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Economic Report on Africa

1991

United Nations



**Economic Commission
for Africa**

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PREFACE

This Economic Report on Africa 1991 which provides an analysis of the main socio-economic trends and issues in the African region in 1990 and outlook for 1991 as well as updates the Preliminary Assessment of the Performance of the African Economy in 1990 and Prospects for 1991 which I undertook in Addis Ababa on 15 January 1991. Since then, more data have become available and the overall picture presented in this Report, though not substantially different from the one in the Preliminary Assessment, is far less favourable or encouraging.

The Economic Report on Africa 1991 focuses on a particularly difficult year for Africa, marked by a poor agricultural season, a severe energy crisis for the oil importers and widespread political upheavals and turmoil in several countries on the continent. In addition to countries such as Ethiopia, the Sudan, Mozambique and Angola where civil strifes have been on-going for decades, four more countries - Liberia, Chad, Rwanda and Somalia - were ravaged in 1990 by internal conflicts that were particularly disruptive of the already fragile production structures in those countries. Thus, following the decade-long decline and woeful economic performance in Africa, the enabling environment is being further eroded. Also, the social and economic crisis in the region has far from ameliorated in 1990, with the number of countries officially classified as least developed rising to 29, and the generality of the already impoverished oil importing countries on the continent being subjected to a severe energy crisis. The slowdown in output growth was sufficient enough to arrest the incipient recovery on the continent, and to ensure that per capita income growth remained negative as population pressure continued unabated. In addition to the external debt trap, capital flight and the brain drain phenomena, both of which were significant elements in the emerging reverse flow of resources from Africa in the 1980s, persisted in 1990. In short, all the underlying vulnerability, fragility and the deep structural weaknesses and limitations of the African economies remained manifest on the threshold of the new decade.

On the positive side is the wind of change that is blowing across the continent in the quest for basic rights, individual freedom and democratic participation by the majority of the population in social, political and economic development. This is a significant feature of 1990 which began with the adoption in Arusha, United Republic of Tanzania, of the African Charter for Popular Participation in Development by an ECA-sponsored International Conference. After admitting that the African crisis is not merely an economic crisis

but also a human, legal, political and social crisis, the Charter affirms that nations cannot be built without the popular support and full participation of the people, nor can the economic crisis be resolved and the human and economic conditions improved without the full and effective contribution, creativity and popular enthusiasm of the vast majority of the people. The Charter further poignantly states :

"Popular participation is, in essence, the empowerment of the people to effectively involve themselves in creating the structures and in designing policies and programmes that serve the interests of all as well as to effectively contribute to the development process and share equitably in its benefits. Therefore, there must be an opening up of the political process to accommodate freedom of opinions, tolerate differences, accept consensus on issues as well as ensure the effective participation of the people and their organizations and associations"

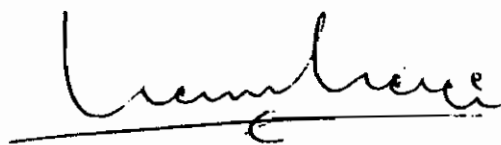
And, as the African Charter has further affirmed, popular participation is dependent also on the nature of the State itself and the ability of Government to respond to popular demand. It is not surprising, thus, that African Governments have themselves been yielding space to the people on the continent in 1990 and 1991, in line with the call in the African Charter for the broadening of the social base of power and decision-making, and the creation of a new partnership between the people and the Governments in the common interest of society and accelerated socio-economic development, such that a new era will be ushered in which political and economic empowerment of the people, public accountability and economic justice will become internalized. By adopting the African Charter, the African Governments committed themselves to a new development ethic, centred on the democratization of the political and development process, and to putting the people first in development efforts in Africa.

The Charter, more than anything else, underpins the continent's basic recognition and return to the centrality of human-centred development in a year which marked the tenth anniversary of the adoption of the Lagos Plan of Action (LPA) and the Final Act of Lagos (FAL). Indeed, at the high-level meeting of experts that was convened in Lagos, Nigeria, in December 1990, to conduct a decennial review and assessment of the LPA and FAL, the unanimous agreement was not only that the LPA continues to be valid as the blueprint for the continent's development, but that vigorous pursuit of its basic objectives, priorities and collective strategies are critical and crucial to the rapid recovery and transformation of the African economies.

Outside Africa, there were the consummate changes - political and economic - taking place in Eastern Europe and the USSR which seemed to have diverted the attention of the rest of the world in 1990 away from African and other third world problems and needs. The Persian Gulf crisis and the war that culminated from it deeply absorbed international attention and energy since August 1990 and have had a serious and profound shock for the entire world economy, heralding for Africa the third energy shock in recent history. It had an impact on the economies of all regions of the world which will continue to be felt for some time to come, but there can be little doubt already about the severity of its disruptive and negative consequences for the fragile and particularly vulnerable economies of the African region while it lasted. Even the second United Nations Conference on the Least Developed Countries that convened in Paris in September 1990 to adopt a new programme of action in support of economic and social development for the 1990s was cast in the shadows of the Persian Gulf crisis. At the end of 1990, the Uruguay round of trade reform talks was suspended. Unless these talks are effectively concluded and a breakthrough achieved quickly we may be entering forcefully an era of protectionism when the opposite is what is required from the standpoint of the developing countries' trade and market access.

In the light of these international developments, it is not surprising that Africa's three major problems - debt and debt-servicing, commodities and external resources flows - have remained as daunting as ever up till now. As in the past, the international community has failed to fully address these issues and find durable solutions to them. Yet no one doubts that unless and until they are addressed imaginatively and in a comprehensive manner, the ability of African countries to manoeuvre is extremely limited and the fledgling democratisation process may be aborted. The return to the path of sustainable development in Africa will similarly be jeopardized.

April 1991

A handwritten signature in dark ink, appearing to read 'Adebayo Adedeji', written over a horizontal line.

Adebayo Adedeji

**United Nations Under-Secretary-General and
ECA Executive Secretary**

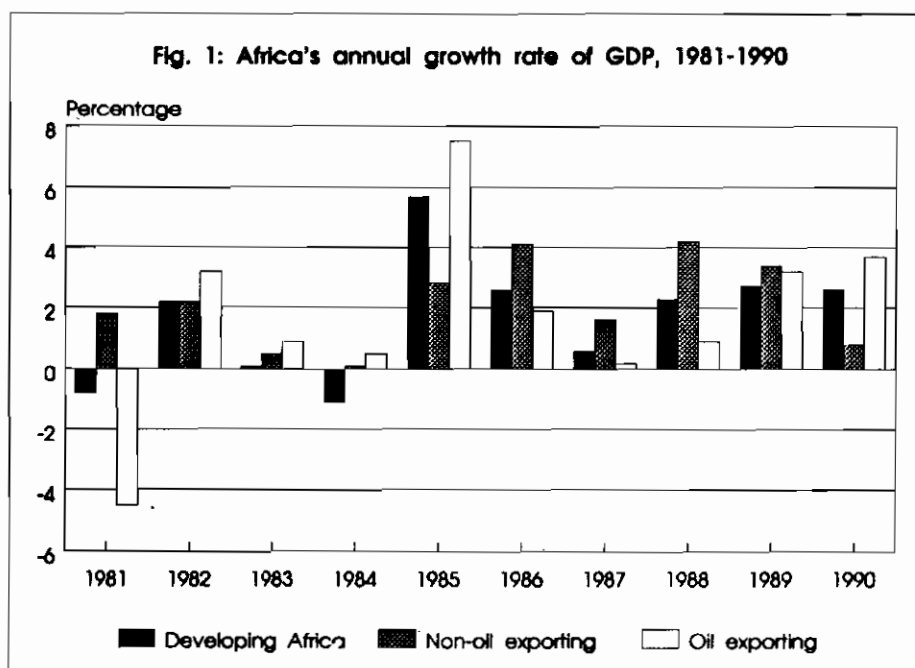
I. The African¹ Economy in 1990 - An Overview

1. It is by now fairly certain that there was a downturn in the African economy in 1990 rather than the marginal improvement that had been discerned earlier on. According to revised ECA data, the overall regional output in Africa grew only by 2.6 per cent in 1990 compared to 3.3 per cent in 1989 and 2.1 per cent in 1988 (see Table I). Obviously, with the loss of nearly one per cent in output growth between 1989 and 1990, the fragile recovery that began in 1988 had neither been sustained nor consolidated, in spite of the continuing process of economic restructuring and perseverance with structural adjustment efforts on the continent. With an assumed population growth rate of 3 per cent per annum on the continent, income per head has fallen further in 1990 by some 0.4 per cent, with all the implications and adverse consequences for social welfare and the extremely meagre standard of living of the average African in the face of rising inflation and unemployment.

2. The relatively poor output performance in 1990 is a reflection of a rather unfavourable agricultural year and the mixed results in the mining sector arising from the sharp increases in oil prices and production from August 1990 onwards. The combined effects of agricultural decline in 1990 and the socio-economic conse-

quences of the Persian Gulf crisis were such that output growth was reduced to only 0.7 per cent in the oil-importing African countries, while, on the other hand, the oil boom, while it lasted, positively affected the economy in most of the African oil-exporting countries. Output grew by 3.7 per cent in the African oil-exporting countries in 1990 compared to 3.2 per cent in 1989. In addition, prices of commodities other than oil went down sharply in 1990. The three categories of commodities of importance to the African countries - namely, beverages, agricultural raw materials and metals - were all adversely affected, with substantially large price losses for robusta coffee and minerals such as copper, nickel and tin.

3. Around the end of the third quarter of the year, the impression then was that African agriculture had done reasonably well, following a normal or near-to-normal rainfall pattern in most areas. It now appears that such optimism had been largely misplaced and that, in several areas like the Sahel, western Sudan, northern and eastern Ethiopia, Mozambique and Angola, the rains have once again failed and millions of people are threatened with starvation. In the Maghreb, drought persisted in certain areas, while some countries of southern Africa have reportedly also been exposed to late rains. The series of internal conflicts and civil wars that have ravaged or continued to ravage some member states in 1990 - Angola, Ethiopia, Chad, Liberia, Mozambique, Rwanda, Somalia and the Sudan - have been equally disruptive of production structures, especially in the food and agricultural sector. The FAO now estimates that the volume of agricultural production rose by only 1.5 per cent in 1990, compared to an average 2.3 per cent in 1980-1989. At the same time, the fall in the prices of cocoa and coffee, the two main beverages of export interest to the African countries, continued in 1990. Cereal production fell by nearly 5 per cent to 75.3 million tons in 1990 from 79.2 million tons in 1989. ECA revised estimates of



1 Excluding the Republic of South Africa

Table I
African economic indicators, 1988-1990

	1988	1989	1990
Real output growth per cent (GDP at constant 1980 market prices)	2.1	3.3	2.6
Domestic demand (per cent)	0.7	3.5	1.9
Inflation rate (per cent)	20.1	20.9	15.4
Petroleum production (million)	258.0	290.9	324.4
Agricultural production (FAO index, 1989/81 = 100)	121.9	121.8	123.6
Oil prices (\$/bd, Brent crude)	14.97	18.22	23.69
Exports (\$ billion)	57.3	62.7	72.5
Imports (\$ billion)	65.3	67.1	76.3
External debt (\$ billion)	252.6	265.4	271.9

Source: ECA secretariat; FAO computer printouts; and IMF, International Financial Statistics.

agricultural value added indicate a mere growth of 1 per cent in 1990 for the region as a whole, compared to 3.6 per cent in 1989, with large contractions of 7.3 per cent in such drought-affected countries as Ethiopia, the Sudan and Angola and about 5.2 per cent in the Sahel.

