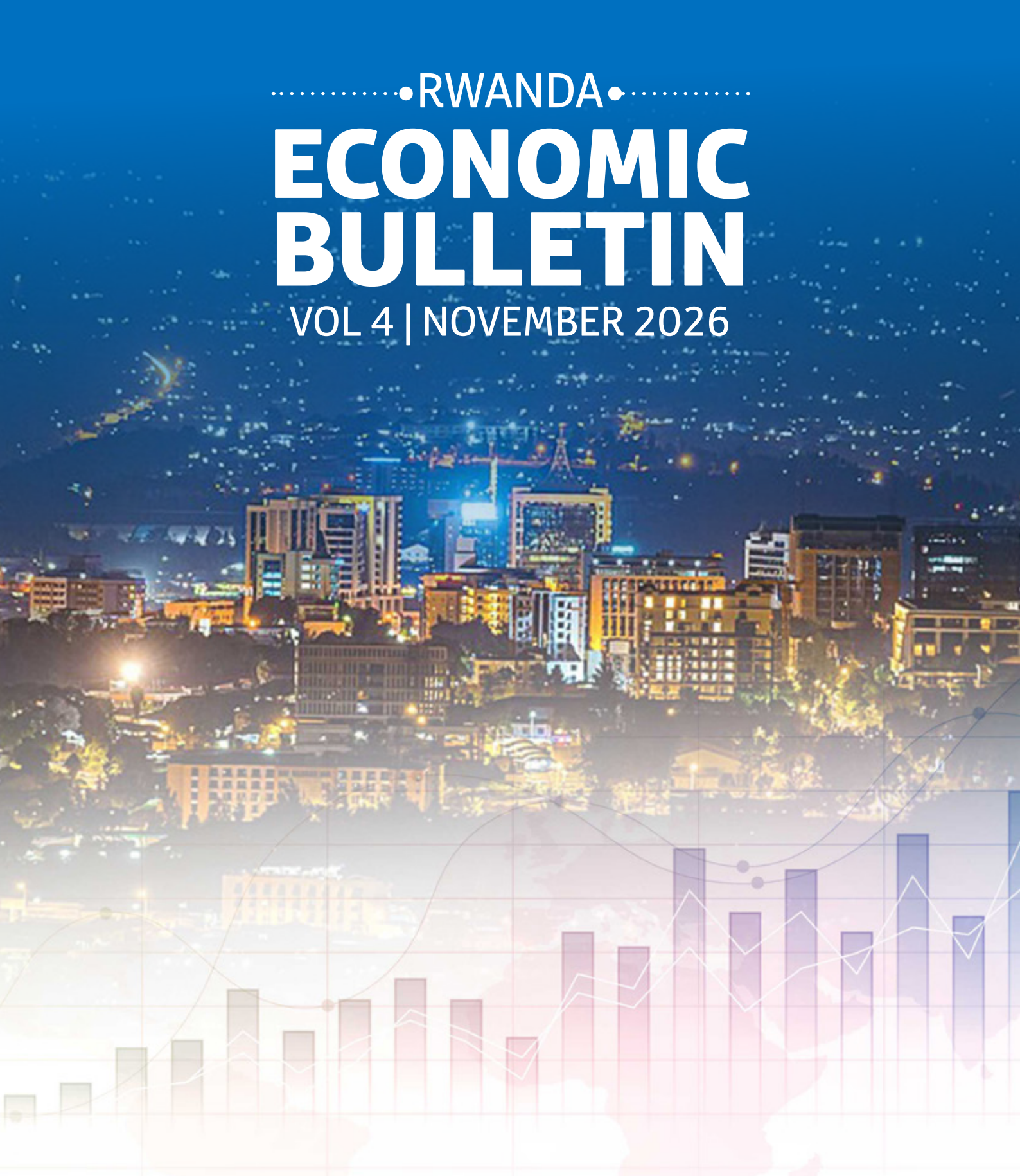
RWANDA

# ECONOMIC BULLETIN

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Republic of Rwanda

Ministry of Finance and Economic planning

NATIONAL BANK OF RWANDA

BANKI NKURU Y' U RWANDA

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## 1. GLOBAL ECONOMY

The global economy has proven resilient amidst continued war in the Middle East and continuing strains from trade tensions, unevenly so and with rapidly narrowing margins of adjustment in the near term. The technology upturn, buffers, and adaptations have helped mitigate the damage from geopolitics-driven disruptions. As a result, Global growth is projected to slow to 3.1 percent in 2026 and rebound to 3.4 percent in 2027. Global headline inflation is projected to rise notably to 4.7 percent in 2026 before easing to 4.1 percent in 2027. Energy-importing economies outside the technology value chain face the most difficult outlook.

However, the margins of adjustment that helped resilience are not limitless, and risks are skewed to the downside. Further escalation in conflicts, a reassessment of expectations surrounding artificial intelligence (AI), renewed trade tensions, and fiscal vulnerabilities could weaken growth. On the upside, stronger momentum in AI investment and productivity gains from AI or a sustained easing of geopolitical and trade tensions could strengthen growth.

## 2. DOMESTIC ECONOMIC GROWTH AND LABOR MARKET

Rwanda's economy continued to show strong growth momentum in first half of 2026, with GDP growing by 9.7 percent. This performance was broad-based, with strong contributions from industry, particularly construction, manufacturing and mining and quarrying; followed by services, particularly trade and transport, and agriculture, supported by food crops and fishing.

The sectoral performance shows that industry contributed 3.5 percentage points with a 15.5 percent growth, notably in construction by 17.5 percent, mining and quarrying by 23 percent, and manufacturing by 12.5 percent. Services contributed 3.8 points, growing by 7 percent, led by wholesale trade that grew by 14.5 percent and ICT by 25.5 percent. Agriculture added 1.3 percentage point, growing by 6 percent, driven by growth in export crops by 9.5 percent and food crops by 4 percent as well as an exceptional 66 percent growth in fishing.

Economic growth is expected to remain strong, despite the prolonged Middle East war, projected at 7.8 percent in 2026, and 7.0 percent by 2027 and stabilise around 7.0 percent over the medium term.

