



BANQUE DE LA REPUBLIQUE DU BURUNDI



Economic indicators
July 2021

I. INTRODUCTION

The following main economic indicators concerned the developments at the end of July 2021, in the real sector and prices, the public finance, the foreign trade, the exchange rate, the broad money and its counterparts and the main financial soundness indicators.

On an annual basis, the real sector was characterized by a decrease of industrial production, coffee and green leaf tea production. Inflation declined in July 2021 compared to the same period in 2020.

The trade balance further deteriorated at the end of July 2021 while the overall fiscal deficit (excluding grants) also increased at the end of July 2021 compared to the same period in 2020. The Burundi Franc depreciated against the US Dollar.

The reserve money and money supply rose at the end of July 2021. The aggregated balance sheet of the banking sector improved. In terms of financial soundness indicator, the banking sector remained sufficiently capitalized, solvent and profitable.

II. PRODUCTION

Year -on- year basis, industrial production index and green leaf tea production decreased.

II.1 Industrial Production Index

Year-on-year basis, the industrial production index fell by 13.7% in July 2021, standing at 180.5 from 209.2 recorded in the previous year, mainly driven by the decline of BRARUDI beverages production (-5.3%), sugar (-24.3%) and cigarettes (-31.2%).

On the other hand, compared to the previous month, this index rose by 7.4%, due to the increase of BRARUDI beverages production (+3.0%) and the effective start of the sugar campaign of the SOSUMO.

II.2. Coffee

In July 2021, the production of parchment coffee decreased by 82.6% compared to the same period of the previous campaign; standing at 2,182.7 against 12,518.3 tonnes, due to the cyclicity of the coffee tree.

II.3. Tea

The production of green leaf tea fell by 8.5 percent in July 2021, amounting to 2,403.7 tonnes against 2,628.1 tonnes, due to the poor rainfall. Likewise, cumulative production slightly fell by 2.5 percent at the end of July 2021, standing at 35,257.1 from 36,171.6 tonnes recorded in the same period of the previous year.

III. INFLATION DEVELOPMENTS

Year-on-year basis, headline inflation rose to 9.7 percent in July 2021 compared to 7.7% recorded in the same period of the previous year. This rise of inflation is mainly explained by the increase prices of non-food products (+6.2 against + 3.1%) while food prices (+ 13.0 against + 12.6%) were stabilized.

Headline inflation and its main components, (base 2016/2017=100)

	July-20		July-21	
	CPI	Inflation	CPI	inflation
Headline Inflation	117.6	7.7	129	9.7
1. Food	115.3	12.6	130.3	13.0
- Bread and cereals	111.4	13.2	115.5	3.7
- Meat	146.9	21.2	155.4	5.8
- Fish and sea food	148.9	-4.2	172.4	15.8
- Milk, cheese and eggs	121.8	9.2	145.3	19.3
- Oils and fats	121.7	-3.7	171.3	40.8
- Fruits	107.6	-7.1	155.2	44.2
- Vegetables	107.9	19.0	122.5	13.5
- Sugar, jam, honey, chocolate and confectionery	116.1	7.9	111.0	-4.4
- undefined food elsewhere	131.1	16.3	126.8	-3.3
2. Non food	120.2	3.1	127.6	6.2
- Alcoholic beverages ,tobacco	115.8	1.8	120.0	3.6
- clothing and footwear	126.9	6.1	132.6	4.5
- Housing, water, electricity, gas and other fuels	128.2	4.9	138.9	8.3
- Furnishing, household equipment and routine household	122.0	2.2	127.0	4.1
- Health	118.8	2.8	162.7	37.0
- Transport	116.9	-2.0	118.3	1.2
- Communication	101.5	-0.4	102.4	0.9
- leisure and culture	131	10.4	131.3	0.2
- Education	141.7	1.9	151.0	6.6
- Hotels, Restaurant and café	113.6	3.0	119.0	4.8
- Other goods and services	122.5	5.5	124.2	1.4
Energy and fuels	145.4	6.1	160	10.0
3. Core Inflation	118.2	5.1	127.0	7.4

Source: BRB, from ISTEERU data

The stability of food inflation is mainly explained by the deceleration prices of the sub-headings: “Bread and cereals” (+3.7 against + 13.2%); “Meat” (+5.8 against +21.2%) and “Vegetables” (+ 13.5 against + 19.0%) combined with the decline prices of “Sugar, jams, honey, chocolates and confectionery” (-4.4 against + 7.9%) and “Miscellaneous food products” (-3.3 against + 16.3%).

The rise of non-food inflation is mainly driven by the increase prices of the sub-headings “Alcoholic beverages and tobacco” (+3.6 against 1.8%), “Housing, water, electricity, gas and other fuels” (+ 8.3 against + 4.9%), “Health” (+ 37.0 against + 2.8%), “Education” (+6.6 against 1.9%) and “Restaurants and Hotels” (+ 4.8 against + 3.0%).