4. In contrast, the performance of the fuel segment of the mining sector has improved in 1990, although the entire mining picture was far from being wholly favourable. The performance of the mining sector in Africa was dominated by the increase in oil production after the suspension of oil quotas by OPEC and the rise in oil prices induced by the Persian Gulf crisis. The overall mining sector value added is estimated to have grown by an impressive 7.6 per cent, the best performance since 1980. But the results have been rather mixed in so far as oil and non-oil mineral exports are concerned. The export revenues of oil-exporters are estimated to have risen by about \$10 billion in 1990 to \$51.5 billion, with particularly large financial gains accruing to such African oil producers as Gabon, Libya, Nigeria and Algeria. In contrast, prices of minerals other than oil showed little or no improvements, and the value added by the non-oil mineral sub-sector declined by a significant 3.2 per cent in 1990, signifying an early end to the metal boom of 1987-1989 spurred by expansion in the industrialized countries. Indeed, the prices of virtually all major non-fuel products posted noticeable decreases in 1990 while volume production was either stagnant or down for such important minerals as copper, bauxite, iron ore and uranium.

5. As in agriculture, the output performance in the manufacturing sector was equally poor in 1990, and perhaps inevitably so, given the structural linkages between agricultural output and capacity utilisation in manufacturing industry in Africa, especially the agro-processing part of that sector. In addition to the peculiar difficulties of the African manufacturing sector in terms of poor management, low labour productivity, non-availability of imported inputs and paucity of new investment, the poor performance in the agricultural

sector and therefore the shortfalls in domestic supply of primary inputs have had a constraining influence on manufacturing performance; and so have the higher energy costs and supply uncertainties associated with the Persian Gulf crisis. Manufacturing value added increased by 1.6 per cent only in 1990, compared to 2.9 per cent in 1989 and 3.3 per cent in 1988, thus confirming the process of deindustrialization, plant closures and capacity underutilization that has been under way on the continent since the mid-1980s.

6. Domestic demand grew by only 1.9 per cent in 1990 for the region as a whole compared to the rise of 3.5 per cent in 1989. The African economies continued to be subjected to strong supply constraints in such a sector as agriculture while external demand remained the principal determinant in the mining sector, the two sectors that, taken together, account for the bulk of Africa's revenues. Domestic demand, on the other hand, is so strongly influenced by such exogenous factors as population growth that the scope for demand management policy and current account adjustment is greatly circumscribed. In the event, capital formation has been steadily decreasing during the 1980s and it is only in 1989 and 1990 that some noticeable reversals in the trend have taken place, with fixed capital formation increasing by an estimated 4.5 per cent and 5.0 per cent, respectively. But the overall share of fixed capital formation in GDP of 20 per cent or more at the beginning of the 1980s has nonetheless whittled down to under 15 per cent, having fallen in sub-Saharan Africa to barely 10-11 per cent.

7. While estimates of gross fixed capital formation are fraught with conceptual and statistical difficulties and need therefore to be viewed with caution because of the many imponderables involved with such calculations in an underdeveloped region such as Africa, there is little doubt about the trend in government consumption. It has been stagnant for most of the 1980s, following the implementation of structural adjustment programmes (SAPs), and, in 1990, has declined by -0.2 per cent. All over the region, governments have been reducing and scaling down their current expenditures and trimming the ranks of government employees, etc., all aimed at lowering fiscal deficits. Private consumption expenditures have remained close to 60 per cent of GDP at constant prices during the 1980s, and the estimates for 1990 point only to a modest growth of 2.4 per cent. Expenditure per head has declined with GDP, and not even the oil-exporting countries have been able to raise the level of private consumption spending in spite of the windfall of oil revenues in the second half of 1990.

8. Consumer prices continued their upward trend in the Africa region in 1990, albeit at a much slower pace than in the previous year. But while inflation seems to have abated in 1990, averaging 15.4 per cent generally, compared to 20.9 per cent in 1989, the situation in many countries is still that of very high rates of consumer price increases; for example, in the Sudan, Uganda,

BOX 1

Impact of the Persian Gulf Crisis on Oil-exporting African Countries

As a result of the Persian Gulf crisis, oil prices which had been falling up to the end of July 1990 before rising to around \$20 per barrel after the OPEC meeting of the same month, quickly rose and escalated to \$40 a barrel by the second week of October 1990. On average, prices in the second half of 1990 were around \$28.5 a barrel, compared to \$18.5 a barrel in the first half. The African oil exporters with excess capacity increased production by as much as demand would bear, with the result that African oil production rose to some 324 million tons - Nigeria's production rising to nearly 2 million b/d compared to 1.7 million b/d in 1989, Libya's rising to 1.5 million from 1.1 million b/d in 1989 and Algeria's to 1.2 million from 1.09 million in 1989. Export revenues may have risen to more than \$51 billion in the oil-exporting African countries, with a financial gain of nearly \$10 billion as a result of the oil boom. Given that actual prices may have been less than those on the spot market, actual revenues could indeed have been lower; but, still, the windfall was considerable. The immediate consequence was that debt-strapped countries like Algeria and Nigeria, with their current accounts back into surplus, were in a better position to settle some of their debt arrears and rebuild their reserves. In Nigeria, because oil revenues considerably exceeded forecasts, the budget deficit out-turn in 1990 was much lower than the reported N22.3 billion, especially in view of a N14 billion surplus on the Contingency Fund. After years of imports compression, some African oil exporters were able to increase imports of necessary industrial inputs and investment goods in 1990. Their overall imports rose by 16.8 per cent or around US\$ 6 billion, compared with the rise of only 10 per cent in the imports of the non-oil exporting African countries. Of course, not all African oil exporters have done well: Egypt, for instance, was not able to raise its oil production because of insufficient capacity, and a sum of almost \$4.6 billion was required to resettle the returning 900,000 migrant workers. Tens of thousands of Egyptian workers had to leave Iraq and the Persian Gulf area, so that remittances of more than \$3 billion a year were lost to the economy. Additional revenue losses occurred from a big drop in tourism receipts and shipping traffic through the Suez Canal, although debt write-offs of almost \$13 billion were carried out in favour of Egypt during the crisis. The impact of the crisis on trade, finance and tourism was acutely felt in virtually all countries of North Africa.

Zaire, Sierra Leone and Ghana. In Zaire, inflation which seemed to have slowed down at the end of 1989 has rebound in 1990 and was over 50 per cent by the end of the year. In Ghana, inflation remains at more than 30 per cent a year, in spite of the current structural

adjustment programme. The highest rates of inflation were recorded in the West African subregion, followed by Central Africa. Among the major contributory factors to the rise in the consumer price index in the region in 1990 were the heavy pressure resulting from higher import prices, particularly oil, fiscal deficits, and repeated massive and generalized devaluation of domestic currencies. It would appear that there is a built-in underestimation in the official statistics on inflation in some African countries, given the weight assigned to subsidized goods in the consumer price indices and the less-than-adequate coverage of prices. This is apparently the case with countries such as Egypt, Algeria and Ethiopia. In member countries of the franc zone, where the regulations of the zone impose a ceiling on fiscal deficits (normally 20 per cent of average revenue), governments have been unable to finance budgetary deficits through money creation which is one of the main causes of inflation.

9. Higher oil prices in the second half of 1990 are some of the explanatory factors for the increase of African exports to \$72.5 billion in 1990, the highest figure since 1981. But if oil-exporters revenues rose to \$51.5 billion in 1990, from \$41.6 billion in 1989, a gain of 23.9 per cent, non-oil exporters revenues hardly changed, remaining virtually at \$21.0 billion. With the unit values of exports up by 12.8 per cent, on average, the volume growth in exports was a modest 2.3 per cent, an improvement nevertheless on the fall of 4.5 per cent recorded in 1989. Imports (c.i.f) rose by 13.6 per cent to \$76.3 billion in 1990. With higher inflation in the industrialised countries, import unit values increased by 9.1 per cent, and this, combined with the increase in import volumes by 4.2 per cent, has given rise to higher import values. The terms of trade improved by only 3.4 per cent compared to 14.8 per cent in 1989, because of higher import prices and the fall of non-oil commodity prices. The share of African trade, relative to world trade, fell to a paltry 2.0 per cent, an indication of the increasing marginalization of the region in the context of the global world economy. The current account of the balance of payments for Africa remained in deficit in 1990 as it has been in the past, and is estimated to have widened further, increasing to US\$ 11 billion as compared to US\$ 8,923 billion in 1989.

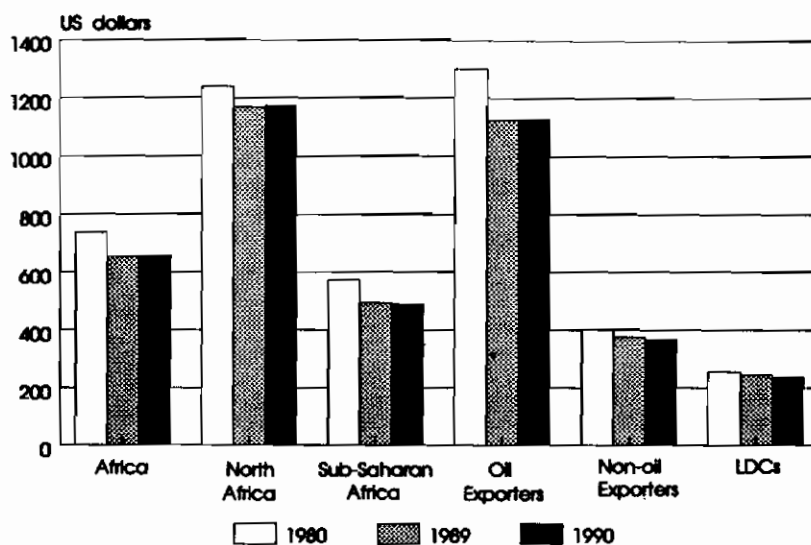
10. Compared to 1989, it would appear on the surface that Africa's external debt position was marginally better in 1990. The stock of debt increased by 2.4 per cent in 1990 compared to the 5.1 per cent recorded in 1989, from US\$ 265.4 billion in 1989 to US\$ 271.9 billion in 1990. The ratio of debt to overall regional GDP remained virtually the same in 1990 (90.9 per cent) as in 1989 (91.1 per cent), and there was a significant improvement in the debt service ratio, as it fell from 33.5 per cent in 1989 to 30.2 per cent in 1990. However, the debt crisis must be viewed, as ECA has always insisted, not just in terms of the existing stock of debt but, most importantly, in the light of what is happening to commodity prices and demand in general, and to the

relationship between debt and financial flows and the constraints imposed on new loans and debt rescheduling and debt reduction by the rigid conditionalities of adherence to orthodox SAPs. Even in spite of the good fortunes of the oil-exporters in Africa in having oil revenue windfalls, and in spite of a country such as Egypt enjoying a write-off of US\$7 billion in military debts to the US as well as some write-downs in debts owed to the Persian Gulf states, the economic instability created in a large part by the debt overhang has remained the most serious threat to the consolidation of recovery on the African continent.

