

IOA — 2019 — ACBR

AFRICA COUNTRY BENCHMARK REPORT



Central African Republic
Profile



The faces of two girls show the beauty and promise, but also the insecurity, of children in a conflicted country that is suffering a humanitarian crisis.



Image courtesy of hdptcar

CENTRAL AFRICAN REPUBLIC

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OVERVIEW ANALYSIS

Destroyed by years of militant incursions and weak governance, CAR has Central Africa's weakest economy and is the most insecure state. In April 2019, the UNFPA reported that the country has the world's lowest life expectancy, at 53 years. Much of the reason that CAR has not dissolved into complete anarchy is the presence of an 11,000-strong international army, the United Nations' Multidimensional Integrated Stabilisation Mission in CAR (MINUSCA), the most expensive UN mission in history. National development is dependent on international aid. Social services in particular need attention, from clean water to healthcare. Among the 54 African nations rated by ACBR 2019, the CAR's position did not change from ACBR 2017 where the country stood in 51st place.

KEY OPPORTUNITIES

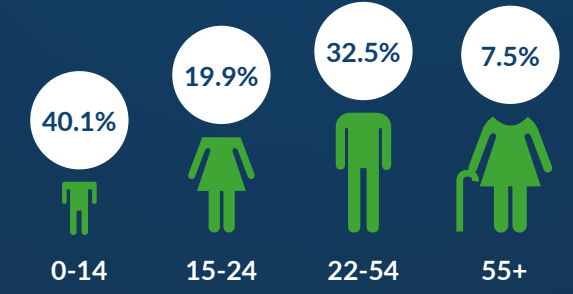
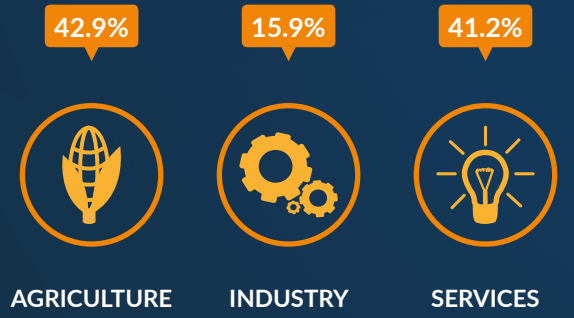
- CAR possesses rare minerals that can make a lucrative mining sector
- Sufficient farming land exists, which can be utilised for a modern value-added agricultural industry
- Tourism can only come with a peaceful and secure country

KEY CONCERNS

- The country is kept from chaos by UN peacekeeping forces
- Militant insurgencies pose a continuing danger
- Smuggling of valuable mineral resources robs the treasury of revenue and future generations of assets

COUNTRY HIGHLIGHTS

PREDOMINANT RELIGION Christianity	PREDOMINANT LANGUAGE Sangho	POPULATION WITHOUT ELECTRICITY 86% (#50) ▼ ¹	LITERACY RATE 36.8% (#48) =	PRIMARY ELECTRICITY SOURCE Hydroelectric
IMPORT/EXPORT Automobiles/ Wood	EXTERNAL DEBT US\$ 0.77 billion (#48) =	ACTIVE CONFLICT Yes	LAND SIZE 622,984 km ² (#20)	INTERNET PENETRATION 4.6% (#49) ▼ ³



Term:
30/03/2016 - present
5 years (2 term limit)

Political Party:
Independent

Recent Electoral Information:
20/02/2016
695 059 Votes
62.7%
Voter turnout: 59.01%