Year-on-year basis, the price index combining the prices of energy, fuel and other fuels rose by 10.0% in July 2021 while it picked up by 6.1% in the same period of the previous year.

Headline inflation excluding food and energy prices, which is the proxy for core inflation, slowed in July 2021 compared to the same period of the previous year (+7.4 against + 5.1%).

IV. TRADE BALANCE

The trade balance deficit deteriorated at the end of July 2021, amounting to BIF 1,014.3 billion against BIF 812.4 billion recorded in the corresponding period in 2020. This result is linked to the significant rise of imports (BIF 1,138.8 billion against 997.7 billion) than exports (BIF 124,490.4 million against 185,377.3 million).

IV.1 Exports

Year-on-year basis, exports decreased by 32.5% in value while they increased by

54.9% in volume, at the end of July 2021. In value, this decrease concerned exports of primary products, from BIF 136,824.2 million to 61,486.7 million, following the non-export of non-monetary gold during this period whereas, the non-monetary gold export amounted to BIF 88,036.5 million in the same period of 2020. However, the export of coffee (+91.7%) and niobium ores (+158.8%) increased.

On the other hand, exports of manufactured products increased by 29.8%, standing at BIF 63,003.7 from 48,553.1 million. This increase is attributable to exports of beers (+70.4%), dark glass bottles (+36.2%) and products classified as “other ” (+63.4%). However, exports of wheat flour fell by 34.6%.

In volume, exports of manufactured products increased to 55,576 tonnes from 28,037 tonnes, mainly driven by exports of beers (24,826 against 5,844 tonnes). On the other hand, the volume of primary products exports fell to 15,591 tonnes from 17,902 tonnes recorded at the end of July 2020.

IV.2 Imports

Imports increased both in value (+14.1%) and in volume (+11.1%) at the end of July 2021 compared to the same period of the previous year.

In value, this increase concerned all categories of goods: intermediate goods (to BIF 504,688.4 million from BIF 445,826.0 million), capital goods (to BIF 221,345.6 million from 215,928.5 million) and consumer goods (to BIF 412,786.5 from 335,981.4 million).

This increase of intermediate goods is mainly driven by metallurgical goods (+39.5%), food goods (+19.7%), chemicals

goods (+56.7%) and those intended for construction (+19.6%). On the other hand, imports of mineral oils fell (-3.3%).

The increase of capital goods concerned boilers and heavy machines (+20.4%), parts and tools (+52.7%), and tractors, vehicles and transport equipment (+6.4%). In contrast, imports of electrical equipment fell by 33.9%.

Concerning consumer goods, this rise is mainly due pharmaceutical products (+69.7%), food products (+14.7%) and textiles (+51.4%) while those of vehicle declined (-8.6%).

Likewise, the volume of imports picked up driven by the increase of consumer goods, amounted to 197,180 against 128,152 tonnes recorded in the same period in 2020, capital goods (35,719 from 32,337 tonnes; intermediate goods slightly rise to 499,316 from 498,673 tonnes at the end of July 2020.

V. EXCHANGE RATE

year-on year basis, the BIF depreciated by 3.16% against the US Dollar in July 2021; the monthly average exchange rate stood at BIF 1,978.55 against BIF 1,917.00 per a unit of US Dollar.

At the end of the period, the BIF depreciated by 3.13% against the US Dollar, the exchange rate falling from BIF 1,920.73 to 1,980.86 for a unit of US Dollar from the end of July 2020 to the end of July 2021.

VI. GOVERNMENT FINANCIAL OPERATIONS

At the end of July 2021, the overall fiscal deficit (excluding grants) worsened compared to the same period of the previous year, amounting to BIF 323,435.9 million against BIF 201,298.3 million, following the higher increase of expenditure than in revenue.

VI.1. Revenue

In July 2021, revenue increased by 22.0 percent compared to the same month in 2020, standing at BIF 98,153.0 million against BIF 80,468.5 million. This increase was mainly related to the tax revenue (BIF +14,028.4 million) and non-tax revenue (BIF +3,656.1 million). Likewise, cumulative revenue increased (+17.1 percent), amounting to BIF 691,181.0 million against BIF 590,304.6 million recorded in the same period of the previous year, due to the increase of tax revenue (BIF +85,662.8 million) and non-tax revenue (BIF +15,213.5 million).

VI.2. Expenditure

The total expenditure increased by 25.1 percent at the end of July 2021 compared to the same month in 2020, amounting to BIF 146,530.7 million against BIF 117,128.9 million. Likewise, cumulative expenditure picked up by 28.2 percent at the end of July 2021, standing at BIF 1,014.6 million against BIF 868,086.2 million recorded in the same period in 2020.

Cumulative compensation of employee slightly increased by 1.8 percent, amounting to BIF 281,200.0 million against BIF 276,336.0 million in the same period in 2020.