11. As in previous years, the economic outlook for 1991 will depend on both internal and external factors, the most important being the weather situation, the progress in the implementation and sustenance of effective policy reforms for socio-economic transformation and the developments in the international economic environment. If the weather conditions were to improve and turn more favourable

in 1991, and provided African countries continue with their pursuit of reform policies along the lines of AAF-SAP, there should be a significant improvement in

Fig.2: Africa and subregions and economic groupings
Per capita GDP at 1980 prices



BOX 2

Impact Of The Persian Gulf Crisis On African Oil-importers

For the oil importers in Africa, the sudden rise of oil prices and the increased uncertainties of supply as a result of the Persian Gulf crisis was an unmitigated disaster, precipitating the third energy shock in recent history, following the two earlier ones in 1974 and 1979. Even though the majority of the population in Africa relies on traditional fuels, oil is vital for the modern sector and remains the most dominant source of commercial energy in the region. In "normal times", the African oil-importing countries buy around 0.5 million barrels of oil a day from abroad, equivalent to 20 per cent of total annual imports. To sustain this level of consumption at prices prevailing in the second half of 1990, Africa's oil import bills would have had to rise to about \$9.5 billion, \$2.7 billion more than in 1989, or around 2 per cent of GDP. The financing of such an increase was of course extremely difficult, given the already precarious financial situation and the debt-servicing problems in the region; and, in the event, many countries had to introduce fuel rationing alongside sharp price increases. The oil imports of African non-oil-exporting countries must have, in all probability and despite the well-known inelasticity of their demand for oil, fallen in 1990, with a significant loss in economic growth: on present estimates, their combined output grew by only 0.7 per cent in 1990 compared to 3.4 per cent in 1989. The countries of the East and southern African subregion were easily the most severely affected by the disruptive impact of the Persian Gulf crisis on energy supplies and prices as they practically have little or no local oil production or effective oil substitutes, and most of their long-term oil supply contracts at concessional rates were either with Kuwait or Iraq, or with other countries embroiled in the increasing turbulence and volatility in the Persian Gulf during the second half of 1990. The increase in oil prices imposed an enormous pressure on the current account of the balance of payments of the oil-importing countries and additionally translated into lower industrial growth, higher transport costs and inflation rates. The tourist industry in countries such as Kenya, Mauritius, Seychelles, the Comoros, Tanzania and the Gambia are estimated to have incurred substantial losses while the Sudan, with a large expatriate labour force in the Persian Gulf, suffered reductions in workers remittances and had to face up to the huge cost of rehabilitating returning nationals in an already depressed and war-ravaged economy. Some countries were hit by the loss of aid, investment and resource flows from the Persian Gulf. Overall, the policy response to the Persian Gulf crisis in the African oil-importing countries focused initially on ensuring critical oil supplies and curtailing consumption so as to limit the impact on the balance of payments of higher petroleum import prices. But now that the immediate crisis is effectively over, attention must henceforth turn to the more fundamental issue of a comprehensive regional energy policy in the context of an overall strategic plan for the African region as a whole.

agricultural performance and the food situation in 1991. However, even if the African oil exporters do not significantly undertake a cut-back in their oil production levels, the likelihood that oil prices will remain below the OPEC benchmark of US\$21 a barrel for the rest of the year is bound to result in a slowing down in the rate of growth of oil revenues and therefore in the economies of the African oil exporters in 1991, although such a situation will have also the beneficial result of freeing the African oil-importers from the kind of daunting energy crisis they have had to endure in 1990. But it is not only oil prices that will remain depressed in 1991; commodity prices are likely, in general, to fall or stagnate since recovery in the OECD countries, Africa's major trading partners, is not expected to get under way before the end of the year.

12. Given the above considerations, and the dim prospects in the immediate future for the countries in the region ever securing adequate external resources for the recovery and transformation process, it is forecast that the region's output will in all probability grow by 3.0 per cent in 1991, oil exporters countries achieving a rate of 3.5 per cent and the non-oil exporting ones recording a rate of growth of only 2.2 per cent. The overall recovery will thus be a weak one, with GDP per head continuing to fall especially in the non-oil exporting countries. The projected regional growth may even turn out to be much less than 3 per cent, were the already observed softness of oil prices at the beginning of 1991 to turn into a cascade during the year, thus hurting much more deeply than expected the economic performance of the African oil exporting countries.

II. Subregional and Economic Grouping Performance

13. There were substantial variations in economic performance among the subregions and countries of Africa in 1990 (See Tables II and III) despite the rather low overall regional growth. The rather mixed output performance was, for the most, a reflection of the differential impact of the Persian Gulf crisis, the dividing line being primarily between the oil-exporting countries, which have done reasonably well, and the oil-importing countries, which have generally lost ground because of higher oil prices and an energy crisis; although the out-turn in the agricultural and food sector also played an important part as well. The sub-Saharan countries suffered most from the Persian Gulf crisis while, at the subregional level, North and West Africa experienced growth rates in excess of the regional average whereas growth in East and southern Africa was exceptionally weak.

14. In North Africa, a subregion with 3 major oil-exporters, output has grown by 3.2 per cent in 1990, compared to 2.7 per cent in 1989 and 1.0 per cent in 1988. Among the oil exporters, overall growth performance in Algeria and Egypt was rather poor; in Algeria because of the non-hydrocarbon sector of the economy, where manufacturing seems to have declined, although the hydrocarbon sector grew by nearly 6 per cent, and, in Egypt, because of the enormous losses in revenues brought about by the Persian Gulf crisis, the lack of spare capacity in oil production, and the sluggish growth in most sectors of the economy. The Egyptian economy is estimated to have grown by no more than 2.7 per cent in 1990. In Morocco, the agricultural year has again been bad, and the energy bill has increased since Morocco had relied mainly on Iraq for more than 50 per cent of its oil supplies at concessional prices. Official estimate of the losses sustained by Morocco from the Persian Gulf crisis is put at \$450-500 million, and the country's real GDP growth rate in 1990, first set at 3.0 per cent, is now down to only 2.4 per cent. In drought-affected Sudan, output declined by a huge 5.3 per cent in 1990. According to the FAO, the deteriorating food situation in certain provinces of the country is such that food aid requirements are estimated at nearly 1 million tons. The return of tens of thousands of Sudanese workers from the Persian Gulf area has further worsened the situation, with the country losing into the bargain one of its most valuable sources of foreign exchange earnings in the form of workers remittances.

15. In Central Africa, there has been a recovery of some sorts, with output growing by 2.1 per cent in 1990

compared to 0.2 per cent in 1989 and negative figures in 1987-1988, although growth has generally remained weak in comparison with other subregions partly on account of the devastating impact of the continued slump in cocoa and coffee prices on the economies of countries such as Burundi and Rwanda. The three oil exporters in the area, Cameroon, Congo and Gabon, have done better because of the Persian Gulf Crisis, although Cameroon benefitted the least because its oil production has continued to decline while the non-oil sectors of the economy have recorded no favourable results. In the Congo, the higher oil prices and output have provided some relief from the acute economic difficulties facing the country, with GDP growing by 5.3 per cent. The growth in oil production by almost 30 per cent at a time of rising prices has enabled Gabon to its recover strongly from the slump of 1986-1989. Its GDP, which had already risen by nearly 9 per cent in 1989, increased by 11.5 per cent in 1990, in spite of the political turmoil in the country and some resulting losses in agricultural production. Zaire, which is the largest country in Central Africa and among the biggest copper producers in the world, has been growing at a very slow pace during the last two decades, and real incomes have fallen continuously, with overall output hardly rising in 1990 and agricultural output growing by less than 1 per cent, while mining output actually dropped by a large 6.1 per cent. The rate of inflation has again risen because of a large fiscal deficit in 1990, and the massive loss in value of the domestic currency vis-a-vis the U.S dollar.

16. In West Africa, there was noticeable economic decline in 1990, with combined output growing by 2.9 per cent compared to 4.5 per cent in 1989 and 3.1 per cent 1988. The poor overall performance in 1990 was the result of the very poor performance (1.2 per cent growth rate compared with 4.7 per cent in 1989) in the food and agricultural sector, and the even poorer performance in the manufacturing sector (0.2 per cent in 1990 as compared with 3.2 per cent in 1989) in spite of the fact that the mining sector grew by 9.4 per cent in 1990 compared with 6.7 per cent in 1989. Economic performance did in fact vary widely within the subregion, with the Sahelian countries, hard hit by a poor agricultural season and a biting energy crisis actually experiencing a negative 1.2 per cent growth rate. Among them, countries such as Cape Verde, Guinea-Bissau, Mali and Burkina Faso have been the worst affected. In the non-Sahel part of the subregion, serious difficulties have also been experienced in countries such as Benin, where the economy has stagnated in

Table II Output share and growth rate by sub-region and economic grouping, 1988-1990					
	GDP Per Head * 1989 (\$)	Output Share 1989 (per cent)	Growth Rate(percentages)		
			1988	1989	1990
North Africa **	1170.3	41.7	0.9	2.7	3.2
Sub-Sahara Africa **	492.8	60.5	2.8	3.9	2.0
Central Africa	491.0	8.9	-1.2	0.2	2.1
East and southern Africa	324.4	15.9	5.2	3.7	0.9
Southern Africa	418.9	8.9	4.3	3.4	0.7
West Africa	677.5	33.5	3.1	4.5	2.9
The Sahel	334.4	5.5	2.8	6.2	-1.2
Sub-Saharan Africa without Nigeria	402.1	39.0	2.3	2.9	0.8
Oil Exporters	1123.5	64.3	0.9	3.2	3.7
Non-Oil Exporters	376.0	35.7	4.3	3.4	0.7
LDCs	241.6	13.5	3.4	5.2	-0.3
Mineral Exporters	410.2	7.5	2.4	3.1	-0.0
Beverage exporters	282.4	11.9	2.6	3.2	-0.0
Zone franc Countries	557.6	11.7	-0.6	0.6	1.4
Developing Africa	657.0	100	2.1	3.3	2.6
Source: ECA secretariat.					
* Constant 1980 dollars					
** Includes the Sudan					

1990 with a largely insolvent banking sector and mounting budget deficits, and Liberia, which is almost in complete ruins.

17. Growth performance in Nigeria (4.1 per cent in 1990), the subregion's largest and most dominant economy, did not match the 5.4 per cent in 1989, in spite of the beneficial impact and positive consequences of the Persian Gulf crisis for the country's oil industry and exports. Yet, but for Nigeria's positive growth performance, the overall growth out-turn in the subregion might have been even much less, as countries in the subregion other than the Gambia, Ghana, Guinea and Mauritania, experienced negative growth rates which, in the case of Liberia approximated 31 per cent. Cote d'Ivoire recorded a 4.5 drop in GDP in 1990, beset as it was by the drop in coffee and cocoa prices to levels that are sometimes below production costs, loss of export market share for cocoa, declining production and falling investment, and, of course, a huge debt service burden. And even a country such as Ghana that has managed to achieve a GDP growth rate of about 4.8 per cent despite lower cocoa prices is far from certain of being able to sustain its present growth momentum

without further injection of external resources, given the paltry 0.8 per cent increase in export volume in 1990 and a decline of import volumes.

18. In East and southern Africa, where there is no domestic oil production, except in Angola, and where countries have had to rely largely on expensive oil imports and limited local energy sources (coal, hydro-electricity, traditional fuels), the effect of the Persian Gulf crisis has been particularly devastating. In many of these countries, shortages of fuel have resulted quite early in rationing, given the traditional dependence on the Persian Gulf area, particularly Kuwait, for crude oil supplies. In addition, the agricultural season has been poor in Ethiopia and Somalia, while, in Mozambique, continued civil strife is preventing agricultural recovery.

19. Further south, the agricultural season has been generally unfavourable. The countries most affected have been Zambia, Malawi, Lesotho and Botswana, although Botswana is a special case because of its mineral wealth. Its diamond production has dropped in 1990 and export revenues have fallen accordingly, but its economy has continued to grow, albeit at a drastically reduced rate (1.5 per cent only in 1990) compared to the record 13 per cent average of 1983-1989. Zimbabwe suffered less than the other countries in the area from the bad weather conditions of 1990. Hence it has achieved some increase in agricultural production even though the rate has been quite small. In addition, mining production has not done well, with value added declining by 1.3 per cent. But manufacturing has continued to expand, though at a reduced rate, and there has been an encouraging revival of investment. The announced changes in government policy towards the provision of more incentives to the economy and the liberalization of the trading system to meet the demands of exporters are very encouraging moves that could open the way to further gains in 1991. The drop in tourism was another cause of reduced economic growth, as has been the case with Kenya where overall output grew by 2.5 per cent only in 1990 compared to 5.0 per cent in 1990. There have been similar slow-downs in Tanzania (3.4 per cent in 1990 compared to 4.1 per cent in 1989), Malawi (3.3 per cent in 1990 compared to 4.3 per cent in 1989) and Madagascar (3.0 compared to 4.0 in 1989). The economic situation in Madagascar has indeed continued to improve since 1989, after a decade-long decline. The government has introduced a far-reaching reform programme which has provided incentives to agriculture, liberalised the trading and banking system, and started off on a programme to restructure the public sector. In Mauritius, where growth performance in 1989 had been disappointing, the economy appeared to have rebound in 1990, growing by 6.5 per cent in 1990 compared to 3.6 per cent in 1989. Agriculture has strongly recovered from the cyclone damage of 1989, with the sugar crop rising by more than 10 per cent, and manufacturing, which was beset by lower demand

and high wage costs in 1989, has managed to grow by a healthy 7 per cent in 1990.