In 2026 Q2, Rwanda's labour market continued to recover driven by agriculture and industry, the labor force participation rate decreased slightly by 0.1 percent to 62.1 percent compared to 62.2 percent in Q2 2025. The employment-to-population ratio remained unchanged at a rate of 53.8 percent compared to Q2 2025 underscoring persistence job creation relative to the working-age population. The unemployment rate remained stable at a rate of 13.4 percent in this quarter compared to Q2 2025 indicating steady labour absorption and better job availability. The employment-to-population ratio was 61.8 percent for males and 46.6percent for females from 44.6 percent of Q2 2025, resulting in a stable gender gap of 15.2 percentage points compared to May 2025 (Q2), indicating progress in inclusion.

## 3. INFLATION AND MONETARY POLICY

In 2026 H1, headline inflation increased to 11.2 percent, remaining above the targeted range of 2–8 percent, reflecting the rise in core, fresh food, and energy inflation.

The core inflation rose, driven by increase in prices of housing and transport reflecting

upward revision of public transport fares following rise in service costs particularly due to increase in local pump prices following the Middle east conflict these outweighed the decrease in core food and core hotels and restaurants.

Energy inflation increased significantly arising from combination of domestic and external factors. Unfavorable weather conditions constrained charcoal production, leading to higher charcoal prices. At the same time, liquid fuels inflation reflected upward revisions in domestic pump prices amid global oil market pressures associated with the Middle East conflict.

In addition, fresh food inflation rose, mainly driven by higher fresh vegetable inflation reflected supply constraints for key vegetables, following moderate agricultural production during Season A 2026.

More recently, in September 2026, inflation rose to 17.2 percent mainly driven by an increase in food and non-alcoholic beverages price, transport prices, housing, water, electricity, gas and other fuels prices as well as restaurants and hotel prices.

Headline inflation is projected to remain above 8 percent in the near term, before gradually declining and returning to the medium-term target of 5 percent over the projection horizon. Inflation is expected to return to the 2–8 percent target range by 2027. However, risks to the inflation outlook remain tilted to the upside, driven primarily by the impact of the Middle East crisis on energy prices, adverse weather conditions, including a potential El Niño episode, and rising agricultural input costs, particularly fertilizer prices, which could further constrain agricultural output and push food prices higher.

In the first half of 2026, the Monetary Policy Committee (MPC) of the National Bank of Rwanda raised the central bank rate by a cumulative 150 basis points, from 6.75 percent in December 2025 to 8.25 percent in June 2026. The MPC further increased the rate by 50 basis points to 8.75 percent in August 2026.This decision reaffirms the central bank commitment to price stability, to anchoring inflation expectations, and to supporting inflation's timely return to the target range in the second half of 2027. The MPC will continue monitoring inflation and economic conditions and remains prepared to take appropriate measures to ensure inflation returns to the 5 percent medium-term target.

As a result of the monetary policy tightening, the interbank rate increased by 89 basis points in the first half of 2026, averaging 7.43 percent compared to 6.54 percent in the corresponding period of 2025. Periods of tighter liquidity also contributed to the increase.

Meanwhile, both deposit and lending rates decreased slightly in first half of 2026. The average deposit rate fell by 12 basis points, from 9.60 percent to 9.48 percent, while the average lending rate fell by 15 basis points, from 15.93 percent to 15.78 percent.

Monetary aggregates continued to grow in the first half of 2026, with broad money and credit to the private sector increasing by 8.6 percent and 12.1 percent, respectively. While Broad money and Credit to the private sector are expected to rise by 19.8 percent and 19.5 percent, respectively, in 2026.

## 4. EXTERNAL SECTOR

The external sector remains resilient, with strong exports and supportive policies expected to narrow the current account deficit over the medium term.

In 2026H1, exports grew by 52.1 percent, driven by strong performance in both traditional and non-traditional exports.

Mineral receipts led the increase, rising by 181.7 percent on the back of higher domestic production and international prices. Horticulture, agro-processed foods, construction materials, locally manufactured goods and re-exports also contributed, reflecting a stronger manufacturing sector.

Imports rose by 18.9 percent, reflecting demand for capital and intermediate goods to support domestic economic activity, mainly construction materials, industrial supplies, fertilizers, machinery and equipment, food products and energy. Given their higher base, imports continued to outweigh exports, widening the trade deficit by 1.1 percent.

The current account deficit narrowed from 13.4 percent of GDP in 2025H1 to 10.9 percent in 2026H1, supported by strong exports, as well as robust tourism receipts and remittances. For 2026 as a whole, the deficit is expected to widen due to construction of major projects, before improving in subsequent years. It will be financed mainly by foreign direct investment and concessional loans, and reserves are projected to remain above the 4 months-of-imports benchmark. Continued sound macroeconomic policies will help preserve external stability.

## 5. FISCAL SECTOR

On the fiscal side, performance in the FY2025/26 was stronger than projected. Total revenue, including grants, exceeded the forecast, mainly due to strong performance in some tax categories including domestic consumption and international trade, supported by new tax reforms, enhanced compliance measures, and strong economic activity. This positive performance offset the shortfall in disbursement of grants related to agriculture program as well as slow performance in other revenue categories due to delays in Peace Keeping Operations (PKO) reimbursements.

Total expenditures were lower than projected, reflecting a lower than projected foreign financed capital, resulting from Government policy of tight monitoring of project implementation and closer alignment of disbursements with actual implementation needs and the lower than projected spending on New Kigali international Airport resulting from delays in procurement and logistics. As a result, the overall fiscal deficit was lower than projected, owing to revenue performance and better expenditure management.

The government remains dedicated to fiscal consolidation, focusing on increasing domestic revenue by raising the tax-to-GDP ratio from 15.3 percent in 2026/27 to 16.1 percent in 2029/30. This approach includes spending reprioritisation and prudent debt management. Even with increased spending on priority projects and responses to the Middle East conflict, the fiscal strategy remains on course to maintain a deficit that achieves a debt-to-GDP ratio of below 65 percent by 2033. The projected fiscal deficit for FY 2026/27 is 4.8 percent, decreasing to 4.1 percent in 2027/28, and 3 percent from 2028/29.

Rwanda's public debt remains sustainable, with a moderate risk of debt distress. The provisional Debt Sustainability Analysis (DSA), conducted in March 2026 indicates that the public debt-to-GDP ratio will slightly decrease to 73.1 percent by the end of December 2026, down from 73.6 percent at the end of December 2025, reflecting the ongoing fiscal consolidation, strengthen project oversight and control with new disbursement request procedure and effective debt management. The rise in debt levels since 2020 was mainly driven by government intervention in the economic recovery after the impact of Covid-19 and

other global and climate related shocks. Despite the rise, public debt in present value (PV) terms stood at 54.1 percent of GDP by end December 2025 which is remains well below the 70 percent threshold for debt sustainability.