VI.3. Public debt

On an annual basis, public debt rose by 16.1% at the end of July 2021 compared to the same period of the previous year, standing at BIF 4,127.9 against 3,554.2 billion, driven by the increase of both domestic debt (+ 20.2%) and external debt (+ 5.6%).

Compared to the previous month, the outstanding public debt fell by 1.1%, due to

the decrease of domestic debt (-1.3%) and external debt (-0.5%).

VI.3.1 Domestic Debt

Year-on-year basis, domestic debt picked up by BIF 518,592.6 million at the end of July 2021, from 2,566.2 to BIF 3,084.8 billion, mainly driven by the increase of Government debt as the form of Treasury securities held by commercial banks (+BIF 278,271.6 million) and overdraft from the Central Bank to the Government (+BIF 227,154.6 million).

Compared to the previous month, the outstanding domestic debt declined by BIF 41,814.1 million, driven by the deleveraging of the Government debt to the non-financial sector (-BIF 90,500 million), partially offset by the increase of debt towards the banking sector (+BIF 48.685.9 million).

VI.3.2. External Debt

Year-on-year basis, the external debt grew by BIF 55,139.9 million at the end of July 2021, from BIF 988.0 to BIF 1,043.1 billion. This rise is linked to drawings (BIF 26,375.0 million) and revaluation gains (BIF 50,963.6 million) which exceeded the amortization of the debt (BIF 22,198.8 million).

Compared to the previous month, the external debt rose by 0.5% at the end of July 2021, standing at 1,043.1 against BIF 1,048.7 billion, owing to the revaluation losses (BIF 2,699.7 million) and debt repayment (BIF 2,823.0 million).

Expressed in US Dollar, the external debt rose by USD 12.1 million at the end of July 2021, amounting to USD 527.2 million against USD 515.1 million at the end of July 2020.

VII. RESERVE MONEY, BROAD MONEY AND ITS COUNTERPARTS

Year-over-year basis, the reserve money and the money supply rose at the end of July 2021, mainly driven by the increase of net domestic assets.

VII.1. Broad Money

Year-on-year basis, the reserve money rose by 22.6% at the end of July 2021, compared to 6.1% recorded in the same period of the previous year, amounting to BIF 833,365.9 million from BIF 679,755.0 million. This growth concerned the currency outside the central bank (+22.3 against + 16.2%) and the commercial bank deposits in the Central Bank (+37.2 against -18.6%).

VII.2. Money supply

Year-on-year basis, the money supply (M3) picked up at the end of July 2021 (+ 26.5% against + 19.8%), standing at BIF 3,094.5 billion from BIF 2,446.5 billion. This acceleration of M3 growth concerned both M2 monetary aggregate (+28.5 against +20.0%) and resident foreign currency deposits (+5.9 against + 17.7%).

The increase of M2 money supply concerned demand deposits which rise by 28.5 against 20.0%, while the growth of currency outside deposit institutions (+37.4 against +5.3%) and that of term and savings deposits (+17.8 against + 53.4%) slowed down.

The higher demand deposits growth resulted from public non-financial corporation (+53.0 against +15.8%), non-financial corporations deposits (+71.2 against +0.6%) and those classified in other accounts (+34.1 against +17.0%).

On the other hand, the growth rate of household demand deposits fell to 21.9 from 33.9%.

The slowdown of time deposits and savings in BIF concerned that of other non-financial corporations (+43.4 against +94.0%), household deposits (+1.3 against +41.8%), public non-financial corporations (+21.9 against +32.6%) and those classified in other accounts (+4.0 against +24.2%).

Concerning foreign currency deposits of residents, households sharply grew at the end of July 2021 than in the same period of the previous year (+23.8 against +16.0%). On the other hand, foreign currency deposits of public non-financial corporations fell, as in the same period of the previous year (-2.9 against +19.7%) and those classified in other accounts (-19.1 against +23.2%) decreased in the year ending July 2021.

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VII.3. Counterparts

Year-on-year basis, domestic credit (BIF 4,180.0 billion against BIF 3,145.2 billion) grew at a more accelerated pace than in the same period in 2020 (+30.6% against +20.2%).

This increase mainly concerned claims on the economy (+41.6 against +20.8%) and net claims on the Government (+22.0 against +19.8%).

The central bank's net claims on the Government recovered after declining in the same period in 2020 (+64.1 against -22.7%), while those of commercial banks decelerated (+15.2 against +31.7%).

At the end of July 2020, net foreign assets fell less than in the same period in 2020 (-14.3 against -27.3%). This decrease was the result of the increase in external liabilities (+10.5 against +18.5%) which exceeded that of gross foreign assets (+7.1 against +11.7%).

Official exchange reserves fell by 10.9% at the end of July 2021, whereas they picked up by 3.7% in the same period of the previous year. These reserves covered 0.6 month of imports of goods and services at the end of July 2021, compared to 0.8 month recorded at the end of July 2020.

