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CENTRAL AFRICAN ECONOMIC AND MONETARY COMMUNITY (CEMAC)

July 2025

COMMON POLICIES IN SUPPORT OF MEMBER COUNTRIES REFORM PROGRAMS—STAFF REPORT AND STATEMENT BY THE EXECUTIVE DIRECTOR

In the context of the common policies in support of member countries reform programs, the following documents have been released and are included in this package:

- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on June 26, 2025, following discussions with regional institutions that ended on May 19, 2025. Based on information available at the time of these discussions, the staff report was completed on June 13, 2025.
- A **Statement by the Executive Director**.

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CENTRAL AFRICAN ECONOMIC AND MONETARY COMMUNITY (CEMAC)

STAFF REPORT ON THE COMMON POLICIES IN SUPPORT OF MEMBER COUNTRIES REFORM PROGRAMS

June 13, 2025

EXECUTIVE SUMMARY

Context and risks. The CEMAC economy gained some momentum in 2024, and inflation continued to ease while still above the regional converge criterion. The external position weakened further, with the current account deficit rising and the reserve coverage stagnating. Preliminary data on fiscal outturns suggest a worsening fiscal position, reflecting large fiscal slippages. An extraordinary Conference of CEMAC Heads of State (HoS) took place in December 2024. HoS reaffirmed their political commitment to a consistent and coordinated regional strategy to preserve fiscal sustainability, financial sector stability, and to strengthen CEMAC's external position. Under the baseline, the external position is expected to progressively weaken over the medium term. Without decisive corrective actions—i.e., a stronger fiscal consolidation in some member countries—the reserve coverage could fall below 4 months of prospective import by 2027, far under the assessed adequate level (5 months). Post-election economic plans for a more sustainable policy mix, in line with HoS commitments and prospective IMF-supported arrangements, could steer the region towards a resilient outlook and stabilize (if not increase) the current reserve coverage, while strengthening the fiscal position. The baseline excludes these anticipated corrective actions pending their full definition, scope, and implementation plan. Both outlooks (baseline and resilient) are subject to high uncertainty and elevated risks, notably related to debt rollover, tightening financing conditions and sovereign debt distress.

Policy Recommendations:

- *Fiscal policy*. Strong correctives measures are required to address persistent fiscal slippages and restore fiscal buffers, with all member states needing to continue efforts to enhance non-hydrocarbon tax revenue collection and improve spending efficiency. Implementing the renewed regional coordination strategy is of utmost importance to address fiscal imbalances and safeguard the region's external stability. Prioritizing measures to better cope with tightening financing conditions (both external and domestic) include improving cash management, enhancing regional

- coordination, and seeking external support with a view to reducing borrowing costs and diversifying funding sources.

- *Monetary policy*. Staff advised maintaining a data-dependent monetary policy stance and refraining from premature further loosening. It recommended keeping the policy rate unchanged at its current level (4.5 percent). In the near term, BEAC should continue its regular refinancing operations to mitigate growing liquidity pressures faced by banks and ensure effective transmission of monetary policy, while remaining vigilant about both price and external stability. Additionally, the central bank should maintain efforts to address fragmentation within the banking system.

- *Financial sector policy*. Priority actions include strengthening COBAC's supervisory capacity; drafting a comprehensive overhaul of the CEMAC banking legislation; implementing decisive measures to mitigate risks associated with the sovereign-bank nexus; strictly enforcing regulations for non-compliant banks; addressing liquidity-stressed institutions; avoiding further delays in government-led bank recapitalization where necessary and triggering the resolution of non-viable banks; and monitoring emerging risks from new digital payments.

- *Regional strategy*. Staff urged the CEMAC Commission to accelerate efforts to implement a robust sanction mechanism for surveillance rule breaches, as well as advancing the key prerequisites for enhancing compliance with the regional convergence criteria. Staff also encouraged the CEMAC Commission, BEAC, and the PREF-CEMAC Secretariat to develop a common perspective to the proposed multilateral stabilization fund, potentially funded by hydrocarbon windfalls. Addressing data quality issues is crucial for accurate regional statistics, including financial and monetary statistics.

Approved By
Vitaliy Kramarenko (AFR) and Bergljot Barkbu (SPR)

Discussions were held in-person during May 5–8, 2025, in Libreville (Gabon), and May 9–19, 2025 in Yaoundé (Cameroon). The Staff team comprised Ms. Verdier (head), Messrs. Bizimana, Nguyen-Duong and Ms. Tiedemann (all AFR); Mr. Sangare (MCM); and Mr. Barry (SPR). It was assisted by Messrs. Gomez and Orav (Resident Representative in Gabon and Cameroon, respectively), and Messrs. Nzebi and Ambassa (local economists in Gabon and Cameroon, respectively). Ms. Kiswendsida Tougouma (AFR) supported the mission from headquarters. Mr. Nguema Affane (OED) participated in the meetings. The mission held discussions with Mr. Yvon Sana Bangui, Governor of the Central Bank of Central African States (BEAC) and Chairman of the banking commission (COBAC); Mr. Baltasar Engonga Edjo, President of the CEMAC Commission; Mr. Mahamat Djibrine Souleymane, General Director of Research, Finance and International Relations of BEAC; Mr. Patricia Danielle Manon Deputy Secretary General of COBAC; Ms. Jacqueline Adiaba, Head of the capital markets regulator (COSUMAF); senior officials of BEAC, the CEMAC Commission, COBAC, the Permanent Secretary of CEMAC's Economic and financial Reforms Program (PREF-CEMAC); as well as with representatives of the banking sector. This report was prepared with Ms. Adjahouinou's assistance. This is a staff report on common policies in support of CEMAC member countries' IMF-supported programs. Throughout the report, the term "authorities" refers to regional institutions responsible for common policies in the currency union. CEMAC covers six countries: Cameroon, Chad, Congo, Gabon, Equatorial Guinea, and Central African Republic.

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CONTEXT AND RECENT DEVELOPMENTS

A. Context

1. The CEMAC economy showed some momentum in 2024 but widening fiscal and external imbalances present a risk to the medium-term outlook. The external position deteriorated, but gross foreign reserves remained constant at around 4.3 months of prospective imports—still below adequate levels (5 months). Preliminary data suggest that NFA has been steadily increasing between December 2024 and March 2025. Inflation eased but remained above the regional convergence criterion. Tightening financing conditions (both external and domestic) could disrupt fiscal execution, drag on activity, and potentially lead to arrears accumulations, debt servicing incidents and solvency issues, including in the banking sector. Persistent fiscal slippages and reform delays in some member states risk hampering progress toward greater economic diversification, poverty reduction, and resilience. Strong corrective measures, a well-calibrated policy mix, and strengthened prudential supervision at both the regional and national levels are essential to safeguard macroeconomic and financial stability.

2. Fund support to CEMAC countries and regional institutions continues. The IMF's Executive Board concluded Cameroon's seventh reviews under the Extended Fund Facility (EFF) and the Extended Credit Facility (ECF) arrangements as well as the second review under the Resilient and Sustainability Facility (RSF) arrangement in March 2025. Cameroon's last reviews (ECF/EFF and RSF) are expected to conclude in mid-2025. The IMF's Executive Board concluded Congo's sixth and final review under the ECF arrangement in March 2025. The Central African Republic (C.A.R.) is expected to conclude the combined third and fourth review under its ECF arrangement in June 2025. Staff-level agreement for a new ECF arrangement with Chad was reached in May 2025. Gabon has expressed its interest in renewed engagement with the Fund. IMF Management approved a 12-month Staff Monitored Program (SMP) with Equatorial Guinea in June 2024, and discussions for the combined first and second reviews are ongoing. This SMP lays the ground to rebuild a track record of policy implementation, serving as a steppingstone to a potential Fund-supported financing arrangement.

3. During the December 2024 extraordinary CEMAC HoS meeting, member states reaffirmed their high-level political commitment to a consistent and coordinated regional strategy to preserve fiscal sustainability and financial sector stability, and to strengthen CEMAC's external position. HoS committed to continue fiscal consolidation efforts, with prudent debt policy and favoring concessional financing. They also reiterated their commitment to the full and inclusive enforcement of the FX regulation, emphasizing the prompt repatriations by all economic agents and the signing of escrow account agreements for the domiciliation of funds for the restoration of oil and mining sites (RES funds). They reaffirmed their commitment to the independence and capacity building of BEAC, COBAC and all other regional institutions. HoS also called for strengthening the multilateral surveillance framework through the implementation of an early warning mechanism for macroeconomic imbalances, the establishment of sanctions for violations of surveillance rules, and the systematic development and implementation of Triennial

Convergence Plans. They committed to and called on regional institutions to take decisive actions to better shield banks from sovereign risk exposure. Finally, HoS urged member countries with existing IMF-supported arrangements to finalize reviews, and those without, to swiftly conclude new agreements to increase IMF and partner support.

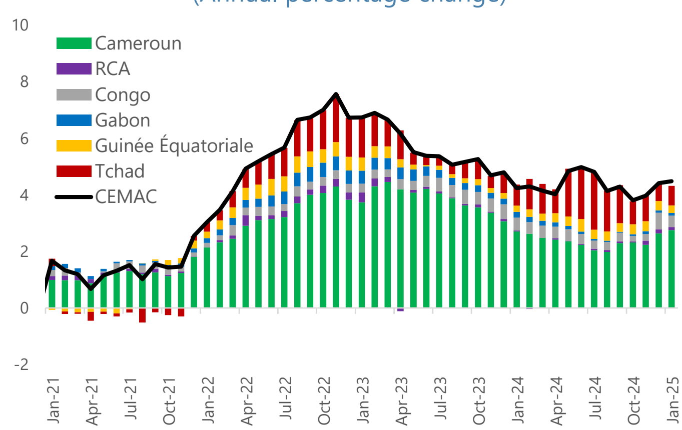
B. Recent Developments

4. **CEMAC's real GDP growth is estimated to have reached approximately 3.3 percent in 2024, with strong contributions from both the hydrocarbon and the tertiary sectors, as well as robust public demand**. In 2024, CEMAC's oil and non-oil real GDP are estimated to have grown by 0.9 percent and 3.6 percent, respectively, up from -0.6 percent and 2.7 percent in 2023. Gabon's high public spending significantly boosted non-oil GDP, which rose from 1.7 percent in 2023 to 3.6 percent in 2024. Similarly, Cameroon's tertiary sector saw robust growth, increasing from 4.0 percent in 2023 to 4.7 percent in 2024, primarily driven by trade services. Equatorial Guinea's oil production rebounded in 2024, with an estimated growth of approximately 2.8 percent, reversing the substantial decline observed in 2023 (around 15 percent).

5. **After peaking in the first half of 2023, inflation decelerated to 4.2 percent y/y in December 2024.** Food inflation (44 percent of the basket) surged to 6.4 percent y/y in December 2024, up from 4.6 percent the previous year, contributing 2.5 percentage points to headline inflation. This increase, which began in the summer, accelerated sharply towards year-end. Although transport cost inflation decreased to 9.9 percent y/y from 14.6 percent between December 2023 and 2024, it remained high, contributing 1.0 percentage point to headline inflation, reflecting, notably, the gradual removal of fuel subsidies in Cameroon and fuel price increases in Congo and Chad.

Text Figure 1. CEMAC: Headline Inflation

(Annual percentage change)



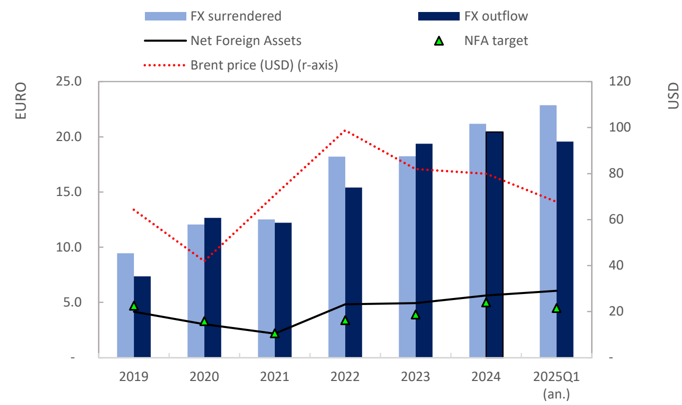
Sources: Regional and national authorities; IMF Staff calculations.

6. **Preliminary data suggest a further deterioration of the current account (CA) and a stable reserve coverage in 2024.** The CA deficit widened to 0.9 percent of GDP in 2024 against 0.6 percent of GDP in 2023, mainly due to lower hydrocarbon exports partly driven by lower oil prices. The reserve coverage remained unchanged, at 4.3 months of prospective imports, still below the assessed adequate level for the region (5 months). NFA rebounded from their downward trend in the last two months of 2024, reaching a 3-month average of EUR 5.02 billion in December 2024,

just above the target of EUR 5 billion endorsed by the IMF Executive Board in June 2024 (Text Figure 2). The surge in NFA was partially driven by the disbursement of a US$500 million loan in Chad in November, a higher yield on BEAC's reverses, and a good cocoa season in Cameroon—cocoa prices increased by about 60 percent between September and December 2024. NFA continued to increase in 2025Q1 primarily due to Gabon's issuance of a US$570 million Eurobond in February and a significant increase in FX surrendered particularly from the extractive industry (66.4 percent higher compared to the same period in 2024) as the end-April deadline for the industry to comply with FX regulations approached.

Text Figure 2. CEMAC: FX Surrendered to BEAC

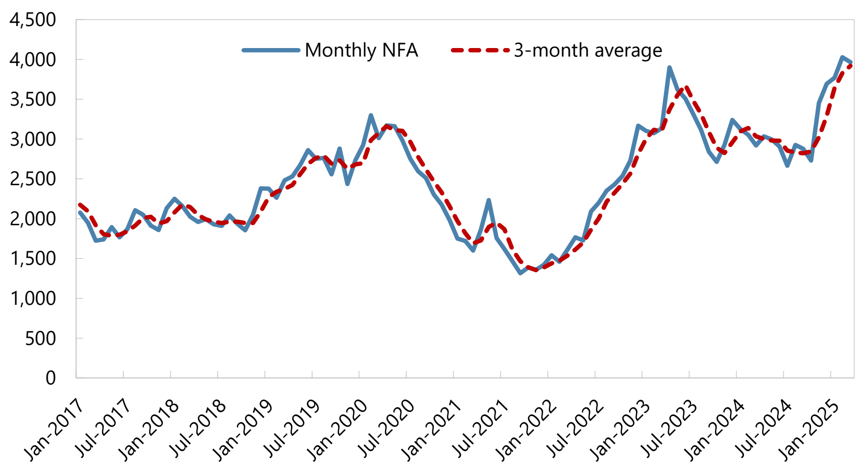
(EUR Billion)



Sources: BEAC and IMF staff calculations.

Text Figure 3. CEMAC Regional Monthly NFA, 2017–25

(Billions of CFA francs)



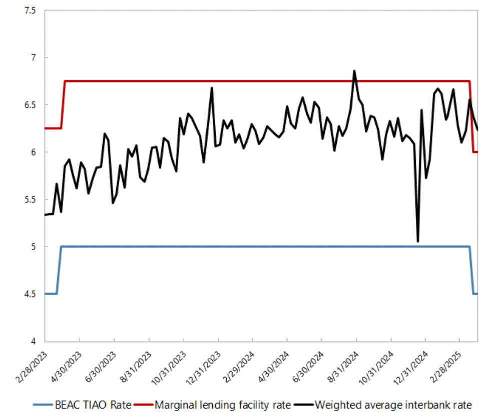
Note: Starting in June 2022, projections underpinning regional policy assurances incorporate FOGADAC Adjustment.
Sources: BEAC and IMF Staff calculations.

7. The monetary policy stance has been broadly consistent with BEAC's inflation and external position objectives, whereas progress on fiscal consolidation has been mixed at the country level.

- ***Monetary policy was eased at the March 2025 meeting with a 50-basis-point reduction in the main policy rate (TIAO), bringing it to 4.5 percent.*** The monetary policy committee attributed the decision to a continued projected decline in inflation and an improvement in the external position. BEAC's policy action diverged from staff's prior recommendation to hold the policy rate steady. Staff estimates suggest that the previous monetary policy stance was broadly neutral at the previous level of the policy rate, with the real interest rate close to its neutral rate (estimated at around 1 percent), though with a slight tightening bias. This shift toward a slightly accommodative stance follows a period of unchanged policy rate—maintained at 5 percent—characterized by a tightening bias. The previous stance was justified by the somewhat slow return to the 3 percent inflation convergence criterion and the need to support the build-up of international reserves. The marginal lending facility rate was reduced by 75 basis points to 6 percent, narrowing the interest rate corridor to 150 basis points from 175 basis points.

Text Figure 4. BEAC: Interest Rates

(Percent)

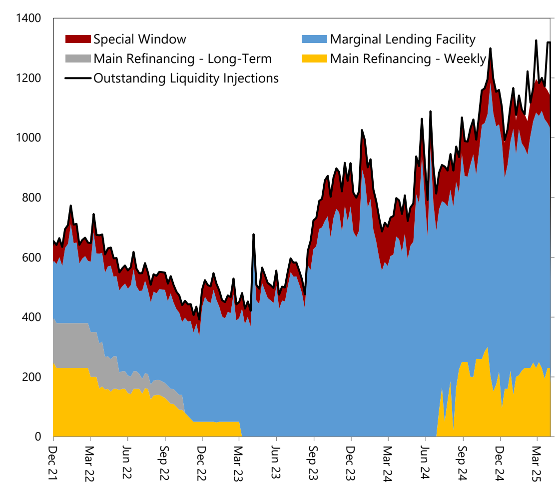


Sources: BEAC and IMF staff calculations.

- ***Banking liquidity pressures eased somewhat, thanks to the central bank's increased injections (Text Figure 4)***. Demand for liquidity at the main window has increased persistently since BEAC resumed its weekly injections in June 2024. In response, the central bank has progressively raised the amount of liquidity injected. The average weekly injection volume surged from approximately CFAF 40 billion in June 2024, to CFAF 200 billion by December 2024, and to CFAF 340 billion since the start of 2025. Consequently, the increased injection volume led to a decrease in the marginal interest rate of these operations to an average of around 5.1 percent in early 2025, down from about 5.5 percent in December 2024. The subscription rate also slightly declined to nearly 108 percent on average, down from 118 percent in December 2024. Meanwhile, recourse to the marginal lending facility remained elevated, amounting to about CFAF 943 billion at the end of November 2024, up from CFAF 708 billion in September 2024. This indicates that a large number of banks continue to face

Text Figure 5. BEAC: Monetary Policy Operations

(CFAF billion)



Sources: BEAC and IMF staff calculations.

liquidity needs. Overall, average outstanding liquidity injections rose to CFAF 1,236 billion in November 2024, up from about CFAF 1,055 billion in September 2024. The interbank market gained some momentum, with outstanding volume increasing to about CFAF 619 billion in December 2024, up from CFAF 558 billion in September 2024. Average interbank interest rates declined, hovering in the midpoint of the interest corridor (around 5.8 percent in December 2024, lower than in September 2024).

- ***Fiscal policy***. Preliminary 2024 fiscal data show that the overall fiscal outturn departed from budget plans, with CEMAC's overall balance (including grants) shifting from a 0.7 percent of GDP surplus in 2023 to a 1.5 percent deficit in 2024 (Text table 1). This reflected a 1.4 percentage point decrease in revenue and a 0.9 percentage point increase in primary spending. These aggregates conceal significant disparities across countries. The non-oil primary fiscal deficit widened slightly from 7.3 percent of non-oil GDP in 2023 to approximately 7.6 percent in 2024, primarily due to Gabon's increased fiscal deficit (-0.7 ppt of CEMAC's non-oil primary balance) and to a smaller extent Congo's (-0.1 ppt), which offset improvements in Cameroon and Chad (0.3 ppt each). Preliminary data suggest that CEMAC's public debt ratio has remained broadly unchanged at 52.6 percent of GDP, but the risks of debt distress continue to be high (Text Table 2).

8. Pressures in the regional government debt market remained acute in late 2024 and early 2025. Government debt issuance activity remained sizeable, reflecting high financing needs. However, securing financing continued to be challenging and costly for many countries, as evidenced in the sharp decline in average subscription rates for government securities, which fell to 43.5 percent by the end of October 2024, down from 80.4 percent a year earlier. Average yields on government bonds (OTA) and bills (BTA) also rose, reaching nearly 10 and 7 percent, respectively. These elevated yields partly reflect high discount rates (around 3 to 5 percent) applied to new issuances in some countries, notably Chad, Congo, and Gabon. Moreover, failed government debt auctions—rare before 2023—have become increasingly frequent, particularly in these three countries. These vulnerabilities have been further exacerbated by payment incidents in the government securities market[1] and a rise in supplier arrears. Adding to these challenges, CEMAC countries face a heavy debt repayment schedule in 2025–26. The mounting pressures have been particularly acute for Congo—which has the largest repayment obligations during this period—and prompted the authorities to undertake a debt reprofiling operation in October 2024 to extend the maturity of government securities.[2] However, this has created a significant maturity peak in 2025, likely to generate liquidity pressures in the regional debt market toward the end of the year. In addition, Gabon undertook a debt reprofiling operation in March 2025 (Box 1). Accessing international markets also remains costly for the region's governments. For instance, in February 2025, Gabon issued a US$570 million Eurobond with a 3.5-year maturity at a steep 12.7 percent yield, underscoring the high cost of external borrowing.[3]

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[1] These payment incidents were related to administrative delays.

[2] For further details, see Congo, Rep. of – 2024 – Staff Report and DSA for the Sixth Review under the Three-year ECF Arrangement.

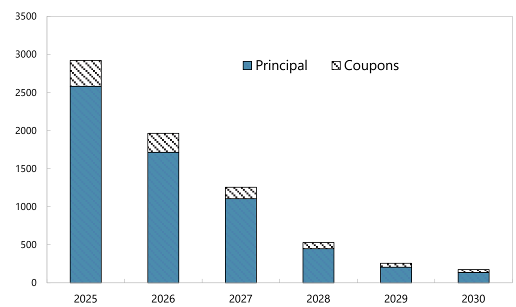
[3] Sovereign spreads for Cameroonian and Gabonese public debt in international markets have reached record highs, hovering around 950 basis points in early June 2025.

Box 1. Impact of Recent Debt Reprofiling Operations on the Regional Debt Market

Following the Republic of Congo in 2024, Gabon undertook a domestic debt reprofiling operation in March 2025 on the regional securities market, involving ten banks. The first component of the debt operation was a voluntary exchange of CFAF 204 billion of government securities to date, which resulted in an extension of the average maturity of securities from 2–3 years to 6 years. The Gabonese debt operation also included the securitization of bank claims (i.e., payment arrears) totaling CFAF 763 billion, with average maturities ranging from 2 to 9 years.

CEMAC: Government Securities Repayment Profile Before Reprofiling — Congo and Gabon

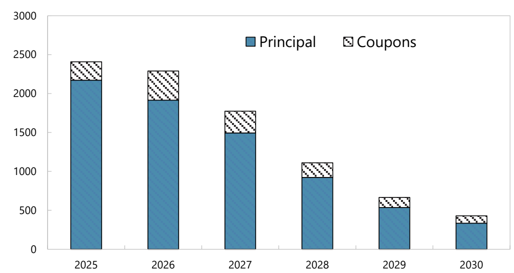
(CFAF billion; as of October 2024)



Sources: BEAC; IMF staff calculations.

CEMAC: Government Securities Repayment Profile After Reprofiling — Congo and Gabon

(CFAF billion; as of April 2025)



Sources: BEAC; IMF staff calculations.

Overall, the debt operations undertaken by Congo and Gabon have slightly reduced the total amount of debt repayments scheduled in 2025 across the CEMAC region —from approximately CFAF 2,920 billion to CFAF 2,409 billion. However, repayment obligations rise in 2026, from CFAF 1,963 billion to CFAF 2,290 billion, and in 2027, from CFAF 1,254 billion to CFAF 1,773 billion. This points to the persistence of liquidity pressures on the regional debt market over the next two years.

The information necessary to fully quantify the impact of the Gabonese reprofiling operation on securities holders (primarily banks) is not yet available. Nonetheless, available data suggest that the maturity extensions may exacerbate maturity mismatches on bank balance sheets and increase liquidity risk. On the other hand, the securitization component of the operation could potentially contribute to a reduction in non-performing loans and, consequently, lower the associated loan-loss provisioning.

9. **Banks' exposure to the sovereign remains excessively high**. Total exposure (loans and securities) increased from 10 percent at end-2015 to about 30 percent of total assets at end-2024. Several banks have exposure to CEMAC governments above 50 percent, creating substantial financial stability risks, including the potential for cross-country contagion and systemic vulnerabilities within banking groups. The surge in public sector credit also raises concerns about crowding out private sector lending. The growing sovereign exposure is further compounded by a notable lengthening of securities' maturities, shifting from short-term treasury bills to long-term bonds, exacerbating maturity mismatch risks given the predominance of sight deposits in banks' liabilities. These risks are exacerbated by the limited liquidity of the government securities, attributed to the lack of a robust secondary market.

10. **Overall, the financial system remains vulnerable** (Text Table 3). The latest financial soundness indicators (FSI) made available to staff correspond to end-2023. Capital adequacy declined

from 14.6 to 11.8 percent of risk weighted assets between 2022 and 2023. Several banks are severely undercapitalized or insolvent. However, preliminary data provided by COBAC suggest an improvement in the capital adequacy ratio in 2024, driven by recent restructuring and recapitalization efforts undertaken in the region. Overall, 60 percent of banks had sufficient capital to comply with all prudential requirements at end-2024. Nonperforming loans (NPL) remained high at 15.7 percent at end-2023, due notably to the accumulation of domestic arrears from the public sector. Recent data show some signs of stabilization in NPLs in 2024. Although the short-term liquidity ratio is satisfactory at 176.4 percent as of end-2023, COBAC's current liquidity metric may underestimate the liquidity risk and liquidity is segmented, with several banks below 100 percent. Banks' total assets grew by 11.6 percent year-on-year in 2023Q4 albeit decelerating from 2023Q2, driven by slowing deposit mobilization. The banks' loan portfolio grew annually by 8.3 percent during the last quarter of 2023.

