

UPPER VOLTA

Upper Volta lies in West Africa, not far from the river Niger. Area: 274,200 km². Population (1969 estimate): 5,278,000. Formerly a French colony, and became independent on 5 August 1960. An arid country with no other resources than those of agriculture and animal husbandry.

THE BANKING SYSTEM

Upper Volta is one of the seven African countries which belong to the West African Monetary Union and have a joint Central Bank¹: the other six members are Dahomey, the Ivory Coast, Mauritania, Niger, Senegal and Togo.

The banking law, Law No. 7-64 of 29 July 1964, is in line with those of the Union's other members. It requires a liquidity ratio of at least 75 per cent and a minimum capital of 50 million CFA francs.

At the apex of the banking system are the *Banque Centrale des Etats de l'Afrique de l'Ouest*, the National Monetary Commission and the National Credit Council. The latter is made up of the Ministers of Finance, Public Works, the National Economy, and Trade, Industry and Mining, of the Director of the Treasury's

¹ See under the heading NIGER.

Planning Office, the managers of the country's banks and representatives of various economic sectors. It takes decisions on local problems concerning money and credit distribution. Regulations with respect to bank organization, law enforcement, supervision and control of the banking system are the responsibility of the *Comité des Banques et Etablissements financiers*, which consists of a supreme court judge, three members representing, respectively, the Ministers of Finance, of Trade, Industry and Mining and of the National Economy, and the head of the Ouagadougou office of the Central Bank.

For the rest, the banking system is made up of two commercial banks and a development bank.

The *Banque Internationale pour l'Afrique Occidentale* is a French private bank (for details see under the heading NIGER). It has two permanent branches in Upper Volta, one in the capital and one at Bobo-Dioulasso.

The other commercial bank, the *Banque Nationale de Paris*, is likewise a joint stock company incorporated in France. Its capital is 325 million French francs, and in Upper Volta it has been running, since 1966, the Ouagadougou agency of the former *Banque Nationale pour le Commerce et l'Industrie*.

The *Banque Nationale de Développement de la Haute-Volta* is, for the time being, the only indigenous bank of Upper Volta. It was set up on 3 March 1961 and began operating on 25 May of the same year. As in other countries of French-speaking Africa, the development bank has its origin in the former local "social credit" institution. In this particular case, the parent institute was the *Crédit de la Haute-Volta*, set up in 1957 for financing residential building and the purchase of durable consumer goods. After its conversion, the bank now has all the characteristic features

of a modern development bank, and extends credits, especially on the medium and long term, to key sectors in the nation's economic development. Its capital of 355 million CFA francs is in the hands of the Republic of the Upper Volta (63.3 per cent), the *Caisse Centrale de Coopération Economique* (28.2 per cent) and the Central Bank (8.5 per cent).

Since 1969, finally, there has been the *Fonds de Garantie des Crédits aux Petites et Moyennes Entreprises Commerciales, Artisanales et Industrielles Voltaïques*, a financially autonomous public corporation which helps small and medium-sized firms by giving them easier access to bank credit.

