ACCESS TO FINANCE: HOW SEVERE IS THE PROBLEM?

INDICATORS USED

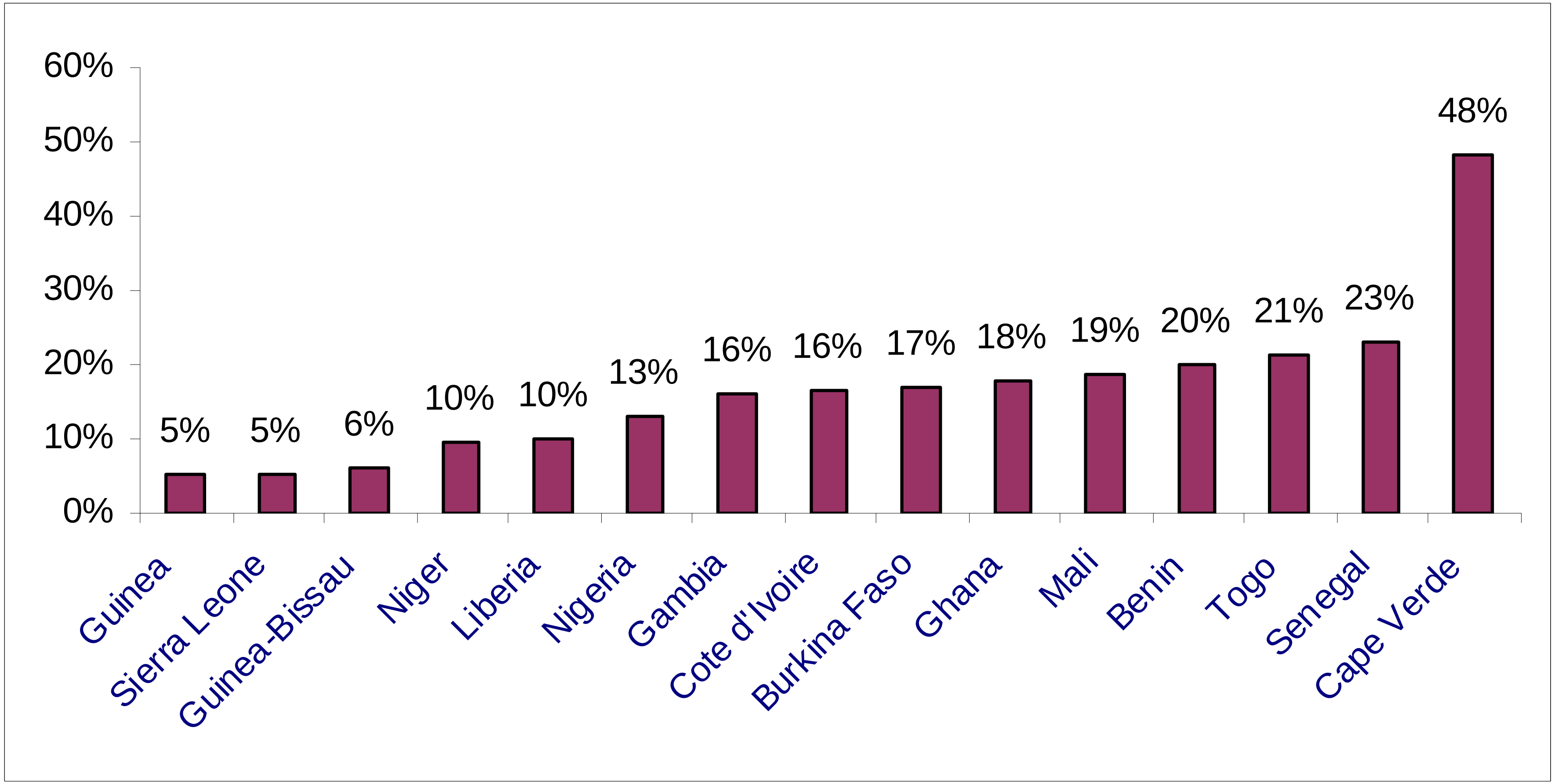
Two indicators of access:
- domestic credit to private sector (as % of GDP)
- % of firms with credit line or loan