Text Table 1. CEMAC: Fiscal Balance and Non-Oil Fiscal Balance, 2023–24

	2023			2024		
	Overall fiscal balance (including grants) Percent of GDP	Non-oil fiscal primary balance (including grants) Percent of non-oil GDP	Reference fiscal balance[1] Percent of GDP	Overall fiscal balance (including grants) Percent of GDP	Non-oil fiscal primary balance (including grants) Percent of non-oil GDP	Reference fiscal balance[1] Percent of GDP
Cameroon	-0.6	-2.6	-1.6	-1.5	-2.5	-1.4
Central African Republic	-3.4	-2.9	-3.4	-5.0	-4.1	-5.0
Chad	-1.3	-11.7	-4.7	-2.1	-10.4	-3.1
Congo, Republic of	5.8	-8.4	2.8	2.6	-9.0	3.0
Equatorial Guinea	2.4	-17.9	-3.8	-0.6	-16.8	-0.7
Gabon	1.8	-10.5	-3.7	-3.8	-15.8	-6.0
CEMAC	**0.7**	**-7.3**	**-**	**-1.5**	**-7.6**	**-**

Sources: National and regional authorities; IMF staff estimates.

[1] The reference fiscal balance (i.e. the overall budget balance minus 20 percent of oil revenue and minus 80 percent of the oil revenue in excess of the average observed during the 3 previous years) must exceed -1.5 percent of GDP. It corresponds to the regional fiscal rule.

Text Table 2. CEMAC: Debt Sustainability Analysis Rating

		Overall risk of stress[1]	Risk of external debt distress	Granularity in risk rating
Cameroon[2]	2025	High	High	Sustainable
CAR[2]	2024	High	High	Sustainable
Chad[2]	2024	High	High	Sustainable
Republic of Congo[2,3]	2025	in debt distress	in debt distress	Sustainable
Equatorial Guinea[4]	2024	Moderate	N/A	N/A
Gabon [4]	2024	High	N/A	N/A

Source: IMF staff estimates.

Note: Risk levels follows latest published SR.

[1] Overall risk of debt stress displayed for Camerron, CAR and Chad from the Low Income Country (LIC) DSA framework. Overall risk of stress displayed for Equatorial Guinea and Gabon from the Market Access Country (MAC) Sovereign Risk and Debt Sustainability framework. The MAC SRDSF framework does not rate *risk of external debt distress* or *granularity in risk.*

[2] Cameroon's DSA was published in March 2025, SR 25/71. CAR's DSA was published in June 2024, SR 24/198. Chad's DSA was published in December 2024, SR 24/335. Republic of Congo's DSA was last published in March 2025, SR 25/75.

[3] The assessment of debt distress stems from weaknesses in debt management, leading to temporary external arrears and uncertainty regarding domestic debt due to ongoing audits. However, legacy external arrears to bilateral and commercial creditors, excluding disputed debts and pre-HIPC claims, have been resolved by the time of the fifth review of the ECF

[4] Risk assessment in Eq Guinea dates from February 2024, SR 24/25. Risk assesment in Gabon dates from May 2024, SR 24/120.

Text Table 3. CEMAC: Financial Soundness Indicators for the Banking Sector, 2017–23

(Percent)

	2017	2018	2019	2020	2021	2022	2023 Q2	2023 Q4
Capital								
Regulatory capital to risk-weighted assets[1]	16.1	16.5	13.4	13.2	14.1	14.6	14.1	11.8
Tier 1 capital to assets (leverage)	8.2	7.8	6.5	6.7	6.7	7.2	6.5	5.7
Total assets (growth)	-3.0	6.1	5.1	7.6	19.5	10.5	20.4	11.6
Asset quality								
Non-performing loans (gross) to total loans (gross)	15.7	19.3	19.3	19.2	18.5	17.7	19.1	15.7
Provisions to nonperforming loans	61.2	56.9	58.9	62.8	63.6	62.7	58.5	34.9
Earnings and profitability								
Return on equity	10.0	9.8	8.9	6.0	12.7		16.9	16.1
Return on assets	1.6	1.7	1.6	1.0	2.2		2.3	2.2
Liquidity								
Ratio of liquid assets to short-term liabilities	158.2	163.5	147.2	167.2	171.0	174.6	188.3	176.4
Total deposits to total (noninterbank) loans	102.0	104.6	113.7	115.8	116.1	131.3	138.2	132.9
Liquid assets to total assets	26.2	27.0	25.1	27.7	27.0	30.7	32.1	29.8
Credit								
Gross loan (banks' book) - bn FCFA	8768	9038	8727	9377	10433	11059	11480	11974
Gross loan - annualized (growth)	-2.5	3.1	-3.4	7.4	11.3	6.0	8.7	8.3
Other								
Foreign-currency-denominated loans to total loans	3.0	2.1	0.8	0.5	0.3	0.2	0.2	0.05
Foreign-currency-denominated liabilities to total liabilities						5.4	6.8	6.5

Source: Banking Commission of Central Africa (COBAC).

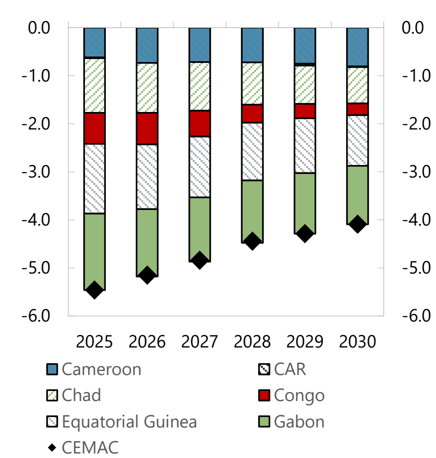
[1] Calculated according to the Basel I guidance.

OUTLOOK AND RISKS

11. **Under the baseline, the medium-term macroeconomic environment is expected to somewhat improve, provided reforms continue and the fiscal position strengthens**. The outlook incorporates recent global developments, including reduced official development assistance (ODA), new U.S. tariffs, and declining commodity prices. Lower hydrocarbon prices are projected to negatively impact CEMAC's external position, and the U.S. dollar depreciation is expected to diminish oil revenue in local currency terms, straining budget execution.[4] Reduced ODA and U.S. tariffs are expected to have a moderate impact on CEMAC's macroeconomic outlook. Real GDP growth is expected to decline slightly to 2.6 percent in 2025 (2.9 percent for the non-

Text Figure 6. CEMAC: Non-Hydrocarbon Primary Balance (payment order basis, incl. grants)

(Percentage points of CEMAC GDP)

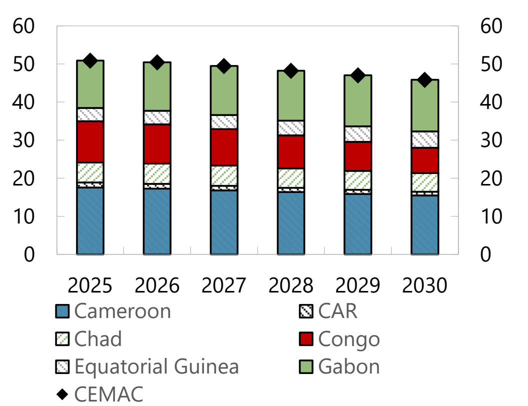


Sources: National authorities; IMF staff projections.

[4] Relative to the previous Country Report (No. 2025/064).

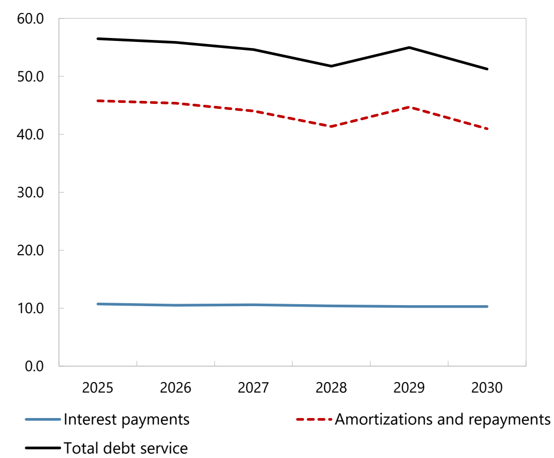
oil sector) due to a sharp contraction in Equatorial Guinea's hydrocarbon sector, and then gradually increase to reach 3.8 percent by 2030 (4.3 percent for the non-oil sector). Average inflation is projected to decrease and settle at the regional convergence criterion (3 percent) in 2026. The degree of fiscal consolidation diverges greatly across the region but CEMAC's underlying fiscal position is expected to gradually improve with the non-hydrocarbon primary fiscal deficit improving from 5.6 percent of GDP in 2025 to 4.1 percent of GDP in 2030 (Text Figure 6). Consequently, CEMAC's debt burden is expected to improve over the medium term, with the public debt stock falling from 52.3 percent of GDP in 2025 to 45.9 percent of GDP in 2030 (Text Figure 7), and the debt service-to-revenue ratio decreasing from 56 percent to around 51 percent (Text Figure 8).

Text Figure 7. CEMAC: Total Public Debt
(Percent of CEMAC GDP)



Sources: Regional authorities; IMF staff projections.

Text Figure 8. CEMAC: Debt Service
(Percent of total revenue)

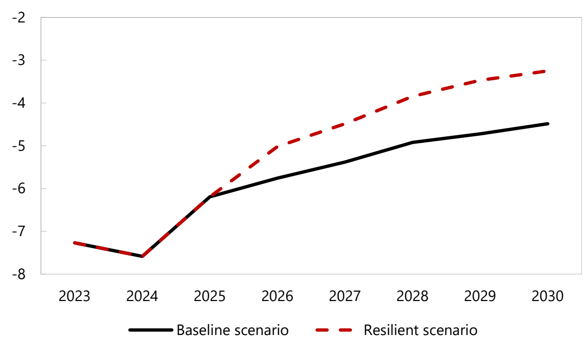


Sources: Regional authorities; IMF staff projections.

12. **However, under the baseline, the external position is expected to progressively weaken over the medium term**. The current account deficit is expected to deteriorate to 2. 1 percent of GDP in 2025 and to further widen to around 3.1 percent of GDP by 2030, driven by a continuous decrease in commodity prices mainly linked to hydrocarbon and lower cocoa beans prices. Absent corrective measures—i.e., a stronger fiscal consolidation in some member countries—the reserve coverage is projected to fall below 4 months of prospective import by 2028 and stabilize at 3.1 months of imports by 2030, far under the assessed adequate level (5 months). However, post-election economic plans for a more sustainable policy mix, coupled with the ongoing work following the HoS commitments and prospective IMF-supported arrangements, could steer the region towards a resilient outlook and stabilize (if not increase) the current reserve coverage, while strengthening the fiscal position (Text Figures 8, 9). HoS commitments are expected to foster countries' gradual fiscal consolidation and strengthen debt sustainability. Concurrently, IMF-supported programs would help anchor countries' medium-term fiscal plans and catalyze external financing. Together, these measures would help rebuild fiscal and external buffers. Under the resilient scenario, reserve coverage would stabilize around 4 months over the medium-term, higher than in the baseline, though still below adequate levels.

Text Figure 9. CEMAC: NOPFB Resilient vs Baseline Scenario

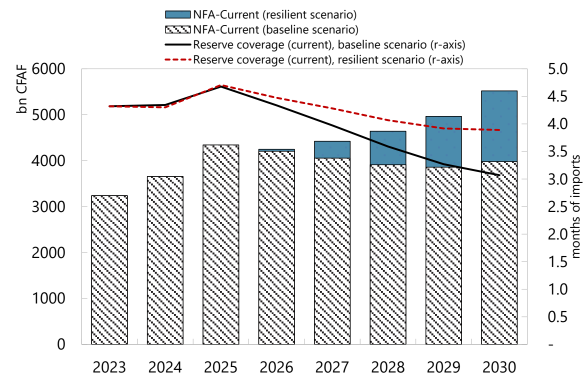
(Percent of non-oil GDP)



Sources: Regional authorities; IMF staff projections.

Text Figure 10. CEMAC: Projected Net Foreign Assets and Reserves Coverage

(Months of imports, CFAF billion)



Sources: Regional authorities; IMF staff projections.

13. This baseline outlook entails substantial downside risks stemming from the ability to sustain multiyear policy implementation to strengthen the fiscal and external positions, tighter financing conditions, structural reforms implementation, domestic conflicts and insecurity, climate-related events, and global economic developments.

- **Fiscal and external imbalances, and macroeconomic conditions**. Failure to maintain fiscal discipline and address ongoing fiscal slippages, coupled with a deviation from the established fiscal consolidation path, poses significant risks to macroeconomic stability. Low fiscal and external buffers amplify these risks, leaving member countries vulnerable to sharp economic downturns or shocks. Additional inflationary pressures and continued accumulation of arrears could also destabilize the economy. General elections in four CEMAC countries between 2025 and early 2026 pose a risk of higher than planned deficits, potentially financed through arrears.[5] On the upside, post-election periods may provide a window of opportunity to use freshly built political capital to intensify reform momentum. Furthermore, higher oil prices and greater FX repatriation resulting from enhanced compliance with FX regulations could strengthen fiscal and external positions, while also supporting reserve accumulation (though protracted delays on negotiations with the extractive industry could affect investor confidence).

- **Rollover risks and tighter financing conditions**. Reduced access to external resources, including ODA, combined with higher-for-longer global interest rates and term premia, could widen external imbalances, and trigger abrupt expenditure cuts and/or arrears accumulation. Within the near-saturated regional debt market, escalating liquidity tensions and funding needs would intensify rollover risks and amplify the sovereign-bank feedback loop. This could eventually precipitate a cascade of adverse effects: rising borrowing costs, partial or complete market access loss, increased reliance on short-term maturities (further entrenching liquidity pressures), and

[5] Many countries have general elections scheduled within the next 12 months: Cameroon (October 2025), C.A.R. (December 2025), Republic of Congo (early 2026). Presidential elections were held in Equatorial Guinea, Chad, and Gabon in November 2022, May 2024 and April 2025 respectively.

debt defaults. Moreover, financing external debt amortization through domestic borrowing would deplete liquidity in the regional debt market further, crowding out funding for both public expenditures and the private sector.

- **Sovereign debt distress**. The confluence of deteriorating financial conditions (both domestic and external) and pre-existing debt vulnerabilities increases risks of sovereign debt distress. Worsening market sentiment, rising interest rates and term premia, and reduced access to financing can increase debt burdens to unsustainable levels. This distress could manifest as debt defaults, urgent restructuring needs, arrears accumulation, or prolonged periods of fiscal austerity, ultimately hindering financial stability, economic growth, and development.

- **Humanitarian and security risks**. A further deterioration in the security environment would not only disrupt economic activity, resulting in declines in revenue collection, increased expenditure, and higher local inflation, but also lead to a deeper humanitarian crisis and worsening human development indicators in health and education. The anticipated USAID reductions introduce a significant vulnerability, potentially weakening food security infrastructure and support systems, thus increasing the likelihood of further instability and humanitarian crisis.

- **Setbacks in banking supervision and regulation.** Delays in increasing COBAC's resources would limit its ability to improve bank supervision and damage its credibility and performance. This would substantially increase the likelihood of bank failures, potentially triggering a severe contagion effect across the region. Despite relatively low financial inclusion, the economic impact on growth could be pronounced, disrupting both private and public sectors. This could also impose a fiscal burden. Furthermore, erosion of confidence would severely damage regional banking institutions and hinder capital market development, including the interbank market. Delays to the much-needed upgrade of the supervisory and regulatory framework would further exacerbate the likelihood of these risks and their consequences.

- **Sovereign-bank nexus**. Growing reliance on bank resources amplifies the sovereign-bank nexus. This intensifies banks' vulnerability, as their stability becomes inextricably linked to countries' fiscal health. Conversely, should banks encounter financial distress, governments may be compelled to step in, further escalating their own debt burden. This creates a dangerous feedback loop, as the weakness of one reinforces the weakness of the other, ultimately threatening growth and financial stability. The regional nature of the debt market exacerbates contagion risks across the CEMAC region, potentially leading to more systemic financial issues at the regional level.

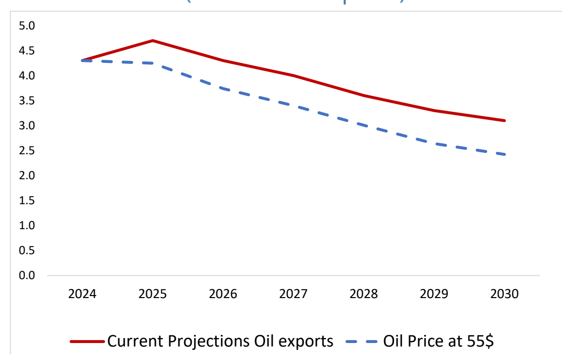
- **Extreme climate events.** The CEMAC region is particularly vulnerable to climate change due to its reliance on natural resources and its limited adaptive capacity. Increased frequency and intensity of extreme weather events, such as flood, droughts, and heatwaves, would reduce crop yields, increase food insecurity and food prices as well as potentially causing significant economic losses and exacerbating poverty, particularly in rural areas where many people rely on agriculture for their livelihoods.

- **Global macroeconomic outlook uncertainty**. Global supply and demand volatility, driven by factors such as conflicts, trade restrictions, OPEC+ decisions, energy policies, and the green transition, may fuel commodity price fluctuations, exacerbating external and fiscal imbalances, fostering social discontent, and destabilizing economic stability. A further drop in hydrocarbon prices would amplify these challenges. On the other hand, higher hydrocarbon prices would provide greater fiscal space.

14. In the long term, uncertainty on global demand for CEMAC commodity export and increased reliance on electricity could result in lower hydrocarbon demand and prices. In addition, the ability to maintain the current hydrocarbon production levels in CEMAC faces significant uncertainty in the medium and long term, mainly due to declining return on investment for future potential production sites. Lags in implementing structural reforms aiming at diversifying the economy would gradually dent long-term growth.

15. Commodity prices. An adverse shock to global commodity prices due to a sharp slowdown in global demand, coupled with the global transition to low-carbon economies, could lower demand for CEMAC exports, adversely affecting public finances, external stability, and social indicators. In an adverse scenario where oil prices drop to $55/bbl in 2025 and throughout the forecast horizon, reserve coverage would sharply fall to only 2.4 month of imports by 2030 (Text Figure 11).

Text Figure 11. CEMAC: Oil Price Shock Scenarios
(Months of imports)



Source: IMF staff projections.

16. Authorities' views. BEAC broadly concurred with staff projections, anticipating a likely deterioration of CEMAC's economic outlook due to projected lower oil prices. BEAC also agreed with staff on downside risks.

POLICY DISCUSSIONS

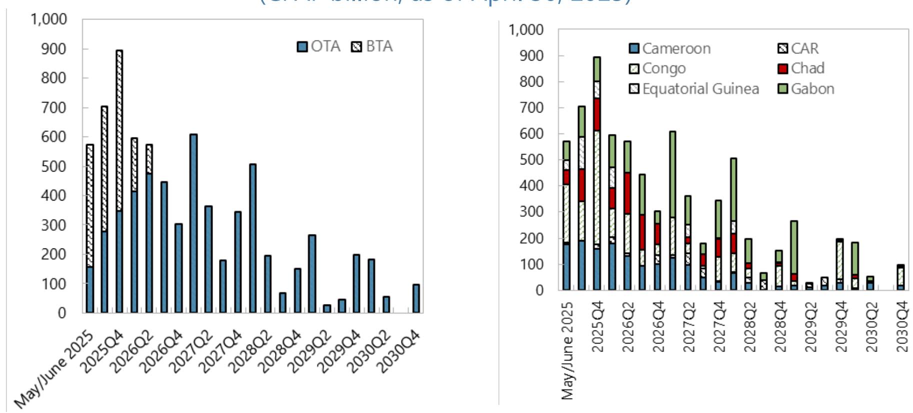
The mission urged regional authorities to advise national authorities to gradually adjust their fiscal stance to address fiscal and external imbalances as well as to rebuild buffers, particularly amid tightening financing conditions (both external and regional) and liquidity strains. Concurrently, it recommended that BEAC maintain its current monetary policy stance. The mission stressed the need to accelerate structural reforms to increase long-term inclusive and diversified growth, strengthen financial stability, and build resilience to dampen the damaging boom-and-bust cycles triggered by hydrocarbon price volatility.

A. Coping with Elevated Tightening Financing Conditions

17. Staff estimated CEMAC's public gross financing needs at around 9.1 percent of GDP in 2025 (Text Figure 12; Text Table 4). This corresponds to about 17.9 percent of CEMAC public debt. Debt servicing is estimated at 9.7 percent of CEMAC GDP, including EUR 3.5 billion of CEMAC's external liabilities (excluding IMF). Repayments of treasury bonds (OTA) and 52-week treasury bills (BTA) issued in 2024 are expected to peak in the last quarter of 2025 (about CFAF 1,200 billion).

Text Figure 12. CEMAC: Amortization Schedule for OTA and BTA, May/June 2025 to 2030Q4

(CFAF billion; as of April 30, 2025)



Sources: BEAC; IMF staff calculations.

Text Table 4. CEMAC: Projected Public Gross Financing Needs, 2025–30

	2025	2026	2027	2028	2029	2030
	(CFAF billion, unless otherwise specified)					
Gross financing needs	**7,173**	**7,800**	**8,088**	**7,931**	**9,143**	**8,985**
Gross financing needs (percent of CEMAC GDP)	*9.1*	*9.4*	*9.2*	*8.4*	*9.1*	*8.4*
Gross financing needs (percent of CEMAC public debt)	*17.9*	*18.6*	*18.5*	*17.5*	*19.4*	*18.4*
Primary deficit	-500	54	19	-168	-89	-117
Float and change in arrears	333	440	391	223	269	181
Debt services	7,339	7,306	7,678	7,876	8,963	8,922
Interest	1,444	1,435	1,541	1,615	1,698	1,818
Domestic	902	956	1,005	1,066	1,153	1,265
External	542	478	537	550	545	553
Amortization due	5,895	5,871	6,137	6,260	7,265	7,103
Domestic (incl. IMF)	4,132	4,398	4,450	4,575	4,978	4,968
External (excl. IMF)	1,762	1,473	1,687	1,685	2,287	2,135
External liabilities (excl. IMF)	2,304	1,951	2,223	2,235	2,832	2,688
External liabilities (excl. IMF, EUR billion)	*3.5*	*3.0*	*3.4*	*3.4*	*4.3*	*4.1*
External liabilities (excl. IMF, percent of CEMAC GDP)	*2.9*	*2.3*	*2.5*	*2.4*	*2.8*	*2.5*

Source: IMF Staff projections.

18. **Staff stressed that proactive and multifaceted measures from both regional and national authorities are needed to better cope with elevated funding pressures.** It indicated that tightening financing conditions (both global and domestic) constitutes a particularly significant risk for member countries, with additional liquidity shortages and higher funding costs potentially transforming into solvency issues. The mission indicated that addressing such challenges in the near- to short-term primarily involves fiscal measures. It also emphasized that regional institutions (BEAC, COBAC, and the CEMAC Commission) play a key role, including through coordinated efforts to accelerate the structural reform agenda (see sections C, D, and E) and sustaining precise and proactive support for national treasuries to help facilitate cash management. The mission recommended BEAC to advise national authorities on the following measures:

- **National authorities should continue pursuing fiscal consolidation efforts and improve regional fiscal coordination** (see Section B). Staff emphasized that fiscal policies would greatly benefit from being coordinated at the regional level and explicitly anchored over the medium term, including via multiyear programing. This would not only help reduce demand for funding, but also contribute to reducing fiscal and external imbalances. Regional coordination to access regional financing can also help increase the likelihood for a member country to effectively access regional financing and preventing potentially damaging one-off drains.

- **National authorities should prioritize efforts to strengthen cash management**. Staff encouraged the rapid development of improved cash flow forecasts, potentially along with capacity building. Enhancing coordination between revenue collection agencies, spending units, and debt management units can greatly improve forecast accuracy and predictability, which could help better cope with liquidity pressure. Staff reiterated that accelerating efforts to implement a Treasury Single Account (TSA) are key to enhance control and visibility over cash flow (see ¶25). Staff also emphasized that developing comprehensive scenario planning to proactively address cash flow volatility and prevent abrupt liquidity shortage (even temporary) can complement the cash management framework.

- **National authorities should prioritize efforts to diversify funding sources** with a view to decreasing borrowing costs, reducing overreliance on the regional debt market (and indirectly the banking system), and being anchored to a broader medium-term debt management strategy. This should be complemented by comprehensive debt management improvements, notably accurate and up-to-date recording of all public debt and contingent liabilities, including servicing. Increasing debt transparency can also foster debt sustainability and enhance investor confidence, which can help diversify funding sources and reduce borrowing cost.

- **National authorities should prioritize external support and seek concessional terms.** Specifically, HoS commitments to IMF-supported arrangements for all member countries, would provide country-specific frameworks for strengthening regional macroeconomic sustainability and effectively leveraging the IMF's catalytic role. Continued close collaboration with the World Bank is crucial, given its capacity to support reforms through concessional loans and grants. Staff encouraged authorities' efforts to rapidly fulfill the prerequisites for accessing those resources. Furthermore, bilateral assistance could be pursued, as direct financial support can offer tailored solutions to specific needs. However, staff stressed that meticulous attention to the financing terms and conditions is paramount with a view to containing debt burdens, preserving the medium- to long-term external position, upholding fiscal sustainability, and fostering medium- to long-term growth.