20. The African LDCs, which now number twenty-nine with the addition of Liberia, have performed particularly badly economically in 1990 after posting a significant recovery in 1989. The growth of GDP fell by 0.3 per cent in the African LDCs in 1990 compared to a rise of 3.5 per cent in 1988 and 5.2 per cent in 1989. Higher oil costs and increased uncertainties of energy supplies associated with the Persian Gulf crisis, and the deterioration in the performance of agriculture were the major factors in the downswing, along with the continuous fall in the prices of exports, particularly of non-mineral products. Recognition of the peculiar economic circumstances of the LDCs and of the continued need for special actions in their favour as a group led to the adoption in September 1990 of a New Programme of Action for the 1990s, but many crucial issues affecting the African LDCs, such as macro-economic policy framework and financial support to adjustment programmes, external debt, commodity prices and demand, and, above all, official development assistance, are yet to be effectively tackled to ensure the rapid transformation needed to make these economies cease to be the weakest link in the chain of development in the region.

21. There are variations also amongst the countries on the continent on the basis of output growth rates. As Table III shows, the number of countries experiencing negative growth rates has increased markedly in 1990, almost to the same level as in 1987. There is now an equal number of countries experiencing negative growth rates as there are countries with output growth rates in the range of 0-3 per cent and 3-6 per cent, respectively. On the other hand, the number of countries experiencing growth rates of 6 per cent and above had fallen significantly in 1990 in comparison with the number in 1989 or 1988, and one of the drop-outs is Botswana.

Table III Frequency distribution of African countries according to the growth rates of GDP, 1987-1990				
Growth Rate	1987	1988	1989	1990
Negative	15	7	8	15
0-3	14	17	18	15
3-6	15	15	15	14
More than 6	7	12	10	6
Source: ECA secretariat				

III. Food and Agriculture

22. As noted earlier, the output of agriculture (including fishing, livestock and forestry) in Africa increased by 1.0 per cent in 1990 compared to 3.6 per cent in 1989 in terms of value added. The unsatisfactory performance of the agricultural sector was shared practically by all the subregions and economic groupings in 1990, with the worst results recorded in the African LDCs. (See Table IV). The principal cause has also been underscored; namely, the continued vulnerability of Africa's agriculture, with its excessive dependence on the weather cycle which seemed to have faltered significantly in several parts of the region in 1990. The poor agricultural season, marked by droughts in some parts of the Sahel, in western Sudan, north and eastern Ethiopia and Angola, has resulted in severe food deficits for some 27 million people around the region. Civil strife in Liberia and Somalia have exposed additional populations to famine. As a consequence, the 1990/91 cereal import requirement for the African region is estimated at 17.0 million tons compared to 16.4 million tons in 1989/90 and 17.4 million tons in 1988/89.²

23. Aggregate cereal output in developing Africa in 1990 was 75.6 million tons, 4.6 per cent less than in 1989, and 6.8 per cent lower than the bumper harvest of 81.1 million tons in 1988. Output of roots and tubers, which traditionally provide a key share of the food supply in much of tropical Africa, was slightly above 100 million tons in 1990, almost the same as in 1988 and 1989. The declines in food production were concentrated in the Sahel and some parts of Eastern and southern Africa. In North Africa, there was a record wheat crop of 4.2 million tons in Egypt, although Morocco was hit by drought in 1990. In the Sudan, a cereal harvest of only 2.0 million tons is forecast for 1990/91. And, with stocks virtually exhausted, following last year's poor harvest, imports of some 1.2 million tons will be required during 1991, of which only a relatively small part could be met on commercial terms.

24. In the nine CILSS countries of Western Africa, the cereals crop declined to some 7.4 million tons, which is about 6 per cent less than last year's above-average output, 15 per cent less than the record crop of 1988 and 3 per cent below the average for the past five years. Northern Nigeria had also poor rains and, in Niger and Chad, cereal production is substantially below normal for the second year in succession. Serious food shortages exist in Liberia, where continuing civil strife is

	1988	1989	1990
Central Africa	4.2	-1.2	1.6
East and Southern Africa	4.2	2.8	0.7
North Africa	-0.5	4.0	0.5
West Africa	8.4	4.7	1.2
OPEC members	6.4	4.1	1.1
Non-OPEC	4.3	3.2	0.9
LDCs	1.9	6.0	-1.7
Oil-exporting	4.6	2.8	2.0
Non-oil-exporting	5.8	4.4	0.0
Africa	5.1	3.6	1.0

Source: ECA secretariat.

impeding the production, marketing and distribution of food.

25. In Eastern Africa, the aggregate output of coarse grains is estimated at 16 million tons, about 9 per cent lower than in 1989, reflecting mainly the reduced output in Kenya and the United Republic of Tanzania and Ethiopia, where the harvest outlook was extremely poor in Eritrea, large parts of Tigray and in Hararghe. With food stocks already at low levels and serious logistic constraints being encountered, the food emergency will continue in 1991.

26. In southern Africa, the subregional coarse grain harvest in 1990 fell to 16.6 million tons, some 17 per cent less than in 1989. In Angola, civil disturbances, shortages of imports and deficient rainfall in some coastal areas continue to affect farming activities. In Mozambique, the food supply situation remains precarious as a result of late arrivals of pledged food aid and lack of transport facilities for internal distribution.

27. The 1990 coarse grain harvest in the Central African subregion was above average but less than in 1989.

² The data cover the cereal import requirements of countries with per caput income of US\$ 1,070 and below in 1988.

Food output declined in Cameroon due to the adverse effects of dry weather on crop development in the northern parts of the country. Aggregate output of cereals is estimated at 781,000 tons; this is below average and some 6 per cent lower than the harvest in the previous year. Crop harvests were roughly the same in 1990 as in 1989 in Zaire and in the Central African Republic but have been adversely affected in Rwanda, due to civil strife and armed conflicts in the northern parts of the country.

28. The output of Africa's industrial crops in 1988-1990 and its share in total world production is given in Table V. But for coffee and cotton, production generally increased in 1989 and 1990 even though there was a decline in prices on the international markets for most of these export commodities.

29. African coffee production declined slightly from 1.24 million tons in 1989 to 1.22 million tons in 1990. With coffee prices on the international market falling by more than 30 per cent in January-December 1990 for the International Coffee Organization (ICO) daily price, export earnings from coffee have declined by almost 50 per cent in African producing countries: in Ethiopia coffee export earnings fell from US\$ 303.2 million in 1989 to US\$ 174.2 million in 1990, and are forecast to decline further by a half to US\$127.5 million by the end of 1991. Uganda's coffee export earnings of US\$ 200 million declined almost by a half in the crop year ending in 1990. In Kenya, with almost 98 per cent of production accounted for by Arabica coffee, auction prices reached a peak of KSh 2,450 per ton at farm gate at the beginning of April 1990, but they have since drastically fallen back; so much so that revenues from coffee sales in 1990 are estimated at KSh 231 million, down 17 per cent from 1989. Meanwhile, the future of the International Coffee Agreement remains uncertain,

as little or no progress has been made concerning a new price support system.

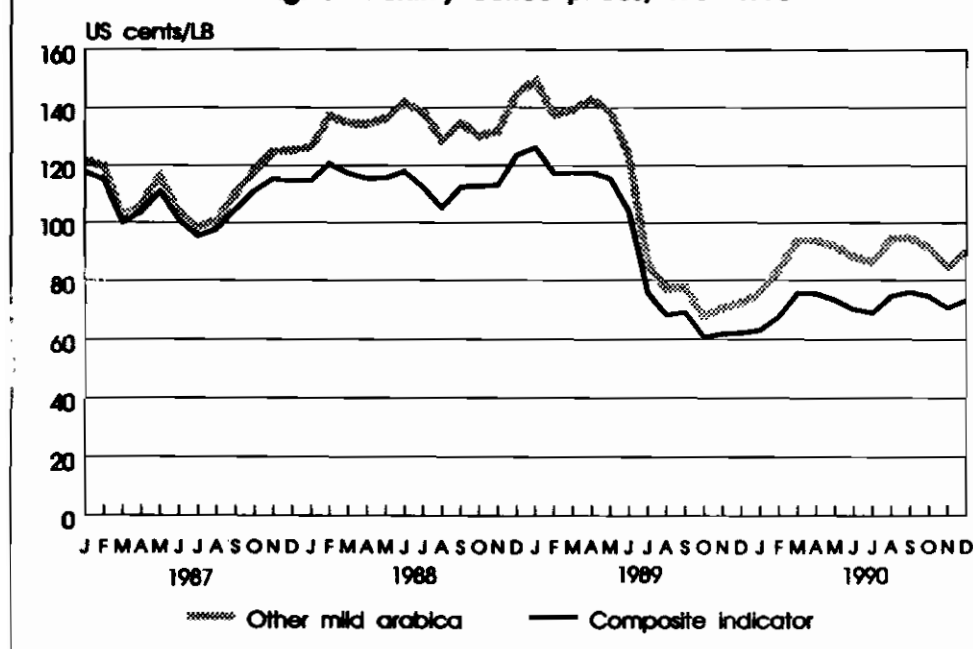
30. Cocoa production in Africa reached some 1.37 million tons in 1990 compared to 1.33 million tons in 1989 - an increase of 3.0 per cent. Cocoa prices have slightly risen in 1990, but this has been too small to effectively influence the market. Cocoa output in Côte d'Ivoire has declined rather sharply, from 820,000 tons in 1989 to 740,000 tons in 1990 because of the halving of producer prices from CFAfr 400 per kilogramme to CFAfr 200 per kilogramme. In Cameroon, the reduction in producer prices, first implemented in 1989/90 season, is expected to have a cumulative effect on output, with farmers increasingly reluctant to invest in pesticides and insecticides, and increasingly likely to switch over to the production of food crops. Already, production of cocoa beans has declined from 120,000 tons in 1989 to 109,000 tons in 1990. The new cocoa year, which opened in September 1990, saw a further cut in producer prices to CFAfr 220 per kilogramme for grades 1 and 2, down 12 per cent on the 1989/90 price of CFAfr 250 per kilogramme, and CFAfr 100 per kilogramme for non-grade beans, a 33 per cent fall on a year earlier. In Nigeria and Ghana, cocoa production increased in 1990 but only marginally. It is too early to predict with certainty the behaviour of prices in the cocoa market for the rest of 1991. What is certain is that the market is heavily oversupplied with existing surplus stocks amounting to a record 1,347,000 tons.

31. Tea production in Africa has increased from 291,000 tons in 1989 to 306,000 tons in 1990. But world prices have hardly budged, with the tea auction price in London being only 1.4 per cent more in 1990 than in 1989. Revenues from tea exports in countries such as Kenya and Malawi have suffered in consequence. In Malawi, production has stagnated at an estimated

40,000 tons for the third successive year due mainly to poor rains, while in Zimbabwe the level of production has similarly remained unchanged for the last two years.

32. Cotton production in Africa dropped to 3.6 million tons in 1990, compared to 3.7 million tons in 1989. In Egypt, which is the largest cotton producing country on the continent, production reached 900,000 tons in 1990 compared to 821,000 tons in 1989. In Côte d'Ivoire, cotton production rose from 142,975 tons in 1979/80 to 291,000 tons in 1988/89 before falling to 240,000 tons in 1990/91, with the result

Fig. 3: Monthly coffee prices, 1987-1990



Commodity	1988		1989		1990	
	'000 metric tons	Percentage share of world production	'000 metric tons	Percentage share of world production	'000 metric tons	Percentage share of world production
Cocoa	1 452	59.00	1 328	54.23	1 370	58.40
Coffee	1 212	21.32	1 244	20.66	1 221	60.40
Tea	272	10.99	291	11.75	306	12.13
Seed cotton	3 853	7.21	3 727	7.59	3 621	6.84
Sugar	5 851	5.68	5 669	5.36	5 985	5.43
Tobacco	300	4.44	321	4.50	343	4.93

Source: FAO, Production computer print-outs, December 1990, Rome, Italy.

