 billion), following the eighth review of its ECF program and the fourth review under the RSF.

91. In addition, two Union countries raised a total of 1.3414 trillion on international markets through Eurobond issues. **Benin** tapped these markets in January 2026, raising 474.3 billion. **Côte d'Ivoire**, for its part, issued Eurobonds in February 2026 for a total amount of 823.2 billion.

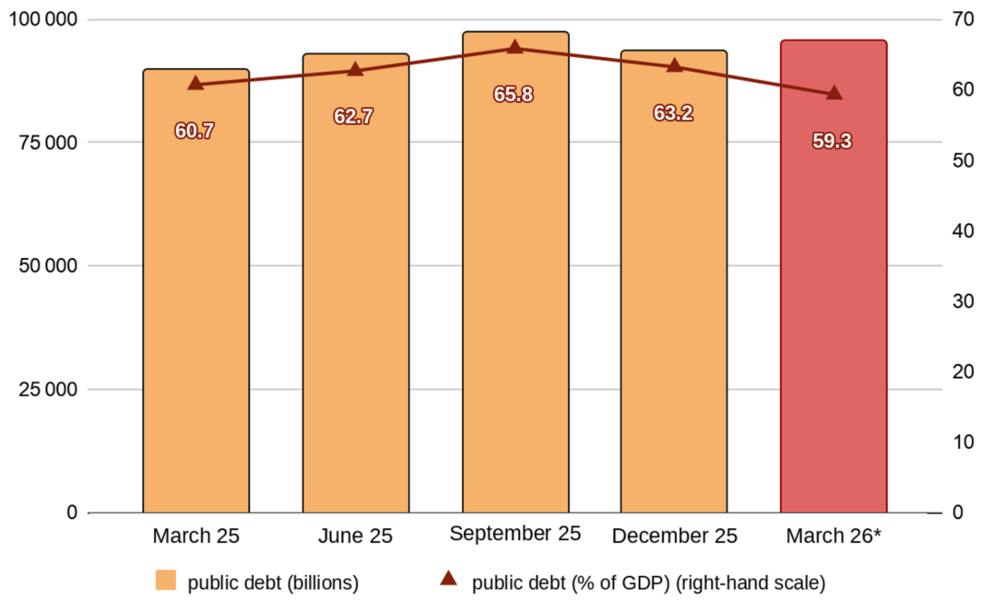
4.3.4 - Trends in total public debt

92. The Union's total outstanding public debt is estimated at 95.7168 trillion at end-March 2026, representing an increase of 2.1683 trillion, or 2.3%, compared with December 2025. As a percentage of GDP, it declined to 59.3%, compared with 60.7% at end-March 2025[10].

[10] Disbursements recorded in Member State accounts with the BCEAO.

Graph 10 - Trends in outstanding public debt in WAEMU

(in CFA F billions)



Sources: National departments, BCEAO (*) Estimates

5 - TRENDS IN EXTERNAL ACCOUNTS

In the first quarter of 2026, the Union's aggregate balance of payments showed a surplus of 2.2086 trillion CFA francs, compared with a surplus of 1.1751 trillion CFA francs over the same period of the previous year. This development mainly reflected the improvement in the current account balance, which turned positive at 2.2% of GDP, after a deficit of 0.6% one year earlier. This favorable balance-of-payments position was also supported by higher net capital inflows under the financial account (+36.2%).

5.1 - Current and capital transactions

93. The current transactions account recorded a surplus of 856.9 billion CFA F in the first quarter of 2026, after a deficit of 202.0 billion CFA F in the same period one year earlier, representing an improvement of 1.0589 trillion. This trend was mainly due to a surplus of 973.2 billion CFA F in the goods and services account, partially offset by a 38.9 billion CFA F contraction in the primary and secondary income balance. As a percentage of GDP, the current account surplus stood at 2.2% in the first quarter of 2026, compared with a deficit of 0.6% one year earlier, representing an improvement of 2.8 pps.

Table 20 - Trends in the current transactions account

(in billions, unless otherwise indicated)

Items	2025		2026
	Q1-2025	Q4-2025	Q1-2026
Trade balance	**1,481.2**	**3,009.4**	**2,535.0**
Balance of services	**-1,605.8**	**-2,158.3**	**-1,561.8**
- Travel	307.4	368.4	310.6
- Freight	-1,329.5	-1,208.1	-1,274.6
Balance of primary and secondary income	**-77.4**	**134.5**	**-116.3**
Primary income	-954.2	-1,074.5	-1,154.2
incl. interest on the debt	-372.2	-598.1	-688.0
Secondary income	876.8	1,209.0	1,037.9
- Public transfers	79.4	123.5	139.5
- Private transfers	797.4	1,085.5	898.4
Balance of the current transactions account	**-202.0**	**985.6**	**856.9**
(% of GDP)	*-0.6%*	*2.6%*	*2.2%*

Sources: National statistics institutes, Customs, BCEAO

5.1.1 - Trends in external trade in the Union

94. In the first quarter of 2026, the Union's external trade balance in goods improved by 1.0539 trillion year on year, posting a surplus of 2.5350 trillion, driven by improved terms of trade (+16.0%) and growth in hydrocarbon exports. Against this backdrop, exports increased by 9.1%, while imports fell by 2.7%.

95. The performance of exports was driven in particular by higher sales of petroleum products (+34.3%), cocoa (+15.4%), cotton (+7.2%), as well as gold and precious metals (+5.1%). The favorable trend in cocoa and petroleum product sales was mainly driven by higher shipping volumes, partially offset by lower international prices. By contrast, gold and cotton exports were

supported by favorable price trends on international markets, partially contained by lower shipment volumes in the case of gold. The favorable export profile was mitigated by declines in sales of coffee (-50.5%), cashew nuts (-28.8%) and rubber (-3.2%), mainly due to lower international prices.

Table 21 - Trends in the trade balance

(in billions, unless otherwise indicated)

	2025		2026	Year-on-year change (Q1-2026 / Q1-2025)	
	Q1-2025	**Q4-2025**	**Q1-2026**	(in value)	(%)
Exports (*)	**9,240.6**	**10,162.5**	**10,082.2**	**841.6**	**9.1**
incl. Cocoa products	*2,198.9*	*2,503.9*	*2,536.9*	*338.0*	*15.4*
Gold and precious metals	*3,672.9*	*3,613.4*	*3,860.4*	*187.5*	*5.1*
Petroleum products	*948.4*	*1,407.1*	*1,274.1*	*325.7*	*34.3*
Cotton products	*121.9*	*102.4*	*130.7*	*8.8*	*7.2*
Coffee products	*29.1*	*20.9*	*14.4*	*-14.7*	*-50.5*
Cashew nut products	*267.3*	*240.6*	*190.2*	*-77.1*	*-28.8*
Rubber	*380.4*	*491.8*	*368.3*	*-12.1*	*-3.2*
Uranium	*0.0*	*0.0*	*0.0*	*0.0*	
Imports (FOB)(*)	**-7,759.4**	**-7,153.1**	**-7,547.2**	**212.3**	**-2.7**
incl. Food products	*-1,566.8*	*-1,137.0*	*-1,310.0*	*256.8*	*-16.4*
Basic consumer goods	*-1,656.0*	*-1,220.4*	*-1,419.4*	*236.6*	*-14.3*
Energy products	*-1,451.3*	*-1,850.0*	*-1,718.6*	*-267.3*	*18.4*
Intermediate goods	*-1,569.1*	*-1,476.3*	*-1,646.3*	*-77.2*	*4.9*
Capital goods	*-2,097.7*	*-1,982.0*	*-1,962.0*	*135.7*	*-6.5*
Trade balance	**1,481.2**	**3,009.4**	**2,535.0**	**1,053.9**	**71.2**
(% of GDP)	***4.1***	***8.0***	***6.6***		

Sources: National statistics institutes, Customs, BCEAO
(*) The items shown do not include intra-WAEMU trade

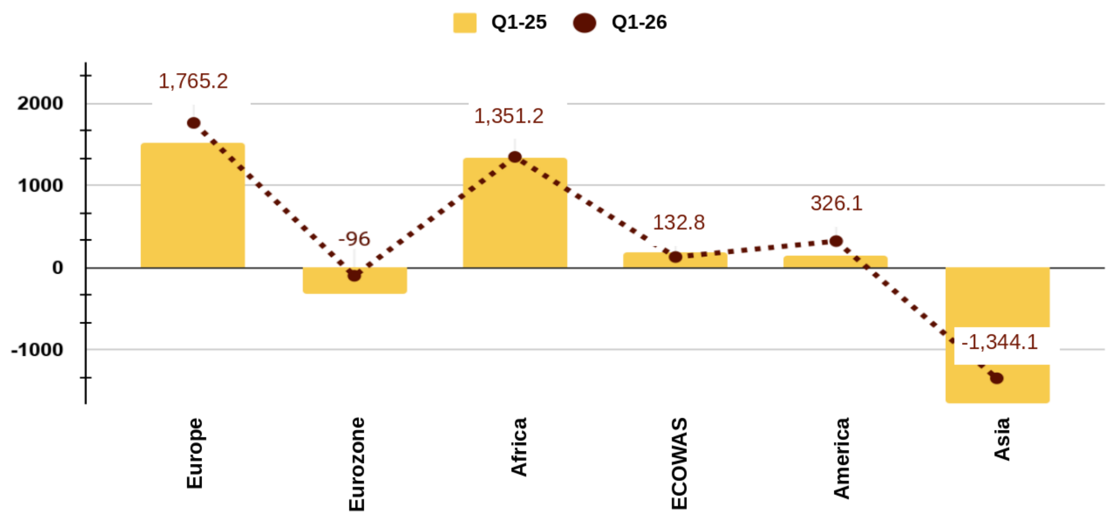
96. Import trends were mainly attributable to lower purchases of food products (-16.4%), consumer goods (-14.3%), and capital and intermediate goods (-1.6%). This trend was nevertheless moderated by a rebound in purchases of energy products (+18.4%).

5.1.2 - Geographical breakdown of foreign trade

97. Trends in the geographical distribution of the Union's trade in the first quarter of 2026, compared with the same period of the previous year, show surpluses with Europe, the rest of Africa, the ECOWAS region, and the Americas. The surplus with the rest of Africa increased by 0.5% over the period under review. The deficit with Asia, meanwhile, narrowed by 18.7% compared with the same period of the previous year.

Graph 11 - Trends in the trade balance with major partners

(billions)



Sources: National Statistical Institutes, Customs, BCEAO

5.1.3 - Trends in intra-WAEMU trade

98. Intra-WAEMU trade increased by 9.1% in the first quarter of 2026, reaching 1.3107 trillion, or 16.0% of aggregate trade, the same proportion as in the first quarter of 2025. Côte d'Ivoire (35.8%) and Senegal (19.5%) remained the main suppliers, together accounting for 55.3% of total intra-community supply. On the intra-WAEMU demand side, Burkina Faso (26.0%) and Mali (18.8%) were the main destinations for trade flows, accounting for 44.8% of the total. The main products sold were petroleum (37.9%), construction materials (8.8%), local products (cereals, live animals) (6.9%), fertilizers and chemicals (6.4%), edible oils (4.4%), and food preparations (milk, broths, etc.) (4.1%).

5.1.4 - Trends in other current and capital account items

99. The deficit in the balance of services narrowed by 2.1% compared with the same quarter of the previous year, to stand at 1.5618 trillion, mainly reflecting a reduction in freight costs (-4.1%) and an increase in tourism receipts over the period (+1.0%).

100. The primary income account deficit widened by 21.0% to 1.1542 trillion, mainly due to higher interest payments on external public debt (+84.8%), combined with an increase in dividend payments (+17.7%).

101. The surplus in the secondary income account increased by 18.4% year on year to 1.0379 trillion, owing to higher budget support received by governments (+46.2 billion) and, to a lesser extent, an increase in migrants' remittances (+2.5%).

102. The capital account surplus increased by 28.3% compared with the same period of the previous year, reaching 362.0 billion, reflecting a 26.2 billion increase in project grants received by WAEMU Member States.

5.2 - Trends in the financial account

103. In line with the trends described above, the Union recorded a financing capacity of 1.2189 trillion, compared with 80.1 billion one year earlier.

