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ECONOMIC AND POLITICAL OVERVIEW

ECONOMIC OVERVIEW



For the latest updates on the key economic responses from governments to address the economic impact of the COVID-19 pandemic, please consult the [IMF's policy tracking platform Policy Responses to COVID-19](#).

The precarious political and security situation that characterises Central African Republic (CAR) since 2013 negatively impacts economic growth. Since 2020, the adverse economic effects of the Covid-19 pandemic and then the war in Ukraine further deepened the many challenges faced by the country. After contracting by -1% in 2021, GDP growth nearly stagnated in 2022 (0.4%) according to the IMF's revised figures. The increase in production and import costs and the decline in domestic demand caused by the slowdown in public spending negatively impacted activity (IMF). Economic growth, forecasted at 2.5% in 2023 and 3.8% in 2024, will depend on financing conditions and the continuation of reforms (IMF).

In 2022, the economic recovery, that began after a COVID-19 crisis coupled with the deterioration of the security situation, was disrupted by fuel shortages and soaring food prices following the war in Ukraine. Since 2021, the postponement of budgetary support from donors has put pressure on the budget situation. Fiscal reforms nonetheless allowed public finances to slightly improve. The budget deficit that rose to -6% GDP in 2021 decreased to -5.6% GDP in 2022, and it is expected to further reduce to 3% GDP in 2023 (IMF). Budget execution in 2022 was severely disrupted by the economic downturn and the collapse of public revenues, particularly from the taxation of fuel (IMF). However, prudent implementation of current expenditures and under-execution of the investment budget helped contain the increase in the public deficit (IMF). The CAR is highly dependent on an external aid that enables the country to limit its budget deficit. More than half of public spending is covered by external multi- or bilateral financing, much of it in the form of grants (Coface). The public debt to GDP ratio increased from 47.6% GDP in 2021 to 52.1% GDP in 2022, and is expected to follow a downward trend and reach 47.6% GDP in 2023 and 45.2% GDP in 2024 (IMF). It is below the 70% ceiling imposed by the CEMAC, but more than three quarters of public debt is external, exposing CAR to a high risk of debt distress. Inflation increased from 4.3% in 2021 to 6.5% in 2022, and record double-digit inflation (the highest in the CEMAC) was recorded in 2022 (IMF). It is expected to remain high at 6.3% in 2023 before decreasing to 2.7% in 2024 (IMF). The government priorities remain supporting economic recovery and poverty reduction and pursuing the program of structural reforms supported by the IMF (Extended Credit Facility of about 115.1 million USD) approved in December 2019 but suspended due to its poor implementation and the intensification of the domestic conflict. The 2023 budget aims at stabilizing public finances, while continuing efforts to mobilize domestic revenues through new measures. The IMF declared to be ready to support authorities in their reform of the fuel price structure. CAR remains in a very fragile situation, with an unstable security environment, limited administrative capacity, tight financial conditions, poor governance and lack of social cohesion.

According to the World Bank, more than 70% of CAR's population lives below the poverty line and there is considerable inequality. According to the 2021 Human Development Index published by the UNDP, the Central African Republic was ranked 188th (out of 191 countries). Unemployment is high, despite misleading official statistics (6.5% of the population in 2021 according to the World Bank). The security crisis that the nation has recorded in the past years deepened social inequalities as well as the deficit in basic social infrastructures. The country has more than 630,800 internally displaced persons, and 632,000 Central African refugees have found shelter in neighbouring countries (World Bank). The United Nations peace mission (Minusca) has suffered losses in its ranks and does not seem to have sufficient resources. The food crisis that was already affecting the country has worsened after the war in Ukraine.

Main Indicators	2022	2023 (E)	2024 (E)	2025 (E)	2026 (E)
<b>GDP</b> (billions USD)	2.46	2.76	3.00	3.21	3.42
<b>GDP</b> (Constant Prices, Annual % Change)	0.5	1.0	2.5	3.8	3.8
<b>GDP per Capita</b> (USD)	491	539	573	600	627
<b>General Government Gross Debt</b> (in % of GDP)	51.8	50.1	49.6	48.1	44.9
<b>Inflation Rate</b> (%)	n/a	6.5	3.2	2.8	2.5
<b>Current Account</b> (billions USD)	-0.31	-0.24	-0.23	-0.22	-0.18
<b>Current Account</b> (in % of GDP)	-12.7	-8.8	-7.8	-6.9	-5.4

## Country Risk

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

## MAIN SECTORS OF INDUSTRY

Breakdown of Economic Activity By Sector	Agriculture	Industry	Services
<b>Employment By Sector</b> <i>(in % of Total Employment)</i>	68.5	6.7	24.8
<b>Value Added</b> <i>(in % of GDP)</i>	29.3	19.0	40.6
<b>Value Added</b> <i>(Annual % Change)</i>	-2.4	-3.9	0.6

Source: World Bank - Latest available data.