President
Faustin-Archange Touadera

CONTRIBUTIONS TO GDP BY SECTOR

POPULATION AGE BREAKDOWN

NATIONAL GOVERNANCE

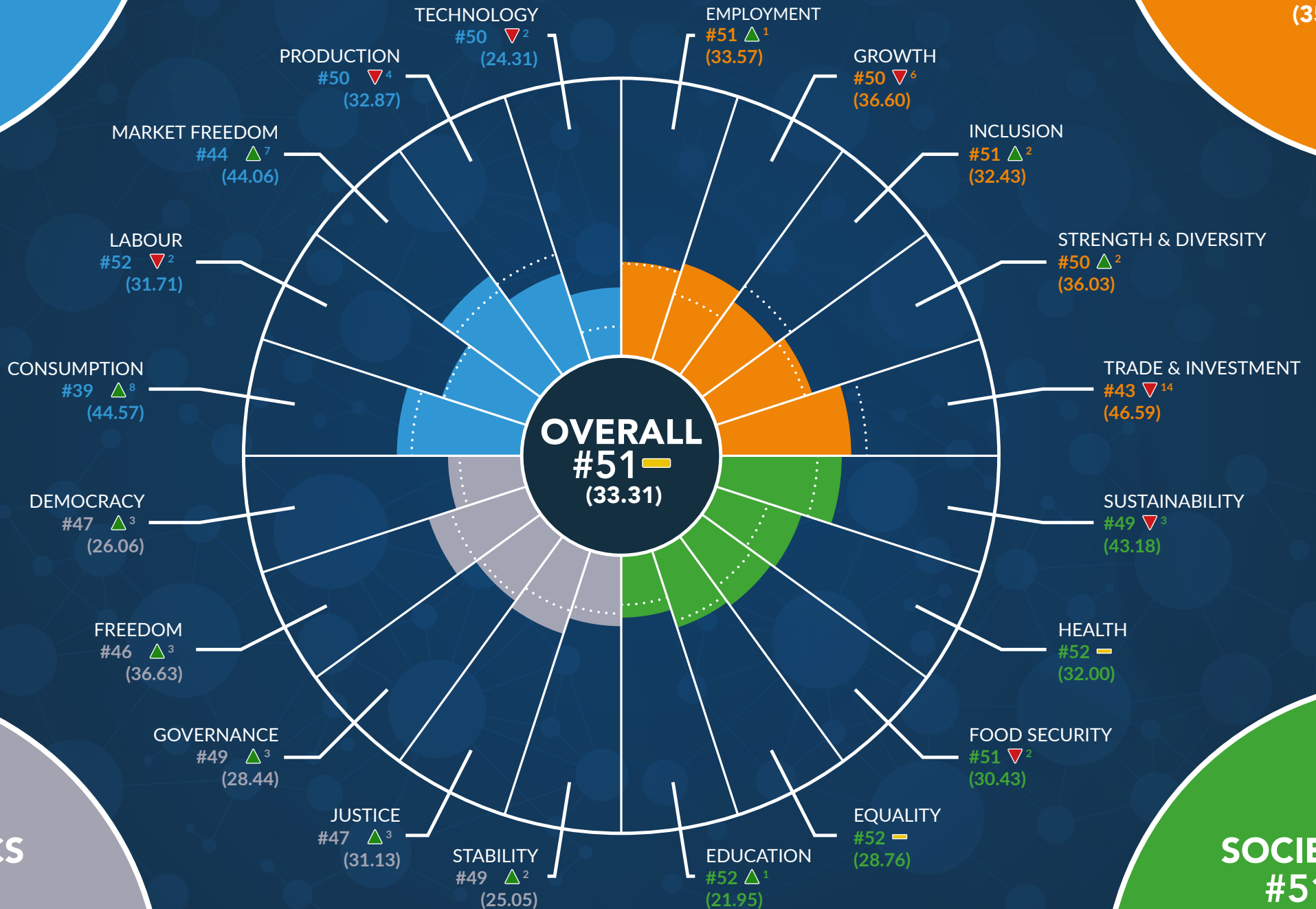
BUSINESS

#51
(35.50)

CENTRAL AFRICAN REPUBLIC PERFORMANCE OVERVIEW

ECONOMICS

#51 ▾
(35.78)



POLITICS

#48
(29.46)

SOCIETY

#51
(32.49)