Table 22 - Trends in the financial account and the aggregate balance

(in billions, unless otherwise indicated)

	2025		2026
	Q1-2025	Q4-2025	Q1-2026
Current account balance	**- 202.0**	**985.6**	**856.9**
Capital account balance	**282.1**	**422.9**	**362.0**
- Public administration	203.1	303.8	229.3
Financing capacity	**80.1**	**1,408.5**	**1,218.9**
Financial account balance	**-1,102.6**	**-2,719.7**	**-1,501.8**
- FDI	- 919.7	- 597.3	- 593.8
- Portfolio investment	- 300.9	- 46.4	- 774.7
- Other investment	118.0	-2,075.9	- 133.4
incl. net public drawdowns	- 343.9	-1,365.0	- 403.1
Aggregate balance after statistical adjustment	**1,175.1**	**4,912.6**	**2,208.6**
Revaluations	299.6	526.0	512.3
Change in Net External Assets	**-1,474.7**	**-5,438.6**	**-2,720.9**

Sources: National statistics institutes, Customs, BCEAO

104. Net capital inflows through the financial account increased by 36.2% to 1.5018 trillion. This trend was in line with higher portfolio investment inflows (+473.8 billion), notably reflecting Eurobond issuances by Benin and Côte d'Ivoire, for gross amounts of 474.3 billion and 823.2 billion, respectively. The strong inflows into the financial account were mitigated by lower foreign direct investment.

105. Overall, the aggregate balance of payments increased by 1.0336 trillion, year on year, showing a surplus of 2.2086 trillion in the first quarter of 2026, after a surplus of 1.1751 trillion one year earlier.

6 - MONETARY CONDITIONS, CURRENCY, AND THE STOCK MARKET

Bank liquidity improved by 523.1 billion, or 8.7%, over the first quarter of 2026, mainly reflecting transfers received by banks. This relatively comfortable level of liquidity, combined with the decrease in the BCEAO's key interest rates, led to an easing of money market rates. The weighted average interest rate on the interbank market, across all maturities, fell by 59 basis points (bps) to stand at 4.52%. On new loans granted, the average lending rate, excluding taxes and charges, stood at 6.72% in the first quarter of 2026, compared with 6.73% in the previous quarter.

The monetary situation at end-March 2026 was marked by year-on-year growth of 18.1% in the money supply. This trend was driven by an increase in net external assets of 9.6596 trillion, or 153.6%, and in domestic claims of 3.0534 trillion, or 4.9%. The increase in domestic claims resulted from higher net claims of deposit-taking institutions on central governments (+1.4727 trillion, or +5.6%) and higher claims on the economy (+1.5807 trillion, or +4.4%).

The regional stock market recorded an increase of 19.9% in the BRVM Composite index in the first quarter of 2026, after a rise of 8.1% in the previous quarter. The BRVM 30 index rose by 15.2%, after 3.7% three months earlier. Market capitalization of all listed securities increased, on a quarterly basis, by 11.8% quarter on quarter, after rising by 5.7% three months earlier. This trend reflected increases in equity market capitalization (+18.1%) and bond market capitalization (+4.5%). Year on year, aggregate market capitalization increased by 30.1% at end-March 2026.

6.1 - Monetary conditions

106. During the first quarter of 2026, the minimum bid rate for tender operations and the Central Bank's marginal lending facility rate were lowered by 25 basis points to 3.00% and 5.00%, respectively, effective March 16, 2026.

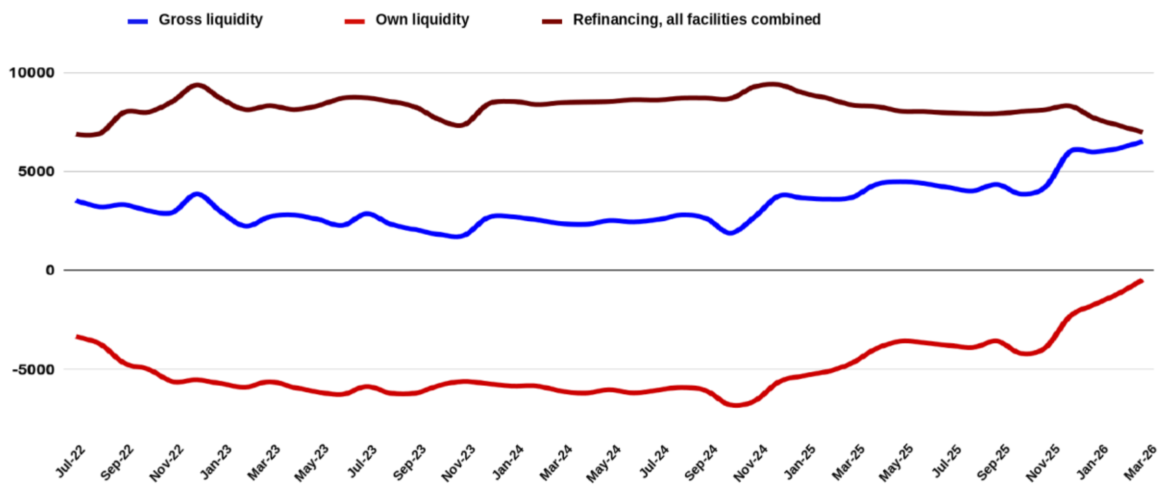
6.1.1 - Bank liquidity

107. In the first quarter of 2026, WAEMU banks' own liquidity, defined as bank cash holdings excluding BCEAO refinancing, improved by 1.8529 trillion, mainly reflecting net transfers received by banks (+3.3659 trillion). This favorable trend was partly offset by transactions with national treasuries (-2.4300 trillion) and resource outflows resulting from net banknote withdrawals at bank counters (-917.0 billion).

108. In line with their efforts to rebuild their own liquidity, banks reduced their use of Central Bank resources. In particular, demand from credit institutions remained consistently below the amount offered at auction throughout the quarter, especially at the weekly window. Central Bank lending to banks therefore declined by 1.3298 trillion to 6.9910 trillion at end-March 2026. As a result, bank liquidity increased by 523.1 billion between end-December and end-March 2026, reaching 6.5250 trillion.

Graph 12 - Trends in bank liquidity

(in billions)



Source: BCEAO

109. Banks' required reserves for the maintenance period running from February 16 to March 15, 2026, amounted to 1.5000 trillion. Over the same period, reserves maintained by banks stood at 6.0077 trillion, exceeding the minimum requirement by 4.5077 trillion. During the previous maintenance period, running from November 16 to December 15, 2025, excess reserves stood at 2.7630 trillion.

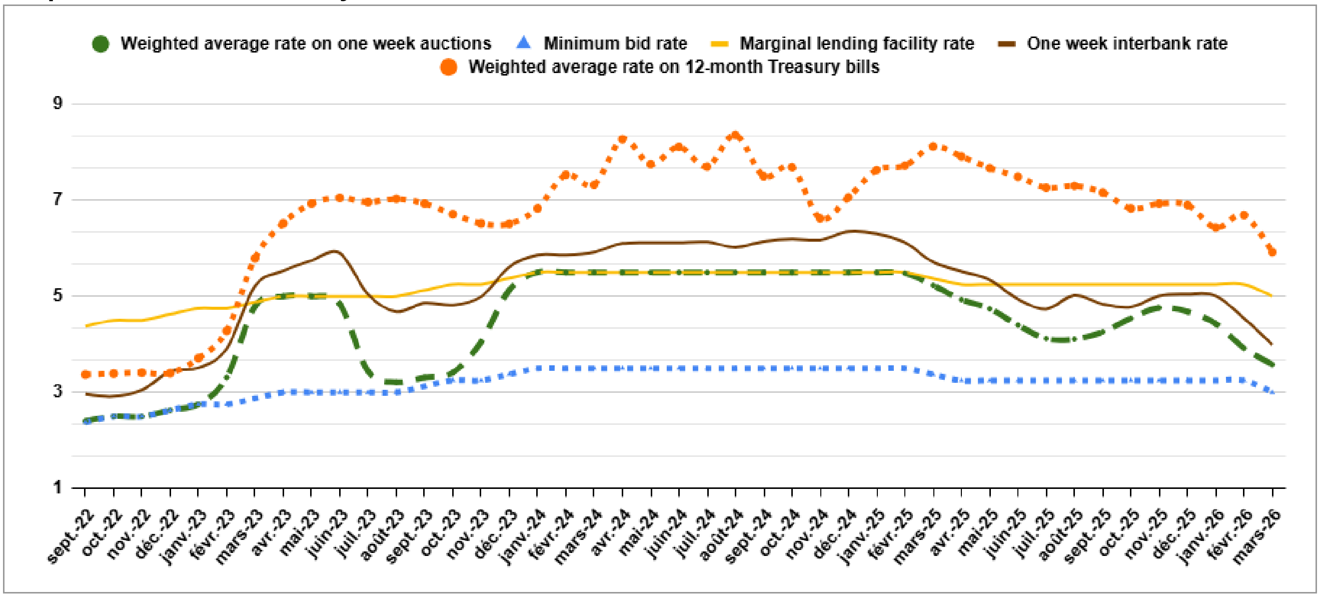
6.1.2 - Trends in money market interest rates

110. During the first quarter of 2026, the weighted average interest rate on the BCEAO's one-week tender window fell by 70 basis points to 3.96%.

111. On the interbank market, the weighted average interest rate stood at 4.52% in the first quarter of 2026, compared with 5.11% one quarter earlier, a decline of 59 basis points. Over the same period of the previous year, the rate stood at 6.01%. For the one-week maturity, which accounted for 57% of total transaction volume compared with 60% in the previous quarter, the weighted average interest rate stood at 4.26%, compared with 4.94% in the fourth quarter of 2025. It stood at 6.02% one year earlier.

112. Average weekly transaction volume, across all maturities, stood at 825.0 billion in the first quarter of 2026, compared with 954.4 billion in the previous quarter, a decline of 129.4 billion.

Graph 13 - Trends in money market rates



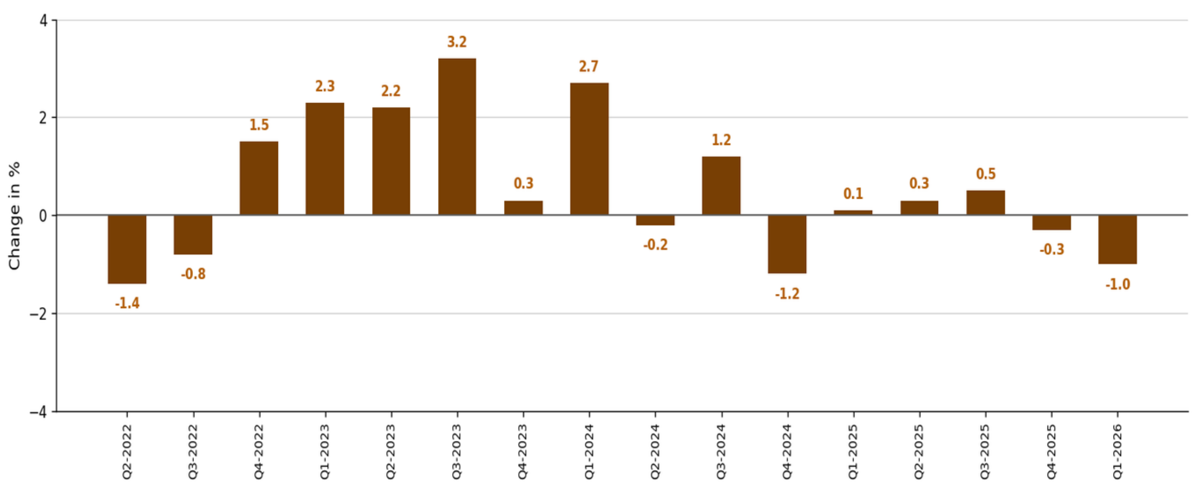
Source : BCEAO

6.1.3 - Trends in monetary conditions

113. Monetary conditions eased during the first quarter of 2026, with the monetary conditions index declining by 1.0% compared with the previous quarter. This trend was related to a 1.3 percentage point decline in the real interest rate on the interbank market, combined with a 0.6% decline in the real effective exchange rate.

Graph 14 - Quarterly changes in the monetary conditions index

(in %)



Source: BCEAO

6.1.4 - Trends in bank rates on term deposits

114. The average deposit rate stood at 5.27% in the first quarter of 2026, after 5.48% in the fourth quarter of 2025, a decline of 21 basis points.

