THE WAVERLEY SERIES

CENTRAL AFRICAN REPUBLIC

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

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CENTRAL AFRICAN REPUBLIC — AT A GLANCE

Capital	Bangui
Population	≈ 5.7 million (2026 est.)
Real GDP growth	3.3% (2025); projected 2.6–2.9% (2026) and 3.9% (2027)
GDP per capita	≈ USD 613–650 (2026, nominal)
Inflation	≈ 1.5% projected (2026)
Fiscal deficit	3.5% of GDP (2025), forecast to widen to ~4.0% in 2026
Public debt	≈ 59–60% of GDP
Currency	Central African CFA franc (XAF), pegged to the euro, CEMAC/BEAC
Key exports	Gold, rough diamonds, timber, cotton, coffee
Principal partners	France, China, Belgium, UAE, United States, Russia, World Bank/IMF/AfDB
Governing framework	National Development Plan 2024–2028; IMF Extended Credit Facility

The Central African Republic (CAR) enters the second half of 2026 as a country of stark contrasts: a fragile but genuinely improving macroeconomic trajectory, a peace process that has brought most armed groups back under a single political framework, and a resource endowment — gold, diamonds, uranium, lithium and rare earths among 570 identified mineral occurrences — that remains almost entirely unexploited at industrial scale. Investors weighing CAR today are weighing frontier-market upside against some of the most demanding logistics, energy and governance constraints on the continent.

1. INVESTMENT & FDI

Inflows are recovering off a very low base, and the reform agenda is finally catching up with intent.

Foreign direct investment into CAR remains modest in absolute terms but is moving in the right direction. UNCTAD data show FDI inflows rising from roughly USD 5 million in 2021 to USD 24 million in 2022, with the FDI stock estimated at around USD 715 million — close to 29% of GDP. Net inflows stood at approximately 1.4–1.5% of GDP in 2023–24, still well below the 3% global average, but a marked improvement on the near-zero flows recorded during the worst years of the civil war.

- **Sector concentration:** wood and diamonds attract the bulk of existing FDI; France and China remain the two leading investor nations.
- **Reform track record:** a public-private dialogue framework, reduced minimum capital requirements for company formation, targeted tax incentives, and stronger minority-investor protections have been introduced under the peace-agreement reform track.
- **Governance risk:** CAR ranks 149th of 180 on the Corruption Perceptions Index and 168th of 184 on the Index of Economic Freedom — governance and predictability, not resource scarcity, remain the binding constraint on capital.
- **Mining Code overhaul:** a revised Mining Code, currently before the National Assembly, opens cobalt, lithium, nickel, manganese, copper, rare earths and uranium to foreign participation for the first time on a structured basis, alongside two new state entities — GEMINCA (precious-mineral purchasing) and SONADERM (geological development) — created in 2025.

- **Multilateral backing:** the World Bank-financed Investment and Business Competitiveness for Employment Project (USD 30 million, IDA grant) is building credit-guarantee mechanisms and investment-climate reforms aimed squarely at unlocking private capital.

The direction of travel is positive; the scale is not yet. CAR remains, on any measure, one of the least-capitalised economies in Central Africa — which is precisely why early movers in mining, energy and agribusiness are being courted so actively by Bangui.

2. TRADE & BUSINESS

A landlocked economy with a single viable trade corridor — and a decade-long diamond embargo finally behind it.

CAR's trade position is structurally weak: total exports of goods and services run to roughly USD 113 million against imports of USD 742 million, a deeply negative trade balance financed largely by donor grants and concessional lending. The country's near-total dependence on a single international transport corridor running through Cameroon to the port of Douala remains the single largest drag on trade competitiveness.

- **Export base:** gold, timber and rough diamonds account for the overwhelming majority of export earnings, with cotton and coffee providing secondary agricultural export income.
- **Trading partners:** Belgium, China, the United Arab Emirates and France are the principal destinations for CAR's exports; France, the United States, India and China dominate imports.
- **Kimberley Process normalised:** in November 2024 the Kimberley Process lifted the last of its restrictions on CAR's rough-diamond exports, ending an 11-year embargo imposed after the 2013 coup. The move restores CAR as a full participant in the legitimate global diamond trade, though smuggling and informality persist in practice.
- **Tax and legal environment:** standard VAT of 19% (with reduced rates on staples), and 15% withholding on dividends, interest and royalties — a broadly conventional Francophone-Africa tax structure administered through the OHADA legal framework, which was itself updated in 2026 with stronger minority-shareholder protections and a fast-track arbitration track for claims under CFA 250 million.
- **Regional integration:** as an AfCFTA member, CAR is nominally connected to a continental market of 1.3 billion people — though realising that access depends entirely on the transport and energy investment described in Section 4.

