Introduction

Burkina Faso is a landlocked country in Western Africa that borders Benin, Cote d’Ivoire, Ghana, Mali, Niger, and Togo. The geography of Burkina Faso is mostly flat savanna with access to three principal rivers: the Black, Red, and White Voltas. The government system is a parliamentary republic; the chief of state is the president, and the head of government is the prime minister.

Burkina Faso has a largely traditional economic system in which the majority of the population engages in subsistence agriculture, and the allocation of available resources is made on the basis of primitive methods. Burkina Faso is a member of the Economic Community of West African States (ECOWAS).

Key Economic Facts

<table>
<thead>
<tr>
<th>Income Level (by per capita GNI):</th>
<th>Low Income</th>
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</thead>
<tbody>
<tr>
<td>Level of Development:</td>
<td>Developing</td>
</tr>
<tr>
<td>GDP, PPP (current international $):</td>
<td>$35.82 billion (2017)</td>
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<td>GDP growth (annual %):</td>
<td>6.30% (2017)</td>
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<td>GDP per capita, PPP (current international $):</td>
<td>$1,866.16 (2017)</td>
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<td>Manufacturing, value added (% of GDP):</td>
<td>5.49% (2017)</td>
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<tr>
<td>Current account balance (BoP, current US$):</td>
<td>-$0.89 billion (2017)</td>
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<td>Inflation, consumer prices (annual %):</td>
<td>0.36% (2017)</td>
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<tr>
<td>Unemployment, total (% of total labor force) (modeled ILO estimate):</td>
<td>6.06% (2018)</td>
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GDP Composition %

- **Agriculture**: 28%
- **Services**: 42%
- **Industry**: 21%
- **Manufacturing**: 5%

*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.

Rankings

- **Corruption Perceptions Index**: 74 / 178
- **Global Competitiveness Index**: 123 / 139
- **Index of Economic Freedom**: 96 / 179
- **International Logistics Performance Index (LPI)**: 91 / 160
- **Inward FDI Potential Index**: 125 / 139
- **KOF Index of Globalization**: 121 / 185
- **Open Budget Index**: 85 / 115

Risk Assessment (Provided by Coface)

**Country rating:** C - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.

**Business Climate rating:** C - The business environment is difficult. Corporate financial information is often unavailable and when available often unreliable. Debt collection is unpredictable. The institutional framework has many troublesome weaknesses. Intercompany transactions run major risks in the difficult environments rated C.

**Strengths**
- Africa’s leading cotton producer
- Gold exporting country (Africa’s 5th largest producer)
- Member of the West African Economic and Monetary Union (which ensures the stability of the CFA franc, fixed parity against the euro)
- Low unemployment rate (4%)
- Supported by the international financial community (one of the first countries to have benefited from the HIPC initiative)

**Weaknesses**
- Economy highly exposed to weather events
- Size of the informal sector
- Vulnerable to movements in cotton and gold prices
- Heavily dependent on foreign aid
- Weak electricity infrastructure
- Demographic pressures, high poverty rate, very weak human development index

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