Table 23 - Country trends in interest rates on term deposits *(%)*

	2024				2025				2026
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Benin	5.57	5.40	5.42	5.43	5.47	5.56	5.53	5.61	5.61
Burkina Faso	5.94	5.60	5.57	5.59	5.53	5.48	5.77	5.79	5.19
Côte d'Ivoire	4.11	4.24	4.27	4.36	4.49	4.61	4.79	5.01	4.76
Guinea-Bissau	4.60	3.88	3.95	4.12	4.04	4.00	3.58	4.57	4.59
Mali	5.39	5.47	5.49	5.46	5.35	5.29	5.16	5.55	5.30
Niger	5.93	5.79	5.72	5.68	5.53	5.45	6.21	6.64	5.66
Senegal	5.65	5.71	5.73	5.74	5.79	5.82	5.65	5.56	5.62
Togo	5.69	5.98	5.98	5.95	5.98	5.99	5.62	5.76	5.83
WAEMU	**5.28**	**5.26**	**5.29**	**5.34**	**5.36**	**5.38**	**5.40**	**5.48**	**5.27**

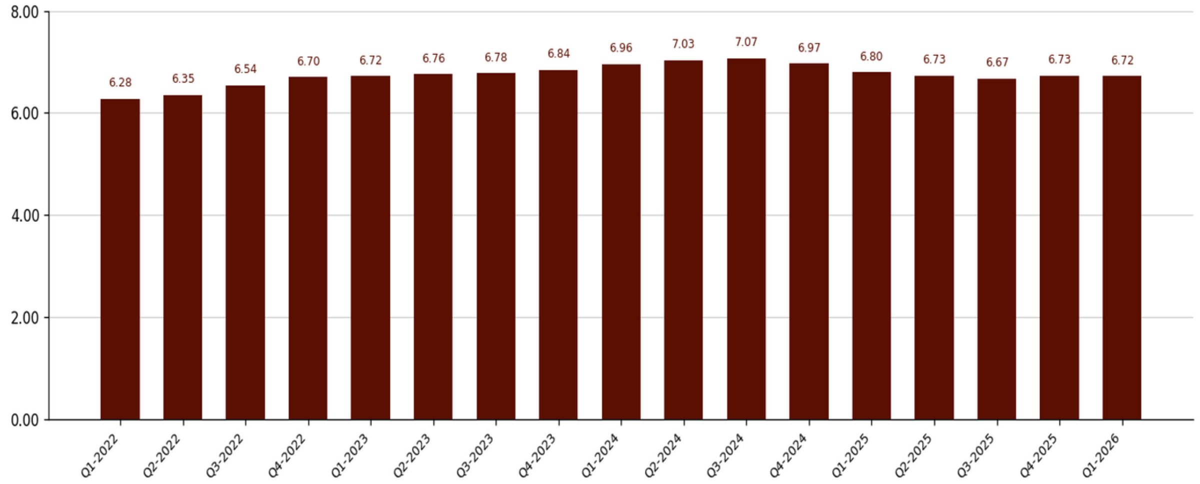
Source: BCEAO

6.1.4 - Trends in bank lending rates

115. Lending conditions applied by the Union's banks to their customers eased slightly during the period under review. The average lending rate, excluding taxes and charges, stood at 6.72% in the first quarter of 2026, compared with 6.73% in the previous quarter.

Graph 15 - Average bank lending rates

(in %)



Source: BCEAO

116. Broken down by loan purpose, the decline in lending rates was observed mainly on loans for exports (-147 basis points), equipment (-53 basis points), and consumption (-19 basis points). This trend was partially offset by higher borrowing costs for other purposes (+13 basis points), real estate (+11 basis points), and working capital (+5 basis points).

Table 24 - Trends in lending rates in WAEMU, broken down by loan purpose *(in %)*

	2024				2025				2026
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Consumption	6.86	7.83	8.72	8.32	8.21	8.17	8.08	7.52	7.33
Export	6.33	6.40	6.75	7.34	7.39	7.45	7.35	6.48	5.01
Cash-flow	6.73	6.96	6.99	6.67	6.51	6.44	6.42	6.50	6.55
CapEx	7.98	7.53	7.35	6.77	6.85	6.77	6.88	7.16	6.63
Real estate	7.16	6.79	6.33	6.41	6.32	6.23	6.40	7.00	7.11
Other	7.08	7.60	6.95	5.87	5.94	5.96	6.22	6.77	6.90
WAEMU	**6.96**	**7.03**	**7.07**	**6.97**	**6.80**	**6.73**	**6.67**	**6.73**	**6.72**

Source: BCEAO

117. Broken down by type of borrower, lending rates eased mainly for the public sector (-84 bps), other deposit-taking institutions (-67 bps), nonprofit institutions serving households (NPISHs) (-56 bps), and households (-9 bps). The tightening observed for other financial corporations (+8 bps) and nonfinancial corporations (+1 bp) moderated this easing trend.

Table 25 - Trends in lending rates in WAEMU by type of borrower *(%)*

	2024				2025				2026
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Other deposit institutions (microfinance)	6.54	7.73	7.99	7.74	7.78	7.81	7.81	7.41	6.74
Other financial companies	7.29	7.20	7.13	6.95	6.88	6.82	6.85	6.85	6.93
Non-financial companies	6.78	6.80	6.78	6.69	6.53	6.44	6.40	6.57	6.58
Households	8.17	8.20	8.31	8.00	7.87	7.82	7.72	7.67	7.58
NPISHs	7.90	8.01	8.07	8.26	8.38	8.46	8.50	8.18	7.62
Public sector	5.80	6.42	6.66	6.61	6.59	6.58	6.60	6.45	5.61
WAEMU	**6.96**	**7.03**	**7.07**	**6.97**	**6.80**	**6.73**	**6.67**	**6.73**	**6.72**

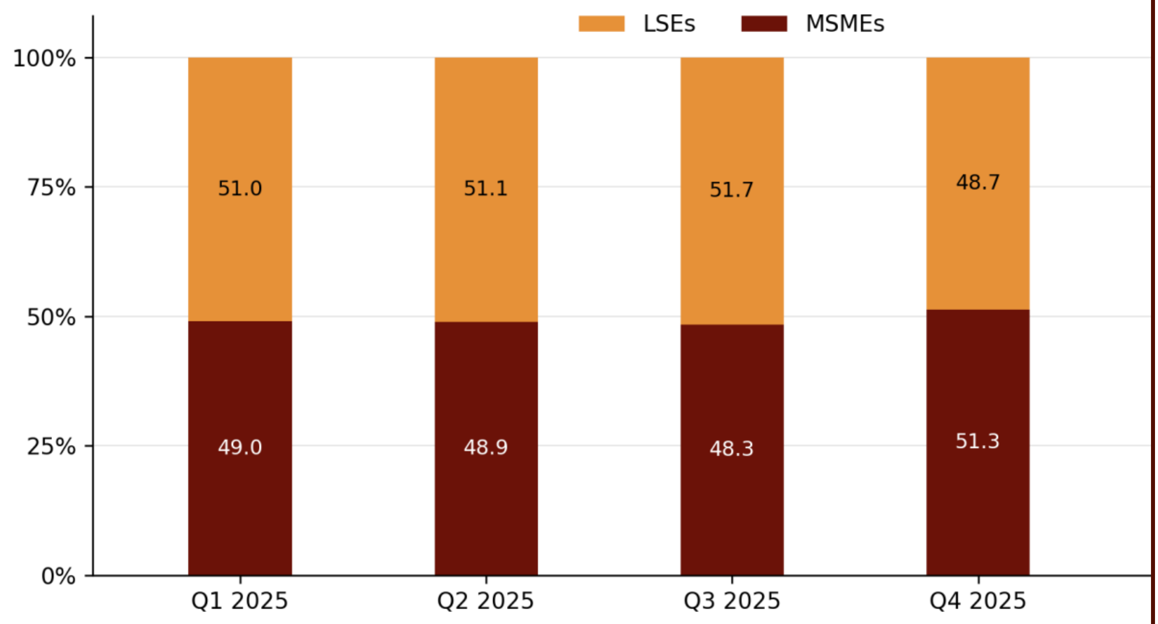
Source: BCEAO

118. Broken down by loan maturity, lending rates mainly decreased on loans with maturities between 1 and 2 years (-46 bps), followed by those with maturities between 2 and 5 years (-39 bps).

Box 1 - Structure and terms of loans granted

The breakdown of lending volumes according to the borrower's legal status shows that loans to legal entities predominated, accounting for 85% of total new loan originations. Individuals, for their part, received only 15% of total lending.

Graph a: Breakdown of loans to businesses in WAEMU, by size (%)



Source: BCEAO

Lending conditions for corporate borrowers tightened, with lending rates rising by 4 bps compared with the previous quarter.

Rates on loans to large-scale enterprises (LSEs) increased by 10 bps, from 6.39% in the fourth quarter of 2025 to 6.49% during the quarter under review.

In the MSME segment, rates applied to microenterprises fell from 6.71% in the previous quarter to 6.66% in the current quarter, marking a decrease of 5 bps. Similarly, rates applied to medium-sized enterprises fell from 7.30% in the fourth quarter of 2025 to 7.19% in the first quarter of 2026, a decline of 11 bps. Rates for small enterprises stood at 7.31% during the quarter under review, compared with 7.36% in the previous quarter, a decrease of 5 bps.

Lending rates applied to individual borrowers stood at 7.43%, compared with 7.50%, down 7 bps from the previous quarter. By gender, easing applied to both men (-8 bps) and women (-6 bps).

Table 26 - Trends in lending rates in WAEMU by loan term *(%)*

	2024	2025				2026
	Q4	Q1	Q2	Q3	Q4	Q1
Less than 1 year	6.53	6.37	6.32	6.55	6.98	6.52
Between 1 and 2 years	8.20	8.09	8.00	7.82	7.47	7.80
Between 2 and 5 years	8.09	8.01	7.94	8.15	7.96	7.57
More than 10 years	9.92	9.99	9.91	6.36	6.55	6.73
WAEMU	**6.97**	**6.80**	**6.73**	**6.67**	**6.73**	**6.72**

Source: BCEAO

119. A country-level analysis shows that lending rates declined in Guinea-Bissau (-209 bps), Togo (-20 bps), Senegal (-13 bps), Burkina Faso (-6.0 bps), and Côte d'Ivoire (-1 bp). By contrast, rates increased in Niger (+8 bps), Benin (+3 bps), and Mali (+1 bp) compared with their levels in the previous quarter.

Table 27 - Trends in lending rates by country in WAEMU *(%)*

	2024	2025				2026
	Q4	Q1	Q2	Q3	Q4	Q1
Benin	7.35	7.45	7.55	7.60	7.17	7.20
Burkina Faso	7.58	7.54	7.59	7.55	7.85	7.79
Côte d'Ivoire	6.46	6.34	6.26	6.22	6.07	6.06
Guinea-Bissau	9.44	9.47	9.58	9.54	9.72	7.63
Mali	7.92	7.53	7.60	7.47	7.44	7.45
Niger	9.00	8.97	9.02	8.90	8.40	8.48
Senegal	6.25	5.93	5.86	5.80	6.45	6.32
Togo	7.54	7.60	7.55	7.50	7.55	7.35
WAEMU	**6.97**	**6.80**	**6.73**	**6.67**	**6.73**	**6.72**

Source: BCEAO

6.2 - Monetary situation

120. Year-on-year growth in the money supply accelerated to 18.1% at end-March 2026, after an increase of 17.4% in December 2025. This trend was driven by increases in net external assets (+9.6596 trillion, or +153.6%) and internal claims (+3.0534 trillion, or +4.9%). The strengthening of net foreign assets reflected the improvement in the external accounts, while the robust growth in internal claims was attributable to higher financing provided to central governments (+1.4727 trillion or +5.6%) and other sectors of the economy (+1.5807 trillion or +4.4%).

Table 28 - Monetary situation as at end-March 2026

(in billions, unless otherwise indicated)

	March 2025	Dec. 2025	March 2026	Quarterly change		Annual change	
				Level	%	Level	%
Money supply (M2)	**53,345.9**	**61,051.5**	**63,010.5**	**1,958.9**	**3.2**	**9,664.5**	**18.1**
Currency in circulation	**12,729.0**	**14,926.7**	**15,867.2**	**940.5**	**6.3**	**3,138.2**	**24.7**
Deposits	**40,616.9**	**46,124.8**	**47,143.3**	**1,018.4**	**2.2**	**6,526.4**	**16.1**
Transferable deposits	24,804.0	28,788.0	29,870.0	**1,082.0**	**3.8**	5,065.9	20.4
Other deposits	15,812.9	17,336.8	17,273.3	**-63.5**	**-0.4**	1,460.4	9.2
Net external assets	**6,288.8**	**13,227.5**	**15,948.4**	**2,720.9**	**20.6**	**9,659.6**	**153.6**
Domestic claims	**62,338.8**	**65,786.5**	**65,392.2**	**-394.3**	**-0.6**	**3,053.4**	**4.9**
Net claims on CGs*	26,408.2	27,894.5	27,880.9	-13.6	0.0	1,472.7	5.6
Claims on the economy	35,930.6	37,892.1	37,511.3	-380.8	-1.0	1,580.7	4.4

Source: BCEAO *(*) CG: Central governments*

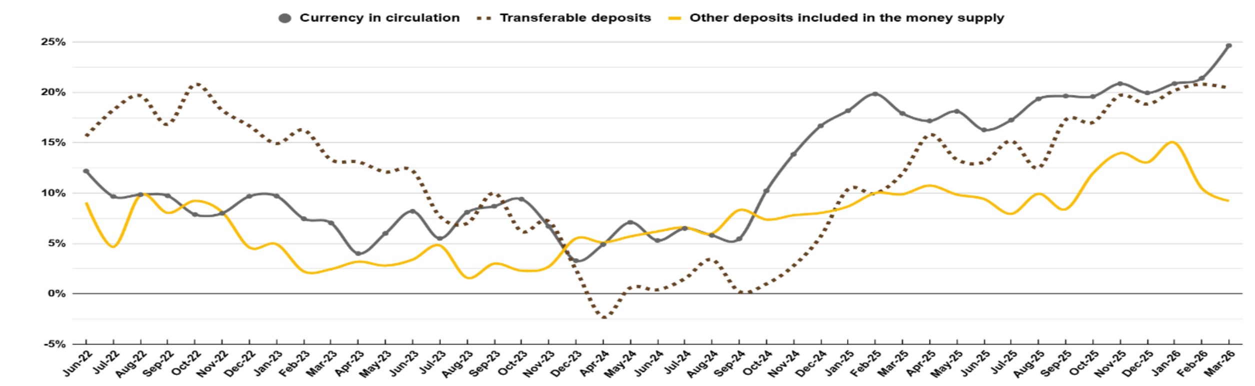
6.2.1 - The money supply and its components

121. The increase in the money supply was reflected in its components, namely currency in circulation and deposits. The annual growth rate of currency in circulation stood at 24.7% at end-March 2026, after 19.8% at end-December 2025. Deposits, on the other hand,

122. increased by 16.1% at end-March 2026, after rising by 16.6% three months earlier. In particular, transferable deposits and other deposits increased by 20.4% and 9.2%, respectively, at end-March 2026, compared with 18.8% and 13.1% at end-December 2025.

