



ECONOMIC AND FINANCIAL UPDATE

November 2023

Key news

Macroeconomic performance

- ▶ **Inflation fell below the 3% threshold** in Senegal for the first time since August 2021, **settling at 2.4% in October 2023**.
- ▶ **The trade deficit narrowed sharply** by 30% in September 2023 compared with September 2022, and **by a more modest 0.2% cumulatively since the start of the year**.

Partnerships

- ▶ **Senegal inaugurated the United Nations House in Diamniadio**, which will house the 34 UN agencies present in the country.
- ▶ **Senegal took part in the G20 "Compact with Africa" conference in Berlin**.

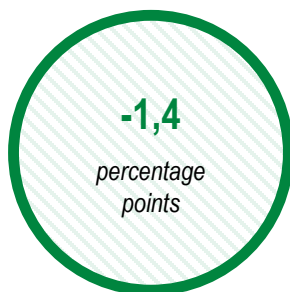
Forum

- ▶ **President Macky Sall took part in the Paris Peace Forum**, which has initiated over 60 projects around the world to safeguard peace.

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Key data



Change in annual inflation in Senegal between September and October



Change in the trade deficit in September 2023 compared with September 2022



Total amount issued on the public securities market in November 2023

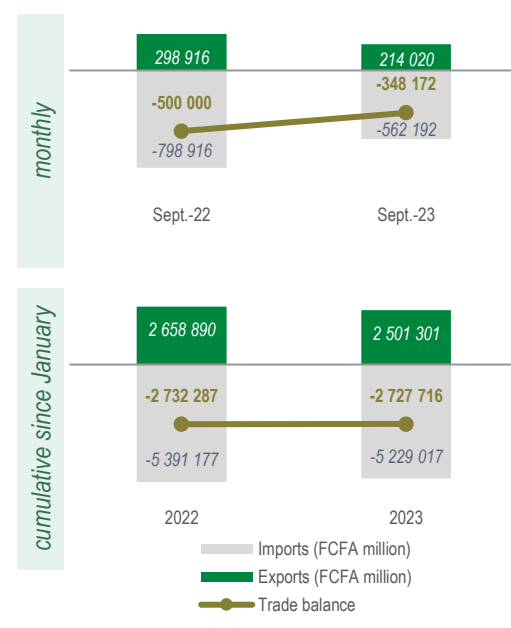
Trade balance

The trade deficit in September 2023 was 30% lower than in September 2022. This improvement in the trade balance is the result of a sharp fall in imports (-30% between September 2022 and 2023) which offsets a more moderate fall in exports (-28% between September 2022 and 2023). The cumulative deficit since the start of the year has very slightly narrowed, down by 0.2% compared with January-September 2022.

Between September 2022 and September 2023, the fall in Senegalese imports was driven by a 50% decrease in imports of energy and lubricants, and an 84% decrease in imports of mineral raw materials.

In terms of trade relations, Mali, Switzerland and India were the three main destinations for Senegalese exports in the first nine months of the year. China, France and Nigeria remain Senegal's main suppliers.

Balance of goods (FCFA million)

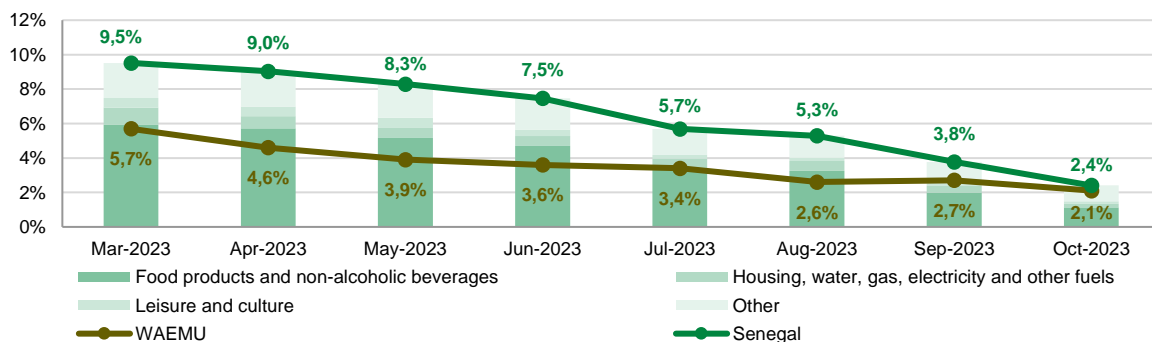


Inflation

Inflation slowed sharply in October in the WAEMU zone and in Senegal. For the first time since August 2021, it fell below the 3% threshold, in line with the BCEAO's inflation target range of 1%-to-3%.