Two indicators of perceptions:
- % of firms indicating access to finance as a major constraint
- % of firms indicating access to finance as the main obstacle

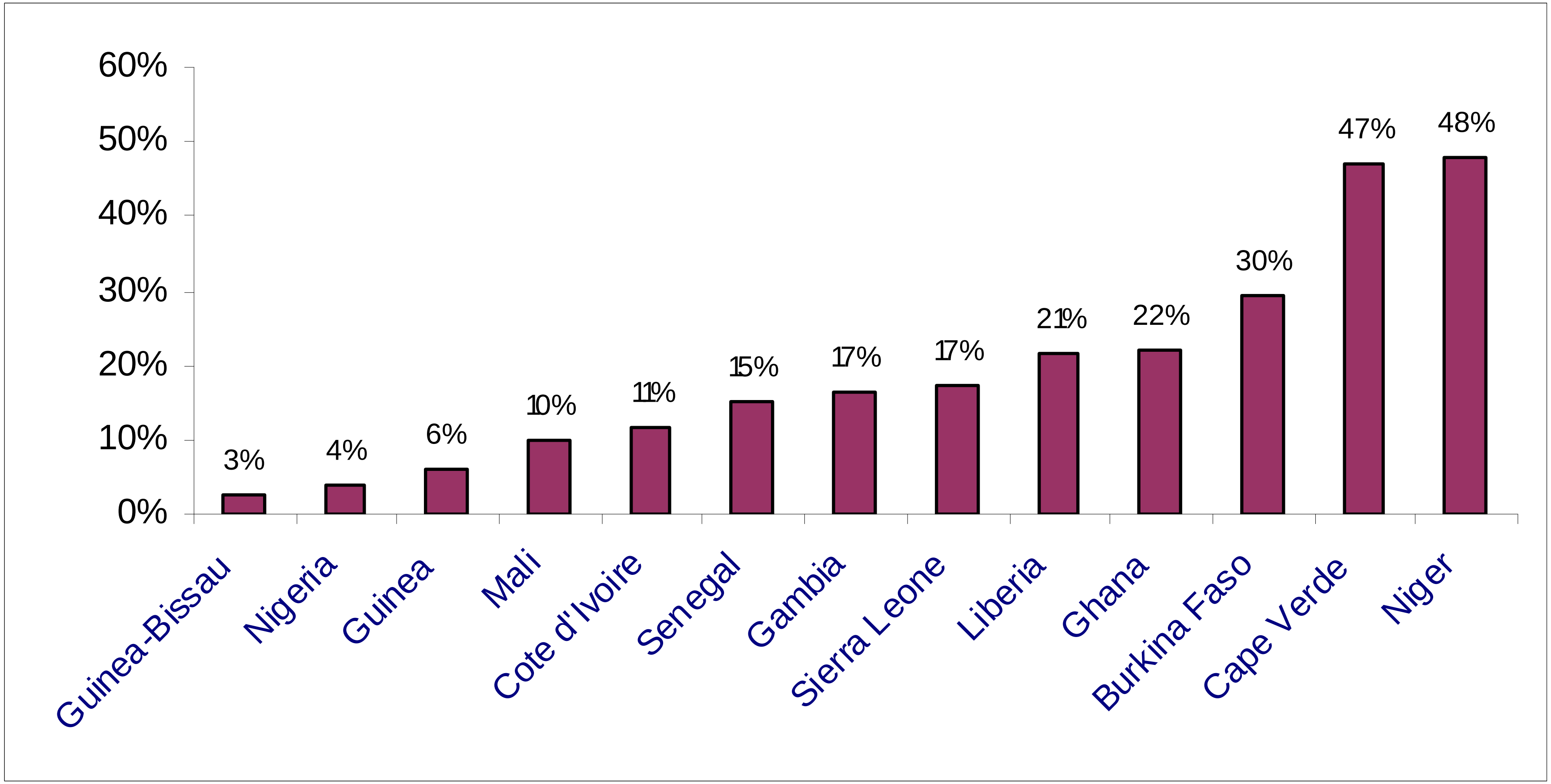
One economic performance indicator:
- GNI per capita (could have been GDP growth)