Graph 16-Trends in currency in circulation and deposits

(year-on year, in %)



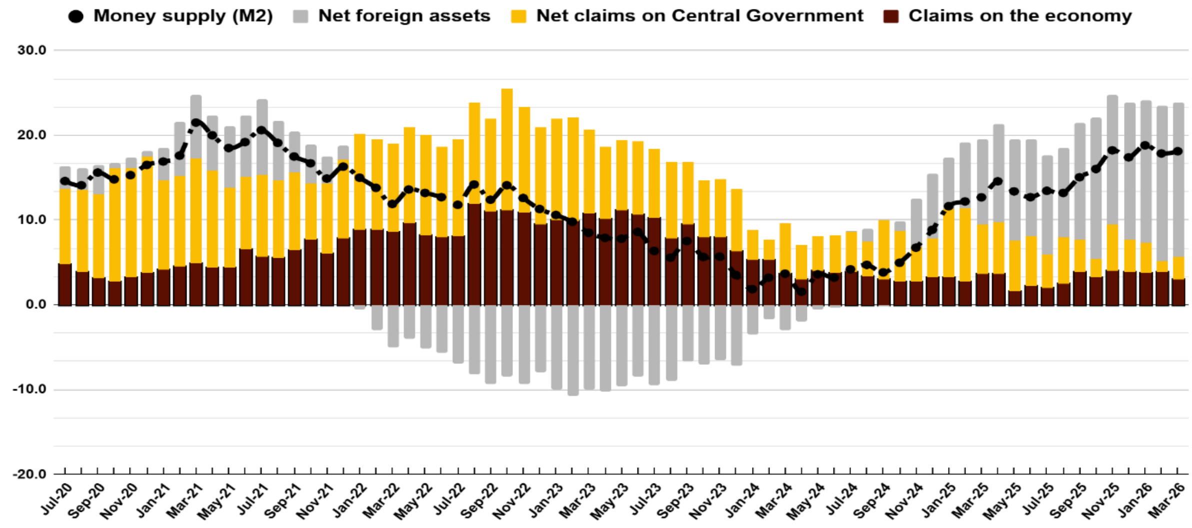
Source: BCEAO

6.2.2 - The money supply and its counterparts

123. At end-March 2026, year-on-year growth in the money supply (+18.1%) was driven by developments in its main counterparts. Net external assets (NEAs) increased by 9.6596 trillion or 153.6%. Domestic claims, for their part, rose by 3.0534 trillion or 4.9%, supported by increased bank financing to governments and other resident sectors.

Graph 17- Contributions of counterparts to annual money supply growth

(in percentage points)



Source: BCEAO

Net external assets

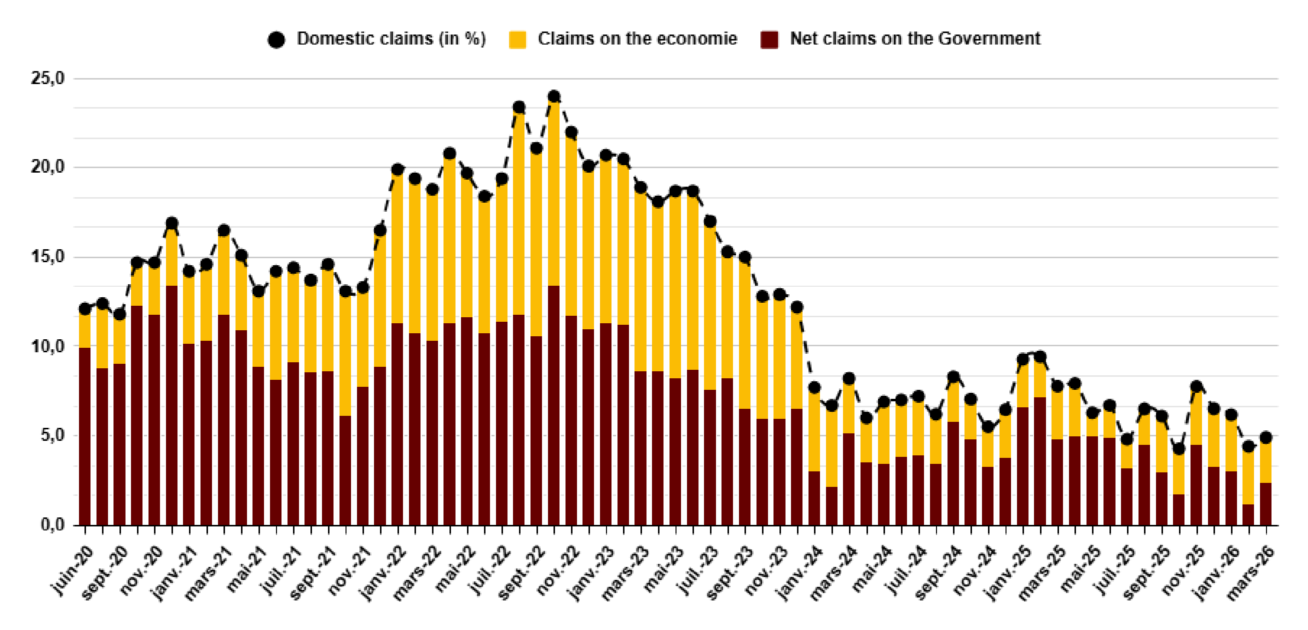
124. Year on year, the Union's net external assets increased by 9.6596 trillion at end-March 2026, reflecting the favorable profile of external accounts. This increase was driven by a 10.5393 trillion rise in the BCEAO's NEAs, partially offset by a decline of 879.7 billion in the NEAs of other deposit-taking institutions.

Internal claims

125. Year on year, outstanding internal claims increased by 3.0534 trillion or 4.9%, at end-March 2026. This trend reflected increases in net claims of deposit-taking institutions on central governments (+1.4727 trillion or +5.6%) and in claims on the private sector (+1.5807 trillion or +4.4%).

Graph 18 Contributions of components to growth in domestic claims

(in percentage points)



Source: BCEAO

Net claims on central governments (CGs) of Member States

126. On a quarterly basis, net claims on central governments decreased by 13.6 billion to stand at 27.8809 trillion at end-March 2026, mainly due to the increase in central government deposits with banks and the Central Bank (+532.9 billion), which exceeded the increase in claims on central governments (+519.3 billion).

Table 29 - Net claims on central governments

(in billions, unless otherwise indicated)

	Mar.-25	Dec.-25	Mar.-26	Change (%)	
				Quarterly	Annual
Net claims on central governments (CGs)	**26,408.2**	**27,894.5**	**27,880.9**	**-0.05**	**5.6**
Receivables of deposit-taking institutions	33,855.4	36,171.2	36,690.5	1.4	8.4
Loans	11,177.7	11,573.2	11,523.7	-0.4	3.1
Public securities portfolios	22,659.7	24,580.4	25,154.3	2.3	11.0
Other receivables	18.0	17.5	12.5	-28.6	-30.6
Deposit institution liabilities	7,447.1	8,276.7	8,809.6	6.4	18.3
Treasury cash	33.5	33.5	33.5	0.0	0.0
Deposits	7,190.5	8,020.5	8,635.9	7.7	20.1
Other commitments	223.1	222.8	140.1	-37.1	-37.2

Source: BCEAO

Claims on the private sector

127. Year-on-year growth in claims on the private sector stood at 4.4% at end-March 2026, after 5.6% at end-December 2025. In particular, loans to the private sector increased by 1.8783 trillion or 6.0%. This trend was driven by loans to private non-financial corporations, which rose by 6.4%, after 5.6% three months earlier. Loans to households and non-profit institutions serving households (NPISHs) increased by 5.2%, after 5.1% at end-December 2025.

Table 30 – Banks' claims on the private sector

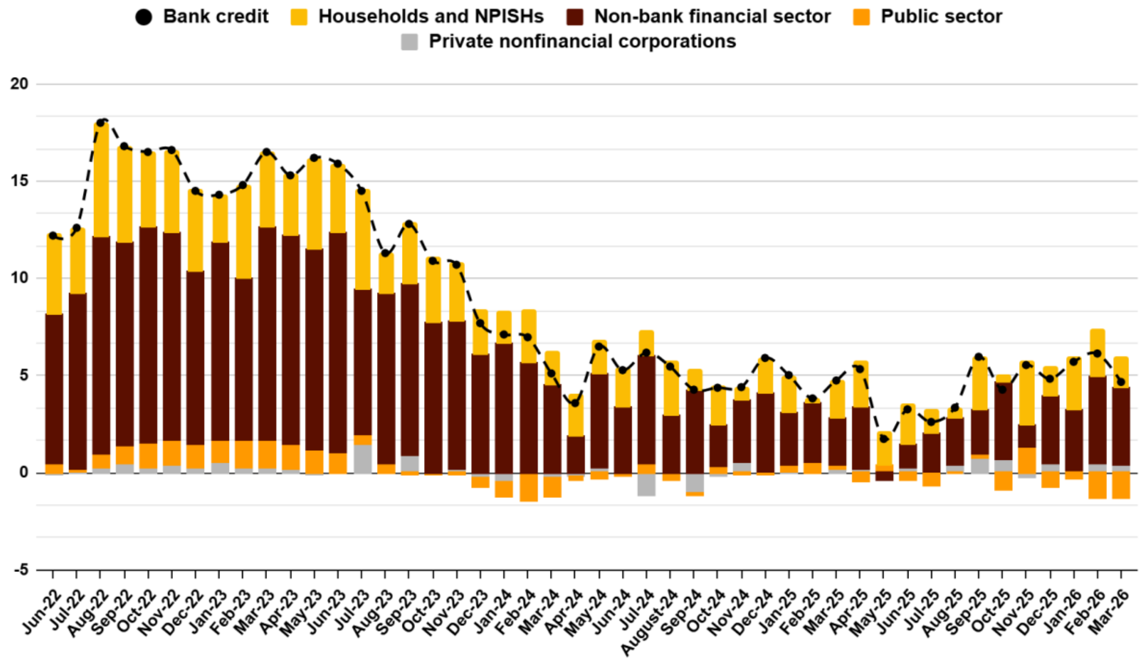
(in billions, unless otherwise stated)

	Mar.-25	Dec.-25	Mar.-26	Change (%)	
				Quarterly	**Annual**
Claims of deposit-taking institutions on the private sector	**35,930.6**	**37,892.1**	**37,511.3**	**-1.0**	**4.4**
Claims of the BCEAO	**729.1**	**721.6**	**720.4**	**-0.2**	**-1.2**
Bank claims	**35,201.5**	**37,170.5**	**36,790.9**	**-1.0**	**4.5**
Bank loans	**33,930.4**	**35,774.5**	**35,514.2**	**-0.7**	**4.7**
Non-banking financial sector	482.5	618.9	626.0	1.2	29.8
Public sector	2,089.2	1,870.1	1,651,1	-11.7	-21.0
Local government	113.4	63.2	52.7	-16.7	-53.6
Public non-financial companies	1,975.8	1,806.9	1,598.4	-11.5	-19.1
Private sector	31,358.8	33,285.5	33,237.1	-0.1	6.0
Private non-financial companies	20,676.0	22,113.7	21,997.2	-0.5	6.4
Households and NPISHs	10,682.8	11,171.7	11,239.9	0.6	5.2
Other claims (*)	1,271.0	1,396.0	1,276.7	-8.5	0.4

Source: BCEAO (*) Consisting mainly of shares and other equity investments and securities other than shares

Graph 19- Contributions to annual growth in bank credit

(in percentage points)



Source: BCEAO

128. Outstanding loans reported to the bank credit risk registry for all WAEMU countries stood at 21.5719 trillion at end-March 2026, compared with 20.9192 trillion at end-December 2025 and 20.6934 trillion one year earlier, representing increases of 3.1% and 4.2%, respectively. This amount represented 60.5% of bank loans to the private sector at end-March 2026, an increase of 2.1 percentage points compared with December 2025.

