

ANNEX 4: CENTRAL AFRICAN REPUBLIC

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1 ECONOMIC ENVIRONMENT

1.1 Main features

1.1. The Central African Republic (CAR) covers an area of 623,000 km², with rich and varied fauna and flora owing to its climatic diversity, a vast dense and humid rainforest in the south and a pseudo-steppe in the north. It also has a dense hydrographic network, extensive forest and mining resources and considerable agricultural potential. Its land or river borders (Oubangui river) are shared with the Democratic Republic of the Congo (DRC) to the south (1,577 km), North and South Sudan to the east, Chad to the north (1,197 km), Cameroon to the west (797 km), and the Republic of the Congo to the south-west (467 km).

1.2. The country has a population of around 5 million, with an average annual growth rate that rose from 0.3% in 2013 to 1.9% in 2021.¹ Almost half the population is under 18 years of age, with very low levels of education. The illiteracy rate among 15-24-year-olds was 36% (2021 figures), with rates of 64% and 76%, respectively, among urban dwellers and young people from the most affluent population groups.² Ongoing insecurity is undoubtedly the biggest obstacle to poverty reduction, as each new violent confrontation between armed groups causes further displacement, destroys private and public property, and complicates peace and reconstruction efforts. As a result, CAR is one of the lowest income countries according to the World Bank, and is ranked as one of the countries with the lowest scores in the world according to the UNDP Human Development Index (ranked 188th out of 189 countries assessed in 2020). In 2020, 71.4% of its population lived below the poverty line (less than USD 1.90 per day in purchasing power parity), compared to 80.8% in 1983.³

1.3. Life expectancy was 54 years in 2020, and real per capita income is estimated by the United Nations at USD 511.5 per year in current terms, well below its 2010 level.⁴ Food insecurity remains a major concern, with 2.2 million people (36% of the population) in CAR in this situation, most of them living in areas where conflict has adversely affected cropland and hindered access to markets and fields. In 2022, the United Nations allocated USD 15 million from its Central Emergency Response Fund (CERF) to step up emergency aid for 200,000 people in the 10 worst-affected sub-prefectures.⁵

1.4. CAR's economic potential lies primarily in the agricultural sector (including livestock rearing, hunting, fishing and forestry), which is increasingly vulnerable to climate hazards.⁶ In addition, political instability over recent decades and the COVID-19 crisis have led to lower GDP growth. The 2013 civil war also had an impact on the sectoral composition of GDP: the share of agriculture (including forestry and fishing) fell from 39% in 2012 to 33.5% in 2021 (Table 1.1). Instability is preventing farmers from tending their fields, weakening food security and hampering agricultural activities. The mining sector's contribution to GDP was around 13%, and collapsed as a result of the embargo on diamond exports. The services sector, on the other hand, progressed positively between 2012 and 2021 despite the conflicts (Table 1.1). CAR's main exports are timber⁷, gold, diamonds, cocoa, coffee and cotton. Exports of non-factor goods and services represented 16.9% of GDP in 2021 (Table 1.1).

1.5. Difficulties of access to finance are a major obstacle to business development, especially for small and medium-sized enterprises (SMEs). Local banks do not offer enough credit facilities, especially to SMEs, which are perceived as representing a higher risk factor, generally due to a lack of guarantees. As a result, many banks end up lending to a handful of large, high-quality companies

¹ Viewed at: <https://donnees.banquemondiale.org/pays/republique-centrafricaine>.

² UNICEF, Fact Sheet on the Central African Republic – 2021. Viewed at: [Central-African-Republic-MICS-EAGLE-Factsheets_French_02122021.pdf](https://www.unicef.org/fr/publications/central-african-republic-mics-eagle-factsheets-french-02122021).

³ Viewed at: <https://www.banquemondiale.org/fr/country/centralafricanrepublic/overview>.

⁴ Online information from UNDP. Viewed at: http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/CAF.pdf.

⁵ Viewed at: <https://news.un.org/fr/story/2022/07/1124022>.

⁶ UN Climate Change Conference (UNFCCC, 2015). Viewed at: https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Central%20African%20Republic%20First/CPDN_R%C3%A9publique%20Centrafricaine.pdf.

⁷ Data from the World Bank, Country Economic Memorandum – Central African Republic: *From Fragility to Accelerated and Inclusive Growth*, 2022. Viewed at: <https://documents1.worldbank.org/curated/en/099950005022233200/pdf/P1749960827ced0720aa8f080829ca0b248.pdf>.

or to the State through treasury bills and bonds.⁸ In particular, despite the importance of agriculture to its development, CAR has no agricultural credit system or legal framework governing the overall operation of credit to the agricultural sector. Financing of the budget deficit through monetization ended in July 2018.⁹

1.6. CAR is a member of the Central African Economic and Monetary Community (CEMAC), whose six members have harmonized several elements of their macroeconomic policies, including monetary, customs and financial services, and have a common currency, the franc of Financial Cooperation in Central Africa (Common Report).

1.2 Recent economic trends

1.7. The civil war in 2013 led to the almost total destruction of production tools and resources, the theft and looting of means of transport, and the disruption of economic structures.¹⁰ This was followed by a sharp deterioration in the economic situation, with a fall in real GDP from 5.1% in 2012 to 1.1% in 2021, and a slight decrease in inflation from 5.5% in 2012 to 4.3% in 2021 (Table 1.1). The conflicts led the Kimberley Process to impose an embargo on Central African diamond exports because of their exploitation by armed groups, but exports subsequently resumed. However, the Government's suspension of gold and diamond exports at the start of the pandemic created a liquidity crisis in the sector, and many collectors were unable to resume their activities.¹¹ Diamond exports fell between 2012 and 2022 (Chart 1.1).

1.8. Since July 2016, tax reforms have been implemented with the assistance of the International Monetary Fund (IMF) under its Extended Credit Facility (ECF).¹² In December 2021, the authorities committed to an IMF Staff Monitored Programme (SMP) supported by the ECF. The programme, approved in December 2019 for an initial period of seven months until June 2022, should enable the country to improve its performance in implementing public finance and governance policies, and to benefit from donor budget support. At the authorities' request, and in view of the progress made in its implementation – most of the quantitative and structural objectives having been achieved by the end of March – the SMP was extended by three months to the end of September 2022, to enable CAR to obtain funding pledges from development partners and harmonize its April 2022 law on cryptocurrency-related transactions with regional commitments at the CEMAC level.

Table 1.1 Basic economic indicators, 2012-2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Miscellaneous										
GDP at current market prices (CFAF billion)	1 281.6	835.5	935.6	1 002.6	1 081.5	1 203.3	1 233.6	1 316.2	1 332.3	1 383.5
GDP at current market prices (USD billion)	2.5	1.7	1.9	1.7	1.8	2.1	2.2	2.2	2.3	2.5
Real GDP growth rate (% , at 2005 prices)	5.1	-36.4	0.1	4.3	4.8	4.5	3.8	2.8	0.6	1.1
Population (million)	4.9	5.0	5.1	5.2	5.4	5.5	5.6	5.8	5.9	6.1
GDP per capita (USD)	516.6	339.4	371.0	323.9	340.0	376.6	394.0	388.7	391.3	411.1
Inflation (retail price, African model – annual average, based on the BEAC)	5.9	4.0	17.8	2.0	2.7	4.2	1.7	2.8	1.6	4.3
Inflation (CPI, % change, based on the IMF)	5.5	7.0	14.9	1.4	4.9	4.2	1.6	2.7	1.7	4.3
National accounts at current prices (% of GDP)										
Consumption	99.1	100.9	97.8	97.2	98.4	97.0	102.2	102.5	91.5	89.3
Public	10.9	17.4	15.5	14.8	14.4	14.1	14.2	15.5	16.9	19.1
Private	88.2	83.6	82.2	82.4	84.0	83.0	88.0	87.1	74.6	70.2

⁸ Viewed at: https://www.eib.org/attachments/efs/economic_report_banking_africa_2018_fr.pdf.

⁹ Monetary Policy Committee, meeting of 25 July 2018, press release. Viewed at: https://www.finances.gouv.cg/sites/default/files/documents/COMMUNIQUE_DE_PRESSE_CPM_DU_250718.pdf.

¹⁰ Security Council (2017), "Letter dated 6 December 2017 from the Panel of Experts on the Central African Republic extended pursuant to resolution 2339 (2017) addressed to the President of the Security Council". Viewed at: <https://undocs.org/pdf?symbol=fr/S/2017/639>.

¹¹ COFACE. Viewed at: [République centrafricaine / Etudes économiques - Coface](https://republique-centrafricaine.fr/Etudes-économiques-Coface).

¹² Viewed at: <https://www.imf.org/en/Publications/CR/Issues/2019/07/09/Central-African-Republic-Sixth-Review-Under-the-Extended-Credit-Facility-Arrangement-47096>.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Gross investment	10.8	7.5	22.0	21.8	22.5	25.6	25.9	22.4	27.3	29.3
Gross fixed capital formation	10.8	6.3	21.2	20.6	20.9	24.2	25.0	22.4	27.3	29.3
Public	5.6	4.0	14.2	16.9	15.2	19.0	19.6	16.5	21.4	23.3
Private	5.2	2.3	7.0	3.7	5.7	5.2	5.4	5.9	5.9	6.0
Changes in inventories	0.1	1.2	0.8	1.2	1.6	1.4	0.9	0.0	0.0	0.0
Net exports	-10.0	-8.5	-19.7	-19.0	-20.9	-22.6	-28.1	-25.0	-18.8	-18.6
Exports of non-factor goods and services	11.6	15.0	16.7	17.1	14.8	17.3	18.9	22.5	18.4	16.9
Imports of non-factor goods and services	-21.5	-23.4	-36.4	-36.1	-35.7	-39.9	-47.0	-47.5	-37.2	-35.6
Sectoral distribution (% of nominal GDP at factor cost)										
Agriculture, forestry and fishing	39.0	33.6	35.7	32.9	33.5	34.4	33.3	32.9	33.5	33.5
Agriculture	26.9	22.6	20.7	18.3	17.9	18.4	17.8	16.4	16.7	16.8
Subsistence farming	20.3	15.9	13.5	12.2	12.3	13.3	12.2	12.4	13.0	13.7
Other	6.6	6.7	7.1	6.1	5.6	5.1	5.5	4.0	3.7	3.1
Livestock rearing	6.6	5.0	8.8	7.5	7.5	7.5	7.2	8.6	8.8	9.0
Hunting and fishing	4.1	4.1	5.8	5.2	5.5	5.6	5.4	5.2	5.2	5.3
Forestry and logging	1.4	1.9	0.4	1.8	2.6	2.9	2.9	2.7	2.7	2.4
Mining and quarrying	2.1	0.9	0.5	0.3	0.2	0.2	0.1	0.6	0.8	1.7
Manufacturing	25.1	21.9	18.3	20.6	20.4	19.3	19.3	19.5	17.8	17.6
Energy (water, electricity)	0.4	0.8	0.6	0.7	0.6	0.6	0.6	0.6	0.6	0.6
Construction	1.5	1.5	1.0	1.5	1.4	1.6	1.8	1.6	1.9	2.0
Services	31.9	41.3	43.9	44.0	43.8	43.9	4.8	44.9	45.5	44.5
Transport and telecommunications	1.9	2.7	2.5	3.4	2.9	2.5	1.9	1.8	1.8	1.9
Trade	11.5	10.1	13.4	14.1	14.3	15.0	14.9	14.6	13.8	13.7
General government	8.7	13.2	11.5	10.7	10.4	10.4	10.5	11.4	13.9	12.8
Other services	9.8	15.2	16.4	15.8	16.2	16.0	17.5	17.1	16.0	16.1
Public finances (% of GDP)										
Total revenue	10.0	5.2	4.5	6.6	5.8	7.8	9.1	8.8	8.9	9.0
Total expenditure	12.7	13.4	11.5	14.1	12.1	13.9	16.7	17.2	21.3	21.0
Current expenditure	8.5	11.9	9.5	9.6	9.2	9.4	10.5	11.5	13.5	13.2
Capital expenditure	4.2	1.5	1.9	4.5	2.9	4.5	6.2	5.7	7.8	7.8
Primary budgetary balance (deficit -)	0.7	-6.2	-4.6	-2.8	-3.1	-2.0	-1.8	-3.6	-6.6	-5.9
Primary budgetary balance (excluding interest)	-2.3	-7.6	-6.4	-7.0	-5.7	-5.8	-7.2	-8.0	-12.0	-11.6
Primary budgetary balance (excluding interest and oil revenue)	-2.3	-7.6	-6.4	-7.0	-5.7	-5.8	-7.2	-8.0	-12.0	-11.6
Budgetary balance, commitments basis, excluding grants (deficit -)	-2.7	-8.2	-7.0	-7.5	-6.3	-6.1	-7.6	-8.3	-12.4	-11.9
Budgetary balance, commitments basis, including grants (deficit -)	0.9	-5.7	2.1	0.5	-0.5	-1.1	0.4	1.4	-2.5	-6.9
Basic budgetary balance (deficit -)	0.3	-6.8	-5.1	-3.3	-3.6	-2.4	-2.2	-3.9	-6.9	-6.3
External sector (% of GDP, unless otherwise indicated)										
CFAF per USD (annual average)	510.6	493.9	493.8	591.2	592.6	580.7	555.4	585.9	575.6	554.5
Real effective exchange rate (CPI, % change) ^a	-1.0	7.9	13.9	-6.0	5.4	3.2	2.8	-0.6	2.1	2.2
Current account balance (incl. transf., deficit -)	-5.6	-2.9	-13.7	-8.0	-13.7	-12.0	-11.6	-6.8	-6.9	-10.0
Outstanding external debt/GDP ratio	17.3	29.8	29.4	29.9	28.2	25.9	25.2	36.6	35.0	35.6
Outstanding domestic debt/GDP ratio	..	..	14.4	29.4	22.6	23.3	6.3	11.3	9.7	14.0
Outstanding overall debt/GDP ratio	..	..	43.7	59.3	50.8	49.2	31.6	47.9	44.7	49.6

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
External reserves (in months of imports of goods and services) ^a	3.8	6.0	5.2	4.5	5.0	5.2	4.8	4.1	5.9	7.1
FDI inflows (USD million)	70.0	1.9	3.5	3.0	7.3	6.9	18.0	25.6	34.7	30.2
% of GDP	2.8	0.1	0.2	0.2	0.4	0.3	0.8	1.1	1.5	1.2
Inward FDI stock (USD million)	617.6	619.4	622.9	626.0	633.3	640.1	658.1	683.7	718.5	748.6
% of GDP	24.6	36.6	32.9	36.9	34.7	30.9	29.6	30.4	31.0	30.0

.. Not available.

a A minus sign indicates depreciation.

Note: The CFA franc used by all the CEMAC countries is pegged to the euro at a rate of EUR 1 = CFAF 655.96.

Source: Information provided by the authorities; the BEAC. Viewed at: <https://www.beac.int/economie-stats/statistiques-economiques/>; IMF, International Financial Statistics. Viewed at: <http://elibrary-data.imf.org/>; and UNCTADstat. Viewed at: <http://unctadstat.unctad.org/EN/Index.html>.

1.9. Thanks largely to the BEAC's rigorous monetary policy (Common Report), overall CAR has recorded moderate inflation during the period. Indeed, with the exception of 2014 when inflation reached 17.8% due to the consequences of the military coup, it has generally been moderate, with a downward trend. Moreover, international bank payments were particularly difficult in CAR in 2019, due to massive currency outflows, which forced the monetary authorities to take new measures to control capital movements. Financial transaction costs in CAR are deemed to be higher than in the other member States.

1.10. Public finances have been severely impacted by the conflicts, in particular the cessation of official diamond exports (Sections 1.3 and 4.2), resulting in a significant accumulation of arrears, which limits the State's ability to meet even its statutory obligations.¹³ The predominance of the informal sector means that the tax base is very limited. The basic budgetary balance has consistently recorded a deficit, which rose to more than 6% in 2020 and 2021 (Table 1.1). A new three-year agreement under the Extended Credit Facility was approved on 27 April 2023.¹⁴

1.11. CAR's external situation has also been seriously affected, with a current account deficit that has largely remained above 10% of GDP since 2014. Support from technical and financial partners (TFPs) was supposed to improve this situation as of 2019. In fact, the World Bank's portfolio in CAR alone has increased tenfold in three years and will provisionally reach USD one billion in the fiscal year 2020. It is divided between four main sectors: (i) infrastructure and sustainable development, including transport, water and energy; (ii) the social sectors, including health and education; (iii) governance, including natural resources; and (iv) agriculture.¹⁵ One of the projects to be financed is, for example, LONDO+, which aims to provide temporary employment in labour-intensive public works for almost five million person-days, including in the most remote areas.

1.12. Payment arrears (more than 2% of GDP in 2018 according to the IMF) are a major problem for the Central African Republic's economy. These arrears consist largely of salaries and pensions owed by the State, including to small and medium-sized enterprises. Arrears owed to countries such as India are also substantial; repayments are scheduled for a period of 20 years from 2023. With regard to domestic debt, the Central African Republic continues to repay commercial banks and has begun to pay interest on its consolidated debt to the BEAC.¹⁶

¹³ Viewed at: <http://documents.worldbank.org/curated/en/738411564512831828/Country-Policy-and-Institutional-Assessment-CPIA-Africa-2018-Strengthening-Debt-Management-Capacity>; and <http://documents.banquemondiale.org/curated/fr/553221564513028077/pdf/Country-Policy-and-Institutional-Assessment-CPIA-Africa-2018-Strengthening-Debt-Management-Capacity.pdf>.

¹⁴ Viewed at: <https://www.imf.org/fr/News/Articles/2023/04/28/pr23129-IMF-Executive-Board-Approves-ECF-Arrangement-Central-African-Republic>.

¹⁵ Viewed at: <http://documents.banquemondiale.org/curated/fr/747021564991212652/pdf/Atelier-de-Formation-Sur-les-Politiques-et-Procédures-de-Sauvegardes-Environnementale-et-Sociale-de-La-Banque-Mondiale-et-Nouveau-Cadre-Environnemental-et-Social.pdf>.

¹⁶ IMF (2019).

1.3 Developments in trade and investment

1.3.1 Trade in goods and services

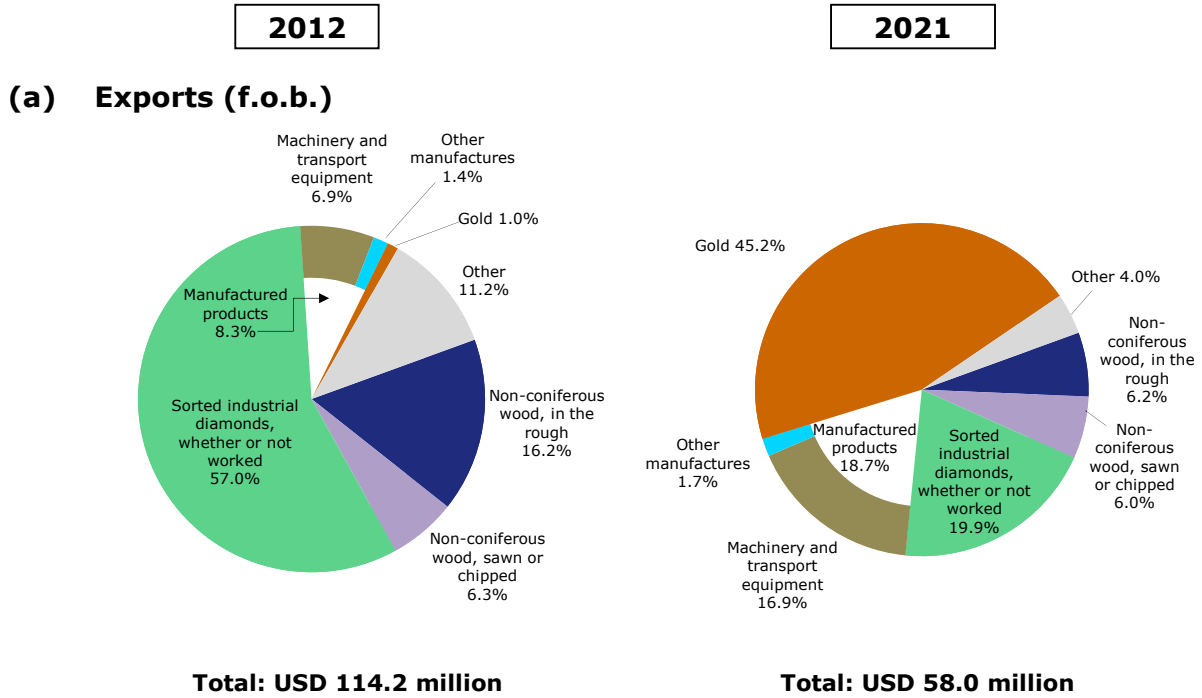
1.13. Since the military coup, exports from the CAR have not really increased (Table A1.1 and Chart 1.1). The authorities have tried to revive other export products such as cotton, coffee and tobacco. The COVID-19 crisis has had a negative impact on these sectors, with the country losing almost its entire cotton and coffee industry due to a number of factors, including accumulated arrears; a lack of market access for producers; limited access for farmers to seeds (particularly high-yielding seeds), fertilizers and pesticides; and insufficient quality of inputs and outputs. According to some sources, however, cotton production and exports could increase if the Government continues to clear the public arrears accumulated with producers.¹⁷ Since the last review, the United Arab Emirates has become the main market for Central African exports, followed by the European Union, Pakistan and the other CEMAC countries (Chart 1.2).

1.14. Imports fell in 2013 following the military coup, before rising sharply as security conditions improved along the corridor to Cameroon (Table A1.4).

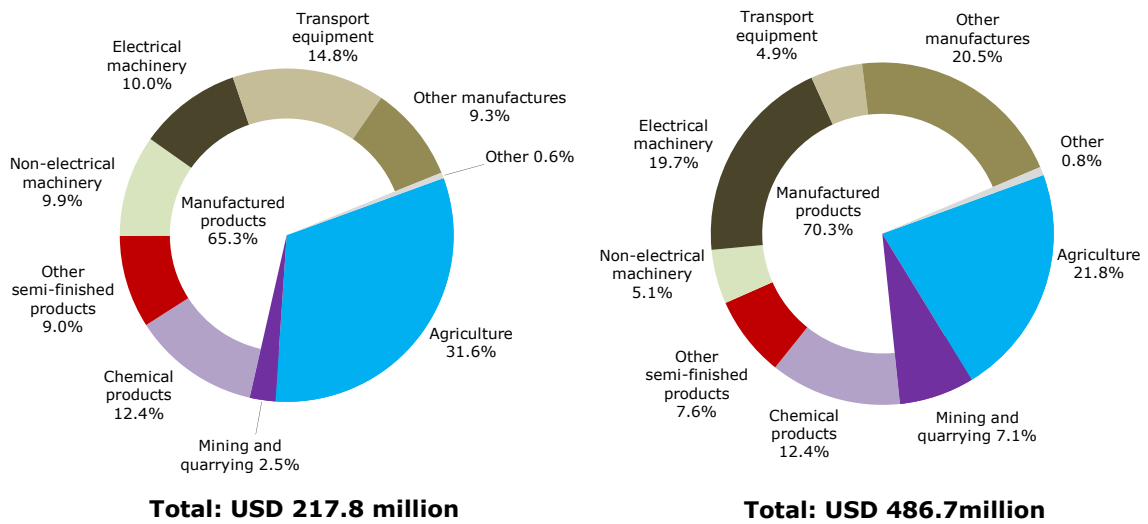
¹⁷ COFACE. Viewed at: <https://www.coface.com/fr/Etudes-economiques-et-risque-pays/Republique-centrafricaine>.