VIII. MAIN INDICATORS OF BANKING SECTOR

The banking sector improved at the end of July 2021, following the rise of Treasury securities and loans to the economy on the asset side and customer deposits on the liability side. The quality of the credits portfolio slightly improved, and the banking sector remained sufficiently capitalized.

VIII.1. Assets

The banking sector's assets grew by 28.3% year-on-year basis, amounting to BIF 4,603.6 billion in July 2021 from BIF 3,587.5 billion in July 2020, driven by the increase of Treasury securities (BIF 1,795.3 billion from BIF 1,517.6 billion) and loans to the private sector (BIF 1,662.7 billion from BIF 1,266.0 billion).

The share of Treasury securities in the total assets remained predominant compared to other assets. It stood at 39.0% of total assets by the end of July 2021 from 42.3% at the end of July 2020. The share of loans reached 36.1% from 35.3% recorded in the same period of the previous year.

VIII.2. Liabilities

The customer deposits picked up by 34.4% yearly, standing at BIF 2,753.6 billion at the end of July 2021 from BIF 20,048.1 billion

at the end of July 2020. The Central Bank refinancing to commercial bank declined by 14.2%, amounting to BIF 352.0 billion at the end of July 2021 against BIF 410.2 billion at the end of July 2020.

IX KEY FINANCIAL SOUNDNESS INDICATORS

The banking sector's equity improved at the end of July 2021. However, the solvency ratios slightly decreased.

IX.1. Capital Adequacy

The banking sector's capital increased by 30.9% year-on-year basis, standing to BIF 551,974.7 million at the end of July 2021 from BIF 421,723.1 million in the same period of the last year. The core and overall capital adequacy ratios¹ declined respectively from 28.9% and 31.1% to 25.3% and 27.0%. However, the leverage² ratio slightly increased from 10.9% to 11.3%.

IX.2. Quality of loans portfolio

The quality of loans portfolio slightly improved at the end of July 2021. The overall deterioration rate fell from 6.6% in July 2020 to 4.1% in July 2021.

The default rate fell in the branches of industry (0.7 from 1.8%), retail trade (4.6 from 4.9%), construction (4.0 from 6.3%), tourism (8.9 from 39.5%) and equipment (4.2 from 6.2%). On the other hand, the default rate grew in agriculture (17.5 from 11.0%).

Non-performing loans decreased by 19.4% at the end of July 2021, standing to BIF 67.355,1 million from BIF 83.553,4 million in the corresponding month in 2020, due to

¹ The regulatory threshold is 12.5% for Tier 1 capital adequacy ratio and 14.5% for overall capital adequacy ratio.

² The regulatory threshold is 5% for leverage ratio

the write-off of two years old loss loans.

IX.3. Concentration of loans portfolio

The banking sector's large exposures³ slightly grew by 11.1% in July 2021, from BIF 424,341.3 million to BIF 377,042.0 million in the corresponding month in 2020. It represented 22.7% of the overall loans portfolio from 33.5% in the corresponding month in 2020.

The banking sector's exposure to retail trade remained high. The share of loans to this sector stood at 31.1% of the overall loans portfolio in July 2021 from 33.3% in July 2020. The outstanding loans to this sector decreased by 22.8%, amounting to BIF 504,982.0 million from BIF 517,686 million.

IX.4. Profitability

The Gross Income grew by 12.9% year-on-year, amounting to BIF 186,648.1 million at the end of July 2021 from BIF 165,273.2

million at the end of July 2020. Likewise, the Net Profit picked up by 13.7%, standing at BIF 95,880.6 million from BIF 84,297.4 million.

On the other hand, the Returns on Assets (ROA) and Equity (ROE) declined respectively from 2.4% and 20.0% to 2.1% and 17.4% between July 2020 and July 2021.

IX.5. Liquidity

The Leverage Core ratio (LCR)⁴ in local currency decreased to 186.0 from 226.7%. However, the LCR in foreign currency increased from 150.6% to 196.5.

The amount of large deposits⁵ increased by 37.1% at the end of July 2021, amounting to BIF 1, 252.8 billion from BIF 913.7 billion at the end of July 2020. Likewise, the share of large depositors in the total deposits slightly increased to 45.5% from 44.6%.

³ According to Circular n°06/2018 relating to the credit risk structure a large exposure is a loan amount that is greater than 10% of core capital.

⁴ Circular n°04/2018 on Liquidity Coverage Ratio defines the LCR as a ratio between the outstanding high-quality liquid assets (i.e. assets that can be easily

and immediately convertible into liquidity without or with a slight loss in value during periods of high liquidity stress) and the total net cash outflows in the following 30 calendar days.

⁵ Large deposits are the sum of the Top 10 deposits in each credit institution.