▴ Increase from 2017

▾ Decrease from 2017

▬ No change

..... 2017 Score

CAR BUSINESS ANALYSIS

#51

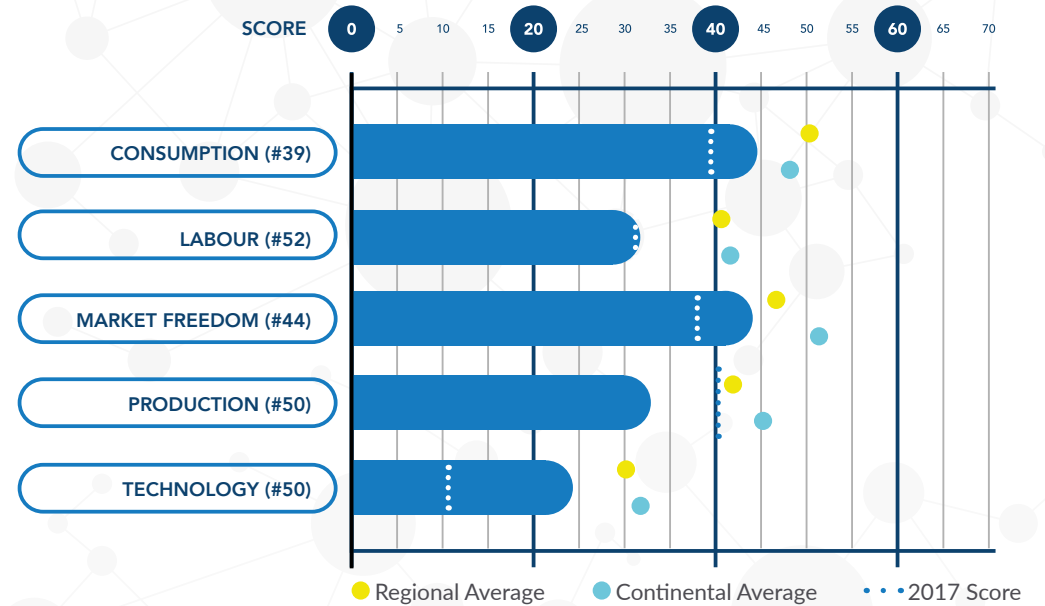
BUSINESS OVERVIEW

Because decades of political turmoil and armed conflict have brought the CAR economy to a generally primitive state, subsistence agriculture is the primary means of livelihood for the country's people. This type of farming offers no opportunities for business investors. One of the most robust business opportunities is illegal: the smuggling of conflict diamonds. Perpetrators continue to manage to dodge international sanctions put in place to discourage the practice. Also heavily smuggled are cassiterite, gold, tantalum and wolframite, minerals essential for making automobile airbags, computers, laptops, mobile phones and MP3 players. Deposits of these valuable minerals, if made secure, can guarantee CAR's future prosperity for generations. However, their

availability, made vulnerable by conflict, is causing Western manufacturers to look for alternatives.

Ease of doing business depends on how well protected an area is against rebel militias. Coffee and cotton are exported and, with proper investment, offer the raw material for value-added products for the regional market and export. Norway, which purchases 52% of exports, mostly timber, is CAR's main trade partner. CAR's position as 51st in ACBR 2019 Business quadrant is unchanged from the previous evaluation. Performance in individual business indicators places CAR in the bottom ten of African countries in Employment, Growth, Trade and Investment, among other categories.