IMPORTANT:
- various years
- some data limitations (Benin & Togo partial data)

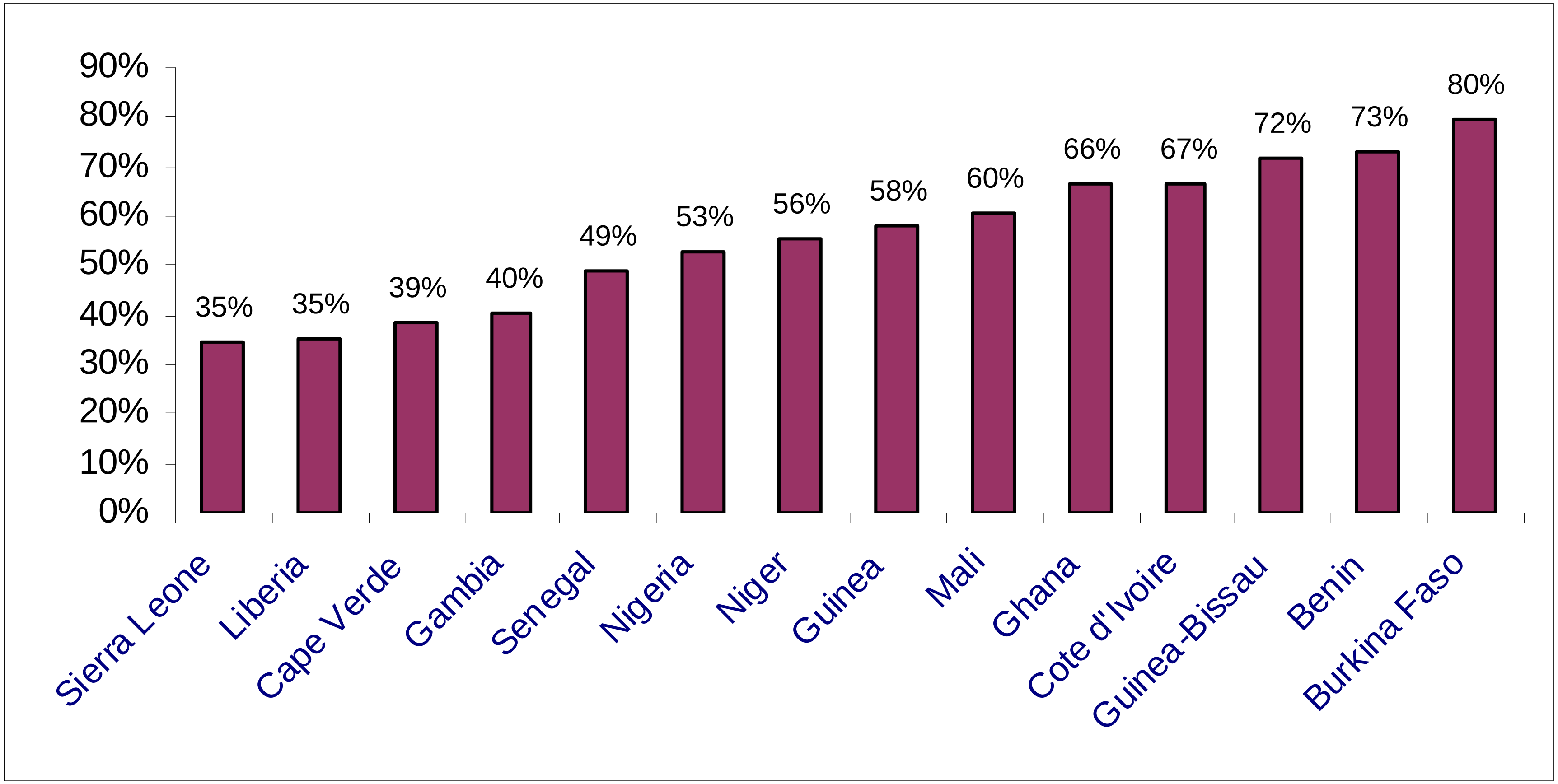
ACCESS INDICATORS: Domestic Credit to Private Sector (as % of GDP)