The slowdown in inflation in Senegal in October was mainly driven by food and non-alcoholic beverages, whose contribution to inflation fell from 2.0% to 1.1%.

Inflation (%)



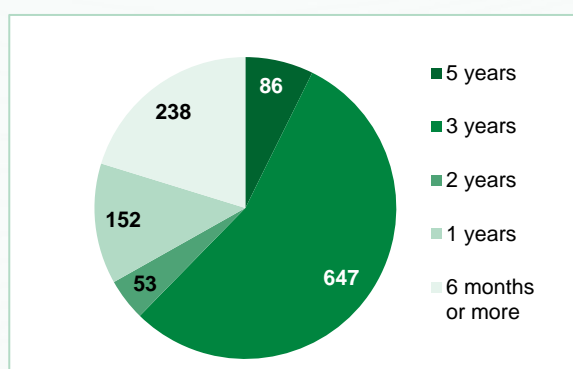
Regional market

- ▶ On November 9 and 24 2023, Senegal issued **28-day Treasury bills for a total of FCFA 68,670 million** on the local government securities market.
- ▶ Senegal's cumulative issuance since January 2023 amounts to **FCFA 1,176 billion**, in 50 tranches. The issues break down as follows: FCFA 86bn for 5 years, FCFA 647bn for 3 years, FCFA 53bn for 2 years, FCFA 152bn for 1 year and FCFA 238bn for 6 months or less.
- ▶ Senegal's debt stock on the local market increased by **FCFA 416 billion since January 2023**, given cumulative repayments of **FCFA 760 billion** during this period.

Total issues in November 2023

Maturity	28 days	
	9 Nov 2023	24 Nov 2023
Issue date	9 Nov 2023	24 Nov 2023
Amount put out to tender (FCFA million)	35,000	40,000
Amount submitted (FCFA million)	32,170	56,280
Amount retained (FCFA million)	30,170	38,500
Average weighted yield	5.47%	5.67%
Coverage of the amount put out to tender	91.91%	140.7%

Maturity breakdown of issues since January 2023 (FCA billion)



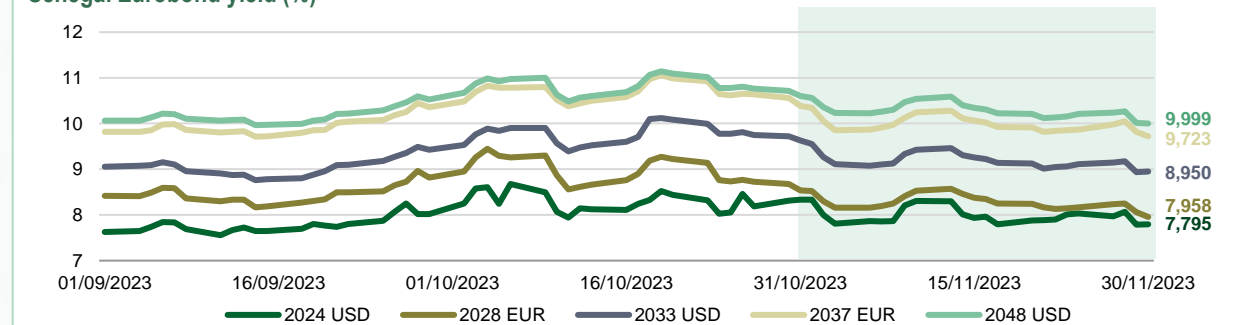
Source: UMOA Titres, November 2023. The coverage of the amount put out to tender corresponds to the ratio of the amount submitted to the amount put out to tender. The averages are weighted by the amount retained for each public security.

International markets

The trend reversal observed in October was confirmed in November 2023, with **yields on all Senegalese bonds falling. Intermediate maturity bonds, namely USD 2033 and EUR 2037, recorded the sharpest falls.**

Instrument	Yield on 01/11/23 (%)	Yield on 30/11/23 (%)	Δ in Nov. (bps)	Δ in Oct. (bps)
2028 EUR	8.520	7.958	-56.2	-41.5
2037 EUR	10.345	9.723	-62.2	-9.6
2024 USD	8.331	7.795	-53.6	+8.5
2033 USD	9.554	8.950	-60.4	+9.5
2048 USD	10.558	9.999	-55.9	-6.6

Senegal Eurobond yield (%)



