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ECONOMIC AND POLITICAL OVERVIEW

ECONOMIC OVERVIEW

In recent years, Burkina Faso has witnessed robust economic growth driven by gold and cotton production. However, the trajectory was disrupted by the coronavirus crisis followed by political and security challenges, which had adverse effects. Despite a slowdown in 2022 (+1.5%), economic growth rebounded to 4.4% in 2023 (IMF), primarily propelled by the agriculture and services sectors. Notably, cotton production, which had suffered from insect infestation in 2022, played a pivotal role in revitalizing the agricultural sector. The resurgence of gold production, constituting 78% of exports in 2021, alongside the reopening of previously closed mines due to security concerns and the government's renewal and allocation of new operating licenses, holds the potential to drive growth to 6.4% in 2024. However, this optimistic economic forecast is contingent upon persistently high levels of political and security instability.

In 2022, the economic recovery was marred by two military coups, justified by its perpetrators by the government's inability to contain the jihadist insurgency. Against the backdrop of political instability, expenditures on defense and security are expected to remain substantial. While the budget deficit is projected to decrease over the forecast horizon, it will remain elevated and surpass the standard set by the WAEMU community, which is 3% of GDP. However, increased tax revenues stemming from stronger economic growth and initiatives aimed at broadening the tax base (Coface) will partially offset this deficit. The Extended Credit Facility (ECF) agreement with the IMF, finalized in June 2023 with a disbursement of USD 305 million spread over 4 years, will support the country's ongoing efforts toward fiscal consolidation. Although considered sustainable, public debt will continue to be vulnerable to political instability, constraining public spending and diminishing support from international donors. Estimated at 61.2% of GDP last year by the IMF, it should remain stable in the medium term. Inflation decelerated significantly in 2023 (from 14.1% in 2022 to 1.4%), thanks to moderating commodity prices and the tight monetary policy implemented by the BCEAO. This trend is expected to persist into 2024, aided by a more favorable agricultural harvest domestically, which should alleviate pressure on food prices, alongside continued adherence to a restrictive monetary policy. Burkina Faso's economy is hindered by its faulty infrastructure, including electrical infrastructure, and vulnerability to the volatility of oil import prices as well as gold and cotton prices. In the medium term, the country will have to modernize its public affairs management, readjust public finances, reform the financial system, and improve the business climate. Burkina Faso is considered to have a high risk of over-indebtedness, as it is extremely dependent on foreign aid.

According to the World Bank, more than 40% of the population still lives below the poverty line. In recent years, the country has made considerable progress in education. Nevertheless, insecurity and terrorism are taking a heavy toll in several regions, negatively affecting the education sector. More than 2 million persons have been internally displaced, and over 3 million people are in a situation of food insecurity. The latest estimates from the World Bank point to a 5.1% unemployment rate; however, the informal sector accounts for a large part of GDP in Burkina Faso, with around 70% of total non-agricultural employment.

Main Indicators	2022	2023 (E)	2024 (E)	2025 (E)	2026 (E)
GDP <i>(billions USD)</i>	18.93	20.79	22.92	24.85	26.82
GDP <i>(Constant Prices, Annual % Change)</i>	1.5	4.4	6.4	6.0	5.6

Main Indicators	2022	2023 (E)	2024 (E)	2025 (E)	2026 (E)
<b>GDP per Capita</b> (USD)	832	888	952	1,005	1,054
<b>General Government Gross Debt</b> (in % of GDP)	58.3	61.2	61.2	61.4	60.9
<b>Inflation Rate</b> (%)	n/a	1.4	3.0	2.0	2.0
<b>Current Account</b> (billions USD)	-1.17	-1.06	-1.18	-1.20	-1.21
<b>Current Account</b> (in % of GDP)	-6.2	-5.1	-5.2	-4.8	-4.5

Source: IMF – World Economic Outlook Database , October 2021

## Country Risk

See the country [risk analysis](#) provided by [La Coface](#).

## MAIN SECTORS OF INDUSTRY

The economy of Burkina Faso is primarily based on agriculture, although the country also stands as Africa's 5th largest producer of gold. The agricultural sector contributes approximately 18.5% to Burkina Faso's GDP and engages nearly three-quarters of the workforce (World Bank, latest data available). Approximately 26% of the population practices subsistence farming, with cotton being the primary cash crop, accounting for a substantial portion of export earnings. Other cash crops include groundnuts, shea nuts, and sesame, while staple crops encompass pearl millet, sorghum, maize, and rice. In 2023, aggregate cereal production reached around 5.2 million tonnes, as estimated by the FAO, maintaining levels similar to 2022 and marking a 4% increase over the average of the previous five years.