APPENDIX 1: SELECTED MONTHLY INDICATORS AT THE END OF JULY 2021

	May-2020	June-2020	July-2020	May-2021	June-2021	July-2021
I. PRODUCTION AND PRICE						
1. Industrial Production Index (monthly average, 1989 = 100)	123.9	138.7	209.2	137.6	147.8	180.5
2. Production of Arabica parchment Coffee (cumulation in T) (1)	10,885.4	10,885.4	12,518.3	18,867.8	18,867.8	2,182.7
3. Production of Tea (cumulation in T of tea leaves)	23,772.5	28,936.5	36,171.6	27,810.4	32,853.5	35,257.1
4. Consumer price index (1991 = 100)	121.8	117.8	117.6	128.0	128.5	129.0
5. Inflation rate	9.2	8.5	7.7	5.1	9.1	9.7
II. Public Finances						
1. Total Budget revenue (in BIF million)	404686.6	509,836.1	590,304.6	471538.8	593,028.0	691,181.0
1.1. Tax revenue	374625.3	464,008.4	539,423.0	430530.8	535,642.8	625,085.8
1.2. Non-tax revenue	30061.3	45,827.7	50,881.6	41008.0	57,385.2	66,095.1
1.3. Exceptional receipts	0.0	-	-	0.0	-	-
2. Expenditure	543919.1	674,474.0	791,602.9	638688.2	868,086.2	1,014,616.9
2.1. Compensation of employees (in BIF million)	197471.7	235,618.3	276,336.0	201615.5	240,586.5	281,200.0
3. Public debt (in BIFmillion)	3,440,071.2	3,502,022.9	3,554,166.0	3,991,357.4	4,175,235.3	4,127,898.5
3.1. Domestic debt outstanding	2,473,170.1	2,524,291.4	2,566,162.0	2,944,629.6	3,126,568.7	3,084,754.6
Including: Treasury bills and bonds	1,621,691.9	1,673,338.5	1,709,342.7	1,899,966.9	2,020,127.6	1,988,324.3
BRB ordinary advance	0.0	-	-	0.0	57,076.7	63,146.5
3.2. External debt outstanding	966,901.1	977,731.5	988,004.0	1,046,727.8	1,048,666.6	1,043,143.9
3.3. External debt outstanding (in BIF million)	507.0	511.3	515.1	531.8	531.4	527.2
3.3. External debt service (in BIF million)	2,123.0	1,678.9	-	3,647.1	-	3,620.7
including amortization	1,238.9	1,274.9	-	2,013.8	-	2,823.0
3.4. Drawings on external loans	2,556.8	2,677.1	2,581.9	183.4	817.6	-
III. MONEY						
1. Reserve Money (in BIF million)	673,899.2	703,931.1	679,755.0	767,579.7	807,326.5	833,365.9
2. Broad money M3 (in BIF million)	2,266,854.8	2,401,552.5	2,446,474.9	2,874,368.5	3,017,920.1	3,094,472.4
2.1. Broad money M2 (in BIF million)	2,074,187.8	2,200,633.5	2,232,827.6	2,658,951.9	2,792,763.4	2,868,278.0
3. Domestic credit (in BIF million)	3,001,731.8	3,105,155.0	3,145,182.8	3,771,925.4	3,961,517.5	4,107,981.3
4. Net foreign to government (in BIF million)	1,687,634.0	1,791,939.1	1,763,775.6	2,040,374.7	2,115,800.7	2,151,323.7
5. Net foreign assets (in BIF million)	-340,584.4	-333,131.6	-297,863.2	-272,173.8	-305,472.5	-340,456.4
6. Tenders operations						
6.1. Normal liquidity providing	435,000.0	413,368.8	401,550.0	190,000.0	160,000.0	142,000.0
6.2. Injecting liquidity						
7. Weighted average interest rates						
7.1. Treasury bill to 13 weeks	3.00	3.00	0.00	4.08	4.09	4.01
7.2. Treasury bill to 26 weeks	3.21	3.24	3.25	4.54	4.47	4.46
7.3. Treasury bill to 52 weeks	3.28	3.29	3.32	5.05	5.03	4.99
7.4. Recovery of liquidity	0.00	0.00	0.00	0.00	0.00	0.00
7.5. Injecting liquidity	2.85	2.96	2.74	2.46	2.53	3.96
7.6. Marginal lending facility	6.00	6.00	6.00	7.04	7.06	6.96
7.7. Interbank market	4.16	4.11	4.07	5.25	5.31	5.16
7.8. Deposit interest rates	5.24	5.32	5.65	5.56	5.60	5.64
7.9. Lending interest rates	15.27	15.41	15.11	15.15	15.08	14.79
IV. EXTERNAL SECTOR						
1. Export (in BIF million, fob DSL & Buja FOT)	69,243.1	81,886.8	185,377.3	98,513.8	113,531.4	124,490.4
including Arabica coffee	9,860.5	10,275.7	11,870.5	22,264.4	22,608.7	22,755.6
1.1. Volume of exports (in T)	30,672.9	38,159.0	45,939.0	59,450.3	64,855.0	71,167.0
1.2. Average price sales contracts						
Arabica coffee fob DSL-us cts/lb	-	74.9	58.9	-	-	-
- BIF/Kg	-	3,127.3	2,490.2	-	-	-
1.3. Coffee sold d(in BIF million)	15,240.1	16,963.7	18,026.2	24,442.5	25,054.1	25,137.7
2. Import CIF (in BIF million)	670,786.3	849,763.4	997,735.9	799,081.3	967,657.3	1,138,820.5
including petroleum products	122,474.9	146,328.4	166,526.5	112,033.4	129,751.7	161,049.9
2.1. Volum of imports (in T)	453,659.0	560,770.1	659,162.0	563,256.5	642,119.4	732,215.0
V. EXCHANGE RATE						
3.1. Effective exchange rate index of BIF (2016/2017=100)						
3.1.1. Nominal	93.66	91.23	89.90	84.76	84.86	85.80
3.1.2. Real	100.97	94.99	93.30	93.65	93.94	95.00
3.2. Exchange rate						
3.2.1. Exchange rate BIF/USD (end of period)	1,909.35	1,915.00	1,920.73	1,965.85	1,970.55	1,980.86
3.2.2. Exchange rate BIF/USD (monthly average)	1,907.14	1,912.32	1,917.98	1,963.39	1,968.32	1,978.55
(1): the coffee campaign starts in April and ends in March of the following year						
(p) : Provisional						
n.a. : not available						