Source: Bloomberg 30/11/2023

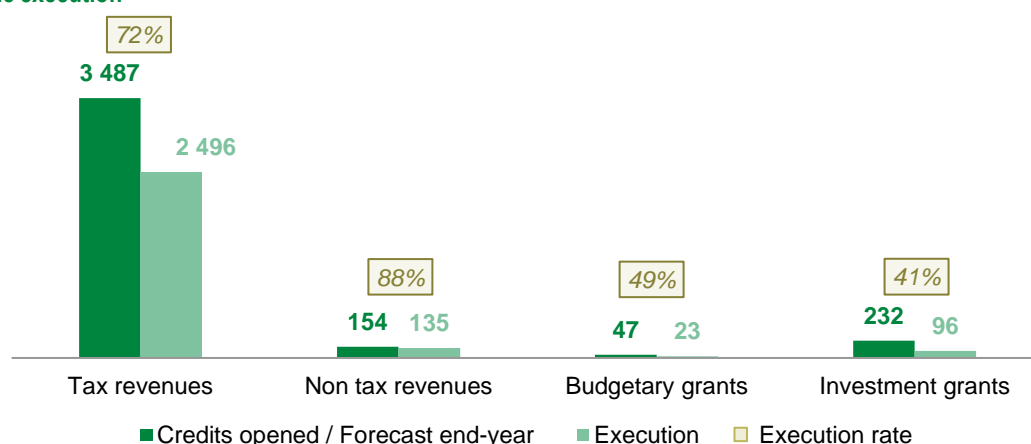


Budget execution in the third quarter of 2023

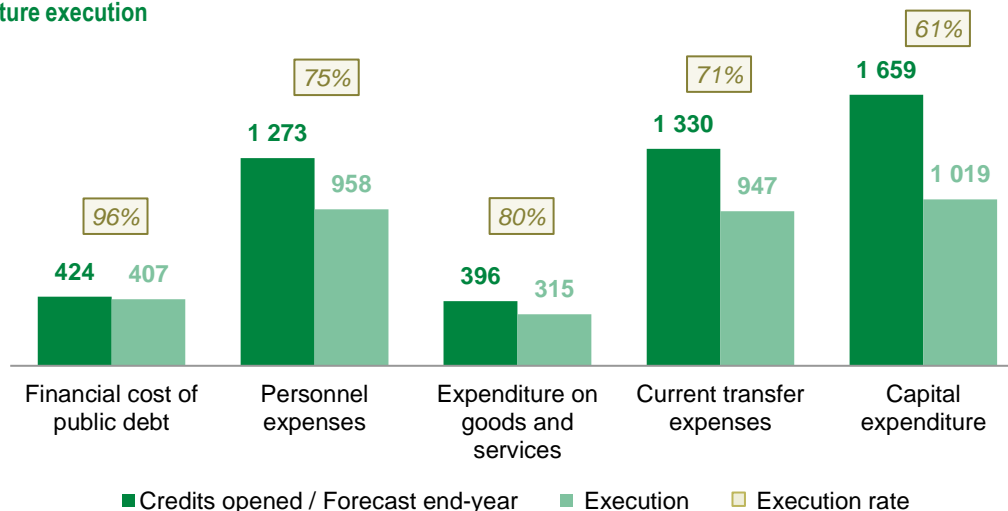
At the end of the third quarter, budget implementation was broadly in line with the Loi de Finances 2023. **The total execution rate for annual revenues was 70%**, thanks to an execution rate of 72% for tax revenues, the main revenue item.

On the expenditure side, budget execution is also in line with the 2023 Loi de Finances (including modifications to open general budget appropriations and carryovers of investment appropriations): **72% of the total annual forecast was executed on September 30, 2023.**

Revenue execution



Expenditure execution



Source: Direction Générale du Budget, Budget execution report for the third quarter of 2023



Dakar International Forum on Peace and Security in Africa

The **Dakar International Forum on Peace and Security in Africa** was held on **November 27 and 28 in Dakar**. President Macky Sall was accompanied by Mohamed Ould Cheikh El Ghazouani, President of the Islamic Republic of Mauritania, and Geraldo Martins, Prime Minister of Guinea-Bissau.



The theme of the 9th forum was **Africa's potential and solutions to security challenges and institutional instability**. This year's event highlighted the continent's contrasts: the delay in the development process despite the continent's wealth and aspirations to emerge, the democratic developments in countries facing institutional instability, and the continent's commitment to peace in the face of ongoing conflicts and terrorism.

President Macky Sall called for **fairer and more equitable global governance to contribute to the emergence of solutions in Africa**, so that Africa can rely more on its own resources to finance its development efforts and offer investment opportunities to its partners.

The Forum also focused on **peace on the continent and the call for dialogue within it to strengthen cooperation between countries and build coalitions and stable national institutions**.