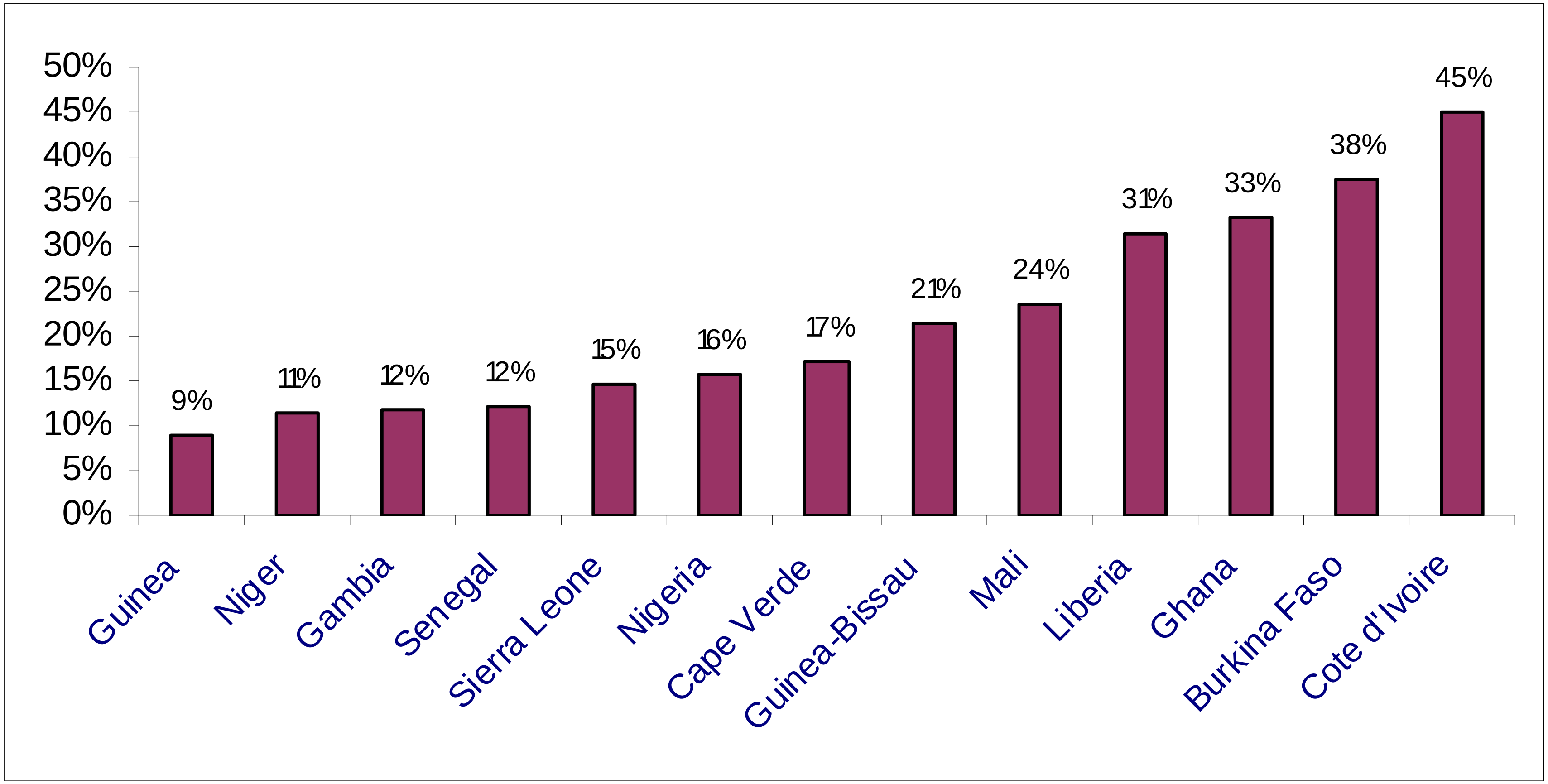
ACCESS INDICATORS: % of firms with credit line or loan