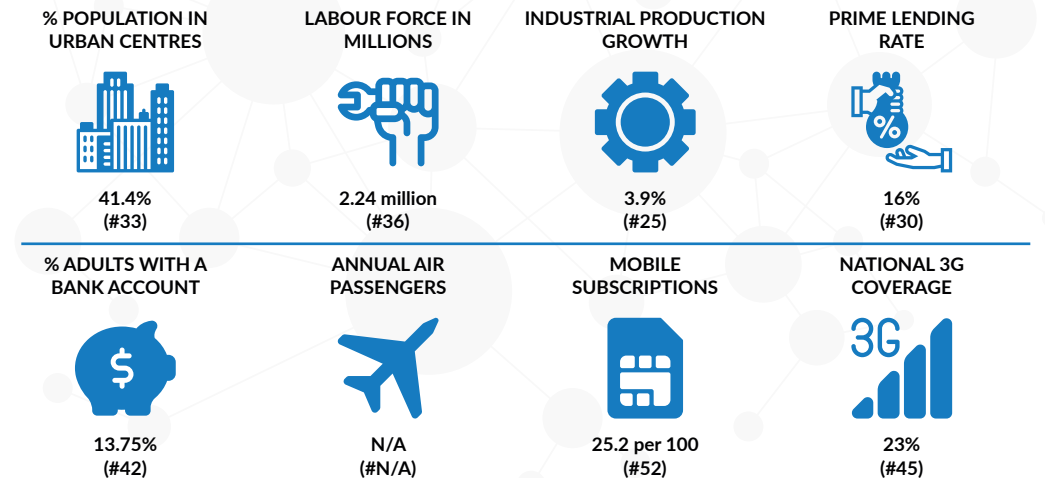
BUSINESS SCORES & RANKINGS



BUSINESS DATA COMMENTARY

	REGIONAL AVERAGE 62.64%	AFRICAN AVERAGE 77.78%	CONTINENTAL RANK #42
<p>CAR data availability 57.14%</p>	<p>The current score for business data availability in CAR stands at 57.14%, thus ranking 42nd on the continent. This stands far below the regional average for Central Africa, which currently stands at 62.64%, as well as the continental average of 77.8%. This is due largely to entrenched political instability and a corresponding preponderance of uncharted illicit trade. As of present, the African Development Bank and World Bank serve as dominant repositories for CAR business data.</p>		

BUSINESS STATISTICS



CAR ECONOMIC ANALYSIS



ECONOMIC OVERVIEW

CAR's per capita GDP of US\$ 700 in 2017 is up from US\$ 600 in 2016, although GDP growth has slipped to 4% in 2017 from 4.5% the year before. Business-unfriendly regulations and sluggish government bureaucracy hinder economic development. The International Monetary Fund (IMF) is advising government on reforms. A three-year extended credit facility worth US\$ 116 million was approved by the IMF in 2016. In 2017, the IMF conducted a broad review of government's fiscal performance and, in the end, gave their approval to government's management of the economy. However, serious issues remain, such as sporadic revenue collection, poor transparency in money management and overall weak government capacity. To improve the

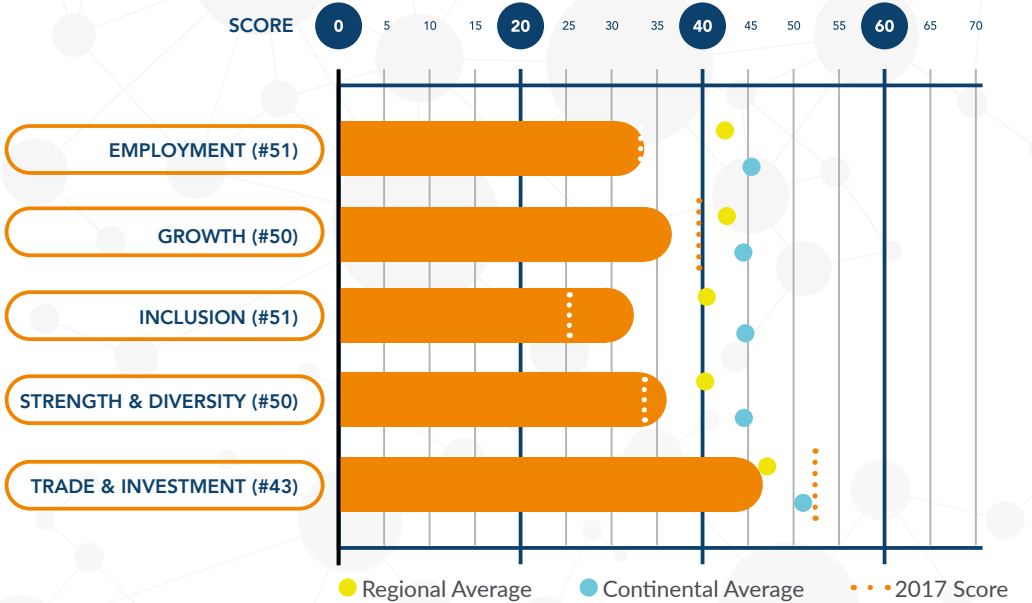
latter, the World Bank extended a US\$ 20 million grant that is also intended to boost institutional capacity to allow for better transparency and generally assist with economic recovery.