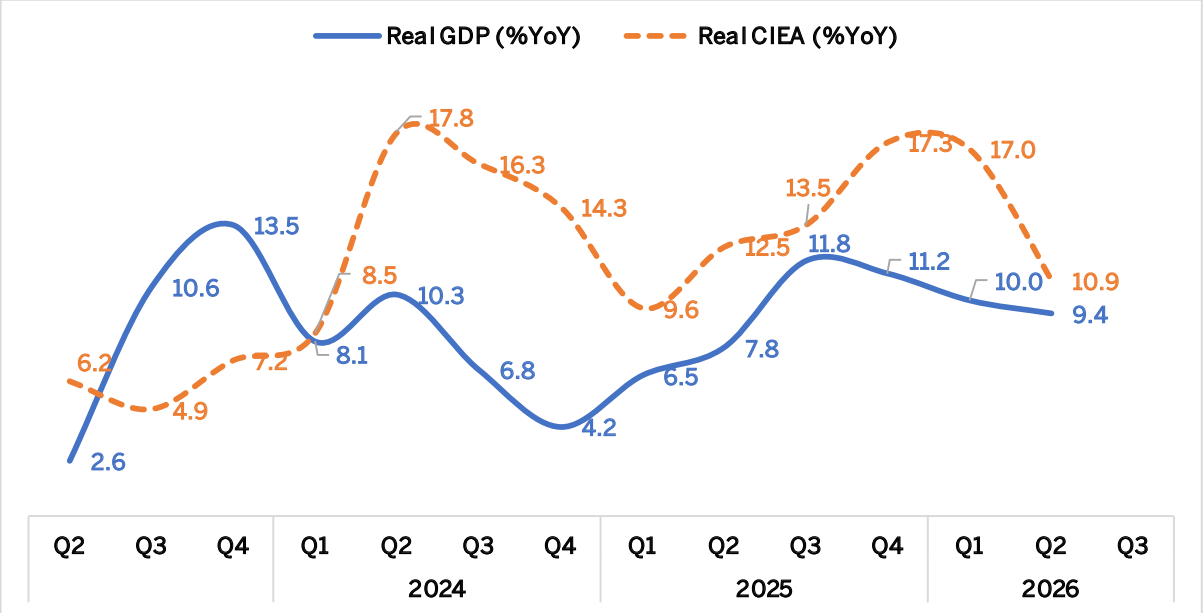
The present value (PV) of the external debt-to-GDP ratio stood at 39.0 percent in 2025. Debt service indicators remained comfortably within sustainable levels, with PPG external debt service at 11.1 percent of exports and 14.7 percent of revenue, well below their indicative thresholds of 21 percent and 23 percent respectively. These indicators are expected to remain within sustainable bounds over the medium term, supported by continued improvements in domestic revenue mobilisation, spending rationalisation, project execution oversight, fiscal risks mitigation.

Rwanda's debt management strategy will continue to be guided by the fiscal objective of bringing down the level of public debt-to-GDP to 65 percent by 2033.

The present value (PV) of the external debt-to-GDP ratio stood at 39.3 percent in 2025. Meanwhile, the PPG external debt service-to-exports and debt service-to-revenue ratios were recorded at 9.8 percent and 13 percent, respectively, well below their indicative thresholds of 21 percent and 23 percent. These indicators are expected to remain within sustainable bounds over the medium term, supported by continued improvements in domestic revenue mobilisation following the implementation of new tax measures.

Rwanda's debt management strategy will continue to be guided by a clear debt path, aiming to reduce the public debt-to-GDP ratio to the anchor level of 65 percent by 2033.

Chart 1: Quarterly real GDP growth vs CIEA (% change, y-o-y)



**Rwanda: Selected Economic Indicators, 2022-31**

| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Act. | | | | Proj. | | | | | |
| **Output and prices** | | | | | | | | | | |
| Real GDP | 9.8 | 8.6 | 7.2 | 9.4 | 7.8 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| CPI (period average) | 13.9 | 14.0 | 4.8 | 7.0 | 13.1 | 7.9 | 5.0 | 5.0 | 5.0 | 5.0 |
| **Money and credit** | | | | | | | | | | |
| Broad money (M3) | 22.9 | 24.8 | 18.8 | 18.2 | 19.8 | 16.5 | 16.0 | 15.5 | 15.5 | 13.9 |
| Reserve money | 29.0 | 10.1 | 11.0 | 10.4 | 17.1 | 12.5 | 13.5 | 13.4 | 13.5 | 12.9 |
| Net credit to Central government (net) | 19.9 | 2.9 | -1.6 | 10.0 | -0.9 | -0.9 | 0.1 | -0.7 | 0.1 | 2.9 |
| Credit to non-government sector (i.e., priva | 0.2 | 6.2 | -2.6 | 8.2 | 19.3 | 14.2 | 10.6 | 10.4 | 10.0 | 7.1 |
| M3/GDP (percent) | 24.8 | 25.5 | 26.1 | 26.3 | 26.2 | 26.6 | 27.4 | 28.2 | 28.9 | 29.4 |
| **Budgetary central government, FY basis** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
| Revenue & grants | 25.1 | 21.5 | 20.7 | 19.4 | 19.6 | 19.1 | 19.4 | 19.4 | 19.3 | 19.3 |
| Taxes | 15.2 | 14.5 | 14.1 | 14.2 | 15.2 | 15.3 | 15.7 | 16.0 | 16.1 | 16.1 |
| Expense | 20.0 | 18.1 | 17.3 | 15.9 | 15.3 | 14.7 | 14.5 | 14.3 | 14.4 | 14.6 |
| Net acquisition of nonfin. assets | 12.9 | 9.6 | 9.6 | 8.2 | 7.3 | 7.3 | 7.8 | 7.9 | 7.8 | 7.6 |
| Overall fiscal balance (incl. grants, policy l | -9.0 | -7.1 | -6.7 | -5.5 | -4.8 | -4.8 | -4.1 | -3.0 | -3.0 | -3.0 |
| **External sector** | **2022** | **2023** | **2024** | **2025** | **2026** | **2027** | **2028** | **2029** | **2030** | **2031** |
| Exports (goods and services) | 39.6 | 17.5 | 21.9 | -18.3 | 16.6 | 10.0 | 11.1 | 9.4 | 9.6 | 9.3 |
| Imports (goods and services) | 26.1 | 16.6 | 13.3 | -10.2 | 15.2 | 3.7 | 1.8 | 3.9 | 5.7 | 6.3 |
| Current account balance (incl. official trans | -9.0 | -11.4 | -12.5 | -12.3 | -12.6 | -10.7 | -8.9 | -8.1 | -7.6 | -7.3 |
| Gross official reserves (mln USD), in months of next year's imports of goods & services | 4.3 | 4.4 | 5.2 | 4.0 | 4.0 | 4.2 | 4.4 | 4.4 | 4.4 | 4.1 |
| **Memorandum items:** | | | | | | | | | | |
| GDP at current market prices | | | | | | | | | | |
| Rwanda francs (billion), CY basis | 14,164 | 17,177 | 19,918 | 23,387 | 28,146 | 32,188 | 36,260 | 40,776 | 45,816 | 51,397 |
| nominal growth | 27.3 | 21.3 | 16.0 | 17.4 | 20.3 | 14.4 | 12.7 | 12.5 | 12.4 | 12.2 |