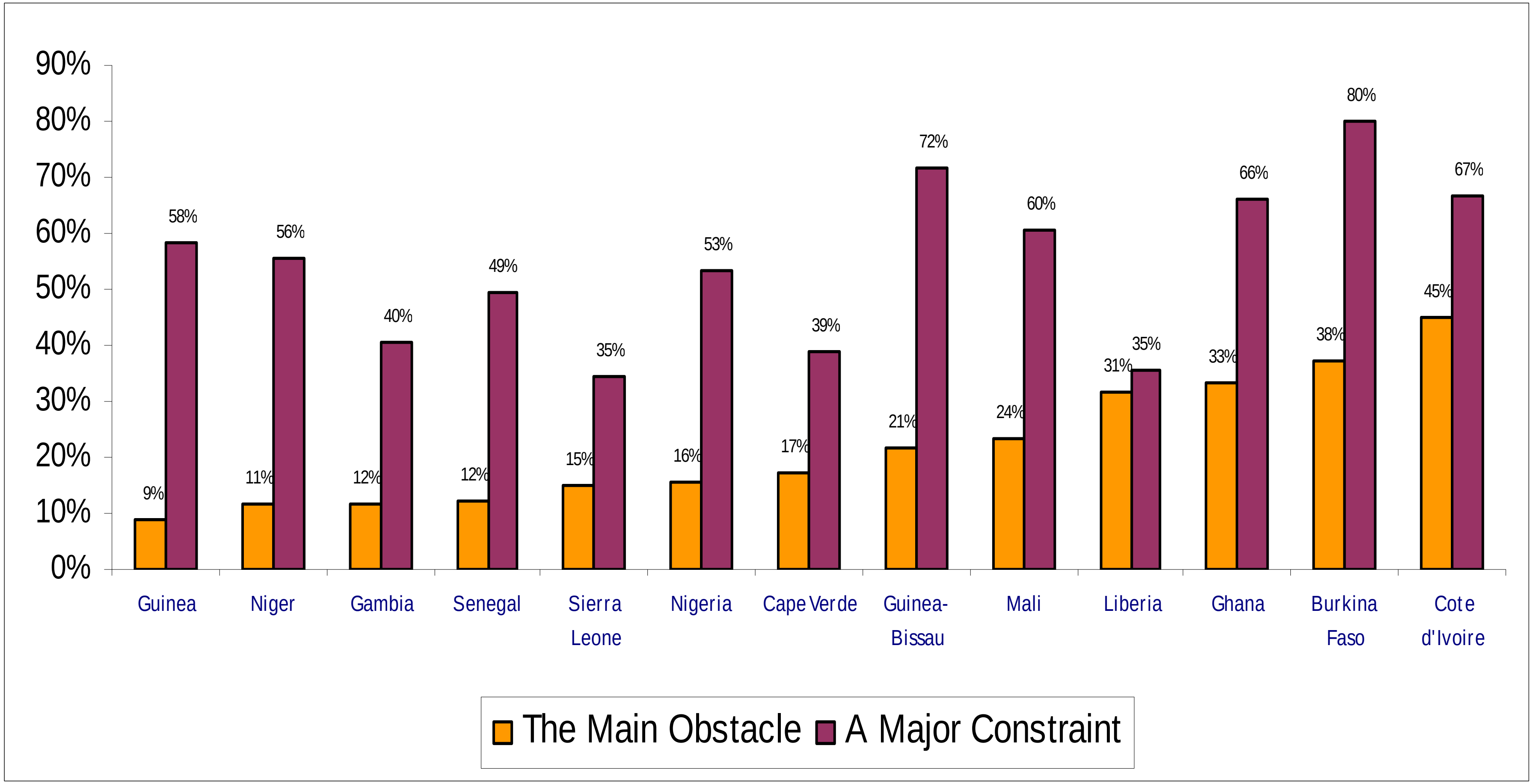
PERCEPTION INDICATORS: % of firms indicating finance as a major constraint