- **National and regional authorities should prepare, coordinate, and prioritize contingency measures considering the rapidly changing global environment and liquidity pressures in the regional debt market**. Planned responses should be appropriately tailored to the evolving circumstances and carefully calibrated to protect the region's medium- and long-term outlook. Should domestic and external financing conditions substantially tighten, or oil prices decline more sharply than projected, countries must be ready to accelerate fiscal consolidation. Recognizing liquidity constraints in the debt market and the limited scope for loosening prudential requirements, staff recommended that BEAC advise national authorities to substantially improve their debt management capacity. This includes the ability to implement operations to manage risks and costs associated with their existing debt portfolios if debt stress starts to materialize. BEAC's advice should be underpinned by thorough impact assessments, including on financial stability.

19. Authorities' Views

- **Debt market.** BEAC concurred with staff's assessment of increasingly tightening financing conditions faced by member countries, both domestically and externally. It highlighted the particularly acute pressures in the regional debt market, reflecting countries' heavy financing needs and underscored that the market's capacity to provide financing has a structural limit. However, it indicated that the regional debt market's investor base has expanded greatly in the past few years, though more can be done.

- **Refinancing needs.** BEAC acknowledged upcoming high amortization peaks for some member countries. It also indicated that countries should be proactive in their debt management, and favor early actions, well ahead of maturity peaks. BEAC emphasized that its current framework and tools (mainly maintaining strong and very frequent interactions with national treasuries to help navigate complex cash management challenges and advising member countries on managing their debt portfolio) are sufficient to weather the projected tensions. In addition, it has initiated exploratory discussions to enhance its range of solutions.

- **Policy stance.** BEAC indicated that the recent monetary loosening, coupled with the flexible calibration of liquidity injections at the main refinancing facility and fine-tuning operations, have provided some breathing room for the banking system. However, it noted that the lower TIAO has not yet fully transmitted to the regional debt market.

- **Capacity building**. BEAC noted that regional and national institutions would benefit from broad and coordinated efforts, supported by technical assistance, to significantly improve cash management.

B. Strengthening Fiscal Sustainability and Rebuilding Buffers

20. The mission emphasized the importance of continuing fiscal consolidation efforts and eliminating fiscal slippages. Staff reiterated that these remain the primary levers for addressing fiscal and external imbalances and building resilience against future shocks. Staff recommended anchoring fiscal policy within a medium-term public debt framework, utilizing the non-hydrocarbon primary balance (NHPB) or the regional convergence criterion on the fiscal balance as an operational target. Given the low fiscal and external buffers and rising borrowing costs, a sustained and frontloaded fiscal adjustment is crucial, particularly for countries already running high deficits (including off-budget spending). Frontloading would enhance the credibility of the adjustment plan, improve market sentiment, and ultimately reduce borrowing costs. While recognizing the need to protect critical social programs and investment spending as well as the potential for social tensions, staff underscored the need to accelerate the implementation of structural reforms to increase fiscal space.

21. Staff emphasized the critical need to bolster and diversify revenue streams, aiming to reduce reliance on hydrocarbon revenues, create fiscal space, and safeguard critical social and infrastructure spending against commodity price volatility. To this end, staff recommended modernizing tax policy and administration through the adoption of e-procedures and mobile tax payment platforms, which could yield substantial revenue gains. Furthermore, staff advocated for broadening the tax base by rationalizing tax incentive regimes, enhancing the progressivity of personal income taxation, improving governance frameworks for tax policy formulation, and reinforcing taxing rights over multinational income.[6] The mission also emphasized the importance of the timely endorsement and swift implementation of new regional tax directives—encompassing tax procedure codes, income tax, tax expenditure management, and customs procedures—along with the expeditious adoption of the new VAT directive by member states in collaboration with the CEMAC Commission, as pivotal measures for enhancing revenue mobilization.[7] Finally, staff highlighted the necessity of bolstering tax administration capacity, including in international taxation, developing a comprehensive regional domestic revenue mobilization strategy, and addressing staffing constraints at the CEMAC Commission to effectively combat tax and customs fraud.

22. Staff stressed the importance of enhancing tax compliance risk management within the extractive sector. To this end, staff reiterated its advice to focus on a multi-pronged approach encompassing: (i) implementing standardized customs processing for extractive industry inputs and outputs, aligned with the CEMAC Extractive Industry Customs Procedures Guide; (ii) establishing specialized tax administration units with access to comprehensive third-party information and the capacity to conduct independent audits of multinational enterprises; (iii) expediting the digitalization of tax and customs procedures for extractive sector entities and their suppliers; (iv) fostering systematic information exchange among tax and customs administrations, relevant ministries, and state-owned enterprises (SOEs); (v) strengthening risk analysis frameworks and implementing targeted compliance improvement plans; and (vi) bolstering transparency and strengthening control oversight in the extractive industries, including SOEs and their suppliers, to ensure robust tax compliance.

23. Staff underscored the necessity to enhance public expenditure efficiency to unlock fiscal space. Staff reiterated its recommendation to continue efforts to phase out inefficient subsidies, while simultaneously establishing targeted social safety nets to protect vulnerable populations. Staff identified several key areas for potential expenditure savings: (i) eliminating unwarranted reliance on emergency spending procedures and off-budget expenditures to reinforce accountability, transparency, and budget credibility; (ii) rationalizing expenditure, including the wage bill, non-priority recurrent spending, and transfers to SOEs; (iii) strengthening the monitoring of fiscal risks associated with SOEs through the systematic production of fiscal risk statements with dedicated SOE sections; (iv) addressing the root causes of SOE financial vulnerabilities to reduce budgetary transfers; and (v) conducting or updating Public Investment Management Assessments (PIMAs),

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[6] Boosting alternative revenue streams could enable reductions in the high level of the common external tariff, currently averaging 18.3 percent in 2023 (World Tariff Profiles 2023).

[7] Regional tax directives necessitate transposition into national law. This legal incorporation is crucial for their effective implementation and enforcement across member states.

potentially incorporating the Climate Change Assessment module, and expediting the implementation of PIMA recommendations.

24. Staff emphasized the critical need to improve governments' Medium-Term Debt Strategy (MTDS) to mitigate risks and strengthen long-term fiscal sustainability. Staff underscored that this would help better guide debt management decisions and operations by linking borrowing with macroeconomic policies and conditions. As of May 2024, only Cameroon had published a full-fledged MTDS (in 2020, covering the period 2021–23). Furthermore, staff urged all CEMAC countries to enhance debt transparency, particularly concerning non-guaranteed debt of SOEs, and to refrain from engaging in collateralized debt arrangements, especially those secured by natural resources.

25. Staff urged countries to implement comprehensive strategies for both the prevention and clearance of arrears. This imperative is heightened by the recent identification of substantial new payment arrears in several countries, raising concerns about fiscal and public debt sustainability. To prevent the recurrence of arrears, staff recommended: (i) strengthening fiscal discipline by aligning expenditure commitment plans with cash flow forecasts and procurement plans; and (ii) enhancing the transparency and monitoring of arrears through the continuous tracking of expenditures, the inclusion of arrears stock data in fiscal reports, and the reinforcement of internal control mechanisms. Specifically, staff emphasized the necessity of recording all expenditures in the Integrated Financial Management Information System at the liquidation stage, where arrears typically originate.

26. Staff emphasized the critical importance of accelerating the deployment of the TSA. Staff urged BEAC to prioritize the resolution of outstanding technical issues hindering the implementation of its IT platform for the TSA, which has experienced repeated delays. Despite revised timelines, the platform remains non-operational in the two pilot countries, Cameroon and Gabon. Addressing these technical impediments is essential to facilitate the platform's launch in the pilot sites and enable the gradual transfer of treasury account balances from commercial banks to the TSA at the BEAC. The scheduled final testing phase is now expected to take place by end-December 2025.

C. Enhancing Monetary Policy Transmission and Maintaining Vigilance over Price and External Stability

27. Staff recommended maintaining a data-dependent monetary policy stance and refraining from premature further loosening. While staff took note of the March 2025 policy action, which diverged from its previous recommendation, it advised keeping the policy rate unchanged at its current level (4.5 percent). Staff acknowledged that heightened risks to the outlook and unexpectedly persistent liquidity pressures in the banking system could warrant maintaining a slightly accommodative policy stance. Still, staff also recommended that BEAC remain vigilant and avoid further rate cuts until there is clear evidence of inflation sustainably declining toward the regional convergence criterion of 3 percent and risks to external stability have subsided. Continued vigilance is warranted given the uncertainty surrounding the inflation trend and the weak underlying trajectory of reserve accumulation. Upside risks to inflation remain significant, driven by the planned reduction in fuel subsidies (e.g., in Cameroon), potential second-round effects of past subsidy reforms and still-volatile global commodity prices. Additionally, while the resumption of main refinancing operations is expected to ease liquidity pressures, staff recommended that BEAC carefully monitor any potential unintended consequences, including adverse impacts on the functioning of the interbank market.

28. Authorities' views. BEAC indicated that the 50-basis point reduction in the TIAO was justified by improvements in both price and external stability. The central bank reiterated that headline (and core) inflation has been declining since the second half of 2024 and is expected to fall below the regional convergence criterion of 3 percent towards the end-2025. While noting that reserve coverage has been rising to a more comfortable level, the authorities acknowledged that it is difficult to determine at this stage whether this improvement reflects a structural reversal of the downward trend or transient factors. It indicated that the weight of external stability in its monetary policy reaction function is relatively small given the minimal impact of the policy rate on capital flows, owing to imperfect capital mobility and the region's limited attractiveness. Moreover, BEAC highlighted that the steeper cut to the marginal lending facility rate was aimed at easing the burden on banks heavily reliant on BEAC financing, in support of their adjustment efforts. Furthermore, BEAC noted that easing monetary policy could contribute to reducing pressures in the regional debt market, although it acknowledged that transmission is limited. Looking ahead, BEAC stressed that the recent policy action is not the beginning of a rate-cutting cycle. In particular, BEAC emphasized that it will remain vigilant to risks to price and external stability, staying data-dependent and ready to raise interest rates if needed as risks to price stability are still on the upside. Finally, regarding recent developments in the interbank market, BEAC explained the recent increase in average interest rates—despite the rate cut—as primarily driven by a limited number of banks with a high counterparty risk premium.

29. Staff underscored that the recent liquidity pressures within the CEMAC banking system warrant the continued use of liquidity injection operations. The growing reliance on the marginal lending facility, increased demand at the main lending facility, and the sustained decline in excess liquidity all indicate a significant tightening of monetary conditions, justifying the continuation of liquidity-providing operations. Staff recommended that BEAC maintain its weekly liquidity injections, at least at the current level of the TIAO, and persist in its efforts to reduce fragmentation within the banking system to ensure effective monetary policy transmission. Staff further advised that BEAC conduct its regular lending operations using a fixed-rate full allotment procedure, based on market and macroeconomic conditions, to enhance monetary policy transmission. Staff reiterated that BEAC, in collaboration with COBAC, should strictly enforce prudential regulations on concentration limits to prevent renewed liquidity injections from exacerbating banks' already excessive exposure to sovereign risk. In this regard, gradually moving away from the systematic zero-risk weighting of government securities is crucial. To address liquidity segmentation, staff urged BEAC to tackle weak banks more decisively and to strengthen supervision and capital adequacy to build confidence among banks. These actions should be complemented by efforts to encourage participation in the money market by the small number of inactive financial institutions.

30. Authorities' views. BEAC noted that liquidity pressures in the banking system have proven to be persistent. It concurred with staff that the continued increase in the volume of liquidity injections was warranted to alleviate these growing pressures. In particular, BEAC indicated that, given strong demand in the money market—evidenced by high subscription rates at the main refinancing operations—it has been providing liquidity to banks above the levels suggested by autonomous liquidity factors and has been conducting fine-tuning operations to address temporary liquidity shortages. In addition, BEAC noted that strong demand at the marginal lending facility is now mostly explained by liquidity-stressed banks, as they have been excluded from the main refinancing operations. Overall, the authorities indicated that pressures in the money market can be attributed to several factors, including high demand for credit from governments, maturity extensions in the public regional debt market, challenges in attracting deposits, collateral selection by certain counterparties in the interbank market, and arrears from some private-sector clients (reflecting government-related arrears). Finally, BEAC noted that a small number of banks, primarily subsidiaries of foreign financial institutions, still hold excess reserves and are not actively involved in the money market. BEAC indicated that it continues its dialogue with these banks, but this has been unsuccessful, as their behavior is dictated by their parent companies' credit risk policies.

31. Staff urged BEAC, in cooperation with COBAC, to maintain active engagement with banks facing high liquidity needs. It expressed concerns about the slow progress in addressing liquidity-stressed banks, noting that prolonged reliance on BEAC support increases the risk of structural dependency. Staff reiterated its recommendation for BEAC to tighten conditionality for structurally liquidity-stressed banks that absorb the bulk of its refinancing. This includes requesting credible refinancing plans and, in cases of continued non-compliance, considering resolution procedures in cooperation with COBAC. Staff also emphasized that resolving these banks' liquidity challenges depends on the governments' ability to secure sustainable financing to clear domestic arrears, which are a root cause of the liquidity stress.

32. Authorities' views. BEAC concurred with staff's advice and reiterated its commitment to continue engaging proactively with liquidity-stressed banks, in collaboration with COBAC, to ensure that they submit credible refinancing plans in a timely manner and are appropriately restructured or recapitalized if needed. Staff welcomed BEAC's ongoing efforts in this area, including the requirement for six structurally liquidity-dependent banks to submit financing plans. Five of these banks have already submitted their liquidity plans, with three of them having been forwarded to COBAC, in accordance with established procedures.

33. Staff renewed its recommendation for BEAC to continue mitigating risks to its balance sheet. In this context, staff reiterated the importance of adjusting collateral haircuts to reflect underlying risks and provisioning for potential losses. Staff also called on BEAC to (i) apply its collateral framework in line with the principle of risk equivalence, including differential haircuts; (ii) enforce reserve requirements without exemptions; (iii) implement its funding plan framework for banks that are excessively reliant on BEAC refinancing; and, if necessary, and (iv) utilize its emergency liquidity assistance framework, subject to strict conditionality and heightened supervisory oversight. Furthermore, staff renewed its advice for BEAC to closely monitor repayments of past statutory advances and the stock of bonds purchased during its COVID-related bond purchase program, which began maturing in 2022Q2. Staff welcomed the fact that two countries (Chad and C. A. R.) have proceeded with the repayment of the principal on the consolidated debt from past statutory advances, although it was made with a delay of about ten days, as the automatic debit could not be carried out on the due date due to insufficient funds. The mission also urged BEAC to maintain close monitoring of the upcoming repayments expected from the other countries, whose installments are scheduled on a quarterly basis throughout 2025. Finally, staff emphasized the need for BEAC to continue monitoring its exposure to the regional development bank (BDEAC).

34. Authorities' views. BEAC agreed with staff's recommendation to maintain its current approach of adjusting collateral haircuts to reflect associated risks and to set exposure limits by bank and/or country. It emphasized that haircuts are determined within the existing framework, which includes monitoring changes in CEMAC countries' credit ratings and the joint World Bank/IMF debt sustainability analysis. In particular, BEAC noted that the most recent update to haircuts, carried out in April 2025, incorporated recent changes in sovereign ratings and country risk factors.

35. Staff stressed the importance of intensifying efforts to improve the efficiency of FX regulation enforcement. To this end, staff called on BEAC to accelerate the processing of FX requests by notably reducing technical delays through sustained dialogue with banks and businesses, and by deploying additional resources as needed. Furthermore, staff encouraged BEAC to ensure a complete, efficient, consistent, and predictable application of FX regulations aligned with international best practices , particularly by strengthening compliance monitoring within the public and extractive sectors regarding FX repatriation and surrender requirements.[8] Staff reiterated the importance of enhancing BEAC's capacity to map FX accounts held abroad by governments, SOEs, and other public entities, potentially with support from the Bank for International Settlements, to ensure greater compliance with FX repatriation.

36. Staff noted the progress made in finalizing the negotiations on the repatriation of the funds dedicated to the rehabilitation of oil and mining sites (RES) and to continue discussions to resolve remaining issues. Discussions between the authorities and the extractive sector are ongoing, with no staff involvement. Staff continues to call for transparency and the publication of production sharing agreements and related documents governing natural resource wealth. In the absence of a final agreement and clarity on expected future flows, staff is unable to assess how the RES funds will impact the region's external position. However, in line with the BPM6 manual, funds that are encumbered will not be classified as reserve assets.

37. Authorities' views: The authorities concurred with staff's recommendations, acknowledging the necessity of enhanced FX regulation compliance, which has supported reserve accumulation and maintained the FX surrender rate above the 70 percent minimum. The implementation of e-transfers, e-tracking, and SWIFT scope, along with the oversight of banks' daily disclosures, is proving

[8] The repatriation and surrender requirement on export proceeds is a capital flow management measure (CFM) under the Fund's Institutional View. The stricter enforcement of this measure (since 2018) is a tightening of an outflow CFM, which continues to be appropriate for ensuring further external reserves build-up.

beneficial. To expedite the processing of FX transactions for extractive industry, BEAC reiterated that it has established a hotline and recruited new staff to handle FX transfer requests within 48 hours. It also continues to hold joint monthly meetings with banks and the extractive industry and shares the reasons for any denials. In response to private-sector complaints of months-long delays in the execution of some transfers (e.g., dividends), BEAC noted that these often stem from non-compliant requests and are primarily attributable to inadequate treatment by initiating banks. BEAC committed to seek full public sector compliance with FX regulations while acknowledging some difficulties. BEAC also noted progress on RES funds negotiations and anticipates that an agreement could be reached imminently, paving the way for fully implementing FX regulations on the extractive industry. They reported that only Chad has shared its extractive industry contracts, but without disclosing any amounts, hindering their ability to assess the impact of these funds on BEAC's balance sheet. BEAC agreed that encumbered funds could not be classified as official reserves.

38. Staff urged BEAC to address recruitment issues to ensure adequate human resources for fulfilling its mission. Specifically, staff recommended ensuring sufficient staffing to improve data collection and management procedures, thereby enhancing monetary policy analysis and communication. Staff emphasized that improved data availability, including publication, would further strengthen BEAC's analytical capacity and policy formulation.

39. Authorities' views. BEAC highlighted that it has initiated the hiring process for both BEAC and COBAC (see section E). It acknowledged the need to improve the availability of statistics, especially high-frequency data (monthly and quarterly), which is currently poor across the region. The authorities expect ongoing recruitment to help fill some of the gaps and improve the timely production and dissemination of macro-financial statistics.

40. Safeguards assessment. Implementation of safeguards recommendations from the 2022 BEAC assessment and a follow-up monitoring mission in 2023 has been limited. Recommendations included the need to strengthen governance arrangements, including onboarding of new members of senior management and the Board, and enhancing the delegation framework for executive management's decision-making; and resolving the staff recruitment freeze which with the protracted delays may start to hamper operations. Staff is continuing to follow up on these issues.

D. Strengthening Financial Stability Oversight Amid Heightened Risks

41. Staff underscored the need for coordinated actions from national authorities, COBAC, and BEAC to safeguard financial stability. The mission welcomed the recruitment call for BEAC and COBAC initiated in June 2025. This initiative will be critical in enabling the institution to effectively fulfill its supervisory responsibilities. While recognizing the recent scaling-up of COBAC's efforts to impose fines on non-compliant banks, the mission recommended the continued implementation of a decisive and timely enforcement regime. This includes the imposition of stringent sanctions or corrective supervisory measures against banks exhibiting systematic non-compliance with regulatory norms. It reiterated the need to strictly enforce BEAC's refinancing policies for liquidity-stressed banks. Staff also recommended the undertaking of a comprehensive risk-based program of onsite supervision of bank credit portfolios, prioritizing systemically important banks, to rigorously assess the classification and provisioning of non-performing exposures. This assessment should also include the identification of potential capital shortfalls arising from inadequate loan-loss provisioning. Finally, the mission emphasized the need to accelerate the development and implementation by national authorities of a comprehensive domestic arrears' clearance and prevention strategy, which would help address CEMAC's high level of NPLs.

42. The mission emphasized that COBAC should continue enforcing its regulatory framework to cultivate a resilient and stable regional financial system. While acknowledging recent bank restructuring and recapitalization efforts undertaken under COBAC's leadership, the mission encouraged COBAC's continued engagement with member states to find structural solutions for weak banks, without reliance on forbearance and guided by thorough diagnostics of banks' asset quality and financial strength. Such diagnostics must serve as the foundation for developing credible and sustainable recapitalization strategies, ensuring the long-term viability of these banks. To this end, COBAC and national authorities should implement the following actions: (i) require that undercapitalized banks submit detailed, time-bound, and verifiable medium-term recapitalization plans, coupled with robust strategies for the reduction of NPLs; and (ii) ensure that weak banks are either promptly recapitalized or resolved through orderly exit strategies, minimizing disruption to the financial system, and protecting depositors.

43. The mission reiterated its recommendation for COBAC to mandate that banks comprehensively mitigate and accurately account for risks associated with sovereign-bank nexus. Recognizing that excessive sovereign debt holdings by banks can pose a significant threat to financial stability, staff called on COBAC to gradually enforce existing concentration limits, meticulously monitor banks' sovereign risk concentrations, assess potential effects through regular stress testing exercises, and implement targeted measures, such as imposing additional capital charges, to address excessive exposures when necessary. To further diversify risk and prevent undue concentration, the mission encouraged COBAC and BEAC to collaborate and ensure that primary dealers, predominantly banks, do not absorb the entirety of new sovereign issuances, as currently stipulated in their contracts. This collaborative effort should be complemented by the development of a substantial non-bank investor base, including pension funds and insurance companies to mitigate the risks of undersubscription and promote a more balanced distribution of sovereign debt. This diversification would enhance market resilience and reduce the potential for systemic shocks arising from concentrated sovereign debt holdings. In addition, the mission advocated for a gradual shift away from the current and nearly systematic practice of assigning zero-risk weight to government exposures by applying strictly the current regulatory framework.[9]

44. The mission welcomed the planned comprehensive overhaul of the CEMAC banking legislation to bolster COBAC's independence and expand its supervisory and resolution powers. COBAC has committed to complete a framework document outlining the objectives of a reform to strengthen CEMAC's supervision and resolution framework, in consultation with the IMF staff and other partners, by end-2025. COBAC has requested technical assistance from the IMF to support

[9] COBAC continues to grant forbearance on the current positive risk-weighting framework.

these reforms. The mission welcomed COBAC's commitment to use this framework document as the foundation for drafting a modern banking legislation proposal, aiming to align CEMAC's conventions and regulations with international best practices. This proposal will be submitted for approval to the UMAC Ministerial Committee in 2026. The consolidated legal framework should strengthen COBAC's independence regarding the licensing, supervision and resolution processes of financial institutions, ensuring that all decisions are based solely on prudential considerations.

45. Staff urged national and regional authorities (COBAC, GABAC, BEAC) to keep addressing the strategic AML/CFT deficiencies identified in the CEMAC member states' mutual evaluation. The mission underscored that these efforts are crucial to avert the consequences of potential or existing Financial Action Task Force (FATF) grey listings of CEMAC member states, including diminished international trade capacity and the loss of essential correspondent banking relationships. Staff acknowledged the positive step of COBAC regulation R2023/01, promulgated in July 2024, followed by the publication of specific guidelines in February 2025, which strengthens the legal framework regarding AML/CFT preventive measures that should be applied by financial institutions under COBAC supervision. Staff encouraged COBAC to continue working on the development of subsequent specific AML/CFT guidelines. Staff urged national authorities to address the strategic AML/CFT deficiencies identified in the mutual evaluation of the CEMAC member states that fall within their remit. The mission encouraged close collaboration with regional authorities (GABAC, BEAC, COBAC) to resolve the remaining gaps in the CEMAC AML/CFT framework, notably by stepping up technical discussions at the GABAC level in preparation of the next round of mutual evaluations. The mission reiterated that these concerted efforts are essential to improving the grey-listed countries and preventing grey listing of additional member states, along with its negative economic and financing consequences.

46. The mission strongly encouraged COBAC to prioritize its work agenda in line with its strategic plan (2025-2029), focusing on initiatives that will enhance the resilience and stability of the regional financial system. To this end, staff deemed the following actions critical:
(i) continuing the implementation of risk-based approach to prudential and AML/CFT supervision;
(ii) overhauling the CEMAC banking legislation to bolster COBAC's independence, strengthening the bank resolution framework, and developing and implementing robust stress testing methodologies;
(iii) modernizing the regulatory framework by amending current accounting standards to incorporate fair asset valuation, aligning with International Financial Reporting Standards (IFRS) and other international best practices;[10] (iv) accelerating progress towards the adoption of Basel II/III standards; and (v) enhancing risk management and bank governance.

47. The mission reiterated its call for BEAC, in collaboration with regional stakeholders, to accelerate the development of a secondary debt market. Staff noted that a comprehensive local-currency bond market diagnostic could help identify and address bottlenecks, paving the way for a prioritized reform action plan. The mission also encouraged BVMAC to intensify efforts to attract

[10] This should be accompanied by the establishment of a realistic timeline for the full transition to IFRS implementation, minimizing disruption and fostering market confidence.

investor interest in the 17 SOEs slated for listing (with only 2 currently listed). Member countries are strongly encouraged to promptly submit their remaining SOEs for listing, expanding the market's depth and breadth. Finally, staff urged BVMAC, in collaboration with BEAC and COSUMAF, to expedite the operationalization of the single central depository, following the delayed implementation at the end of 2024. Establishing strong governance structures for the depository will be critical to mitigate operational and financial stability risks, potentially with capacity-building support from development partners.