Source: BRB

APPENDIX 2: MAIN INDICATORS OF BANKING SECTOR IN JULY 2021 (in BIF million)

	Commercial banks			Other financial corporations			Financial sector		
	July 2020	July 2021	Change in %	July 2020	July 2021	Change in %	July 2020	July 2021	Change in %
I. ASSETS	3,346,767.4	4,287,357.6	28.1	240,759.4	316,241.3	31.4	3,587,526.8	4,603,598.9	28.3
I.1. Main assets	2,896,164.3	3,680,404.5	27.1	203,960.0	270,101.3	32.4	3,100,124.3	3,950,505.8	27.4
A. Liquid assets	1,809,210.9	2,267,766.8	25.3	24,944.1	20,007.8	- 19.8	1,834,155.0	2,287,774.6	24.7
. Cash	74,252.0	84,261.2	13.5	9.0	18.9	110.2	74,261.0	84,280.1	13.5
. Balance in B.R.B.	170,192.4	238,190.1	40.0	2,725.4	452.9	- 83.4	172,917.8	238,643.1	38.0
. Interbank claims	65,025.5	167,391.2	157.4	4,385.0	2,062.9	- 53.0	69,410.5	169,454.1	144.1
Financial corporations	3.5	6,016.1	171,788.6	-	2,062.9	-	3.5	8,079.0	230,729.6
Microfinance	272.2	241.0	- 11.5	-	-	-	272.2	241.0	- 11.5
Foreign correspondents	54,749.3	107,727.1	96.8	-	-	-	54,749.3	107,727.1	96.8
Other financial corporations	10,000.4	53,406.9	-	-	-	-	10,000.4	53,406.9	-
. Loan to government	1,499,741.0	1,777,924.3	18.5	17,824.7	17,473.0	- 2.0	1,517,565.7	1,795,397.3	18.3
Treasury securities	1,436,013.2	1,677,375.3	16.8	17,824.7	17,473.0	- 2.0	1,453,837.9	1,694,848.3	16.6
Other securities	63,727.8	100,549.0	57.8	-	-	-	63,727.8	100,549.0	57.8
B. Loans	1,086,953.4	1,412,637.7	30.0	179,015.9	250,093.6	39.7	1,265,969.3	1,662,731.3	31.3
. Short term	604,504.87	716,090.4	18.5	3,023.1	2,836.8	- 6.2	607,528.0	718,927.2	18.3
. Medium term	302,728.62	438,198.4	44.7	36,720.0	38,164.1	3.9	339,488.6	476,362.5	40.3
. Long term	179,719.88	258,348.8	43.8	139,272.8	209,092.7	50.1	318,992.7	467,441.5	46.5
. Leasing	-	-	-	-	-	-	-	-	-
I.2. Fixed assets	159,788.30	190,309.3	19.1	8,126.9	11,798.8	45.2	167,915.2	202,108.1	20.4
I.3. Others assets	290,814.80	416,643.8	43.3	28,672.5	34,341.2	19.8	319,487.3	450,985.0	41.2
II. LIABILITIES	3,346,767.4	4,287,357.6	28.1	240,759.4	316,241.3	31.4	3,587,526.8	4,603,598.9	28.3
II.1. Main liabilities	2,895,376.3	3,790,874.3	30.9	177,138.0	245,510.2	38.6	3,072,514.3	4,036,384.5	31.4
. Customer deposits	1,917,182.6	2,576,621.9	34.4	130,976.2	177,004.8	35.1	2,048,158.8	2,753,626.7	34.4
amongst: Ten large deposits	891,135.0	1,213,741.2	36.2	22,591.8	39,118.5	-	913,726.8	1,252,859.8	37.1
. Borrowing from B.R.B. (Refinancing)	410,181.9	338,519.6	- 17.5	-	13,485.7	-	410,181.9	352,005.3	14.2
. Interbank liabilities	247,299.8	457,892.4	85.2	6,568.9	8,419.4	28.2	253,868.7	466,311.8	83.7
Financial corporations	4,061.1	2,029.9	- 50.0	-	-	-	4,061.1	2,029.9	- 50.0
Microfinance	28,575.3	90,039.2	215.1	-	-	-	28,575.3	90,039.2	215.1
Foreign correspondents	24,336.0	79,238.2	225.6	-	-	-	24,336.0	79,238.2	225.6
Other financial corporations	190,327.4	286,540.3	50.6	6,568.9	8,419.4	28.2	196,896.3	294,959.7	49.8
Capital and reserves	320,712.0	417,840.4	30.3	39,592.9	46,600.3	17.7	360,304.9	464,440.7	28.9