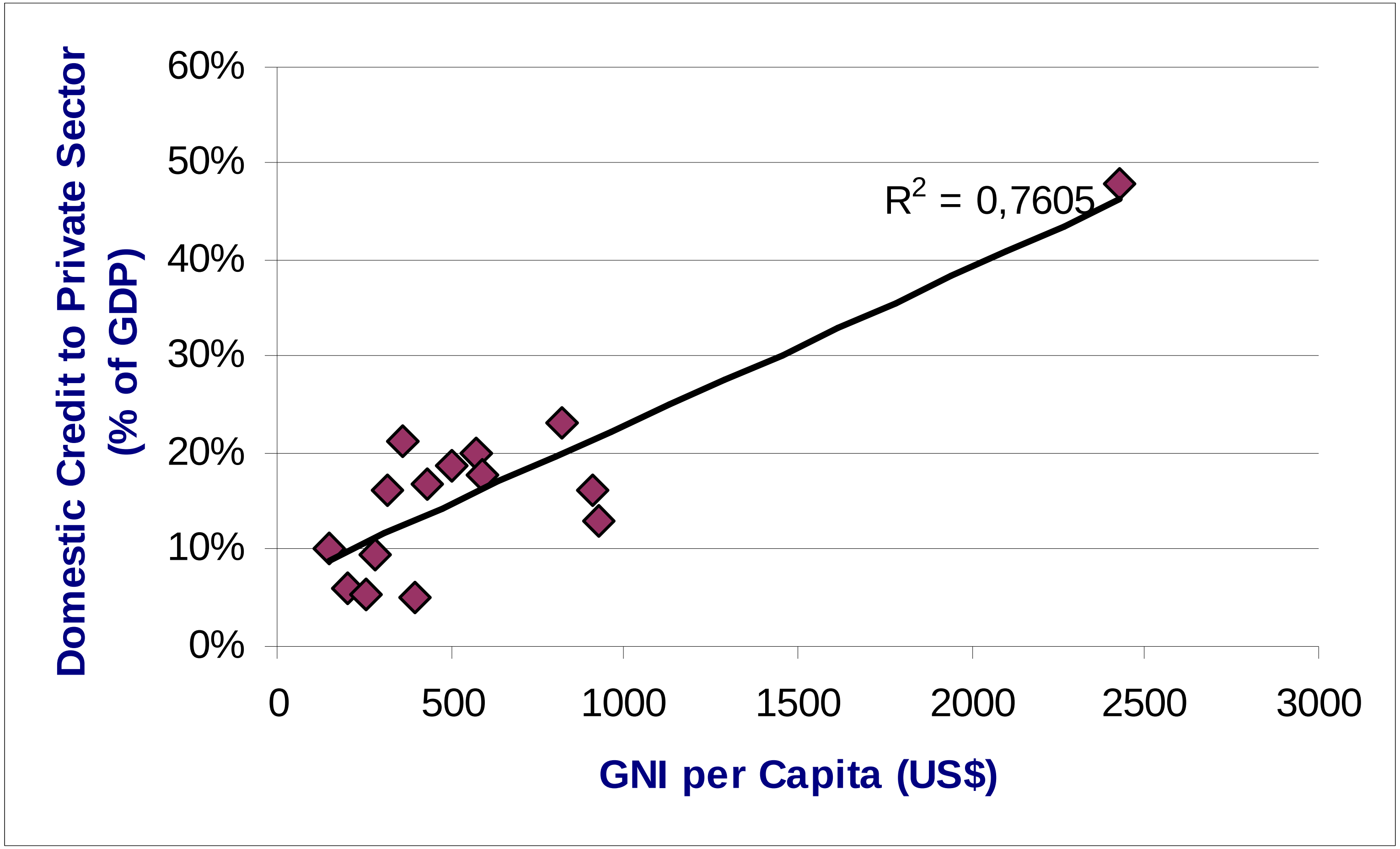
PERCEPTION INDICATORS: % of firms indicating finance as the main obstacle