Chart 1.1 Patterns in merchandise trade, 2012 and 2021

(%)

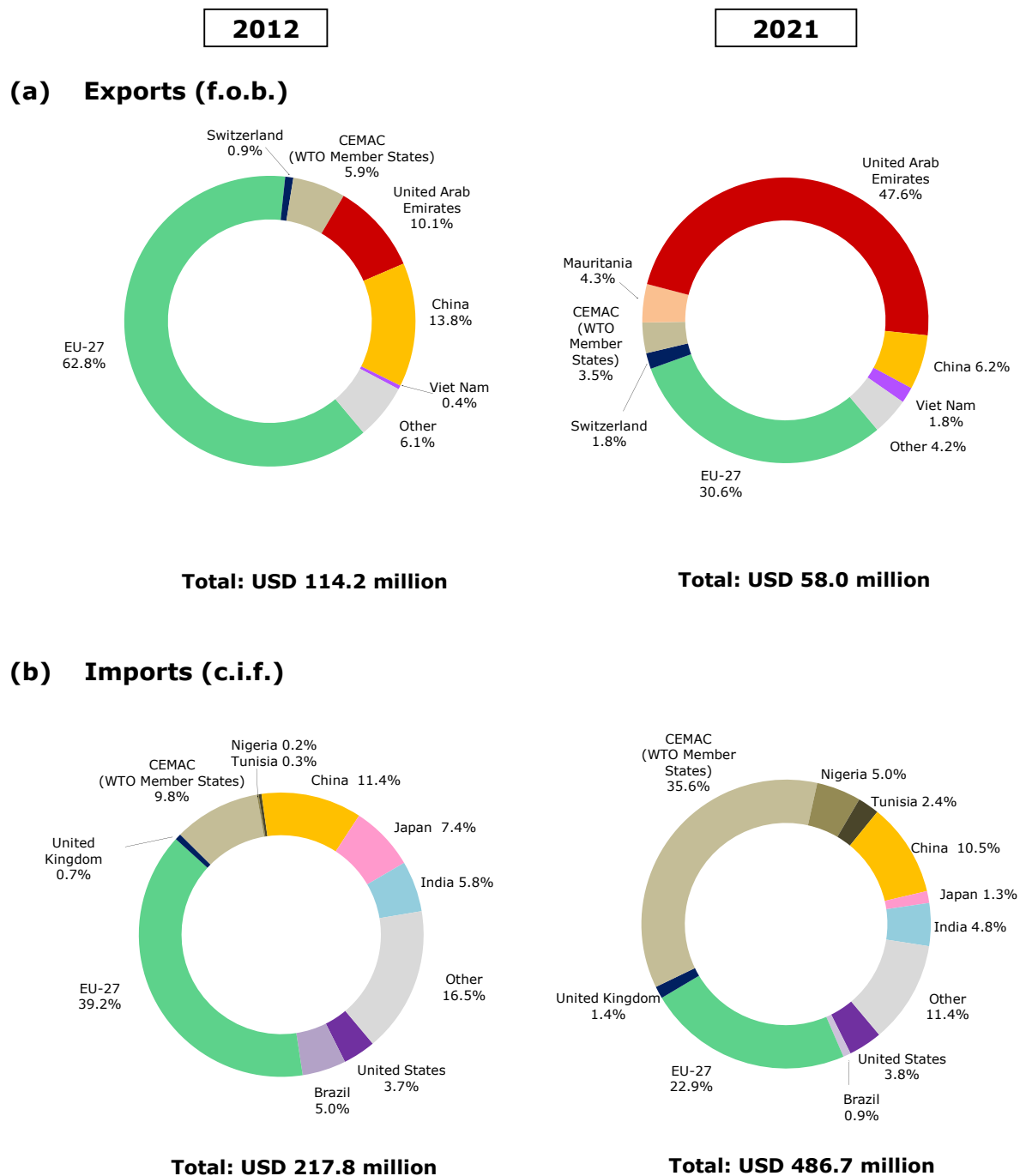


(b) Imports (c.i.f.)



Source: WTO Secretariat calculations, based on the International Trade Centre's Trade Map database (SITC Rev.3).

Chart 1.2 Direction of merchandise trade, 2012 and 2021



Source: WTO Secretariat calculations, based on the International Trade Centre's Trade Map database.

1.15. The European Union continues to be CAR's leading supplier, followed by China, the other CEMAC countries and Africa. It has not been possible to assess trade with neighbouring countries, which is probably greatly underestimated in the available statistics. However, it is well known that CAR trades primarily with Cameroon, but normally exports agricultural products to Chad, from which it imports mainly livestock. It exports animal products to the Republic of the Congo. When security

conditions permit, it covers part of its diesel requirements by importing from Chad in addition to Cameroon.¹⁸

1.16. CAR is a net importer of services (Table 1.2). However, detailed statistics on trade in services are either unavailable or largely contradict aggregated balance of payments statistics and are therefore not usable. It would appear that payments for travel and transport services have substantially contributed to (or exacerbated, depending on the year) the deficit in trade in services.¹⁹

Table 1.2 Balance of payments, 2012-2021

(USD million)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 ^a
Current account balance	-140.9	-49.5	-260.3	-136.3	-249.7	-248.7	-257.8	-152.2	-160.0	-249.8
Foreign trade balance	-120.3	-82.1	-346.0	-318.3	-306.4	-348.9	-424.5	-464.2	-371.6	-347.0
Exports	203.1	125.0	98.4	85.8	92.6	140.7	140.1	148.3	134.0	134.3
Imports, f.o.b.	-323.4	-207.0	-444.4	-404.0	-399.1	-489.4	-564.8	-612.7	-505.6	-481.5
Services balance	-129.7	-60.9	-28.1	-4.1	-69.4	-141.6	-156.6	-96.9	-63.2	-117.6
Revenue balance	-10.8	3.4	-5.1	-13.2	21.1	35.3	81.2	69.3	53.9	86.2
Current transfers balance	120.0	90.0	118.9	199.2	104.6	206.5	242.0	339.6	221.0	128.6
Capital and financial transactions account	88.0	58.9	255.3	76.9	209.2	273.7	252.0	159.6	153.1	154.9
Capital account	69.9	22.3	161.3	68.0	119.1	134.5	90.6	105.0	147.3	164.6
Public (net)	69.9	22.3	159.3	64.6	40.2	67.9	77.1	82.8	139.5	125.5
Private (net)	0.0	0.0	2.1	3.4	79.0	66.6	13.5	22.2	7.8	39.1
Financial transactions account	18.1	36.6	94.0	8.9	90.1	139.3	161.5	54.6	5.7	-9.7
Direct investment (net)	47.3	1.8	58.9	0.3	-2.9	17.2	9.7	-14.0	-8.5	-28.0
Portfolio investment (net)	-4.3	3.4	0.5	0.4	0.0	0.3	-1.4	-1.5	-5.0	-5.4
Other net investment	-24.9	31.4	34.6	8.2	93.0	121.8	153.2	70.1	19.3	23.6
Errors and omissions	28.6	8.8	3.6	-25.7	24.0	28.9	-33.7	-32.6	15.8	-23.6
Overall balance	-24.3	18.1	-1.4	-85.1	-17.0	53.9	-39.4	-25.3	8.7	-118.5
Financing	24.3	-18.1	1.4	85.1	17.0	-53.9	39.4	25.3	-8.7	118.5
Changes in official reserves (decrease +)	4.8	-31.8	-79.4	34.9	-19.6	-61.1	39.4	25.3	-20.5	108.7
Exceptional financing	19.5	13.6	80.7	50.3	36.4	7.2	0.0	0.0	11.8	9.7

.. Not available.

a Estimates.

Source: Information provided by the authorities.

1.3.2 Foreign investment

1.17. There have been virtually no inflows of foreign direct investment owing mainly to the extended period of instability experienced by CAR. The issue appears to have been mainly one of disinvestment, accelerated by the COVID-19 pandemic. However, bursts of interest were observed in 2014, and then again in 2017 and 2018 (Table 1.2).

¹⁸ Energy sector diagnostic report for the Central African Republic. Viewed at: <https://info.undp.org/docs/pdc/Documents/CAF/Rapport%20de%20diagnostic%20du%20secteur%20%C3%A9nergie%20RCA%20VF.pdf>.

¹⁹ IMF. Central African Republic: Request for a staff-monitored programme; IMF Report No. 22/31; 22 December 2021. Viewed at: <https://www.imf.org/-/media/Files/Publications/CR/2022/French/1CAFFA2022001.ashx>.

2 TRADE AND INVESTMENT REGIMES

2.1 Overview

2.1. Following the last military coup in March 2013, the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA) was launched in April 2014. This made it possible to secure a large part of the capital and protect its civilian population. In March 2016, for the first time in its history, CAR had a democratically elected president and parliament, following two years of transition. The "National Recovery and Peacebuilding Plan 2017-21" has helped to reduce the violence. It has three pillars: restoring security, peacebuilding and preventing conflicts; renewing the social contract between the State and society (food security, basic services, improved governance); and economic recovery and reviving the production sectors. The Political Agreement for Peace and Reconciliation in the Central African Republic (APPR-RCA) was signed on 6 February 2019; subsequently, the Roadmap for Peace in the Central African Republic was signed in Luanda in September 2021. New elections were held and the President-elect was re-elected and began his second term on 30 March 2021. The next presidential elections are scheduled for 2025.

2.2. A new Constitution (the eighth since the proclamation of independence), providing for a bicameral assembly, was adopted in March 2016, under the transitional government. Under the new Constitution, the President of the Republic is the Head of State and the head of the executive branch. He is elected by direct universal suffrage in two rounds of voting for a five-year term of office, renewable for one further term. He appoints the Prime Minister (Head of the Government) and, on the latter's recommendation, appoints the other members of the Government, and determines their responsibilities by decree.

2.3. Legislative power is exercised by parliament (the National Assembly). It is made up of members elected by direct universal suffrage for a five-year term. The National Assembly passes laws and controls the Government's activities. The next legislative elections are scheduled for 2025.

2.4. Judicial power is exercised by the Court of Cassation, the Council of State, the Court of Auditors and the various courts and tribunals. Commercial litigation is heard at first instance by the Commercial Court, on appeal by the Civil and Commercial Chamber of the Court of Appeal, and on appeal for annulment by the Civil and Commercial Chamber of the Court of Cassation. Litigation may also be referred to arbitration by the Common Court of Justice and Arbitration of the Organization for the Harmonization of Business Law in Africa (OHADA).

2.5. The Government and members of parliament are all empowered to introduce draft laws which, after being adopted by the National Assembly, become laws once they are promulgated by the Head of State and published in the Official Journal.

2.6. International agreements and treaties are negotiated, signed and ratified by the President of the Republic. The authorization of the National Assembly is required for any ratification or withdrawal. Once approved or ratified, they take precedence over laws, subject in each case to their application by the other party. Consequently, laws and regulations are classified in descending order of authority as follows: international treaties and agreements, the Constitution, laws, ordinances, decrees, orders, and decisions.

2.7. The rules relating to the following areas are established by law: commerce, including international trade; privatization/nationalization of companies; status of foreign nationals and immigration; the tax base, rates and collection procedures for taxes of all kinds; and the fundamental principles of civil and commercial rights and obligations. The principal new trade-related laws and regulations are listed in Table 2.1.

Table 2.1 Principal new trade-related laws and regulations, March 2013-2020

Area (section of the report)	Legal instrument/text
Exercise of the profession of trader	<p>Law No. 16.006 of 30 December 2016 on the Commercial Code in CAR;</p> <p>Decree No. 20.335 of 10 September 2020 establishing the procedures for the implementation of certain provisions of Law No. 16.006 of 30 December 2016 on the Commercial Code in CAR concerning the conduct of commercial activities;</p> <p>Decree No. 20.333 of 10 September 2020 establishing the procedures for the implementation of certain provisions of Law No. 16.006 of 30 December 2016 on the Commercial Code in CAR concerning competition;</p> <p>Decree No. 20.332 of 10 September 2020 establishing the operating procedures of the National Competition Commission;</p> <p>Decree No. 20.336 of 10 September 2020 establishing the operating procedures of the National Consumers' Commission.</p>
Customs legislation (3.1.1)	CEMAC Customs Code; CEMAC CET; budget laws
Preshipment inspection	..
VAT, excise duties, and other customs levies	General Tax Code, January 2017-20 edition;
Commercial import declaration (3.1.1)	Budget laws;
Sanitary and phytosanitary measures	Decree No. 15.424 of 24 November 2015 regulating imports and exports in CAR;
Investment (2.4)	Law No. 65/61 of 3 June 1965 regulating livestock rearing in CAR.
Private commercial law	Law No. 18.006 of 11 June 2018 establishing an Investment Charter.
Industrial property (3.3.7)	OHADA Uniform Acts.
Protection of copyright and related rights	Revised Bangui Agreement.
Competition and prices	Ordinance No. 85.002 of 5 January 1985 on copyright.
State-owned enterprises	Law No. 16.006 of 30 December 2016 on the Commercial Code in CAR.
Government procurement (3.3.6)	Law No. 95.007 of 15 August 1995 (privatization);
Forestry	Law No. 08.011 of 13 February 2008 on the organization of the institutional and legal framework applicable to government enterprises and offices.
Fauna	Law No. 08.017 of 6 June 2008 establishing the government procurement code and public service concessions in CAR.
Fisheries	Law No. 08.022 of 17 October 2008 on the Forestry Code.
Environment	Ordinance No. 84.045 of 27 July 1984 on the protection of wildlife and the regulation of hunting in CAR (Wildlife Code).
Mining (4.2.1)	Ordinance No. 71/090 of 6 August 1971 (Fisheries and Aquaculture Code).
Radioactive minerals	Law No. 07.018 of 28 December 2007 on the Environment Code.
Upstream hydrocarbons	2015 Mining Code;
Downstream hydrocarbons	Law No. 06-031 of 27 September 2006 on radioactive minerals in CAR.
Biofuels	Ordinance No. 93.007 of 25 May 1993 on the Petroleum Code;
Electricity	Law No. 07.005 of 24 April 2007 on the reorganization of the downstream petroleum sector in CAR, liberalizing the subsector and laying down general rules for the exercise of any activity in the industry;
	Law No. 07.006 of 24 April 2007 establishing the Agency for the Stabilization and Regulation of Petroleum Product Prices (ASRP);
	Law No. 07.007 of 24 April 2007 establishing the Central African Petroleum Product Storage Company (SOCASP);
	Law No. 08.018 of 6 June 2008 on biofuels in CAR, creating the Biofuels Promotion Agency;
	Ordinance No. 05.001 of 1 January 2005 on the Electricity Code;
	Decree No. 10.095 of 18 March 2010 establishing the legal regime, the conditions of declaration for the issue of authorizations to independent operators, self-supplying entities, independent electricity producers and the taxation procedures;
	Decree No. 10.091 of 8 March 2000 approving a standard contract for public service concessions for electricity generation;
	Decree No. 10.092 adopting the national energy policy document.

Area (section of the report)	Legal instrument/text
Water/sanitation	Law No. 06.001 of 12 April 2006 on the Water Code of CAR.
Road transport	Decree No. 90.043 of 13 February 1990 organizing road transport in CAR.
River transport	CEMAC/DRC Inland Waterway Navigation Code of 17 December 1999.
Civil aviation	Law No. 65.063 of 29 July 1965; CEMAC Civil Aviation Code.
Telecommunications and postal services	Law No. 17.020 of 19 May 2017 on the creation of the regulatory authority for electronic communications and postal services in the Central African Republic;
Tourism	Decree No. 10.348 01.242 of 14 September 2001 establishing the general framework for the exercise of tourism activities in CAR.
Employment	Law No. 09.004 of 29 January 2009 on the Labour Code in CAR.
Town planning	Laws Nos. 61/263 and 62/359 on town planning, as amended by Ordinance No. 71/003 of 16 January 1971 (currently being revised); Law No. 63/441 of 9 January 1964 regarding the national domain (currently being revised); Law No. 09.003 of 16 January 2009 on the orientation of national territorial development policy.
Banking and microfinance	BEAC and COBAC;
Insurance	CIMA Insurance Code.

Source: Information provided by the national authorities.

2.8. A Commercial Code was adopted in December 2016.²⁰ Its implementing decrees were also signed in 2020. It replaces around 50 disparate pieces of legislation and harmonizes domestic provisions with those of the OHADA Treaty.

2.9. Despite the conflicts, it would appear that the perceived level of corruption has not unduly worsened: in 2018, the country's ranking was 149th out of 180, compared to 144th out of 182 countries in 2012. This improvement may be a reflection of the many initiatives taken in the past, including the establishment of the National Anti-Corruption Committee²¹; the creation of the National Financial Investigation Agency (ANIF)²²; the Special Anti-Fraud Unit (Section 4.2); and the ratification of the African Union Convention on Preventing and Combating Corruption and the United Nations Convention against Corruption.²³ However, CAR was suspended from the Extractive Industries Transparency Initiative (EITI) and the Kimberley Process (Section 4.2.1). CAR's suspension from the EITI was lifted in 2020.

2.2 Trade policy formulation and objectives

2.10. The main objectives of CAR's current trade policy are to build peace through commerce and to combat poverty through transactional relations, the latter providing a source of income for the people. The authorities are also working to diversify agricultural and mining exports, and to promote domestic agricultural products as a substitute for imports.

2.11. The Government is aware of the central role that trade can play in peacebuilding, but has stressed that initiatives to bring this role to the fore require financial resources that are not currently available. Initial measures would include the establishment of a truly secure regional livestock market; support for the creation of markets for food products; and the creation of a regional timber market to supply neighbouring Sahelian countries.²⁴

2.12. Trade policy is formulated and implemented primarily by the Ministry of Trade and Industry, which is responsible for dealing with issues relating to CAR's participation in the WTO, as well as in regional, subregional and bilateral trade bodies. Other institutions are also involved, including the Ministries responsible for finance; small and medium-sized enterprises (SMEs); crafts and the

²⁰ Law No. 16.006 on the Commercial Code, 30 December 2016.

²¹ Decree No. 08.133 of 31 March 2008 establishing the National Anti-Corruption Committee.

²² The National Financial Investigation Agency was created under Community legislation (Regulation 01/03-CEMAC-UMAC-CM of 4 April 2003 on the prevention and punishment of money laundering and financing of terrorism in Central Africa).

²³ Law No. 06.011 of 3 July 2006 ratifying the United Nations Convention against Corruption.

²⁴ Viewed at: <https://issuu.com/objectif-developpement/docs/guerre-centrafrique-tchad-escalade->

informal sector; planning and the economy; agriculture and rural development; tourism; transport; justice; and foreign affairs, albeit with potential overlaps.

2.13. Trade support bodies include:

- The National Trade Negotiations Committee, for which the Ministry of Trade provides secretariat services. The Committee is composed of representatives of the technical departments and institutions involved in the trade negotiation process. Its budget is included in the operating budget of the Ministry of Trade.
- The Chamber of Commerce, Industry, Mining and Crafts (CCIMA), currently financed by the State budget. It houses the Joint Consultation Framework for Improving the Business Environment, which falls under the responsibility of the Prime Minister's Office and is composed of representatives of the private and public sectors and civil society, and the single window for business formalities (GUFÉ, Section 2.4).
- The Central African National Employers' Union (UNPC), an organization comprising professional associations from the sectors of banking, insurance, construction, trade, forestry, other services and industry.
- The Interprofessional Group of the Central African Republic (GICA), an entity bringing together companies with an annual turnover of at least CFAF 1 billion, which has expressed the desire to be more involved in trade policy formulation.
- The Enhanced Integrated Framework (EIF), whose sectoral strategy and project management unit was set up by presidential decree in 2017. It has a number of achievements to its credit.²⁵
- The National Investment Commission (CNI) established under the Investment Charter (see below); a plan to create an investment and export promotion agency is in the process of being adopted by the National Assembly.
- CAR's Business Upgrading Office is now up and running and aims to boost the competitiveness of industrial enterprises through cost control, improved financial and technological management, and product quality certification. International competitiveness and market positioning are also part of its activities.
- The Centre for Support for SMEs and Cottage Industries (CAPMEA), re-established in 2017 thanks to funding from the African Development Bank.

2.14. One of the challenges facing CAR in 2020 was to capture the synergies that could be developed between these different bodies in order to relaunch the activities of the National Trade Facilitation Committee (NTFC), provided for in Article 23.2 of the WTO Trade Facilitation Agreement (TFA), but which had stalled due to a lack of financial resources, a lack of IT tools and effective means of communication, and a lack of premises and support.²⁶

2.3 Trade agreements and arrangements

2.15. The Central African trade policy framework is composed of Community texts from the Central African Economic and Monetary Community (CEMAC), the Economic Community of Central African States (ECCAS), the Community of Sahel-Saharan States (CEN-SAD), and texts in the pipeline from the African Union, in addition to the WTO Agreements, the OHADA Uniform Acts, the 2016 Commercial Code, and the 2001 Investment Charter, revised in 2018. CAR ratified the Arms Trade

²⁵ Online information from the EIF. Viewed at: <https://www.enhancedif.org/fr/profil-pays/republique-centrafricaine>.

²⁶ The NTFC was set up in 2019 under the rotating chairmanship of the private and public sectors and the joint vice-chairmanship of the ministries of trade and transport. The NTFC secretariat services are also provided on a bipartite basis by Customs and the Ministry of Trade. A draft prime ministerial order bringing the NTFC into operation was awaiting signature. The authorities have estimated the resources required to run the NTFC at EUR 220,000.

Treaty in October 2015.²⁷ CAR has also ratified the African Continental Free Trade Area (AfCFTA) Agreement and is in the process of drawing up its national strategy for implementing the AfCFTA, with funding from the United Nations Economic Commission for Africa (UNECA).

2.3.1 World Trade Organization

2.16. CAR is an original Member of the WTO. It is undergoing the third of its Trade Policy Reviews in 2023, the others having taken place in 2007 and 2013. In January 2018, CAR ratified the Protocol of Amendment to insert the WTO Trade Facilitation Agreement (TFA) into Annex 1A of the WTO Agreement. CAR is on the list of least developed countries and therefore benefits from special and differential treatment. At the beginning of October 2022, CAR notified its commitments under the WTO Trade Facilitation Agreement.²⁸

2.17. In general, CAR's participation in WTO decision-making bodies has been hampered by the "administrative arrangements" regarding sanctions against countries that have accumulated arrears in their contributions to the WTO: as at 10 July 2023, it was in category III. For this reason, it was unable to benefit from the technical assistance and training activities organized by the WTO under its various programmes.

2.3.2 Other agreements and arrangements

2.18. The Central African Republic is one of the 79 African, Caribbean and Pacific (ACP) countries that signed the Cotonou Agreement, which came into force on 1 March 2000. Until 2007, the trade provisions of the Agreement were one of the mechanisms for cooperation between the ACP countries and the European Union. Since 2001, CAR has had access to trade preferences under the European Union's "Everything but Arms" programme, which allows it to export everything considered to be originating, except arms, to the European Union duty free and ex quota. Like the other CEMAC countries, since 2007 it has participated in the negotiations on the Economic Partnership Agreement (EPA) between the ACP States and the European Union in the framework of CEMAC extended to include Sao Tome and Principe and the Democratic Republic of the Congo (Common Report, Section 2). In particular, the European Union is funding the 2018 Programme of Support for Trade and Economic Integration (PACIE), one component of which is the upgrading of industrial enterprises (Section 4.3).

2.4 Investment regime

2.4.1 The Investment Charter

2.19. CAR launched a reform of its tax administration in 2006 to bring its tax system into line with the OHADA provisions, with three corporation tax systems based on the size of enterprises: a standard in rem regime for large companies, a simplified in rem regime for medium-sized companies, and a basic regime for small businesses. The corporation tax rate is 30%, and 20% for companies carrying out agricultural activities. A "standard uniform tax" is levied at a rate of 12% of turnover for companies with an annual turnover of less than CFAF 30 million (EUR 45,700).

2.20. The 2001 Investment Charter, as amended in 2018, transposes the CEMAC Community provisions described in the Common Report.²⁹ It provides a framework for investment outside the existing specific sectoral frameworks for mining, oil, forestry and tourism (Section 4).

2.21. The Charter aims to encourage investment in the following areas of activity: processing of products of plant or animal origin; manufacturing or processing activities; energy production; construction of economic, social and industrial housing; public works and civil engineering; collection, storage, packaging and processing of agricultural and food products; studies and

²⁷ Arms Trade Treaty. Viewed at: <https://ihl-databases.icrc.org/applic/ihl/dih.nsf/Treaty.xsp?documentId=4E2CB179C6AC3272C1257C7D00357FD8&action=openDocument>.

²⁸ Trade Facilitation Agreement (TFA) Database on notifications. Viewed at: <https://www.tfadatabase.org/fr/members/central-african-republic>.

²⁹ Law No. 01-010 of 16 July 2001 establishing an Investment Charter in CAR. Viewed at: <https://investmentpolicy.unctad.org/investment-laws/laws/49/central-african-republic-investment-law. Décret d'application n° 05-396 du 26 décembre 2005>.

research; goods transport; analytical, testing or chemical and pharmaceutical production laboratories; book production and printing; assembly and maintenance of industrial, transport, telecommunication and electronic equipment; and manufacture of chemical and food products used as inputs for other industrial enterprises.

2.22. A revision of the Charter published in 2018 (Law No. 18.006 of 11 June 2018, not yet available on an official website) contains several innovations, including in particular:

- priority given to hiring women and young people;
- increased duration of benefits;
- the State's willingness to grant land to new enterprises for the purpose of housing business premises or staff accommodation;
- property tax exemption for 8 to 10 years;
- extension of the guarantees, rights and tax and customs benefits provided for, in accordance with Community provisions;
- the requirement to carry out an environmental and social impact assessment;
- reforms to facilitate VAT refunds to businesses; and
- strengthening of the dispute settlement system, giving priority to arbitration and conciliation.

2.23. The granting of approval is determined mainly on the basis of local added value: the minimum acceptable rate is 35%. The other criteria include the effects of the investment in terms of job creation, advantages for the State, its contribution in terms of external funding, the trade balance, and the environmental impact. The changes introduced by the revision include broadening the scope of application and taking account of the land component.

2.24. In addition to the various guarantees offered to foreign investors (in particular, non-discrimination, free movement and free transfer of earnings), the three main investment incentives are: the application of harmonized moderate customs duties (5%) under the Common External Tariff; exemption from corporation tax (IS) (see below for entitlement period); and a 1% reduction in registration fees in the case of company formation, new equity issues, mergers or transfers of shares and holdings (Section 2.4.1).