129. Total outstanding loans to the 400 largest businesses using bank credit (LBUBCs) in all eight WAEMU countries, with 50 businesses per country, stood at 10.3500 trillion at end-March 2026, compared with 10.2613 trillion at end-December 2025 and 9.9468 trillion at end-March 2025, representing increases of 0.9% and 4.1%, respectively. This amount represented 48.0% of loans reported to the credit registry and 29.0% of bank loans to the economy at end-March 2026, compared with 49.1% and 28.7%, respectively, in December 2025.

130. By country, the share of the 50 LBUBCs in bank loans to the economy stood at 62.6% in Guinea-Bissau, 48.5% in Niger, 39.1% in Mali, 33.6% in Benin, 33.5% in Togo, 30.2% in Burkina Faso, 26.9% in Senegal, and 25.9% in Côte d'Ivoire.

131. The breakdown by maturity of loans to the 50 LBUBCs in each country shows that short-term loans (60.0%) predominated over medium- and long-term loans (40.0%). By sector, large exposures were concentrated in seven branches of activity: wholesale trade (28.6%), community services (25.1%), manufacturing (12.4%), transportation and communications (8.6%), insurance, real estate, and business services (7.4%), construction and public works (7.2%), and electricity, gas, and water (7.1%).

132. Outstanding cross-border financing to the 400 largest businesses using bank credit (LBUBCs) in WAEMU stood at 505.9 billion at end-March 2026, or 4.9% of total large exposures, compared with 461.0 billion, or 4.5%, at end-December 2025 and 392.0 billion, or 3.9%, one year earlier. This financing was mainly concentrated in credit institutions in Burkina Faso (31.2%), Togo (21.9%), Benin (16.6%), and Niger (16.1%).

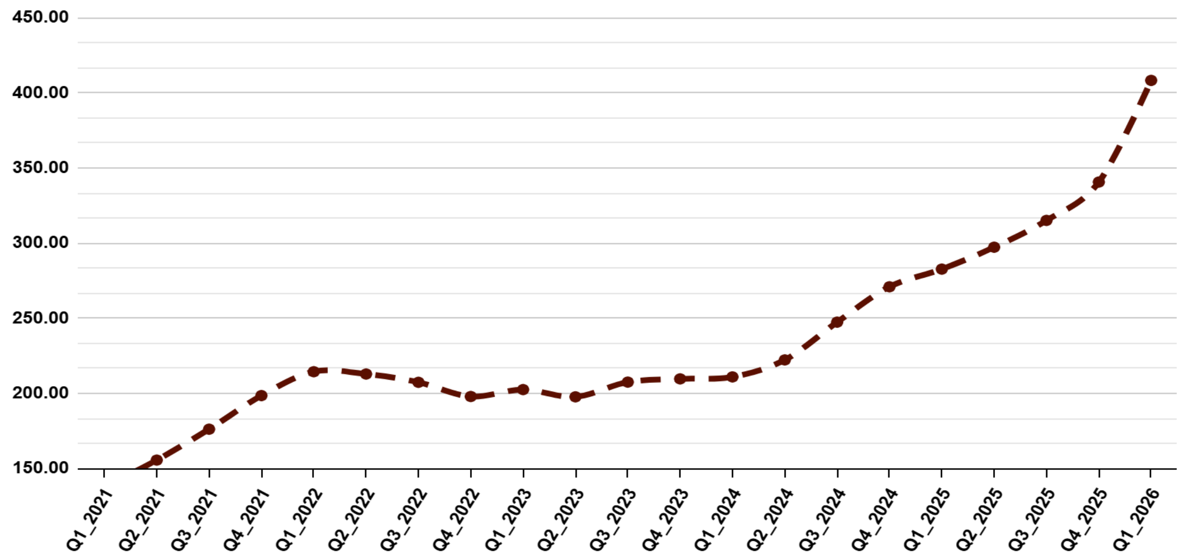
133. The gross non-performing loan ratio of the Union's credit institutions stood at 9.0% at the end of March 2026, compared with 9.1% at the end of December 2025, a **decrease** of 0.1 pp. The net ratio came in at 3.7%, compared with 3.9% in the previous quarter, a **decrease** of 0.2 pp.

6.3 - WAMU stock market

134. The regional stock market recorded a 19.9% increase in the BRVM Composite index in the first quarter of 2026, after rising by 8.1% in the previous quarter. A similar trend was observed year on year, with the BRVM Composite index increasing by 44.4%, after a 25.7% rise one quarter earlier. The BRVM 30 index, for its part, increased by 15.2%, compared with 3.7% in the previous quarter. The market capitalization of all listed securities rose by 11.8% quarter on quarter, after an increase of 5.7% three months earlier. This trend reflects increases in equity market capitalization (+18.1%) and bond market capitalization (+4.5%). Year on year, overall market capitalization increased by 30.1% at end-March 2026.

Graph 20- Trends in the BRVM Composite index

(in points)

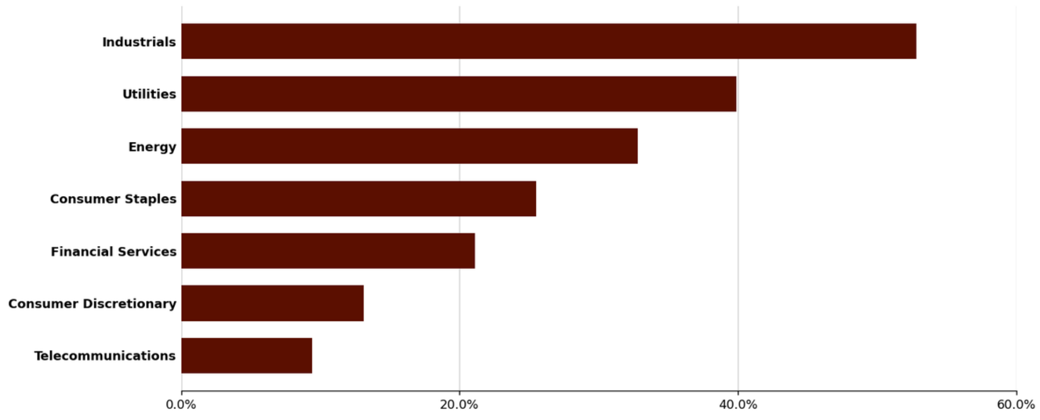


Source: BCEAO

135. Growth in stock market activity during the quarter under review reflected quarter-on-quarter gains in the “Industrial” (+52.8%), “Utilities” (+39.9%), “Energy” (+32.8%), “Consumer Staples” (+25.5%), “Financial Services” (+21.1%), “Consumer Discretionary” (+13.1%), and “Telecommunications” (+9.4%) sector indexes.

Graph 21 - Trends in BRVM sector indexes[11] in the first quarter of 2026 *(in %)*

(in %)



Source: BRVM

11 Sector weights: Agriculture (0.2%), Distribution (0.9%), Finance (27.4%), Industry (0.04%), Utilities (71.5%), Transportation (0.003%).

136. Year on year, overall market capitalization increased by 30.1%.

[11] Weighting by sector: Agriculture (0.2%), Retail (0.9%), Finance (27.4%), Industry (0.04%), Utilities (71.5%), Transportation (0.003%)

7 - MEDIUM-TERM MACROECONOMIC OUTLOOK

***The global economic outlook** for 2026 has been revised downward, mainly due to the adverse effects of the conflict in the Middle East that began on February 28, 2026. According to IMF projections published in April 2026, global output growth is expected to stand at 3.1% in 2026 and 3.2% in 2027, compared with forecasts of 3.3% and 3.2%, respectively, presented in January 2026. Global inflation is projected at 4.4% in 2026, up 0.3 percentage point from 2025, before easing to 3.7% in 2027, notably reflecting the impact of the energy shock.*

***Within the Union, the economic outlook** remains broadly favorable but continues to depend on developments in the international environment, the sociopolitical and security situation in the Member States, and the effects of climate change. GDP is projected to grow by 6.1% in 2026 and 6.2% in 2027, after 6.6% in 2025, supported by robust domestic demand and strong extractive and agricultural production.*

***Public finance** management in the Union's Member States is expected to follow a fiscal consolidation path, reflecting the continuation of adjustment efforts undertaken in recent years. Against this backdrop, the overall fiscal deficit is projected to narrow from 3.3% of GDP in 2025 to 3.2% in 2026 and 2.9% in 2027. At the same time, the public debt ratio is expected to decline to 62.4% of GDP in 2026 and 60.6% in 2027, after 63.2% in 2025.*

***The external accounts outlook is expected to remain favorable in 2026 and 2027.** The overall balance of payments is projected to record a surplus of 1.1894 trillion in 2026 and 1.4832 trillion in 2027, after a surplus of 7.0276 trillion in 2025.*

***The monetary situation** is expected to show an acceleration in private sector financing. Growth in credit to the economy is projected at 7.4% in 2026 and 8.0% in 2027, after 5.6% in 2025.*

According to projections, the Union's average annual inflation is expected to remain within the 1%-3% target range in 2026 and 2027. It is projected to rise from 0.0% in 2025 to 1.6% in 2026 and 2.1% in 2027. This forecast notably takes into account the impact of the crisis in the Middle East on energy price developments in the Union and the anticipated increase in imported food prices in 2027.

7.1 - Projection assumptions

137. The main projection assumptions are based on the outlook for developments in the international environment and internal economic conditions. On the external side, they relate to forecasts for economic growth worldwide and in the Union's main partner countries, as well as developments in international commodity prices and international financial conditions. At the subregional level, the assumptions focus on the trajectories of Member States' fiscal deficits and their financing, the security and sociopolitical situation, and agroclimatic conditions.

In terms of the international environment

138. Global economic growth is expected to be weaker in 2026, with the balance of risks broadly tilted to the downside, owing to the adverse effects of the crisis in the Middle East.

139. According to the latest IMF projections published in April 2026, global economic growth is expected to stand at 3.1% in 2026, down 0.2 pp from the January 2026 forecast. This downward revision mainly reflects disruptions to global supply chains caused by the conflict in the Middle East that began in late February 2026. In 2027, global growth is projected at 3.2%, unchanged from the January 2026 update.

140. Global inflation is expected to rise from 4.1% in 2025 to 4.4% in 2026, reflecting the pass-through of the energy shock resulting from the crisis in Iran, before declining to 3.7% in 2027. In the Eurozone, inflation is projected to increase from 2.1% in 2025 to 2.6% in 2026, before easing to 2.2% in 2027. In the United States, inflation is expected to stand at 2.8% in 2026, compared with 2.5% in 2025, reflecting the combined effects of the energy shock and tariffs.

141. The balance of risks to the global growth outlook remains tilted to the downside, notably owing to the possibility that geopolitical tensions in the Middle East could escalate and persist longer than expected. According to the IMF, such a scenario would result in a more prolonged increase in energy prices (+80.0% for oil and +160.0% for gas from the second quarter of 2026), leading to a sharper slowdown in global growth to 2.5% in 2026 and a high inflation rate of 5.4%. Under a more pessimistic scenario involving significant damage to energy infrastructure in the Middle East, global growth would be limited to around 2.0% in 2026, and inflation would exceed 6.0% in 2027. Other risks include a possible intensification of trade tensions, a downward reassessment of expected productivity gains from artificial intelligence that could trigger an abrupt correction in financial markets, and the growing adverse effects of climate change. Finally, widening fiscal deficits and high levels of public debt constitute major structural challenges that could weigh on investment and financial stability, particularly in developing countries.

International financial and monetary conditions are expected to tighten in 2026, reflecting the projected rebound in global inflation.

142. In the Eurozone and the United States, expert forecasts[12] point to a gradual increase in policy rates during 2026 in response to the pass-through of the energy shock to domestic prices.

***The index of international prices of* commodities, excluding oil, exported by WAEMU countries is expected to decline in 2026, before gradually recovering from 2027 onward.**

143. The international price index for commodities, excluding oil, exported by the Union's countries is expected to decline in 2026 (-5.7%). On an annual basis, prices are projected to fall for cocoa (-54.1%), coffee (-27.9%), and cashew nuts (-0.9%). However, gold prices are expected to rise by 40.5% in 2026, mitigating this trend amid persistent uncertainties, particularly geopolitical tensions in the Middle East, which are expected to strengthen gold's appeal as a safe-haven asset. Rubber (+6.4%) and cotton (+11.9%) prices are also projected to increase, against a backdrop of supply constraints.