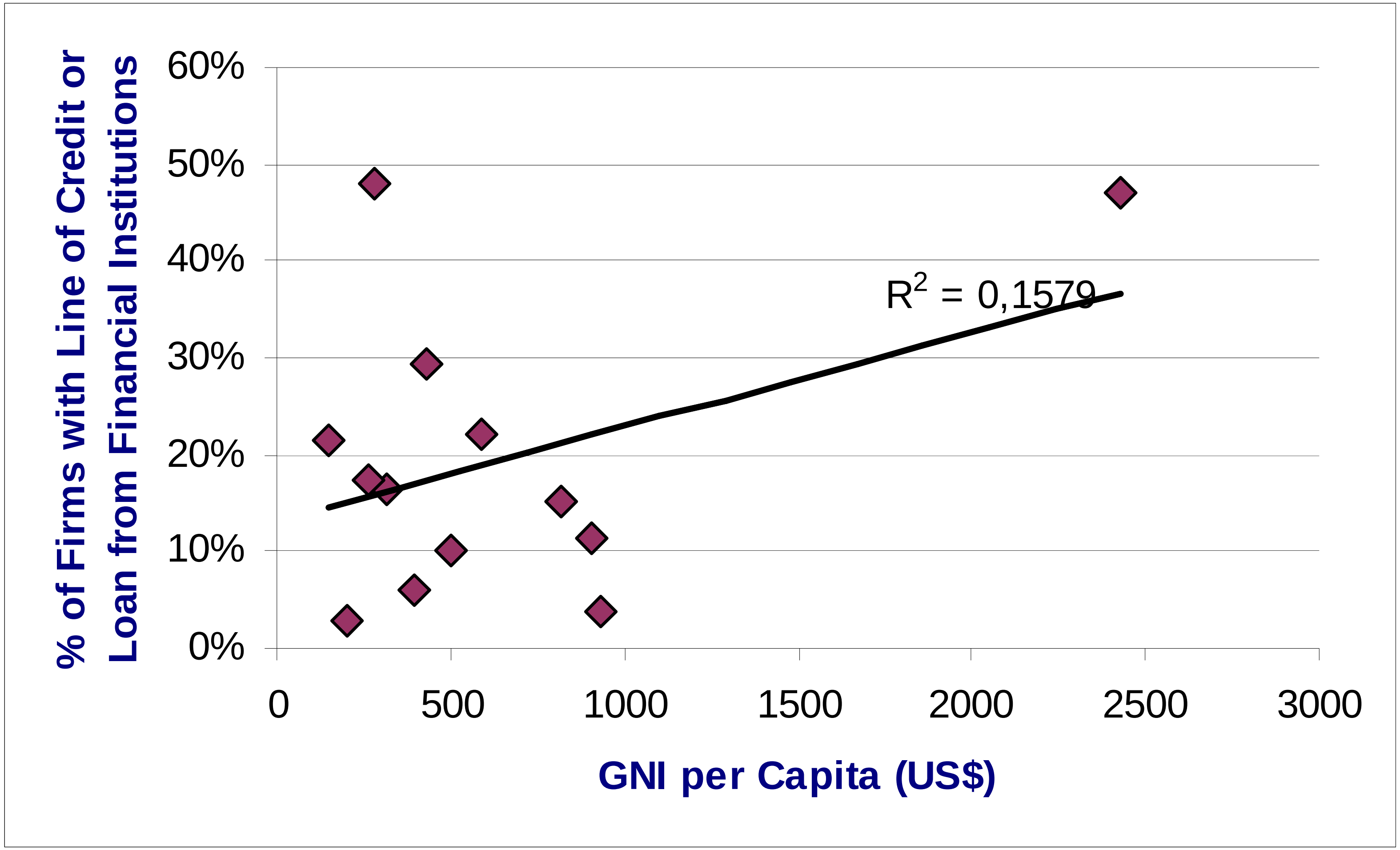
Comparing the two perception indicators



CORRELATION WITH PERFORMANCE:
Domestic credit & GNI per capita



CORRELATION WITH PERFORMANCE: % of firms with credit line & GNI per capita



FINDINGS

Access indicators confirm the existence of a serious problem (with exception of Cape Verde): domestic credit to private sector is low (below 20% of GDP) and the same applies to the % of firms with credit line or loan (Niger is a strange case)

The problem is widely perceived and lamented by private firms, but when they are asked to indicate the most serious obstacle, it is often surpassed by other factors (e.g. electricity, transport, etc.)

There is a clear correlation with economic performance, measured by GNI per capita: the easier the access the higher the GNI per capita