II.3. Other liabilities	451,391.1	496,483.3	10.0	63,621.4	70,731.2	11.2	515,012.5	567,214.4	10.1
MAIN INDICATORS OF THE BANKING SECTOR									
Capital adequacy									
. Tier 1 capital (in BIF billion)	358,634.3	471,141.8	31.4	33,745.9	47,145.8	39.7	392,380.2	518,287.7	32.1
. Total regulatory capital (in BIF billion)	379,915.7	495,925.0	30.5	41,807.4	56,049.7	34.1	421,723.1	551,974.7	30.9
. Risk weighted assets	1,270,456.5	1,789,816.2	40.9	87,526.4	256,284.1	192.8	1,357,982.9	2,046,100.3	50.7
. Tier 1 capital adequacy ratio (threshold 12,5%)	28.2	26.3	- 6.8	38.6	18.4	- 52.3	28.9	25.3	- 11.8
. Total regulatory capital adequacy ratio (threshold 14,5%)	29.9	27.7	- 7.4	47.8	21.9	- 54.1	31.1	27.0	- 12.5
. Leverage Ratio (threshold 7%)	10.7	11.0	2.8	14.0	14.9	6.4	10.9	11.3	3.7
Loan concentration									
. Large exposures	420,652.5	372,497.3	- 11.4	3,688.8	4,544.7	23.2	424,341.3	377,042.0	- 11.1
. Large exposures to Loans ratio (%)	38.7	26.4	- 31.5	2.1	1.8	- 14.3	35.5	22.7	- 35.5
. Loans to Assets ratio (%)	32.5	32.9	0.9	74.4	79.1	6.5	35.3	36.1	2.3
. Government claims to assets ratio (%)	44.8	41.5	- 7.4	7.4	5.5	- 25.7	42.3	39.0	- 8.3
. Government Loans/Tier 1 capital ratio (%)	418.2	377.4	- 9.3	52.8	37.1	- 30.3	386.8	346.4	- 10.4
Quality of loan portfolio									
. Past due loans	201,583.7	119,864.8	- 40.5	39,746.7	41,432.9	4.2	241,330.4	161,297.7	- 33.2
Special mention loans	129,125.8	61,229.8	- 52.6	28,651.2	32,712.8	14.2	157,777.0	93,942.6	- 40.5
Non performing loans	72,457.9	58,635.0	- 19.1	11,095.5	8,720.1	- 21.4	83,553.4	67,355.1	- 19.4
Substandard loans	11,553.7	8,337.0	- 27.8	5,374.6	3,895.1	- 27.5	16,928.3	12,232.1	- 27.7
Doubtful loans	13,867.1	9,323.4	- 32.8	3,020.8	2,959.8	- 2.0	16,887.9	12,283.2	- 27.3
Loss loans	47,037.1	40,974.7	- 12.9	2,700.1	1,865.2	- 30.9	49,737.2	42,839.9	- 13.9
. Loan loss provisions	48,309.1	39,868.3	- 17.5	4,297.8	2,409.8	- 43.9	52,606.9	42,278.1	- 19.6
. Non performing loan rate	6.7	4.2	- 37.5	6.2	3.5	- 43.8	6.6	4.1	- 37.5
. Impairment rate	18.5	8.5	- 54.1	22.2	16.6	- 25.7	19.1	9.7	- 48.7
. Provisioning rate	66.7	68.0	1.8	38.7	27.6	- 28.7	63.0	62.8	- 0.2
Liquidity									
. LCR* in BIF (threshold 100%)	226.7	186.0	- 17.8	-	-	-	226.7	186.0	- 17.8
. LCR in f.c.** (threshold 100%)	150.6	196.5	31.0	-	-	-	150.6	196.5	31.0
. Loans/Customer deposits	56.7	54.8	- 3.3	136.7	141.3	3.3	61.8	60.4	- 2.3
. Stable funds /Fixed Assets (threshold 60%)	102.4	89.3	- 12.7	219.0	174.3	- 20.4	118.6	100.9	- 15.7
. Ten large deposits/Customer deposits	46.5	47.1	1.3	17.2	22.1	28.5	44.6	45.5	2.0
Profitability and performance									
. Income before tax	83,375.1	92,679.5	11.2	5,362.0	8,100.1	51.1	88,737.1	100,779.7	13.6
. Net income	79,708.4	88,618.4	11.2	4,589.0	7,262.2	58.3	84,297.4	95,880.6	13.7
. Gross Income	153,923.2	171,636.5	11.5	11,350.0	15,011.5	32.3	165,273.2	186,648.1	12.9
. ROA	2.4	2.1	- 12.5	1.9	2.3	21.1	2.3	2.1	- 9.1
. ROE	21.0	17.9	- 14.8	11.0	13.0	18.2	20.0	17.4	- 13.0