2.25. Companies with investments of between CFAF 100 million and CFAF 1 billion (EUR 150,000 and EUR 1.5 million) are exempt from the IS for three years, and companies with investments of at least CFAF 1 billion are exempt for five years, which can be extended twice. Companies located 100 km from the capital benefit from an additional year, those established between 100 and 300 km from the capital, two years, and those located beyond, three years. Only the customs advantages are accorded during the additional period. In the case of the expansion of a company, the period of exemption from the corporation tax is reduced to the first two years of production. Registration fees are reduced by 50% in cases of company formation, new equity issues, mergers, or transfers of shares and holdings. In 2016, tax benefits totalling CFAF 48 million (EUR 732,000) were granted, mainly in the form of CET exemptions.

2.4.2 Setting up a business in the Central African Republic

2.26. The single window for business formalities (GUFE) is used to carry out some of the formalities involved in setting up a business (Table 2.2).³⁰ The minimum share capital required to set up a business has been reduced from CFAF 1 million to CFAF 100,000.³¹

³⁰ Viewed at: <http://www.gufe-rca.org>.

³¹ Decree No. 17.376 of 3 November 2017 on determining the form of the statutes of limited liability companies in CAR and prescribing their minimum share capital.

2.27. A foreign investor wishing to engage in commercial activity in the Central African Republic must obtain prior authorization from the competent authority. Where at least 51% of the capital of a commercial company is held by persons of Central African nationality, prior authorization is not required. If the proposed activity is subject to specific regulations, authorization can only be granted after a favourable technical opinion has been obtained from the ministry responsible for the activity.

Table 2.2 Formalities and fees associated with business start-ups

Formalities	Responsible entities	Fees and observations
1. Registration of notarized statutes and the minutes of companies' constituent general meetings	Directorate-General of Taxation and State Property (DGID)/ Notary	Registration fees: 1.5% of the registered capital Notarized declaration of the statutes: CFAF 20,000; Minutes: CFAF 20,000; Revenue stamps: CFAF 1,000/page;
<i>1bis.</i> Registration of the leasehold agreement	DGID/notary	State property requires 4% of the registered capital for the registration of the leasehold agreement and a CFAF 1,000 stamp on each page of the statutes in six copies. The minutes are registered at CFAF 20,000. Registration of the leasehold agreement costs 12% of the annual rental amount.
<i>1ter.</i> Property tax Registration of notarized statutes and the minutes of companies' constituent general meetings	.. (GUFÉ)-CAR	.. - Registration fees: degressive rate (1.5% for registered capital between 0-100 million with a minimum levy of CFAF 70,000) in accordance with the Tax Code and not 10% - Notarized declaration: CFAF 20,000 - Minutes: CFAF 20,000 - Revenue stamps: CFAF 1,000
2. Registration in the commercial and personal property credit register (RCCM)	Registry of the commercial court (GUFÉ ^a)	Natural persons: CFAF 15,000; Legal persons: CFAF 30,000; After a tax is levied, the Registry enters the declaration in Analytical Register A in the case of sole proprietorships and in Analytical Register B in the case of companies. The fee for notarization of status under private seal is CFAF 10,000.
3. Inscription in the register of companies	CCIMA Business Formalities Centre (CFE)	Optional: the fees are CFAF 10,000 (previously: CFAF 50,000);
4. Paying up of registered capital and opening of a bank account	Notary and bank	Registered capital is paid up through a notary, who transfers the funds to a bank in exchange for a statement of account.
<i>4bis.</i> Publication of notice of company formation in a journal of legal notices, in accordance with the OHADA Community Commercial Code relating to general commercial law, as revised, on the GUFÉ website (operationalization pending)	GUFÉ (operationalization pending)	A summary of the statutes must indicate the legal form of the company, its business or trading name, the registered office, the corporate purpose, the surnames, forenames, capacities and personal addresses of the administrators or manager, the start and end dates of business activity, the registry of the commercial court that received the statutes, the filing date and number, the amount of registered capital, cash contributions and a summary description of contributions in kind. The cost of this document is CFAF 180,000 if the request is made by an individual and CFAF 80,000 if the request is made by a notary.
5. Payment of trade tax Registration with tax identification number (NIF)	DGID	Degressive rate of trade tax based on turnover (from 1% to 0.2% of turnover). CFAF 3,000 (stamp duty);

Formalities	Responsible entities	Fees and observations
6. Preparation of the professional trader's card required for all import, export, wholesale and retail activities. Law No. 016 on the Commercial Code in CAR	CCIMA/Ministry of Trade	The documents to be presented to the CCIMA include the ministerial approval (copy); registration in the RCCM, the trade tax registration for the current year; the NIF; a revenue stamp (maximum CFAF 30,000 determined on the basis of the trade tax category); a certificate of registration in the social security system; a title deed or a registered leasehold agreement; and a statistical index card issued by the Ministry of Trade.
Registration in the National Social Security Fund (CNSS)	..	22% of the wage bill (social security contributions);
Contribution to social development (CDS)		
Registration with the Central African Agency for Vocational Training and Employment	..	
8. Authorization to pursue the activity (if applicable)	Technical ministries	CFAF 0 to 100 million;

a Can be carried out at the GUFÉ.

Source: Data provided by the national authorities.

2.28. The procedure for renting premises appears to be particularly complex: the investor must have a leasehold agreement drawn up by the owner of the premises, and have it registered both by a notary and with the land registry (Table 2.2).³²

2.29. The trade tax, at a degressive rate of 1% to 0.2% based on turnover, seems expensive for small businesses. Approval is sometimes required for certain activities. To that end, investors must apply for ministerial approval, attaching identity documents, a valid residence permit, an extract from the criminal record or a sworn statement, proof of opening a bank or post office account and a copy of the statutes.

2.30. Any entrepreneur who uses the services of a worker is required to register with the National Social Security Fund. Since 2007, the GUFÉ has been trying to facilitate this process, with the aim of helping investors to obtain approval quickly. The cost of setting up a commercial company depends on its category, and can vary from CFAF 146,000 to CFAF 196,000.

2.4.3 Other measures affecting investment

2.31. Some (domestic) provisions prescribe a tax reduction for companies that invest in human resource training or environmental protection: They can benefit from a 50% reduction of the costs incurred for the training or refresher training of technical personnel, and 25% of the costs for environmental protection. This benefit is limited to the three-year exemption period.

2.32. A new SME/SMI Code No. 20.011 came into force on 16 May 2020. It provides for the following exemptions from import duty and tax: a CET at a reduced rate of 5% for imports of machinery, equipment, spare parts and industrial inputs required for approved investments, and the more favourable tax and customs provisions set out in the Investment Charter applicable to SMEs/SMIs. The Code also provides for easier access to government procurement and the granting of loans by the State at subsidized rates.

2.33. Disputes between the State and investors are settled in accordance with the rules of the national courts or the provisions of the treaties and international conventions to which CAR is a party. These include the OHADA Common Court of Justice and Arbitration, and the International Centre for Settlement of Investment Disputes (ICSID); no case involving CAR has been referred to this institution since 2013.

³² French Embassy in Bangui, *Comment créer une société*. Viewed at: <https://www.ambarca-paris.org/fr/la-rca/58/comment-creer-une-societe>.

2.34. CAR has signed bilateral investment protection treaties with Germany (which came into force in 1968) and Switzerland (1973).³³ A bilateral reciprocity agreement grants French nationals access to the Central African Republic's courts under the same conditions as nationals.³⁴ The Cotonou Agreement contains provisions to protect the investments of nationals of the European Union in CAR. Provisions covering investment also exist in the agreements on the African Union, ECCAS and CEMAC.³⁵

2.35. CAR and the other members of CEMAC signed a tax treaty in 1966 to encourage cross-border investment.³⁶ CAR and France have an agreement that came into force in 1971 with a view to avoiding double taxation and establishing rules for mutual assistance in the areas of income tax, inheritance tax, registration duties and stamp duty.

³³ Viewed at: <https://investmentpolicy.unctad.org/international-investment-agreements/countries/38/central-african-republic>.

³⁴ Viewed at: <https://investmentpolicy.unctad.org/international-investment-agreements/countries/38/central-african-republic>.

³⁵ 1965 Common Convention on Investments in the States of the Central African Customs and Economic Union. Viewed at: <http://aei.pitt.edu/35570/1/A1606.pdf>.

³⁶ Viewed at: <http://www.droit-afrique.com/upload/doc/cemac/CEMAC-Acte-1966-05-convention-fiscale.pdf>.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Measures directly affecting imports

3.1. In 2020, import (and export) processes in the Central African Republic (CAR) remained very laborious. The national territory is highly permeable to contraband because it is difficult to carry out customs supervision along the full length of the country's borders, given the persistence of armed conflicts and the authorities' lack of resources. It is almost impossible to control irregular population movements along rivers and land borders. Some 80% of officially imported goods, by value, transit through the port of Douala in Cameroon, along the 1,500 km Douala-Bangui trunk route; the remainder are generally routed via the port of Pointe-Noire in the Republic of the Congo. In order to minimize attacks by armed groups, vehicles arriving in the country through these corridors were, in 2019, obliged to join one of the thrice-weekly convoys (Section 3.1.1.1) protected by the Army of the Central African Republic. Since the country's armed forces have secured the corridor, such convoys are no longer necessary.

3.1.1 Customs procedures

3.1.1.1 Transit and pre-clearance of goods in countries where ports are located

3.2. As CAR has no coastline, it is largely dependent on transit through neighbouring countries. Since 2005, under the administrative assistance agreement of April of the same year between the customs authorities of Cameroon and CAR, the latter's customs officials operate a "one-stop" window for transit to CAR in the port of Douala, which is responsible for initial customs procedures in respect of goods to be imported into CAR. However, other controls are also carried out at checkpoints set up along the road corridor before the goods are finally cleared in Bangui, in order to prevent offloading in Cameroonian territory on route.³⁷ The documents required for this pre-clearance are the transit permit, the export declaration and the invoice, along with proof of payment of the customs duties for goods originating outside CEMAC.

3.3. The multiple administrative formalities and procedures cause delays and the risk of damage to the goods. The statutory duration of the processing of transit documents is lengthy (45 days), while the period during which unloaded goods may remain in the port is 11 days. Demurrage charges apply from the twelfth day onwards, increasing import costs. The lodging of a bank guarantee equivalent to the suspended duties and taxes on the goods in transit is required. The guarantee can be recovered following verification that the guaranteed goods have actually left Cameroonian territory.

3.4. Numerous parties are involved in the process of providing security for imports, each demanding payment by importers:

- Since 2014, the Hauliers' Union has been organizing convoys of vehicles transporting imported and exported goods, against payment of CFAF 25,000 (EUR 38) per truck.
- The Central African Road Charter Bureau (BARC) is a semi-public entity (State 33%, carriers and forwarders 66%) responsible for chartering transportation, in accordance with bilateral conventions (Section 4.4.2.3). BARC charges a management fee (4% of the consignment's value), plus a chartering fee (2%).
- The Land Freight Management Bureau (BGFT) of Cameroon, under the aegis of the country's Ministry of Transport, charges CFAF 34,000, or EUR 52 for a bill of lading when goods bound for the Central African Republic leave Cameroon.
- The Shippers' Council levies a fee amounting to 0.25% of the value of imports for its work defending the interests of importers and exporters. According to the Council, however, it did not receive the proceeds of this fee from the customs authority in December 2019.

3.5. The management of international transit suffers from bulk breaking at the borders and from the maintenance of domestic procedures for managing transit, rather than a TIR-style system.

³⁷ World Bank (2018), *Breaking down the barriers to regional agricultural trade in Central Africa*.

Moreover, the grouping of loads into convoys and customs escorts increase transit costs. The authorities have identified three projects that would make transit run more smoothly:

- construction of two well-equipped dry ports (in Boali and Beloko) dedicated to transit;
- improvement of transit procedures, in order to remove obstacles to the movement of persons and goods; and
- a project to improve cooperation at the borders.

3.6. Coordination of procedures with Cameroon and interconnection of the two countries' clearance systems could be improved, in order to reduce the overlapping of the two border agencies' duties. The coordinated border-management approach, developed by the World Customs Organization (WCO), could substantially help mitigate these problems.

3.1.1.2 Registration of traders and customs brokers

3.7. Companies incorporated in CAR and possessing a trader's card may import goods; the relevant procedures are described in Section 2.4.2. The issuance of licences was suspended in 2013, recommencing only in 2016, with the enactment of the Law on the CAR Commercial Code. In 2019, 130 licences were issued; 156 were issued in 2020; 160 in 2021; and 148 in 2022 (source: Directorate of Domestic Trade). The licences issued by the Ministry responsible for trade serve as authorization to engage in a commercial activity in the national territory and provide a basis for producing a database of economic operators by activity.

3.8. Article 112 of the CEMAC Customs Code provides that imported or exported goods may be declared in detail only by the owners of the goods or by natural or legal persons who are approved customs brokers. Member States may, if necessary, limit this right to approved customs brokers only. The Central African Republic has not limited this right. It is therefore not compulsory to enlist the services of a customs broker to carry out customs clearance operations. In March 2020, there were 19 custom brokers in the country. The licence is issued by the Council of Ministers of the Central African Economic Union (CAEU), taking into account the opinion of the National Consultative Committee of Approved Customs Brokers.

3.1.1.3 Procedures and documentation

3.9. The Directorate-General of Customs (hereinafter Customs), under the aegis of the Ministry of Finance and Budget, is responsible for applying legislation and regulations on the movement of persons, goods, modes of transport and capital into and out of the national territory. In particular, Customs is responsible for applying and enforcing the CEMAC Customs Code (Common Report) and for estimating and collecting the applicable duties and taxes, including on behalf of other official institutions. It is the largest provider of the State's own-source revenue, contributing some 43.9% of government revenue in 2020, 44.6% in 2021 and 46.8% in 2022.

3.10. The procedure for customs declarations has changed since the last TPR in 2013 owing *inter alia* to the ending, on 1 February 2019, of the contract with the private inspection firm BIVAC, which was previously responsible for registering commercial import declarations (DICs).³⁸ Now, any natural or legal person wishing to import goods into the territory of the Central African Republic is required to submit a declaration to Webb Fontaine, pursuant to the contract concluded with the Government.

3.11. Customs uses the Automated System for Customs Data (ASYCUDA++). In April 2022, however, it started the process of migration to ASYCUDA World, which should be operational from January 2023 onwards. Customs has also requested technical assistance for the development of its Internet site. Such assistance should also cover the development of a set of guidelines on how to make the best use of information and communication technologies.

³⁸ Information viewed at: <https://verigates.bureauveritas.com/sites/verigates/files/2019-06/Avis%20Baux%20Importateurs%20Barr%C3%per%20centAAt%20Contrat.pdf>.

3.12. An authorization from the Ministry responsible for trade is required for any importation or exportation of goods. The following conditions must be met, in order for a business authorization or trade licence to be issued:

- handwritten request to the Minister responsible for trade;
- civil status certificate or equivalent document;
- criminal record certificate or equivalent document;
- copy of the articles of association in the case of legal persons;
- residence permit or entry visa (less than three months old) in the case of foreigners;
- residence certificate;
- copy of bank account identification details;
- copy of extract from the Commercial and Personal Property Credit Register;
- copy of the certification of place of business;
- filing fee of CFAF 10,000 for natural persons, whether nationals or non-nationals, or of CFAF 25,000 for legal persons.

3.13. According to the authorities, the purpose of this authorization is to establish a database of economic operators, with a view to regular monitoring of their activities.

3.14. Although legal frameworks (including Community frameworks, Common Report) exist in many domains (such as customs, taxation, trade, tourism, forestry, agriculture, mining and transport), they are not sufficiently publicized or easily accessible. Some technical departments have websites that do not work correctly or, if they do work, are not regularly updated. CAR has, therefore, made the creation of a trade-dedicated website, along with the human, financial and material resources to operate such a site, its top priority for technical assistance.

3.15. Likewise, Customs does not have an official enquiry point to provide users with information on import, export and transit formalities. The Ministry of Trade and Industry is responsible for ensuring that WTO notification requirements are met. Finally, the lack of a framework for consultation within the Ministry of Trade and within Customs prevents foreign trade operators from making observations about draft laws or regulations before their entry into force.

3.16. In March 2020, the documents mentioned in Table 3.1 were apparently supposed to accompany the customs declaration (Article 124 of the CEMAC Code). It is important to highlight the many instances of information overlap between the different documents. Documents in electronic format are not accepted.

Table 3.1 Documentation required for imports, 2019

Name of document	Purpose of document	Nature of document
Commercial import declaration (DIC)	Customs declaration	Original, hard copy
Licence to engage in foreign trade	..	Original, hard copy
Bill of lading	Nature, weight and marks of the shipped goods (maritime transport contract)	Original, hard copy
Purchase invoice	Value of goods	Original, hard copy
Freight invoice	Freight costs	Original, hard copy
Insurance certificate	Insurance of the goods	Original, hard copy
Proof of prior registration and, where applicable, original electronic cargo tracking note	..	Original, hard copy
Certificate of origin	Origin of the goods	Original, hard copy
Phytosanitary certificate	Phytosanitary security	Original, hard copy

Name of document	Purpose of document	Nature of document
BIVAC verification certificate (ADV)	Abolished in 2015. Once the inspection was completed, BIVAC issued the verification certificate, which was then required for customs clearance of the goods	Original, hard copy
Waybill, air consignment note, manifest	Consignor and consignee, marks and numbers, amount and description of goods	Original, hard copy

.. Not available.

Source: Information provided by the authorities.

3.17. The CEMAC Customs Code also provides (Article 111) that the detailed declaration must be filed after the goods have arrived. The new Code also authorizes advance filing.

3.18. Since 2008, all imports (and exports) of non-exempt goods have been shipped with an electronic cargo tracking note (ECTN), the purpose of which is to ensure the traceability of goods imported into CAR. In 2019 the ECTN was issued by Customs and by the Ministry of Transport, pursuant to the agreements concluded with two private providers, one mandated by Customs (Antaser), the other by the Ministry of Transport (Genovese³⁹), each of which invoiced for amounts that varied according to the origin of the goods (Europe/Africa or the rest of the world):

- a fixed element of EUR 70-120, depending on the origin of the goods;
- vehicles: EUR 50-100, depending on their weight;
- TEU containers: EUR 50;
- FEU containers: EUR 100;
- bulk: EUR 5 per m³ or tonne.⁴⁰

3.19. In the event that goods are unloaded in the Central African Republic without the fee being paid in advance, a fine of CFAF 80,000 (EUR 122) per declaration is levied (Article 27 of the 2014 Budget Law).

3.20. The revenue from the ECTN is divided between the inspection company, the State and the partner that acted as liaison between them.

3.21. The other declared priorities of Customs are the introduction of a risk management system connected to the customs clearance system and the reorganization and strengthening of the mechanism for monitoring and combating fraud.⁴¹ Customs has already rolled out ASYCUDA, thereby enabling selectiveness, with four declaration channels: the green channel for cargoes representing no risk and not requiring document checks or physical inspection; the blue channel for trusted operators ("citizen companies") that benefit from post-clearance audit facilities; the yellow channel for cargoes needing document checks, on the basis of which a physical inspection may or may not be required; and the red channel for cargoes that systematically require a physical inspection.

³⁹ Information viewed at: <https://www.agenziagenovese.it/fr/expeditions-republique-centrafricaine/> See also: <http://news.abanqui.com/h/60611.html>. A third company, GetCTN, also seems to be active.

⁴⁰ Circular Note No. 0355/18/MFB/DIR.CAB/DGDDI of 1 March 2018. Information viewed at: <https://www.antaser.com/mvc/pub/tariff>.

⁴¹ Among other things, the Government of the Central African Republic has requested: (1) assistance with benchmarking in a member country of the WCO-WCA region, e.g. Burkina Faso (WTO); (2) technical assistance in developing an inter-agency risk management strategy and an institutional framework with mechanisms for sharing risk-related data and information (WCO); (3) technical assistance in establishing the legal framework for risk management and selective controls relating to the automated clearance system (WCO); (4) capacity-building for the authorities responsible for risk management (WCO/United Nations Conference on Trade and Development (UNCTAD)) and capacity-building for the post-clearance structure on the WCO Guidelines for Post-Clearance Audit (WCO/WTO); (5) financial support for ensuring that risk criteria are regularly reviewed and updated (WTO); and (6) funding of migration to ASYCUDA World and, in particular, its single window module (WTO/UNCTAD). Information viewed at: <https://tfadatabase.org/uploads/notification/NCAF1A2.pdf>.

3.22. Customs used Chinese funding to buy two scanners, but these were destroyed during the armed conflicts and are not operational. Nevertheless, in order to repay the related loan, a scanner management fee (0.25%) is levied on all imports, whether scanned or not.

3.23. Although import cargoes are inspected in nearly all cases, no formal procedures seem to exist for informing the importer or its customs broker of the detention of goods. Customs does not appear to have activated the ASYCUDA functionality that enables the customs broker to be automatically informed when the cargo is assigned to the red channel and detained for inspection.

3.24. Penalties are levied for various customs offences. A portion of each penalty is returned, by way of incentive, to the customs officers who found and punished the customs offence (the "seizing officers"). The breakdown applied is 20% for the seizing officers; 30% for the public treasury; 49% for the joint fund distributed to all customs officers at the end of each quarter, by way of proportional entitlement; and 1% for combating fraud.

3.25. Remote payments, credit-card payments and other forms of e-payment are still impossible in CAR. The system in force consists of, first, determination of the total duty and tax payable; second, the customs broker going in person to the bank to make the payment; and, lastly, the broker returning with the stamped and sealed proof of payment, in hard copy. Within the Ministry of Finance, remote payment was planned for late 2019. Establishment of a legal framework enabling e-payments necessitates the revision of the CEMAC Customs Code, the establishment of a partnership between Customs and the banks and the identification of the payment systems best suited to the Central African Republic.

3.26. Under Article 140 of the CEMAC Customs Code, Customs releases imported goods, provided that a guarantee is provided. Customs also applies expedited release procedures, at the operators' request and subject to a financial guarantee. When the clearance credit procedure is used, an increase is applied.

3.27. Customs has established a partnership with some "citizen companies", with a view to encouraging and facilitating their customs procedures. For citizen companies, additional streamlining facilities are available for the processing of their import, export and transit operations. These authorized operators are selected on the basis of specified criteria. However, the current legal framework does not take into account the requirements of the WCO SAFE Framework of Standards establishing the status of authorized economic operator.⁴²

3.1.2 Customs valuation and preshipment inspection

3.28. Although it has, in principle, since 2001, been applying the WTO Customs Valuation Agreement – the provisions of which are reproduced verbatim in the CEMAC regulations – CAR maintained a contract between 2003 and 2018 with the French private company Bureau Veritas (BIVAC), in order to combat undervaluation. In practice, a period of at least five days was provided for preshipment inspection, which also covered imports within CEMAC. Any declared value lower than the corresponding "attested" value was deemed to have been lowered and was adjusted. Since that contract came to an end in December 2018, Webb Fontaine has been the new provider. Customs is now requesting technical assistance, with a view to taking back responsibility for the duties previously discharged by the inspection company.

3.29. In November 2019, the Government of CAR awarded the company Webb Fontaine a public contract worth CFAF 2.4 billion (EUR 3.6 million) to strengthen the customs value control procedure. In 2020, Webb Fontaine launched the *e-douane* (e-customs) portal, which is intended to enable economic operators and customs brokers to obtain validation of their import or export declarations by the Ministry responsible for trade and industry and to submit their advance import declarations.

⁴² WCO (2018), SAFE Framework of Standards to Secure and Facilitate Global Trade: 2018 edition. Information viewed at: <http://www.wcoomd.org/-/media/wco/public/fr/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/cadre-de-norme-safe.PDF?la=fr>.

3.1.3 Rules of origin

3.30. The CEMAC rules of origin are applied domestically in CAR (Common Report). No company or product from CAR has been approved since the introduction of the Community system.

3.1.4 Customs levies

3.1.4.1 Customs duties

3.31. As a member of CEMAC, the Central African Republic applies its Common External Tariff (CET) to imports of goods originating outside CEMAC (Common Report, Section 3.1.4). For a period, however, CAR applied derogations from the CET to some products deemed sensitive and essential, in particular wheat flour, frozen fish and oil. In 2021, however, the Government returned to the rates set out in the CEMAC CET.

3.1.4.2 Other duties and charges

3.32. In addition to the CET, CAR applies numerous other duties and charges that increase the cost of the country's imports. Some are CEMAC charges, others are used to fund certain beneficiaries (Table 3.2). In addition, a specific duty of CFAF 7 is levied on each net kilogram of coffee imported in an authorized period⁴³ and specific duties and taxes are applicable to used vehicles.