Sources: MINECOFIN and BNR staff estimates.

| GDP Growth (constant prices 2024) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Actual | | | | Projection | | | | | |
| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| **GDP** | **9.8%** | **8.6%** | **7.2%** | **9.4%** | **7.8%** | **7.0%** | **7.0%** | **7.0%** | **7.0%** | **7.0%** |
| | | | | | | | | | | |
| **AGRICULTURE** | **0%** | **5%** | **3%** | **7%** | **4.7%** | **3.9%** | **5.6%** | **5.7%** | **5.9%** | **5.8%** |
| Food crops | -2% | 5% | 0% | 3% | 2.0% | 1.1% | 3.4% | 4.1% | 4.3% | 4.0% |
| Export crops | -3% | -1% | 2% | 32% | 2.0% | 5.7% | 6.4% | 5.2% | 5.4% | 5.8% |
| Livestock & livestock products | 7% | 7% | 14% | 9% | 8.5% | 9.6% | 10.7% | 9.9% | 9.8% | 10.0% |
| Forestry | 7% | 5% | 6% | 6% | 6.0% | 5.7% | 5.8% | 5.8% | 5.7% | 5.7% |
| Fishing | 0% | -4% | -2% | 33% | 66.0% | 11.3% | 12.2% | 13.1% | 12.2% | 12.5% |
| **INDUSTRY** | **22%** | **9%** | **8%** | **11%** | **11.7%** | **11.2%** | **8.4%** | **8.1%** | **8.1%** | **8.3%** |
| **Mining & quarrying** | **28%** | **8%** | **8%** | **17%** | **11.6%** | **9.8%** | **9.6%** | **8.4%** | **8.4%** | **8.9%** |
| **TOTAL MANUFACTURING** | **9%** | **10%** | **6%** | **10%** | **7.3%** | **8.7%** | **7.9%** | **7.6%** | **8.3%** | **7.9%** |
| Manufacturing of food | 14% | 13% | 2% | 9% | 4.2% | 4.2% | 4.8% | 4.9% | 5.0% | 4.8% |
| Manufacturing of beverages & tobacco | 12% | -1% | 6% | 2% | 5.3% | 5.4% | 6.0% | 4.8% | 4.6% | 5.1% |
| Manufacturing of textiles, clothing & leather goods | 9% | 13% | 10% | -1% | 8.8% | 7.1% | 7.6% | 7.7% | 7.5% | 7.4% |
| Manufacturing of wood & paper; printing | 36% | 18% | 18% | 13% | 10.8% | 14.9% | 11.1% | 9.8% | 11.4% | 11.6% |
| Manufacturing of chemicals, rubber & plastic products | -5% | 43% | 9% | 24% | 10.8% | 19.4% | 12.3% | 13.5% | 13.2% | 13.1% |
| Manufacturing of non-metallic mineral products | 7% | 17% | -4% | 34% | 13.1% | 10.1% | 9.8% | 8.6% | 14.9% | 10.3% |
| Manufacturing of metal products, machinery & equipment | 18% | 13% | 21% | 21% | 12.2% | 13.0% | 12.6% | 11.0% | 11.2% | 10.5% |
| Furniture & other manufacturing | -10% | -8% | 6% | 2% | 3.3% | 4.7% | 4.9% | 4.3% | 3.9% | 3.0% |
| **Electricity** | **14%** | **7%** | **20%** | **14%** | **11.8%** | **11.1%** | **10.4%** | **11.1%** | **9.2%** | **8.9%** |
| **Water & waste management** | **6%** | **3%** | **5%** | **5%** | **5%** | **4%** | **4%** | **3%** | **2%** | **2%** |
| **Construction** | **33%** | **8%** | **8%** | **11%** | **15.1%** | **13.4%** | **8.4%** | **8.3%** | **8.1%** | **8.6%** |
| **SERVICES** | **10%** | **12%** | **9%** | **9%** | **7.3%** | **6.4%** | **6.8%** | **7.1%** | **7.1%** | **7.1%** |
| **Trade and Transport** | **13%** | **14%** | **9%** | **12%** | **8.1%** | **5.6%** | **6.7%** | **7.9%** | **7.7%** | **7.5%** |
| Maintenance & repair of motor vehicles | 14% | 14% | 13% | 30% | 7.8% | 8.5% | 9.9% | 9.1% | 6.8% | 8.6% |
| Wholesale & retail trade | 8% | 13% | 11% | 15% | 11.0% | 6.8% | 7.2% | 8.6% | 8.1% | 8.0% |
| Transport services | 19% | 14% | 6% | 7% | 4.7% | 3.9% | 5.8% | 6.9% | 7.2% | 6.8% |
| **Other services** | **9%** | **11%** | **9%** | **7%** | **6.9%** | **6.9%** | **6.9%** | **6.7%** | **6.7%** | **6.8%** |
| Hotels & restaurants | 22% | 15% | 11% | -2% | 3% | 7% | 7% | 7% | 7% | 7% |
| Information & communication | 21% | 32% | 21% | 15% | 11.8% | 11.3% | 7.3% | 9.7% | 7.4% | 9.5% |
| Financial services | 11% | -2% | 12% | 7% | 7.7% | 7.1% | 8.5% | 7.6% | 7.7% | 7.7% |
| Real estate activities | 1% | 5% | 4% | 3% | 4.8% | 3.7% | 4.2% | 3.9% | 3.9% | 3.9% |
| Professional, scientific and technical activities | 9% | 10% | 14% | 18% | 9.6% | 8.7% | 10.7% | 10.0% | 9.2% | 8.3% |
| Administrative and support service activities | 13% | 13% | 14% | 8% | 9.5% | 11.7% | 11.6% | 11.4% | 11.1% | 11.6% |
| Public administration and defence; compulsory social security | 10% | 11% | 10% | 6% | 6.0% | 4.8% | 4.5% | 3.1% | 3.6% | 4.1% |
| Education | 5% | 5% | 4% | 5% | 4.1% | 3.3% | 3.3% | 3.3% | 3.7% | 4.0% |
| Human health and social work activities | 10% | -1% | 17% | -13% | 5.5% | 3.3% | 3.3% | 3.3% | 3.7% | 4.0% |
| Cultural, domestic & other services | 6% | 29% | -4% | 13% | 8.5% | 8.3% | 6.8% | 6.6% | 8.0% | 6.3% |
| **Taxes less subsidies on products** | **5%** | **-4%** | **8%** | **19%** | **7%** | **5.3%** | **7.3%** | **5.7%** | **4.7%** | **4.3%** |
| **Source: MINECOFIN and BNR Staff Estimates** | | | | | | | | | | |