144. In 2027, prices of the main commodities, excluding oil, exported by WAEMU countries are expected to recover overall, including cocoa (+5.7%) and cashew nuts (+4.7%).

145. For petroleum products, the projection assumptions point to a 26.4% increase in global prices in 2026, supported by disruptions to supply chains in the Middle East. Oil prices are expected to decline in 2027, reflecting an anticipated improvement in supply on energy markets. In particular, the average WTI barrel price is projected at USD 85.2 in 2026 and USD 75.5 in 2027, compared with USD 67.4 in 2025.

***International prices for imported food products* are expected to continue easing in 2026 before recovering in 2027.**

146. According to forecasts based on data from the IMF, the FAO[13], the World Bank and Bloomberg, prices of food products imported by the Union are expected to decline by 4.4% year on year in 2026, followed by an increase of 6.8% in 2027.

[12] Bloomberg expert forecasts.

[13] *Food and Agriculture Organization of the United Nations*

At the regional level,

With regard to public finances, Member States are expected to continue their fiscal consolidation efforts.

147. Based on Member States' TOFEs, the Union's overall fiscal deficit is projected at 3.2% of GDP in 2026, before declining to 2.9% in 2027, after 3.3% in 2025.

148. On the financing side, 2026 is characterized by recourse to international capital markets. Côte d'Ivoire and Benin have already raised funds in January and February through Eurobond issuances on international markets, amounting to 823.2 billion and 474.3 billion, respectively. In addition, Côte d'Ivoire plans to tap this market again in 2027, with projected financing of 562.5 billion.

149. In addition, significant Eurobond maturities are expected over the 2026-2027 period, particularly for Côte d'Ivoire and Senegal. For Côte d'Ivoire, Eurobond repayments are projected to increase from 106.9 billion in 2026 to 111.3 billion in 2027. In Senegal, Eurobond principal repayments made in March 2026 amounted to 218.7 billion and are expected to remain at that level in 2027.

Oil production is expected to decline in 2026

150. According to data provided by the national authorities, oil production in the Union is projected to decline to 243,555.0 barrels per day in 2026, compared with 256,847.6 barrels per day in 2025. This decrease is expected to result mainly from the anticipated decline in production volumes in Senegal, as announced by the operating companies. Oil production is projected at 247,607 barrels per day in 2027.

Mining production is expected to consolidate over the coming years.

151. In Burkina Faso, gold production is expected to increase over the coming years, supported by reforms aimed at centralizing artisanal production for marketing by the State, as well as by an increase in the purchase price paid to artisanal miners. In Côte d'Ivoire, production is also expected to strengthen with the start-up of five major mining projects in the northern part of the country, at Koné, Assafou, Doropo, Afema, and Boundiali.

The current security and socio-political situation in the Union is not expected to deteriorate over the coming years

152. In view of the measures undertaken by Member States to strengthen their security capabilities, the current security situation is not expected to deteriorate over the coming years. The baseline scenario assumes overall stability in the security and sociopolitical environment over the projection horizon.

Agro-climatic conditions are expected to remain broadly favorable for food crop production in the countries of the region.

153. The final results of the 2025/2026 agricultural season, published by the Permanent Inter-State Committee for Drought Control in the Sahel (CILSS), show a 6.8% increase in cereal production in the WAEMU region, after growth of 3.0% in the 2024/2025 season. By country, production increased by 25.6% in Guinea-Bissau, 17.8% in Burkina Faso, 11.5% in Mali, 10.6% in Togo, 8.0% in Côte d'Ivoire, 4.1% in Senegal, and 1.1% in Benin. By contrast, production declined in Niger (-10.8%). The weak performance of the 2025/2026 agricultural season in some Union countries, particularly Niger, could lead to an increase in local cereal prices. For the coming years, the baseline scenario assumes a 5.0% increase in cereal production.

154. **Two additional scenarios,** one upside and the other downside, were developed to bracket the medium-term inflation outlook. These scenarios are based on the baseline projections, with an assumed variation of plus or minus 5 percentage points for cereal production, imported food prices, and the exchange rate. For crude oil prices, a fluctuation of plus or minus USD 10 is assumed.

Table 39 - Projection assumptions for inflation scenarios

	2025	2026			2027		
	Actual	Downside	Baseline	Upside	Downside	Baseline	Upside
Oil barrel price (WTI, in dollars)	67.4	75.2	85.2	95.2	65.5	75.5	85.5
Euro/dollar exchange rate	1.13	1.2	1.18	1.13	1.2	1.16	1.11
Eurozone inflation (%)	2.1	2.1	2.6	3.1	1.5	2.0	2.5
BCEAO index of imported food product prices (%)	-17.4	-9.4	-4.4	0.6	1.8	6.8	11.8
Cereal production in the Union (%)	6.8	10.0	5.0	0.0	10.0	5.0	0.0

Sources: Bloomberg, ECB, BCEAO, IMF
(*) The level of cereal production in 2025 affects prices over the period from Q4 2025 to Q3 2026; this lag also applies to subsequent years.

7.2 - Macroeconomic projections for 2026 and 2027

155. For 2026, BCEAO projections point to real GDP growth of 6.1% in the Union. Growth is expected to be driven mainly by the tertiary sector, whose contribution is estimated at 3.6 pps, supported by buoyant trade and market services. The primary sector is projected to contribute 1.0 pp, reflecting the favorable outlook for the 2026/2027 agricultural season and the continued implementation of programs to improve yields of the main crops in most Member States. The secondary sector, for its part, is expected to contribute 1.5 pps, benefiting from the anticipated performance of manufacturing and extractive industries.

156. On the demand side, economic growth is expected to be driven mainly by final consumption (3.9 pps) and investment (2.5 pps). This momentum is expected to reflect the gradual improvement in household incomes and the continued implementation of socioeconomic infrastructure projects[14] in several Union Member States. The contribution of the external sector to growth is expected to remain negative at -0.3 pp, notably reflecting higher imports of intermediate and capital goods needed for investment.

[14] Several infrastructure projects are currently being implemented in the Union, including: development of the Baleine oil field off the coast of Abidjan; the Bus Rapid Transit (BRT) project and road and rail infrastructure works including Line 1 of the Abidjan Metro, in Côte d'Ivoire; construction of the Kandadji Dam and development of the Gorou Banda site in Niger; and public works and lowland agricultural development initiatives in Burkina Faso.

Table 32 - Contributions to Union GDP growth

(in pps, unless otherwise stated)

	2025*	2026**		2027**	
	Est.	Forecast (March 2026)	Forecast (June 2026)	Forecast (March 2026)	Forecast (June 2026)
Primary sector	**0.9**	**1.1**	**1.0**	**1.1**	**1.2**
Secondary sector	**2.0**	**1.6**	**1.5**	**1.6**	**1.5**
incl.: - Manufacturing industries	*0.6*	*0.6*	*0.5*	*0.5*	*0.4*
- Extractive industries	*1.0*	*0.7*	*0.7*	*0.6*	*0.5*
- Public works and civil eng.	*0.3*	*0.2*	*0.2*	*0.3*	*0.4*
Tertiary sector	**3.7**	**3.7**	**3.6**	**3.6**	**3.5**
Real GDP	**6.6**	**6.4**	**6.1**	**6.3**	**6.2**
Final consumption	**3.9**	**3.6**	**3.9**	**3.7**	**3.9**
Private	3.6	3.1	3.4	3.2	3.4
Public	0.3	0.5	0.5	0.5	0.5
CapEx	**1.9**	**1.8**	**2.5**	**1.8**	**1.4**
Private	1.3	1.2	1.7	1.6	1.2
Public	0.6	0.6	0.8	0.2	0.2
External sector	**0.8**	**1.0**	**-0.3**	**0.8**	**0.9**

Sources: National Statistical Institutes, BCEAO (*) Estimates by national services (**) BCEAO projections

157. Compared with the projections in the March 2026 report, the Union's 2026 growth forecast of 6.4% was revised downward by 0.3 pp, notably to take into account the adverse effects of the crisis in the Middle East and the security situation in some Union countries. Accordingly, growth forecasts for Burkina Faso, Senegal, and Togo were each revised downward by 0.2 pp, compared with 0.3 pp for Benin. Growth forecasts for Côte d'Ivoire, Guinea-Bissau, and Mali were each revised downward by 0.4 pp. As Niger is a net oil exporter, the Middle East crisis is instead expected to have a positive impact on its economic activity, resulting in a 0.1 pp upward revision to growth.

158. Lost growth in Burkina Faso is expected to reflect a smaller-than-anticipated increase in electricity, water, and gas production (+1.5% versus 7.5% initially projected). In Togo, the slowdown in growth is expected to be driven by weaker transportation, warehousing, and communications activities, while Senegal is projected to record more moderate growth in transportation activities and mining production. In Benin, the 0.3 pp loss of growth is expected to reflect a slowdown in transportation, warehousing, and communications activities (+3.9% versus 5.3% previously). The 0.4 pp downward revision to growth in Côte d'Ivoire and Guinea-Bissau is expected to result from a smaller-than-anticipated increase in agricultural production. Mali is projected to record slower growth in agricultural activities (+6.1% versus 6.9% previously) and mining production (+4.3% versus 7.8% initially projected).

159. The growth outlook remains subject to downside risks, particularly from an escalation of geopolitical and trade tensions, the fragile security environment in the Union, and disruptions to rainfall patterns resulting from climate change.

Table 33 - Developments in real gross domestic product growth rates (in %)

	2025*	2026**		2027**	
		Forecast (March 2026)	Forecast (June 2026)	Forecast (March 2026)	Forecast (June 2026)
Benin	8.1	7.5	7.2	7.5	7.5
Burkina Faso	5.3	6.5	6.3	5.0	4.4
Côte d'Ivoire	6.6	6.6	6.2	6.7	6.4
Guinea-Bissau	5.5	5.5	5.1	5.6	5.6
Mali	5.6	6.1	5.7	5.6	5.6
Niger	6.6	6.7	6.8	6.5	6.4
Senegal	7.8	5.0	4.8	5.0	5.0
Togo	6.2	6.3	6.1	6.3	6.3
Union	**6.6**	**6.4**	**6,1**	**6.3**	**6.2**

Sources: National Statistical Institutes, BCEAO *(*) Estimates by national services (**) BCEAO projections*

Continued fiscal consolidation in 2026 and 2027

160. On the fiscal front, the outlook is expected to be marked by continued fiscal consolidation over the 2026-2027 period, notably reflecting the continuation of reforms aimed at modernizing tax and customs administrations in Member States and rationalizing public expenditure. Accordingly, the fiscal deficit is projected to decline to 3.2% and 2.9% of GDP in 2026 and 2027, respectively, compared with 3.3% in 2025.

Table 34 - Fiscal projections

(in billions, unless otherwise indicated)

	2024	2025*	2026**	2027**
Total revenue and grants	**23,378.2**	**26,642.1**	**30,025.8**	**32,555.5**
(as a % of GDP)	***17.3***	***18.0***	***18.6***	***18.5***
Fiscal revenue	19,489.9	22,363.5	25,454.1	27,996.1
(as a % of GDP)	*14.4*	*15.1*	*15.8*	*15.9*
Other revenue (including non-tax revenue)	2,933.4	3,278.4	3,382.3	3,390.2
	2.2	*2.2*	*2.1*	*1.9*
Grants	954.9	1,000.2	1,189.4	1,169.2
(as a % of GDP)	*0.7*	*0.7*	*0.7*	*0.7*
Total expenditure and net loans	**30,666.3**	**31,451.5**	**35,191.2**	**37,647.6**
(as a % of GDP)	***22.7***	***21.3***	***21.8***	***21.4***
incl. current expenditure	19,556.0	20,682.1	21,707.6	23,650.0
(as a % of GDP)	*14.5*	*14.0*	*13.5*	*13.4*
capital expenditure	9,806.5	9,182.6	12,007.7	12,479.9
(as a % of GDP)	*7.2*	*6.2*	*7.4*	*7.1*
Balance (commitment basis incl. grants)	**-7,288.1**	**-4,809.4**	**-5,165.4**	**-5,092.1**
(as a % of GDP)	***-5.4***	***-3.3***	***-3.2***	***-2.9***

Sources: National services, BCEAO *(*) Estimates* *(**) Projections*

With regard to public debt, the main projected developments are shown in the table below.

Table 35 - Developments in overall debt outstanding at WAEMU level

(in billions)

	2024	2025*	2026**	2027**
Debt outstanding	87,676.8	93,548.5	100,611.5	106,739.0
As % of GDP	64.8	63.2	62.4	60.6
Interest (% of tax revenue)	17.6	17.5	16.4	15.2

Sources: National services, BCEAO *(*) Estimate (**) Projections*

161. The projected fiscal deficit path remains subject to upside risks, reflecting the vulnerability of the Union's economies to external shocks and persistent social and security pressures in Member States.