Table 3.2 Other duties and charges on imports, 2020

(% unless otherwise specified)

Designation	Beneficiary	CAR legislative text
1. African Union levy (0.2)	African Union	Article 19 of the 2019 Budget Law
2. Community integration tax (1)	CEMAC Commission	..
3. ECCAS tax (0.4)	ECCAS Commission	..
4. Computer fee (0.5)	Ministry of Finance	..
5. Organization for the Harmonization of Business Law in Africa (OHADA) fees	OHADA Secretariat	..
6. Central African Forests Commission (COMIFAC) charge (0.1)	COMIFAC	Articles 31 and 32 of the 2008 Budget Law
7. Scanner management fee (0.25)	Repayment of debt incurred for scanner purchase	Article 18 of the 2012 Budget Law, as amended by Article 23 of the 2016 Budget Law
8. Shippers' Council charge (0.25)	Customs	Article 26 of the 2014 Budget Law
9. Levy on computer equipment for finance, REIF (0.50)	Ministry of Finance, ASYCUDA	..
10. Statistical fee (0.25)	..	Article 30 of the 2016 Budget Law
11. Transit fee (CFAF 15,000)	..	..
12. ECTN penalty (CFAF 80,000)	Customs	..
13. Customs value adjustment in the absence of proof of insurance	..	..
14. Advance on income tax (3)	..	..
15. Inspection levy (1)	Customs	..

.. Not available.

Source: WTO Secretariat, on the basis of information provided by the authorities.

3.1.4.3 Bindings

3.33. CAR has bound 61.7% of its tariff lines in the WTO. Resulting solely from the Uruguay Round, these bindings cover all agricultural products, like those of all other WTO Members, as well as several non-agricultural products. For agricultural products, the bindings were at the ceiling rate of 30%; for non-agricultural products, the bound rates range from 20 to 70%. Lack of bindings makes the tariff system in relation to the products in question less predictable. In the case of one tariff line, HS 871200 (bicycles and other cycles), the rate applied (30%) is higher than the bound rate (25%). The "other duties and charges" on products for which tariffs were bound are at the 0 or 16% rate, depending on the category of good, although they are, in some instances, taxable at non-zero rates. CAR's schedule of concessions was transposed successively into the 2002, 2007 and 2012 versions

⁴³ Interministerial Order No. 029/MFB/MAE/MICA of 11 January 1996.

of the Harmonized System (HS). These schedules were certified in 2011, 2014, 2018 and 2020, as part of the transposition exercise undertaken by the WTO Secretariat.⁴⁴

3.1.5 Internal taxes

3.34. CAR applies value added tax (VAT) and excise duty to goods for home consumption, in accordance with Community law (Common Report, Section 3).

3.1.5.1 Value added tax

3.35. The general VAT rate in CAR has been 19% since 2006. A reduced VAT rate of 5% is applied to some staple goods, whether imported or produced locally (Table 3.3). The same principles are observed in cases of full exemption from VAT. Following adoption of the 2020 Budget Law, a distinction is no longer made between imported and local products for the purpose of exempting meat from VAT. The zero rate is applicable to exports, to their accessories and to related international transport. A reduced rate of 5% is applicable to the following products: milk and cream, not concentrated, containing added sugar or other imported sweetening matter; imported edible vegetables and certain roots and tubers; other medical or surgical furniture; books, other than textbooks; imported meat and poultry; and dentists' chairs. VAT is levied on goods for home consumption, irrespective of their origin (including goods of CEMAC origin).

Table 3.3 VAT-exempt staples

HS tariff number	Tariff description
02.01 to 02.08	Meat and poultry
03.05	Locally produced fish
04.01	Milk and cream, not concentrated, containing added sugar or other sweetening matter
05	Bread
07.01 to 07.14	Edible vegetables and certain roots and tubers
08.01 to 08.14	Fruit (produced locally)
19.01.10.11	Preparations for infant use
29.30.21.00	Quinine and its salts
29.37.91.00	Insulin and its salts
29.41	Antibiotics
30	Pharmaceutical products
30.04.90.00	Triple therapy
30.07.00.90	Dental wax
37.02.10.00	Film for X-ray
38.08	Insecticides and pesticides, other than registered agricultural inputs
40.14	Hygienic or pharmaceutical articles of rubber
40.14.10.00	Sheath contraceptives
40.14.90.00	Other hygienic articles
40.15.11.00	Gloves for surgical purposes
49.01	Printed books
70.15.10.00	Glasses for spectacles
84.19.20.00	Medical, surgical or laboratory sterilizers
87.13	Carriages for disabled persons
90.04	Spectacles, goggles and the like, corrective, protective or other
90.18.11	Medical appliances used for medical and ophthalmological assessment
90.22.90	
94.02.10.11	Dentists' chairs
94.02.10.19	Other medical or surgical furniture
n.a.	First bracket of residential water and electricity consumption

n.a. Not applicable.

Source: 2020 Budget Law and information provided by the authorities.

3.1.5.2 Excise taxes

3.36. CAR levies a 30% excise tax on cigarettes and tobacco products, as well as a 25% excise tax on alcoholic beverages; motor vehicles and motorcycles; arms and ammunition; jewellery and precious stones; perfumes and cosmetics, including toothpaste and dental floss; televisions;

⁴⁴ The certified schedules are available in WTO documents WT/Let/774, WT/Let/1001, WT/Let/1359 and WT/Let/1492.

photographic cameras; and cinematographic cameras. A rate of 10% is applied to non-alcoholic beverages. Locally produced alcoholic beverages are exempt from excise tax, which causes a problem in relation to the principle of national treatment. Since 2018, a supplementary specific excise tax has been levied on alcohol and tobacco products (Table 3.4).

Table 3.4 Additional excise taxes levied in CAR, 2020

Tariff item	Description	Specific excise tax
2203	Beer	CFAF 30/litre
2204	- champagne	CFAF 1,000/litre
	- other sparkling wine	CFAF 600/litre
	- red, white or rosé wine (in bottles)	CFAF 600/litre
	Red, white or rosé wine (in cartons)	CFAF 300/litre
2208	Spirits, whiskies, rum, gin, vodka, etc.	CFAF 1,500/litre
2402	- cigars	CFAF 600 per cigar
	- cigarillos	CFAF 250 per cigarillo
	- cigarettes	CFAF 30 per pack of 20 cigarettes

Source: Budget Laws.

3.1.5.3 Advance payment on income or corporation tax

3.37. Since 2011, an additional 3% on income tax (IR) or corporation tax (IS) has been levied on all transactions in goods and services of a commercial nature. This "advance payment" applies to imports and, in principle, also to transactions on the domestic market, with the exception of the sale of water and electricity. Since 2007, the advance payment has been set at 3% of the customs value plus all duties and taxes, except for VAT (and excise tax, where applicable) and 3% of the price (including all taxes, except for VAT) for transactions on the domestic market. Economic operators not subject to the IS or the IR pay the minimum flat rate tax (IMF) of 3%.

3.1.6 Tariff preferences

3.38. In accordance with Community provisions, CAR allows duty-free entry, in principle, for goods originating in other CEMAC member countries. However, goods that originated outside CEMAC but have been cleared for domestic consumption through the payment of duties and taxes in another CEMAC country are taxed again on entry into CAR (lack of single market or free circulation).

3.1.7 Duty and tax concessions

3.39. In addition to the systems of concessions and exemptions from Community duties and taxes (Common Report, Section 3), CAR grants duty and tax exemptions to enterprises approved under the National Investment Charter (Section 2.4), the Forestry Code (Section 4.1), the Mining Code (Section 4.2) and the Petroleum Code (Section 4.2). Duty and tax exemptions also apply to goods imported by state bodies and public entities. Other exemptions are granted to "large enterprises", under the agreements on their establishment, or under bilateral conventions or agreements.

3.40. An Interministerial Committee on Tax and Duty Exemptions, established by statutory order, has put an end to exemptions for a number of products, including, but not limited to, tobacco products, alcohol, fuels and lubricants. Any beneficiary of a duty exemption is required, on penalty of non-renewal, to provide Customs annually with proof of the use to which all such duty-exempt goods were put in the previous year. For imports, as specified in the CEMAC Customs Code, the following conditional relief procedures are frequently used in the Central African Republic: the general bond note, temporary admission, warehousing, and the inward processing and outward processing regimes.

3.1.8 Prohibitions, quantitative restrictions and licensing

3.41. The Central African Republic has not notified the WTO of the country's prohibition, authorization and import licensing regimes, as such. In 2004, the WTO Committee on Technical Barriers to Trade was notified of the 90% monopoly on sugar imports granted to the privately owned African Sugar Company (SUCAF-RCA) (Section 4.1.3.3). The Government has not renewed the protocol agreement with SUCAF-RCA and no longer requires authorizations for sugar imports. SUCAF

has been placed in voluntary liquidation by its shareholders. Thus, sugar imports are no longer under a monopoly.

3.42. CAR operates two categories of import prohibition: compulsory prohibitions against arms, ammunition, firework toys and drugs; and *ad hoc* prohibitions on sanitary and phytosanitary grounds, among others. Thus, in December 2015, CAR banned imports of poultry and poultry products (Table 3.5).⁴⁵ Coffee imports are only permitted after a certain date each year, usually in April. The importation of pharmaceuticals is subject to registration procedures and a marketing authorization from the Ministry of Health, while the importation of pharmaceuticals for veterinary use requires approval by the Ministry responsible for livestock.

Table 3.5 Import controls and restrictions, 2020

Product	Responsible body/measure	Section of the report/legislative text
Coffee	..	Interministerial Order No. 029/MFB/MAE/MICA of 11 January 1996
Arms and ammunition; radio equipment (transmitters and receivers)	Ministry of the Interior	Prior authorization
Iodized salt	Controls	Decree No. 95.038 of 6 February 1995
Sugar	Ministry of Trade	See Section 4.1.3
Saccharin	Controls	Interministerial Order No. 002/MCIPSP/MSP of 11 January 2002
Poultry and poultry products	Import prohibition	Order No. 023/MCDMR/MDEM CAB.15 of 23 December 2015 prohibiting the importation of poultry and poultry products
Ivory	Ministry of Trade	Ordinances No. 85.005 of 30 January 1985 ending the right to hunt elephants and No. 85.046 of 31 October 1985 banning the collection and trading of ivory in the Central African Republic Interministerial Order No. 072 of 3 February 2004
Telephony equipment	Regulatory Authority for Electronic Communications and Postal Services (ARCEP)	Section 4.4.2
Pharmaceutical products	Ministries responsible for health or livestock	Decree No. 94.196 of 4 June 1994 (human health) Law No. 65/61 of 3 June 1965 (livestock)
Soap containing mercury	Import prohibition	..
Live animals, trophies and protected species	Ministry of Agriculture, Water and Forestry (veterinary service)	Section 3.2.2 and CITES
Fuels	Ministry of Energy	Prior authorization

.. Not available.

Source: Directorate-General of Customs.

3.1.9 Contingency measures

3.43. There is no domestic legislation on anti-dumping, countervailing and safeguard measures; the relevant CEMAC provisions (Common Report, Section 3.1.12) are applied in CAR. According to the authorities, no contingency measure has ever been taken in the country. However, under the new Commercial Code of 2016 (Article 121), the Minister responsible for trade may take measures, in particular by means of quotas or customs surcharges, to prohibit or restrict the importation of one or more products that cause or threaten to cause injury to an existing domestic industry or that jeopardize the start-up of a domestic industry. The Code also contains provisions that can be applied when anti-competitive practices caused by companies located outside the national territory are being felt in the domestic market. Any practice consisting of a foreign company selling within the Central African Republic at prices lower than those charged in the territories where the products or services offered originate is prohibited (Article 151) when those prices could cause or threaten to cause injury to a domestic industry producing like products. A draft law governing foreign trade is currently before the National Assembly for enactment. Title IV of the draft law provides for the

⁴⁵ Order No. 023/MCDMR/MDEM CAB.15 of 23 December 2015 prohibiting the importation of poultry and poultry products.

imposition of anti-dumping, countervailing and safeguard measures, where applicable. The draft law is awaiting enactment by the plenary of the National Assembly.

3.2 Measures directly affecting exports

3.44. Products intended for export are generally transported by road to the port of Douala (1,500 km). Therefore, such products pass through customs twice: once in CAR and once in Cameroon, the goods' transit country. A single commercial export declaration (DEC) must be filed for all outgoing goods (exports and re-exports). However, the re-exportation of products intended for local consumption and qualifying for tax and customs exemptions or reductions would be prohibited unless the customs duties and taxes to which the exemption initially applied, upon entry into the national territory, are paid at the time of re-exportation.

3.2.1 Registration and customs procedures

3.45. The following registration procedures are prescribed for the exportation of goods for commercial purposes: the commercial export declaration to be filed, free of charge and for statistical purposes, with the Ministry responsible for trade; the customs export declaration, filed with Customs (which must be accompanied by the following documents⁴⁶: phytosanitary certificate, certificate of origin, commercial invoice, dispatch note and packing list); and a foreign exchange undertaking, endorsed by the bank with which the transaction is domiciled, in order to ensure the repatriation of export earnings from countries outside CEMAC and their conversion into CFAF within 30 days of shipment of the goods.

3.46. Exports of wood products were subject to the BIVAC verification programme from 2005 to 2019 (Section 4.1.6). Payment for the ECTN (Section 3.2.1), also due upon exportation, combined with the charges levied by BIVAC, used to result in duplication. In addition, at EUR 5 per tonne or cubic metre (t/m³) for coffee in bulk, bales of cotton and tobacco, the ECTN rates seem high. For diamonds and gold, the ECTN costs 2.5% of the export value; the rate is EUR 50 per TEU container and EUR 100 per FEU container.

3.2.2 Export taxes and duties

3.47. Exports of goods are subject to numerous taxes, which further reduce exporters' profits and incentive to export (Table 3.6). Exports are subject to the zero rate of VAT.

Table 3.6 Export taxes and duties

Product	Tax	Rate
All products	Levy on computer equipment for finance (REIF)	0.50%
	Flat-rate minimum tax (IMF)	2%/3%
	ECTN	2.5%
	Scanner management fee (RGS)	0.25%
	Shippers' Council charge	0.25
	Scanning fee (RDS)	0.25%
Raw materials	Export duty	2%
Sesame	Fee	CFAF 60 per kg
Livestock	Exit duty	CFAF 1,000 per head of cattle
		CFAF 500 per head of small livestock
		Amount per head (not available)
Live wild animals	Export tax	Amount per head (not available)
Fish	Exit duty	5%
Manufactures	Exit duty	5%
Mining products	..	..
Gold	Exit duty	1.25%
	Levy on computer equipment for finance (REIF)	0.50%
	Mining Industry Development Project (PDSM)	0.50%
Diamonds	Exit duty	1.50%
	Levy on computer equipment for finance (REIF)	0.25%
	Mining Industry Development Project (PDSM)	0.50%
	Permanent Secretariat of the Kimberley Process (SPPK)	0.50%

⁴⁶ Decree No. 86.328 of 20 November 1986.

Product	Tax	Rate
	Flat-rate minimum tax (IMF)	1.25%
Wood products	..	..
Rough wood	Export duty	8%
Sawn timber	Export duty	4%
Articles of wood	Export duty	0.01

.. Not available.

Source: Information provided by the authorities.

3.2.3 Export prohibitions and controls

3.48. The Central African Republic states that the country complies with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).⁴⁷ The Ministry of Water, Forestry, Hunting and Fishing issues CITES export permits for all legally obtained animal trophies and bubing wood.

3.49. In addition, CAR has been participating in the Kimberley Process for the trade in rough diamonds since April 2003. A health certification system is, in principle, in place for all livestock species. Raw (green) coffee must meet quality standards in order to be exported. These measures are described in Section 4.

3.2.4 Export subsidies and promotion

3.50. The zero rate of VAT and the various suspensory procedures provided for at the Community level are applied. CAR has not established any export benefits, with the exception of tax and customs benefits upon importation for the products of firms that have been approved under the Investment Charter or that have concluded a convention. CAR has no protected customs territories.

3.3 Measures affecting production and trade

3.3.1 Standards, technical regulations and accreditation

3.51. The Central African Republic has had a national regulatory framework for standardization and quality management since the enactment, in May 2019, of the Law on Standardization (Law No. 19.004 of 10 May 2019 on standardization, certification, accreditation and promotion of quality in CAR). In addition, Law No. 19.008 establishing the metrology system in CAR was enacted on 24 June 2019. However, the draft law establishing the National Standardization Agency is currently being considered for adoption by the National Assembly. Once established, the Agency will be the only institution authorized to adopt international standards and formulate national standards. For the moment, the Ministry of Trade and Industry includes a Directorate for Standardization and Quality tasked with drawing up and implementing the Government's policy on standardization, accreditation and quality promotion.⁴⁸ CAR is no longer a member of the International Organization for Standardization. Moves towards its reinstatement are apparently under way.

3.52. In the absence of national rules, imports must in principle be accompanied by a certificate of conformity (CdC) with international technical regulations. In practice, for 99 products for which no list is available, the certificate is issued by the Société Générale de Surveillance (SGS) and made available to the supplier or importer, which requests it from the SGS of the supplier country.

3.53. Product quality controls are sometimes carried out by local laboratories, in the event of doubts about products' compliance with international regulations. According to the CEMAC Commission, CAR has several laboratories, including some of international standard, such as the Pasteur Institute and the Laboratory of Biological and Agricultural Sciences for Development (LASBAD), which is part of the Faculty of Sciences of the University of Bangui (Table 3.7).

⁴⁷ Information viewed at: <https://www.cites.org/fra/cms/index.php/component/cp/country/CF>.

⁴⁸ Law No. 19.354 sets out the legal framework for the organization of standardization and the promotion of quality, in accordance with the CEMAC regulation on quality policy.

Table 3.7 Principal laboratories and types of analysis conducted, 2020

Laboratory	Research type
Pasteur Institute	Biomedical analyses – quality control
Laboratory of Biological and Agricultural Sciences for Development (LASBAD)	General requirements concerning testing and calibration laboratories (ISO 17025); microbiology of food, animal feed and water (ISO 11133); methods for the enumeration of clostridium and of <i>β-glucuronidase Escherichia coli</i> and for the detection of salmonella; specific rules for the preparation of meats, meat products and fishery products; enumeration of presumptive coliforms and of yeasts and moulds in foodstuffs; quantitative analysis of fats, peroxides, vitamin A, iron, zinc, raw fibre and aflatoxins
Office for the regulation of the marketing and control of processing of agricultural products (ORCCPA)	Quality control of foodstuffs and packaging
National Laboratory for Clinical Biology and Public Health	Biological diagnosis – training and retraining – agri-food research and quality control

Source: CEMAC Quality Infrastructure project.

3.54. There is no legislation that permits the taking of samples in order to conduct tests prior to the entry of goods into the territory of CAR, except in the context of food safety (Section 3.3.2). Since the last TPR, CAR has transferred Article 5.3 of the TFA, on testing procedures, from category B to category C, indicating that technical assistance is needed in the form of the development of a legal framework for standardization, accreditation and quality.

3.55. Certification in CAR is limited to coffee and is carried out by the ORCCPA. The public list of accredited laboratories and their specialisms is not available.

3.56. CAR is a party to several multilateral treaties on environmental protection.⁴⁹ Their implementation remains a challenge.

3.3.2 Sanitary and phytosanitary measures

3.57. Generally speaking, legislation on food safety, animal health and pest and plant-disease control is obsolete or non-existent. In that connection, the explanation provided by CAR to the Committee on Sanitary and Phytosanitary Measures (SPS Committee) in 2006 revealed the magnitude of the challenges faced by the country in implementing the SPS Agreement and its technical assistance needs.⁵⁰ Since its accession to the WTO, very few (or even no) country representatives have participated in SPS Committee meetings. The Ministry of Health is responsible for applying measures in relation to human health and food, while the Ministry of Agriculture is responsible for phytosanitary measures. The latter is also responsible for safeguarding animal health. Both ministries discharge these duties in cooperation with the Ministry responsible for trade.

3.58. CAR has made a total of three notifications to the SPS Committee since 2013⁵¹: Ordinance No. 83.069 of 10 November 1983 prohibiting the marketing of spoilt or toxic foodstuffs; the Law of 1965 regulating animal husbandry; and a general prohibition on the importation of poultry and poultry products. None of the measures taken by CAR has been the subject of a specific trade concern notified to the Committee. The Ministry responsible for trade is the national authority responsible for such notifications as well as being the SPS enquiry point.⁵² The lack of an operational SPS system or of adequate infrastructure are two of the main constraints on the development of trade and the quality of local products.

3.59. Upon importation, tests are generally conducted at the request of Customs in the event of doubt about food safety, but procedures seem to be *ad hoc*. The importation of some types of alcohol is prohibited. The importation of plants requires a phytosanitary certificate issued by the authorities

⁴⁹ Information viewed at: <https://www.informea.org/fr/node/44/parties>.

⁵⁰ WTO document G/SPS/GEN/644 of 22 March 2006. Information viewed at: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=R:/G/SPS/GEN644.pdf>.

⁵¹ SPS Information Management System of the WTO. Information viewed at: <http://spsims.wto.org>.

⁵² Information viewed at: <http://spsims.wto.org/fr/EnquiryPointsNotificationAuthorities/Search?countryCode=C140&filter=>.

of the country of origin.⁵³ In principle, prior authorization is required in order to sell pesticides and insecticides in the Central African Republic. Products of animal origin must undergo sanitary import control and be accompanied by a sanitary certificate issued by the authorities of the country of origin.⁵⁴

3.60. CAR is a member of the Codex Alimentarius Commission of the Food and Agriculture Organization of the United Nations⁵⁵; of the World Organization for Animal Health (WOAH); and of the International Plant Protection Convention.⁵⁶ Since 2011, the country has had a National Codex Alimentarius Committee.⁵⁷ The WOAH conducted a performance evaluation (PVS) of CAR's veterinary services in 2010.⁵⁸ It found that the country lacks a public animal health system that meets international standards, i.e. one providing for sanitary controls on the quality of foodstuffs of animal origin for local consumption or for importation and exportation.

3.3.3 Incentives

3.61. CAR has not notified subsidies or aid to the WTO. The main incentives relate to the benefits granted to enterprises approved under the Investment Charter (Section 2.4) or the mining regimes (Section 4.3). In addition, promotional benefits and exemptions are granted as incentives for large enterprises, under either their establishment agreements or a bilateral agreement.

3.3.4 Competition and price control regime

3.62. Apart from CEMAC regulations on the matter (Common Report, Section 3.2.2), the provisions of which are, in principle, directly applicable in all member States, CAR had no national competition regime until the new Commercial Code was enacted in 2016. The Code regulates *inter alia* unlawful agreements, abuses of dominant position and economic concentrations that materially reduce competition. Decree No. 20.332 of 10 September 2020 establishing the operating procedures of the National Competition Commission has been signed.

3.63. The 2016 Commercial Code stipulates that prices are free and determined by competition alone. However, within the Ministry of Trade and Industry, the Supply and Distribution Control Unit monitors the regular stock of staple goods and medicines, the prices of which are, in principle, approved, fixed or monitored. A joint commission for price approval was established in 2012, in order to facilitate the application of an Order of 11 April 2012 freezing the prices of certain staple products in Bangui, Bimbo and Bégoua. According to the authorities, a new decree is currently being prepared. In total, 30 products, divided into 3 groups, are being monitored:

- The first group is made up of foodstuffs: oils; milk of any kind (liquid not containing added sugar, concentrated containing or not containing added sugar); salt; rice; wheat flour; bread; fish products; deep-frozen products; yeast; additives and improvement agents; preserves; pasta; margarine; and coffee.
- The second group is made up of construction materials: cement; sheets and plates; concrete reinforcing bars and rods; and nails.
- The third group is made up of sundry goods: household soap; medicines; machetes; school supplies; hoes; bicycles; and mopeds.

3.64. Before any offering for sale on the domestic market, these products are subject to the prior approval procedure.

3.65. With a view to regulation of the market, checks are continuously conducted on the basis of documents identifying the person responsible and the products to be checked, their provenance,

⁵³ Law No. 62/350 of 4 January 1963.

⁵⁴ Law No. 65/61 of 3 June 1965.

⁵⁵ Enquiry point: Ministry of Trade and Industry. Information viewed at: <http://www.fao.org/fao-who-codexalimentarius/about-codex/members/detail/fr/c/15573/>.

⁵⁶ Information viewed at: <https://www.ippc.int/fr/countries/central-african-republic/>.

⁵⁷ Established by Interministerial Order No. 0045 of 18 March 2011.

⁵⁸ Information viewed at: https://www.oie.int/fileadmin/Home/eng/Support_to_OIE_Members/pdf/PVS-Report-RCA.pdf.

their quantities, the prices charged, the company's geographic location, etc. The checks are also conducted on the basis of statistics provided by the checkpoints of the Directorate-General of Commerce, Competition and Consumption.

3.66. As described in Section 4, price controls apply to petroleum products, electricity and postal and telecommunications services. A minimum purchase price is also one of the accompanying measures in the coffee and cotton sectors.

3.3.5 State trading, state-owned enterprises and privatization

3.67. CAR has not notified the WTO of any state trading enterprises within the meaning of Article XVII of the GATT. Moreover, the list of its state-owned enterprises is not available.