48. Staff encouraged BEAC, in coordination with other regional and national authorities, to continue monitoring and managing risks associated with crypto-based digital payments and assets. Staff emphasized that regional supervisors (BEAC, COBAC, COSUMAF, GABAC) should advance work on developing a regulatory framework for crypto-related activities and strengthen coordination on the issuance of laws and regulations, in line with global standards and recommendations from FSB, IOSCO, BCBS, and CPMI. This approach would help foster innovation and financial inclusion while safeguarding financial stability, protecting consumers, and ensuring compliance with FATF's AML/CFT standards. In addition, staff welcomed the fact that BEAC shared a legal opinion with the C.A.R authorities regarding the law permitting the tokenization of the country's resource wealth with mandatory payment use of crypto assets, consistent with BEAC's February 2025 Letter of Assurances. Staff also reiterated the importance of BEAC diligently assessing the risks that crypto-based digital payments and assets could pose to its operations and monetary policy. Finally, staff encouraged BEAC to intensify efforts to further unlock the financial inclusion potential of more established digital payment methods, such as electronic and mobile money.

49. Authorities' Views

- **Human resources**. COBAC has communicated its staffing needs to BEAC, in line with the commitments made under the regional policy assurances and intends to utilize these additional resources to enhance its supervisory capabilities. BEAC broadly concurred with staff's assessment of the need for adequate staffing to ensure effective banking supervision and it has reiterated its commitment, as outlined in its Letter of Assurances, to provide COBAC with the corresponding staff headcount by end-June 2026. BEAC remained firm in its commitment to providing the two-thirds of the resources requested by COBAC by the end of December 2025.

- **Data collection**. Acknowledging current data collection hurdles, stemming from the new reporting system, COBAC is actively working to mitigate these challenges. Banking data reporting has shown significant improvements since the previous review mission. Technical hurdles that have prevented the production of FSI are nearing resolution, expected by early August 2025.

- **Risk-based supervision**. COBAC is actively implementing its recently adopted risk-based supervision approach, prioritizing AML/CFT issues through focused on-site missions and a dedicated module within the new financial reporting system. It also maintains close collaboration with national and regional bodies (GABAC, BEAC) to tackle strategic AML/CFT weaknesses identified in CEMAC member state evaluations.

- **Weak banks.** COBAC firmly reiterated its commitment to resolving issues with weak banks, using all the tools at its disposal, including sanctions for non-compliance. Highlighting the critical need for synergy with national authorities, particularly in the recapitalization and resolution of vulnerable institutions, COBAC also aligned with staff on the urgent enforcement of regulations concerning concentration and sovereign risk exposure. Furthermore, COBAC asserted that dividend distribution should be restricted to banks fully compliant with all prudential requirements.

- **Sovereign exposures**. The authorities concur with staff regarding sovereign exposure risk and have initiated several measures on the prudential front. A joint BEAC-COBAC working group has been established to strategize on the reduction of sovereign overexposure in the banking sector and is expected to begin its work imminently. Additionally, COBAC has also independently formed a working group to propose new risk weighting rules for sovereign exposures. The authorities expect these working groups to complete their work by end-2025, with the aim of presenting proposals at COBAC's December 2025 session.

- **Financial market regulation.** COSUMAF agreed with staff that diversifying the investor base would enhance financial market activity and support the development of a secondary market for government securities. It emphasized that it continues to work with BVMAC to improve conditions for companies seeking to be listed on the stock exchange. Moreover, it highlighted ongoing efforts to increase the attractiveness of financial markets and broaden the investor base, including financial education sessions aimed at both issuers and investors. Finally, BEAC indicated that the company responsible for managing the single central depository is expected to become operational in June 2025.

- **Digital payments and crypto assets.** Regional supervisors shared staff's views on the need to develop a consistent and appropriate regional regulatory framework, as well as to strengthen supervisory capacity to monitor and manage new risks posed by digital payments methods and assets. BEAC indicated that the multidisciplinary working group (BEAC, COBAC, COSUMAF) responsible for developing the strategy on crypto-assets in the region will be appointed soon. BEAC reiterated that IMF CD will help to explore the feasibility of introducing a central bank digital currency (CBDC). Furthermore, BEAC confirmed that the internal legal assessment on the consistency of C.A.R.'s law (allowing the tokenization of its resource wealth and the exclusive use of crypto-assets for transactions) with regional legal and regulatory frameworks has been completed and shared with the C.A.R authorities.

E. Strengthening the Regional Surveillance Framework

50. Staff urged the Commission to swiftly adopt a sanction mechanism for regional surveillance rule breaches. It reiterated that the Commission should accelerate planned consultations with other regional institutions (BEAC, BDEAC, COBAC, COSUMAF, and BVMAC) and align the mechanism with international best practices. The mission emphasized that this would strengthen the credibility and effectiveness of the regional surveillance framework. The mechanism should include a broader range of sanctions, such as pecuniary penalties or premiums on government securities, for breaches of fiscal deficit or debt-related multilateral surveillance rules and clarify the scope and procedures for addressing budgetary-related non-compliance, as well as provide escape clauses for exceptional circumstances.

51. Staff reiterated that the Commission should prioritize advancing the key prerequisites for enhancing compliance with the regional convergence criteria. These prerequisites include: (i) urging member countries to submit their updated triennial convergence plans (a requirement under the draft sanction mechanism) for a return to compliance vis-à-vis the fiscal balance convergence criterion; (ii) ensuring the full operationalization of national multilateral surveillance units; (iii) adopting and implementing comprehensive and credible national domestic arrears clearance and debt management strategies; (iv) ensuring the timely transposion regional tax and PFM directives; and (v) accelerating progress on the 2021–30 regional statistical program. To improve external statistics, ongoing efforts with Fund and World Bank support are crucial for accelerating data collection and compilation, as well as reducing forecasting errors related to oil revenue and external flows. Staff also emphasized that COBAC and BEAC should regularly report updated FSI and monetary and financial statistics to the IMF for dissemination. Staff also emphasized the importance of addressing recurrent statistical issues, such as weak interagency coordination between BEAC and national statistical agencies regarding external sector statistics, and a continued poor track record in implementing CD recommendations, partly due to inadequate staffing and resources in statistical agencies.

52. Staff encouraged the Commission, BEAC, and PREF-CEMAC Secretariat to develop a unified perspective on the proposed multilateral stabilization fund. This includes alignment on its feasibility and modalities for its establishment, which could be partially funded by oil windfalls. Fund staff stands ready to provide related CD support as needed.

53. Staff observed that regional data quality and production are significantly hampered by limited resources, including at the country level. This leads to frequent data inconsistencies and errors, often requiring extensive revisions. Consequently, country-level issues with data quality, timeliness, and coverage severely complicate regional data production, particularly for price and external sector statistics. Moreover, the recent upgrade of COBAC's reporting system has also, at least temporarily, deteriorated data quality and timeliness although some progress has been observed.

54. Authorities' views. The CEMAC Commission welcomed staff recommendations and indicated that insufficient human resources hinder its ability to fully execute its mandate, with key positions remaining vacant due to funding constraints. Nevertheless, it emphasized its commitment to closer coordination with the UMAC Council of Ministers to finalize the sanction mechanism for rule violations. Having revised the draft Additional Act, including based on IMF staff feedback (March 2024), the Commission is consulting with regional institutions (BEAC, BDEAC, COBAC, COSUMAF, BVMAC) before its submission to the UMAC Council of Ministers and subsequently to the Conference of HoS. The Commission highlighted the important role of inter-regional coordination while working to secure the submission of medium-term convergence plans from all member states. The next multilateral surveillance mission is planned for 2025Q2.

MONITORING OF REGIONAL POLICY ASSURANCES

55. Regional authorities moved forward with some policy commitments from the February 2025 follow-up note to the Letter of support to member countries' recovery and reform programs. The central bank resumed its weekly liquidity injections in June 2024 to alleviate the increased volatility of liquidity conditions in the banking system. BEAC relaxed its monetary stance following the continuous downward trend of inflation, despite being still above the regional convergence criterion. Progress on the implementation of the FX regulation has stalled, as informed by reported delays on FX requests and substantial volatility of the surrender effective rate in the past year. Some CEMAC national authorities have continued to take action to preserve financial stability, by making plans to address weak banks and appropriately tackle the bank-sovereign nexus. Regarding the NFA regional assurances, the average October–December 2024 NFA outturn was EUR 5.02 billion, EUR 0.02 billion above the target set for this date at EUR 5.0 billion in June 2024. Additionally, the average January–March 2025 NFA level was EUR 5.97 billion, EUR 1.47 million above the target set for this date at EUR 4.5 billion.

56. Staff noted progress in the implementation of the authorities' commitments under the regional assurances on financial stability. The General Secretariat (SG) of COBAC, has already submitted its staffing needs to BEAC within the agreed timeframe of June 2025. BEAC has launched the recruitment process, which will allocate the SG COBAC with the two-thirds of the required staff headcount by December 2025, aiming to fulfill the total expressed staffing needs by end-June 2026. Regarding the second component of the policy assurances on financial stability, the SG COBAC is working on a framework document which will serve as the basis for preparing a modern banking legislation proposal. In this context, the SG COBAC has requested IMF CD in May 2025 to support its work on banking law reform and the strengthening of its bank resolution framework.

57. The recent surge in NFA partly due to one-off and seasonal factors should not mask the growing vulnerabilities that may exacerbate NFA volatility. NFA are expected to decline with the end of the cocoa season in Cameroon, Chad's use of its loan proceeds, and Gabon's amortization of its maturing Eurobonds but slightly recover in the second half of the year.[11] Commodity price volatility amid tariff tensions, particularly declining oil prices, coupled with fiscal slippages and a limited compliance in FX regulation in the public and extractive sectors as well as delays in FX transfers; could halt further NFA accumulation. Additionally, rising sovereign spreads in Cameroon and Gabon may lead to a loss of market access, further worsening the funding squeeze in the region.

58. Going forward, member states are expected to implement offsetting policy adjustments to more structurally strengthen the external position. These measures would be in line with the region's highest-level political commitments to the regional strategy reaffirmed at the extraordinary Heads of State Summit on December 16, 2024. Staff welcomed these renewed collective

[11] Chad's gross foreign assets rose from EUR 0.89 billion to EUR 1.51 billion between October and December 2024. This increase was partly due to a November 2024 USD 0.5 billion loan disbursement. However, Chad's foreign assets have been declining since December 2024, reaching EUR 1.39 billion by March 2025. Meanwhile, Gabon issued USD 0.57 billion in bonds to partially repay the USD 0.41 billion outstanding balance of its USD 0.7 billion bond maturing in June 2025.

commitments to address macroeconomic imbalances, strengthen regional institutions, and prioritize structural reforms to ensure equitable burden-sharing and enhance external stability. For countries currently without a Fund-supported program, decisive actions are warranted to rebuild fiscal and external buffers. These commitments are also expected to support ongoing program and near-program discussions. Meanwhile, BEAC will refrain from premature further loosening and continue its efforts to monitor the compliance of the public and extractive sectors with the FX regulations. Member countries should also ensure that all public entities fully repatriate their deposits held abroad.

59. The attached follow-up letter redefines the NFA target and outlines revised end-June and proposed new end-December 2025 targets, and corresponding policy intentions of regional institutions to support national programs.[12] The targets, covered by the updated policy assurances, represent a three-month average of EUR 5.5 billion at end-June and of EUR 5.75 billion at end-December 2025 (Text Table 4).[13] Staff will assess whether the end-June 2025 target is met during the review scheduled for November 2025. Achieving the proposed end-December targets would require the reversal of recent fiscal slippages, a credible commitment to gradually comply with the regions' convergence criteria, and a sustained and complete implementation of the FX regulation. These policies are expected to take effect gradually and partially offset the effect on NFA of the projected weakening of the external position for 2025, considered in the proposed targets. The end-2025 target also accounts for the typical correction observed on NFA following end-of-year seasonal fluctuations. They also account for risks associated with lower oil exports, slow implementation of foreign-financed project. Finally, the targets are set under the assumption that only C.A.R. and Chad will be in an IMF-supported program after Cameroon's program expires in July 2025. Staff projections indicate that, with consistent and effective implementation of structural reforms, and heightened compliance of the FX regulation, including by the public and oil sectors, NFA should improve in 2025H2, reaching a three-month average of EUR 5.75 billion at end-December 2025. This projection is subject to heightened uncertainty, including from progress on the aforementioned policies, volatility in the oil market, access to external funding, domestic macroeconomic and political risks, and progress in ongoing IMF program negotiations.

[12] The NFA of the BEAC are defined as the EUR value of the difference between gross foreign assets and gross foreign liabilities of the BEAC, as shown in the Monetary Survey. Non-euro denominated foreign assets and liabilities will be converted into euros at the prevailing BEAC exchange rates for that period. From June 2025, gross foreign assets of the BEAC for the purposes of measuring the NFA target exclude any assets that are pledged, collateralized, or otherwise encumbered, unless there is a corresponding gross foreign liability associated with them.

[13] From December 2024, the NFA target is assessed based on a three-month average ending on the target date. This updated methodology allows accounting for the high seasonality in NFA data and to better capture the underlying trend.

Text Table 4. CEMAC: Regional Policy Assurance on NFAs, 2024–25
(Billions of euros)

	2024	2025		
	Dec.	March	June	Dec.
Assurance endorsed in February 2025	5.00	4.50	4.70	…
Outcome (average last three months)	5.02	5.97	…	…
Proposed new assurances	…	…	5.50	5.75

Source: IMF staff calculations.

Note: From December 2024, the NFA target is assessed based on a three-month average ending on the target date.

STAFF APPRAISAL

60. **In 2024, the CEMAC economy saw improved growth and moderating though still elevated inflation**. Progress on improving the external position remained limited due to a larger current account deficit and limited reserve accumulation. Several downside risks have materialized—persistent fiscal slippages have reduced fiscal buffers and strained regional government debt markets, spilling over into the banking system, tightening financing conditions, and threatening financial stability. FX reserves remained stable at around 4.3 months of import cover, though still below adequacy. The projected decrease in GDP growth to 2.6 percent in 2025 is subject to considerable uncertainty amid the current volatile global environment. Medium-term growth of about 3.6 percent depends on effectively implementing structural reforms to increase potential output (notably on governance, anti-corruption efforts, the business climate, and access to finance) and the execution of the December 2024 Heads of State's commitments. The outlook faces significant downside risks, including delayed fiscal adjustments, lower commodity prices, tighter access to financing, political uncertainty in 2025 and early 2026, entrenched inflation, financial instability, slow reform progress, food insecurity, internal humanitarian and security conflicts, and devastating climate events.

61. **Strengthening resilience to potential shocks and improving the region's external position hinge on addressing significant fiscal slippages and restoring fiscal prudence**. Swift fiscal consolidation across all countries, in line with the commitments made by the Heads of State at the December 2024 extraordinary Summit, is imperative. This necessitates intensified efforts to enhance non-oil tax revenue collection, improve spending efficiency, enhance debt management and rein in arrears, phase out inefficient subsidies, and establish targeted safety nets for vulnerable populations. Strict adherence to these commitments will help correct external imbalances, bolster the union's external stability, and maintain adequate capacity to meet financial obligations to the Fund. Consequently, such adjustment efforts by member states are expected to significantly strengthen CEMAC's underlying fundamentals, which would stabilize the reserve coverage at around 4.0 months of prospective imports over the medium term, which is below the adequate level of 5 months.

Maintaining the status quo, however, would likely lead to a reserve coverage at around 3 months of prospective imports by 2030.

62. The CEMAC region continues to experience challenges in meeting its financing needs. External financing has become increasingly uncertain and expensive, while availability of concessional terms is expected to diminish over the medium term. Access to domestic financing is also increasingly challenging, as the regional debt market, mainly relying on regional banks, seems to be approaching its absorption limit, and bank sovereign exposure already surpasses regulatory limits. As a result, some member countries are resorting to domestic arrears to cope with liquidity tensions and some reprofiled (or envisage to reprofile) their regional debt portfolios to reduce the immediate liquidity burden and create fiscal space. Concurrently, urgently addressing the bank-sovereign nexus by reducing banks' sovereign exposure is vital to safeguard financial stability. Overcoming these interconnected challenges requires accelerating the structural agenda, with a particular focus on fiscal discipline and transparency, significant enhancements in cash and debt management, and improved governance.

63. BEAC should maintain a data-dependent monetary policy and refrain from a premature further loosening. The monetary policy stance appears slightly accommodative following BEAC's recent 50-basis-point reduction in the policy rate to 4.5 percent, which diverged from staff's previous advice. Staff acknowledged that such a stance could be warranted given heightened risks to the outlook and unexpectedly persistent liquidity pressures in the banking system. Still, BEAC should further reduce interest rates only if clear evidence emerges that inflation is sustainably receding toward the regional convergence criterion (3 percent) and risks to external stability have significantly diminished. Furthermore, the central bank should continue its refinancing operations to alleviate liquidity pressures on banks. BEAC, in collaboration with COBAC, must strictly enforce prudential regulations on concentration limits to prevent liquidity injections from exacerbating banks' sovereign risk exposure. Both institutions should also persistently address banking system segmentation by resolutely tackling weak banks, including demanding and scrutinizing refinancing plans from structurally liquidity-stressed banks and enhancing monitoring of their implementation and, in cooperation with COBAC, considering resolution for continued noncompliance.

64. Preserving financial stability demands strong collective actions from national authorities and regional supervisors. While recent provisional banking data suggest that the banking sector strengthened, pockets of vulnerabilities remain. Key priorities include: (i) urgently equipping the COBAC SG with sufficient human and financial resources; (ii) implementing decisive measures to reduce risks associated with the sovereign-bank nexus; (iii) overhauling the CEMAC banking legislation to bolster COBAC's independence and strengthening the bank resolution framework; (iv) strictly enforcing BEAC's refinancing policies for liquidity-stressed banks; (v) conducting thorough assessments of non-performing exposures' classification and provisioning adequacy; (vi) ensuring national governments recapitalize or resolve weak banks and rigorously applying sanctions or supervisory corrective actions when banks persistently violate prudential regulations; and (vii) accelerating the implementation of a comprehensive national strategy for clearing and preventing domestic arrears.

65. **Strengthening the regional surveillance framework is crucial for effective policy coordination across CEMAC.** The CEMAC Commission should urgently finalize and adopt the draft sanction mechanism for breaches of regional surveillance rules to bolster the framework's credibility and effectiveness. Accelerated coordination with regional institutions (BEAC, BDEAC, COBAC, COSUMAF, and BVMAC) is necessary to align the mechanism with international best practices. Furthermore, the Commission should actively encourage member states to submit their medium-term convergence plans. Finally, prioritizing the advancement of key prerequisites for improved compliance with regional convergence criteria should remain a central focus.

66. **Effectively monitoring and managing the emerging risks of crypto-based digital payments and assets requires the development of a supervisory framework and capacity**. Regional supervisors must advance a regulatory framework for crypto-related activities and improve coordination on relevant legislation. Additionally, BEAC needs to diligently account for the risks of crypto-based digital payments and assets on its operations and monetary policy. Finally, BEAC's exploration of digital payment methods should be based on a thorough cost-benefit analysis.

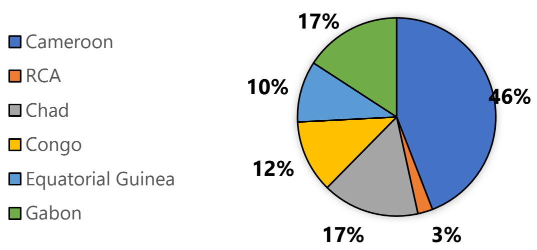
67. **BEAC commits to the updated policy assurances on NFA accumulation, to bring NFA to an average of EUR 5.5 billion in 2025Q2 and EUR 5.75 billion in 2025Q4**. The policy assurances on NFA provided in the February 2025 follow-up letter were met with significant margin for March 2025, prompting an upward revision of the 2025Q2 target and setting a higher target for 2025Q4. To meet these new NFA targets, the following actions are essential: (i) member states must urgently implement corrective policy measures and continue advancing the structural reform agenda, and, consistent with the region's highest-level political commitments, address macroeconomic imbalances and enhance external stability; (ii) BEAC should intensify efforts to monitor and enforce repatriation and surrender requirements under the FX regulations across all sectors while ensuring smooth and efficient FX operations; and (iii) BEAC should maintain a data-dependent monetary policy stance to safeguard both price and external stability. Building up FX reserves will also depend on timely disbursements of external financing. In this regard, adherence to high-level political commitments to the regional strategy and strengthened engagement with the Fund will be crucial to catalyzing donor support and reinforcing external stability.

68. **BEAC maintains the policy assurances on financial stability to enhance COBAC's supervisory capacity and strengthen CEMAC's banking supervision and resolution.** To address long-standing understaffing issues, BEAC should provide SG COBAC with the necessary human resources corresponding to the expressed five-year staffing needs by June 2026, and fill the two-thirds of the required positions by December 2025. Additionally, to enhance CEMAC's banking supervision and resolution frameworks in line with its strategic plan, SG COBAC should complete by December 2025 a framework document that will serve as the basis for preparing a modern banking law proposal, to be submitted for approval to the UMAC ministerial committee in 2026. Meeting the proposed policy assurances on the NFA and on the staffing of COBAC and the reform of the banking law are critical for securing the continuation or approval of new financial support under Fund-supported programs with CEMAC member countries.

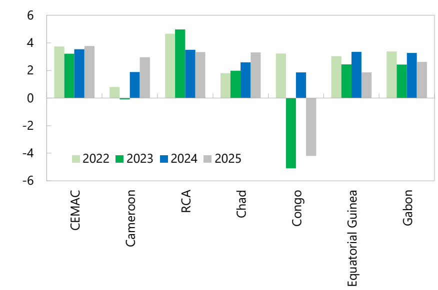
Figure 1. CEMAC: Selected Economic Indicators, 2011–25

Real GDP is projected to accelerate to 3.3 percent in 2024, from 2.2 percent in 2023, mainly reflecting an improvement across the region, especially in Equatorial Guinea, Cameroon and Chad, despite a deteriorated outlook in Congo.

Nominal GDP, 2025
(National shares)

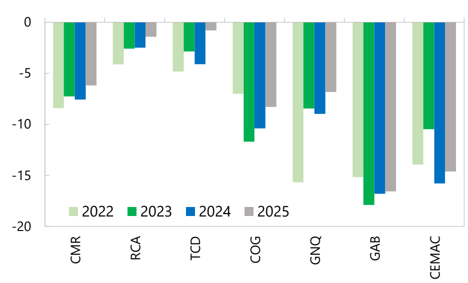


Real GDP Growth, 2022–25
(Percent)

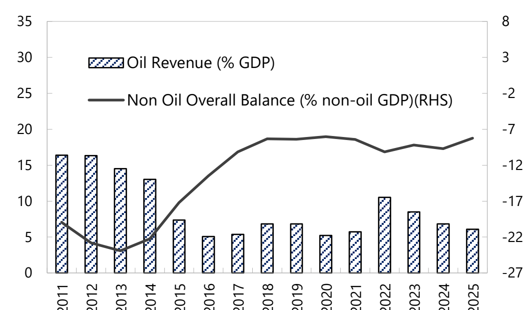


The overall fiscal balance is projected to deteriorate from -0.7 percent of GDP in 2023 to -1.5 percent of GDP in 2024, driven by lower hydrocarbon revenue and spending overruns in some member countries.

Non-Oil Primary Fiscal Balance (including grants), 2022–25
(Percent of GDP)

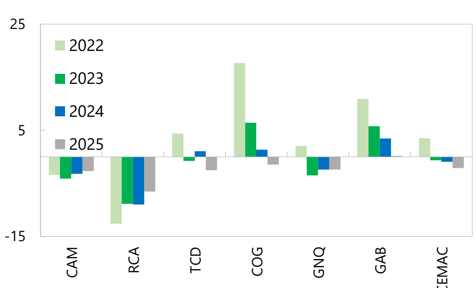


Selected Fiscal Indicators, 2011–25

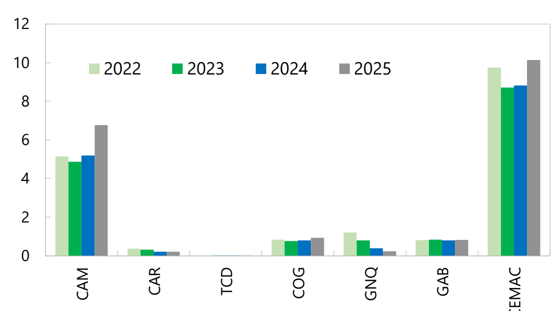


The current account balance is projected to slightly deteriorate from -0.6 percent of GDP in 2023 to -0.9 percent of GDP in 2024, mainly reflecting a decline in hydrocarbon exports. Reserves accumulation remained stable in 2024, but expected to decline in the medium term.

Current Account, 2022–25
(Percent of GDP)



International Reserves, 2022–25
(Billions of USD)

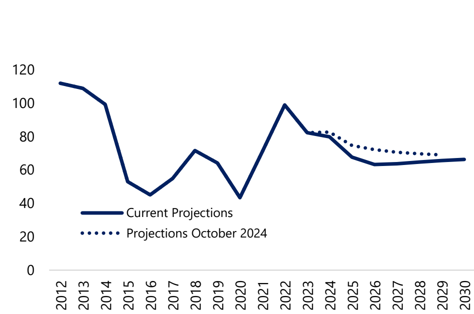


Sources: CEMAC authorities; and IMF staff estimates.

