
Meeting of Franc Area Finance Ministers
Paris, 6 April 2012
Press Release

Under the chairmanship of François Baroin, French Minister for the Economy, Finance and Industry, a meeting of the finance ministers, central bank governors and heads of regional institutions of the Franc Zone's was held in Paris on Friday, 6 April 2012.

The participants discussed the economic situation in the Franc Area. French Minister welcomed the encouraging results obtained in 2011 and the promising prospects for growth in every one of the sub-regions, stating, "*The Franc Zone's institutions and mechanisms have demonstrated their ability to protect Member States against international currency disturbances and provide a favorable macroeconomic climate for sustained growth. They show how modern they are.*" Growth in the West African Economic and Monetary Union (WAEMU) in 2012 should accelerate above 6%. It is expected to be around 6% in the Central African Economic and Monetary Community (CEMAC) and rise to 3% in the Comoros. Inflationist tendencies, brought about by rising food and energy prices, would remain under control.

The participants took note of the convergence of macroeconomic policies in the Franc Zone's as of 31 December 2011. They welcomed progress made towards better assessing real economic convergence, via a special report focused on seven new indicators. Given the expected gains, the ministers, governors and heads of regional institutions agreed to work together to strengthen regional integration, and look forward to receiving, at their next meeting, the conclusions of the Convergence Committee's study on this topic.

Underlining the decrease in the cost of migrants' remittances from France, Henri de Raincourt, French Minister for Cooperation, presented the G20's conclusions to facilitating the transfer of migrants' remittances and reducing the global average transfer cost from 10% to 5% by 2014. The participants decided on how these conclusions might be transposed to the Franc Zone's, based on recommendations in the study financed by the African Development Bank (AfDB) and the French Development Agency (AFD). The ministers and the governors adopted a set of commitments, appended to this press release, and thereby demonstrated their willingness to facilitate transfers of migrants' remittances and improve the impact of these transfers on development.

The ministers and governors also discussed subsidies for petroleum products in the Franc Zone's. Representatives from the International Monetary Fund (IMF) and the AfDB explained the issues and the macroeconomic, fiscal, and social risks associated with high oil and gas prices over the long term. The ministers acknowledged the need to shift existing structures towards a progressive adjustment of prices, concurrent with the definition of socially-oriented measures. In response to the need for technical assistance and regional dialogue on this topic, particularly in order to restrict cross-border distortions, the IMF and the AfDB both expressed their willingness to help. Moreover, the WAEMU Commission announced that the Petroleum Product Tax Harmonisation Directive will be amended. The CEMAC Commission will hold discussions in order to set up a harmonized regional framework.

The ministers consulted each other in anticipation of the IMF and World Bank Spring Meetings. In particular, they requested that the World Bank monitor implementation of the very real progress made by the G20 in the area of development, and called on IMF Member States to provide the additional resources that the Fund needs to fully ensure its role as a bulwark against systemic risk.

The ministers and governors stated their support for the various activities intended to commemorate the 40th anniversary of the Franc Zone's Agreements.

The ministers expressed their deep concern as regards the very serious unrest in Mali. They called for return of constitutional order, for respect for territorial unity and integrity, and condemned the use of force.

The ministers expressed their solidarity towards the Republic of Congo after the violent explosion at Brazzaville on 4 March 2012.

The participants sincerely thanked the French authorities for the excellent organization of this meeting and for the warm welcome they received. They accepted an invitation to hold the next meeting of Franc Zone finance ministers in Paris on [9] October 2012.