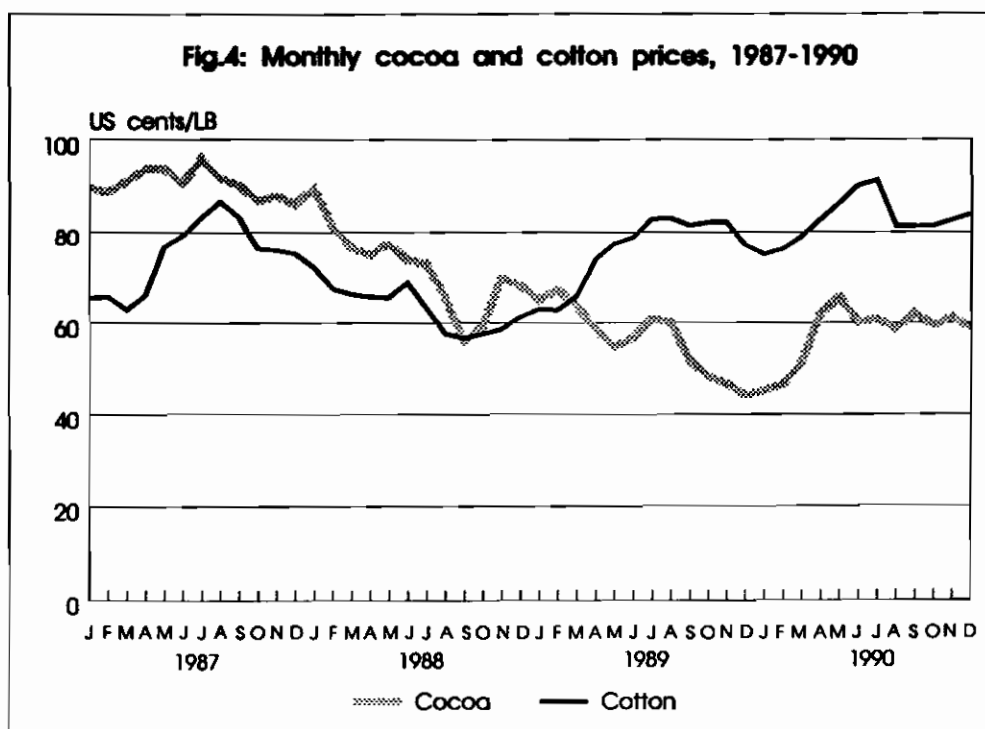
that Côte d'Ivoire has now emerged as Africa's fourth largest cotton producer, after Egypt, the Sudan and Mali. Developments in 1990 pointed generally to significant supply shortages globally, as result of which world cotton stocks could plummet further, leading to a stock/usage ratio of around 30 per cent, the lowest since 1980/81. Cotton prices have thus risen significantly (8.9 per cent for the Liverpool Index A) and are expected to increase further in 1991, as consumption continues to expand.

33. Sugar production in Africa increased from 5.7 million tons in 1989 to 6.0 million tons in 1990. Spot prices have been stable, on average, but, with higher world production, the International Sugar Agreement preference price has been declining steadily since March-April 1990 and was down to 9.9 cents per pound in December 1990. In Mauritius, good weather and higher extraction rates are expected to push production up to 650,000 tons in 1990, with a foreign exchange earnings of US\$340 million. In Zimbabwe, 140,000 tons of sugar was available for export in 1990, and earnings may have reached Z\$97 million (US\$40 million). In Swaziland, the volume of sugar exports rose by some 5 per cent in 1989/90, reaching 418,929 tons compared to 399,024 tons in 1988/89. The f.o.b. values of sugar exports increased by about 27 per cent to E393.2 million in 189/90 compared to E309.4 million received in 1988/89, due, to a large extent, to the relatively buoyant prices for sugar and a favourable currency exchange rate.

34. Tobacco production rose to 343,000 tons in 1990 compared to 321,000 tons in 1989. In Zimbabwe, which

is the largest tobacco producing country on the continent, average flue-cured leaf prices surged by 50 per cent to nearly Z\$6.5 a kilogram in 1990. By the time the Harare auction sales ended in October, 1990, a total of 133 million kg of leaf had been sold for nearly Z\$860 million, up by more than 50 per cent over 1989. Following the excellent quality crop in 1990, strong world demand and low sales from Brazil (Zimbabwe's main international competitor) both growers and traders expect higher prices in 1991, with export revenues forecast to rise to Z\$1 billion in Zimbabwe. In Malawi, tobacco production reached 104,000 tons in 1990 compared to 101,000 tons in 1989, with export earnings from tobacco rising to an estimated US\$ 285 million.

35. International trade in tobacco is expected to remain firm in 1991. There is some anxiety over the impact of the Persian Gulf crisis on Middle Eastern sales, but African exports to Eastern Europe are expected to increase, despite the fact that the on-going transition from communism to a market economy have



undermined the barter trade previously conducted with those countries.

36. In order to boost food and export crop production, the structure of incentives was stepped up in many African countries in 1990. In Algeria, Cameroon, Egypt and Tunisia, real support prices were raised to promote domestic production while, in Côte d'Ivoire, improved seeds and technical assistance were freely made available to farmers.

37. In Algeria, the "Institut Technique des Grandes Cultures" (ITGC) has formulated a five-year development plan (1990-94) with objectives including the amelioration of seed varieties, field demonstration and transfer of improved farming techniques as well as the multiplication, certification and distribution of selected seed varieties. According to the Plan, the production of basic cereals would have reached a level of 35 million quintals by the end of the Plan. In Kenya (1988/1990-93), Madagascar (1989/91), Malawi (1987/96), Zambia (1987/88-1989/93) and Zimbabwe (1986/90), the emphasis of agricultural planning is on bringing about improvements in the management and operational efficiency of agricultural institutions and services. In Zaire, the new development planning and policy approach adopted by the government in its document *Cadre de Politique Economique (DCPE), 1989-1992*, focuses on agricultural development as one of its four domains, and underlines the crucial importance of improved rural transport networks, the rehabilitation of plantations, improved policies for agricultural inputs supply, and, the strengthening of national research and extension programmes. The objectives of food self-sufficiency have received sharper focus and articulation in terms of quantitative targets under a programme known as PRAAL (Programme d'Auto-suffisance Alimentaire). In the Sudan, out of a total budgetary outlay of S£22 billion in 1990, a sum of S£6.5 billion is to be invested in agriculture in order to attain self-sufficiency in food grains. The area under irrigated cotton has been reduced to make way for food crops. In Chad, the Government budget for 1990 devoted a large share of its investment to agriculture, forestry, infrastructure and transport with the principal objectives of ensuring the attainment of basic standards in food production, health care and education, and the diversification and intensification of cattle rearing to boost exports.

38. In 1990, irrigated land in Morocco was expected to reach a level of 1 million hectares: the country has been engaged in a long-term irrigation policy in order to harness its 21 billion m³ a year water potential.

Between now and the year 2000, the country plans to construct at least one dam every year. In Tunisia, several large scale irrigation projects have been launched. Dam capacity is planned to increase from the present 1,500 million m³ to 2,500 million m³ by the year 2000, by which time the Tunisian authorities forecast a 20-30 per cent increase in potable water requirements. The Seventh Plan has allocated around US\$720 million to hydraulics.

39. Major developments in national trade policies in Africa are trade liberalization and greater private sector participation. In both Tanzania and Zambia, traders are now licensed for international transactions in cereals, following the rescinding of the monopoly powers previously enjoyed by government parastatals. In Mozambique, the Government has adopted the policy of privatizing small- and medium-scale enterprises with a work force of 200 workers or less. In Zimbabwe, a major facet of the on-going economic liberalization policies is the promotion of small-scale enterprises and the introduction of new incentives for export-oriented agricultural projects.

40. Subregionally, general planning initiatives and policy strategies in support of agriculture are also being adopted or pursued. Intergovernmental organizations such as the Preferential Trade Area, Southern Africa Development Coordinating Conference, Intergovernmental Authority on Drought and Development, Economic Community of West African States, Economic Community of the Great Lakes Countries, Economic Community of Central African States and Arab Maghreb Union have adopted policies designed to accelerate the development of the sector, with particular emphasis on food security, food self-sufficiency, agricultural research, training and inter-State trade in food and agricultural commodities.

41. The 1991 agricultural year has already started in many parts of the region. In southern Africa, there have been abundant rains, although with an unfavourable pattern; the result is that some crops production may be under average in some countries. In Northern Africa, the spring harvest will soon take place, and although prospects are good in most of the area, there are already deep concerns that the crop outlook may be once more unfavourable in Morocco. Overall, however, it is reasonable to expect an average agricultural year in the region in 1991 and that the food shortages which seriously affected and placed at risk an estimated 27 million people in 1990 in the region will not recur in 1991.

IV. Manufacturing Industry

42. In spite of the continued consolidation of national industrial strategies under the first Industrial Development Decade for Africa (IDDA I), including the promulgation of investment incentive codes to attract foreign private investment, as well as policy initiatives undertaken in the framework of the UN-PAAERD and sector adjustment programmes, Africa's manufacturing sector has exhibited large disparities in growth performance. The share of manufacturing in total regional output has remained very low - 11 per cent in the 1988-1990 period - reflecting the persistent narrowness of the region's industrial base and the lack of technological know-how and viable industrial investment.

43. As shown in Table VI, the growth rate of the region's manufacturing value-added (MVA) shrank from 3.3 per cent in 1988 to 2.9 per cent in 1989, and is estimated to have declined further to 1.6 per cent in 1990. The dismal performance is attributable to a poor agricultural season which undermined raw material input supply to the agro-industries; foreign exchange constraints on industrial inputs and raw materials imports; ageing equipment; and, the lack of new investment. The deep structural weaknesses and constraints are such that even the oil-exporting African countries were far from fully able to translate their oil revenue windfalls in 1990 into an impressive performance in the manufacturing sector.

44. Subregion-wise, North Africa (with a share of manufacturing output in GDP averaging 11.3 per annum in 1989-1990) recorded a MVA growth rate of 1.5 per cent in 1989 compared to an increase of 3.0 per cent in 1988. In 1990, manufacturing growth slowed further, with an increase of only 1.2 per cent. In the near-term, a turn-around is expected in the industrial performance of the subregion, starting in 1991, but even this will depend to a large extent on the level of oil prices, increased private foreign direct investment and access to the European Community (EC). The Maghreb market is already being supplied by countries such as Egypt and Tunisia which have started selling light manufactures to the oil-producing countries in the subregion while the big oil-producers, such as Libya and Algeria, are investing heavily in oil-based, down-stream industries such as petro-chemicals and fertilizers, in addition to energy-using industries such as iron and steel, aluminium and cement.

45. The share of the manufacturing sector in GDP in the East and southern African subregion averaged 12.4 per cent in the 1989-1990 period. The subregion posted a MVA growth rate of 6.3 per cent in 1989 compared to

Table VI Indicators of manufacturing sector performance in Africa (in percentage)						
	Share of manufacturing in GDP (1980 prices) % a/			MVA growth rates (1980 prices)%		
	1988	1989	1990	1988	1989	1990
Central Africa	8.1	8.2	7.9	-1.8	1.2	-1.2
East and Southern Africa	12.3	12.6	12.2	5.1	6.3	-2.2
North Africa	11.3	11.4	11.2	3.0	1.5	1.2
West Africa	9.3	9.1	9.2	4.0	3.2	5.2
LDCs b/	8.6	8.5	8.5	-2.6	2.0	-2.9
Oil-exporting	9.9	9.9	9.7	2.9	3.0	2.5
Non-oil-exporting	11.8	11.7	11.6	3.7	2.0	0.4
Africa	10.6	10.6	10.4	3.3	2.9	1.6
Source: ECA secretariat. a/ Preliminary estimates. b/ Excluding Liberia.						