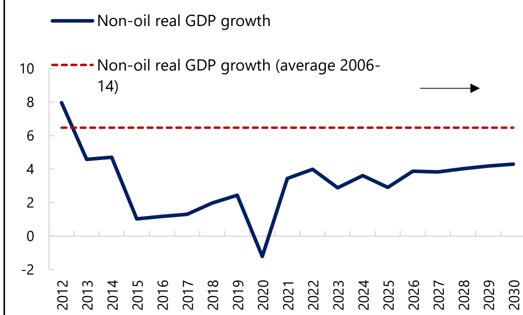
Figure 2. CEMAC: Selected Economic Indicators, 2011–30

The oil price path was revised downward to $79 per barrel on average in 2024 in the latest WEO submission (vs. $80.6 per barrel in late 2023). Lower oil prices and a contraction in hydrocarbon production contributed to lower export receipts and slowing non-oil GDP growth in 2023.

Oil Price, 2012–30
(Brent, U.S. dollar per barrel)

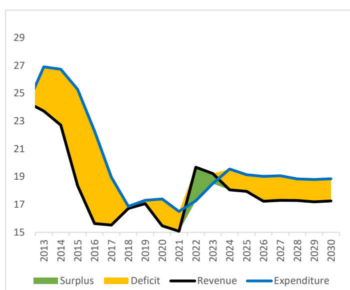


Non-Oil Real GDP Growth, 2012–30
(Percent)

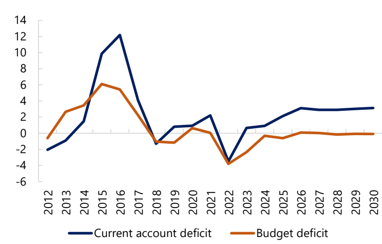


The regional underlying fiscal position is expected to improve gradually in the medium term.

Revenue and Expenditure, 2012–30
(Percent of GDP)

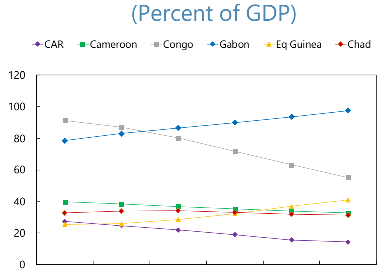


Current Account and Budget Deficit, 2012–30
(Percent of GDP)

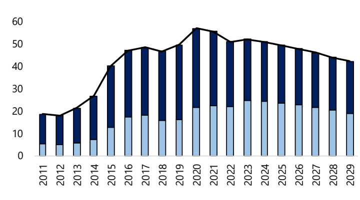


Public debt is projected to decline to around 52.4 percent of GDP in 2023, and 523 percent of GDP in 2024, with the downward trend expected to continue in the medium term, reflecting significant consolidation efforts across the region.

Public Debt, 2024–30
(Percent of GDP)



Public Debt, 2011–29
(Percent of GDP)



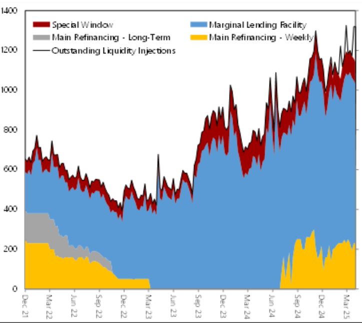
Sources: GAS Live, CEMAC authorities; and IMF staff estimates.

Note: Public debt refers to General Government debt.

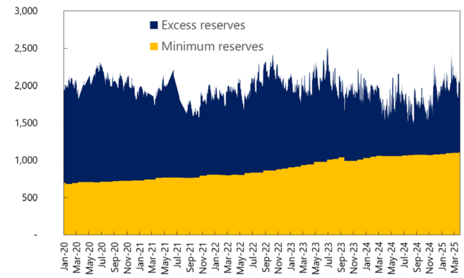
Figure 3. CEMAC: Recent Monetary Developments

BEAC resumed its weekly liquidity injections but borrowing at the marginal lending facility remained elevated in 2024Q3, while excess liquidity declined.

Total Liquidity Operations
(CFAF, bn)

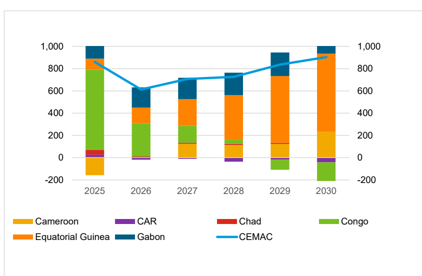


Banking System's Reserves
(CFAF bn)

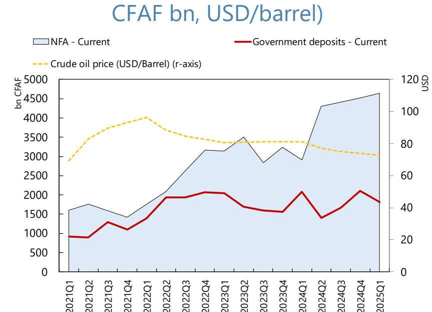


Net issuances of government securities increased driven by stronger issuances from Gabon and Congo. Governments' deposits at the BEAC continued to moderate in 2024, partly reflecting lower oil fiscal revenues.

Net Issuance of Government Securities (OTA)
(Annual, CFAF bn)

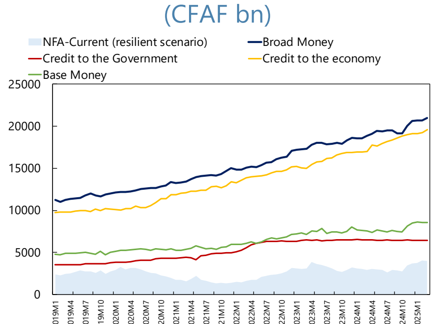


Total Government Deposits and NFA Projections (
CFAF bn, USD/barrel)

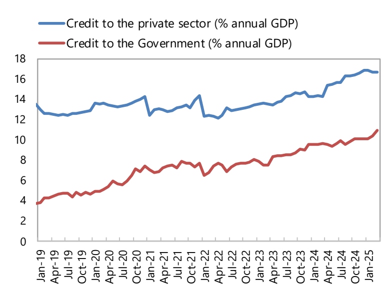


Money supply continued to expand in 2024, reflecting higher net foreign assets and credit to the private sector.

Broad and Base Money
(CFAF bn)



Credit to the Public and Private Sectors,
(Percent of GDP)



Sources: CEMAC authorities; and IMF staff estimates.

Table 1. CEMAC: Selected Economic and Financial Indicators, 2019–2030

	2019	2020	2021	2022	2023	2024'	2024	2025'	2025	2026	2027	2028	2029	2030
	Act.	Act.	Act.	Act.	Proj.	SR 25/064 4/	Proj.	SR 25/064 4/	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
					(Annual change, in percent)									
National income and prices														
GDP at constant prices 1/	2.6	-1.4	1.5	3.4	2.4	3.2	3.3	2.8	2.6	3.2	3.4	3.6	3.6	3.8
Oil GDP 1/	3.3	-2.1	-9.1	-0.4	-0.6	1.2	0.9	0.4	0.5	-1.4	-0.2	0.3	-0.2	0.0
Non-oil GDP 1/	2.4	-1.2	3.4	4.0	2.9	3.5	3.6	3.1	2.9	3.9	3.8	4.0	4.2	4.3
Consumer prices (period average) 2/	1.5	2.7	1.4	5.4	5.1	4.1	3.7	3.3	3.6	3.0	3.0	2.8	2.8	2.8
Consumer prices (end of period) 2/	1.6	1.7	2.5	6.5	4.5	3.8	4.4	3.1	3.1	3.2	2.9	2.8	2.8	2.8
					(Annual change, in percent of beginning-of-period broad money)									
Money and credit														
Net foreign assets	1.4	-6.6	-5.1	11.2	0.4	4.2	6.9	4.4	3.9	-0.1	0.0	0.1	0.6	1.1
Net domestic assets	4.5	17.7	17.7	2.3	11.9	6.1	3.4	2.8	2.5	6.9	6.8	6.8	6.5	6.0
Broad money	5.9	11.1	12.6	13.5	8.5	7.4	7.4	7.2	6.4	6.8	6.8	6.9	7.0	7.1
					(In percent of GDP, unless otherwise indicated)									
Gross national savings	24.3	23.1	25.2	28.1	25.1	22.7	25.1	22.4	23.8	23.3	23.4	23.0	22.9	22.6
Gross domestic investment	25.2	24.2	24.9	24.7	25.9	23.9	26.1	24.2	25.9	26.4	26.3	25.9	25.8	25.7
Of which: public investment	5.9	5.4	4.7	4.5	4.6	5.9	5.5	6.2	6.2	6.5	6.5	6.4	6.5	6.6
Government financial operations														
Total revenue, excluding grants	16.3	14.4	14.6	19.2	18.7	17.6	17.4	17.4	17.1	16.4	16.5	16.6	16.5	16.6
Government expenditure	17.3	17.4	16.5	17.3	18.5	19.1	19.6	18.6	19.1	19.0	19.1	18.8	18.8	18.9
Primary fiscal basic balance 3/	2.9	0.2	0.9	4.9	3.0	2.1	1.2	2.9	2.1	1.7	1.8	1.9	1.8	1.8
Overall fiscal balance, excluding grants	-0.8	-3.0	-1.9	1.9	0.2	-1.1	-2.1	-1.0	-2.0	-2.6	-2.6	-2.3	-2.3	-2.3
Primary fiscal balance, including grants	1.2	-0.6	0.0	3.8	2.3	0.9	0.3	1.3	0.6	-0.1	0.0	0.2	0.1	0.1
Non-oil overall fiscal balance, excluding grants (percent of non-oil GDP)	-9.3	-9.2	-8.9	-10.8	-9.9	-9.9	-10.5	-8.8	-9.2	-8.6	-8.2	-7.6	-7.3	-7.1
Non-oil primary fiscal balance, including grants (percent of non-oil GDP)	-6.8	-6.6	-6.8	-8.4	-7.3	-7.6	-7.6	-6.2	-6.2	-5.8	-5.4	-4.9	-4.7	-4.5
Total public debt	49.6	57.9	56.5	51.0	52.4	50.9	52.3	49.3	50.9	50.5	49.5	48.3	47.0	45.9
External sector														
Exports of goods and nonfactor services	33.2	23.8	29.0	36.4	29.8	28.7	28.4	26.7	26.0	24.0	23.1	22.6	22.1	21.4
Imports of goods and nonfactor services	29.5	24.3	25.6	26.8	27.1	26.5	26.4	25.6	25.6	24.8	24.2	23.7	23.4	22.9
Balance on goods and nonfactor services	3.7	-0.5	3.4	9.6	2.6	2.2	2.0	1.1	0.4	-0.9	-1.0	-1.1	-1.3	-1.5
Current account, including grants	-0.8	-0.9	0.4	3.5	-0.6	-1.2	-0.9	-1.8	-2.1	-3.1	-2.9	-2.9	-3.0	-3.1
External public debt	32.9	37.4	31.4	29.1	27.9	26.1	25.9	25.7	26.4	25.5	24.4	23.1	21.9	20.7
Gross official reserves (end of period)														
Millions of U.S. dollars	7,390	7,779	8,060	11,064	11,446	11,319.4	11,640	12,310.9	12,874	12,331	11,765	11,167	10,643	10,459
Months of imports of goods and services (less intra regional imports)	4.0	3.4	3.3	4.3	4.3	4.2	4.3	4.5	4.7	4.3	4.0	3.6	3.3	3.1
Percent of broad money	36.3	31.4	31.1	37.2	35.0	32.2	33.4	33.2	34.7	31.0	27.7	24.6	21.9	20.2
Memorandum items:														
Nominal GDP (billions of CFA francs)	58,092	54,552	60,826	70,444	71,083	75,595.8	75,351	79,810.8	78,736	83,054	88,301	93,880	99,987	106,670
CFA francs per U.S. dollar, average	586	575	554	622	606.5	604.8	606.2	...	...	...	...	...	...	...
CFA francs per U.S. dollar, end-of-year	590	539	580	619	601.6	612.8	626.0	...	...	...	...	...	...	...
Oil production (thousands of barrels per day)	905.7	870.2	786.8	784.7	777.0	785.0	776.6	783.2	777.0	774.4	774.7	780.4	784.2	785.0
Oil prices (U.S. dollars per barrel, brent)	61.4	41.8	69.2	80.6	80.6	79.0	79.2	69.8	66.9	62.4	62.7	63.6	64.3	64.9

Sources: Authorities' data; and IMF staff estimates and projections.
1/ Estimated after rebasing the national real GDP series to 2005.
2/ Using as weights the shares of member countries in CEMAC's GDP in purchasing power parity in US dollars.
3/ Excluding grants and foreign-financed investment and interest payments.
4/ Refers to the projection published in the IMF Country Report No 25/064.

Table 2. CEMAC: National Accounts, 2019–30

(Percent of GDP)

	2019	2020	2021	2022	2023	2024'	2024	2025'	2025	2026	2027	2028	2029	2030
	Act.	Act.	Act.	Act.	Proj.	SR 25/064 1/	Proj.	SR 25/064 1/	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
						(Annual change, in percent)								
Real GDP														
Cameroon	3.4	0.5	3.0	3.7	3.2	3.9	3.5	4.0	3.8	4.1	4.3	4.5	4.5	4.6
Central African Republic	4.1	1.0	-0.3	0.8	-0.1	1.0	1.9	2.9	3.0	3.3	3.7	3.8	3.7	3.9
Chad	5.9	0.0	2.0	4.7	5.0	3.2	3.5	3.4	3.3	3.6	3.3	3.7	4.0	4.1
Congo, Republic of	1.1	-6.3	1.1	1.8	2.0	2.6	2.6	3.7	3.3	3.2	3.5	3.9	3.8	3.9
Equatorial Guinea	-5.5	-4.8	0.9	3.2	-5.1	1.9	1.9	-4.2	-4.2	0.0	0.5	0.7	1.4	2.6
Gabon	3.8	-1.8	1.5	3.0	2.4	3.1	3.4	2.2	1.9	2.5	2.8	2.7	2.7	2.8
CEMAC	2.6	-1.4	1.5	3.4	2.4	3.2	3.3	2.8	2.6	3.2	3.4	3.6	3.7	3.8
Nominal GDP														
Cameroon	4.7	1.0	6.3	10.8	8.1	7.4	8.1	7.3	7.5	7.5	8.1	7.6	7.7	7.7
Central African Republic	8.3	-0.5	3.9	5.6	5.4	6.8	4.1	8.5	11.8	8.6	10.8	8.2	8.2	8.8
Chad	3.1	-1.9	10.5	19.4	0.6	7.7	6.4	6.8	3.6	5.1	5.3	5.7	6.0	6.0
Congo, Republic of	-0.2	-19.4	12.4	17.2	-1.2	5.1	5.1	4.9	3.1	5.4	6.9	7.2	7.1	7.1
Equatorial Guinea	-9.9	-14.5	19.0	26.0	-12.3	2.3	1.6	4.2	3.4	2.2	1.4	2.8	4.3	5.6
Gabon	5.8	-10.7	22.1	18.2	-4.6	3.1	4.1	0.8	-1.7	1.9	3.9	4.1	3.9	4.0
CEMAC	2.1	-6.1	11.5	15.8	0.9	5.9	6.0	5.6	4.5	5.5	6.3	6.3	6.5	6.7
Real non-oil GDP														
Cameroon	3.3	0.5	3.2	3.9	3.3	4.0	3.8	4.2	4.0	4.1	4.4	4.6	4.6	4.6
Central African Republic	4.1	1.0	-0.3	0.8	-0.1	1.0	1.9	2.9	3.0	3.3	3.7	3.8	3.7	3.9
Chad	4.6	-0.2	2.8	4.5	4.3	3.7	4.6	4.2	4.2	3.5	3.5	3.8	4.2	4.4
Congo, Republic of	1.1	-6.9	3.5	3.4	3.0	3.1	3.1	3.7	3.2	3.8	4.4	4.6	4.7	4.7
Equatorial Guinea	-5.7	-6.9	8.0	6.1	-0.1	1.4	1.4	-5.4	-5.4	4.4	1.3	1.5	2.3	3.1
Gabon	3.2	-1.7	2.8	3.1	1.7	3.3	3.6	2.8	2.5	3.1	3.4	3.3	3.3	3.3
CEMAC	2.4	-1.2	3.4	4.0	2.9	3.5	3.6	3.1	2.9	3.9	3.8	4.0	4.2	4.3
Consumer price inflation (period average)														
Cameroon	2.5	2.5	2.3	6.3	7.4	4.4	4.5	3.5	4.3	3.6	3.3	3.0	3.0	3.0
Central African Republic	2.8	0.9	4.3	5.6	3.0	3.4	1.5	2.7	4.8	3.3	2.9	2.9	3.1	3.3
Chad	-1.0	4.5	-0.8	5.8	2.3	8.7	5.1	4.4	4.0	3.6	3.1	3.0	3.0	3.0
Congo, Republic of	0.4	1.4	2.0	3.0	4.3	3.1	3.1	3.3	3.3	3.2	3.0	3.0	3.0	3.0
Equatorial Guinea	1.2	4.8	-0.1	4.9	2.4	3.1	3.2	3.7	3.3	3.0	2.8	2.8	2.8	2.8
Gabon	2.0	1.7	1.1	4.3	3.6	1.2	1.2	1.5	1.4	2.0	2.0	1.9	2.0	2.0
CEMAC	1.5	2.7	1.4	5.4	5.1	4.1	3.7	3.3	3.6	3.0	3.0	2.8	2.8	2.8
End of period inflation														
Cameroon	2.4	2.1	3.5	7.3	5.9	3.7	5.0	3.4	4.1	3.5	3.1	3.0	3.0	3.0
Central African Republic	-2.0	1.8	2.7	7.6	2.3	3.0	4.2	2.6	1.6	3.5	3.1	3.3	2.9	3.0
Chad	-1.7	3.1	1.0	8.3	2.3	8.9	5.1	3.2	1.1	6.2	1.4	4.1	2.2	3.5
Congo, Republic of	1.4	0.6	1.5	3.2	5.6	3.9	6.3	3.2	3.2	3.2	3.0	3.0	3.0	3.0
Equatorial Guinea	4.3	-0.6	2.9	5.0	3.9	3.1	3.4	3.5	3.5	3.5	2.4	2.4	2.4	2.4
Gabon	1.0	1.6	1.7	5.4	2.3	0.9	0.9	2.1	1.8	2.1	2.0	1.9	2.0	2.0
CEMAC	1.6	1.7	2.5	6.5	4.5	3.8	4.4	3.1	3.1	3.2	2.9	2.8	2.8	2.8
						(in percentage of GDP)								
Gross national savings														
Cameroon	14.4	13.5	13.9	15.6	15.4	17.2	17.9	18.3	18.9	18.9	19.9	20.4	21.2	21.4
Central African Republic	9.7	10.6	4.9	2.2	6.1	6.7	6.7	10.0	9.6	12.5	14.1	16.5	16.4	17.0
Chad	31.1	31.2	31.6	33.5	30.8	15.1	28.2	15.7	24.0	23.0	22.4	20.9	19.5	18.1
Congo, Republic of	37.6	36.3	35.0	44.1	33.8	29.4	29.4	28.2	27.0	26.4	25.8	24.3	22.8	22.4
Equatorial Guinea	21.4	28.1	33.0	30.9	25.8	27.4	26.5	26.3	26.7	26.6	27.3	27.4	27.7	27.6
Gabon	34.6	29.6	37.0	40.9	39.6	38.9	39.4	35.9	35.1	33.7	32.6	30.8	30.4	29.9
CEMAC	24.3	23.1	25.2	28.1	25.1	22.7	25.1	22.4	23.8	23.3	23.4	23.0	22.9	22.6
Gross domestic investment														
Cameroon	18.9	17.7	18.1	19.1	19.9	20.6	21.1	21.1	21.5	22.7	23.4	23.8	24.4	24.5
Central African Republic	14.3	18.5	15.6	14.8	15.0	15.7	15.7	16.1	16.1	16.5	17.2	18.4	19.1	19.5
Chad	34.8	34.3	34.0	29.2	31.6	16.6	27.2	19.9	26.6	26.5	25.7	24.1	22.7	21.6
Congo, Republic of	25.9	23.7	22.2	26.4	27.4	28.1	28.1	27.9	28.4	28.8	27.3	26.2	25.4	24.9
Equatorial Guinea	28.9	28.9	28.9	28.9	28.9	29.0	28.9	28.9	28.9	28.9	28.9	28.9	28.9	28.9
Gabon	30.0	30.1	33.5	29.9	33.8	34.7	35.9	32.9	35.0	35.2	34.8	33.6	33.8	33.9
CEMAC	25.2	24.2	24.9	24.7	25.9	23.9	26.1	24.2	25.9	26.4	26.3	25.9	25.8	25.7

Sources: Authorities' data; and IMF staff estimates and projections.

1/ Refers to the projection published in the IMF Country Report No 25/064.

Table 3a. CEMAC: Fiscal Indicators of Central Governments, 2019–30

(Percent of GDP)

	2019	2020	2021	2022	2023	2024'	2024	2025'	2025	2026	2027	2028	2029	2030
	Act.	Act.	Act.	Act.	Proj.	SR 25/064 2/	Proj.	SR 25/064 2/	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Overall fiscal balance (excluding grants)														
Cameroon	-3.8	-3.3	-3.3	-1.5	-1.1	-0.9	-1.8	-0.6	-1.1	-1.3	-1.3	-1.3	-1.3	-1.3
Central African Republic	-7.7	-15.4	-10.7	-9.8	-9.4	-10.1	-10.4	-7.6	-8.4	-7.1	-6.5	-5.9	-6.1	-5.1
Chad	-1.3	-1.8	-2.2	2.7	-2.0	-1.8	-3.9	-3.1	-4.1	-5.6	-5.4	-4.1	-3.8	-3.7
Congo, Republic of	3.6	-2.6	1.2	8.3	5.0	1.9	2.0	2.9	2.8	1.7	3.0	4.2	4.5	4.6
Equatorial Guinea	1.8	-1.8	2.6	11.7	2.4	3.1	-0.6	1.2	-1.3	-2.2	-3.6	-4.6	-5.4	-5.4
Gabon	2.1	-2.2	-2.0	-0.9	1.8	-4.2	-4.2	-3.1	-5.6	-6.1	-6.5	-6.8	-7.2	-7.6
CEMAC	-0.8	-3.0	-1.9	1.9	0.2	-1.1	-2.1	-1.0	-2.0	-2.6	-2.6	-2.3	-2.3	-2.3
Overall fiscal balance (including grants)														
Cameroon	-3.2	-3.2	-3.0	-1.1	-0.6	-0.6	-1.5	-0.3	-0.8	-1.2	-1.2	-1.2	-1.2	-1.3
Central African Republic	1.3	-3.2	-5.8	-5.2	-3.4	-4.5	-5.0	-0.9	-1.9	0.0	0.3	0.6	-2.0	-1.3
Chad	-0.1	1.2	-1.3	3.8	-1.3	-0.2	-2.1	-1.3	-1.3	-2.5	-2.2	-1.2	-0.8	-0.6
Congo, Republic of	4.3	-1.1	1.6	8.9	5.8	2.6	2.6	3.7	3.5	2.5	3.8	5.0	5.3	5.4
Equatorial Guinea	1.8	-1.8	2.7	11.7	2.4	3.1	-0.6	1.2	-1.3	-2.2	-3.6	-4.6	-5.4	-5.4
Gabon	2.1	-2.2	-1.9	-0.9	1.8	-3.8	-3.8	-2.8	-5.4	-6.1	-6.5	-6.8	-7.2	-7.6
CEMAC	-0.1	-1.9	-1.4	2.4	0.7	-0.4	-1.5	-0.2	-1.2	-1.8	-1.8	-1.5	-1.6	-1.6
Reference fiscal balance 1/														
Cameroon	-4.1	-3.2	-3.2	-3.0	-1.6	-0.7	-1.4	-0.1	-0.2	-0.8	-1.3	-1.4	-1.5	0.0
Central African Republic	1.3	-3.2	-5.8	-5.2	-3.4	-4.5	-5.0	-0.9	-1.9	-1.0	-1.5	-0.6	-2.7	0.0
Chad	-1.5	-2.6	-2.9	-2.3	-4.7	-1.1	-3.1	-1.2	-1.4	-1.2	-2.2	-1.9	-1.8	0.0
Congo, Republic of	-2.1	0.1	-1.4	-3.1	2.8	3.0	3.0	4.2	4.7	2.1	2.5	3.6	4.1	0.0
Equatorial Guinea	-1.6	-0.6	1.4	-2.2	-3.8	-1.3	-0.7	1.2	-0.4	-1.8	-2.4	-3.0	-4.2	0.0
Gabon	-0.6	-3.5	-2.0	-5.5	-3.7	-6.1	-6.0	-3.3	-5.3	-5.1	-6.3	-7.3	-8.0	0.0
CEMAC	-2.3	-2.1	-2.1	-3.4	-2.6	-1.0	-1.3	-0.6	-1.0	-1.0	0.0	0.0	0.0	0.0
Primary fiscal balance (including grants)														
Cameroon	-2.2	-2.3	-2.0	-0.4	0.4	0.4	-0.3	0.8	0.3	-0.2	-0.1	-0.1	-0.2	-0.3
Central African Republic	1.6	-2.9	-5.5	-4.8	-2.9	-3.5	-4.1	0.1	-0.8	1.0	1.0	1.2	-1.5	-0.7
Chad	0.6	1.9	-0.6	4.8	-0.1	1.0	-0.9	0.1	0.2	-1.3	-1.1	-0.2	0.1	0.3
Congo, Republic of	7.3	0.1	3.7	11.6	9.0	6.6	6.6	7.2	7.1	5.9	6.8	7.7	7.7	7.6
Equatorial Guinea	2.6	-0.6	3.6	12.6	3.3	-0.5	0.3	-0.2	-0.3	-1.0	-2.3	-3.0	-3.5	-3.3
Gabon	3.6	1.2	0.9	1.7	4.8	-0.8	-0.8	0.5	-2.0	-2.5	-2.8	-2.9	-3.0	-3.2
CEMAC	1.2	-0.6	0.0	3.8	2.3	0.9	0.3	1.3	0.6	-0.1	0.0	0.2	0.1	0.1
Government revenue (excluding grants)														
Cameroon	14.8	13.2	13.8	15.6	16.0	15.6	15.3	15.6	14.9	14.9	15.2	15.3	15.5	15.7
Central African Republic	8.1	8.8	8.5	7.6	8.0	9.2	9.2	9.5	9.4	9.5	9.6	10.5	10.1	10.2
Chad	9.3	12.3	10.8	15.4	15.1	15.0	14.9	14.3	15.5	13.3	13.7	14.0	13.9	14.1
Congo, Republic of	23.8	18.5	22.1	31.2	25.6	24.7	24.8	25.2	24.7	24.2	24.1	23.9	23.6	23.4
Equatorial Guinea	18.6	14.4	15.4	26.5	21.6	21.6	21.8	19.1	19.3	16.9	16.7	15.5	15.4	15.2
Gabon	19.5	17.5	15.2	18.8	23.3	20.8	20.6	20.7	20.2	19.3	19.0	18.9	18.9	18.9
CEMAC	16.3	14.4	14.6	19.2	18.7	17.9	17.8	17.5	17.3	16.5	16.6	16.6	16.6	16.6
Government expenditure (including net lending)														
Cameroon	18.7	16.6	17.1	17.1	17.1	16.5	17.1	16.1	16.0	16.2	16.5	16.6	16.7	17.0
Central African Republic	15.8	24.2	19.2	17.4	17.5	19.2	19.5	17.1	17.7	16.6	16.0	16.4	16.3	15.3
Chad	10.6	14.1	13.0	12.6	17.1	16.9	18.8	17.4	19.6	18.9	19.2	18.1	17.7	17.8
Congo, Republic of	20.2	21.1	20.9	22.8	20.7	22.8	22.8	22.3	21.9	22.4	21.1	19.7	19.1	18.8
Equatorial Guinea	16.8	16.2	12.7	14.8	19.2	19.6	18.7	18.9	18.8	18.8	19.4	19.9	20.2	20.0
Gabon	18.2	19.7	17.3	19.7	21.5	25.1	24.8	23.8	25.9	25.4	25.5	25.8	26.1	26.5
CEMAC	17.3	17.4	16.5	17.3	18.5	19.1	19.6	18.6	19.1	19.0	19.1	18.8	18.8	18.9
Total public debt														
Cameroon	41.6	44.9	47.2	45.6	43.2	41.3	42.9	38.7	39.9	38.4	36.8	35.4	34.0	32.8
Central African Republic	44.9	42.8	46.9	49.9	55.7	59.7	60.7	56.4	55.7	51.2	46.4	42.4	40.2	36.9
Chad	38.4	41.7	41.6	32.1	32.3	30.0	32.8	30.0	33.0	34.0	34.2	33.1	31.9	31.4
Congo, Republic of	77.6	102.5	97.8	92.5	99.0	94.6	95.4	90.4	91.4	87.1	80.3	72.0	63.3	55.2
Equatorial Guinea	43.2	49.4	42.3	29.8	36.3	35.8	35.6	35.6	35.4	36.8	39.8	43.3	46.9	49.8
Gabon	59.8	83.0	72.9	65.6	70.6	73.0	72.8	75.5	78.5	83.1	86.5	89.9	93.7	97.6
CEMAC	49.6	57.9	56.5	51.0	52.4	50.9	52.3	49.3	50.9	50.5	49.5	48.3	47.0	45.9