External accounts are expected to continue consolidating, reflecting the improvement in the current account balance and foreign capital inflows into the Union.

162. The consolidation of WAEMU's external trade, which began in 2024, is expected to continue in 2026 and 2027, supported notably by exports of gold, oil, and gas, as well as by some Union countries' recourse to international capital markets.

Table 36 - Balance of payments projections for the 2026-2027 period

(in billions, unless otherwise indicated)

	2024	2025	2026		2027	
			Proj. (March 2026)	Proj. (June 2026)	Proj. (March 2026)	Proj. (June 2026)
Trade balance	**-171.0**	**7,834.0**	**5,431.3**	**6,731.1**	**4,975.6**	**6,034.1**
Exports (FOB) (*)	*23,944.9*	*33,655.4*	*34,478.5*	*36,998.0*	*36,358.5*	*37,965.5*
Imports (FOB) (*)	*24,115.9*	*25,821.4*	*29,047.2*	*30,266.9*	*31,383.0*	*31,931.5*
Services balance	**-6,769.1**	**-7,119.7**	**-7,491.5**	**-8,251.4**	**-8,508.8**	**-8,353.2**
Credit	*1,499.3*	*1,516.1*	*1,649.3*	*1,605.4*	*1,576.3*	*1,592.7*
Debit	*-8,268.3*	*-8,635.7*	*-9,140.9*	*-9,856.8*	*-10,085.1*	*-9,945.9*
including freight	*-4,601.4*	*-5,395.7*	*-5,594.9*	*-5,845.3*	*-6,031.1*	*-6,154.9*
Primary income account balance	**-4,978.7**	**-6,845.8**	**-6,336.7**	**-6,613.9**	**-6,828.0**	**-6,748.4**
Secondary income account balance	**4,145.0**	**4,145.2**	**4,380.3**	**4,279.4**	**4,659.2**	**4,308.8**
Current account balance	**-7,773.7**	**-1,986.3**	**-4,016.6**	**-3,854.8**	**-5,702.1**	**-4,758.7**
Current account balance (% of GDP)	-5.7	-1.3	-2.5	-2.4	-3.3	-2.7
Current account balance excluding grants (% of GDP)	-5.9	-1.4	-2.6	-2.5	-3.4	-2.8
Capital account balance	**1,293.1**	**1,581.5**	**1,596.3**	**1,582.7**	**1,602.7**	**1,587.9**
Financial account balance	**-9,062.8**	**-5,906.2**	**-3,437.2**	**-3,461.5**	**-4,892.3**	**-4,654.1**
- Foreign direct investment	*-4,599.1*	*-3,125.0*	*-2,472.4*	*-3,409.7*	*-3,286.3*	*-3,314.1*
- Portfolio investment	*-2,011.6*	*-2,245.3*	*-928.9*	*-123.3*	*222.9*	*181.2*
- Other investment	*-2,446.7*	*-535.9*	*-36.0*	*71.5*	*-1,828.9*	*-1,521.1*
Overall balance	**3,012.7**	**7,027.6**	**1,016.9**	**1,189.4**	**793.0**	**1,483.2**
Revaluations	651.0	1,385.8	0.0	0.0	0.0	0.0
Change in net external assets	**-3,663.8**	**-8,413.4**	**-1,016.9**	**-1,189.4**	**-793.0**	**-1,483.2**

Source: BCEAO *(*) These items do not include intra-WAEMU trade.*

163. In 2026, the overall balance of WAEMU Member States' external transactions is projected to record a surplus of 1.1894 trillion. The current account deficit is expected to stand at 2.4% of GDP, a deterioration of 1.1 pp compared with 2025. This widening of the current account deficit is mainly attributable to unfavorable terms-of-trade developments (-4.5%) and higher freight and specialized services costs, partially offset by increased export volumes of gold and cocoa. The goods balance is nevertheless expected to remain in surplus at 6.7311 trillion, after a surplus of 7.8340 trillion in 2025.

164. The capital account surplus is projected at 1.5827 trillion in 2026, compared with 1.5815 trillion one year earlier. Under these conditions, expected financial flows are projected to cover 152.3% of the financing requirement, estimated at 2.2721 trillion in 2026, compared with 404.8 billion in 2025.

165. In 2027, the Union's external accounts are projected to record an overall balance of payments surplus of 1.4832 trillion. The current account deficit is expected to stand at 2.7% of GDP. The capital account surplus, for its part, is projected at 1.5879 trillion. The financing requirement, estimated at 3.1708 trillion in 2027, is expected to be covered by 146.8% through projected financial flows.

166. The projected external position could be less favorable in the event of a more pronounced deterioration in the terms of trade. A prolonged conflict in the Middle East raises the risk of renewed inflationary pressures, which could increase import costs. In addition, a resurgence of inflation would lead the central banks of the major industrialized economies to adopt more restrictive monetary policies, resulting in tighter international financial conditions and, consequently, more limited access by Member States to international capital markets. Such a development would further affect prospects for mobilizing resources through drawings and Eurobond issuances. It would also increase governments' reliance on the regional financial market and heighten refinancing risk.

The monetary situation is expected to remain conducive to adequate financing of the economies.

167. Growth in credit to the economy is projected at 7.4% in 2026 and 8.0% in 2027, after 5.6% in 2025.

Table 37 - Projected monetary aggregates for the 2026-2027 period

(in billions)

Items	2024	2025	2026		2027	
			Proj. (March 2026)	Proj. (June 2026)	Proj. (March 2026)	Proj. (June 2026)
Money supply growth rate (%)	**8.9**	**17.4**	**16.5**	**16.6**	**14.2**	**15.2**
Growth rate of credit to the economy (%)	4.5	5.6	9.1	7.4	9.4	8.0
Change in net claims on central governments	2,184.2	2,014.5	4,133.6	4,133.6	2,685.4	2,685.4
Change in net external assets	3,663.8	8,413.4	1,016.9	1,189.4	793.0	1,483.2
Credit to the economy/GDP (%)	**26.8**	**25.9**	**26.0**	**25.6**	**26.2**	**25.5**
Broad money (M2)	**52,022.2**	**61,051.5**	**71,125.1**	**71,192.1**	**81,224.8**	**81,981.8**
Currency in circulation	12,454.9	14,926.7	15,799.0	17,288.4	17,555.7	19,049.2
Deposits	39,567.3	46,124.8	55,326.1	53,903.7	63,669.1	62,932.6

Source: BCEAO

168. In 2026, the money supply is projected to increase by 16.6%, after growth of 17.4% at end-December 2025, driven by increases in internal claims and net external assets (NEAs). Net claims of deposit-taking institutions on central governments are expected to increase by 4.1336 trillion, compared with 2.0145 trillion in 2025. Credit to the economy is projected to grow by 7.4%, after 5.6% in 2025. NEAs of deposit-taking institutions are expected to increase by 1.1894 trillion, reflecting improvements in external accounts.

169. In 2027, the 15.1% increase in the money supply would be driven by the rise in domestic claims and the consolidation of 1.4832 trillion in NEAs of deposit-taking institutions. Financing of private and public sector activities would remain sustained, with credit to the economy growing by 8.0% and net claims on central governments increasing by 2.6854 trillion.

7.3 - Inflation forecasts and risks

170. In the second quarter of 2026, the rate of increase in the general price level is projected to accelerate to 0.9%, after -0.2% in the first quarter of 2026. This development is expected to reflect, in particular, the impact of the crisis in the Middle East through higher petroleum product prices and freight costs. Increases in petroleum product prices have already been recorded in Mali (gasoline +12.9% and diesel +29.7%, effective March 28, 2026), Guinea-Bissau (gasoline +18.3% and diesel +17.2%, effective April 3, 2026), Benin (gasoline +4.3% and diesel +4.2%, effective May 1, 2026), and Côte d'Ivoire (gasoline +6.7% and diesel +3.7%, effective May 1, 2026). These increases are expected to affect transportation and food prices in particular. The anticipated rise in inflation could be partially contained by adequate supplies of cereals on markets, supported by the good harvests from the 2025/2026 agricultural season, as well as by measures expected to be taken by some Member States in response to the adverse effects of tensions in the Middle East.

Table 38 - Inflation outlook in WAEMU *(in %)*

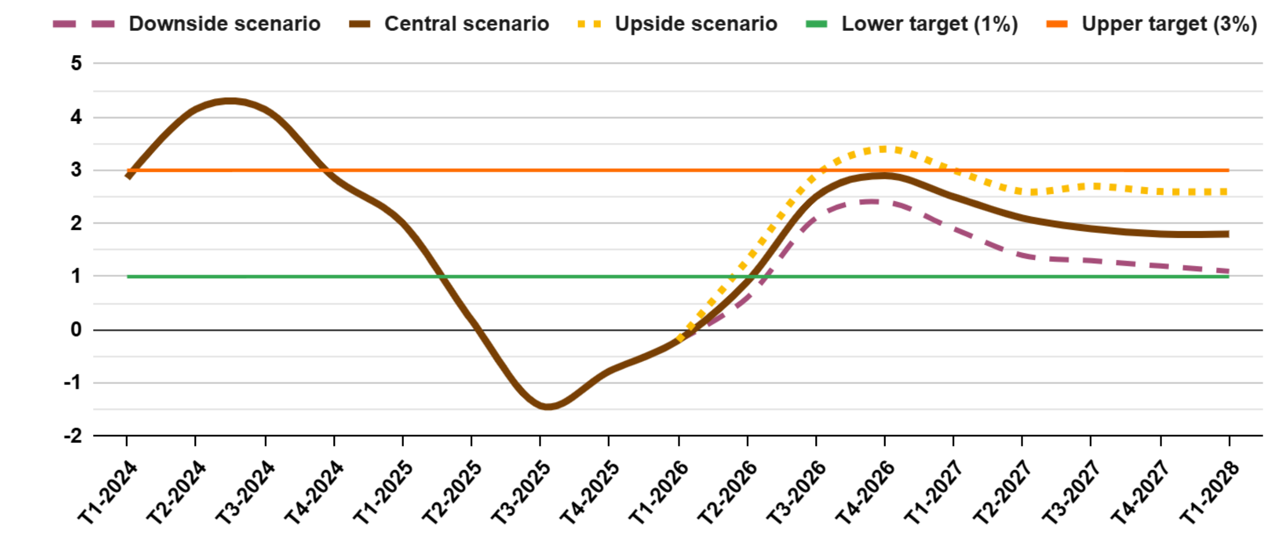
		2026				2027				2028	Averages			
		Q1 Actual	Q2 Proj.	Q3 Proj.	Q4 Proj.	Q1 Proj.	Q2 Proj.	Q3 Proj.	Q4 Proj.	Q4 Proj.	**2025**	**2026**	**2027**	Eight quarters
Inflation rate	Lower scenario	-0.2	0.6	2.1	2.4	1.9	1.4	1.3	1.2	1.1	0.0	1.3	1.4	1.5
	Baseline scenario	-0.2	0.9	2.5	2.9	2.5	2.1	1.9	1.8	1.8	0.0	1.6	2.1	2.1
	Higher scenario	-0.2	1.3	2.9	3.4	3.0	2.6	2.7	2.6	2.6	0.0	1.9	2.7	2.7

Source: BCEAO

171. Over the eight-quarter forecast horizon, under the baseline scenario, inflation is projected to stand at 1.8%, within the Central Bank's comfort zone of 1% to 3%. This development is expected to be driven mainly by the absence of pressures on global petroleum product prices over the forecast horizon.

Graph 22- Inflation forecasts, year on year

(in %)



Source: BCEAO

172. The balance of risks to the inflation outlook is tilted to the upside. These upside risks relate to disruptions to food supply chains from production areas, owing to persistent insecurity in some parts of the Union, which could place additional pressure on prices if it continues. A deterioration in the security situation could also result in large-scale population displacement, increasing demand and reducing supply, particularly of agricultural products. Persistent upside risks also stem from the adverse effects of climate change, reflected in unstable weather conditions that could affect agricultural production. Finally, persistent geopolitical tensions, particularly the crisis in the Middle East, could lead to a further increase in petroleum product and food prices, with direct repercussions on transportation costs and the prices of local products, as well as higher maritime freight rates, thereby increasing the cost of essential imports for the region, particularly food and petroleum products.

173. This upside bias could be partially contained by adequate supplies of cereals on markets, supported by the good harvests from the 2025/2026 agricultural season. It could also be mitigated by measures expected to be taken by some Member States in response to the adverse effects of tensions in the Middle East.