5.1 per cent in 1988 but estimates for 1990 show a sharp down-turn to -2.2 per cent, due probably to an unfavourable agricultural season. A modest recovery is forecast for 1991, but subregional MVA will increase by only 1.5 per cent. The relatively more industrially-advanced countries in the subregion, such as Zambia and Zimbabwe, showed a mixed performance in the 1989-1990 period. While MVA in Zambia declined by -0.3 in 1989 and -1.5 in 1990, Zimbabwe posted an impressive MVA growth of the order of 7.8 per cent in 1989 although this slid down to 3.0 per cent in 1990. The financial difficulties facing the beleaguered copper industry, which accounts for the bulk of Zambia's foreign exchange receipts, have adversely affected manufacturing capacity utilization on account of shortages of industrial raw materials and other essential inputs.

46. West and Central Africa respectively posted MVA growth rates of 3.2 and 1.2 per cent in 1989 and 5.2 and -1.2 per cent, in 1990. The performance in West Africa has been greatly influenced by Nigeria's, where the manufacturing sector has recovered to some extent since 1987. In the 1988-1990 period, the sector grew at an average rate of 6 per cent per annum while the share of local raw materials used in manufacturing increased from 30 per cent in 1986 to 50 per cent in 1990. But Nigerian manufacturing remains structurally weak, nonetheless, with capacity utilization increasing only modestly, from 33 per cent in 1989 to around 40 per cent in 1990, and with the sector experiencing falling employment and negligible private domestic investment

because of high interest rates and foreign exchange scarcity. New direct foreign investment remains negligible in spite of an intensive privatization exercise. One of the few large public investments in Nigeria in recent years is the country's first aluminium smelter, estimated at US\$1.6 billion. In Zaire, in Central Africa, the manufacturing sector has stagnated if not actually declined since 1988, beset by supply shortages, ageing equipment, credit limitations, etc. The once dynamic food and beverages sub-sector has suffered from very weak demand in 1990.

47. In LPA and the operational programme for IDDA I, concrete proposals and measures were prescribed for accelerating the pace of self-sustained industrialization in Africa. The industrial strategy for the region envisaged substantial investments to consolidate and rehabilitate installed plant capacities, and expansion of manufacturing capacities as well as transformational investments supportive of the industrial sector. Africa's share of world industrial output was to rise from 0.1 per cent in 1980 to 2.0 per cent by the year 2000, on the assumption of an annual growth in MVA of about 12.8 per cent. At the end of the first decade of the LPA, which ran concurrently with the time span of IDDA I, the indicators of industrial performance, as reflected in Table VI, show very little progress in the industrial growth and development of the region. No African country, not even the relatively more industrially advanced ones, attained IDDA I minimum annual growth target of MVA on a sustainable basis, and, in many countries, the manufacturing sector actually shrank.

48. A major explanatory factor for the lack of progress lies in the growing preoccupation with short-term stabilization and adjustment programmes (SAPs) which, in the 1980s, presented a daunting challenge to the industrial sector. Some of the policy measures of SAPs, for example, the reduction of public sector investment; across-the-board liquidity and credit squeeze; import liberalization and higher interest rates, have contributed to a significant reduction in industrial investment in Africa. With its structural weaknesses and excessive import-dependence, Africa's industrial sector has found it very difficult to adjust to the changing environment and, in many cases, there has been either complete plant shut-downs or mass lay-offs of employees. For instance, credit squeeze has led to marked contractions in the industrial sector of Cote d'Ivoire, averaging -2.4 per cent during the period 1980-1987 as compared to an average annual rate of growth of 11.7 per cent in 1973-1980. In 1988-1990, the growth rate of MVA declined further to -5.2 per cent. Other factors that have contributed to the lack of industrial development and growth in the region and therefore behind the failure of IDDA I are the preponderance of light industries; lack of a minimum integrated structure of core industries with adequate inter-linkages; the small market sizes; widespread capacity underutilization; the lack of technological capabilities and industrial innovations; the shortage of

trained industrial manpower made worse by the absence of engineering industries that could provide training; and, very poor institutional and physical infrastructure. Additionally, both the external debt crisis of the region and the shrinkage of resource inflows have adversely affected industrial investment and constrained industrial growth.

49. There was a significant shift in favour of the developing countries in the distribution of direct foreign investment in the 1980s, but Africa benefitted least from it. Between 1976-1980 and 1986-1988, Africa received an average 13.2 per cent of total direct foreign investment compared to the average shares of 48.8 and 37.5 per cent for Latin America and Asia, respectively. Because of the external debt crisis, the international commercial banks have reduced their exposure in Africa during the latter half of the 1980s, and, with high investment costs and unstable political and administrative environment, foreign private investors have generally perceived the region as a risky investment area. Whatever scope there is for savings mobilization in the African countries has also been further constrained by the slide in per capita incomes. Indeed, the low levels of available funds for industrial investment, the scarcity of foreign exchange, high interest rates and low credit ceilings were the reasons the Manufacturers Association of Nigeria (MAN) gave as being responsible for the 20 per cent of Nigeria's manufacturing enterprises that ceased operations in 1989.

50. In response to the challenges facing the industrial sector, the African countries have introduced and are continuing to introduce far-reaching investment policies and other innovations aimed at creating a more favourable investment climate, calculated especially to attract direct foreign private investment. Algeria has enacted a new investment code in 1990 that gives unprecedented incentives to foreign investors as a result of which eight new joint-venture agreements have been concluded, including a petro-chemical complex costing US\$3.5 billion. Tanzania introduced a comprehensive investment code in April 1990 which specified certain sectors, including manufacturing, for private investment, while reserving trading, clothing and leather goods manufacturing and some areas of the services sector for local investors, except in the case of foreign investment totalling US\$250,000 or more. The wide range of incentives, which include tax breaks, repatriation of profits and the guarantee of property ownership, has been described as a "State-of-the-art" investment code. Under Senegal's Economic Recovery Programme, comprehensive incentives are being provided to small and medium-size enterprises, with the highest priority accorded to industries with a high value added and export potential (such as chemicals, textiles, leather goods, metal-working and other mechanical industries, etc.). In Guinea, CODIFOR (an agency for cooperation, industrial development and training) is experimenting with a system of sub-contracting that allows major industrial corporations to sub-contract auxiliary activities to local entrepreneurs,

thus encouraging the development and enhancement of indigenous technological capabilities.

51. Kenya has introduced a new scheme to boost the competitiveness of export-oriented manufacturing firms by allowing imported inputs free of customs duty. In Nigeria, NERFUND, which was established in 1989 to provide easy access to local and foreign currencies for small and medium-size enterprises of up to N15 million per project, had by the end of 1990 approved 64 projects with a total funding of N315 million. A number of countries in the region have also established Export Processing Zones (EPZs) which are proving successful in attracting a wide spectrum of foreign private investors and creating employment. Although the manufacturing base is still relatively small in Mauritius, (about 22.8 per cent of GDP in 1990), a resounding success has been made of the export of light manufactures, notably textiles and clothing, through the EPZ. But labour shortages, in the face of increasingly labour-intensive operations in the clothing and textile industry, have led to an explosion in wage levels. This has inevitably affected exports, adversely, and the Mauritian economy has slowed down considerably in the last two years. Textiles and knitwear, for example, grew by an average of 25 per cent in the mid-1980s and accounted for 9 per cent of EPZ production and exports. But, on account of falling demand and tightening of quotas in some of Mauritius major export markets, textile and knit-wear exports grew by only 7 per cent in 1990, with a forecast of only 5 per cent growth in 1991. Additionally, a number of firms have closed down in the EPZ: 107 firms in 1989 and 35 in the first half of 1990 as profits margins fell and wage rates surged ahead.

52. The current wave of privatization in Africa represents a fundamental policy shift in the industrial sector in the region. The disengagement of the public sector takes various forms, ranging from complete sell-out of industrial units and enterprises to management contracts and leasing. With 40 public enterprises intended for privatization, Togo has, for example, liquidated 8 which netted the government CFAF 8 billion (US\$129 million), privatized 18 under risk-sharing arrangements, sold off 5, leased 5 and concluded joint venture arrangements for two. The Senegalese government has earmarked 26 public parastatals for privatization, five of which have already being privatized. But these are enterprises already heavily dependent on external sources of capital and management. In Tunisia, 70 per cent of the equity of enterprises to be privatized are reserved for nationals through public sale offers; 10 per cent to employees of the enterprises in question while 20 per cent is earmarked for foreign investors.

53. Despite the initiatives by governments, privatization is up against a difficult investment environment, characterized by poor institutional structures and ill-developed financial markets; and, the lack of an indigenous entrepreneurial class with the requisite resources, background and experience (technological,

BOX 3 Privatisation In Africa

The poor performance of some public enterprises in Africa has been used in orthodox SAPs as a justification for wholesale, indiscriminate and doctrinaire privatisation. Virtually each and every one of the more than 30 countries implementing SAPs in Africa have had to embark on a programme of privatisation, and, according to a World Bank study, 80 public enterprises have been divested in 19 African countries, while 60 more are in the process of being sold; 133 public enterprises are earmarked for divestiture in 11 African countries while 52 others are scheduled for liquidation. But what is now certain is that African countries have not been able to privatise their public enterprise with the same speed as was envisaged in SAPs. For instance, only 70 of the 342 enterprises intended for privatisation in a sample of 15 African countries have actually been privatised to date - a 21 per cent success ratio. However, it is not only the feasibility of wholesale of privatisation that is misconceived in Africa, the desirability of selling public enterprises to private entrepreneurs on a massive scale is, in many cases, equally questionable.

While the reform of public enterprises that do not function well and therefore serve as a drain on rather than an asset to the public budget cannot be challenged, it is necessary to realize that privatization per se does not automatically confer efficiency. In the context of the African countries, where there is a dearth of indigenous private businessmen strong enough to take over state enterprises and acute shortage of local private capital persists, privatisation is not always justifiable. Some enterprises are of a certain size or of strategic importance in Africa that they are best maintained as public enterprises rather than left in or turned over into private hands. To do otherwise, as in the case of water and electricity supply for example, in a continent where the majority of the population have no access to potable water or electricity, would amount to abandoning the social welfare criterion in these vital areas solely for the profitability criterion. In addition, a real danger exists in Africa that unguarded and indiscriminate privatisation of public enterprises could lead to the take-over of these enterprises by transnational corporations, thus further deepening the region's external dependence.

management and organizational skills, etc.) for successfully operating some of the enterprises held out for privatization. That privatization is also taking place or advocated in Africa at a time when direct foreign investment in the region is declining rapidly, and amidst increasing opportunities offered to foreign private investors by a single EC market in 1992 and the opening up Eastern Europe, is, in itself, also significant.

54. In December 1989, the United Nations General Assembly proclaimed the second Industrial Development Decade for Africa (IDDA II), 1991-2000, and declared 20 November as Africa's Industrialization Day. IDDA II emphasizes entrepreneurial development; market integration and development; re-orientation of development financing institutions towards the industrial sector; subregional and regional industrial cooperation; and, the development of human resources and technological capabilities. But the prospects for rapid development of the industrial sector in Africa are far from bright even in the medium-term. While investment needs for rehabilitation are considerable, financial resources are in short supply

and not always forthcoming in required magnitudes or form. Even in the oil-exporting countries such as Nigeria which have heavily invested in manufacturing during the last two decades, the sector needs to be restructured if growth is to resume. Moreover, with the stalemate in the Uruguay Round of Multilateral Trade Negotiations and the establishment of the EC single market in 1992, the threat of protectionism is increasing. It is doubtful if the target set by IDDA I for African manufacturing to reach 2 per cent of world industrial output in the year 2000 can be realized, given the sector's structural rigidities and the increasingly hostile international economic environment that it has to contend with.