Sources: Authorities' data; and IMF staff estimates and projections.

Note:The CEMAC countries produce and disseminate Government Finance Statistics Manual 2014 format TOFE (Tableau des Opérations Financières de l'Etat) covering the Budgetary Central Government (BCG), while only Congo has expanded the TOFE coverage beyond BCG.

Member countries are reported in domestic GDP. CEMAC aggregates are not weighted.

1/ The reference fiscal balance is defined as the overall budget balance minus 20 percent of oil revenue and minus 80 percent of the oil revenue in excess of the average observed during the 3 previous years.

2/ Refers to the projection published in the IMF Country Report No 25/064.

Table 3b. CEMAC: Fiscal Non-Oil Balances, Central Governments, 2019–30

(Percent of non-oil GDP)

	2019	2020	2021	2022	2023	2024'	2024	2025'	2025	2026	2027	2028	2029	2030
	Act.	Act.	Act.	Act.	Proj.	SR 25/064 2/	Proj.	SR 25/064 2/	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Non-oil fiscal balance (excluding grants)														
Cameroon	-6.6	-5.3	-5.4	-5.3	-4.2	-3.4	-4.0	-2.8	-2.8	-2.8	-2.8	-2.7	-2.7	-2.8
Central African Republic	-7.7	-15.4	-10.7	-9.8	-9.4	-10.1	-10.4	-7.6	-8.4	-7.1	-6.5	-5.9	-6.1	-5.1
Chad	-6.0	-9.3	-9.0	-9.7	-14.0	-11.3	-14.0	-12.3	-13.3	-12.4	-12.3	-10.9	-10.3	-10.1
Congo, Republic of	-20.0	-15.0	-16.6	-20.3	-13.6	-14.9	-14.9	-13.0	-12.2	-12.0	-10.1	-8.1	-6.9	-6.0
Equatorial Guinea	-17.4	-15.7	-12.7	-16.5	-19.0	-18.6	-17.8	-17.4	-17.7	-16.7	-16.6	-16.5	-16.3	-15.7
Gabon	-8.1	-12.1	-11.6	-18.3	-15.3	-21.2	-21.0	-17.3	-19.9	-17.9	-17.5	-17.5	-17.4	-17.4
CEMAC	-9.3	-9.2	-8.9	-10.8	-9.9	-9.9	-10.5	-8.8	-9.2	-8.6	-8.2	-7.6	-7.3	-7.1
Non-oil fiscal balance (including grants)														
Cameroon	-6.0	-5.1	-5.1	-4.9	-3.7	-3.1	-3.8	-2.5	-2.5	-2.7	-2.7	-2.7	-2.7	-2.8
Central African Republic	1.3	-3.2	-5.8	-5.2	-3.4	-4.5	-5.0	-0.9	-1.9	0.0	0.3	0.6	-2.0	-1.3
Chad	-4.5	-5.9	-7.9	-8.3	-13.1	-9.4	-11.9	-10.0	-10.1	-8.9	-8.7	-7.6	-6.9	-6.6
Congo, Republic of	-18.9	-13.2	-16.1	-19.4	-12.5	-14.1	-14.1	-12.0	-11.2	-11.0	-9.1	-7.1	-5.8	-5.0
Equatorial Guinea	-17.4	-15.7	-12.7	-16.5	-19.0	-23.6	-17.8	-20.3	-17.7	-16.7	-16.6	-16.5	-16.3	-15.7
Gabon	-8.1	-12.1	-11.4	-18.3	-15.3	-20.7	-20.5	-16.9	-19.5	-17.9	-17.5	-17.5	-17.4	-17.4
CEMAC	-8.4	-8.0	-8.4	-10.1	-9.2	-9.6	-9.7	-8.3	-8.2	-7.7	-7.3	-6.8	-6.6	-6.3
Basic balance 1/														
Cameroon	0.2	-1.2	-1.2	1.1	0.3	1.3	-0.2	1.7	1.1	1.3	1.3	1.3	1.2	1.2
Central African Republic	-3.6	-6.6	-5.2	-4.8	-4.1	-5.3	-5.6	-2.4	-3.2	-2.4	-1.8	-1.4	-1.9	-1.1
Chad	0.2	0.7	-1.3	4.7	-1.3	0.1	-1.8	0.2	0.0	-1.5	-0.8	-0.1	0.1	0.3
Congo, Republic of	9.3	-1.4	3.1	14.3	8.5	5.0	5.0	6.4	6.1	5.1	6.0	7.5	7.7	7.7
Equatorial Guinea	2.5	-2.2	3.5	15.7	2.8	6.1	-0.6	3.7	0.9	0.1	-1.6	-3.0	-4.3	-4.7
Gabon	4.8	-1.6	-2.2	-0.4	4.2	-5.2	-5.2	-2.5	-6.7	-7.0	-7.5	-7.8	-8.1	-8.5
CEMAC	1.9	-1.2	-0.5	4.4	1.6	0.5	-0.7	1.2	0.4	0.0	0.1	0.0	0.0	0.0
Non-oil primary fiscal balance (including grants)														
Cameroon	-4.9	-4.3	-4.1	-4.1	-2.6	-2.0	-2.5	-1.4	-1.4	-1.7	-1.6	-1.6	-1.6	-1.7
Central African Republic	1.6	-2.9	-5.5	-4.8	-2.9	-3.5	-4.1	0.1	-0.8	1.0	1.0	1.2	-1.5	-0.7
Chad	-3.7	-5.1	-7.1	-7.0	-11.7	-8.0	-10.4	-8.5	-8.3	-7.5	-7.4	-6.5	-5.8	-5.5
Congo, Republic of	-14.1	-11.8	-13.4	-15.7	-8.4	-9.0	-9.0	-7.6	-6.8	-6.8	-5.5	-3.8	-3.0	-2.4
Equatorial Guinea	-16.4	-14.2	-11.4	-15.2	-17.9	-22.8	-16.8	-19.1	-16.6	-15.4	-15.2	-14.8	-14.3	-13.3
Gabon	-5.8	-7.5	-7.0	-14.0	-10.5	-15.9	-15.8	-12.0	-14.6	-12.8	-12.3	-12.1	-11.9	-11.6
CEMAC	-6.8	-6.6	-6.8	-8.4	-7.3	-7.6	-7.6	-6.2	-6.2	-5.8	-5.4	-4.9	-4.7	-4.5
Government revenue (excluding grants)														
Cameroon	15.4	13.6	14.3	16.6	16.7	16.2	15.8	16.0	15.3	15.2	15.5	15.6	15.7	15.9
Central African Republic	8.1	8.8	8.5	7.6	8.0	9.2	9.2	9.5	9.4	9.5	9.6	10.5	10.1	10.2
Chad	10.9	13.5	12.7	19.5	18.5	18.2	18.0	17.0	18.0	15.3	15.7	16.0	15.8	16.0
Congo, Republic of	38.1	22.3	28.4	44.0	33.3	31.8	31.8	31.7	30.6	29.5	29.2	28.9	28.3	27.8
Equatorial Guinea	25.1	18.1	20.2	35.5	25.2	25.1	25.3	21.8	21.9	18.6	18.3	16.9	16.8	16.4
Gabon	29.2	23.7	23.4	32.0	37.0	32.5	32.1	30.5	29.3	26.9	26.2	25.8	25.4	25.1
CEMAC	19.8	16.2	17.3	24.0	22.0	20.9	20.7	20.1	19.6	18.3	18.4	18.3	18.2	18.2
Government expenditure (including net lending)														
Cameroon	19.4	17.0	17.7	18.2	17.8	17.1	17.6	16.6	16.4	16.5	16.8	16.9	17.0	17.3
Central African Republic	15.8	24.2	19.2	17.4	17.5	19.2	19.5	17.1	17.7	16.6	16.0	16.4	16.3	15.3
Chad	12.4	15.5	15.3	16.0	20.9	20.4	22.7	20.7	22.7	21.6	21.8	20.6	20.1	20.1
Congo, Republic of	32.3	25.4	26.9	32.2	26.9	29.3	29.3	28.0	27.2	27.4	25.6	23.9	22.9	22.4
Equatorial Guinea	22.6	20.3	16.7	19.9	22.4	22.7	21.7	21.6	21.2	20.6	21.2	21.7	21.9	21.7
Gabon	27.2	26.6	26.5	33.6	34.2	39.1	38.7	35.2	37.6	35.5	35.2	35.1	35.1	35.1
CEMAC	21.0	19.5	19.5	21.6	21.8	22.3	22.8	21.3	21.7	21.2	21.1	20.8	20.7	20.6
Non-oil revenues (excluding grants)														
Cameroon	12.8	11.7	12.3	12.9	13.6	13.7	13.6	13.8	13.6	13.7	14.0	14.2	14.3	14.5
Central African Republic	8.1	8.8	8.5	7.6	8.0	9.2	9.2	9.5	9.4	9.5	9.6	10.5	10.1	10.2
Chad	6.5	6.2	6.3	6.4	6.9	9.0	8.7	8.4	9.4	9.3	9.6	9.7	9.8	10.0
Congo, Republic of	12.3	10.4	10.3	12.0	13.2	14.4	14.4	15.0	15.0	15.5	15.5	15.8	16.0	16.4
Equatorial Guinea	5.2	4.6	4.0	3.4	3.4	3.8	3.9	3.9	3.5	4.0	4.6	5.2	5.6	6.0
Gabon	17.9	14.6	14.9	15.2	18.9	17.8	17.6	17.8	17.6	17.6	17.6	17.6	17.7	17.7
CEMAC	11.5	10.3	10.6	10.8	12.0	12.4	12.3	12.5	12.5	12.6	12.9	13.2	13.3	13.5

Sources: Authorities' data; and IMF staff estimates and projections.

Note: The CEMAC countries produce and disseminate Government Finance Statistics Manual 2014 format TOFE (Tableau des Opérations Financières de l'Etat) covering the Budgetary Central Government (BCG), while only Congo has expanded the TOFE coverage beyond BCG.

Member countries are reported in domestic GDP. CEMAC aggregates are not weighted.

1/ Overall fiscal balance excluding grants and foreign-financed investment.

2/ Refers to the projection published in the IMF Country Report No 25/064.

Table 4a. CEMAC: Balance of Payments, 2019–30

(Billions of CFA Francs)

	2019	2020	2021	2022	2023	2024'	2024	2025'	2025	2026	2027	2028	2029	2030
	Act.	Act.	Act.	Act.	Proj.	SR 25/064 1/	Proj.	SR 25/064 1/	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
						(Billions of CFA Francs)								
Current account balance	-468	-507	232	2,458	-457	-908	-688	-1,452	-1,670	-2,580	-2,560	-2,722	-3,021	-3,328
Balance on goods and services	2,149	-296	2,070	6,770	1,865	1,631	1,544	879	310	-730	-899	-1,044	-1,298	-1,580
Total exports	19,273	12,971	17,628	25,633	21,163	21,663	21,412	21,341	20,504	19,896	20,432	21,188	22,050	22,861
Exports of goods	17,260	11,367	16,094	23,906	19,234	19,627	19,787	19,154	18,807	18,105	18,541	19,211	19,971	20,665
Oil exports	12,372	7,452	11,295	18,779	13,840	13,748	13,425	12,707	11,800	11,088	11,166	11,421	11,720	11,964
Non-oil exports	4,888	3,915	4,798	5,127	5,394	5,879	6,362	6,447	7,007	7,017	7,375	7,790	8,251	8,702
Exports of services	2,013	1,604	1,535	1,727	1,929	2,036	1,625	2,187	1,696	1,791	1,890	1,977	2,079	2,195
Total imports	17,124	13,267	15,558	18,863	19,299	20,032	19,868	20,461	20,194	20,626	21,331	22,232	23,348	24,441
Imports of goods	10,898	8,754	10,198	12,010	12,641	13,050	13,159	13,263	13,282	13,628	14,141	14,803	15,595	16,371
Imports of services	6,226	4,513	5,360	6,853	6,658	6,983	6,709	7,199	6,913	6,998	7,189	7,429	7,754	8,070
Income, net	-3,423	-1,220	-2,634	-5,141	-3,228	-3,404	-3,128	-3,263	-2,978	-2,849	-2,716	-2,755	-2,750	-2,797
Income credits	233	180	218	283	271	274	262	291	289	301	318	335	353	373
Income debits	3,665	1,401	2,849	5,424	3,773	3,678	3,635	3,555	3,392	3,124	3,114	3,115	3,136	3,324
Investment income, debit	-1,905	-66	-1,116	-2,571	-1,299	-1,204	-1,338	-1,146	-1,344	-1,197	-1,197	-1,229	-1,301	-1,514
of which: Interest paid on public debt	-581	-404	-475	-502	-588	-488	-550	-515	-525	-453	-504	-513	-507	-517
of which: Interest paid on nonpublic debt	129	-90	53	227	165	90	89	50	53	49	43	37	30	34
Current transfers, net	806	1,010	796	825	906	865	918	932	986	1,031	1,065	1,115	1,079	1,140
Private current transfers, net	665	789	642	560	676	650	686	693	717	750	776	798	848	893
Official current transfers, net	141	221	154	265	230	215	231	239	270	281	289	317	231	247
Capital and financial account balance	1,354	-285	-209	-1,664	-796	917	554	1,835	2,261	2,402	2,437	2,590	3,010	3,499
Capital account balance (incl. capital transfers)	295	257	185	280	417	364	493	446	542	609	653	624	671	725
Financial account balance (incl. reserves)	1,059	-541	-394	-1,943	-1,213	553	61	1,389	1,719	1,792	1,784	1,967	2,339	2,774
Direct investment, net 2/	93	-99	955	1,056	1,361	1,554	1,310	1,668	1,418	1,687	1,724	1,939	2,186	2,373
Portfolio investment, net	324	398	65	-61	-379	-22	276	-31	502	387	399	409	422	435
Other investment, net	642	-840	-1,415	-2,939	-2,195	-979	-1,525	-248	-200	-282	-339	-381	-269	-34
of which: Long-term other investment, net	763	-241	805	-2,554	-1,697	83	-539	530	-35	-150	-164	-446	-458	-400
of which: SDR			0											
Errors and omissions, net	-655	-193	-157	107	278	0	0	0	0	0	0	0	0	0
Overall Balance	231	-984	-134	901	-975	9	-134	383	591	-178	-123	-132	-11	171
Financing	-231	984	134	-901	975	-9	134	-383	-591	178	123	132	11	-171
Reserve assets (accumulation -) 3/	-540	79	-387	-2,060	631	-28	21	-646	-829	307	289	287	223	56
of which: SDRs			0											
Exceptional financing	308	905	521	1,159	344	19	113	263	238	-129	-166	-155	-211	-227
Net IMF financing	227	397	173	248	-12	-78	-155	30	-141	-268	-319	-331	-321	-270
Budget support (excl. IMF)	665	451	29	139	182	444	453	614	404	55	0	0	0	0
Other external financing	-156	952	424	846	471	155	146	…	…	…	…	…	…	…
Commercial	-79	595	456	0	302	0	0	…	…	…	…	…	…	…
Other exceptional financing	-77	357	-32	846	169	155	146	…	…	…	…	…	…	…
Residual gap	-428	-896	-104	-74	174	-347	-185	-381	-25	85	153	175	-211	-227
Memorandum items:														
Nominal GDP	58,092	54,552	60,826	70,444	71,083	75,596	75,351	79,811	78,736	83,054	88,301	93,880	99,987	106,670
Gross foreign assets (end of period)														
Billions CFAF	4,362	4,193	4,677	6,854	6,886	6,937	7,287	7,579	7,790	7,474	7,137	6,777	6,458	6,344
Months of imports of goods and services	4.0	3.4	3.3	4.3	4.3	4.2	4.3	4.5	4.7	4.3	4.0	3.6	3.3	3.1
Oil prices (U.S. dollars per barrel, brent)	61.4	41.8	69.2	80.6	80.6	79.0	79.2	69.8	66.9	62.4	62.7	63.6	64.3	64.9

Sources: BEAC; and IMF staff estimates and projections.

1/ Refers to the projection published in the IMF Country Report No 25/064.

2/ FDI data have been revised, including to better reflect the flows linked to the construction of the Moho-Nord platform in Congo.

3/ Does not reflect reserve accumulation by BEAC's central services.

Table 4b. CEMAC: Balance of Payments, 2019–30

(Percent of GDP)

	2019	2020	2021	2022	2023	2024'	2024	2025'	2025	2026	2027	2028	2029	2030
	Act.	Act.	Act.	Act.	Proj.	SR 25/064 1/	Proj.	SR 25/064 1/	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
						(In percent of GDP)								
Current account balance	-0.8	-0.9	0.4	3.5	-0.6	-1.2	-0.9	-1.8	-2.1	-3.1	-2.9	-2.9	-3.0	-3.1
Balance on goods and services	3.7	-0.5	3.4	9.6	2.6	2.2	2.0	1.1	0.4	-0.9	-1.0	-1.1	-1.3	-1.5
Total exports	33.2	23.8	29.0	36.4	29.8	28.7	28.4	26.7	26.0	24.0	23.1	22.6	22.1	21.4
Exports of goods	29.7	20.8	26.5	33.9	27.1	26.0	26.3	24.0	23.9	21.8	21.0	20.5	20.0	19.4
Oil exports	21.3	13.7	18.6	26.7	19.5	18.2	17.8	15.9	15.0	13.4	12.6	12.2	11.7	11.2
Non-oil exports	8.4	7.2	7.9	7.3	7.6	7.8	8.4	8.1	8.9	8.4	8.4	8.3	8.3	8.2
Exports of services	3.5	2.9	2.5	2.5	2.7	2.7	2.2	2.7	2.2	2.2	2.1	2.1	2.1	2.1
Total imports	29.5	24.3	25.6	26.8	27.1	26.5	26.4	25.6	25.6	24.8	24.2	23.7	23.4	22.9
Imports of goods	18.8	16.0	16.8	17.0	17.8	17.3	17.5	16.6	16.9	16.4	16.0	15.8	15.6	15.3
Imports of services	10.7	8.3	8.8	9.7	9.4	9.2	8.9	9.0	8.8	8.4	8.1	7.9	7.8	7.6
Income, net	-5.9	-2.2	-4.3	-7.3	-4.5	-4.5	-4.2	-4.1	-3.8	-3.4	-3.1	-2.9	-2.8	-2.6
Income credits	0.4	0.3	0.4	0.4	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Income debits	6.3	2.6	4.7	7.7	5.3	4.9	4.8	4.5	4.3	3.8	3.5	3.3	3.1	3.1
Investment income, debit	-3.3	-0.1	-1.8	-3.7	-1.8	-1.6	-1.8	-1.4	-1.7	-1.4	-1.4	-1.3	-1.3	-1.4
of which: Interest paid on public debt	-1.0	-0.7	-0.8	-0.7	-0.8	-0.6	-0.7	-0.6	-0.7	-0.5	-0.6	-0.5	-0.5	-0.5
of which: Interest paid on nonpublic	0.2	-0.2	0.1	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Current transfers, net	1.4	1.9	1.3	1.2	1.3	1.1	1.2	1.2	1.3	1.2	1.2	1.2	1.1	1.1
Private current transfers, net	1.1	1.4	1.1	0.8	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.8
Official current transfers, net	0.2	0.4	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2
Capital and financial account balance	2.3	-0.5	-0.3	-2.4	-1.1	1.2	0.7	2.3	2.9	2.9	2.8	2.8	3.0	3.3
Capital account balance (incl. capital	0.5	0.5	0.3	0.4	0.6	0.5	0.7	0.6	0.7	0.7	0.7	0.7	0.7	0.7
Financial account balance (incl. reserves)	1.8	-1.0	-0.6	-2.8	-1.7	0.7	0.1	1.7	2.2	2.2	2.0	2.1	2.3	2.6
Direct investment, net 2/	0.2	-0.2	1.6	1.5	1.9	2.1	1.7	2.1	1.8	2.0	2.0	2.1	2.2	2.2
Portfolio investment, net	0.6	0.7	0.1	-0.1	-0.5	0.0	0.4	0.0	0.6	0.5	0.5	0.4	0.4	0.4
Other investment, net	1.1	-1.5	-2.3	-4.2	-3.1	-1.3	-2.0	-0.3	-0.3	-0.3	-0.4	-0.4	-0.3	0.0
of which: Long-term other investment, net	1.3	-0.4	1.3	-3.6	-2.4	0.1	-0.7	0.7	0.0	-0.2	-0.2	-0.5	-0.5	-0.4
of which: SDR														
Errors and omissions, net	-1.1	-0.4	-0.3	0.2	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall Balance	0.4	-1.8	-0.2	1.3	-1.4	0.0	-0.2	0.5	0.8	-0.2	-0.1	-0.1	0.0	0.2
Financing	-0.4	1.8	0.2	-1.3	1.4	0.0	0.2	-0.5	-0.8	0.2	0.1	0.1	0.0	-0.2
Reserve assets (accumulation -) 3/	-0.9	0.1	-0.6	-2.9	0.9	0.0	0.0	-0.8	-1.1	0.4	0.3	0.3	0.2	0.1
of which: SDRs			0.0											
Exceptional financing	0.5	1.7	0.9	1.6	0.5	0.0	0.2	0.3	0.3	-0.2	-0.2	-0.2	-0.2	-0.2
Net IMF financing	0.4	0.7	0.3	0.4	0.0	-0.1	-0.2	0.0	-0.2	-0.3	-0.4	-0.4	-0.3	-0.3
Budget support (excl. IMF)	1.1	0.8	0.0	0.2	0.3	0.6	0.6	0.8	0.5	0.1	0	0	0	0
Other exceptional financing	-0.1	0.7	-0.1	1.2	0.2	0.2	0.2	…	…	…	…	…	…	…
Residual gap	-0.7	-1.6	-0.2	-0.1	0.2	-0.5	-0.2	-0.5	0.0	0.1	0.2	0.2	-0.2	-0.2
Memorandum items:														
Nominal GDP	58,092	54,552	60,826	70,444	71,083	75,595.8	75,351	79,811	78,736	83,054	88,301	93,880	99,987	106,670

Sources: BEAC; and IMF staff estimates and projections.