3. MAJOR ECONOMIC DEVELOPMENTS

A genuine growth recovery, a still-fragile fiscal position, and a mining tragedy that exposed the cost of an unformalised sector.

The headline story is cautiously encouraging. Real GDP growth accelerated to 3.3% in 2025 (African Development Bank), up from 1.8% in 2024 and just 0.7% in 2023 — although the IMF's own estimate for 2025 was somewhat lower, at 3.0%, a reminder that national accounts in a low-statistical-capacity state carry wide margins of error. The AfDB projects growth of 2.9% in 2026 and 3.9% in 2027; the World Bank's own 2026 projection is more conservative, at 2.2%. Either way, growth remains below the 3.1% rate of population growth — recovery has not yet translated into rising living standards.

- **Fiscal position:** the overall budget deficit narrowed to 3.5% of GDP in 2025 from 5.1% in 2024, a genuine consolidation achievement; the deficit is expected to widen again to around 4.0% in 2026 as budget support tapers.
- **Debt trajectory:** public debt has continued to climb, reaching approximately 59–60% of GDP, up from 58% a year earlier.

- **IMF programme:** CAR has been under an IMF Extended Credit Facility since April 2023 (approximately USD 191 million); the third and fourth reviews, completed jointly in June 2025, released roughly USD 58 million, with the Fund describing programme performance as "mixed." In April 2026 Bangui formally requested an extension to the programme's implementation deadline.
- **External balance:** the current account deficit improved from 9% of GDP to 7.4% between 2024 and 2025, helped by the diamond-export normalisation and lower energy import costs.
- **The Zamboye mine disaster:** in August 2026, the collapse of an unregulated artisanal gold mine at Zamboye, near Baboua in the west of the country, killed more than 100 people — the deadliest such disaster in CAR's history and the third fatal mine collapse of the year (following incidents at Nourroum in March and a smaller collapse earlier). The government has since closed the Zamboye site. The disaster is a stark illustration of the governance gap between CAR's vast, still largely artisanal extractive sector and the formal, regulated investment the country is now actively courting.
- **Social context:** poverty remains extremely high, affecting roughly two-thirds of the population, and foreign aid continues to fund more than 40% of the national budget — the recovery, in the AfDB's own words, remains "insufficient to meet the scale of social needs."

4. MAJOR PROJECTS & INFRASTRUCTURE

Energy and transport are the acknowledged chokepoints — and the two areas absorbing the largest share of new financing.

The National Development Plan 2024–2028 identifies transport and energy infrastructure as the primary drivers of future growth, and recent financing has followed that logic closely.

- **World Bank roads & energy grant:** the World Bank approved a USD 90 million grant in 2026 specifically for road and energy infrastructure, forming part of the broader National Development Plan financing envelope.
- **PURIC and PRACAC:** the Emergency Infrastructure and Connectivity Recovery Project (PURIC) has rehabilitated some 400 km of roads in the northwest; the ongoing Central Africa Corridors Trade and Connectivity Project (PRACAC) is improving river transport on the Oubangui between Bangui and Brazzaville — a rare alternative to the Douala road corridor.
- **Boali hydropower interconnection:** an AfDB-financed project to interconnect CAR's grid with the Boali hydroelectric system (Phase I) is under implementation, part of a wider push to address chronic power shortages that remain, by the World Bank's own assessment, the single most important constraint on economic activity, particularly in Bangui.
- **Digital infrastructure — Starlink and 4G:** Starlink launched commercial service in CAR in March 2026 — its 27th/28th African market — following government approval in December 2025. With only 12% internet penetration at end-2025 (roughly 670,000 users out of 5.7 million people), the launch materially changes the connectivity calculus for business, banking and logistics outside the capital. Orange and Telecel, the incumbent mobile operators, are simultaneously accelerating 4G expansion, with Orange separately rolling out its own satellite backhaul (VSAT) offering across the region.
- **Mining infrastructure pipeline:** a rare-earths and critical-minerals development pipeline is emerging around the Mining Code reform (see Sections 1 and 9), though none of it has yet reached construction stage.

5. CONFERENCES, FORUMS & EXHIBITIONS

Bangui is positioning itself, cautiously but deliberately, as a host city for regional economic dialogue.