Burkina Faso's industrial sector is relatively small and nascent, contributing modestly to the nation's economy (28.7% of GDP and 7% of employment). Key subsectors comprise agro-processing, textiles, and mining. Agro-processing involves the conversion of agricultural products like cotton, shea nuts, and cereals into value-added goods such as textiles, edible oils, and processed foods, facing constraints like inadequate infrastructure and limited financing access. Textiles, historically vital to Burkina Faso's industry, have experienced decline due to competition from cheaper imports and insufficient modernization investment. Meanwhile, the mining sector, particularly gold mining, has witnessed substantial growth, attracting foreign investment and significantly contributing to export earnings and government revenue (gold comprises almost three-quarters of exports).

The services sector constitutes 42.7% of GDP and employs 19% of the total workforce. The finance sector is gradually expanding, with banks and microfinance institutions broadening access to financial services, although challenges such as limited credit access and financial inclusion persist, especially in rural areas. Burkina Faso's formal financial sector encompasses 13 banks, 4 specialized financial institutions, and 62 microfinance institutions, with banks holding nearly 70% of total financial assets, and the three largest banks collectively holding over 50% of the country's total financial assets. While still emerging, tourism presents significant growth potential.

Breakdown of Economic Activity By Sector	Agriculture	Industry	Services
<b>Employment By Sector</b> (in % of Total Employment)	73.3	7.1	19.7
<b>Value Added</b> (in % of GDP)	20.4	29.3	40.9
<b>Value Added</b> (Annual % Change)	8.5	-5.5	5.3

Source: World Bank - Latest available data.

Monetary Indicators	2016	2017	2018	2019	2020
<b>CFA Franc BCEAO (XOF) - Average Annual Exchange Rate For 1 USD</b>	593.01	582.09	555.72	585.90	575.59

Source: World Bank - Latest available data.

## FOREIGN TRADE

Burkina Faso is open to foreign trade, which represents 59% of the country's GDP (World Bank, latest available data). As part of the West African Economic and Monetary Union (WAEMU), Burkina Faso has regulated its tariff structure. Goods produced in the Union are exempt from import tax. However, internal and external crises (in neighboring Mali), as well as the actions of radical groups in the Sahel, have had a negative impact on trade and the industrial outlook. Gold is the greatest export (74.1% of total exports in 2022). Burkina Faso is one of the largest exporters of cotton in West Africa, and its production of cotton has quadrupled in the past ten years. However, the commodity has seen its share in the exports decrease from 15.8% of total exports in 2016 to 10.1% in 2021 (Comtrade). The country's main imports are petroleum oils (32.3%), medicaments (3.7%), cement (3.1%), rice (2.5%), electrical energy (2.4%), and petroleum gas (2.3%).

Burkina Faso's main export partners are Switzerland (68.8%), Mali (6.7%), the United Arab Emirates (4.3%), Singapore (3.8%), Ivory Coast (3.7%), and France (2.1%); whereas imports come chiefly from China (12.9%), Ivory Coast (10.6%), France (9.3%), Russia (7.8%), and India (6.3% - data Comtrade for 2022).

Burkina Faso's trade balance is structurally negative, but the trade deficit has been decreasing gradually over the past years due to increased gold and cotton exports and lower imports. After turning positive in 2020 and 2021, the trade balance recorded a deficit estimated at 1.4% of GDP in 2022 (World Bank). In the same year, the country exported USD 4.5 billion worth of goods, against USD 5.5 billion in imports; while services exports generated USD 495 million vis-à-vis USD 1.58 billion in imports (WTO).

Foreign Trade Values	2018	2019	2020	2021	2022
<b>Imports of Goods</b> (million USD)	4,301	4,284	4,126	4,614	5,504
<b>Exports of Goods</b> (million USD)	3,254	3,239	4,372	5,043	4,518
<b>Imports of Services</b> (million USD)	1,503	1,461	1,262	1,416	1,582
<b>Exports of Services</b> (million USD)	557	540	509	556	495

Source: World Trade Organisation (WTO) ; Latest available data

Foreign Trade Indicators	2017	2018	2019	2020	2021
<b>Foreign Trade</b> (in % of GDP)	59.3	60.6	58.7	n/a	n/a
<b>Trade Balance</b> (million USD)	-5	290	366	1,330	1,259
<b>Trade Balance (Including Service)</b> (million USD)	-898	-656	-555	577	399
<b>Imports of Goods and Services</b> (Annual % Change)	10.1	8.5	8.6	n/a	n/a
<b>Exports of Goods and Services</b> (Annual % Change)	8.5	15.2	-1.9	n/a	n/a
<b>Imports of Goods and Services</b> (in % of GDP)	32.8	32.5	31.0	n/a	n/a
<b>Exports of Goods and Services</b> (in % of GDP)	26.5	28.1	27.6	n/a	n/a