| Labor Market indicators (percentage) | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2024 | | | | 2025 | | | | 2026 | |
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| LU1-Unemployment rate (%) | 17.2 | 16.8 | 18.0 | 16.8 | 12.9 | 16.8 | 15.3 | 14.7 | 11.1 | 13.4 | 13.4 | 11.7 | 11.0 | 13.4 |
| Labour force participation rate(%) | 57.6 | 59.5 | 59.8 | 60.0 | 61.0 | 62.5 | 64.1 | 64.0 | 63.0 | 62.2 | 65.8 | 64.1 | 64.3 | 62.1 |
| **Employment % chgQoQ** | | | | | | | | | | | | | | |
| Total | 6.5 | 4.7 | -0.3 | 2.6 | 7.1 | -1.4 | 5.1 | 1.4 | 3.2 | -3.1 | 6.7 | 0.0 | 1.7 | -5.4 |
| Agriculture | 8.9 | -0.5 | -15.2 | 26.9 | 8.8 | -17.4 | -12.8 | 27.6 | 9.7 | -15.7 | -1.5 | 13.0 | 14.1 | -16.7 |
| Industry | -7.2 | 17.4 | 31.6 | -31.9 | 2.1 | 20.6 | 38.4 | -25.1 | -9.4 | 11.1 | 29.7 | -22.4 | -3.7 | 4.8 |
| manufacturing | 13.3 | 12.5 | 12.3 | -14.8 | -4.2 | 19.0 | 30.2 | -17.0 | -10.2 | 13.3 | 19.7 | -18.3 | -2.8 | 2.2 |
| Construction | -12.2 | 23.5 | 46.1 | -45.1 | 6.1 | 17.9 | 56.0 | -32.8 | -9.5 | 4.7 | 46.5 | -28.4 | -1.6 | 6.7 |
| service sector | 9.7 | 6.3 | 3.0 | -1.4 | 7.1 | 10.0 | 8.4 | -4.6 | 1.6 | 5.1 | 5.3 | -0.2 | -7.3 | 3.2 |
| Trade service | 30.7 | 8.6 | 1.8 | -9.8 | 2.9 | 18.1 | 14.7 | -3.2 | -3.7 | 11.9 | 6.9 | -3.0 | -9.6 | 0.5 |
| Transport | -3.3 | 25.2 | 4.5 | -24.4 | 35.4 | 6.8 | 12.3 | -5.3 | -0.2 | -0.4 | 10.5 | 9.1 | -8.2 | 4.1 |
| Hotels and restaurants | 17.5 | 4.8 | 3.9 | 17.8 | -4.5 | 24.6 | 1.5 | -19.8 | 22.0 | 8.1 | 10.6 | -2.6 | -11.3 | 0.9 |