- **African Caucus 2025 (Bangui):** CAR hosted the 2025 African Caucus — the Annual Meeting of African Finance Ministers and Central Bank Governors, convened jointly with the IMF and World Bank Group — in Bangui, under the theme "Resilient Infrastructure, Human Capital, and Green Wealth." The gathering brought together finance ministers and governors from across the continent, alongside a cultural programme including a traditional boat race and local trade fair.

- **I-COMPETE launch conference (June 2026):** the National Conference on the Private Sector and Structural Reforms, organised by the Interprofessional Group of Central Africa (GICA) with World Bank support, was held in Bangui in June 2026 and formally launched the "I-COMPETE" platform — a permanent state–private sector dialogue mechanism aimed at accelerating business-climate reform.
- **ECA SME workshop (May 2026):** the UN Economic Commission for Africa convened a high-level SME financing workshop in Bangui from 19–21 May 2026, in partnership with the Ministry of Trade and Industry and the Ministry for SMEs, bringing together roughly 30 enterprises, financial institutions and development partners.
- **African Mining Week engagement:** CAR's Minister of Mines and Geology has engaged directly with African Mining Week 2026 to promote the country's cobalt, lithium, rare-earth and uranium potential to international investors ahead of the Mining Code's passage.

6. BUSINESS & INVESTMENT EVENTS

A shift from ad hoc donor meetings toward institutionalised, recurring investor engagement.

- **Prime ministerial engagement:** Prime Minister Félix Moloua personally opened the I-COMPETE private-sector conference, framing it explicitly around investment, competitiveness and job creation — a signal of the political weight now attached to private-sector dialogue at the highest level of government.
- **SME financing and matchmaking:** the ECA-led SME workshop combined capacity-building with direct matchmaking between roughly thirty Central African enterprises and financial institutions, targeting agribusiness, timber processing, handicrafts and textile value chains eligible for AfCFTA-linked trade finance.
- **Regional investment summit participation:** CAR representatives and diplomatic partners have engaged with the UK–Africa Investment Summit process and related regional investment platforms, positioning the country within the broader wave of UK, Gulf and Asian interest in Central African resources and infrastructure.
- **Bilateral signing ceremonies:** the bilateral mining agreements signed in September 2026 (Section 9) were themselves concluded through direct government-to-investor signing ceremonies in Bangui, a format the Ministry of Mines is likely to repeat as it seeks to convert exploration interest into committed capital.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

A crowded field of partners — Western, multilateral and Russian — each pursuing a different logic of engagement.

- **Political mandate renewed:** President Faustin-Archange Touadéra's victory in the 2025 general election was validated by the Constitutional Court on 19 January 2026, providing a fresh electoral mandate through which to pursue the National Development Plan and peace process.
- **Peace process consolidation:** the Union for Peace in the Central African Republic (UPC) formally dissolved itself in July 2025 as part of the N'Djamena Agreements (signed with UPC and 3R in April 2025); a further agreement with the Patriotic Movement for the Central African Republic (MPC) in November 2025 formalised that group's return to the 2019 Political Agreement for Peace and Reconciliation. Most of the country's major armed groups are now, at least on paper, inside a single political framework.
- **MINUSCA mandate:** the UN Security Council renewed MINUSCA's mandate to 15 November 2026 (Resolution 2800), authorising up to roughly 14,000 personnel and signalling its intent to review troop numbers once the 2025–26 electoral cycle concludes — an early marker of an eventual drawdown discussion.

- **European Union and France:** the EU Training Mission (EUTM RCA) and EU Advisory Mission (EUAM RCA) continue to support security-sector reform, including a new Military Programming Law (2026–2030) agreed with the Central African government; France remains the leading bilateral partner on budget support, diplomacy and defence training, notwithstanding its reduced historical dominance.
- **Russia:** President Touadéra met President Putin in Moscow in January 2025 to review bilateral cooperation; Russian-linked security and mining actors remain deeply embedded in CAR's extractive sector, a relationship that continues to shape both the security environment and the risk profile facing Western and multilateral investors.
- **China:** Chinese engagement in CAR follows the broader continental pattern — commercial and infrastructure-led rather than security-led — and China remains, alongside France, one of the two largest sources of existing FDI stock.
- **Multilateral anchors:** the IMF Extended Credit Facility, the World Bank's Country Partnership Framework, and the African Development Bank's 2026 Country Focus Report — "Mobilising Central African Republic's Development Financing at Scale in a Fragmented World" — together form the multilateral backbone underpinning CAR's fiscal and investment-climate reform programme.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

Access to finance, not entrepreneurial appetite, is the constraint — and it is finally being addressed directly.