V. External Trade and Flows

55. The two major trends that have dominated the international economy in 1990 are the recession in the industrialized market economies which began to be felt in the United States as early as 1989 and the Persian Gulf crisis and its impact on oil supply and price. These two developments have no doubt influenced the volume of world trade, of which Africa's external trade is a part, albeit only a very small and insignificant part.

56. The indicators of Africa's merchandise trade were all positive in 1990. The value of exports increased by 15.5 per cent to \$72.4 billion compared to \$62.7 billion in 1989. This increase resulted from a 12.8 per cent increase in unit values and a 2.3 per cent increase in the volume of exports (see Table VII). Expenditure on imports increased by 13.6 per cent, from \$67.1 billion in 1989 to \$76.3 billion in 1990. As was the case with exports, increases were recorded for both unit values (9.1 per cent) and volumes (4.2 per cent). The merchandise trade deficit was reduced to \$3.9 billion compared to a deficit of \$4.4 billion in 1989. As export unit values increased faster than average import prices, as already noted above, the terms of trade index for the region improved by 3.4 per cent. The purchasing power of exports index also improved, by an estimated 5.8 per cent.

57. However, these positive results are not and must not be construed as a signal of the return to a healthy long-term growth of Africa's external sector; rather, they merely reflect the short-term effects of the Persian Gulf crisis on the African economies. The other trends and developments in the international economy, notably the recession currently underway in North Amer-

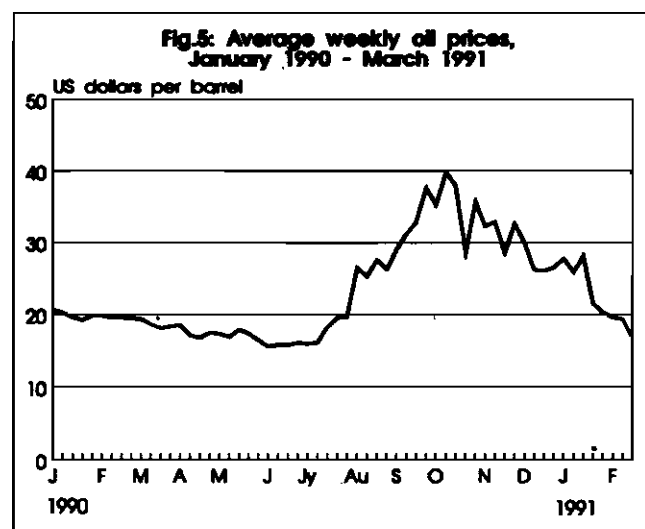


Table VII General indicators of the merchandise trade of African countries, 1988-1990 (annual percentage change)				
		1988	1989	1990a/
Exports	Value b/	8.4	9.5	15.5
	Volume	9.5	-4.7	2.3
	Unit value c/	-1.1	14.8	12.8
Imports (c.i.f)	Value b/	13.5	2.9	13.6
	Volume	5.3	2.9	4.2
	Unit value c/	7.7	0.0	9.1
Terms of trade		-8.2	14.8	3.4
Purchasing power of exports		0.5	9.5	5.8
Percentages				
Share of African countries in world exports		2.2	2.1	2.0
Sources: ECA estimates based on the IMF, <i>International Financial Statistics</i> (various issues); IMF, <i>World Economic Outlook</i> (October 1990); UNCTAD, <i>Handbook of International Trade and Development Statistics, 1989</i> and national sources.				
a/ Preliminary estimates.				
b/ In dollar terms.				
c/ At 1980 prices.				

ica and some European countries, all point to a difficult period ahead for Africa's primary commodity exports.

58. In the immediate aftermath of Iraq's invasion and occupation of Kuwait in August 1990, oil supply to world markets was severely reduced, primarily as a result of the United Nations trade embargo imposed on these two countries. Prices surged upwards from an average 18 dollars per barrel for the month of July (roughly the same as the average price obtaining in 1989 and from January to July 1990) to \$32.7 per barrel in September 1990, and to a peak of \$35.5 per barrel in October 1990. Prices then declined to \$31.6 per barrel in November 1990 and tapered off to \$27.3 per barrel in December 1990. For the third and fourth quarters of 1990, prices averaged \$25.7 and \$31.5 per barrel, respectively, in spite of the suspension of OPEC quotas and the decision to allow members to raise production. The average price for 1990 was \$23.4 per barrel or 29.7 per cent more than the 1989 average price of \$18.1 per barrel.

59. For the major African oil exporters with the flexibility to rapidly increase production, these developments led to substantial windfall earnings. Total export revenues for the major African oil exporters - Algeria, Angola, Cameroon, the Congo, Egypt, Gabon, the Libyan Arab Jamahiriya, Nigeria and Tunisia - increased

by an estimated \$10 billion in 1990. Large increases were recorded for such major producers as Algeria (43.9 per cent); the Libyan Arab Jamahiriya (40.8 per cent); and, Nigeria (37.5 per cent), as well as for Gabon whose export earnings increased by an estimated 47.7 per cent (see Table VIII).

60. For the oil-importing African countries, some of whom already spend up to 20 per cent of their import budget on oil, increased oil prices meant larger overall import bills in 1990, and, in many cases also, the diversion of scarce foreign exchange from the purchase of much-needed intermediate inputs, spare parts and capital goods to pay for higher-priced oil.

61. The effects on the North African countries, with traditionally close links to the Persian Gulf States, ran deeper. In addition to the loss of export markets, the loss of remittances from migrant workers sharply reduced the foreign exchange inflows to countries such as the Sudan and Egypt. Egypt, Tunisia and other North African countries suffered huge losses from tourist industries that came virtually to a standstill. Lower traffic in the Suez Canal further reduced Egypt's foreign exchange receipts.

62. The recession in the industrialized countries which was already looming at the beginning of 1990 deepened during the course of the year. The resulting effect on world merchandise trade volumes, as reported by the General Agreement on Tariffs and Trade (GATT), was a lower annual growth rate of around 5 per cent for 1990 compared to growth rates of 7 per cent and 8.5 for 1989 and 1988, respectively.

63. The slowdown in economic activity and the contraction in world trade volumes have already begun to generate the predictable negative effects on the demand for and prices of Africa's mineral and other primary commodity exports. Although the ECA index of wholesale prices of Africa's principal traded commodities registered a significant increase of 22.7 per cent in 1990, the increase was caused entirely by the 29.7 per cent increase in oil prices. The sub-index of commodity prices, excluding oil, actually declined by 4.1 per cent (see Table IX).

64. The three-year recovery of minerals and metals prices that started in 1987 came to an end in 1990, largely reflecting the declining prices of copper (which carries a large weight in the sub-index of minerals) and for such other metals as nickel, iron ore, aluminium, silver and copper. The sub-index for metal prices declined by 3.5 per cent for the year while copper prices fell by 6.6 per cent although increases were recorded for cobalt (27.7 per cent), iron ore (10.7 per cent) and bauxite (1.6 per cent).

65. Beverage prices declined by a further 15.4 per cent in 1990, because of a 27.6 per cent drop in coffee prices from an average of 76 cents per lb in 1989 to 55 cents per lb in 1990. Tea prices were virtually stagnant (91

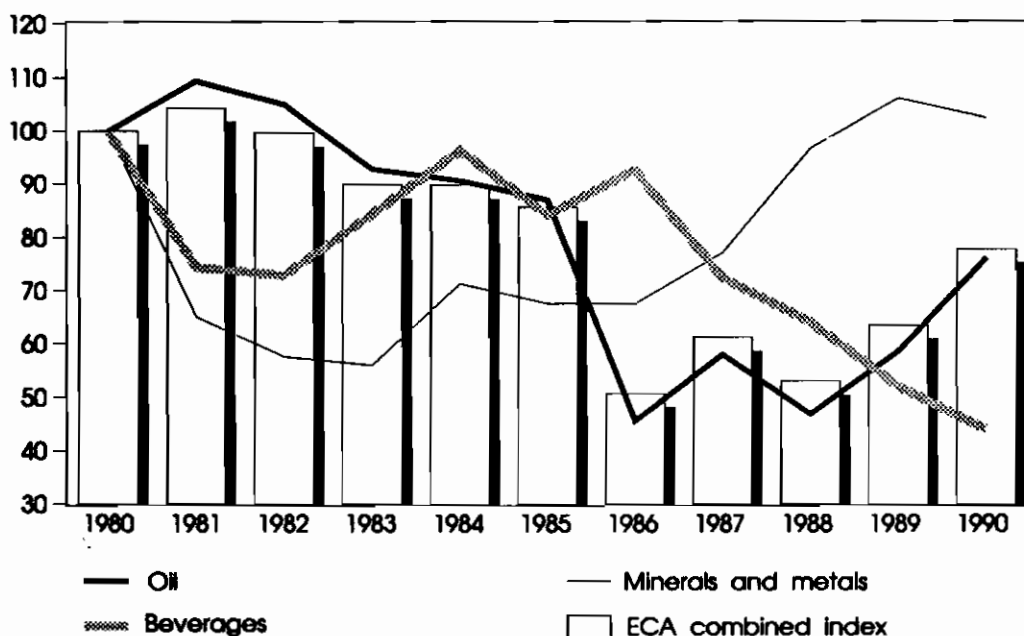
Pays	1988	1989	1990 a/	Augmentation % 1989-1990
Gabon	1.2	1.6	2.3	47.7
Algérie	8.2	8.7	12.6	43.9
Jamahiriya arabe libyenne	7.6	8.7	12.3	40.8
Nigéria	7.4	7.9	10.9	37.5
Tunisie	2.4	2.9	3.2	9.8
Egypte	2.1	2.6	2.8	8.8
Congo	0.8	0.9	1.0	8.7
Cameroun	1.1	1.2	1.3	7.1
Angola	2.9	3.3	3.4	2.9
Total	33.7	37.8	49.8	31.8

Commodity	Price basis (in US \$)	1988	1989	1990
Petroleum	North Sea Brent	46.9	58.6	72.0
Coffee	Uganda (New York)	64.6	51.4	36.8
Cocoa	New York and London	60.8	47.7	48.0
Cotton	Egypt (Liverpool)	142.3	188.5	195.5
Groundnuts	European ports	58.4	59.2	59.0
Tea	Average auction price (London)	80.3	90.3	88.3
Sugar	(EEC London)	107.8	104.0	112.0
Logs	Malaysia (Tokyo)	119.4	114.6	107.0
Phosphates	Morocco (Casablanca)	74.4	87.4	86.7
Iron ore	Brazil (North Sea ports)	84.9	96.9	107.1
Copper	(London)	119.0	130.3	122.7
ECA commodity index		52.8	63.3	74.1
Non-oil commodities		88.0	90.9	86.5
Minerals and metals		93.8	104.3	100.5
Beverages		64.0	52.0	43.3

Sources: IMF, International Financial Statistics; UNCTAD, Monthly Commodity Price Bulletin. The Economist magazine, London and ECA estimates.

cents per lb in 1989 compared to 92 cents per lb in 1990) while cocoa prices increased marginally by 2.2 per cent after five successive years of decline. Even then, the 57.5 cents per lb average price of cocoa in 1990, was only 52 per cent of the decade-high price of 109 cents per lb recorded as far back as 1984.

Fig. 6: Price trends of major commodity groups
(Index numbers, 1980 = 100)



Note: Index numbers are based on U.S. dollar prices

66. The International Coffee Organization agreed to extend the International Coffee Agreement for one year, starting from September 1990, but without a price support mechanism. Coffee prices have fallen by about 50 per cent since the export quota system of the International Coffee Organization was suspended in 1989. One ray of hope for coffee exporters is the March 1991 decision of Brazil to limit its supply of coffee to world markets in order to boost prices. But it is not clear whether this would strengthen prices for African exporters of mainly robusta coffee given the fact that Brazil is the major supplier of the higher-priced arabica coffee for which demand is stronger, especially in the North American markets. What is obvious is that the price gains, if any, arising from the temporary market disruptions induced by Brazil, would be no substitute for a stable, long-term price support arrangement under the auspices of the International Coffee Organization.