Source: National Institute of Statistics of Rwanda

| FISCAL GFS 2014 - SUMMARY % GDP | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **IV.2 FISCAL GFS 2014 PRESENTATION - SUMMARY % GDP** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
| | | | Act | | | | | Proj. | | |
| **REVENUE** | 25.1% | 21.5% | 20.7% | 19.4% | 19.6% | 19.1% | 19.4% | 19.4% | 19.3% | 19.3% |
| Taxes | 15.2% | 14.5% | 14.1% | 14.2% | 15.2% | 15.3% | 15.7% | 16.0% | 16.1% | 16.1% |
| Taxes on income, profits, and capital gains | 6.9% | 6.5% | 6.4% | 6.3% | 6.1% | 6.2% | 6.3% | 6.3% | 6.3% | 6.4% |
| Taxes on payroll and workforce | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Taxes on property | 0.1% | 0.1% | 0.2% | 0.2% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% |
| Taxes on goods and services | 7.1% | 6.5% | 6.5% | 6.6% | 7.7% | 7.7% | 7.9% | 8.2% | 8.2% | 8.1% |
| Taxes on international trade and transactions | 1.1% | 1.3% | 1.1% | 1.1% | 1.1% | 1.1% | 1.2% | 1.2% | 1.3% | 1.3% |
| Other taxes | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Social contributions | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Grants | 6.7% | 4.5% | 4.1% | 2.9% | 2.6% | 1.9% | 1.9% | 1.7% | 1.5% | 1.5% |
| From Foreign Governments | 1.7% | 2.6% | 2.3% | 1.5% | 1.1% | 1.1% | 1.2% | 1.0% | 0.8% | 0.7% |
| Current | 1.7% | 1.0% | 0.6% | 0.2% | 0.0% | 0.1% | 0.3% | 0.2% | 0.1% | 0.0% |
| Capital | 0.0% | 1.6% | 1.7% | 1.3% | 1.1% | 0.9% | 0.9% | 0.8% | 0.8% | 0.7% |
| From International Organizations | 4.9% | 1.9% | 1.8% | 1.3% | 1.5% | 0.8% | 0.8% | 0.7% | 0.7% | 0.8% |
| Current | 1.9% | 1.0% | 0.8% | 0.6% | 0.4% | 0.3% | 0.3% | 0.3% | 0.3% | 0.2% |
| Capital | 3.1% | 1.0% | 1.0% | 0.7% | 1.1% | 0.5% | 0.5% | 0.4% | 0.4% | 0.5% |
| From General Government Units | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Current | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Capital | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Required Grants | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Other revenue | 3.2% | 2.5% | 2.5% | 2.3% | 1.8% | 1.8% | 1.7% | 1.7% | 1.7% | 1.6% |
| Property income | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% |
| Sales of goods and services | 2.7% | 2.0% | 2.2% | 1.8% | 1.5% | 1.6% | 1.5% | 1.4% | 1.4% | 1.4% |
| Fines, penalties, and forfeits | 0.3% | 0.4% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.1% | 0.1% | 0.1% |
| Voluntary transfers other than grants | 0.2% | 0.0% | 0.0% | 0.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Miscellaneous and unidentified revenue | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| **EXPENSE** | 20.0% | 18.1% | 17.3% | 15.9% | 15.3% | 14.7% | 14.5% | 14.3% | 14.4% | 14.6% |
| Compensation of employees | 2.6% | 2.3% | 2.5% | 2.6% | 2.6% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| Use of goods and services | 5.6% | 4.7% | 4.3% | 3.7% | 3.3% | 3.3% | 3.3% | 3.5% | 3.4% | 3.5% |
| Consumption of fixed capital | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Interest | 1.8% | 1.9% | 2.3% | 2.3% | 2.2% | 2.1% | 2.0% | 1.8% | 1.6% | 1.8% |
| Subsidies | 3.1% | 1.9% | 1.7% | 1.5% | 1.7% | 1.4% | 1.2% | 1.0% | 1.0% | 1.0% |
| Grants | 5.3% | 6.1% | 5.4% | 4.8% | 4.5% | 4.5% | 4.6% | 4.6% | 5.0% | 5.0% |
| Social benefits | 0.5% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% |
| Other expense | 1.2% | 0.8% | 0.8% | 0.7% | 0.6% | 0.6% | 0.6% | 0.6% | 0.6% | 0.6% |
| **NET OPERATING BALANCE** | | | | | | | | | | |
| including grants | 5.1% | 3.4% | 3.5% | 3.5% | 4.3% | 4.4% | 4.9% | 5.1% | 4.9% | 4.7% |
| excluding grants | -1.5% | -1.1% | -0.7% | 0.7% | 1.7% | 2.5% | 2.9% | 3.4% | 3.4% | 3.1% |
| **Net acquisition of nonfinancial assets** | 12.9% | 9.6% | 9.6% | 8.2% | 7.3% | 7.3% | 7.8% | 7.9% | 7.8% | 7.6% |
| Foreign financed | 6.4% | 4.9% | 6.0% | 5.3% | 4.7% | 4.1% | 4.0% | 3.9% | 3.8% | 3.8% |
| Domestically financed | 6.5% | 4.7% | 3.6% | 2.9% | 2.5% | 3.2% | 3.8% | 4.1% | 4.0% | 3.8% |
| **Net lending (+) / borrowing (-) {deficit/Surplus}** | | | | | | | | | | |
| including grants | -7.7% | -6.2% | -6.1% | -4.7% | -2.9% | -2.9% | -2.9% | -2.8% | -2.9% | -2.9% |
| excluding grants | -14.4% | -10.7% | -10.2% | -7.6% | -5.5% | -4.8% | -4.9% | -4.5% | -4.4% | -4.5% |
| **Net acquisition of financial assets** | 3.0% | 0.0% | 0.5% | 1.7% | 2.4% | 2.3% | 1.6% | 0.5% | 0.4% | 0.4% |
| Domestic | 3.0% | 0.4% | 0.5% | 1.7% | 2.4% | 2.4% | 1.6% | 0.5% | 0.4% | 0.4% |
| Foreign | 0.0% | -0.4% | 0.0% | 0.0% | 0.0% | -0.1% | 0.0% | 0.0% | 0.0% | 0.0% |
| **Net incurrence of liabilities** | 10.1% | 6.0% | 7.0% | 6.5% | 5.5% | 5.2% | 4.5% | 3.4% | 3.3% | 3.3% |
| Domestic | 1.8% | 0.9% | -0.1% | 0.2% | 0.6% | 0.0% | 0.7% | 0.5% | 1.3% | 1.6% |
| Foreign | 8.3% | 5.1% | 7.1% | 6.3% | 4.9% | 5.2% | 3.9% | 2.9% | 2.1% | 1.7% |
| o/w Budget Loan | 6.7% | 3.4% | 4.3% | 3.7% | 3.5% | 4.0% | 2.7% | 1.9% | 1.3% | 0.9% |
| o/w Project Loan | 3.3% | 2.7% | 3.5% | 3.4% | 2.6% | 2.7% | 2.7% | 2.6% | 2.6% | 2.5% |
| o/w Amortization | 0.8% | 0.5% | 0.7% | 0.8% | 1.2% | 1.5% | 1.5% | 1.6% | 1.8% | 1.7% |
| Statistical discrepancy | -0.3% | -0.1% | 0.4% | 0.0% | 0.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Overall fiscal balance (incl. grants, policy lending)2 | -9.0% | -7.1% | -6.7% | -5.5% | -4.8% | -4.8% | -4.1% | -3.0% | -3.0% | -3.0% |
| Overall Primary balance (incl. grants) | -7.2% | -5.1% | -4.4% | -3.2% | -2.6% | -2.8% | -2.2% | -1.2% | -1.4% | -1.3% |
| Nominal GDP | 12,360 | 15,800 | 18,371 | 21,512 | 25,825 | 30,280 | 34,292 | 38,530 | 43,279 | 48,624 |
| Exchange rate | 1,008 | 1,081 | 1,257 | 1,383 | 1,451 | 1,495 | 1,551 | 1,625 | 1,706 | 1,783 |
| Sources: MINECOFIN staff estimates. | | | | | | | | | | |