Inauguration of the United Nations House in Diamniadio

On **November 24, President Macky Sall inaugurated the United Nations House in Diamniadio**. The complex will house the **34 UN agencies** represented in Senegal to embody the "One UN" vision. The project, initiated in 2015 by the State of Senegal, will make available to the United Nations system a building constructed in accordance with United Nations specifications and managed by the agencies that will occupy it. **By bringing together all the agencies present in Senegal, the House symbolises the strong partnership between the Government and the United Nations**.

The House will have its **own internal management provided by the UN House Management Board**, on which all the housed UN agencies will sit and participate. Housed agencies include the **FAO, IFAD, UNDP, UNFPA, UNICEF and WHO**.



Participation in the Paris Peace Forum

President Macky Sall participated in the Paris Peace Forum. This year's Forum brought together 4,200 participants, including 70 high-level representatives, and presented more than 60 projects to defend peace in the world.



The Forum provided a **platform for dialogue on current conflicts** and enabled a discussion on **preventing future conflicts by building the foundations of peace.**

The new projects selected in 2023 focus on **the major global issues that will help to guarantee and strengthen the conditions for peace.** The projects are divided into **10 themes:** biodiversity, climate, critical minerals, women and agriculture, sport, outer space, conflict resolution, global health, online content and artificial intelligence.

At the end of the forum, **President Macky Sall took upon the role of Special Envoy of the Paris Pact for People and the Planet.** The Pact is a commitment to the environment and the fight against poverty. As Special Envoy, **President Macky Sall will help implement, with the assistance of the OECD General Secretariat, the conclusions of the Paris Summit of June 2023 for a new global financial pact.**

G20 "Compact with Africa" Conference

President Macky Sall was in Berlin for the G20 Compact with Africa conference. This 5th conference was chaired by Germany and provided an opportunity to develop a **dialogue between the G20 countries and the 13 African countries involved in the initiative, in pursuit of the objective of increasing private foreign investment in participating African countries.**

Chancellor Olaf Scholz has pledged to invest EUR 4 billion by 2030 in renewable energies in Africa and to strengthen cooperation between Africa and Europe with the aim of achieving a climate-friendly energy supply based on green hydrogen.

On the fringes of the summit, President Macky Sall took part in a panel discussion on value chains and investment in Africa organised by Afrika-Verein, an initiative of German business federations for cooperation with Africa.

The conference was also an opportunity for **President Macky Sall to meet Chancellor Olaf Scholz and discuss bilateral cooperation between the two countries** and international issues.



Recent events

23 Nov.

Visit by the **President of Romania, Klaus Iohannis**, to **strengthen bilateral cooperation**, particularly in the fields of education and training, research and the promotion of trade and investment.



28 Nov.

Senegal hosted the **first edition of the Biennale on Research, Innovation and Industrialisation in Africa**, celebrating the commitment of the continent and all its academics and researchers to a better future for all.

Forthcoming key data publications

- ▶ 29 December - **Annual Gross Domestic Product**
- ▶ 29 December - **Building materials price index**: price levels of the main building materials
- ▶ 29 December - **Foreign Trade Analysis Note**: analysis of foreign trade, the level of exports and imports, and the trade balance
- ▶ 29 December - **Population data**: changes in the population and demographic trends since the last general census in May-June 2023
- ▶ 29 December - **Survey of Employment, Pay and Hours**



Peace forum: African heads of state call for a "paradigm shift" in countries of the North

A round table was held following the Summit for a New Global Financial Pact in June, at which several African Heads of State, including those of Ghana and Senegal, once again called on Western countries and international institutions to make stronger and firmer commitments to the continent.

rfi - 10 november (*article in French*)



Senegal: Stable consumer prices in October 2023

Consumer prices in Senegal remained broadly stable in October 2023 compared with the previous month, according to data compiled by the Dakar-based Agence Nationale de la Statistique et de la Démographie (ANSD).

Financial Afrik - 20 November (*article in French*)



Scholz pledges greater investment in Africa green energy

Germany will invest 4 billion euros in green energy projects in Africa until 2030, Chancellor Olaf Scholz said on Monday, noting these could in turn help Europe's largest economy achieve its own transition to carbon neutrality.

Reuters - 20 November



Senegal: the AfDB invests EUR 87 million in the Agropole Nord project

The African Development Bank (AfDB) is to inject EUR 86.9 million into the project to develop an agri-food processing zone in northern Senegal (Agropole Nord). The financing approved on Wednesday 22 November represents 30.7% of the total cost of the project, estimated at EUR 283.05 million (USD 308.5 million).

Financial Afrik - 24 November (*article in French*)



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