3.3.6 Government procurement

3.68. In 2008, CAR reformed its government procurement management framework.⁵⁹ The 2008 Government Procurement Code, described in the previous TPR⁶⁰, transposes Community provisions and aims at strengthening the role of contracting authorities in the procurement process; increasing competition, streamlining and modernizing the procurement process; and better monitoring and reducing arbitrariness. It establishes the principle of separating the award of public contracts from the functions of control and regulation of the system (Article 109). The different functions are distributed between three bodies: the Government Procurement Regulatory Authority, the Directorate-General of Government Procurement and the Procurement Services. In January 2020, the website of the Ministry of Finance and Budget contained the applicable regulations, invitations to tender and some contract award notices. The Central African Republic is neither a signatory nor an observer under the plurilateral WTO Agreement on Government Procurement.

3.69. The provisions of the Government Procurement Code apply to procurement transactions with an estimated value equal to or higher than the thresholds specified in the 2009 Budget Law (Table 3.8). The choice of applicable procedure is determined on the basis of a procedural handbook.

Table 3.8 Methods of awarding public contracts in the Central African Republic, in accordance with the thresholds specified in the 2009 Budget Law

Contract category	Amount (CFAF million)	Method	Preliminary review by Directorate-General of Government Procurement
Works	500	International competitive bidding	All contracts
	25 < 500	Domestic competitive bidding	All contracts
	1 < 25	Consultation of at least 3 entrepreneurs	No contract
	< 1	Request for quotations (at least 3 entrepreneurs)	No contract
Supplies/ services	> 250	International competitive bidding	All contracts
	10 < 250	Domestic competitive bidding	All contracts
	> 1 < 10	Consultation of at least 3 suppliers	No contract
	< 1	Request for quotations	No contract
Intellectual services	25	International consultation	All contracts
	10 < 5	Domestic consultation	All contracts
	1 < 10	Consultation of at least 3 consultants	All contracts (approval of ToR)
	< 1	Consultation of 3 individual consultants	No contract

Source: Handbook of government procurement and outsourcing of public services, March 2009.

3.70. Open tendering (whether or not preceded by pre-qualification) is the rule. Use of any other method of procurement (such as direct agreements or closed bidding) must be exceptional, justified by the contracting authority and authorized by the Directorate-General of Government Procurement. Calls for tenders are required to be published in the national and international press (Article 29), in at least one mass-circulation daily newspaper and, if necessary, on publicly displayed notices. The notices are also posted on the website of the Directorate-General of Government Procurement.

3.71. Article 64 of the Code provides that a preference margin may be attributed to a tender in the case of companies based in the Central African Republic or in another CEMAC member State, though

⁵⁹ Law No. 08.017 of 6 June 2008 establishing the Government Procurement Code in CAR. Online information from the Directorate-General of Government Procurement.

⁶⁰ WTO document WT/TPR/S/285/Rev.1 of 12 December 2013.

this margin may not exceed 15% for domestic companies and 10% for CEMAC companies. As regards subcontracting, a preference margin of 5% is granted to companies planning to outsource at least 30% of their tenders to a company from a CEMAC member State (Article 26).

3.3.7 Protection of intellectual property rights

3.72. The Central African Republic has been a signatory to the Convention Establishing the World Intellectual Property Organization (WIPO) since 23 August 1978, as well as to some of the treaties administered by WIPO. Like the other CEMAC countries, CAR is a member of the African Intellectual Property Organization (AIPO), established by the Bangui Agreement on 2 March 1997. In 1999 and again in 2015, the Bangui Agreement was revised in Bamako, Mali. CAR notified the revised Bangui Agreement to the WTO in 1999. The Industrial Property Directorate (DPI), which forms part of the Ministry responsible for industry, acts as the National Liaison Structure (SNL) with AIPO. Its main task is to transmit to AIPO applications for industrial property titles, such as patents, utility models, new plant varieties, marks, trade names and geographical indications originating in the national territory. The SNL also coordinates activities promoting awareness of the importance of industrial property in the Central African Republic.

3.73. The number of applications, by year and by type of title, filed with the SNL since the CAR's last TPR is set out in Table 3.9. For some industrial property titles, namely new plant varieties and geographical indications, the filings have not yet been registered. However, the number of other titles is increasing unevenly. It should be pointed out that, according to the annual activity reports, 80% of protection applications filed with AIPO come from abroad (international applications), with the remainder coming from AIPO member States. In the case of the Central African Republic, almost all applications for protection are domestic applications.⁶¹

Table 3.9 Number of applications, by year and type of title, filed with the SNL of CAR, 2010-2020

Years/titles	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Patents	1	3	0	5	..	..	2	2	3	1	4
Marks	1	0	2	5	0	0	5	1	5	5	1
Utility models	0	0	0	..	..	..	..	..	..	..	..
Industrial design	0	0	0	..	..	..	..	..	..	..	..
Trade name	11	13	18	5	8	35	33	72	52	254	35

.. Not available.

Source: National Liaison Structure (SNL).

3.74. In 2016, the Central African Copyright Bureau (BUCADA) was suspended. The reform undertaken with support from WIPO led to the creation of a new Central African Copyright Bureau, under Law No. 21.0013 of 4 December 2021. The new Bureau is not yet operational.

3.75. Penalties for infringements of copyright and related rights are governed by Annex 7 to the revised Bangui Agreement. Lack of awareness of the revised Agreement seems to be the reason for the lack of litigation before the courts.

3.76. The importation of products under copyright and related rights is subject to payment of copyright fees before customs clearance, which is followed by the issuance of an authorization to the importer. The most frequent intellectual property infringements in the Central African Republic are counterfeiting and piracy, with the areas most affected being music, the audiovisual sector and literary works.

⁶¹ Annual reports of AIPO and the SNL of the Central African Republic.

4 TRADE POLICY BY SECTOR

4.1 Agriculture, livestock farming, forestry and fisheries

4.1.1 Overview

4.1. Agriculture (including fishery and wood products) is the bedrock of the Central African economy, generating 75% of the food products consumed in the country and providing livelihoods to 77.1% of the working population in 2020.⁶² Its share in GDP dropped over the period 2012-21 from 39% to 33.5% (Table 1.1)⁶³, as did its share in trade (Section 1.3). Once a net food exporter, the country is now an importer. Between 2018 and 2020, approximately 54% of the value of CAR imports comprised agricultural products and foodstuffs.⁶⁴

4.2. With its abundant rainfall, albeit declining in many regions, and an extensive and dense river system⁶⁵, CAR is suitable for many crops (Table 4.1) and for forestry and livestock farming (see below). CAR has an estimated 47 billion m³/year of surface water and groundwater resources, of which just 4% are used for economic or social purposes; 1.9 million hectares of hydro-agricultural development potential, of which less than 1,000 hectares are in use; 15 million hectares of arable land, of which a mere 5% (700,000 hectares) are in use; and 16 million hectares of pastureland, of which 56% are in use.

Table 4.1 Main agricultural products, 2012-2019

	Quantity of production in thousands of tonnes										Growth rate p.a. 2012-21 (%)
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Cassava, fresh	684	672	710	710	712	730	749	774	805	822	2.1
Yams	460	470	478	480	483	489	484	486	486	485	0.6
Groundnuts, unshelled	149	162	122	116	135	150	150	127	132	150	0.1
Bananas	128	129	130	132	135	130	140	140	140	141	1.1
Taro (Colocasia)	125	130	132	133	135	137	135	136	136	136	0.9
Sugar, cane	99	100	123	127	132	115	115	126	129	130	3.0
Maize (corn)	162	124	80	80	92	90	90	104	108	90	-6.3
Plantains	85	85	85	86	87	88	88	88	88	89	0.5
Fresh vegetables, n.e.s	70	70	71	72	73	74	75	74	75	75	0.7
Pulses, n.e.s	37	37	47	47	50	47	45	45	49	50	3.5
Sesame	28	28	13	10	12	22	32	44	45	46	5.5
Sorghum	46	39	31	31	29	30	30	31	33	30	-4.5
Pumpkins, squash and gourds	20	21	23	22	21	22	23	24	25	25	2.5
Rice	42	10	13	10	12	12	12	13	13	13	-12.4
Millet	10	10	10	10	10	10	10	10	10	10	0.0

.. Not available.

Source: FAOSTAT. Viewed at: <https://www.fao.org/faostat/en/#data/OCL>; and information provided by the authorities.

4.3. At present, the main purpose of the agricultural trade policy is food security.⁶⁶ The Government also aims to increase exports and decrease imports. Other priorities include supplying seeds and fertilizer to farmers; providing technical support to restart production; restoring markets in agricultural products for trade development, in particular the development of markets for the beef subsector; reviving and organizing markets in production areas; repairing rural roads in the context of highly labour-intensive projects; and the construction of drying and storage premises. The lack of such premises alters the quality of agricultural and livestock products and jeopardizes the potential earnings of producers. The intervention of the World Food Programme (WFP) focused more on local purchases of rice and beans. It consisted in disbursing funds to beneficiaries rather than imported food products, which stimulated demand on local markets.

⁶² Coface. Viewed at: Central African Republic / Economic Studies – Coface.

⁶³ Coface. Viewed at: Central African Republic / Economic Studies – Coface.

⁶⁴ FAO. Viewed at: <https://www.fao.org/faostat/en/#country/37>.

⁶⁵ Information viewed at: <http://www.fao.org/3/a-i7743f.pdf>.

⁶⁶ Information viewed at: <http://www.fao.org/3/a-i7743f.pdf>.

4.4. The main institutions directly involved in the agricultural sector are the Ministry responsible for rural development (MDR) and the Ministry responsible for water and forests (see below). The Office for the regulation of the marketing and control of processing of agricultural products (ORCCPA) is responsible for product marketing. Its mission is to regulate the marketing and control the packaging of agricultural products.

4.5. Coffee prices are set by a technical committee for regulation of the coffee subsector, created by Order No. 057/MPMR/DGAAARH/DAF/SAJ of 27 November 2002. The ORCCPA collects London futures market data and draws up a draft of indicative domestic prices, which is validated by committee members and endorsed by a joint order of the Ministers responsible for agriculture and trade, before they are broadcast on national radio.

4.6. The Central African Agricultural Development Agency and the National Livestock Development Agency (see below) provide services to farmers and breeders. The Rural Education and Training Centre (CREF) serves the rural population, and the Central African Agronomic Research Institute (ICRA) develops seeds and improved technologies. The Chamber of agriculture, livestock, water, forestry, hunting and fishing and tourism represents the private sector.

4.7. The National Orientation and Steering Committee (CNOP) is responsible for defining strategic and policy guidelines for the coherent and effective implementation of the Priority Action Plan. It falls under the responsibility of the MDR and comprises technical and financial partners and representatives of farmers' and rural organizations, the private sector and civil society.

4.1.2 Market access, domestic support and export measures

4.8. MFN tariff protection is relatively high (Common Report, Section 3.1). However, the protection conferred by high customs duties is reduced by the equally high customs duties levied on inputs and on material and equipment required for production (tools, small-scale mechanization, irrigation equipment, etc.), which does not reduce costs for the consumer. The main foods currently imported are vegetables and onions, broiler chickens and eggs, fish, rice and maize, banana and plantain, oil (particularly palm) and cake.

4.9. Internal taxes are also levied on agricultural products at the time of import (VAT, excise duties, Section 3.1.5). These taxes provide a significant additional margin of protection for the largely informal domestic production sector, which is not subject to internal taxation. However, to reduce their costs, some staple goods are exempt from internal taxes, including upon importation (Table 3.3).

4.10. The export taxes levied on most of the main agricultural exports complicate the export process and make it more expensive, creating distortions and inequalities between products; they also detract from the economic efficiency of the agricultural sector and its growth and development prospects.

4.11. Quantitative restrictions are also in place on imports, as in the case of sugar and flour, which are generally subject to an import monopoly (Sections 4.1.3.1 and 4.1.3.3 on sugar and coffee), and in the case of coffee, subject to seasonal quotas.

4.12. By contrast, in accordance with Community provisions, trade in "local, unprocessed products"⁶⁷, including those extracted, harvested, picked, hunted and/or fished, must be free of all customs taxes and duties (Common Report, Section 3). Yet, some of these local products are subject to an export duty of up to 2% of the f.o.b. value (Table 3.6).

4.13. Products are subject to various taxes upon importation and exportation (Tables 3.6 and 3.2).

4.14. CAR has made no notification to the WTO concerning its agricultural policy, and it is difficult to assess the level and nature of the support it provides to its agricultural sector. Owing to limited

⁶⁷ These are mainly "live animals born and raised in the territory of a member State of the Union, products obtained from such live animals and their by-products, mineral products and products of plant origin from member States, products from hunting and fishing activities practised there, and products extracted from the sea by vessels registered in a member State and flying the flag of that State." Viewed at: <http://www.droit-afrique.com/upload/doc/cemac/CEMAC-Acte-1993-07-tarif-douanier.pdf>.

financial resources, however, it is highly likely that such support is virtually non-existent. Nevertheless, a gradual improvement in the security and political situation has enabled the government to allocate more resources to the agricultural sector and to food security. The effectively disbursed government budget rose from CFAF 206 million (EUR 314,000) in 2015 to CFAF 4.14 billion (EUR 6.7 million) in 2018, with the government commitment implementation rate increasing from 2% to 26% in 2018. Between 2014 and 2018, technical and financial partners contributed approximately CFAF 66.7 billion, that is, 84.1% of investments in the agricultural sector. This remains well below the estimated sector revival costs (Table 4.2). In mid-2019, the World Bank launched a project worth EUR 23 million to increase the productivity of small-scale producers.⁶⁸

Table 4.2 Estimated agricultural revival costs, 2016-2018

(USD 1 = CFAF 500)

Strategic areas	2016	2017	2018	Total 2016-18	
				In USD million	In CFAF million
Resilience, sustainable recovery of agro-pastoral activities and regional development	198	108	84	390	195,000
Agriculture, a factor of national reconciliation	12	27	21	60	30,000
Occupational integration and entrepreneurship among young people to modernize agriculture	16	36	28	80	40,000
Agricultural governance and competitiveness of Central African agriculture	4	9	7	20	10,000
Total	230	180	140	550	275,000

Source: Information provided by the authorities.

4.15. The main tax incentives specifically for farmers/breeders under the General Tax Code (2012 Budget Law), and available to private investors, including foreigners where applicable, are the following:

- a reduced corporate tax rate (20% instead of 30%), but at least the minimum flat rate tax (IMF) of 0.5% of turnover;
- exemption from the tax on agricultural income derived from the working of land devoted exclusively to food crops; and
- exemption from the business tax in the case of trade in agricultural products with a turnover of less than CFAF 30 million.

4.1.3 Policy in major agricultural subsectors

4.16. The main products that the government is seeking to promote are coffee, cocoa, rice, oil palm and groundnuts for import substitution. The aim is to revive cotton growing as well, which has a knock-on effect on cassava cultivation. The authorities also intend to continue sesame exports, initiated with the Enhanced Integrated Framework Project in Basse-Kotto and Ouaka.

4.1.3.1 Coffee

4.17. The government is seeking to revive family coffee growing in order to improve and diversify producers' income. Coffee growers may either receive plants free of charge from ICRA or obtain them from other producers. They then produce, harvest and dry the coffee. They are required to sell their output to a cooperative or to buyers approved by the ORCCPA, responsible for the coffee subsector, at prices fixed by order of the MDR. The ORCCPA issues the required approvals to coffee exporters for a fee of CFAF 30,000 (EUR 46). Financial support in the amount of CFAF 250 million, allocated to the sector in 2018, is intended for the purchase of laboratory equipment.

⁶⁸ Information viewed at: <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/181071572429260903/central-african-republic-africa-p165855-car-agriculture-recovery-and-agribusiness-development-support-project-aradsp-procurement-plan>.

4.18. Buyers process the coffee, mainly by hulling it, and then put it in bags for export. Coffee under the temporary admission regime is subject to the payment of CFAF 10/kg net after processing.⁶⁹

4.19. Coffee from CAR must be marketed and exported through the ORCCPA. The ORCCPA is also responsible for quality control and packaging. Work is under way within the ORCCPA to control and market other outputs, including food products. Export is the responsibility of the operators approved by the ORCCPA, which may also be buyers. The ORCCPA proposes indicative coffee prices based on world prices at the start of every season. These indicative prices are then fixed by order of the MDR; the indicative price can be adjusted should world prices fluctuate by more than 10%.

4.20. Coffee exports are not subject to either the export duty or the IMF, but rather to the 0.5% REIF levy.

4.1.3.2 Cotton

4.21. Cotton is mainly grown on a small scale in central and north-western regions. In 2011, China's State Development Investment Corporation (SDIC) entered into a 10-year cotton production contract with the Office of the President of the Central African Republic. The SDIC opened a cotton ginning plant with a capacity of 250 tonnes per day in December 2012, and an oil mill was set to start operations in June 2013. Interrupted by conflicts, production apparently resumed in 2016. The National Cotton Office was established in 2019 by Law No. 19.00.10 of 23 July 2017.

4.22. Seeds are produced by ICRA and made available free of charge to growers; it also provides inputs (on credit). Growers are organized into Cotton Producers' Groups (GPCs). Each GPC organizes its own collection of seed cotton and, in return for the service provided, receives fees of CFAF 4,320 per tonne. The SDIC buys cotton at the indicative price set in May every year. The final price is determined in October of each year. Loans for inputs (fertilizer, insecticide, etc.) are deducted directly from growers' income. The SDIC transports seed cotton to one of two plants (Bossangoa or Bambari) for ginning. Cotton fibre is exported to Cameroon, while the Cotton Unit sells dehusked cotton seed to HUSACA (a private company) at CFAF 25/kg for oil production.

4.23. Financial support in the amount of CFAF 200 million was allocated to the sector in 2018, part of which is for the purchase of inputs.

4.1.3.3 Sugar

4.24. Currently, CAR's principal objective in the sugar subsector is to protect and promote employment in production areas. However, the measures taken to this end at the border lead to higher prices and shortages affecting the entire population. In 2017, the price of a 50 kg bag of sugar spiked from CFAF 30,000 to CFAF 48,000, a 60% increase. At the end of 2022, the price of a bag of sugar was CFAF 34,000.

4.25. The chief trade measure on sugar is an import quota. An agreement signed with the Central African Republic on 25 November 2013 granted the privately owned company Sucrière en Afrique (SUCAF-RCA), which belongs to the French group SOMDIAA, 80% of the import quota, with the remainder (20%) distributed between domestic applicants. However, customs statistics show that, in December 2019, a single enterprise held the entire sugar import quota.

4.26. An Interministerial Body for the Regulation of the Sugar Market (ORMS) used to set quarterly import quotas according to SUCAF production, estimated consumption, re-exports and stocks.⁷⁰ Within the Ministry of Trade and Industry, the Supply and Distribution Control Unit monitors the regular stock of staple goods, including sugar. The objective that CAR has set for itself is to ultimately achieve full liberalization of the sugar subsector.⁷¹ In light of the recent developments in the subsector, restrictions are *de facto* suspended (Section 3.1.6).

⁶⁹ Interministerial Order No. 029/MFB/MAE/MICA of 11 January 1996.

⁷⁰ Prime Ministerial Order No. 031 of 31 March 2008 creating an Interministerial Body for the Regulation of the Sugar Market in the Central African Republic (ORMS) and defining its powers.

⁷¹ CEMAC trade policy indicator monitoring table (information provided by CEMAC), 2021.

4.27. The import monopoly had made consumer price control necessary. Consumer prices were therefore approved by an Order issued by the Ministry responsible for trade. In January 2020, sugar was trading at over CFAF 1,050/kg, well above the price of CFAF 850/kg approved in March 2012.

4.28. CAR's sugar policy is in line with that of the entire CEMAC zone, which taxes (non-CEMAC) MFN sugar imports exorbitantly, making it less competitive. Meanwhile, the production capacity of sugar companies in the CEMAC zone is insufficient to meet subregional needs. As a derogation from this regulation, the Government of the Central African Republic provisionally reduced the customs duty on sugar from 30% to 10% (rate brought back to 30% in the new protocol that SUCAF refused to sign).

4.29. All in all, the sugar policy in CAR did not achieve its objectives of sustaining the company and preserving jobs. In July 2018, SUCAF was closed down for failure to pay CFAF 300 million (EUR 457,000) in VAT, after the 2018 Budget Law increased the VAT applicable to the company from 5% to the normal rate of 19%. SUCAF's monopoly thus came to an end.

4.1.3.4 Edible and sesame oils

4.30. The government intervenes (by approval) in determining prices owing to the existence of the Central African Palm Oil Company (CENTRAPALM), a state-owned company created in 1975 that produces palm oil from 2,500 hectares of palm trees. In 2019, CENTRAPALM produced 156 tonnes of oil out of a national total of 360 tonnes of production. CENTRAPALM sells oil to the privately owned companies *Huilerie et savonnerie centrafricaine* (HUSACA) (Central African Oil and Soap Mill) and SAVEX for soap manufacture.

4.31. Production resumed in 2017 owing to a loan of CFAF 4 billion (approximately EUR 6 million) from the Central African States Development Bank (CASBD) to finance an agro-industrial oil palm complex as part of the *Palme d'or* (Golden Palm) project. This project covers a concession of 16,000 exploitable hectares for oil palm growing in Mbaïki, located a hundred or so kilometres south-east of Bangui, the capital. Expected production is 15,000 tonnes; Husaca would consume 6,000, leaving 9,000 for local needs and export. CAR currently imports palm oils from Cameroon, the Democratic Republic of the Congo (DRC) and non-African countries.⁷²

4.32. Palm oil production was part of CAR's first "Tier 2" project under the Enhanced Integrated Framework Programme (Section 2.2), together with maize and sesame. Sesame is one of the only products to have seen increased production during the period. To export sesame, approval is required from the ORCCPA, which charges a fee of CFAF 60/kg; registration in the Trade Register is also required (Section 2.4). Work is in progress on national and international price regulation. The price varies by zone, depending on transport and type of production.

4.33. According to the ISIC definition, the simple average of the tariffs applied in the edible fats and oils industry is 20.8%, which is below the average rate levied on inputs. This is likely to discourage production.

4.1.4 Livestock products

4.1.4.1 General

4.34. In 2012, livestock breeding contributed around 4% of GDP (Table 1.1), and 25% of domestic production was exported. International trade is currently limited to some cattle and goats exported live to Congo and Cameroon, whereas some hides and skins are exported to Cameroon. Transhumance from Chad and Sudan to CAR in 2020 ended due to the closure of borders separating Sudan, Chad and CAR.

4.35. Breeders were particularly hard hit by conflicts in CAR, which undermined the entire pastoral system, from production techniques to international trade. Since 2018, however, land use agreement contracts had allowed some semi-nomadic breeders to return to central CAR.

⁷² Information viewed at: <http://centrafrique-presse.over-blog.com/2017/04/la-centrafrique-reliance-sa-production-d-huile-de-palme.html>.

4.1.4.2 Trade regulation

4.36. The regulatory framework for livestock farming dates from 1965⁷³ and also in part from the 1975 import and export regulations.⁷⁴ The sector is supervised by the Ministry of Livestock and Animal Health, which has a website.⁷⁵ A 2017-21 road map was published for the revival of livestock breeding in CAR, under the responsibility of the Ministry of Livestock and Animal Health, and in partnership with the United Nations Food and Agriculture Organization (FAO). Until recently, fundraising for its implementation was still in progress.

4.37. A number of entities are responsible for the sector's development. They generally obtain their financing through taxes and levies charged at border crossings, particularly for exports. Other taxes, fees and charges collected include the following:

- The National Livestock Development Agency (ANDE) controls the quality of animal products and livestock health, which includes conducting health inspections and training breeders. It represents CAR within the OIE. The ANDE levies the quality control tax at a rate of CFAF 50/kg of imported meat (of any kind), compared with CFAF 10/kg for meat (of any kind) produced locally or exported.⁷⁶ It also collects the health inspection tax⁷⁷ and the export tax, in the amount of CFAF 5,000;
- CAR is a member of the Economic Commission on Cattle, Meat and Fishery Resources (CEBEVIRHA). Exporters must purchase the CEBEVIRHA passport (CFAF 50/head of cattle); the health inspection costs CFAF 2,000/head (CFAF 1,000/head for small livestock). However, these passports only accompany cattle transported by barge to Brazzaville and do not cover cattle exported live to Cameroon⁷⁸;
- The National Federation of Central African Stockbreeders (FNEC), which supervises breeders and provides veterinary support/advisory services, levies CFAF 2,000/head;
- The Interprofessional Livestock Development Fund (FIDE), which dates back to 1995, levies the national market tax, paid on any purchase of livestock (CFAF 2,000/head). In 2007, the FIDE was scheduled to be replaced by the Agropastoral Development Fund (FDAP); and
- The Federation of Livestock Traders levies CFAF 1,000/head.