ANNEXES

1. **Box E.1** - Methodology for assessing the alignment of WAEMU's external position with its economic fundamentals
2. **Table A.1** - WAMU: Summary statement of the Central Bank
3. **Table A.2** - WAMU: Summary statement of the banks
4. **Table A.3** - WAMU: Monetary aggregates
5. **Table A.4** - WAMU: Net claims on central governments
6. **Tables A.5** - Breakdown of inflation in WAEMU

Box E1: Methodology for assessing the alignment of WAEMU's external position with its economic fundamentals

The Central Bank uses the EBA-lite methodology to calculate the real effective exchange rate (REER) and its equilibrium level. This method, developed by the IMF, improves the assessment of the external sustainability of its Member States in the context of consultations under Article IV of the Fund's Articles of Agreement. In order to deepen its analytical framework for the real effective exchange rate, BCEAO strengthened its competitiveness measurement system from 2019, with the deployment of the EBA-lite model made available by the IMF. The parameters of this model were adapted to take into account the specific characteristics of WAEMU Member States.

This approach is based on the estimation of a norm value (CA norm) for the current account deficit and for the REER, using a set of factors that affect their developments. These values represent the levels of the current account deficit and the REER that are consistent with the fundamentals of the economy under review. In addition, other types of macroeconomic aggregates, referred to as policy variables, are taken into account, for which desirable levels are identified.

Thus, misalignments of the current account deficit or the REER relative to their fundamentals are determined on the basis of the gap between the observed level of the deficit and the norm, while also taking into account the gap between policy variables and their desirable levels (CA-Gap and REER-GAP). The results are compared with ranges within which the current account deficit and the REER are considered consistent with their fundamentals.

In this regard, CA-Gap values above 1 indicate an undervaluation relative to the fundamentals of the economy and, by contrast, CA-Gap values below -1 indicate an overvaluation relative to the fundamentals of the economy. As regards the REER-GAP, values below -5 indicate an undervaluation relative to the fundamentals of the economy and, by contrast, REER-GAP values above 5 suggest an overvaluation relative to the fundamentals of the economy.

Table A.1 - WAMU: Summary statement of the Central Bank *(in billions of CFA francs)*

Items	Dec. 24	Mar. 25	Jun. 25	Sept. 25	Dec. 25	Mar. 26
Net external assets	**6,440.1**	**8,163.4**	**10,506.2**	**10,176.3**	**15,599.8**	**18,702.7**
Claims on other depository institutions	**9,407.1**	**8,370.1**	**8,044.8**	**7,922.0**	**8,326.0**	**6,996.3**
Net claims on central governments	**6,445.9**	**6,298.2**	**6,043.5**	**5,985.8**	**5,880.3**	**5,424.2**
Claims on the economy	**719.7**	**729.1**	**728.2**	**737.6**	**721.6**	**720.4**
TOTAL ASSETS	**23,012.7**	**23,560.7**	**25,322.6**	**24,821.6**	**30,527.6**	**31,843.6**
Monetary base	**18,249.1**	**18,524.5**	**19,676.7**	**19,384.8**	**23,917.7**	**24,804.9**
Currency in circulation	13,678.4	13,969.1	14,406.7	14,172.7	16,469.4	17,386.4
Liabilities to other depository institutions	3,771.5	3,686.9	4,396.4	4,352.3	6,001.9	6,525.0
Liabilities to other sectors	799.2	868.5	873.7	859.8	1,446.4	893.5
Deposits and securities other than shares excluded from the monetary base	**44.2**	**42.1**	**43.1**	**51.5**	**51.9**	**56.9**
Shares and other equity	**4,341.5**	**4,668.4**	**5,181.5**	**5,425.5**	**5,968.7**	**6,902.3**
Other items, net	**378.0**	**325.8**	**421.3**	**-40.3**	**589.3**	**79.6**
TOTAL LIABILITIES	**23,012.7**	**23,560.7**	**25,322,6**	**24,821.6**	**30,527.6**	**31,843.6**

Source: BCEAO

Table A.2 - WAMU: Summary statement of the banks *(in billions of CFA francs)*

Items	Dec.-24	March-25	June-25	Sept.-25	Dec.-25	March-26
Net external assets	**-1,626.0**	**-1,874.6**	**-2,179.9**	**-2,387.3**	**-2,372.3**	**-2,754.3**
Claims on non-residents	1,269.5	1,198.4	1,218.6	1,114.1	1,389.3	1,196.2
Commitments to non-residents	-2,895.5	-3,073.0	-3,398.5	-3,501.5	-3,761.6	-3,950.5
Claims on the Central Bank	**4,861.6**	**4,723.6**	**5,851.2**	**5,731.2**	**7,517.2**	**7,793.5**
Net claims on central governments	**19,467.5**	**20,143.6**	**20,681.0**	**21,292.6**	**22,047.7**	**22,490.2**
Claims on the private sector	**35,158.7**	**35,201.5**	**35,151.3**	**36,093.8**	**37,170.5**	**36,790.9**
Claims on other financial companies	910.0	1,012.5	1,109.2	1,320.3	1,393.5	1,348.2
Claims on central and local governments	169.0	311.9	234.5	204.0	233.2	160.9
Claims on public non-financial corporations	2,138.2	2,125.0	2,010.2	2,081.4	1,874.0	1,630.5
Claims on the private sector	31,941.5	31,752.1	31,797.3	32,488.2	33,669.8	33,651.3
ASSETS	**57,861.9**	**58,194.0**	**59,503.5**	**60,730.2**	**64,363.1**	**64,320.3**
Commitments to the Central Bank	9,316.0	8,395.2	7,923.0	7,875.2	8,183.2	6,995.8
Transferable deposits included in the broad money supply	23,261.2	23,830.0	24,473.5	25,070.1	27,583.4	28,733.4
Other deposits included in the broad money supply	15,112.2	15,523.6	15,892.6	16,296.3	16,700.3	17,121.6
Deposits not included in the broad money supply	2,530.4	2,380.0	2,533.4	2,526.3	2,781.1	2,771.8
Securities other than shares not included in the broad money supply	0.0	0.0	0.0	0.0	0.0	79.4
Borrowings	1,634.0	1,613.1	1,990.3	1,993.0	2,125.7	1,586.4
Shares and other equity securities	6,401.0	6,925.9	7,092.0	7,255.4	7,572.7	7,743.0
Other items (net)	-392.8	-473.8	-401.2	-286.0	-583.4	-711.2
LIABILITIES	**57,861.9**	**58,194.0**	**59,503.5**	**60,730.2**	**64,363.1**	**64,320.2**

Source: BCEAO

Table A.3 - WAMU: Monetary aggregates *(in billions of CFA francs)*

Items	Dec.-24	March-25	June-25	Sept.-25	Dec.-25	March-26
Currency outside banks	12,454.9	12,729.0	13,006.6	12,773.5	14,926.7	15,867.2
Transferable deposits	24,237.5	24,804.0	25,472.4	26,093.7	28,788.0	29,870.0
M1	36,692.4	37,533.1	38,479.0	38,867.2	43,714.7	45,737.2
Other deposits included in the money supply (1)	15,329.8	15,812.9	16,162.2	16,527.2	17,336.8	17,273.3
Money supply (M2)	**52,022.1**	**53,345.9**	**54,641.2**	**55,394.4**	**61,051.5**	**63,010.5**
Net external assets	4,814.1	6,288.8	8,326.3	7,788.9	13,227.5	15,948.4
BCEAO	6,440.1	8,163.4	10,506.2	10,176.3	15,599.8	18,702.7
Banks	-1,626.0	-1,874.6	-2,179.9	-2,387.3	-2,372.3	-2,754.3
Internal claims	61,758.3	62,338.8	62,570.4	64,076.2	65,786.5	65,392.2
Net claims on central governments	25,879.9	26,408.2	26,690.9	27,244.8	27,894.5	27,880.9
Claims on the private sector	35,878.4	35,930.6	35,879.5	36,831.4	37,892.1	37,511.3
Non-monetary liabilities (2)	14,951.0	15,629.5	16,840.2	17,251.8	18,500.2	19,139.7
Other items (net) (3)	-400.7	-347.8	-584.6	-781.1	-537.7	-809.6
Total counterparties of M2 (4)	**52,022.1**	**53,345.9**	**54,641.2**	**55,394.4**	**61,051.5**	**63,010.5**

(1) Term deposits and special savings accounts opened with banks, and interest-bearing deposits held in the books of the Central Bank.

(2) Consisting of shares and other equity in deposit-taking institutions and of their non-monetary liabilities to other sectors.

(3) Consisting of consolidation adjustments and the net balance of unclassified assets, in particular miscellaneous items and non-financial assets.

(4) Total counterparties = Net external assets + Internal claims - Non-monetary liabilities - Other items (net).

Source: BCEAO

Table A.4 - WAMU: Net claims on central governments *(in billions of CFA francs)*

Item	Dec.-24	March-25	June-25	Sept.-25	Dec.-25	March-26
BCEAO net claims	**6,412.4**	**6,264.6**	**6,009.9**	**5,952.2**	**5,846.8**	**5,390.7**
Claims	**8,393.7**	**8,167.1**	**8,327.4**	**7,957.8**	**8,111.4**	**7,925.4**
Loans	6,611.5	6,542.6	6,906.3	6,908.7	7,164.5	7,251.0
Loans backed by SDRs	1,312.5	1,312.5	1,312.4	1,312.4	1,312.3	1,312.3
Consolidated loans	218.0	218.0	215.7	215.7	213.4	213.4
IMF loans	4,838.7	4,769.8	5,140.9	5,143.8	5,406.5	5,493.5
Other loans (financial receivables) (1)	242.3	242.3	237.3	236.8	232.3	231.8
Treasury securities portfolio	1,765.5	1,606.5	1,407.2	1,033.6	929.3	661.9
Other claims (2)	16.8	18.0	13.9	15.5	17.5	12.5
Commitments	**1,981.3**	**1,902.4**	**2,317.5**	**2,005.6**	**2,264.6**	**2,534.7**
Treasury cash	**33.5**	**33.5**	**33.5**	**33.5**	**33.5**	**33.5**
Deposits	1,844.2	1,742.5	2,234.8	1,895.5	2,123.7	2,478.1
Other commitments (3)	103.6	126.4	49.1	76.6	107.4	23.1
Net claims by banks	**19,467.5**	**20,143.6**	**20,681.0**	**21,292.6**	**22,047.7**	**22,490.2**
Claims	**24,729.6**	**25,688.3**	**26,687.4**	**27,333.1**	**28,059.8**	**28,765.0**
Loans	4,451.6	4,635.1	4,560.8	4,346.7	4,408.7	4,272.7
Treasury securities portfolio	20,278.0	21,053.2	22,126.6	22,986.4	23,651.1	24,492.4
Commitments	**5,262.1**	**5,544.7**	**6,006.4**	**6,040.5**	**6,012.1**	**6,274.8**
TOTAL NET CLAIMS ON CGs	**25,879.9**	**26,408.2**	**26,690.9**	**27,244.8**	**27,894.5**	**27,880.9**

(1) Claims on negative external positions and other financial receivables due from governments.

(2) Recoverable government expenses, recoverable taxes, and miscellaneous claims on governments.

(3) Taxes collected, commissions on transfers, and other sums collected on behalf of national governments.

Source: BCEAO

Tables A.5 - Breakdown of inflation in WAEMU

Table A.5-1: Local and imported components of inflation

	Components	Weight (%)	Q1-2025	Q2-2025	Q3-2025	Q4-2025	Q1-2026
Annual change (%)	Local	70	2.7	0.9	-0.8	0.0	0.2
	Imported	30	-0.1	-1.6	-3.0	-2.8	-1.4
Contributions (in % points)	Local	70	2	0.6	-0.6	0.0	0.2
	Imported	30	0	-0.4	-0.8	-0.8	-0.4
	Total	**100**	**2.0**	**0.2**	**-1.4**	**-0.8**	**-0.2**

Sources: National Statistics Institutes, BCEAO

Table A.5-2: Goods and services components of inflation

	Components	Weight (%)	Q1-2025	Q2-2025	Q3-2025	Q4-2025	Q1-2026
Change (%)	Goods	70.7	2.7	1.4	-1.2	-1.0	-1.0
	Services	29.3	0.8	-2.1	-1.7	-0.3	1.3
Contributions (in % points)	Goods	70.7	1.7	0.9	-0.8	-0.7	-0.6
	Services	29.3	0.3	-0.7	-0.6	-0.1	0.4
	Total	**100**	**2.0**	**0.2**	**-1.4**	**-0.8**	**-0.2**

Sources: National Statistics Institutes, BCEAO

Table A.6: Differences between forecast and actual inflation rates in WAEMU

	Q4-2024	**Q1-2025**	**Q2-2025**	**Q3-2025**	**Q4-2025**	**Q1-2026**
Forecast date	**October 2024**	**January 2025**	**April 2025**	**July 2025**	**January 2026**	**April 2026**
Actual, as a % (A)	2.9	2.0	0.2	-1.4	-0.8	-0.2
Forecast, as a % (B)	3.5	2.6	2.6	0.7	-0.4	0.2
Difference in % points (A-B)	-0.6	-0.6	-2.4	-2.1	-0.4	-0.4

Sources: National Statistics Institutes, BCEAO