Small and medium enterprises sit at the heart of CAR's real economy, driving activity in agribusiness, timber processing, handicrafts, textiles and services. Yet chronic under-financing has long capped their growth and their ability to formalise.

- **Flagship financing project:** the World Bank/IFC-backed CAR Investment and Business Competitiveness for Employment Project (USD 30 million) is building risk-sharing instruments — including partial credit guarantees — specifically to connect SMEs and young entrepreneurs to formal financial institutions.
- **AfCFTA-linked capacity building:** the May 2026 ECA workshop targeted the specific disconnect between SME financing needs and available instruments, framed explicitly around the opportunities opened by AfCFTA and regional value-chain integration.
- **Institutionalised dialogue:** the I-COMPETE platform, launched in June 2026, gives the private sector — through GICA — a standing seat in structural-reform discussions with government, rather than the episodic consultation of the past.
- **Precedent: the IFC Central Africa SME Fund:** the earlier IFC-anchored Central Africa SME Fund (USD 12.5 million in equity, targeting USD 25 million mobilised) established a template — telecoms, tourism and ICT-focused lending of USD 100,000–500,000 per company — that current reforms are now seeking to scale.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

September 2026 has brought the clearest signal yet that international capital is willing to test CAR's mining frontier.

- **Montage Afrique MoU (September 2026):** the CAR government signed a memorandum of understanding in Bangui with Montage Afrique, a Nigerian mining investment group led by CEO Ogochukwu Ezeaku, to begin mining operations in the country; the minerals, sites and investment size have not yet been publicly disclosed.
- **CVMR Corporation uranium licences (September 2026):** Canada's CVMR Corporation, a nickel-refining specialist, has secured five exploration licences covering approximately 2,500 square kilometres, including uranium-prospective ground around Bakouma in the east — territory where France's Orano (formerly Areva) has held long-dormant interests since exploration was shelved amid weak uranium prices.

- **Diamond sector formalisation:** with the Kimberley Process embargo fully lifted, formalising and scaling artisanal diamond production — through buying schemes, traceability infrastructure and processing capacity — represents one of the more immediately investable opportunities in the sector.
- **Agriculture and agro-processing:** of 15 million hectares of arable land, only around 5% is currently cultivated. Cassava, maize, rice, cotton, coffee, cocoa, sugar cane, sesame and oil palm are all identified under the National Development Plan as priority value chains for processing investment, alongside roughly 23 million hectares of forest offering timber-processing, FSC-certification and carbon-market potential.
- **Energy generation and distribution:** the Boali hydropower interconnection and the World Bank's USD 90 million roads-and-energy grant define the near-term pipeline of investable infrastructure, with private power generation and distribution remaining conspicuously under-served given chronic shortages in Bangui itself.
- **Digital services:** Starlink's 2026 launch, alongside Orange's satellite and 4G expansion, opens adjacent opportunities in digital financial services, e-commerce logistics and agritech platforms for a population that is 88% offline today.
- **A cautionary footnote — Sango Coin:** the state's earlier Sango Coin and "Crypto Island" initiative — launched in 2022 alongside CAR's short-lived adoption of Bitcoin as legal tender — has effectively collapsed: fewer than 10% of planned tokens were sold, its citizenship-for-tokens provisions were struck down by the Constitutional Court, and neither the promised "Crypto City" nor "Crypto Island" materialised. It remains a useful cautionary reference point for investors assessing the durability of headline-grabbing government initiatives versus the more conventional reform track described above.

SUMMARY ASSESSMENT

Central African Republic offers a genuine, if narrow, frontier-market opportunity. The macroeconomic trajectory is improving, the diamond embargo is gone, the peace process has brought most armed groups inside a single framework, and a wave of September 2026 mining agreements suggests international capital is beginning to test the ground. Set against that: chronic energy shortages, a single vulnerable transport corridor, public debt approaching 60% of GDP, a security environment still shaped by Russian-linked actors, and a mining tragedy this August that underlined just how far the country's artisanal extractive sector remains from formal, insurable, bankable operation.

For patient capital prepared to work through the World Bank, IFC and AfDB-backed reform architecture — and prepared to engage directly with a government now actively soliciting mining, energy, agribusiness and digital investment — CAR presents asymmetric upside in a market almost everyone else has continued to overlook.