Source: World Bank ; Latest available data

Foreign Trade Forecasts	2023	2024 (e)	2025 (e)	2026 (e)	2027 (e)
Volume of exports of goods and services (Annual % change)	0.5	4.2	2.6	2.6	4.6
Volume of imports of goods and services (Annual % change)	4.0	5.6	4.7	4.7	4.1

Source: IMF, World Economic Outlook ; Latest available data

Note: (e) Estimated Data

International Economic Cooperation

Burkina Faso is a member of [WTO](#) since 1995. The country is also a member of the West African Economic and Monetary Union ([WAEMU](#)), the Economic Community of West African States ([ECOWAS](#)) and the International Labour Organization ([ILO](#)).

Main Partner Countries

Main Customers <small>(% of Exports)</small>	2022
Switzerland	68.8%
Mali	6.7%
United Arab Emirates	4.3%
Singapore	3.8%
Ivory Coast	3.7%
See More Countries	12.8%

Main Suppliers <small>(% of Imports)</small>	2022
China	12.9%
Ivory Coast	10.6%
France	9.3%
India	6.3%
Ghana	5.5%
See More Countries	55.5%

Source: Comtrade, Latest Available Data

POLITICAL OUTLINE

Current Political Leaders

President (interim): Ibrahim Traoré (since the military coup of 30 September 2022)  
Prime Minister: Apollinaire J. Kyélem de Tambèla (since 21 October 2022)

## Next Election Dates

Presidential: July 2024, but may be delayed by the transitional government due to security concerns

National Assembly: July 2024, but may be delayed by the transitional government due to security concerns

## Main Political Parties

The main political parties in Burkina Faso are:

- Peoples Movement for Progress (MPP)
- African Democratic Rally/Alliance for Democracy and Federation (ADF/RDA)
- Union for Progress and Reform (UPC)
- Congress for Democracy and Progress (CDP)
- Act Together (AT)
- Convergence for Progress and Solidarity-Generation 3 (CPS-G3)
- Movement for the Future Burkina Faso (MBF)
- National Convention for Progress (CNP)
- New Era for Democracy (NTD)
- Pan-African Alliance for Refoundation (APR)
- Party for Democracy and Socialism/Metba (PDS/Metba)
- Party for Development and Change (PDC)
- Patriotic Rally for Integrity (RPI)
- Progressives United for Renewal (PUR)
- Union for Rebirth - Sankarist Party (UNIR-PS).

## Executive Power

Before the 2022 coup and the ad hoc suspension of laws and constitutional provisions, the president was elected directly by an absolute majority popular vote in two rounds if necessary, serving a 5-year term and eligible for a second term. The last presidential election took place on 22 November 2020. The next scheduled election was to be held by July 2024, but it might be delayed by the transitional government due to security concerns. The prime minister was appointed by the president with the consent of the National Assembly.

## Legislative Power

Before the coup and the temporary suspension of laws and constitutional provisions in 2022, the unicameral National Assembly comprised 127 seats. Among these, 111 members were directly elected across 13 multi-seat constituencies through a party-list proportional representation vote, while 26 members were elected nationwide through proportional representation voting. Members served 5-year terms. In 2022, a 71-member Transitional Legislative Assembly (ALT) was appointed indefinitely by the military junta, effectively replacing the National Assembly.

## COVID-19 COUNTRY RESPONSE

### Travel restrictions

Regularly updated travel information for all countries with regards to Covid-19 related entry regulations, flight bans, test and vaccines requirements is available on [TravelDoc Infopage](#).

To find information about the current travel regulations, including health requirements, it is also advised to consult Travel Regulations Map provided and updated on a daily basis by [IATA](#).

### Import & export restrictions

A general overview of trade restrictions which were adopted by different countries during the COVID-19 pandemic is available on the [International Trade Centre's COVID-19 Temporary Trade Measures](#) webpage.

### **Economic recovery plan**

For the general overview of the key economic policy responses to the COVID-19 pandemic (fiscal, monetary and macroeconomic) undertaken by the government of Burkina Faso, please consult the country's dedicated section in the [IMF's Policy Tracker platform](#).

### **Support plan for businesses**

For an evaluation of impact of the Covid pandemic on SMEs and an inventory of country responses to foster SME resilience, refer to the OECD's [SME Covid-19 Policy Responses](#) document.

You can also consult the World Bank's [Map of SME-Support Measures in Response to COVID-19](#).