1/ Refers to the projection published in the IMF Country Report No 25/064.

2/ FDI data have been revised, including to better reflect the flows linked to the construction of the Moho-Nord platform in Congo.

3/ Does not reflect reserve accumulation by BEAC's central services.

Table 5. CEMAC: Monetary Survey, 2019–30

(Billions of CFA Francs, unless otherwise indicated)

	2019	2020	2021	2022	2023	2024'	2024	2025'	2025	2025	2025	2025	2026	2027	2028	2029	2030
									Mar	Jun	Sep						
	Act.	Act.	Act.	Act.	Act.	SR 25/064 2/	Proj.	SR 25/064 2/	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Preliminary projection
Net foreign assets	2,667	1,871	1,186	2,864	2,937	3,004	3,514	3,870	3,970	4,737	4,295	4,291	4,267	4,271	4,285	4,429	4,744.2
Of which: BEAC	2,730	1,980	1,420	3,169	3,238	3,449	3,655	3,683	3,553	3,985	4,056	4,308	4,191	4,052	3,924	3,879	4,034.6
Foreign assets	4,362	4,193	4,677	6,854	6,886	6,937	7,287	7,193	7,093	7,425	7,484	7,790	7,474	7,137	6,777	6,458	6,344.3
Of which: SDR			501	358	358	358	358	358	358	358	358	358	358	358	358	358	358.0
Of which: Operations account	3,740	3,633	2,339	3,427	3,443	3,468	3,643	3,596	3,547	3,712	3,742	3,895	3,737	3,569	3,388	3,229	3,172.1
Foreign liabilities	-1,632	-2,213	-3,257	-3,685	-3,648	-3,488	-3,632	-3,509	-3,540	-3,440	-3,428	-3,482	-3,284	-3,085	-2,853	-2,580	-2,309.6
Of which: SDR			-501	-358	-358	-358	-358	-358	-358	-358	-358	-358	-358	-358	-358	-358	-358.0
Commercial banks	-63	-109	-234	-304	-302	-445	-141	187	417	752	238	-17	76	219	361	550	709.6
Foreign assets	526	423	423	609	965	813	1,407	913	1,435	1,897	1,632	1,590	1,741	1,884	2,063	2,243	2,452.2
Foreign liabilities 1/	-589	-532	-657	-913	-1,266	-1,258	-1,548	-726	-1,019	-1,145	-1,393	-1,608	-1,665	-1,665	-1,702	-1,694	-1,742.6
Net domestic assets	9,364	11,490	13,860	14,211	16,243	16,851	16,344	17,681	16,619	14,256	16,614	16,844	18,310	19,847	21,486	23,151	24,803.1
Net credit to government	4,266	6,385	7,484	7,778	8,610	7,452	7,911	9,053	8,305	7,577	7,921	8,194	8,646	8,735	8,726	8,493	8,383.9
BEAC, net	2,469	3,348	3,949	3,353	3,906	1,996	2,943	2,280	3,475	3,266	3,179	3,347	2,763	2,100	1,553	1,015	765.9
Of which:																	
Advances and consolidated deb	2,773	2,781	2,772	2,771	2,771	2,707	2,707	2,691	2,703	2,677	2,651	2,760	2,734	2,707	2,679	2,651	2,621.4
IMF lending	1,020	1,528	1,849	2,239	2,290	1,849	1,942	2,165	2,185	2,127	2,069	2,058	1,874	1,675	1,443	1,173	903.5
Consolidated debt																	
Other	0	0	425	409	399	399	399	399	399	399	399	399	399	399	399	399	398.7
Government deposits	-1,323	-951	-1,097	-2,067	-1,554	-2,959	-2,105	-2,975	-1,812	-1,938	-1,939	-1,871	-2,243	-2,682	-2,968	-3,208	-3,157.7
Commercial banks, net 3/	1,798	3,037	3,535	4,425	4,703	5,456	4,968	6,774	4,829	4,311	4,742	4,847	5,883	6,635	7,173	7,478	7,617.9
Of which: Government deposits	794	925	987	1,106	1,502	-	-	-	-	-	-	-	-	-	- -	-	
Net credit to public agencies	-281	-229	-258	-257	-188	-89	-54	-62	-42	-83	-60	-63	-42	-22	2	25	52.6
Credit to private sector	6,988	6,994	7,815	8,550	9,081	10,982	10,052	10,287	9,764	8,488	10,259	10,150	10,474	11,461	12,750	14,334	15,834.5
Other items, net	-1,609	-1,660	-1,181	-1,859	-1,259	-1,494	-1566	-1,598	-1408	-1726	-1506	-1,437	-769	-327	8	298	532.2
Broad money	12,031	13,361	15,046	17,075	18,522	19,854	19,857	21,551	20,589	18,993	20,909	21,135	22,576	24,118	25,771	27,579	29,547.3
Currency outside banks	2,752	3,116	3,676	3,843	4,183	4,545	4,531	4,226	4,231	4,207	4,371	4,827	5,156	5,508	5,886	6,298	6,748
Bank deposits	9,279	10,245	11,370	13,233	14,338	15,309	15,326	17,325	16,358	14,786	16,538	16,308	17,420	18,610	19,886	21,281	22,799.4
	(Annual change in percent of beginning-of-period broad money)																
Net foreign assets	1.4	-6.6	-5.1	11.2	0.4	4.2	6.9	4.6	5.2	9.7	4.0	3.9	-0.1	0.0	0.1	1	1.1
Net domestic assets	4.5	17.7	17.7	2.3	11.9	6.1	3.4	5.0	1.4	-1.0	4.4	2.5	6.9	6.8	6.8	6.5	6.0
Net credit to government	7.1	17.6	8.2	2.0	4.9	-3.2	-0.8	-3.1	2.0	0.2	-5.2	1.4	2.1	0.4	0.0	-0.9	-0.4
Net credit to the private sector	-2.2	0.1	6.2	4.9	3.1	3.4	-1.6	4.0	-1.5	1.9	11.3	0.5	1.5	4.4	5.3	6.1	5.4
Other items, net	-0.3	-0.4	3.6	-4.5	3.5	5.0	4.7	3.2	0.8	-3.9	-2.1	0.6	3.2	2.0	1.4	1.1	0.9
Broad money	5.9	11.1	12.6	13.5	8.5	7.4	7.4	4.4	3.7	5.8	7.7	6.4	6.8	6.8	6.9	7.0	7.1
Velocity (GDP/broad money)	4.8	4.1	4.0	4.1	3.8	3.8	3.8	3.7	3.8	4.1	3.8	3.7	3.7	3.4	3.4	3.4	3.4
	(Percent of GDP)																
Broad money	20.7	24.5	24.7	24.2	26.1	26.3	26.4	27.0	26.1	24.1	26.6	26.8	27.2	29.0	29.2	29.4	29.6
Private bank deposits	11.5	13.5	13.5	13.5	14.5	14.6	14.6	15.6	15.0	13.5	15.1	14.9	15.1	16.1	16.2	16.3	16.4
Net credit to the private sector	12.0	12.8	12.8	12.1	12.8	14.5	13.3	12.9	12.4	10.8	13.0	12.9	12.6	13.8	14.4	15.3	15.8

Sources: BEAC; and IMF staff estimates.

Note: The advances and consolidated debt correspond to the amounts advanced by BEAC to the CEMAC member states in the form of statutory advances under the statutory provisions of BEAC. Statutory advances to member states were discontinued as of December 31, 2017, and subsequently converted into long-term debt.

1/ Data on the commercial banks' foreign liabilities have been revised to include the medium- and long-term liabilities (hitherto reported in the other items, net).

2/ Refers to the projections published in the IMF Country Report No 25/064.

3/ Includes a reclassification of the regional deposit insurance fund (FOGADAC) as a domestic liability from June 2022.

Table 6. CEMAC: Compliance with Convergence Criteria, 2019–30

(Percent of GDP, unless otherwise indicated)

	2019	2020	2021	2022	2023	2024'	2024	2025'	2025	2026	2027	2028	2029	2030
	Actual	Actual	Actual	Actual	Proj.	SR 25/064 4/	Proj.	SR 25/064 4/	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Reference fiscal balance (fiscal balance before 2016) 1/						(in percent of GDP)								
Cameroon	-4.1	-3.2	-3.2	-3.0	-1.6	-0.7	-1.4	-0.1	-0.2	-0.8	-1.3	-1.4	-1.5	-1.6
Central African Republic	1.3	-3.2	-5.8	-5.2	-3.4	-4.5	-5.0	-0.9	-1.9	-1.0	-1.5	-0.6	-2.7	-1.7
Chad	-1.5	-2.6	-2.9	-2.3	-4.7	-1.1	-3.1	-1.2	-1.4	-1.2	-2.2	-1.9	-1.8	-1.5
Congo, Republic of	-2.1	0.1	-1.4	-3.1	2.8	3.0	3.0	4.2	4.7	2.1	2.5	3.6	4.1	4.5
Equatorial Guinea	-1.6	-0.6	1.4	-2.2	-3.8	-1.3	-0.7	1.2	-0.4	-1.8	-2.4	-3.0	-4.2	-6.0
Gabon	-0.6	-3.5	-2.0	-5.5	-3.7	-6.1	-6.0	-3.3	-5.3	-5.1	-6.3	-7.3	-8.0	-8.4
Number of countries violating	4	4	4	6	5	2.0	3	1	2	2	3	3	4	4
Consumer price inflation (≤ 3%)						(in percent)								
Cameroon	2.5	2.5	2.3	6.3	7.4	4.4	4.5	3.5	4.3	3.6	3.3	3.0	3.0	0.0
Central African Republic	2.8	0.9	4.3	5.6	3.0	3.4	1.5	2.7	4.8	3.3	2.9	2.9	3.1	1.0
Chad	-1.0	4.5	-0.8	5.8	2.3	8.7	5.1	4.4	4.0	3.6	3.1	3.0	3.0	1.0
Congo, Republic of	0.4	1.4	2.0	3.0	4.3	3.1	3.1	3.3	3.3	3.2	3.0	3.0	3.0	0.0
Equatorial Guinea	1.2	4.8	-0.1	4.9	2.4	3.1	3.2	3.7	3.3	3.0	2.8	2.8	2.8	1.0
Gabon	2.0	1.7	1.1	4.3	3.6	1.2	1.2	1.5	1.4	2.0	2.0	1.9	2.0	0.0
Number of countries violating	0	2	1	5	3	5.0	4	4	5	4	2	0	1	0
Level of public debt (≤ 70% GDP)						(in percent of GDP)								
Cameroon	41.6	44.9	47.2	45.6	43.2	41.3	42.9	38.7	39.9	38.4	36.8	35.4	34.0	1.0
Central African Republic	44.9	42.8	46.9	49.9	55.7	59.7	60.7	56.4	55.7	51.2	46.4	42.4	40.2	1.0
Chad	38.4	41.7	41.6	32.1	32.3	30.0	32.8	30.0	33.0	34.0	34.2	33.1	31.9	1.0
Congo, Republic of	77.6	102.5	97.8	92.5	99.0	94.6	95.4	90.4	91.4	87.1	80.3	72.0	63.3	1.0
Equatorial Guinea	43.2	49.4	42.3	29.8	36.3	35.8	35.6	35.6	35.4	36.8	39.8	43.3	46.9	0.0
Gabon	59.8	83.0	72.9	65.6	70.6	73.0	72.8	75.5	78.5	83.1	86.5	89.9	93.7	1.0
Number of countries violating	1	2	2	1	2	2.0	2	2	2	2	2	2	1	5
Non-accumulation of government arrears (≤ 0) 2/						(in percent of GDP)								
Cameroon	0.3	-0.3	0.4	-0.4	0.0	-1.9	-1.9	-0.7	-0.6	-0.5	-0.2	0.0	0.0	0.0
Central African Republic	-3.9	-0.6	-0.1	-2.8	-0.4	-0.9	-0.6	-1.3	-1.5	-0.9	-1.1	-0.8	-0.7	-0.7
Chad	5.1	0.9	-1.6	-3.9	0.0	-0.3	-0.7	-0.1	0.0	-0.2	-0.1	-0.1	-0.1	-0.1
Congo, Republic of	-4.9	10.2	-6.7	-4.9	3.6	-2.9	-2.9	-2.7	-2.4	-2.9	-2.8	-2.7	-2.8	-2.8
Equatorial Guinea	0.1	0.8	-3.2	-3.1	0.6	-0.8	-0.8	-1.0	-0.9	-0.8	-0.7	-0.7	-0.7	-0.7
Gabon	-1.5	8.9	-3.8	-1.4	-1.0	1.1	1.0	-0.6	1.2	-0.1	-0.3	-0.1	-10.2	-10.2
Number of countries violating 3/	0	4	1	0	3	1.0	1	0	1	0	0	1	1	1

Sources: Authorities' data; and IMF staff estimates.

Note: For the first criteria, the number of countries violating them reflects the estimates from the CEMAC Commission until 2017, and IMF staff estimated going forward. For the criteria on non-accumulation of arrears, the number of countries violating the criteria reflects IMF Staff estimates.

1/ Until 2016, the basic fiscal balance (i.e. the overall budget balance, excluding grants and foreign-financed investment) had to be positive. From 2017 onward, the reference fiscal balance (i.e. the overall budget balance minus 20 percent of oil revenue and minus 80 percent of the oil revenue in excess of the average observed during the 3 previous years) must exceed -1.5 percent of GDP.

2/ Change in the stock of arrears-to-GDP ratio. Includes external and domestic payments arrears, and based on data reported by country authorities (which may differ from CEMAC teams' findings).

3/ Assessment by the CEMAC Comission based on: (i) the non-accumulation of new arrears during the current year; and (ii) the gradual repayment of existing arrears in line with a published schedule.

4/ Refers to the projection published in the IMF Country Report No 25/064.

Table 7. CEMAC: Summary Accounts of Central Bank, 2019–30

(Billions of CFA Francs, unless otherwise indicated)

	2019	2020	2021	2022	2023	2024'	2024	2025'	2025	2025	2025	2025	2026	2027	2028	2029	2030
									Mar	Jun	Sep						
	Act.	Act.	Act.	Act.	Act.	SR 25/064 2/	Proj.	SR 25/064 2/	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Net foreign assets	2,730	1,980	1,420	3,169	3,238	3,449	3,655	3,683	3,553	3,985	4,056	4,308	4,191	4,052	3,924	3,879	4,035
Change since end of previous year	351	-750	-561	1,749	70	211	416	114	-102	330	402	252	-117	-139	-128	-45	156
Assets 1/	4,362	4,193	4,677	6,854	6,886	6,937	7,287	7,193	7,093	7,425	7,484	7,790	7,474	7,137	6,777	6,458	6,344
Liabilities	-1,632	-2,213	-3,257	-3,685	-3,648	-3,488	-3,632	-3,509	-3,540	-3,440	-3,428	-3,482	-3,284	-3,085	-2,853	-2,580	-2,310
Net domestic assets	2,316	3,459	4,563	3,987	5,007	4,962	4,730	4,493	4,632	4,149	3,575	4,624	5,350	6,140	6,968	7,777	8,453
Net credit to government	2,469	3,348	3,949	3,353	3,906	1,996	2,943	2,280	3,475	3,266	3,179	3,347	2,763	2,100	1,553	1,015	766
Claims	3,792	4,299	5,046	5,419	5,460	4,955	5,048	5,255	5,287	5,204	5,118	5,218	5,007	4,782	4,521	4,223	3,924
Advances and consolidated debt	2,773	2,781	2,772	2,771	2,771	2,707	2,707	2,691	2,703	2,677	2,651	2,760	2,734	2,707	2,679	2,651	2,621
Advances		2,773	2,772	2,772	2,772	2,707	2,707	2,211	2,224	2,197	2,171						
IMF credit	1,020	1,528	1,849	2,239	2,290	1,849	1,942	2,165	2,185	2,127	2,069	2,058	1,874	1,675	1,443	1,173	903
Government deposits	-1,323.1	-951	-1,097	-2,067	-1,554	-2,959	-2,105	-2,975	-1,812	-1,938	-1,939	-1,871	-2,243	-2,682	-2,968	-3,208	-3,158
Net claims on financial institutions 3/	274	377	669	460	912	2,762	1,585	1,996	941	806	505	1,061	2,356	3,794	5,151	6,480	7,385
Fogadac reclassification as domestic liability				138	138	138	138	138	138	138	138	138	138	138	138	138	138
Other items, net	-426	-266	-55	174	188	204	202	217	215	77	-109	216	231	247	263	282	302
Base money	5,046	5,439	5,982	7,156	7,998	8,411	8,385	8,176	8,185	8,133	7,631	8,932	9,541	10,192	10,891	11,655	12,487
Currency in circulation	2,752	3,116	3,676	3,843	4,183	4,545	4,531	4,226	4,231	4,207	4,371	4,827	5,156	5,508	5,886	6,298	6,748
Banks' reserves	2,222	2,245	2,212	3,029	3,469	3,512	3,502	3,848	3,654	4,213	3,780	3,729	3,983	4,255	4,547	4,866	5,213
o.w. Required reserves	700	743	825	960	1,040	1,111	1,112	1,353	1,221	990	1,156	1,183	1,264	1,350	1,443	1,544	1,654
Excess reserves	1,160	1,145	1,038	1,650	1,781	1,926	1,912	1,904	1,900	2,762	2,149	2,037	2,176	2,324	2,483	2,658	2,847
Cash in vaults	363	357	349	419	448	476	478	591	533	460	475	509	544	581	621	664	712
Others	72	78	94	284	346	354	352	102	301	-286	-520	376	402	429	459	491	526
Memorandum items:																	
Reserve coverage of broad money (in percent)	36.3	31.4	31.1	40.1	37.2	35	36.7	33.4	34.5	39.1	35.8	36.9	33.1	29.6	26.3	23.4	21.5
Base money/deposits (in percent)	54.4	53.1	52.6	54.1	55.8	55	54.7	47.2	50.0	55.0	46.1	54.8	54.8	54.8	54.8	54.8	54.8

Source: BEAC.

Note: Includes a reclassification of the regional deposit insurance fund (FOGADAC) as a domestic liability from June 2022.

1/ Gross foreign reserves, including gold, foreign currency reserves, IMF reserve position, and net overall balance of the operations account at the French Treasury.

2/ Refers to the projection published in the IMF Country Report No 25/064.

3/ Includes cash in vault and deposits of commercial banks with the BEAC.

Table 8. CEMAC: Net Foreign Assets of the Central Bank, 2019–30

(Billions of CFA Francs)

	2019	2020	2021	2022	2023'	2024'	2024	2025'	2025	2025	2025	2025	2026
									Mar	June	Sept		
	Act.	Act.	Act.	Act.	Act.	SR 25/064 1/	Proj.	SR 25/064 1/	Proj.	Proj.	Proj.	Proj.	Proj.
BEAC's net foreign assets													
Stock	2,730	1,980	1,420	3,169	3,238	4,191	3,655	3,563	3,553	3,985	4,056	4,308	4,191
Change since end of previous year	348	-750	-561	1,749	70	456	416	-135	54	901	1,182	653	-117
o.w. Cameroon	179	-309	7	504	-328	192	233	204	211	-209	423	834	-74
Central African Republic	-15	12	-60	-46	52	-18	28	-20	-4	-5	-7	-18	33
Congo	313	-38	-167	-128	-95	124	2	63	-137	18	18	45	46
Gabon	-34	-154	-297	24	77	174	-329	-325	38	76	114	153	-38
Equatorial Guinea	-95	-143	83	867	-275	-10	-233	-47	156	298	99	-101	-99
Chad	48	-65	-246	413	43	-5	377	-9	-59	-51	-45	31	16
Unallocated	-49	-53	119	114	595	0	47	0	0	0	0	0	0

Sources: BEAC; and IMF staff projections.

1/ Refers to the projections published in the IMF Country Report No 25/064.

Table 9. CEMAC Program Countries: External Financing Sources, 2020–25

(Billions of CFA Francs)

	2020	2021	2022	2023	2024						2025		
	Act.	Act.	Act.	Act.	H1 SR 25/064 2/	H1 Proj	H2 SR25/064 2/	H2 Proj	SR 25/064 2/	Proj	H1 Proj	H2 Proj	Proj
1. External financing needs [1]	**1855**	**757**	**765**	**329**	**367**	**167**	**567**	**613**	**934**	**779**	**219**	**598**	**818**
2. Net IMF Financing	**572**	**122**	**249**	**-12**	**-40**	**-88**	**-45**	**-67**	**-85**	**-155**	**-71**	**-71**	**-141**
3. Budget suport from other donors	**451**	**29**	**139**	**182**	**58**	**45**	**258**	**466**	**316**	**511**	**64**	**148**	**212**
World Bank	123	0	31	18	6	5	224	98	**230**	103	**64**	**138**	**202**
African development Bank	220	13	45	60	0	6	0	18	**0**	24	**0**	**0**	**1**
European Union	68	3	4	0	0	0	0	0	**0**	0	**0**	**0**	**0**
France	11	13	59	13	37	29	0	14	**37**	44	**0**	**9**	**9**
Other[3]	29	0	0	91	7	7	7	318	**14**	326	**0**	**0**	**0**
4. Commercial borrowing	**595**	**456**	**0**	**302**	0	**0**	0	**0**	**0**	**0**	**127**	**614**	**740**
5. Debt relief	**286**	**104**	**624**	**0**	**0**	**-1**	**0**	**-1**	**0**	**0**	**0**	**0**	**0**
6. External arrears	**-7**	**-57**	**-1**	**0**	**0**	**-1**	**-1**	**-1**	**-1**	**-3**	**0**	**0**	**0**
7. Residual financing gap	**-125**	**243**	**-175**	**-28**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Sources: Authorities' data; and IMF staff estimates and projections.

1 After projected/targeted change in gross reserves.

2 Refers to the projections of the IMF SR 24/193.

3 Includes external financing from the BDEAC in CFAF.

Appendix I. Follow-up to the Letter of Support for the Recovery and Reform Programs Undertaken by the CEMAC Member Countries

June, 12 2025

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
700 19th Street, NW
Washington, DC 20431
U.S.A

Subject: Follow-up to the Letter of Support for the Recovery and Reform Programs Undertaken by the CEMAC Member Countries

Dear Ms. Georgieva:

This letter is a renewal of the assurances provided in February 2025 by the Community Institutions in support of the economic recovery and structural reform programs undertaken by the member states of the Economic and Monetary Community of Central Africa (CEMAC). It reflects the commitments made during the regional consultations held from May 5 to 17, 2025, in person, and on May 27, 2025, virtually, between the International Monetary Fund (IMF) services and the CEMAC Institutions.

The CEMAC's macroeconomic environment saw some improvement in 2024, despite a context of increasing uncertainties. Indeed, after an economic activity slowdown in 2023 (2.4 percent compared to 3.4 percent in 2022), the economic growth rate settled at 3.3 percent in 2024, primarily due to the dynamism of the hydrocarbon and tertiary sectors. This positive trend is expected to continue in 2025, with growth projected to reach 2.6 percent thanks to the performance of all sectors, despite the recessionary effects of fiscal consolidation.

Regarding the stability of the currency, inflation continued its decline, with the rate expected to reach 4.1 percent in 2024, down from 5.6 percent in 2023. This trend is reinforced by the medium-term outlook which reveals a downward trajectory of the inflation rate, which is projected to fall below the regional standard of 3 percent during 2025 and remain below that threshold in 2026 (2.4 percent) and 2027 (2.0 percent). The current account deficit widened from 0.6 percent of GDP in 2023 to 0.9 percent of GDP in 2024 due to the drop in oil prices.

The Central Bank has recorded positive developments concerning the external coverage of the currency. After a continuous decline between April 2023 and October 2024, the Central Bank's net foreign assets (NFAs) began an upward trend during the last two months of 2024, which continued through the first quarter of 2025. In fact, gross reserves increased by 12.9 percent between 2023 and 2024, maintaining import coverage at its 2023 level, around 4.3 months of imports of goods and services. In December 2024, the NFA reached a three-month average of 5.02 billion euros, slightly exceeding the regional target of 5 billion euros set in June 2024. This trend accelerated in March 2025, where the three-month average reached 5.97 billion euros, significantly exceeding the regional target of 4.5 billion euros set in February 2025.

Liquidity tensions eased somewhat due to increased injections by the central bank. BEAC resumed its weekly liquidity injections in June 2024 to mitigate the heightened volatility of liquidity conditions in the banking system. The Central Bank increased the average weekly volume of its injections to about CFAF 230 billion by the end of March 2025, up from around CFAF 141 billion at the end of June 2024. Consequently, the average subscription rate for weekly operations reached 105 percent in April 2025, demonstrating the effectiveness of the measures taken by the Central Bank. Monetary policy was eased at the March 2025 Monetary Policy Committee (MPC) meeting, with a 50-basis-point reduction in the main policy rate (TIAO), bringing it to 4.5 percent, while the marginal lending facility rate was lowered by 75 basis points to 6 percent. The MPC deemed an easing appropriate given the gradual return of inflation below the regional threshold of 3 percent and the recent improvement in the external position.