4.38. Restoring markets for the cattle subsector is a priority. With CFAF 5.3 billion in financing from the African Development Bank (AfDB), a new cattle market was opened in January 2020.⁷⁹ The Project to support the relaunching of the urban and peri-urban breeding industry in the Central African Republic (PARFEC), financed by the EU, aims to improve food security for the people of Bangui and surrounding areas.

4.1.4.3 Livestock by-products

4.39. The State Slaughterhouse Management Company (SEGA) is responsible for public slaughterhouses, including the one in Bangui, which slaughters between 150 and 170 animals per day. Only the Bangui slaughterhouse has cold rooms, which were operating in December 2019 by virtue of AfDB support. Modern butcher's shops and meat processing units are few in number, and their activities are not regulated.

⁷³ Law No. 65/61 of 3 June 1965.

⁷⁴ Decree No. 75/079 of 15 February 1975.

⁷⁵ Information viewed at: <https://www.gouv.cf/les-ministres/87/ministre-de-ievage-et-de-la-sante-animale>.

⁷⁶ Order No. 0018/MPMR/CAB/2001 of 25 April 2001.

⁷⁷ Information viewed at: https://www.oie.int/fileadmin/Home/eng/Support_to_OIE_Members/pdf/PVS-Report-RCA.pdf.

⁷⁸ Interministerial Order No. 0020/2001 of 25 April 2001.

⁷⁹ Information viewed at: <https://centrafrique-presse.info/article/13741/centrafrique-inauguration-du-nouveau-marche-a-betail-a-bouboui-dans-l-ombella-m-poko>.

4.40. The import customs tariff applicable to cattle on the hoof is 30%, for bovine meat it is 20% and for cattle hides 10%; this points to a negative tariff escalation that could discourage the processing of animal products.

4.1.5 Fisheries and aquaculture

4.41. The Ministry of the Environment, Sustainable Development, Water, Forests, Hunting and Fishing has as its declared ambition to encourage investment, including from abroad, in the CAR fisheries sector, particularly in the Oubangui and Sangha basins.

4.42. Fishery products are subject to high MFN customs duties (around 25%), which does not encourage improvements to competitiveness for export to neighbouring countries. In practice, contrary to Community provisions, fish is not generally accepted as a local product by the customs authorities of ECCAS and CEMAC countries. The tariff protection rate for (frozen or fresh) fish under the CEMAC CET is 30%, plus an excise duty of 25% and an IMF of 3%. This product is also subject to 19% VAT. As a local product, Central African fish should be eligible for duty-free import and export in the CEMAC zone, and be subject only to internal taxes. The draft Central African Fishing and Aquaculture Code, described in the 2006 TPR, was enacted in 2020.

4.1.6 Forestry products

4.1.6.1 Overview

4.43. CAR has around 23 million hectares of forest, covering close to 37% of its total surface area. Industrial forestry operations largely take place in the forest massif in the south-west. In 2021, 13 forestry companies were registered for official production, with 2 operating teak plantations. Eighteen permits were granted for small-scale production. Average annual production over the period 2011-21 was roughly 450,000 m³. Exports of rough wood and sawn timber during the same period were around 210,000 m³ and 240,000 m³, respectively. The forestry sector accounted for 2.4% of GDP in 2021 and 13% of the country's export revenue in 2016. The main destinations for Central African rough wood exports in 2021 were China (39%) and Germany (19%). Those positions were reversed for sawn timber exports, with Germany (31%) coming ahead of China (23%).

4.44. Rough wood production fluctuated between 324,283 m³ in 2010 and 422,812 m³ in 2019. According to the authorities, the outlook remains dependent on substantial financing for the acquisition of modern processing equipment. Industrialization would require investments in processing tools to create added value as well as to boost employment and government revenue.

4.45. In the domestic market, a marketing system dating from 1992 and amended in 2006, which distinguishes between producer, wholesaler, retailer and consumer, is no longer being applied, and sales are unrestricted. In October 2010, a government study on the marketing of wood highlighted the relative scarcity of wood products in the domestic market. Nevertheless, the small-scale and Community permits envisaged under the Forestry Code have not been allocated, which explains the low production capacity and unmet product demand.

4.46. Wood is CAR's main agricultural export (EUR 30.5 million in 2018 and EUR 32.2 million in 2019). The State derives about a third of its total tax revenue from this export. Of the 13 approved companies, 3 account for 71% of exports and are all foreign-owned (SEFCA with 31% of total Central African wood sales, Timberland with 28% and Centrabois with 12%).⁸⁰ Their activities have continued during the conflicts.⁸¹

4.47. Wood for export travels some 1,500 kilometres by truck to the port of Douala, a process plagued by numerous obstacles (see below). The leading export market is China (48,587 m³ in 2011), followed by Germany (48,427 m³) and France (30,006 m³).

⁸⁰ *Rapport annuel 2016*. Viewed at: <https://flegtvpafacility.org/wp-content/uploads/2022/05/CAR-VPA-AR-2016-FR.pdf>.

⁸¹ Information viewed at: https://www.lemonde.fr/afrique/article/2015/07/15/centrafrique-le-commerce-de-bois-a-t-il-alimente-la-guerre_4683280_3212.html.

4.1.6.2 Market regulation

4.48. The 2008 Forestry Code refers to sustainable forest management in the context of development plans, in accordance with the 2005 Treaty on the conservation and sustainable management of Central African forest ecosystems, which established the Central African Forests Commission (COMIFAC). Accordingly, Customs collects a "COMIFAC levy" of 0.1% on all merchandise imports (Section 3.1.4.2). In 2012, this tax totalled CFAF 62 million (EUR 94,500).

4.49. The sector is supervised by the Ministry of Water, Forests, Hunting and Fishing, which has a website.⁸² The Ministry manages the tendering procedure for management and operating permits (PEAs), which are issued by decree to forestry companies; their areas of concession and the conditions for exploiting them are laid down by the PEAs. Approved companies are required to prepare and abide by a management plan included in the conservation, protection and management plan for the State's forests. According to the authorities, as of September 2019, all of CAR's 11 PEAs allocated to concessionaires contained formally approved management plans. Some news articles claim that, in reality, the management plans are not supervised.⁸³

4.50. According to the authorities, 70% of production must be processed locally. In practice, the share of volumes processed by the six companies active in this area fell sharply. The processing rate dropped from around 49% in 2001 to 14% in 2017, before climbing back up to 29% in 2021. A CEMAC Community decision of 18 September 2020 banning rough wood exports by all countries in the Congo Basin was to take effect on 1 January 2022. The Council of Ministers decision delayed the entry into force until 1 January 2023.

4.51. Some 60 species are listed, but production covers mainly the following: Sapelli, Sipo, African mahogany, Aniegre and Iroko. The areas of planted forests are negligible (about 7,000 hectares). In total, 30 or so species are processed, with Sapelli (*Entandrophragma cylindricum*) and Ayous (*Triplochiton scleroxylon*) accounting for approximately 68% of the total volume in 2021.

4.52. In 2011, CAR signed the bilateral Voluntary Partnership Agreement with the EU (FLEGT-VPA) to provide secure access to European markets for its forestry production. The purpose of this process is to improve forestry governance and ensure that wood imported into the EU meets all regulatory requirements. Its objectives are to contribute to the fight against illegal logging and improve forest resource management. In January 2020, 20 Central African enterprises were approved under the FLEGT-VPA. A financing agreement signed in 2012 with the EU in the amount of EUR 6.7 million for support to implement the VPA could not be carried out due to conflicts; its implementation resumed in 2019.

4.53. The World Bank also launched a Natural Resource Governance Project in CAR, of which the forestry sector could be one of the main beneficiaries.⁸⁴

4.54. The Sustainable Forest Resources Management Agency (AGDRF) monitors implementation of management plans and oversees exploitation activities.

4.1.6.3 Taxes on production and exports

4.55. The Ministry of Trade and Industry has been setting the "reference price" for wood, on which export taxes are based, since 2008. The Forestry Code (Article 183) provides that the reference price per cubic metre of each species is determined twice yearly in CFAF by joint order of the Ministries responsible for trade, finance and forests on the basis of the previous month's f.o.b. prices. CAR signed an agreement with the privately owned SGS Cameroun in September 2018 to establish

⁸² Information viewed at: <https://www.gouv.cf/les-ministres/84/ministre-des-eaux-forets-chasse-et-peche>.

⁸³ Information viewed at: https://www.lemonde.fr/afrique/article/2015/07/15/centrafrique-le-commerce-de-bois-a-t-il-alimente-la-guerre_4683280_3212.html.

⁸⁴ World Bank, Natural Resource Governance Project. Viewed at: <http://documents.banquemondiale.org/curated/fr/725911558426725248/pdf/R%C3%A9publique-Centrafricaine-Projet-de-Gouvernance-des-Ressources-Naturelles-Mission-Sectorielle-22-F%C3%A9vrier-au-8-Mars-2019.pdf>.

a more reliable basis for determining these prices. The SGS thus provides world prices for some 20 species.

4.56. According to the authorities, since 2019, the private sector has considered the reference prices, and therefore the taxes, to be too high. Despite a decline in exports between 2018 and 2019 due to lower international demand, export values increased nonetheless. The BIVAC verification programme, in place since 2005, ended in 2019. This programme covered the inspection, identification and marking of rough wood for export when they are loaded on to trucks as well as of wood products entering and leaving sawmills and travelling through the border posts with Cameroon. BIVAC was also responsible for securing customs revenue by verifying the price of wood, as the basis for applying exit duties. The exporter paid BIVAC's fees, which amounted to 1% of the free-on-truck value (i.e. leaving the Central African Republic on a truck), determined twice yearly by joint order of the Ministers responsible for forests and finance; 19% VAT was charged on the fees, which were a minimum of CFAF 140,000 (EUR 213).

4.57. The areas under PEAs are subject to a leasing tax (CFAF 500/ha of useful area under the PEA), felling tax (7% of the reference price per m³ felled) and a reforestation tax (11% of the reference price per exported m³ of all species).

4.58. Additional duties and taxes are levied on exports of forestry products, including an exit duty of 8% of the f.o.b. value for wood in the rough, 4% for sawn wood and 1% for wood products. A minimum flat rate tax of 2% of the export value is added to the above, as is the REIF (0.5% of the export value) and the costs associated with the certificate of origin and the phytosanitary certificate.

4.59. Wood is exported primarily through Cameroon. The numerous administrative steps, the taxes collected all along the transport chain, and the very poor state of the supply routes place a strain on the cost price of the items being sold. Operators complain that these and other taxes are again collected at the time of export by the Port of Douala, further reducing their income. They cite the following:

- handling charges for placing the goods on board the ship ("f.o.b. charges");
- subcontracting commission charges: CFAF 15,000 per delivery note (BL);
- fees paid to Cameroonian customs: CFAF 10,000 per BL;
- GUCE authorization fees: CFAF 10,000 per BL;
- computer tax: CFAF 15,000 per BL;
- BL costs: CFAF 20,000;
- certificate of origin fee: CFAF 10,000 per BL;
- phytosanitary certificate fee: CFAF 10,000 per BL;
- EUR1 certificate fee: CFAF 5,000 per BL;
- the cost of storing wood with the *Société d'exploitation des parcs à bois du Cameroun* (Cameroon Timber Company);
- commissions on disbursements;
- equipment rental fees; and
- parking fees after 11 days (demurrage).

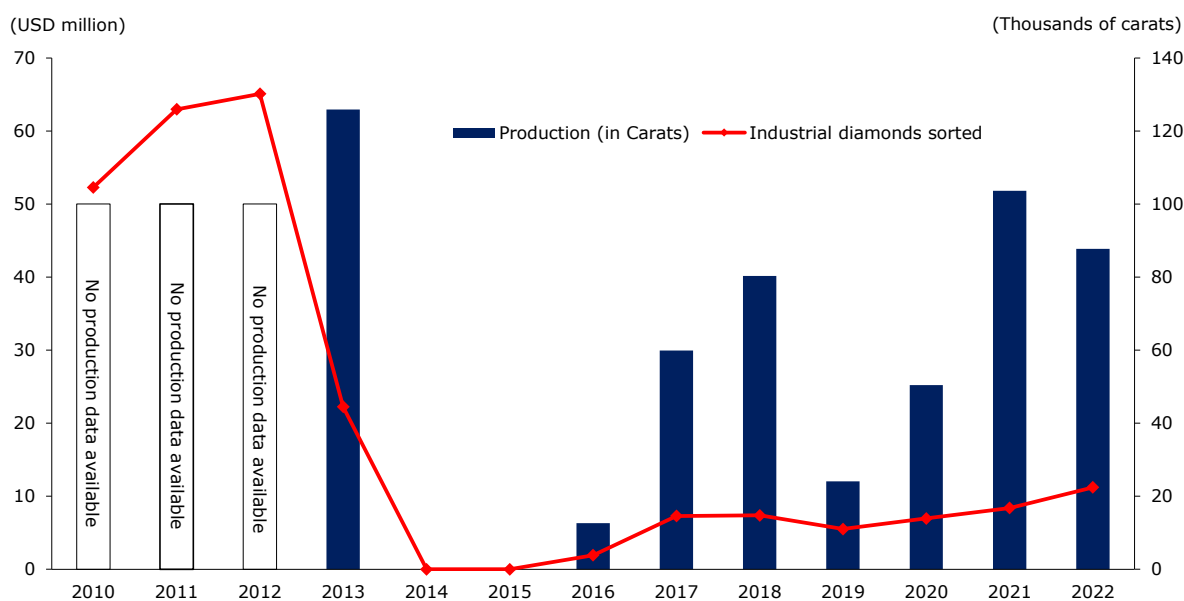
4.2 Mining and energy

4.2.1 Mining products

4.2.1.1 Overview

4.60. CAR's subsoil is rich in mineral deposits, including deposits of diamonds, gold, iron, uranium and petroleum, but only the diamond and gold deposits are exploited. CAR diamonds are known to be of a particularly high quality (Chart 4.1). They are exported rough and cut exclusively abroad. There have been major fluctuations in the production and export of official diamonds since 2013 (Chart 4.1). Official gold exports had a taxable value of around CFAF 6 billion in 2019.

Chart 4.1 Diamond exports



Note: Data for 2022 cover only the period from January to October.

Source: WTO Secretariat calculations based on data from the International Trade Centre's Trade Map and information provided by the Ministry of Mining and Geology (MMG).

4.61. CAR is working to promote sustainable investment in the mining sector, including foreign investment. The Ministry of Mining and Geology (MMG) seeks to strengthen coordination between domestic actors in order to tackle the illegal trafficking of natural resources, secure production areas and regain control of mining sites. CAR has rejoined the Extractive Industries Transparency Initiative (EITI), having been suspended from it in 2013. According to the authorities, the changes and reforms being made within the mining sector are helping to improve basic production and marketing channels. Small-scale mining is growing due to an increase in semi-mechanized operations.

4.62. In 2013, CAR was placed under sanction by the Kimberley Process (KP).⁸⁵ An embargo was placed on exports of rough diamonds from the country, as armed groups were mining and selling gold and diamonds illegally to fund their activities. As a result, the country's economy contracted by 37% in 2013, illustrating the weight of the mining sector within the economy. The KP embargo was lifted for just one part of the country in 2015; in 2022, exports of diamonds were only authorized from just over 30 of the country's 72 subprefectures. The volume of exports has increased since the partial lifting of the embargo but remains below pre-crisis levels. The official gold trade is also

⁸⁵ Information viewed at: https://www.kimberleyprocess.com/fr/system/files/documents/central_african_republic_annual_report_2018.pdf.

growing. Nevertheless, the mining sector accounted for 1% of the State's tax revenue in 2018, which is well below the 18% it contributed in 2011.⁸⁶

4.2.1.2 Measures affecting production

4.63. The 2009 Mining Code was described in the previous review.⁸⁷ It governs the prospecting, exploration, exploitation, possession, movement and processing of all mineral substances in CAR, with the exception of uranium and hydrocarbons, which are covered by separate provisions (see below). The State may, without payment, take a share of 10% or more in the capital of mining companies holding exploration or exploitation permits; the share taken depends on the size of the deposit and the nature of the mineral. The MMG decided to revise the Mining Code with a view to attracting foreign investment, in line with the recommendations of the forum on private-sector development held in 2015. At end-2022, the revision of the Mining Code was in its final stages, and the implementing decree was in preparation. For any company being set up in the country, an agreement will be signed setting out certain rules for collaboration between the Mining Department and the company.

4.64. The national KP Monitoring Team was set up in 2015, as was an operational framework for the resumption of exports. The Monitoring Team is made up of representatives of civil society; the mining authorities, including the Special Anti-Fraud Unit; the KP Focal Point; small-scale miners and mining cooperatives; collectors; purchasing offices; and mining companies. The team and these entities are still operational.

4.65. A total of 116 exploration and exploitation permits to mine gold and diamonds were granted by decree between 4 January 2018 and 26 February 2019.⁸⁸ There was a slight increase in the number of permits granted between 2020 and 2022. These were mainly exploitation permits for small-scale, semi-mechanized mining granted for a period of one to five years. Some of the permits were obtained by foreign companies, including European, African, Russian and Chinese enterprises.

4.66. Almost half of the newly granted exploitation permits are for areas outside the KP-authorized "green zone". Under the KP, it is not illegal to mine diamonds outside the green zone, but exports from such areas are prohibited. Article 43 of the Mining Code entitles the holder of a semi-small-scale permit to exploit all the mineral substances found within the attributed area but does not specify which minerals can be exported. If companies produce diamonds outside the green zone (which is authorized under the KP), they are required to store those diamonds until the embargo is lifted. However, it is very difficult to control production and storage, particularly in the east of the country, which was still under embargo at the end of 2022.

4.2.1.3 Measures affecting exports

4.67. Only mining companies, authorized purchasing offices and organized and approved mining cooperatives (for exports of at least CFAF 20 million, about EUR 31,000) may export precious stones and precious and semi-precious metals.⁸⁹ Small-scale miners are required to sell minerals either to certified collectors, who must then sell them on to a purchasing office, or directly to a purchasing office, which will then export the minerals or provide processing facilities.

4.68. In January 2020, around 20 purchasing offices were authorized by decree to sell rough diamonds and gold. As part of the international surveillance carried out by the KP Monitoring Team, these offices must ensure that no individuals linked to armed groups are involved in their supply chains. All exports are in rough form. The ADAMASWISS purchasing office used to melt gold down and export it in ingots. The foundry halted its operations in 2011 but in 2022 it was operating under the name SWISS GOLD VALUE.

⁸⁶ Information viewed at: <https://www.jeuneafrique.com/856132/politique/centrafrique-moscou-souhaite-la-levee-totale-de-lembargo-sur-les-diamants/>.

⁸⁷ Law No. 09.005 of 29 April 2009. Viewed at: <http://www.droit-afrique.com/upload/doc/rca/RCA-Code-2009-minier.pdf>.

⁸⁸ *RFI Afrique*, 27 May 2019. Viewed at: <http://www.rfi.fr/afrique/20190522-centrafrique-mines-diamants-kimberley>.

⁸⁹ Article 96 of Ordinance No. 04.001 of 1 February 2004 (Mining Code).

4.69. Valuations of precious and semi-precious stones and metals intended for export are carried out exclusively by the Bureau for the Valuation and Control of Diamonds and Gold (BECDOR). Since 2017, a minimum reference price has been set for the export of rough diamonds.⁹⁰ The KP Permanent Secretariat (SPPK) is responsible for drawing up the certificate of origin, which is issued once the exporter has submitted all legal documents relating to the package's traceability and its valuation by BECDOR. Controls and valuations are carried out by a committee (made up of BECDOR experts, a customs representative, tax agents and the Special Anti-Fraud Unit). Following the resumption of exports, export applications must be sent to the KP Monitoring Team for review and approval.

4.70. The export tax rates (Table 3.6) applied to precious stones and metals are set out in the country's financial legislation. The following are the taxes on exports: the exit duty (DS), at 1.50%; the REIF, at 0.25%; the Mining Industry Development Project (PDSM) levy, at 0.50%; the SPPK levy, at 0.50%; and the IMF, at 1.25%. In total, purchasing offices must pay taxes amounting to 4% of the diamonds' export value; in practice, taxes are levied on a very small quantity of diamonds in relation to the number circulating informally.

4.71. The following taxes are levied on official gold exports: the DS, at 1.25%; the REIF, at 0.50% and the PDSM levy, at 0.50%. This amounts to 2.25% of the export value.

4.2.2 Energy

4.72. More than 96% of the energy consumed in CAR still comes from firewood, charcoal and farm residue; around 3% comes from imported petroleum products and less than 1% from electricity.

4.2.2.1 Petroleum products

4.73. Oil exploration was first carried out in CAR in 1973, by a US consortium;⁹¹ since then, contracts have been negotiated to exploit these resources. The prospecting, exploration, exploitation and transportation of hydrocarbons by pipeline through the country are governed by a 1993 ordinance, whose provisions are implemented by the Ministry of Mining, Energy and Water Resources (MMEH).⁹² In December 2019, two Chinese companies held prospecting permits.⁹³ Currently, three companies have prospecting permits: the two Chinese companies and a South African company still in the exploration phase in the west of the country.

4.74. CAR does not currently produce any petroleum products and imports all the refined petroleum products its needs. In 2018, fuel imports amounted to the equivalent of around EUR 20 million, or EUR 3.6 per capita. In December 2019, almost half of all petroleum imports, in terms of value, were not recorded in the computerized customs management system ASYCUDA.

4.75. Law No. 07.005 of 24 April 2007 reorganizing the downstream petroleum subsector in CAR governs competition, the granting of approval and licences, specifications for operators, and prices; a 2012 decree sets out the related implementing regulations.⁹⁴ The Agency for the Stabilization and Regulation of Petroleum Product Prices (ASRP) is responsible for ensuring the proper functioning of the subsector and its development throughout the national territory. This includes monitoring global prices, carrying out competitive bidding for the provision of supplies, and regulating and stabilizing petroleum prices.

4.76. Law No. 07.007 of 24 April 2007 assigns sole responsibility for storing and handling petroleum products and derivatives to the Central African Petroleum Product Storage Company (SOCASP), in

⁹⁰ Order No. 86 of 2 November 2017 setting the minimum reference value for rough diamonds intended for export.

⁹¹ UNDP (2017), *Rapport de diagnostic du secteur énergétique de la République Centrafricaine*. Viewed at: <https://info.undp.org/docs/pdc/Documents/CAF/Rapport%20de%20diagnostic%20du%20secteur%20C3%A9nergie%20RCA%20VF.pdf>.

⁹² Ordinance No. 93.007 of 25 May 1993 on CAR's Petroleum Code.

⁹³ PTI-IAS and PTI-AL are both subsidiaries of Poly Technologies, a leading state-owned Chinese military and civilian equipment manufacturer. Viewed at: <http://www.rfi.fr/afrique/20160206-rca-wikileaks-societes-chinoises-petrole>.

⁹⁴ Decree No. 12.019 establishing the regulations implementing Law No. 07.005 of 24 April 2007 reorganizing the downstream petroleum subsector in CAR.

which the State holds a 51% stake. The remaining 49% of the company's capital is held by private "marketers". In July 2019, SOCASP unveiled a new tank capable of storing 5.5 million litres of hydrocarbons, thereby improving the country's storage and supply of petroleum products.

4.77. All other downstream oil industry activities (import, re-export, transport, distribution and marketing of hydrocarbons) are undertaken by marketers, of which there were three in December 2019: Total-Centrafrrique, TRADEX and SARP Oil. However, more companies obtained approval to operate as marketers in 2020 (Rowell-Oil, Litoko and Bocom).

4.78. Distributors import either by river via Kinshasa or overland via Douala in Cameroon or N'Djamena in Chad. The current regulations stipulate that, during the period when waterways are navigable, 80% of the country's supply must be affected by river and 20% by road, given the high cost of land transport. Private marketers manage all aspects of the import process. SOCASP then stores the imports and supplies the service stations.

4.79. Import prices are negotiated freely by the marketers and may therefore vary from one marketer to the next. The ASRP sets selling prices by reference to world prices and to those in force in other CEMAC countries. It acts as the secretariat for the Petroleum Product Price Structure Committee, which submits the price structure on a monthly basis for approval by the Minister responsible for energy. The ASRP is also responsible for monitoring the security stocks that distributors must maintain.

4.80. Imports are subject to a series of taxes and fees set by decree. The tariff grid includes a single tax on petroleum products (TUPP), which is specific (CFAF/litre), and customs duties; both taxes are payable by the marketers to the Government. If the (fixed) selling price is higher than the import price (including taxes), a remittance is made to the Government; if the selling price is lower, the marketers receive payment from the Government.⁹⁵ This system can result in the State incurring losses in the event of sharp fluctuations in world prices.

4.81. The "distributor's" margin is determined according to the type of product and the amount to be sold under the investment plan that each distributor negotiates with the Government. A 15% "manager's" margin remunerates services related to the operation of service stations and storage.

4.2.2.2 Electricity

4.82. According to the authorities, CAR's electricity market is open to foreign investors. A national investment guarantee fund is being created to facilitate private investment.