Monetary Indicators	2016	2017	2018	2019	2020
<b>CFA Franc BEAC (XAF) - 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

Traditionally, the Central African Republic (CAR) is highly favorable to international trade. International trade represented 45% of the country's GDP in 2021 (World Bank). However, the country's protectionist policies limited its openness and customs duties are relatively high. In addition, certain agricultural products benefit from higher tariff protections. Despite easy access to its internal market, the CAR does not grant preferential tariffs to other countries. CAR is a member of the Central African Economic and Monetary Community (CEMAC). The country mainly exports gold (45.25% of total exports), diamonds (19.88%), vehicles (12.64%), wood (12.35%) and machinery (3.4%). CAR's main imports comprise electrical equipment (19.68% of total imports), medicines (8.64%), furniture (6.33%), mineral fuels (6.11%), and machinery (5.72%) (International Trade Centre, 2021). CAR's main customers are the United Arab Emirates (47.6% of total imports), Italy (14.9%), France (11.1%), China (6.2%) and Mauritania (4.3%). Its main suppliers are Cameroon (34.4% of total imports), China (10.5%), France (10%), Nigeria (5%) and India (4.8%) (International Trade Centre, 2021). Security issues have a major impact on trade, as illustrated by the three-month closure of the Bangui-Douala corridor early 2021.

CAR's trade balance is structurally in deficit, a trend which should continue in the years to come. In 2021, CAR exported USD 162 million in goods and imported USD 590 million. In 2018, exports of services reached USD 52 million, while imports amounted to USD 394 million (WTO). In 2021, imports of goods and services decreased by 10% compared to 2020, while exports decreased by 6% (World Bank). After decreasing in the context of the COVID-19 crisis and supply chain disruptions, global trade volumes recovered. Since 2022, exports are boosted by surging prices and increased demand for wood; while imports are driven by higher oil prices (Coface).

Foreign Trade Values	2018	2019	2020	2021	2022
<b>Imports of Goods</b> <i>(million USD)</i>	606	613	506	451	496
<b>Exports of Goods</b> <i>(million USD)</i>	164	148	134	130	143
<b>Imports of Services</b> <i>(million USD)</i>	397	469	354	0	0

Foreign Trade Values	2018	2019	2020	2021	2022
<b>Exports of Services</b> <i>(million USD)</i>	240	357	291	0	0

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

Foreign Trade Indicators	2018	2019	2020	2021	2022
<b>Foreign Trade</b> <i>(in % of GDP)</i>	49.7	50.1	49.5	44.7	45.9
<b>Imports of Goods and Services</b> <i>(Annual % Change)</i>	-5.4	4.9	1.0	-10.3	7.0
<b>Exports of Goods and Services</b> <i>(Annual % Change)</i>	-52.1	2.0	-2.8	-5.5	-6.5
<b>Imports of Goods and Services</b> <i>(in % of GDP)</i>	33.7	34.3	34.3	30.5	32.6
<b>Exports of Goods and Services</b> <i>(in % of GDP)</i>	15.9	15.8	15.2	14.2	13.3

Source: World Bank ; Latest available data

Foreign Trade Forecasts	2023	2024 (e)	2025 (e)	2026 (e)	2027 (e)
<b>Volume of exports of goods and services (Annual % change)</b>	6.4	1.1	12.1	5.4	6.2
<b>Volume of imports of goods and services (Annual % change)</b>	5.7	5.9	10.8	3.7	8.3

Source: IMF, World Economic Outlook ; Latest available data

Note: (e) Estimated Data

### International Economic Cooperation

Member of [African Union \(AU\)](#)

Member of [Community of Sahel-Saharan States \(CEN-SAD\)](#)

Member of [Economic and Monetary Community of Central Africa \(CEMAC\)](#) (in French)

### Main Partner Countries

Main Customers <i>(% of Exports)</i>	2022
<b>United Arab Emirates</b>	40.9%
<b>Pakistan</b>	19.8%
<b>Italy</b>	12.6%
<b>France</b>	9.0%
<b>Cameroon</b>	7.2%
<b><a href="#">See More Countries</a></b>	10.5%

Main Suppliers <i>(% of Imports)</i>	2022
<b>Cameroon</b>	40.2%

Main Suppliers <i>(% of Imports)</i>	2022
United States	9.7%
France	8.1%
China	7.9%
Belgium	3.4%
See More Countries	30.7%

Source: Comtrade, Latest Available Data