* Liquidity Coverage ratio

** Foreign currencies

Source: BRB

APPENDIX 3: SELECTED ANNUAL INDICATORS

GROSS DOMESTIC PRODUCT AND PRICE	2016	2017	2018	2019	2020 (p)
Real Growth of GDP (in %)	3.2	3.8	5.3	4.5	-0.5
Inflation rate (annual)	5.6	16.1	-2.6	-0.8	7.5
FOREIGN SECTOR					
Exports, f.o.b. (USD million)	117.7	172.3	180.0	179.7	162.2
Imports, CIF (USD million)	615.2	756.0	793.5	887.7	909.6
Volume of exports (in tons)	84,614.0	93,125.0	103,218.0	102,721.0	105,858.0
Volume of imports (in tons)	708,203.0	822,514.0	976 694	1,143,866.0	1,175,731.0
Current account balance (USD million)	-326.8	-370.9	-345.9	-348.4	-315.8
Exchange rate BIF/USD (period average)	1,657.4	1,732.2	1,784.8	1,848.6	1,915.1
Exchange rate BIF/USD (end of period)	1,688.6	1,766.7	1,808.3	1,881.6	1,946.4
International reserves (USD million, end of période)	95.4	102.2	70.3	113.4	109.7
International reserves (Month of imports)	1.5	1.7	1.0	1.5	1.1
MONEY AND CREDIT					
Net foreign assets (BIF million)	-176,523.1	-154,400.0	-203,201.0	-206,340.3	-205,016.1
Domestic credit (BIF million)	1,767.1	2,005.0	2,369.5	2,827.6	3,475.3
Net credits to the Government	905.9	1,112.2	1,337.5	1,618.9	2,025.8
Credits to the economy	861.3	892.9	1,038.6	1,208.6	1,449.5
Broad money (M3)	1,187.1	1,499.5	1,797.5	2,202.8	2,728.0
Money and quasi money (M2)	1,093.1	1,340.9	1,326.0	2,014.7	2,520.7
Velocity of the money (GDP/M2, end of period)	4.4	4.3	4.4	3.1	2.6
Reserve money (growth rate)	29.2	39.0	-3.3	23.6	11.6
Liquidity providing rate (in %)	3.10	2.79	2.90	2.65	2.86
Marginal lending rate (in %)	8.60	7.13	5.80	5.43	6.22
Commercial banks average deposit rates (end of period)	7.70	5.96	5.60	5.25	5.45
Treasury securities	-	14.03	13.23	12.45	12.46
Commercial banks average lending rates (end of period)	16.50	16.16	15.90	15.65	15.24
FINANCE AND PUBLIC DEBT					
Revenues and grants (as % of GDP)	15.6	15.8	18.0	20.0	19.5
Expenses (as % of GDP)	21.5	20.1	22.6	24.4	25.6
Overall fiscal balance (as % of GDP , accrual basis)					
- excluded grants	-8.2	-6.9	-8.2	-8.4	-9.5
- included grants	-5.9	-4.3	-4.5	-4.4	-6.1
Domestic debt (BIF million)	1,374.1	1,647.8	1,937.8	2,317.5	2,851.2
External debt (in USD million , at the end of period)	429.1	440.5	451.1	504.1	532.2
External debt service ratio (as % of exports)	4.2	5.1	3.2	5.0	5.4
Public external debt (as % of GDP)	14.9	13.6	14.0	15.3	15.6
GDP at market prices (BIF billion)	4,938.2	5,702.1	5,914.1	6,216.9	6,655.6
P:provisional					

Source: BRB