**Summary BOP Output (USD mn)**

| | Act | | | | Proj | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2025** | **2026** | **2027** | **2028** | **2029** | **2030** | **2031** |
| **A. Current Account** | **-1,236.7** | **-1,677.9** | **-1,888.1** | **-2,021.0** | **-2,410.1** | **-2,273.1** | **-2,033.8** | **-1,977.5** | **-1,993.2** | **-2,058.0** |
| ***Balance on goods and services*** | ***-1,965.9*** | ***-2,267.9*** | ***-2,266.0*** | ***-2,384.6*** | ***-2,693.8*** | ***-2,533.5*** | ***-2,157.7*** | ***-1,971.1*** | ***-1,875.3*** | ***-1,814.0*** |
| **Goods (Trade Balance)** | **-1,975.8** | **-2,368.8** | **-2,344.4** | **-2,335.3** | **-2,506.8** | **-2,402.6** | **-2,208.8** | **-2,123.1** | **-2,079.9** | **-2,077.6** |
| Exports Incl. Gold | 2,111.9 | 2,465.9 | 3,201.0 | 2,403.5 | 2,860.8 | 3,188.9 | 3,601.1 | 3,975.1 | 4,397.5 | 4,842.5 |
| Of which: coffee | 105.0 | 87.8 | 90.4 | 143.7 | 143.9 | 146.8 | 149.8 | 153.5 | 157.3 | 161.2 |
| tea | 106.7 | 106.3 | 113.1 | 117.4 | 109.2 | 109.5 | 113.9 | 118.4 | 123.1 | 128.1 |
| minerals (3 Ts) | 203.8 | 201.4 | 231.3 | 338.2 | 697.9 | 780.0 | 780.7 | 780.9 | 785.3 | 790.9 |
| Imports Incl. Gold | 4,087.7 | 4,834.7 | 5,545.4 | 4,738.8 | 5,367.5 | 5,591.6 | 5,809.9 | 6,098.2 | 6,477.5 | 6,920.1 |
| **Services (net)** | **9.9** | **100.9** | **78.4** | **-49.3** | **-187.0** | **-130.8** | **51.2** | **152.0** | **204.6** | **263.6** |
| Services: credit | 886.4 | 1,057.0 | 1,093.6 | 1,104.7 | 1,231.0 | 1,311.5 | 1,399.1 | 1,493.6 | 1,594.5 | 1,706.1 |
| o/w Air Transport | 215.0 | 144.1 | 166.6 | 192.1 | 209.0 | 225.8 | 239.4 | 253.6 | 267.9 | 284.4 |
| o/w tourism | 400.2 | 563.8 | 577.4 | 604.5 | 658.9 | 718.2 | 782.8 | 853.3 | 930.1 | 1,013.8 |
| Services: debit | 876.5 | 956.1 | 1,015.2 | 1,154.0 | 1,418.0 | 1,442.4 | 1,347.9 | 1,341.6 | 1,389.9 | 1,442.5 |
| **Primary income (net)** | **-248.5** | **-308.1** | **-402.2** | **-406.4** | **-550.0** | **-613.6** | **-720.4** | **-829.5** | **-941.3** | **-1,066.8** |
| **Secondary income (net)** | **977.7** | **898.1** | **780.1** | **770.0** | **833.6** | **874.0** | **844.3** | **823.1** | **823.5** | **822.8** |
| Secondary income: credit | 1,058.1 | 959.9 | 848.7 | 841.9 | 916.5 | 961.2 | 935.8 | 919.1 | 924.1 | 928.6 |
| o/w workers' remittances | 461.2 | 504.7 | 502.4 | 639.8 | 715.8 | 739.6 | 759.4 | 778.6 | 797.5 | 816.8 |
| **B. Capital Account** | **321.8** | **397.6** | **383.0** | **337.3** | **337.3** | **293.5** | **293.5** | **293.5** | **293.5** | **381.1** |
| ***Net lending(+)/ net borrowing (-)*** | ***-914.9*** | ***-1,280.3*** | ***-1,505.1*** | ***-1,683.7*** | ***-2,072.8*** | ***-1,979.5*** | ***-1,740.2*** | ***-1,684.0*** | ***-1,699.7*** | ***-1,677.0*** |
| **C. Financial Account: Net lending(+)/ net borrowing (-)** | **-674.5** | **-1,342.7** | **-1,718.6** | **-1,044.9** | **-2,122.1** | **-2,080.2** | **-1,908.3** | **-1,850.7** | **-1,849.0** | **-1,816.4** |
| **Direct investment** | -305.1 | -445.2 | -518.0 | -595.5 | -1,058.7 | -1,168.6 | -947.8 | -941.9 | -1,046.3 | -1,160.4 |
| Direct investment: assets | 0.0 | 12.5 | 13.2 | 13.7 | 14.8 | 16.1 | 17.2 | 18.3 | 19.5 | 20.8 |
| Direct investment: liabilities (i.e. FDI) | 305.1 | 457.6 | 531.1 | 609.2 | 1,073.5 | 1,184.7 | 965.0 | 960.2 | 1,065.9 | 1,181.2 |
| **Portfolio investment** | **91.5** | **51.6** | **21.3** | **41.6** | **14.2** | **0.0** | **0.0** | **0.0** | **0.0** | **620.0** |
| **Financial derivatives (other than reserves) and employee stock op** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| Financial derivatives (other than reserves) and employee stock opti | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financial derivatives (other than reserves) and employee stock opti | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Other investment** | **-461.0** | **-949.1** | **-1,221.9** | **-491.1** | **-1,077.6** | **-911.6** | **-960.5** | **-908.8** | **-802.7** | **-1,276.1** |
| **D. Net Errors and Omissions (minus is outflow)** | **111.0** | **44.4** | **362.0** | **340.4** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **E. Overall Balance** | **-129.4** | **106.8** | **575.5** | **-298.4** | **49.3** | **100.7** | **168.1** | **166.7** | **149.3** | **139.5** |
| **F. Reserves assets (change in net foreign assets - minus is a drop** | **-129.4** | **106.8** | **575.5** | **-298.4** | **49.3** | **100.7** | **168.1** | **166.7** | **149.3** | **139.5** |
| Gross official reserves (mln USD), in months of next year's imports of goods & services | 4.3 | 4.4 | 5.2 | 4.0 | 4.0 | 4.2 | 4.4 | 4.4 | 4.4 | 4.1 |