4.83. CAR has a dense hydrographic network with an estimated potential hydroelectric capacity of 2,000 MW; this is spread over some 40 hydroelectric power stations with varying potential capacities of 5–180 MW. The actual total installed capacity of the interconnected network is around 37 MW, and the rate of access to electricity remains among the lowest in Africa, at 4%; the access rate is 20% in the capital, Bangui, and 1% for towns in the interior and rural areas.⁹⁶

4.84. Since 2016, several projects to improve access to electricity have been launched, such as the Emergency Electricity Supply and Access Project (PURACEL), funded since 2017 by the World Bank and the International Development Association.⁹⁷ PURACEL aims to improve electricity supply and access for current electricity users in Bangui; strengthen the production and distribution capacity of the national state-owned company, ENERCA; and provide institutional support to improve management of the sector. The project also supports the Ministry responsible for energy development (MMEH). The project was expected to increase the number of hours of electricity supply by reducing power outages and cuts.

⁹⁵ Decree No. 16.288 of 8 July 2016 prescribing the pricing methodology for petroleum products in CAR.

⁹⁶ UNDP (2017), *Rapport de diagnostic du secteur énergétique de la République Centrafricaine*.

Viewed at:

<https://info.undp.org/docs/pdc/Documents/CAF/Rapport%20de%20diagnostic%20du%20secteur%20C3%A9nergie%20RCA%20VF.pdf>.

⁹⁷ Information viewed at:

<http://documents.worldbank.org/curated/en/622061546583419355/pdf/Rapport-d-finitif-EIES.pdf>.

4.85. Most of ENERCA's output is sourced from hydroelectricity. The Boali 1 and Boali 2 power stations (built in 1954 and 1976, respectively), with a total capacity of 18.75 MW, are located some 80 km from Bangui and are linked to the capital by two medium-voltage lines. These facilities are obsolete. Thermal energy represents only 2% of total production; it is rarely used owing to the high cost of fuel. ENERCA still finds it difficult to collect its revenue, particularly from state-owned enterprises. Numerous independent entities have begun producing their own electrical power using generating sets, solar kits and hydroelectric micro-stations. Several electrification projects are at varying stages of development.

4.86. In terms of the international electricity trade, a medium-voltage line runs from the neighbouring Democratic Republic of the Congo to Mobaye (608 km from Bangui). Imports are subject to the CEMAC CET rate of 10% and VAT of 15%, in keeping with Article 166*bis* of the General Tax Code.

4.87. The 2005 Electricity Code sought to open up electricity generation, imports, exports, transmission and distribution to competition and authorized entities to generate their own power.⁹⁸ The 2005 Code did not enter into force, as there were no implementing regulations. In practice, a monopoly on the distribution and transmission of electricity remains in place. At end-2022, the Code was still in the process of being amended. The MMEH's Directorate-General for Energy issues operating authorizations, subject to prior technical approval by the Autonomous Regulatory Agency for the Electricity Sector (ARSEC). Entities that generate their own power are, in theory, required to declare their equipment and obtain prior administrative authorization before using their facilities. The Code also gives those entities the discretion to sell their surplus energy to other consumers at prices set by an order from the Minister responsible for energy at levels that are insufficient to cover the sector's production costs and technical losses. The rate scale in use dates from 8 February 2006. Under the scale, public lighting is billed at CFAF 70/kW; a rate of CFAF 161/kW is applied in secondary centres; and the medium-voltage rate consists of a standing charge of CFAF 2,750/kW, plus a variable component (day, night, etc.) with a penalty for overconsumption of CFAF 26/kW. A special charge of CFAF 10/kW is invoiced by ENERCA and turned over to ARSEC; a contribution of CFAF 2/kW is also levied by ENERCA.⁹⁹

4.3 Manufacturing

4.88. CAR has several agricultural and food processing industries, forestry industries specialized in rough wood and sawn wood exports (Section 3.1.6), manufacturing units for aluminium sheets, various chemical products and construction materials, garment workshops and other small-scale activities. The difficulties facing the country's manufacturing sector are immense and stem mainly from a lack of funding, untimely power cuts, the poor state of roads and transport equipment, high levels of formal and informal taxation, including on imports, and a lack of qualified workers.

4.89. Both domestic and foreign companies wishing to invest in the country can make use of the provisions of the Investment Charter (reduced customs duties and VAT, and lower domestic taxation). The GUCE/CCIMA Centre for Business Formalities also tries to facilitate procedures. These provisions are described in Section 2.4.

4.90. As part of the Programme of Support for Trade and Economic Integration (PACIE), the United Nations Industrial Development Organization (UNIDO) runs the Central African Quality Infrastructure Programme (PIQAC) and the Regional Upgrading Programme (PRMN). The aim of PIQAC is to strengthen competitiveness and ensure the diversification of productive sectors by providing support to the institutions responsible for product quality. The PRMN helps implement upgrades for eligible manufacturing companies (as well as industry-related services companies in accordance with identified needs). UNIDO has selected seven companies in CAR for a pre-assessment; these include four companies that were selected for the PRMN's pilot phase: the SN-HUSACA plant oil factory, SUCAF (Section 4.1.3.3), Graine de moutarde and CAFE GBAKO. The project has been put on hold as a result of military and political events in the country.

4.91. In 2020, domestic pharmaceutical market players included a Chinese company, ASPHARCA, which produces solid solutes, and an Indian generics plant, ROFFE PHARMA. The country also has the Pasteur Institute, a reference laboratory for medical analyses, medical research and public health

⁹⁸ Ordinance No. 05.001 of 1 January 2005.

⁹⁹ Order No. 017/2006/MMEH/DIRCAB/DGE of 8 February 2006.

support and training. Imports of medicines are subject to the CET on medicines of 5%, as well as the Community integration tax (TCI) of 0.4% and the REIF of 0.5%. These duties drive up the prices of medicines.

4.92. Since 2004, the Drug Procurement Unit (UCM) has been importing medicines alongside private wholesalers. The UCM supplies public facilities, as well as private facilities and NGOs. The National Essential Medicines List sets out the medicines distributed by the UCM. The UCM procurement committee is responsible for awarding contracts. Purchase prices are compared with WHO's reference pricing and the results are published; these procedures are meant to make prices more favourable. The UCM is supposed to perform quality controls on imported medicines, although this procedure does not appear to be respected by wholesalers.

4.93. There are three private-sector wholesalers that import medicines and medical devices, namely the Centrafraicaine des pharmacies (CENTRAPHARM), set up in 1992; ROFFE PHARMA, which distributes medicines from three pharmaceutical laboratories; and SHALINA, which represents an Indian laboratory and markets only its own products. Other structures involved in the supply of essential medicines include the Ministry of Health, denominational entities, and partners (UNDP, USAID, MSF, the Global Fund to Fight AIDS, Tuberculosis and Malaria, WHO and UNICEF). According to MSF, nationwide medicine shortages can sometimes last for several months.¹⁰⁰

4.94. In 2009, WHO conducted a study on the supply of essential medicines in CAR. The recommendations of the study were supposed to serve as the basis for a plan in that area. One of the recommendations was to require all programmes and partners to use the UCM for importing, storing and distributing medicines. CAR has not yet accepted the Protocol Amending the TRIPS Agreement, which offers additional flexibilities to grant special compulsory licences for the export of medicines and facilitate access to them.¹⁰¹

4.4 Services

4.95. Several sectors (banking, insurance, certain professional services and transport) are partly regulated at the Community level, but there is no indication that the Community provisions have been transposed into domestic law. In 1994, the CAR made specific WTO GATS commitments only regarding tourism.¹⁰²

4.96. Law No. 16.006 of 30 December 2016, establishing CAR's Commercial Code, and its implementing Decree No. 20.335 of 10 September 2020 state that the provision of any service (educational, telecommunications, financial, transport, legal, tourism, medical, environmental, architectural, energy-related, cultural and sporting, as well as accounting) is still subject to prior approval signed by the Minister responsible for trade.

4.97. Under the 2020 Budget Law, imports of services (payments made abroad for services) are taxed at a rate of 15% in CAR; this levy is a form of withholding tax.¹⁰³

4.4.1 Transport services

4.98. The transport sector is regulated both at the Community level (Common Report, Section 4.5) and at the national level. The Ministry of Transport and Civil Aviation is the public authority responsible for the sector. It apparently has no website.

4.99. The authorities have indicated that the country's transport sector is open to private investment, including foreign investment; private investment in road paving, in the repair and/or replacement of barges and other water transport equipment, in improving the navigability of the Ubangi and Sangha Rivers and in projects to build bridges over those rivers would bring major

¹⁰⁰ Information viewed at: https://www.msf.fr/sites/default/files/a_state_of_silent_crisis_fr.pdf.

¹⁰¹ How to approve the Protocol Amending the TRIPS Agreement. Viewed at: https://www.wto.org/english/tratop_e/trips_e/accept_e.htm.

¹⁰² WTO document GATS/SC/17 of 30 August 1995.

¹⁰³ Online information from the Ministry of Finance. Viewed at: <http://www.finances-budget.cf/component/k2/item/388-lof2020>.

benefits for the country's entire economy, given CAR's geostrategic location at the crossroads of transcontinental trade flows.

4.4.1.1 Air transport

4.100. Bangui M'poko International Airport receives the bulk of the country's air traffic, but there are also reported to be 40 aerodromes throughout the country in various states of operation. A CFAF 4 billion project to renovate Bangui airport began in 2017 and was co-funded by the French Development Agency and the Central African States Development Bank (CASBD). Bangui airport receives around 120,000 passengers each year.¹⁰⁴ Some international airlines (Air France, Asky-Togo, Kenya Airways and Royal Air Maroc, in March 2022) offer flights to Bangui during the day (the airport cannot be used at night). In addition to flights from their national hubs, some airlines also offer fifth freedom flights from third-country destinations such as Entebbe in Uganda, Brazzaville in the Republic of the Congo, Port Harcourt in Nigeria, Jeddah in Saudi Arabia and Douala in Cameroon. Cameroon's national airline, Camair, resumed flights to Bangui in April 2023, with three flights per week.

4.101. Aviation relations with CEMAC members are governed by the Libreville Treaty, which is described in the Common Report. The series of bilateral air transport agreements that CAR has with countries outside CEMAC is, however, broader than the actual number of destinations served.

4.102. The following airlines have been approved by the Ministry of Transport to operate domestic flights: Aviation Machine Works, Centrafri'air, Centrafrique Airlines, Centrafrique Air Express, Central Airways, Inter RCA, Karinou Airlines, Linex, Minair, Société Centrafricaine de Transport Aerien, Bako Air, Lobaye Airways and Air Bangui.¹⁰⁵ There are no public data on the freight and passenger traffic of these airlines. Some of these companies are no longer in operation. It should be noted, however, that the list of approved airlines increased by two between 2020 and 2022, which could indicate an increase in activity. Much of the freight traffic is assured by flights chartered by humanitarian organizations. Recurring fuel shortages make conditions for air transport difficult.

4.103. According to the authorities, the market is open to competition, including foreign competition, with the exception of domestic services, which are reserved for CAR-based companies (Section 2.4) with equity of CFAF 50 million (around EUR 76,000).

4.104. Several legal texts and regulations have been adopted since the previous review in 2013 with a view to reducing the safety problems affecting air transport in the country. In 2015, CAR adopted an order on flight safety, regulations establishing the conditions of use of planes by commercial airlines, and regulations establishing airworthiness conditions for civil aircraft.

4.105. The provision of domestic air transport services is regulated by Law No. 65.063 of 29 July 1965, which in principle prohibits cabotage by foreign companies. Under Article 10 of Decree No. 09.036 of 23 June 2009, foreign air transport companies may only provide commercial services in CAR if they are authorized and designated by their countries of origin and approved by the aviation authorities of CAR.¹⁰⁶ According to the authorities, all the applications that are submitted are approved. The CEMAC 2000 Civil Aviation Code is described in the Common Report and is the subject of a 2007 implementing decree. The authorities have indicated that CAR fully applies the Yamoussoukro Declaration on a New Africa Air Transport Policy, which liberalizes Africa's civil aviation market for African airlines.

4.106. The National Civil Aviation Authority (ANAC), which was created in 2009, is responsible for regulating civil aviation.¹⁰⁷ ANAC's organization chart was established in Order No. 078-19 of 28 October 2019. The Transport Minister's Order No. 354-19 of 8 January 2019 sets forth the schedule of air transport fees charged by ANAC. The country's airports are managed by the Directorate-General of Civil Aviation and Meteorology. Airport services are managed by the Agency

¹⁰⁴ Bangui M'poko Airport. Viewed at: https://www.aeroport-bangui.com/fr/informations_aeroport.php?idnew=390.

¹⁰⁵ Bangui M'poko Airport. Viewed at: https://www.aeroport-bangui.com/fr/int/booking/national_fleet.php?lg=fr.

¹⁰⁶ Decree No. 09.036 of 23 January 2009 regulating commercial air transport in the CAR.

¹⁰⁷ Articles of association viewed at: <http://www.finances-budget.cf/documents/agences-et-organismes/459-rca-xxxx-xx-anac-statuts-de-l-autorite-nationale-de-l-aviation-civile/file>.

for Air Navigation Safety in Africa and Madagascar (Common Report Section 4.3), which oversees air service operators and is responsible for air transport safety. The Transport Minister's Order No. 348-17 of 4 May 2017 established a national air transport safety programme.

4.107. No information on regulations regarding aircraft maintenance, the approval of aircraft maintenance companies or ground handling was provided, even though this is provided for in the CEMAC Code. A privately owned international company, Menzies Aviation Handling Services, is the only company that provides ground handling services to air transport operators and users at Bangui M'poko Airport. This company also transports passengers to the terminal building, manages airport infrastructure and equipment, and runs cargo chartering, handling, transport and representation operations.

4.4.1.2 Road transport

4.108. Road transport plays a crucial role in CAR's economy. The country's road network spans a total of 24,000 km, of which only 700 km are paved. National roads cover 4,500 km and regional roads 3,900 km. The rest of the network (more than 60%) is made up of rural roads between villages; these roads are in poor condition, and some regions cannot be reached by road during the rainy season. Since 2014, the World Food Programme, the United Nations Office for Project Services, the World Bank and the NGO ACTED have undertaken road and bridge repairs for humanitarian purposes. The United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (Section 2.1) does the same for military purposes.

4.109. In theory, only local hauliers can provide domestic transport services, which are subject to minimum tariffs that are published regularly and based on fuel price trends. There do not appear to have been any new regulations concerning interurban road transport since Ordinance No. 88.011 of 11 March 1988 and its implementing Decree No. 88.151 of 25 April 1998 and Decree No. 90.043 of 13 February 1990 organizing road transport.

4.110. International road transport services with neighbouring countries are governed by market-sharing agreements between the parties' hauliers, which limits competition from new operators.

- In May 2018, CAR and Congo entered into an agreement to share access to the overland transport market among providers registered in one or other of the two States, with 70% of the cargo volume (and 100% of the transported volume of hydrocarbons and government purchases) reserved for hauliers from the receiving State.¹⁰⁸
- Another agreement reserves road transport between CAR and Cameroon for hauliers of CAR or Cameroon nationality, with 60% for hauliers using vehicles registered in CAR, and 40% for hauliers using vehicles registered in Cameroon.¹⁰⁹ In practice, however, the authorities have stated that, unfortunately, 90% of transport is carried out by Cameroonians.
- Two agreements, with Chad and Sudan, are in preparation.

4.111. The sharing of cargoes between these countries is managed by the Central African Road Charter Bureau (BARC) and the Cameroon Land Freight Management Bureau (BGFT). The management bureaux levy a 4% commission on the pre-tax value of transport services provided. When BARC itself is the charterer, an additional 2% commission is levied.

4.112. In July 2012, the World Bank approved USD 125 million in funding for repairs to the roads between Douala in Cameroon and Bangui in CAR, thereby improving access to roads linking the two cities irrespective of the season. The project also financed road safety activities and the facilitation of goods transport. This should make the country more attractive to trade and investment.

4.4.1.3 River transport

4.113. The Ubangi River is the country's main waterway. It is used to export wood and live cattle and to import petroleum products when the season is favourable. The Ubangi's flow varies from less

¹⁰⁸ Agreement on land transport of goods between CAR and the Republic of the Congo of May 2018.

¹⁰⁹ Convention of 22 December 1999 on land transport of goods between Cameroon and CAR.

than 1,000 m³/s on average in March in Bangui (which limits navigability) to 8,000 m³/s in October. Downstream traffic can cover 1,200 km in six to seven days (to Brazzaville) and upstream traffic in seven to 12 days (from Brazzaville). Goods are then transported to Pointe-Noire in Congo via the Congo Ocean railways, or to Kinshasa (in the DRC).

4.114. Groupe Bolloré (whose African operations are in the process of being acquired by the Italian-Swiss shipping company MSC) has held the concession for the container terminal at the port of Bangui since 1996. The Central African River Transport Company (SOCATRAF), in which Groupe Bolloré holds a nearly 68% stake, manages the port and all barge transport from Bangui to Kinshasa and Brazzaville. The use of only one river transporter limits competition. However, on the upstream section of the Ubangi River between Bangui and Mobaye, SOCATRAF is in competition with the Central African Association of Whale-boats and Small Craft (APBMEC), whose members own 38 "whale-boats" measuring 18–32 m in length.

4.115. The regulatory framework for river transport includes: the CEMAC Inland Waterway Navigation Code (1999) and various memorandums of understanding with the DRC and the Republic of the Congo; Decree No. 12.113 of 5 June 2012 organizing the river and maritime professions and auxiliary transport professions; and Decree No. 09.184 of 19 June 2009 organizing waterway transport in CAR and its subsequent texts. There is no law governing subsectors such as maintenance, cabotage and pilotage.

4.4.2 Telecommunications services

4.4.2.1 Market overview

4.116. Table 4.3 shows the main telecommunications indicators for CAR in 2020 and Table 4.4 lists the average prices of the different types of services in 2021.

Table 4.3 Key telecommunications indicators, 2020

Indicators	Data
Population covered by a mobile cellular network	56%
Population covered by at least a 3G network	41%
Population covered by at least a 4G network	0%
Individuals owning a mobile phone	..
Households with Internet access at home	..
Households with a computer at home	..
Mobile cellular subscriptions per 100 inhabitants	38
Fixed telephone subscriptions per 100 inhabitants	0
Active mobile broadband subscriptions per 100 inhabitants	6
Fixed broadband subscriptions per 100 inhabitants	0
International bandwidth per Internet user (kbit/s)	6
Percentage of individuals using the Internet	10
Average monthly fixed broadband Internet traffic per fixed broadband subscription (MB)	0
Average monthly mobile broadband Internet traffic per mobile broadband subscription (MB)	940

.. Not available.

Source: ITU Digital Development Dashboard.

Table 4.4 Average prices of different telecommunications services, 2021

Type of service	Price (percentage of gross national income per capita)
Fixed broadband basket as a percentage of gross national income per capita	41.0%
Mobile cellular basket as a percentage of gross national income per capita	241%
Mobile data and voice basket (high consumption) as a percentage of gross national income per capita	32.8%
Mobile data and voice basket (low consumption) as a percentage of gross national income per capita	26%
Mobile broadband basket as a percentage of gross national income per capita	..

.. Not available.

Source: ITU Digital Development Dashboard.

4.117. The telecommunications subsector comprises the traditional operator, the Société centrafricaine des télécommunications (SOCATEL), in which a subsidiary of the French operator Orange has held a 40% stake since 1990, and two foreign-owned private operators, Moov and Telecel. At end-2021, Orange was the market leader, with a 50% market share, followed by Telecel (35%) and Moov (15%). The mobile coverage rate (25% of the population) is one of the lowest in Africa, which can be explained, among other things, by shortcomings in the electricity network and an inadequate backbone network. All of these companies are involved in international traffic, for which they have installed their own satellite-based infrastructure.

4.118. Internet access is subject to a licence from the Regulatory Authority for Electronic Communications and Postal Services (ARCEP) and is possible only in certain cities. Connections leased to individuals are provided by costly satellite links (VSAT), as there are no fibre optic networks. Setting-up charges range from CFAF 500,000 to CFAF 1,500,000, depending on the range; the duration is five years. The monthly costs payable depend on the capacity of the connection (which ranges from less than 2 Mb/s to over 70 Mb/s).¹¹⁰

4.4.2.2 Market access and regulation

4.119. According to the authorities, the following types of services are fully liberalized: cable television, data, fixed satellite services, fixed broadband, fixed and mobile global personal communications by satellite, international gateways, mobile, radio messaging, Internet services, and small aperture satellite terminals.

4.120. However, no information is available on the extent of the liberalization of the following services: cable reception modems, international mobile telephony, international fixed lines, wireless local loops and digital subscriber lines.¹¹¹ There is no longer a monopoly on fixed domestic lines, but there is only one provider.

4.121. A new Law governing electronic communications in CAR entered into force in January 2018, replacing the 2007 legislation.¹¹² All of the implementing decrees were in place by 2020, including those concerning interconnection, infrastructure sharing, Internet access, universal service provision and postal activities. The new Code guarantees personal data protection and contains provisions concerning cybercrime. It also provides for the unbundling of the fixed local loop.

4.122. Market access is gained through bidding procedures. The Ministry of Posts and Telecommunications grants electronic communications licences. ARCEP, which has replaced the Telecommunications Regulatory Agency (ART)¹¹³, reviews the technical and commercial aspects of new applications (frequency, competition). It is responsible for allocating radio frequency bands, with the exception of frequency bands used for radio and television broadcasting, which are managed by the Higher Council for Communication. ARCEP is the competent authority for settling disputes between operators and between operators and users.

4.123. Since 2017, mobile telephone companies have been subject to an excise duty of 2% of their turnover. The other taxes payable are the IS, income tax, business tax, taxes on international traffic, the rental tax, the IMF, the CDS, the CNSS, and VAT; the prepayment of taxes also applies (Section 2.4).¹¹⁴

4.124. Incoming international calls have been taxed since 2004. Since 2010, the pre-tax fees have been as follows¹¹⁵: if the operator has an international gateway, CFAF 80 per minute is payable to the local operator that terminates the traffic and CFAF 40 to the State; if the operator passes through the "sole" international gateway, only CFAF 40 is payable to the State; the company managing the

¹¹⁰ Order No. 488/MPTNT/DIRCAB/DGART of 17 November 2008.

¹¹¹ ITU database, ICT-Eye. Viewed at: https://www.itu.int/itu-d/apis/clients/res/pdf/country_profile/report_CAF.pdf.

¹¹² Information viewed at: <http://www.assembleenationale-rca.cf>.

¹¹³ Information viewed at: <https://art-rca.cf/>; <https://arcep-rca.cf>.

¹¹⁴ Information viewed at: <https://www.itu.int>.

¹¹⁵ Order No. 013/MPTN/10 amending certain provisions of Order No. 034/MPTN/09 of 3 December 2009 on the establishment of a centre to combat fraud and monitor and oversee incoming international traffic in CAR.

sole international gateway and the operators negotiate the allocation of their revenues under the arbitration of ARCEP, which then validates it.

4.4.2.3 Price controls

4.125. ARCEP gathers information on roaming prices and pricing practices in the subregion; it also negotiates with relevant entities to ensure that rates are reasonable so that a maximum number of roaming users, including users of prepaid services, can obtain the best price and quality.

4.126. Rates for interconnection services between operators are set by a government order. They must comply with the principle of relevant cost orientation. To this end, operators must keep separate accounts for their interconnection activities.

4.127. Powerful operators are considered to be those that exercise significant market influence by holding more than 25% of the relevant market (as defined by ARCEP).

4.128. A fund to ensure universal service access is in the pipeline¹¹⁶; each operator will be required to contribute 2% of its previous-year turnover to the fund. In March 2020, the fund had not yet come into force.

4.129. Prices are subject to the approval of ARCEP, which checks, among other things, that they cover service costs.

4.130. CAR has undertaken no specific GATS commitments regarding telecommunications. In the CEMAC framework, CAR has made specific (Community) commitments *vis-à-vis* the other members in the field of telecommunications.

4.131. The importation, marketing and use of telecommunications equipment, including satellite terminals, are regulated. Any equipment that will be connected to the public telecommunications network must be certified by ARCEP. Such equipment is subject to a customs duty of 10% (Common Report, Section 3.1).

4.4.3 Postal services

4.132. The new Law governing electronic communications in CAR also covers postal services. The implementing decrees had been published by March 2020, but not the orders. The National Posts and Savings Office (ONPE) is responsible for managing postal services. The ONPE may transfer part of the postal service monopoly it holds by law to private operators established in CAR.¹¹⁷ Accordingly, the ONPE concluded an authorization agreement in 1998 with the company DHL, allowing the latter to provide express courier services¹¹⁸; the ONPE also provides an express courier service through its subsidiary, EMS.

4.4.4 Financial services

4.133. CAR's financial sector is small and highly concentrated among four commercial banks, which account for 93% of the consolidated assets in the financial system. Amongst the other financial institutions are two insurance companies (4% of assets), and 11 microfinance establishments (3% of assets). There is a large foreign presence in the sector. However, the sector does not entirely fulfil its role as lender within the economy (Section 1.1).