Séléka Rebel militias use conflict diamonds to finance their bloody operations. CAR's efforts to come to grips with the smuggling of this commodity has permitted the Kimberley Process diamond trade monitoring body to partly lift the total ban on diamond exports from CAR in 2015. Security concerns remain and will have a deleterious effect on the country's economy until militias are subdued. CAR's country ranking of 51 in ACBR 2019 represents a drop of one position, from 50 in 2017.

ECONOMIC DATA COMMENTARY

<p>CAR data availability 57.26%</p>	<p>REGIONAL AVERAGE 62.29%</p>	<p>AFRICAN AVERAGE 77.78%</p>	<p>CONTINENTAL RANK #42</p>
	<p>As with the previous quadrant, economic data availability in CAR is substantially low, this being largely due to ongoing security threats resulting in trade instability. As a result, comprehensive economic data coverage is structurally inhibited. The current score for economic data availability in CAR stands at 57.26%, thus ranking 42nd continentally. This stands quite far below the regional average for Central Africa, which currently stands at 62.29%, as well as the continental average of 77.78%.</p>		

ECONOMIC SCORES & RANKINGS



ECONOMIC STATISTICS

<p>GDP PER CAPITA</p> <p>US\$ 700 (#53) US\$ 00,000</p>	<p>UNEMPLOYMENT RATE</p> <p>6% (#23)</p>	<p>TRADE BLOC MEMBERSHIP</p> <p>CEMAC, ECCAS</p>	<p>INFLATION RATE</p> <p>3.8% (#23)</p>
<p>GDP AT PPP</p> <p>US\$ 3.4 billion (#50)</p>	<p>CURRENCY AND GOLD RESERVES</p> <p>N/A (#N/A)</p>	<p>FDI NET INFLOWS</p> <p>US\$ 31 million (#48)</p>	<p>BUDGET SURPLUS (+) OR DEFICIT (-)</p> <p>-2% (#9)</p>

CAR POLITICAL ANALYSIS



POLITICAL OVERVIEW

In October 2018, European foreign ministers voted to expand the European Union's (EU) support for CAR's security and to counter a growing Russian presence in the country. Moscow seeks a role in Central Africa where European countries, especially France in the case of CAR, have been principal foreign players. Although meant to counterbalance Russia's opportunism in the conflicted country, the presence of the EU's security support will have a secondary effect of combatting militias and obtaining national stability.