**Sources: BNR staff estimates.**

**IV. Summary MON Output**

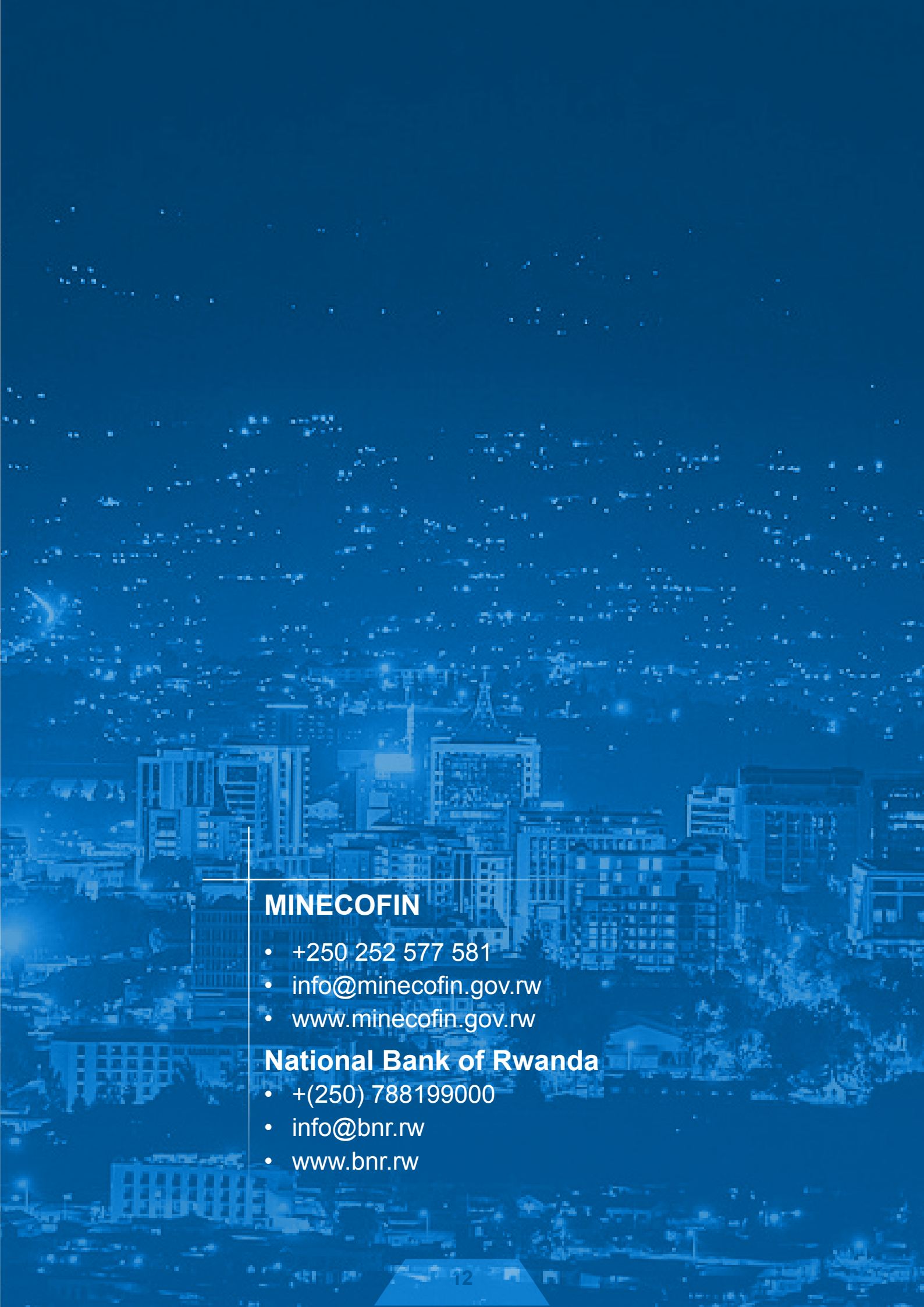
| | Act | | | | Proj | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2025** | **2026** | **2027** | **2028** | **2029** | **2030** | **2031** |
| **Annual growth rates** | | | | | | | | | | |
| Reserve money | 29.0% | 10.1% | 11.0% | 10.4% | 17.1% | 12.5% | 13.5% | 13.4% | 13.5% | 12.9% |
| Net foreign assets | 2.7% | 33.4% | 56.2% | -0.5% | 3.3% | 8.7% | 15.5% | 16.8% | 15.5% | 11.2% |
| Net domestic assets | 38.3% | 19.9% | -4.7% | 37.4% | 32.0% | 21.0% | 16.3% | 14.7% | 15.4% | 15.3% |
| **Credit to the private sector** | **13.6%** | **19.9%** | **14.3%** | **21.6%** | **19.5%** | **17.3%** | **16.5%** | **16.2%** | **16.4%** | **11.1%** |
| Broad money | 22.9% | 24.8% | 18.8% | 18.2% | 19.8% | 16.5% | 16.0% | 15.5% | 15.5% | 13.9% |
| Deposits | 23.4% | 26.6% | 19.8% | 18.5% | 18.3% | 16.7% | 16.1% | 15.5% | 15.5% | 13.9% |
| **Contribution to broad money growth** | | | | | | | | | | |
| Net foreign assets | 1.1% | 12.0% | 21.6% | -0.3% | 1.4% | 3.2% | 5.3% | 5.7% | 5.4% | 3.9% |
| Net domestic assets | 21.8% | 12.7% | -2.9% | 18.5% | 18.4% | 13.3% | 10.7% | 9.7% | 10.1% | 10.0% |
| Central government (net) | 19.9% | 2.9% | -1.6% | 10.0% | -0.9% | -0.9% | 0.1% | -0.7% | 0.1% | 2.9% |
| Credit to the private sector | 13.3% | 18.0% | 12.4% | 18.0% | 16.7% | 14.8% | 14.2% | 14.0% | 14.3% | 9.8% |
| Other items net | -13.1% | -11.8% | -15.0% | -9.8% | 2.6% | -0.6% | -3.6% | -3.6% | -4.3% | -2.6% |
| Broad money | 22.9% | 24.8% | 18.8% | 18.2% | 19.8% | 16.5% | 16.0% | 15.5% | 15.5% | 13.9% |

Sources: BNR staff estimates

**Debt Sustainability Analysis**

| **Ratios** | **2025** | **2026 P** | **2027 P** | **2028 P** | **2029 P** | **Threshold** |
|---|---|---|---|---|---|---|
| Debt to GDP Ratio | 73.6% | 73.1% | 72.9% | 72.6% | 70.6% | |
| PV of public debt-to-GDP ratio | 54.1% | 53.7% | 54.0% | 53.6% | 51.9% | < 70% |
| PV of PPG external debt-to-GDP ratio | 39.0% | 39.5% | 40.8% | 40.8% | 39.7% | < 55% |
| PPG External debt service-to-exports ratio | 11.1% | 10.5% | 11.3% | 12.0% | 11.9% | < 21% |
| PPG External debt service to revenue ratio | 14.7% | 13.0% | 14.0% | 15.2% | 14.4% | < 23% |

Source: MINECOFIN Staff Estimates




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