4.4.4.1 Banking services

4.134. Banking activities in CAR are subject to the common CEMAC banking regulations (Common Report, Section 4.7), as well as to national regulations. The conditions for establishing banks and microfinance institutions are the same for national and foreign entities, and the market

¹¹⁶ Universal service is a minimum set of services of a determined quality that is accessible to the entire population throughout the country under affordable tariff conditions.

¹¹⁷ Interministerial Order No. 001/MPT/SG/98 of 2 March 1998.

¹¹⁸ Order No. 010/MPT/CAB/CMP/ICP/DGONPE/98 of 20 November 1998.

is largely dominated by the latter. CAR's banking sector is still at an embryonic stage of development, as the country is one of the most underbanked in the world.

4.135. The sector is also highly concentrated. Four banks were operating at 31 August 2019; together they held deposits of CFAF 185 billion (EUR 282 million) and total assets of CFAF 244 billion (EUR 372 million).

- Commercial Bank Centrafrique (CBCA Fotso group) is the country's leading bank, accounting for almost half the market's total turnover. It has two branches, one in Bangui and another in Bouar. The bank's capital is 53% owned by private Cameroonian interests and 47% owned by private CAR interests. The State is a CBCA shareholder (10% of equity).
- The Banque populaire maroco centrafricaine (BPMC) ranks second, with a market share of 28%. It has two outlets in Bangui. Two thirds of its shares are held by Moroccan investors and the remainder by private interests in CAR. The State is also a BPMC shareholder.
- ECOBANK is the third largest bank and has a market share of 24%, with two outlets, in Berberati and Bangui. The largest shareholders are South African and Qatari nationals.
- Banque Sahelo saharienne pour l'investissement et le commerce en Centrafrique (BSIC) belongs to the Tripoli based BSIC Group. It has three outlets in Bangui.

4.136. Table 4.5 shows the main indicators for CAR's banking sector in 2021.

Table 4.5 Key indicators for the CAR banking sector, 2021

Number of banks	Banking concentration (3 largest banks)	Domestic credit (% of GDP), 2020	Annual credit growth (%)	Loan-to-deposit ratio (%)	IMF Financial Soundness Indicators: date of most recent data available	Indic. 1 Ratio of capital to risk-weighted assets (%)	Indic. 2 Return on equity (%)	Indic. 3 Non-performing loans (% of total loans)
4	75	12	11	82	2 nd quarter 2021	24	9	13

Source: European Investment Bank, "Finance in Africa: Navigating the Financial Landscape in Turbulent Times", October 2022.

4.137. In its 2022 Article IV report, dated 18 April 2023, the IMF stated that CAR's aggregate financial soundness indicators remained broadly adequate, with some heterogeneity, but liquidity indicators had deteriorated since end-2021. Non-performing loans remained at a relatively high level, amounting to 14.8% of total loans at end-April 2022 and 12.4% in December of the same year. The level exceeds 20% for one of the country's privately owned banks, meaning that remedial measures are needed for the entire sector. According to the IMF, an action plan on non-performing loans, as adopted in other CEMAC countries, is warranted.

4.138. In April 2022, legislation was adopted that granted legal tender status to crypto-assets and guaranteed their convertibility. According to the IMF, this legislation conflicts with regional legislation that grants the BEAC the exclusive right to issue legal tender in the monetary union. The IMF also considers that the legislation has given rise to macrofiscal, financial stability and financial integrity risks.

4.139. In July 2022, the Government launched the "Sango project" with a view to reshaping the country's economy through crypto-ization and blockchains in order to promote the "tokenization" of the country's natural resources and attract international investors. The project includes the issuing and sale of a crypto-coin/digital currency, the Sango. However, the Constitutional Court has ruled that the use of Sango to purchase citizenship, electronic residence and natural resources is illegal. As a result, less than USD 2 million in Sango have so far been issued (0.2% of the total planned issuance), and the coin is not yet traded, as holdings are frozen for one year. Other elements of the project have not yet been implemented.

4.140. In January 2023, the country's authorities established a working group to develop a more comprehensive regulatory framework for crypto-assets and tokenization and recognized the need for regional harmonization in that area.

4.4.4.2 Insurance services

4.141. CAR is a signatory to the CIMA (Inter-African Conference on Insurance Markets) Treaty (Common Report, Section 4.7). CAR's insurance market is small and has been stagnating for many years now. Motor vehicle insurance premiums account for 50% of insurers' portfolios. Two companies share the market, namely, the Agence générale française (AGF-Allianz, with roughly 64.5% of market share), and the Union des assureurs centrafricains (31.5% market share), currently owned by the Senegalese SUNU Group. Two brokerage firms are also present on the market: ASCOMA, a subsidiary of ACC Cameroon, and SOCCARREAS. Insurance is compulsory for automobiles and for construction sites. Premiums are set by the operators, with a floor fixed by the Minister responsible for finance. The market as a whole is worth some CFAF 1.7 billion (EUR 2.6 million).

4.4.5 Tourism

4.142. CAR has enormous tourism potential (equatorial forest, fauna and flora, indigenous cultures)¹¹⁹, and wildlife and game hunting tourism had been significant before the military and political upheavals occurring in the country over the past 25 years. Poaching and wildlife trafficking are major sources of income, especially for armed groups, and in particular in the Chinko Nature Reserve managed by the Chinko Project, but also in the north of the country, in the Bamingui-Bangoran and Manovo-Gounda St. Floris national parks. CAR is one of the seven countries in ECCAS and home to some of the 15 protected areas covered by the ECOFAC6 programme funded by the European Union¹²⁰, which seeks to promote ecotourism in CAR.

4.143. The Wildlife Conservation Society (WCS) recommends an integrated sector-based approach to managing natural resources around protected areas.¹²¹ According to the WCS, the ECOFAC6 programme could enhance ecosystem biodiversity and spur local development, thereby helping to restore and consolidate peace. The Ministry for Water, Forests, Hunting and Fishing offers tax and customs advantages to promote investment in tourism. Tourist guides may only provide their services as subcontractors of an approved agency. Travel agency personnel must be CAR nationals. There are no specific restrictions on investment in tourism establishments, and rates are freely set by operators. CAR has made specific GATS commitments regarding tourism¹²², in particular as regards hotel and catering services as well as those of tour operators and tourist guides.

4.144. Table 4.6 shows the main tourism indicators for CAR for the entire review period, as compiled by the World Tourism Organization.

Table 4.6 Main economic indicators of the CAR tourism sector, 2014-2021

	2014	2015	2016	2017	2018	2019	2020	2021
Inbound tourism								
Arrivals (thousands)^a								
By region (total)	95.6	120.5	81.9	106.7	109	87	35	..
Africa	50.7	63.4	37.8	50.6	48	43	23	..
Americas	6.7	7.5	2.4	3.4	4	3	1	..
East Asia and Pacific	7.3	9.9	6.7	8.4	8	5	..	..
Europe	23.3	27.9	20.4	33.1	37	29	8	..
Middle East	5.9	8.1	10.7	8.5	9	5	1	..
Main purpose of journey								
Personal reasons	56	77	41	56	56	47	33	..

¹¹⁹ For the sites included in the UNESCO World Heritage List. Viewed at: <https://whc.unesco.org/en/statesparties/cf/>.

¹²⁰ Central African Forest Observatory. Viewed at: <https://www.observatoire-comifac.net/file/eyJtb2RibCI6IkFwcFxcTW9kZWxzXFc0cm9qZWNOXfXNb2R1bGVzXfXHZW5lcmFsSW5mb1Byb2dyYW0iLCJmaWVvZCI6InByb2plY3RfZG9jdW1lbnQiLCJpZCI6Mjk2fQ.>

¹²¹ Information viewed at: <http://www.conservation-watch.org/fr/2016/11/04/how-wwf-and-wcs-came-to-hire-a-private-security-firm-in-dzanga-sangha-central-african-republic/>.

¹²² WTO document GATS/SC/17 of 30 August 1995.

	2014	2015	2016	2017	2018	2019	2020	2021
Business and professional reasons	40	44	41	51	53	40	1	..
By mode of transport (total)	96	121	82	107	109	87	35	..
Air	96	121	82	107	109	87	35	..
Land (road)	..	..	..	..	..	..	..	..
Accommodation (thousands)								
Hotels and similar establishments	..	..	..	..	..	..	..	..
Guests	..	..	..	..	..	..	..	..
Overnight stays	..	..	..	..	..	..	..	..
Tourism expenditure (USD billions)	28	16	22	25	22	22	31	..
Travel	28	16	21	24	21	21	30	..
Passenger transport	..	..	1	1	1	1	1	..
Tourism industries								
Number of establishments	59	68	82	89	91	87	91	104
Number of rooms	972	1,138	1,239	1,281	1,307	1,360	1,396	1,473
Number of beds	1,224	1,390	1,860	2,244	2,736	2,852	2,916	3,042
Room occupancy rate (%)	50.64	52.15	57.2	57.08	57.43	57.9	16.51	..
Average length of stay	2.95	2.79	1.4	1.3	1.91	2.1	2.37	1.82

.. Not available.

a Overnight visitors (tourists) by air.

Source: Global tourism statistics, World Tourism Organization.

4.145. As the table above illustrates, most of the tourism in CAR is regional since, on average, more than half of visitors come from Africa; Europeans make up the second-largest group of visitors, accounting for a quarter of arrivals on average. Tourism is spread almost equally between business and professional tourism and tourism for personal reasons. The country's landlocked nature explains why almost all tourists arrive by air. Tourism expenditure rose in overall terms during the review period but remains low. The number of establishments and the hotel capacity also increased during the review period but from quite low levels. The occupancy rate remained relatively high, except during the COVID-19 pandemic.

5 APPENDIX TABLES

Table A1.1 Structure of exports, 2012-2021

(USD million and %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
World (USD million)	114.2	48.7	20.8	96.8	88.0	199.9	54.9	125.2	41.0	58.0
	(Percentage share)									
Total primary products	90.2	91.6	98.4	19.6	35.4	17.4	43.0	17.5	36.0	34.9
Agriculture	32.5	45.9	98.1	19.6	33.2	13.6	29.3	12.7	19.4	15.0
Food products	0.4	0.1	0.1	0.5	0.4	1.4	0.2	0.6	0.7	0.2
Agricultural raw materials	32.0	45.7	98.0	19.1	32.8	12.3	29.1	12.1	18.7	14.8
2475 - Wood of non-coniferous species, in the rough or roughly squared	16.2	29.4	59.6	11.4	22.3	8.9	19.8	9.9	11.1	6.2
2484 - Wood of non-coniferous species, sawn or chipped lengthwise, sliced or peeled	6.3	10.5	24.6	7.6	10.0	2.2	7.3	2.2	6.8	6.0
2634 - Cotton, carded or combed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	2.5
Extractive industries	57.8	45.8	0.3	0.0	2.2	3.7	13.8	4.8	16.5	19.9
Ores and other minerals	57.7	45.7	0.3	0.0	2.2	3.7	13.6	4.8	16.5	19.9
2771 - Industrial diamonds, sorted, whether or not worked	57.0	45.7	0.0	0.0	2.2	3.6	13.4	4.8	16.4	19.9
Non-ferrous metal	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Fuels	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Manufactures	8.3	7.1	0.7	75.9	56.1	63.2	36.4	73.3	38.8	18.7
Iron and steel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chemicals	0.5	0.0	0.4	0.0	0.0	0.2	0.1	0.0	0.2	0.0
Other semi-manufactures	0.7	0.5	0.1	0.1	0.3	0.2	0.7	0.1	1.4	0.3
Machinery and transport equipment	6.9	6.4	0.0	75.2	55.2	61.0	34.7	73.2	36.4	16.9
Power-generating machinery	0.4	0.0	0.0	0.2	0.6	4.6	16.2	0.1	0.2	0.2
Other non-electrical machinery	4.0	3.8	0.0	0.0	3.6	6.4	4.3	0.2	9.4	3.3
Agricultural machines and tractors	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Office machines and telecommunications equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.3	0.2
Other electrical machinery	0.0	0.2	0.0	0.1	0.0	0.0	1.1	0.0	0.0	0.0
Automotive products	2.3	2.1	0.0	74.8	43.0	29.7	9.5	2.7	24.6	11.4
7843 - Other parts and accessories of motor vehicles	0.0	0.0	0.0	34.3	19.3	12.6	2.0	1.9	0.3	4.0
7822 - Special purpose motor vehicles, other than those principally designed for the transport of persons or goods	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.7	0.8	3.7
7821 - Motor vehicles for the transport of goods	1.6	1.3	0.0	40.3	23.5	15.1	7.1	0.2	20.9	2.3
Other transport equipment	0.2	0.2	0.0	0.0	7.9	20.2	3.5	70.1	2.0	1.8
Textiles	0.1	0.1	0.1	0.0	0.4	1.3	0.5	0.0	0.0	0.3
Clothing	0.0	0.0	0.0	0.0	0.1	0.5	0.1	0.0	0.0	0.0
Other consumer goods	0.1	0.2	0.0	0.6	0.0	0.2	0.4	0.0	0.9	1.2
Other	1.5	1.2	0.9	4.5	8.5	19.4	20.5	9.1	25.2	46.4
9710 - Gold, non-monetary (excluding gold ores and concentrates)	1.0	0.6	0.0	0.2	1.0	1.0	4.5	7.3	23.9	45.2

Source: WTO Secretariat calculations, based on data provided by the International Trade Centre Trade Map database (SITC, Rev.3).

Table A1.2 Destination of exports, 2012-2021

(USD million and %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
World (USD million)	114.2	48.7	20.8	96.8	88.0	199.9	54.9	125.2	41.0	58.0
	(Percentage share)									
America	0.8	0.5	1.1	0.4	0.3	0.3	0.2	0.0	0.1	0.0
United States	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Other America	0.7	0.4	1.0	0.4	0.3	0.3	0.2	0.0	0.0	0.0
Europe	63.7	59.6	56.0	70.0	59.6	63.9	41.3	9.9	39.0	32.5
EU-27	62.8	59.5	56.0	69.8	58.3	63.8	39.9	7.4	30.4	30.6
Italy	0.1	0.1	0.0	0.0	0.8	0.0	0.5	0.0	0.2	14.9
France	9.7	11.2	20.6	63.8	48.6	60.8	33.0	5.2	10.2	11.1
Germany	7.3	14.7	33.0	3.7	3.7	1.2	3.2	1.4	2.5	3.3
Spain	0.1	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.1
Denmark	0.1	0.2	0.6	0.3	0.8	0.1	0.3	0.2	0.3	0.5
EFTA	0.9	0.1	0.0	0.3	1.3	0.1	1.4	2.4	8.6	1.8
Switzerland	0.9	0.1	0.0	0.0	0.0	0.1	1.4	2.4	8.0	1.8
Other Europe	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
United Kingdom	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Türkiye	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commonwealth of Independent States (CIS)^a	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Africa	8.7	7.0	2.1	21.2	24.4	15.6	22.5	72.5	25.3	11.1
Mauritania	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	4.3
Cameroon	2.1	1.1	0.9	8.4	8.4	0.7	13.1	2.2	4.0	2.5
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0
Congo	0.4	0.6	0.4	0.1	0.1	0.3	0.1	0.0	2.6	0.5
Côte d'Ivoire	1.3	0.0	0.0	0.0	0.0	0.0	0.1	0.0	1.4	0.5
Tanzania	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Chad	2.5	4.8	0.1	11.6	0.9	4.5	0.2	0.0	2.9	0.1
Gabon	0.9	0.1	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.3
Senegal	0.1	0.1	0.8	0.4	0.6	0.1	0.5	70.2	0.1	0.1
Middle East	10.2	12.9	0.8	0.1	0.8	2.7	17.3	8.5	24.4	47.9
United Arab Emirates	10.1	12.6	0.8	0.1	0.8	2.3	16.4	7.5	24.3	47.6
Asia	16.7	20.1	40.0	8.3	14.9	17.5	18.7	9.1	11.2	8.4
China	13.8	18.7	37.7	6.9	10.4	6.9	12.7	5.9	6.9	6.2
Japan	0.1	0.1	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Other Asia	2.8	1.3	2.0	1.3	4.4	10.5	6.0	3.1	4.3	2.2
Viet Nam	0.4	0.8	1.9	1.2	3.5	2.0	4.2	1.7	2.7	1.8
India	0.2	0.0	0.1	0.1	0.0	0.1	0.4	0.5	0.3	0.3
Memo:										
CEMAC (WTO Members)	5.9	6.6	1.4	20.5	9.4	5.5	13.4	2.3	9.5	3.5
EU-28	62.8	59.5	56.0	69.8	58.3	63.8	39.9	7.5	30.5	30.7

a Commonwealth of Independent States, including certain associate and former member States.

Source: WTO Secretariat calculations, based on data provided by the International Trade Centre Trade Map database.

Table A1.3 Origin of imports, 2012-2021

(USD million and %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
World (USD million)	217.8	129.5	309.5	461.3	400.1	417.3	384.4	567.8	544.9	486.7
	(Percentage share)									
America	10.8	17.3	10.9	13.3	12.5	6.2	4.7	25.0	4.5	5.0
United States	3.7	9.8	9.4	12.2	9.9	3.4	3.5	24.0	3.6	3.8
Other America	7.0	7.4	1.5	1.1	2.6	2.8	1.2	0.9	0.9	1.2
Brazil	5.0	4.8	0.8	0.6	1.8	1.9	0.8	0.5	0.5	0.9
Europe	40.9	46.3	43.1	36.0	44.9	52.3	39.5	26.0	36.8	25.6
EU-27	39.2	43.4	40.7	34.1	40.0	47.4	34.2	22.6	35.3	22.9
France	25.2	24.7	21.5	21.0	21.1	26.1	17.2	11.8	14.0	10.0
Belgium	3.8	2.3	9.4	3.3	1.9	8.1	2.2	3.9	7.1	3.8
Denmark	0.7	3.2	2.6	1.9	2.0	0.8	2.1	1.3	2.7	2.7
Netherlands	1.8	8.8	1.1	1.0	4.7	1.6	2.3	1.9	1.7	2.2
Italy	2.8	1.9	4.0	5.0	7.1	2.8	3.6	1.2	5.1	1.5
Germany	3.1	1.3	1.1	0.9	1.2	2.6	2.8	0.8	0.6	0.8
EFTA	0.5	1.8	1.8	1.3	1.3	1.4	1.3	0.5	1.0	0.7
Other Europe	1.3	1.1	0.6	0.6	3.6	3.5	4.0	2.9	0.6	1.9
United Kingdom	0.7	0.5	0.5	0.6	3.1	3.1	3.2	2.2	0.3	1.4
Commonwealth of Independent States (CIS)^a	0.5	0.1	0.1	0.0	0.1	0.0	0.1	0.2	0.1	0.4
Africa	16.8	15.8	13.8	30.3	12.8	18.4	17.4	23.5	31.9	47.7
Cameroon	7.0	6.3	6.1	6.5	4.9	12.1	8.1	19.0	26.2	34.4
Nigeria	0.2	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	5.0
Tunisia	0.3	0.2	0.0	0.1	0.1	0.2	0.1	0.1	0.1	2.4
Zambia	0.0	0.0	0.0	9.8	0.0	0.0	0.0	0.0	0.0	1.6
Congo	0.2	0.2	0.7	0.5	0.1	0.9	1.7	0.8	0.6	0.9
Middle East	3.1	2.6	2.7	2.4	2.6	3.1	2.6	1.9	1.8	2.5
United Arab Emirates	1.8	1.5	1.2	1.2	1.4	2.0	2.4	1.5	1.5	1.6
Asia	27.9	17.9	29.4	17.8	27.2	19.9	35.7	23.5	24.8	18.9
China	11.4	6.9	8.3	6.6	8.9	6.6	11.8	18.2	17.1	10.5
Japan	7.4	2.8	7.6	3.9	11.3	6.1	5.1	0.9	2.4	1.3
Other Asia	9.1	8.1	13.4	7.3	7.1	7.2	18.8	4.5	5.2	7.1
India	5.8	4.3	3.0	2.9	3.6	2.0	7.1	3.0	3.4	4.8
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memo:										
CEMAC (WTO Members)	9.8	9.4	7.5	7.4	5.1	13.1	10.2	19.8	29.7	35.6
EU-28	39.9	43.8	41.2	34.7	43.1	50.6	37.4	24.8	35.5	24.3

a Commonwealth of Independent States, including certain associate and former member States.

Source: WTO Secretariat calculations, based on data provided by the International Trade Centre Trade Map database.

Table A1.4 Structure of imports, 2012-2021

(USD million and %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
World (USD million)	217.8	129.5	309.5	461.3	400.1	417.3	384.4	567.8	544.9	486.7
	(Percentage share)									
Total primary products	34.1	39.3	28.2	16.9	17.8	23.5	27.8	32.5	30.6	28.9
Agriculture	31.6	37.6	27.2	16.1	17.0	22.2	21.5	17.6	17.2	21.8
Food products	29.6	36.0	26.4	15.4	16.5	21.1	20.6	16.7	16.4	20.6
0989 - Food preparations, n.e.s.	1.0	1.6	2.0	2.1	2.5	1.5	3.6	2.7	2.1	2.5
0423 - Rice, semi-milled, whether or not polished, glazed, parboiled or converted	0.8	2.6	3.6	3.0	1.5	1.6	1.9	0.9	2.0	2.5
0123 - Meat and edible offal of poultry, fresh, chilled or frozen	0.4	0.4	0.7	0.4	0.4	0.9	1.4	1.1	1.2	1.3
Agricultural raw materials	2.0	1.6	0.8	0.7	0.5	1.1	1.0	0.8	0.7	1.2
Extractive industries	2.5	1.6	1.0	0.8	0.8	1.3	6.3	14.9	13.5	7.1
Ores and other minerals	0.3	0.4	0.1	0.1	0.1	0.1	0.1	0.3	0.3	0.6
Non-ferrous metals	0.7	0.5	0.5	0.3	0.4	0.4	0.4	0.4	0.2	0.4
Fuels	1.5	0.7	0.4	0.4	0.3	0.8	5.8	14.1	13.0	6.1
Manufactures	65.3	60.1	66.8	67.1	76.7	68.0	58.6	66.3	65.6	70.3
Iron and steel	2.4	2.0	0.4	0.9	0.8	3.5	1.0	0.8	0.8	1.2
Chemicals	12.4	24.4	17.8	9.2	13.2	10.8	7.5	15.8	12.8	12.4
5429 - Medicaments, n.e.s.	6.3	15.4	13.8	5.6	7.8	5.3	4.2	10.6	5.6	6.8
Other semi-manufactures	9.0	6.7	4.1	3.4	5.8	7.6	6.3	5.5	5.6	7.6
6612 - Portland cement, aluminous cements, slag cement, super sulphate cement and similar hydraulic cements, whether or not coloured	2.5	1.9	0.3	0.5	0.7	1.5	1.0	1.0	1.6	2.0
Machinery and transport equipment	34.7	19.0	29.5	37.1	44.7	35.7	35.5	34.5	32.6	29.8
Power-generating machinery	2.1	0.9	0.8	1.4	0.7	3.7	2.1	1.0	2.6	1.6
Other non-electrical machinery	7.7	5.0	2.3	10.1	4.4	6.3	5.1	3.5	4.0	3.5
Agricultural machines and tractors	0.2	0.0	0.1	0.0	0.2	0.4	0.1	0.1	0.1	0.0
Office machines and telecommunications equipment	7.1	5.3	6.6	6.7	8.6	3.8	3.9	5.6	5.8	14.4
7642 - Microphones and stands therefor, loudspeakers, whether or not mounted in their enclosures	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.0	5.1
7643 - Transmission apparatus for radio-telephony, radio-telegraphy, radio-broadcasting or television, etc.	0.6	1.0	2.5	0.4	0.8	0.3	0.5	2.1	2.1	4.1
Other electrical machinery	2.9	2.4	1.1	12.1	2.2	3.2	3.6	4.7	4.0	5.3
Automotive products	13.6	5.1	17.9	3.7	23.7	17.0	15.0	3.4	14.4	3.5
Other transport equipment	1.2	0.4	0.8	3.2	5.1	1.6	5.9	16.3	1.8	1.4
Textiles	1.0	1.7	5.1	2.0	0.7	3.0	1.0	1.7	2.9	3.3
Clothing	0.3	0.2	0.3	0.1	0.8	0.7	1.2	1.2	1.4	1.6
Other consumer goods	5.6	6.0	9.6	14.5	10.7	6.7	6.1	6.8	9.6	14.4
8212 - Mattress supports; articles of bedding and similar furnishing (for example, mattresses, quilts, eiderdowns, cushions, pouffes and pillows)	0.1	0.1	0.2	0.0	0.2	0.5	0.8	0.1	0.2	2.6
8110 - Prefabricated buildings	0.1	0.0	3.1	7.0	0.8	0.1	0.3	1.5	1.5	2.4
Other	0.6	0.6	5.0	15.9	5.5	8.5	13.6	1.3	3.8	0.8

Source: WTO Secretariat calculations, based on data provided by the International Trade Centre Trade Map database (SITC, Rev.3).