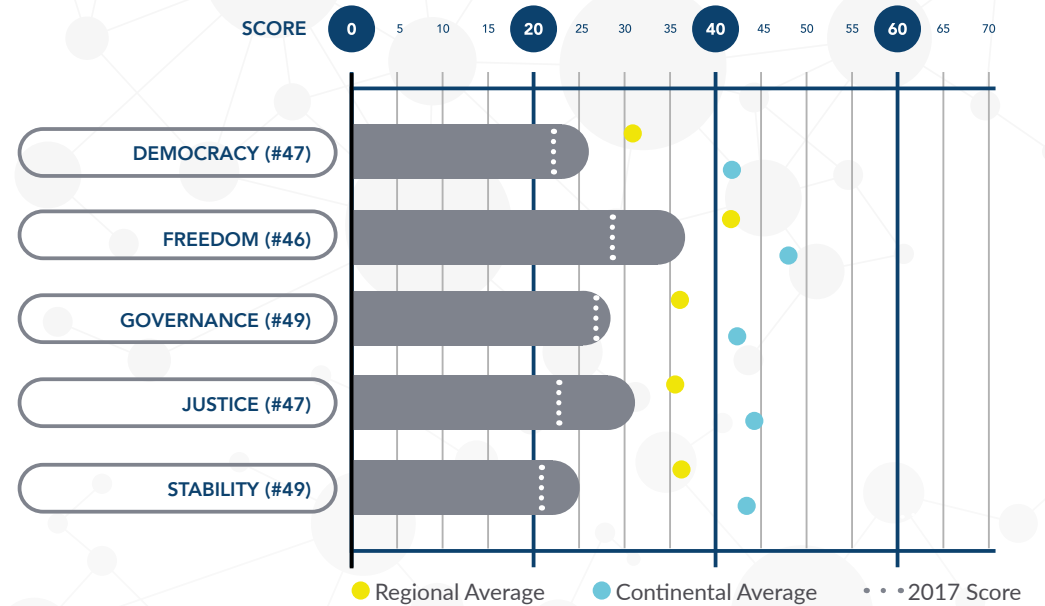
Since independence from France in 1960, the country has not been able to develop strong democratic institutions or a good economy because any temporary progress was set back by coups d'état or bloody

insurgencies. The current administration of President Faustin-Archange Touadèra, who was elected in 2016, seeks an era of new national stability. With MINUSCA keeping the Séléka rebel group at bay and the EU security assistance promised, two years have passed, and there is hope for progress in national development. CAR rose two country positions in the Politics quadrant of ACBR 2019, to 48 from the previous year's 50, with an improved score of 29.46 versus 24.14 achieved in the last survey. The overall score reflects improvements for individual political indicators. Because CAR's security situation that underlies its economic crisis requires a political as well as military solution, improvement in this sector, while small, is promising.

POLITICAL DATA COMMENTARY

<p>CAR data availability 71.63%</p>	<p>REGIONAL AVERAGE 70.75%</p>	<p>AFRICAN AVERAGE 82.86%</p>	<p>CONTINENTAL RANK #42</p>
	<p>As with the business and economic quadrants, political coverage for CAR is also severely hampered by political instability, with statistical data collection often posing an occupational hazard. Currently, the score for political data availability in CAR stands at 71.63%, thus ranking 42nd continentally. Despite standing above the regional average of 70.75%, this score falls far short of the continental average of 82.86%. At present, UN agencies such as UNICEF serve as major political data repositories.</p>		

POLITICAL SCORES & RANKINGS



POLITICAL STATISTICS

<p>NUMBER OF POLITICAL PARTIES</p> <p>10 (#26)</p>	<p>MILITARY EXP AS % OF GDP</p> <p>1.4% (#23)</p>	<p>REFUGEE INFLOW</p> <p>N/A (#N/A)</p>	<p>NUMBER OF RIGHTS</p> <p>48 (#32)</p>
<p>DATE OF INDEPENDENCE</p> <p>13/08/1960</p>	<p>NET OFFICIAL DEVELOPMENT ASSISTANCE</p> <p>US\$ 500 million (#32)</p>	<p>WOMEN IN PARLIAMENT</p> <p>8.6% (#50)</p>	<p>CAPITAL PUNISHMENT</p> <p>Special Cases</p>

CAR SOCIETAL ANALYSIS

#51

SOCIETAL OVERVIEW

A population of 5.6 million people faces a high birth rate despite, or perhaps in response to, lives of insecurity due to poverty and ongoing conflict. Life expectancy is a low 52.8 years, prompting families to have many children for familial survival. CAR has the world's 4th-highest rate of infant mortality. Only half the rural population has access to clean water, and only 22% of the entire population have access to improved sanitation. The country ranks 25th worldwide for AIDS deaths. The World Health Organization classifies the danger of contracting an infectious disease as very high.