Regarding the management of public finances, the budget deficit (commitment basis, excluding grants) reached 2.0 percent of GDP in 2024, after a surplus of 0.2 percent of GDP in 2023. It is expected to improve slightly in 2025 to -0.9 percent of GDP. The non-oil primary budget deficit slightly widened in 2024, increasing from 8.2 percent of GDP in 2023 to 8.5 percent of GDP in 2024, with significant disparities among countries in the sub-region.

Although CEMAC's debt-to-GDP ratio remained stable at 52.6 percent between 2023 and 2024, the overall debt situation deteriorated. Indeed, the ratio of debt interest to total budget revenue rose from 8.8 percent in 2023 to nearly 10.6 percent in 2024, primarily reflecting higher borrowing costs. This situation increased the vulnerability of some countries, as evidenced by the tensions in the regional public debt market observed between late 2024 and early 2025. These tensions are reflected in the lower subscription rates for public securities, the increase in average yields on bonds and treasury bills, and the rise in unsuccessful auctions.

The recent fiscal developments have increased the risks of debt distress and created tensions in the regional securities market. Thus, during their extraordinary Summit of December 16, 2024, the CEMAC Heads of State renewed their commitments to: (i) pursue fiscal policies consistent with debt sustainability and the external position of CEMAC; (ii) strengthen the independence of the central bank, COBAC and other regional institutions; (iii) take strong measures to reduce banks' over-exposure to the sovereign and further establish the COBAC's credibility as banking supervisor; (iv) ensure and reinforce the effective, uniform, and predictable enforcement of the foreign exchange regulations; (v) accelerate structural reforms; and (vi) ensure transparency and reliability of fiscal, economic and financial data.

The economic outlook will depend on these commitments, and decisive corrective actions to address recurrent fiscal slippages in some member countries, and an acceleration of reform implementation under Fund-supported programs and the CEMAC Economic and Financial Reform Program (PREF-CEMAC). The outlook is also subject to increased uncertainties, particularly due to intensifying global trade tensions, the resulting instability in financial and commodity markets, and tightening of financial conditions and debt-related vulnerabilities at the sub-regional level. The recovery could nevertheless benefit from the timely conclusion of reviews of ongoing Fund-supported programs, as well as the predictable disbursement of budget support from other development partners, given the scale of the Financing requirements of the subregion. To this end, the countries and development partners should work together to ensure greater predictability of budget support disbursements, including for the funding pledges made during the roundtable of donors held in Paris in November 2023 for the second generation of CEMAC priority integration projects. The outlook will also hinge on certain regional developments, particularly in connection with the security and sociopolitical situation in some CEMAC countries, as well as any potential humanitarian and security repercussions of the ongoing crises in the neighboring countries.

Despite this uncertain macroeconomic context, based on the commitments made by the extraordinary Conference of CEMAC Heads of State of December 16, 2024, and in accordance with its mandate, BEAC will continue to implement the measures needed to strengthen both the external and internal stability of the region.

Monetary Policy and Liquidity Management

BEAC commits to maintaining an appropriate orientation of its monetary policy, based on economic developments. It will remain vigilant and refrain from any further interest rate reductions in the absence of a sustained decline in inflation below the regional convergence criterion of 3 percent and a clear mitigation of risks to external stability.

In its approach, BEAC plans to maintain its weekly refinancing operations to ease liquidity pressures in the banking system. Indeed, demand at the main refinancing operations remains high, and banks continue to use the marginal lending facility window, reflecting an increased need for liquidity. BEAC could consider conducting its active liquidity injection operations through a fixed-rate full-allotment procedure, taking into account market conditions and macroeconomic conditions, in order to strengthen monetary policy transmission.

Furthermore, COBAC will ensure strict application of prudential regulations regarding concentration limits. The issue concerning the gradual reduction of the zero weighting for new issues of public securities backed by an escrow account mechanism is currently under review by COBAC, which will submit its conclusions to the UMAC Ministerial Committee.

Foreign Exchange Regulations

The BEAC will pursue a full and transparent implementation of the foreign exchange regulations. The efforts deployed so far have led to an improved compliance of foreign exchange regulations by commercial banks, as confirmed by the effective surrender rate and processing times for foreign exchange surrender, which improved in 2024. To consolidate these gains, BEAC will further strengthen its cooperation with member states to ensure the compliance of the public and extractive sectors with the obligation to repatriate and surrender foreign currency.

To consolidate progress, BEAC will further strengthen its cooperation with member states to ensure the public and extractive sectors comply with the obligation to repatriate and surrender foreign currency. Negotiations between BEAC, member states, and the extractive sector regarding the repatriation of site rehabilitation funds (RES funds) have made significant progress. Although the April 30, 2025 deadline has passed, discussions are ongoing among stakeholders on the remaining outstanding issues related to the framework agreement template governing escrow accounts for the repatriation and management of these funds.

Public Financial Management

BEAC stepped up its efforts to promote stronger public financial management. To this end, it has established an IT platform to facilitate the implementation of Treasury Single Accounts (TSAs). Technical issues have delayed the production launch of the IT system for the pilot phase in Cameroon and Gabon, which is now scheduled for the fourth quarter of 2025. This initiative will then be gradually extended to the Treasuries of the other member states. In any case, it is important to emphasize that the implementation of all these actions remains contingent upon the decision of national authorities to centralize in the BEAC's books all accounts of the Treasuries and state entities opened in commercial banks.

Regional Government Securities Market

BEAC is monitoring with the utmost attention the risks inherent in the accelerated development of this market, such as the significant increase in its size, estimated at CFAF 8,448.8 billion at the end of April 2025, and banks' high exposure to sovereign risk. Therefore, the high concentration of maturities in 2025 and 2026 is a constant source of concern. Against this backdrop, the Congolese authorities embarked on a program of voluntary (over-the-counter) exchanges of their securities, in October 2024 (Programme National d'Optimisation de la Trésorerie – PNOT), with the aim of extending the maturity of their entire portfolio and smoothing out their repayment obligations over time, thereby reducing cash flow pressures.

In a letter dated February 28, 2025, addressed to the Governor of the BEAC, the Minister of Finance, Budget, and Public Portfolio of Congo announced the completion of the PNOT securities exchange operations. As of that date, the BEAC had executed securities exchanges totaling FCFA 914.72 billion. In addition, BEAC did not exchange any securities from its portfolio under this program, in line with its investment policy and monetary policy stance.

Gabon undertook a similar securities reprofiling operation in March 2025. This involved voluntarily exchanging public securities for an executed amount of 204 billion as of May 18, 2025, with the aim of extending their maturities. Gabon also carried out a securitization of its direct liabilities to banks for an amount of 763 billion FCFA at the same date. As with the Congo's operations, BEAC has not exchanged any securities to date and will remain compliant with its investment policy.

Banking Supervision and Regulation

Provisional data indicate an improvement in certain fundamentals in the banking sector at the end of 2024 compared to the same period in 2023, although significant pockets of vulnerability persist. Financial soundness data for 2024 will be able to confirm the observed improvement in the solvency and liquidity ratios of the CEMAC banking system. Recent recapitalization and share capital increase operations by a number of banks appear to be strengthening the zone's aggregated net capital.

Regarding its supervision, COBAC will continue to implement sanctions, both monetary and non-monetary, depending on the nature of the infractions and in accordance with the regulations in force.

BEAC and COBAC are working together to review the recovery plans of banks structurally dependent on BEAC refinancing and are committed to supporting their restructuring. The two institutions are also committed to closely monitoring the risk associated with banks' exposure to the sovereign and to taking adequate measures to control it, including the phasing out of systematic zero weights for new government securities issuances.

The support of the States will be required to strengthen state-owned banks and for swiftly implementing, together with their submission to the CEMAC Commission, comprehensive strategies for clearing domestic payment arrears, which will have to be based on the principles of transparency and supported by measures to optimize public financial management with a view to avoiding the resurgence of new payment arrears that threaten financial stability. The support of the countries will also be essential to ensure that sovereign risk is reduced on bank balance sheet.

Based on the commitment and support of the member states expressed at the Extraordinary Conference of Heads of State in December 2024, BEAC and COBAC have provided assurances in the following areas:

- *Human resources*. BEAC is working to address the understaffing at COBAC as quickly as possible. Based on the needs already expressed by the COBAC Secretariat through its five-year human resources assessment, BEAC began a specific recruitment process for COBAC to enable it to effectively fulfill its missions. BEAC will meet the needs expressed by the SG-COBAC by the end of June 2026 at the latest, aiming to fill two-thirds of the positions by December 2025, in line with commitments made under the regional assurances. Considering the auditor recruitment process launched in February 2025 and the recruitment process for mid-level managers launched in March 2025, BEAC is well on track to achieve this goal and is committed to providing COBAC with the agreed number of staff. Thus, COBAC will ensure the intensification of on-site inspections, the acceleration of resolution procedures for undercapitalized banks and financing plans for banks structurally dependent on BEAC funding. It will also strengthen AML/CFT supervision and the regulatory framework, including gradually enforcing sanctions and requiring undercapitalized banks to submit credible recapitalization plans within a short time frame, in compliance with existing regulations.

- *Regulatory framework*. COBAC is committed to modernizing the regulatory framework for banking supervision and resolution. In line with its strategic plan, COBAC will complete by December 2025 a framework document outlining the objectives of a reform to strengthen CEMAC's supervision and resolution framework, in consultation with the IMF and other partners. This framework document will serve as the basis for preparing a modern banking law proposal that will align CEMAC's convention and regulations with international best practices, to be submitted for approval to the UMAC Ministerial Committee in 2026. COBAC has already begun considering this framework document and has requested IMF's technical assistance to support this reform project.

Framework for New Means of Payment and Digital Assets

Regional institutions continue to monitor crypto asset risks in the sub-region, primarily those related to money laundering, terrorist financing and proliferation. The regional supervisors (BEAC, COBAC, COSUMAF, GABAC, and GIMAC) will work jointly to develop a consistent and adequate regulatory framework for crypto assets. In this regard, BEAC is still examining the compliance of Law No. 23-010 of July 24, 2023, regulating the tokenization of natural and land resources in the Central African Republic, with community regulations— particularly regarding the use of virtual currencies in transactions, the exclusive right to issue currency within CEMAC, and their potential effects on financial integrity, governance, consumer protection, and compliance with AML/CFT standards in CEMAC.[1]

By the Governor's Decision No. 069/GR/2025 of May 15, 2025, the BEAC has established a working group tasked with conducting a study, in consultation with other regional institutions (COBAC, COSUMAF, GABAC), on a central bank digital currency and the regulation of crypto-assets within CEMAC. The BEAC has requested technical assistance from the IMF for this purpose.

Regional Policy Assurances on NFA

The Net Foreign Assets (NFAs) have continued their growth trajectory, which began in late November 2024, to exceed the target set during the previous review for the end of March 2025. This notable performance is due to a combination of cyclical and structural factors, including disbursements from external loans (Chad and Gabon), a strong cocoa season in Cameroon, rising gold prices and returns on reserve investments, and a significant increase in repatriations, particularly in the extractive sector, linked to the strict application of foreign exchange regulations.

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[1] The delay in processing this law is justified by the need to extend the discussions to COSUMAF, allowing it to take ownership of the matter and provide a conclusion on its compliance with the relevant community frameworks.

With the aim of consolidating the region's external and monetary stability and protecting against risks associated with an uncertain global environment, it is appropriate to raise the target for the three-month average at the end of June 2025 from 4.7 billion euros to 5.50 billion euros, and to set a new target for the end of December 2025 at 5.75 billion euros. The definition of the regional assurance target for NFAs will also be modified as follows: BEAC's NFAs are defined as the value, in euros, of the difference between the BEAC's gross external assets and gross external liabilities, as indicated in monetary and balance of payments statistics manuals. External assets and liabilities not denominated in euros are converted into euros at the BEAC exchange rates in effect for the period concerned. Within the framework of regional assurances, BEAC's external assets exclude any pledged, encumbered, or otherwise burdened assets, unless there is a corresponding external commitment. The NFA target will continue to be assessed based on the three-month average ending on the target date.

Regional Surveillance

To expedite the adoption of the new sanction mechanism for violations of multilateral surveillance rules, BEAC will strengthen its collaboration with the CEMAC Commission and the PREF-CEMAC Permanent Secretariat. In accordance with the guidelines of the UEAC Council of Ministers in March 2023, the CEMAC Commission will quickly organize consultations with the other community institutions (BEAC, BDEAC, BVMAC, COBAC, and COSUMAF) in order to finalize the revised draft to enable its adoption by the competent bodies in 2025. The effective operationalization of this mechanism is essential to enhance the credibility and effectiveness of the multilateral surveillance framework, particularly as member countries continue to struggle to comply with all convergence criteria despite the favorable evolution of oil prices.

Data Sharing

BEAC and COBAC reiterated their commitment to providing all economic and financial statistics included in the December 2023 letter of assurance, and to sharing them with IMF staff for macroeconomic monitoring. COBAC will also provide IMF staff, every six (6) months and at least two (02) months before the review mission, all necessary information to ensure close monitoring of the soundness of the banking system.

Program Monitoring

BEAC will diligently monitor the development of CEMAC countries' programs through regular updates to the competent bodies (the Board of Directors, Ministerial Committee, and the CEMAC Economic and Financial Reform Program (PREF-CEMAC)). In addition, it will continue to work closely with IMF staff for the consolidation of macroeconomic balances in the region. It stands ready to notify and consult IMF staff in a timely manner on economic developments likely to affect the internal and external stability of CEMAC, by end-June and December 2025, and to take any corrective measures, including in the area of monetary policy, that may be required in the event of any adverse developments.

I remain available to work alongside the CEMAC member countries, and in partnership with the IMF, with the aim of achieving sustainable growth and restoring macroeconomic balances in the subregion. Please accept, **Madame Managing Director**, the expression of my highest consideration.

/s/

Yvon SANA BANGUI

Annex I. Data Matrix to be Provided to IMF Staff

Data to be Provided	Institution	Frequency	Format	Transmission to the IMF
Financial markets data: Government securities (T-bills and bonds)	BEAC	Monthly	Excel	10 days after the end of the month
Monthly accounting statement	BEAC	Monthly	Excel	30 days after the end of the month
Inflation data	BEAC	Monthly	Excel	60 days after the end of the month
Monetary statistics	BEAC	Monthly	Excel	60 days after the end of the month
Outgoing transfers	BEAC	Monthly	Excel	30 days after the end of the month
Incoming transfers	BEAC	Monthly	Excel	30 days after the end of the month
Net foreign assets[1]	BEAC	Daily	Excel	10 days after the end of the month
Net foreign assets	BEAC	Monthly	Excel	30 days after the end of the month
Refinancing and interbank operations	BEAC	Monthly	Excel	10 days after the end of the month
Banks' reserves at the Central Bank	BEAC	Monthly	Excel	10 days after the end of the month
Weekly monetary policy operations report	BEAC	Monthly	Excel	10 days after the end of the month
Interbank data: volume and rates	BEAC	Monthly	Excel	10 days after the end of the month
Autonomous Factors of Banking Liquidity (AFBL) Data	BEAC	Monthly	Excel	10 days after the end of the month
Haircuts on sovereign securities applied by BEAC	BEAC	Quarterly	Excel	30 days after the end of the month
Quarterly bulletin on the CEMAC government securities market	BEAC	Quarterly	PDF	30 days after the end of the month
Financial stability review	BEAC	Yearly	PDF	October

[1] This data will be treated confidentially. It is understood that the data is provisional and cannot be used to assess the final net foreign asset position.

Statement by Mr. N'Sonde, Executive Director for Member Countries of the Central African Economic and Monetary Community and Mr. Nguema-Affane, Senior Advisor to the Executive Director

June 26, 2025

On behalf of our CEMAC authorities, we thank the IMF Executive Board, Management and staff for their support to the member countries and regional institutions of CEMAC. The regional authorities appreciate the productive discussions held with staff in Libreville and Yaoundé in May 2025 and view the staff report as an accurate account of those exchanges. The authorities broadly agree with the staff's policy recommendations to strengthen macro-financial stability in the region.

The regional authorities remain committed to implementing the measures needed to strengthen both the external and internal stability of the region based on the commitments made by the Extraordinary Conference of CEMAC Heads of State of December 16, 2024. These include: (i) pursuing fiscal policies consistent with debt sustainability and sound external position of CEMAC; (ii) strengthening the independence of the central bank (BEAC), the banking commission (COBAC) and other regional institutions; (iii) taking strong measures to reduce banks' over-exposure to the sovereign and further establish the COBAC's credibility as banking supervisor; (iv) ensuring and reinforcing the effective, uniform, and predictable enforcement of the foreign exchange regulations; (v) accelerating structural reforms; and (vi) ensuring transparency and reliability of fiscal, economic and financial data.

The CEMAC authorities continue to put high value in Fund engagement in the region. They reiterate their determination to pursue a coordinated strategy to address the challenges facing the region, and view Fund support as critical to carrying their macroeconomic stability objectives. They call on Fund's continued policy advice, technical assistance, and financial support as needed.

I. Recent Developments and Prospects

The CEMAC's macroeconomic environment improved in 2024 but face greater uncertainties in 2025. After a slowdown in 2023, the economy grew by 3.3 percent in 2024, primarily due to the dynamism of the hydrocarbon and tertiary sectors. Inflation declined to 4.1 percent in 2024, down from 5.6 percent in 2023. The current account deficit widened from 0.6 percent of GDP in 2023 to 0.9 percent of GDP in 2024 due to lower oil prices. Gross reserves increased by 12.9 percent between 2023 and 2024, maintaining import coverage at its 2023 level, around 4.3 months of imports of goods and services. The overall fiscal balance turned negative (-2.0 percent of GDP) in 2024, after a surplus of 0.2 percent of GDP in 2023 due to an expansionary fiscal stance in some countries. The region's debt-to-GDP ratio remained stable at 52.6 percent between 2023 and 2024, but debt vulnerabilities increased with the ratio of debt interest to total budget revenue rising from 8.8 percent in 2023 to nearly 10.6 percent in 2024, primarily reflecting higher borrowing costs. Banks' sovereign exposure remains elevated, raising concerns about crowding out private sector lending.

Net Foreign Assets (NFAs) have continued their growth trajectory, which began in late November 2024. In March 2025, the NFA reached a three-month average of 5.97 billion euros, significantly exceeding the regional target of 4.5 billion euros set in the last Board meeting in February 2025. This performance is due notably to disbursements from external loans (Chad and Gabon), and a significant increase in export proceed repatriations, particularly in the extractive sector ahead of the April 30, 2025, deadline to comply with the foreign exchange regulations.

Recent developments in the regional securities market have increased risks of debt distress. Tensions in the regional public debt market started in late 2024 and are reflected in the lower subscription rates for public securities, the increase in average yields on bonds and treasury bills, and the rise in sub-par auctions. This situation increased the vulnerability of some countries which could face significant rollover risks in view of a concentration of maturities in 2025 and 2026. It is in that context that Gabon undertook a securities reprofiling operation in March 2025, following the Republic of Congo in 2024.

Monetary policy was eased in March 2025, with notably a 50-basis-point reduction in the main policy rate (TIAO). The decision by BEAC's Monetary Policy Committee to ease monetary policy stance reflects strong confidence in the disinflation path with inflation gradually returning to below the regional threshold of 3 percent by end-2025. Liquidity tensions eased somewhat as the central bank increased liquidity injections to meet growing liquidity demand and mitigate the heightened volatility of liquidity conditions in the banking system.

As regard central bank reforms, BEAC stepped up its efforts to address technical issues that have delayed the production launch of the IT system to facilitate the implementation of Treasury Single Accounts (TSAs) in two pilot countries, Cameroon and Gabon. Moreover, in May 2025, the BEAC has established a working group tasked with conducting a study, in consultation with regional supervisors in the areas of banking (COBAC), financial market (COSUMAF), and money-laundering (GABAC), on a central bank digital currency and the regulation of crypto-assets within CEMAC. The BEAC has requested technical assistance from the IMF for that purpose.

Progress is also being made on the two regional assurances on financial stability provided by BEAC and COBAC. BEAC is well on track to the regional assurance on human resources (providing COBAC with an agreed number of staff by December 2025) following the launch of two recruitment drives in February 2025 and March 2025. COBAC has already begun working on regional assurance on the regulatory framework, notably drafting a framework document to prepare a modern banking law proposal that will align CEMAC's convention and regulations with international best practices. COBAC has requested IMF's technical assistance to support this reform project.

The economic outlook overall is expected to improve somewhat but with a significant worsening of the external position in light of adverse developments in major export commodity prices—prior to the most recent intensification of geopolitical tensions in the Middle-East—and in the absence of decisive corrective actions. GDP growth is projected to slow down to 2.6 percent in 2025, reflecting primarily a sharp contraction of hydrocarbon production in Equatorial Guinea, and then accelerate to 3.8 percent by 2030. Inflation is projected to fall below the regional standard of 3 percent in 2026 and remain low thereafter. The underlying fiscal position is expected to improve, with the region's non-hydrocarbon primary fiscal deficit falling by about 1.5 percentage points of GDP between 2025 and 2030 and contribute to the reduction of public debt burden. However, the external position is expected to weaken on account of continuous decline in oil and cocoa bean prices notably, with the reserve imports cover falling to 3.1 months of imports by 2030 under a no policy adjustment scenario.

Against this backdrop, the regional authorities agree that decisive actions are needed to address macroeconomic imbalances in member countries and accelerate reform implementation under Fund-supported programs and the CEMAC Economic and Financial Reform Program (PREF-CEMAC). Importantly, national authorities are expected to follow through on the CEMAC Heads of State commitments to pursue fiscal policies consistent with debt sustainability and sound external position of CEMAC. In a scenario assuming that greater external assistance under catalytic Fund-supported programs is delivered to the region concurrently with implementation of Heads of State commitments, staff estimates that the reserve import cover would still be below the adequate level of 5 months but stabilize at about 4 months by 2030 (against 3.1 months in the absence of decisive policy actions).

The regional authorities concur with staff's assessment that the outlook is subject to significant downside risks and that deepening reforms is important to strengthen resilience to shocks. Downside risks include the intensification of global trade tensions and the resulting instability in financial and commodity markets, further tightening of financial conditions, climate-related events, delays in the implementation of structural reforms implementation, and debt-related vulnerabilities at the sub-regional level. The outlook will also hinge on certain regional developments, particularly in connection with the security and sociopolitical situation in some CEMAC countries, as well as any potential humanitarian and security repercussions of the ongoing crises in the neighboring countries. The outlook will also benefit from the timely conclusion of reviews of ongoing Fund-supported programs, as well as predictable disbursement of budget support from other development partners to close financing gaps amid nearly-saturated regional securities market, reduced access to international capital markets and declining official development assistance.

II. Policies for 2025 and beyond

A. Monetary Policy and Liquidity Management

BEAC commits to maintaining data-driven monetary policy. The central bank will remain vigilant and refrain from any further policy rate reductions in the absence of a sustained decline in inflation below the regional convergence criterion of 3 percent and a clear mitigation of risks to external stability. It will maintain its weekly refinancing operations to ease liquidity pressures in the banking system as needed and could consider conducting its active liquidity injection operations through a fixed-rate full-allotment procedure, taking into account market and macroeconomic conditions, in order to strengthen monetary policy transmission.

The BEAC will pursue full and transparent implementation of the foreign exchange regulations. The commercial banks. To consolidate progress, BEAC will further strengthen its cooperation with member states to ensure the public and extractive sector comply with the obligation to repatriate and surrender foreign currency. Negotiations between BEAC, member states, and the extractive sector regarding the repatriation of site rehabilitation funds (RES funds) have made significant progress, although the April 30, 2025, deadline has passed.

The regional assurances on NFAs for end-June 2025 and end-December 2025 have been revised upwards. These revisions are based on the overperformance of NFAs in March 2025 and effective implementation of high-level commitments on fiscal policy, reform implementation, enforcement of FX regulations and maintaining a data-driven monetary policy. The target for the three-month average at the end of June 2025 has been revised from 4.70 billion euros to 5.50 billion euros, and a new target for the end of December 2025 has been set at 5.75 billion euros.

B. Banking Supervision and Regulation

Progress is being made in strengthening financial sector stability. Provisional data indicate an improvement in the solvency and liquidity ratios of the CEMAC banking system. Recent recapitalization and share capital increase operations by a number of banks appear to be strengthening the zone's aggregated capital adequacy ratio. COBAC is now enforcing sanctions, both monetary and non-monetary, for non-compliance with regulations. BEAC and COBAC are working together to review the recovery plans of banks structurally dependent on BEAC refinancing and are committed to supporting their restructuring.

BEAC and COBAC are committed to closely monitoring and addressing the risk associated with banks' exposure to the sovereign. Measures to control such risk include the phasing out of systematic zero weights for new government securities issuances and securing the support of the countries to clear their domestic payment arrears and to avoid the accumulation of new ones. The support of States will also be essential to ensure that sovereign risk is reduced on bank balance sheets. Furthermore, COBAC will ensure strict application of prudential regulations regarding concentration limits.

The hiring of new auditors will enable COBAC to intensify site inspections and accelerate resolution procedures for undercapitalized banks. COBAC will strengthen AML/CFT supervision and the regulatory framework and gradually enforce sanctions. The support of the States will be required to strengthen state-owned banks and to swiftly implement, together with their submission to the CEMAC Commission, comprehensive strategies for clearing domestic payment arrears while enhancing public financial management to avoid the resurgence of new payment arrears that threaten financial stability.

C. Multilateral Surveillance

The regional authorities continue to advance the reform of the multilateral surveillance framework. In this regard, the CEMAC Commission will quickly organize consultations with the other community institutions (BEAC, BDEAC, BVMAC, COBAC, and COSUMAF) in order to finalize the revised draft of the new sanction mechanism for violations of multilateral surveillance rules to enable its adoption by the competent bodies in 2025.