



## **PRESS RELEASE** (UNOFFICIAL TRANSLATION)

### **Fitch rating agency maintains its rating of Benin at "B+ with stable outlook**

The international financial rating agency Fitch has maintained the B+ rating assigned to the Republic of Benin, with a stable outlook. This decision attests to the country's resilience in the face of the Covid-19 pandemic and the Russian war, as well as to the quality of its economic fundamentals, despite a deteriorated global macroeconomic context. In particular, Fitch welcomes the growth prospects of the Beninese economy, within a sound fiscal framework marked by moderate debt and a controlled deficit.

Fitch recognizes the dynamism of the Beninese economy and its marked rebound in 2021, to 7.2%, followed by 5.5% growth in 2022. The agency emphasizes the resilience of the economy despite external shocks and forecasts average growth of 6% over 2023-2024, driven by the Government Action Program.

Fitch also highlights Benin's moderate exposure to current inflationary pressures, due to the quality of the harvest and the support measures introduced by the government to limit the impact of price increases on the population. The level of inflation has thus remained contained in 2022, standing at 1.3 percent between January and August.

The agency also welcomes the innovative program with the International Monetary Fund (IMF), which helps cover the government's financing needs and supports the return to a path of fiscal consolidation, which is expected to begin in 2022. The agency forecasts a gradual increase in government revenues, driven by the ongoing reform program and strong economic growth. The budget balance should thus converge towards the EU standard of -3.0% by 2024.

Finally, Fitch recognizes Benin's contained level of public debt, which the agency estimates at 49.8% of GDP in 2021, i.e., a level below that of countries with equivalent ratings and significantly lower than the WAEMU community standard. Fitch also expects Benin's public debt ratio to decline from 2024, driven by Benin's fiscal performance and dynamic growth.

Cotonou, October 10, 2022