The country's health and educational infrastructures and the financial ability of government to rehabilitate these systems

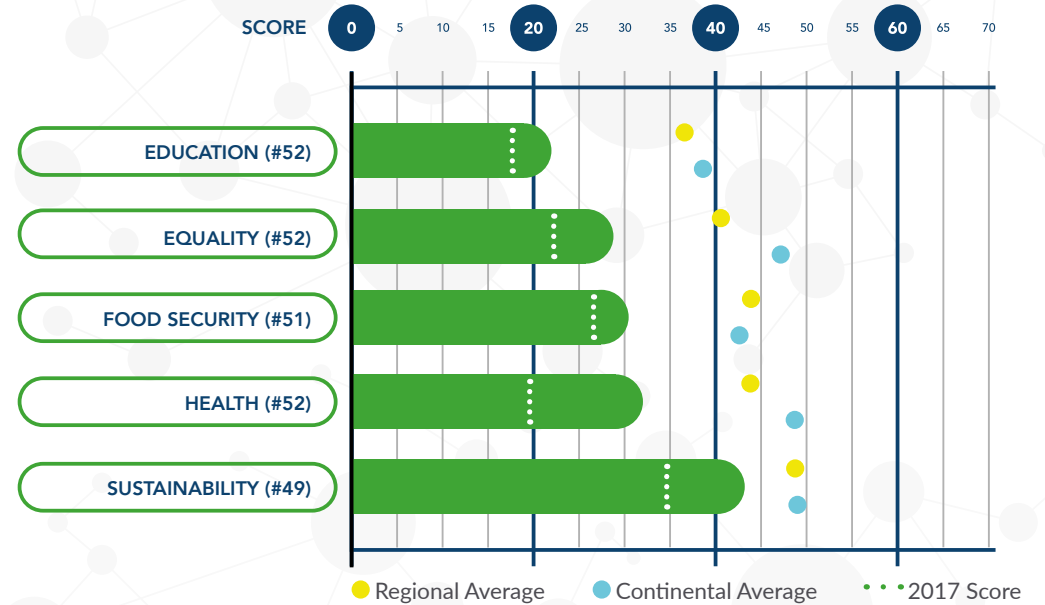
have been decimated by conflict. The percentage of GDP spent on education is among the lowest in the world. Consequently, illiteracy is widespread, with only about one out of three people able to read and write. Only one doctor is available for every 2,000 people, and medical care is easier to obtain in a refugee camp run by international agencies than in the capital, Bangui. However, with the installation of a democratically elected government, donor aid is returning after being suspended during the outbreak of the civil war in 2012/13.

CAR stands at country position 51 in ACBR 2019, unchanged from the previous assessment. On individual societal quadrant indicators, CAR scores amongst the lowest five African countries.

SOCIETAL DATA COMMENTARY

<p>CAR data availability 62.24%</p>	<p>REGIONAL AVERAGE 59.31%</p>	<p>AFRICAN AVERAGE 75.28%</p>	<p>CONTINENTAL RANK #42</p>
	<p>The current score for societal data availability in CAR stands at 62.64%, thus ranking 42nd continentally. This stands just above the regional average for Central Africa, which currently stands at 59.31%, but falls far short of the continental average of 75.28%. As with the previous quadrants, this too stems from the destabilizing impact of conflict, making it difficult to ensure comprehensive societal data coverage. As with the political quadrant, UNICEF serves as a major repository.</p>		

SOCIETAL SCORES & RANKINGS



SOCIETAL STATISTICS

<p>POPULATION SIZE AND GROWTH RATE</p> <p>5,625,118 at 2.12% p.a (#37) (#28)</p>	<p>LIFE EXPECTANCY</p> <p>52.8 (#47)</p>	<p>HIV PREVALENCE</p> <p>4% (#14)</p>	<p>SEXUALITY TOLERANCE</p> <p>Legal</p>
<p>ACCESS TO DRINKING WATER</p> <p>68.5% (#34)</p>	<p>HEALTH EXPENDITURE (% OF GDP)</p> <p>4.78% (#35)</p>	<p>PRIMARY EXPENDITURE (% OF EDU. TOTAL)</p> <p>53.26% (#8)</p>	<p>SOCIAL MEDIA PENETRATION</p> <p>2% (#49)</p>

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