67. Similarly, the International Cocoa Organization (ICCO) failed to revive the International Cocoa Agreement at its September 1990 meeting. A new agreement remains contingent on the clearing of more than \$150 million owed to the ICCO by producer countries. However, cocoa prices may strengthen on account of the lower supplies predicted for the 1990/91 cocoa crop.

68. The aggregate current account deficit for the African countries widened slightly to an estimated \$11 billion in 1990 from \$8.9 billion in 1989. The deficit represented 12.2 per cent of exports of goods and ser-

vices in 1990, a slight increase from the 11 per cent ratio of 1989, but a significantly better performance when compared to the 19.8 per cent average for the period 1981-1989.

69. On a f.o.b basis, exports estimated at \$72.5 billion and imports of \$68.1 billion resulted in a surplus of \$4.3 billion on the merchandise trade balance in 1990, due in a large part to the strong export performance of the oil exporting countries. The services balance deteriorated further to a deficit of \$20.7 billion from a deficit of \$18.4 billion in 1989. Service receipts declined by an estimated 1.4 per cent while payments increased by 5.7 per cent as a direct consequence of the Persian Gulf crisis. Increased payments resulted from increased transportation and insurance costs while decreased earnings were the result of loss of tourism revenues and, in the case of Egypt, lost revenues from Suez Canal charges. Net private unrequited transfers declined by 17.6 per cent to \$5.4 billion from \$6.5 billion in 1989. Some countries, mainly in North Africa, suffered significant losses from remittances and other transfers from nationals who hitherto served as expatriate workers in the Persian Gulf States.

70. In 1989, official unrequited transfers amounted to \$6.9 billion and helped to finance 78 per cent of Africa's current account deficits. In 1990, estimated flows of unrequited official transfers of \$7.3 billion financed only 66 per cent of the current account deficits. On average, for the years 1985-1989, official transfers accounted for 63 per cent of current account

deficits; direct investment, 29.5 per cent and other long-term capital, 4 per cent. Over the same period, net portfolio investment and other short-term capital flows (including errors and omissions) accounted for net outflows from the region to the extent of 6.6 and 13.9 per cent of current account deficits, respectively.

71. In nominal terms, official development finance flows (ODF) to African countries amounted to \$24.6 billion in 1989. This represents a slight decrease of 2.4 per cent from flows of \$25.2 billion in 1988 (see Table X). In real terms (at 1988 prices and exchange rates), these flows were the equivalent of \$28.2 billion and were 2.9 per cent higher than the 1988 figure of \$27.4 billion. As usual, the largest component of ODF flows is official development assistance (ODA) from bilateral donors and multilateral institutions. These flows were estimated at \$18.8 billion in 1989, a decrease of 5.5 per cent from the recorded flows of \$19.9 billion in 1988. Other ODF flows amounted to \$5.8 billion in 1989. Net export credits, after repayments are taken into account, resulted in outflows of \$2 billion in 1988 and less than \$1 billion in 1989. Private flows to the region remained stagnant at around \$4.1 billion.

	1987	1988	1989
Official development finance (ODF)	22.0	25.2	24.6
Official development assistance	18.3	19.9	18.8
Bilateral	13.5	14.6	...
Multilateral	4.8	5.3	...
Other ODF	3.7	5.3	5.8
Export credits (net)	0.0	-2.0	-0.8
Private flows	4.1	4.2	4.1
Total flows	26.1	27.4	27.9
Memorandum item: Total flows at 1988 prices and exchange rates	28.0	27.4	28.2

Source: OECD, *Financing and External Debt of Developing Countries, 1989 Survey* (Paris, 1990).

BOX 4

Africa's Commodity Problems: Africa's Response to the "Fraser" Report

In March 1989, the Secretary General of the United Nations established a High Level Group of Experts on African Commodity Problems under the Chairmanship of the former Prime Minister of Australia, the Right Honourable Malcolm Fraser. The Expert Group presented its findings in mid-1990 in a report (United Nations Secretary General's expert Group on Africa's Commodity Problems. *Africa's Commodity problems: Towards a Solution*. Sales No. UNCTAD/EDM/ATF/1) popularly known as the "Fraser Report". In "Africa's Commodity Problems: Towards a Solution", issued by the OAU in response to the Fraser Report, the "Africa's Common Position" on commodity issues and problems were outlined together with several other proposals for the solution of these problems. The major shortcomings of the Fraser Report, identified in the "Common Position" were that: (a) The Report placed too much emphasis on increased production and export of traditional commodities rather than on diversification strategies required to broaden the productive capacities and export base of African countries; (b) The Report, through its underlying assumptions and recommendations, placed Africa's commodity problems within the framework of the traditional IMF/IBRD-sponsored structural adjustment programmes, ignoring alternatives to these programmes, such as those contained in the African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation (AAF-SAP); (c) The Report failed to address, in sufficient detail and rigour, the limitations of existing commodity exchanges and their negative impact on commodity prices; the impact of technological innovations, synthetic and other substitutes on the long-run demand for Africa's export commodities; and, the interlinkages between export earnings, debt and resource flows as reflected in the current situation of poor export earnings, debt accumulation and unmanageable debt burdens of the majority of Africa's commodity exporters;

One of the significant proposals in the "African Common Position" relates to the establishment of a Commodities Diversification Fund for Africa, within the African Development Bank, for the financing of diversification programmes and projects in Africa. Various others were also made concerning detailed studies by United Nations agencies on: (a) the impact of recent technological advances on Africa's commodity sector; and, (b) the capacity of Africa's commodity sector to supply materials and intermediate factor inputs required for the Programme for a second Industrial development Decade for Africa. The "Common Position" also outlined proposals to broaden, strengthen and streamline existing schemes to compensate for shortfalls in export earnings such as the Contingency and Compensatory Financing Facility of the IMF and the STABEX and SYSMIN schemes of the European Community; an "African Commodities Price Band", with the European Monetary System serving as a model for its design and operation, was proposed as a mechanism for stabilizing commodity prices; the indexation of commodity export prices to the prices of Africa's principal imports to compensate for terms of trade losses; and, reform of existing commodity exchanges to "eliminate speculative and manipulative practices that are detrimental to the interest of commodity exporters."

VI. The Debt Situation

72. At the end of 1990, the total external debt of Africa is estimated at \$271.9 billion, an increase of about \$6.5 billion or 2.4 per cent, compared with the increase of \$12.8 billion or 5.1 per cent in 1989. The highest rate of growth in the stock of debt was in sub-Saharan Africa, estimated at 3.6 per cent. With most sub-Saharan African countries being oil importers, the sudden increase in oil prices in the second half of 1990 has compelled a resort to greater short-term borrowing in order to finance costly oil imports, thus further accentuating their debt problems. Africa's debt remained at 90.9 per cent of regional GDP in 1990, almost the same as in 1989, although the ratio of debt to the value of export earnings has fallen to 300.4 from 327.7 in 1989, reflecting both a faster growth of exports (15.5 per cent) in 1990 compared to 9.5 per cent in 1989, and a slower rate of debt accumulation in 1990. Debt service obligations amounted to \$27.3 billion in 1990, about the same as in 1989 (\$27.1), but the debt service ratio fell from 33.5 per cent in 1989 to 30.2 per cent in 1990. Both North Africa and sub-Saharan Africa have experienced a decline in their debt service ratios, in line with the overall regional trend, but the ratio in North Africa, estimated at 32 per cent in 1990, remains much higher nonetheless than in sub-Saharan Africa.

73. Long- and medium-term debt, both public and private, accounted for 84 per cent of Africa's total

outstanding debt obligations in 1990. Short-term debt accounted for the balance of 16.0 per cent. The stock of long- and medium-term debt increased by 2.3 per cent in 1990, following 4.8 per cent in 1989. Commitments to governments and multilateral creditors have increased while debt to private creditors has fallen for the fourth consecutive year since 1987. The trend is particularly evident in sub-Saharan Africa where long- and medium-term debt owed to public creditors has risen by \$9.7 billion in 1990, while debt to private creditors has, in contrast, dropped by \$2.6 billion. The growth in the long-term debt in sub-Saharan Africa is the result of the combined effects of debt rescheduling in the low-income countries under the *Toronto Plan*, and resource flows under the Special Programme of Assistance of the World Bank. On the other hand, the share of arrears in the short term debt has almost doubled between 1985 and 1990, rising from 11 per cent to 20 per cent. In sub-Saharan Africa, where private financial institutions are increasingly unwilling to lend on a short-term basis, the growth of the short-term debt is attributable mainly to arrears.

74. In 1990, whereas the African oil-importing countries suffered the double squeeze of having to service their debt in a situation of rising import prices and falling or stagnating commodity export prices, the oil-exporting countries, as already pointed out, had the good fortune of a large revenue windfall. For the former, therefore, the gap between debt obligations and actual capacity to service debts widened further and remains a serious constraint on recovery efforts. The latter, i.e. the oil exporters, were themselves generally under increased pressure from creditors to meet a larger share of their debt service obligations and to devote more resources to the payment of arrears, in competition with equally pressing needs for development financing. But now that the mini petroleum boom associated with the Persian Gulf crisis is already over, it remains to be seen whether the apparent improvement in the debt servicing capacity of oil exporters in 1990 can be sustained in 1991.

75. In spite of the benefits that Africa has derived from many of

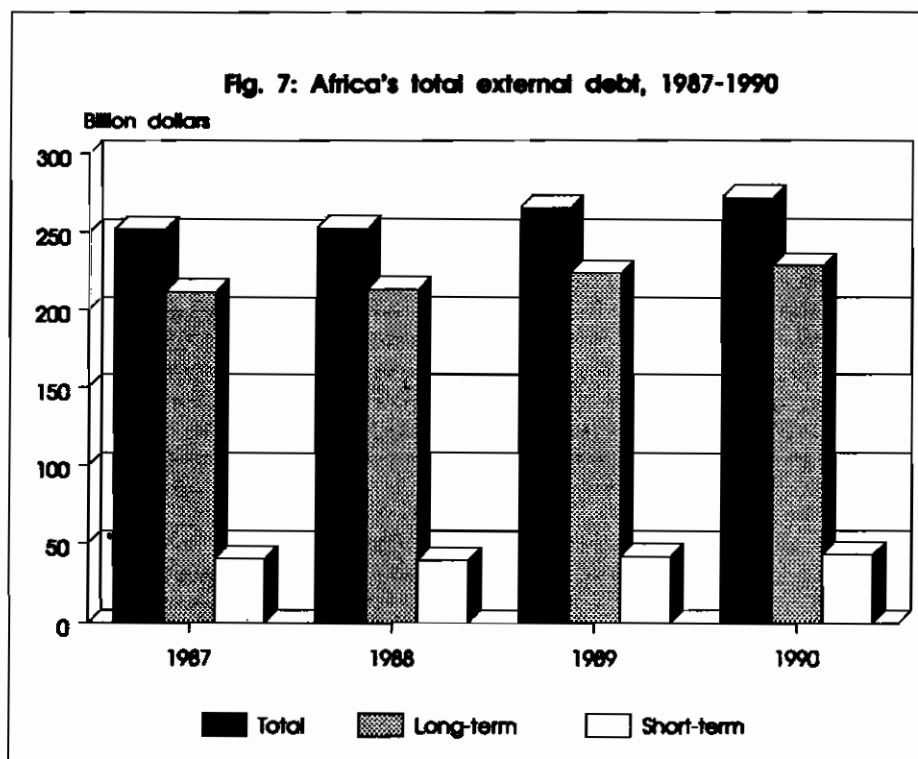


Table XI Africa's external debt and debt service, 1987-1990				
	1987	1988	1989	1990*
Total External Debt (Billions of dollars)				
Developing Africa	251.9	252.6	265.4	271.9
Of which:				
North Africa	121.6	123.3	122.7	124.0
Sub-Saharan Africa	130.4	129.3	142.7	147.9
Debt service				
Developing Africa	21.4	25.3	27.1	27.3
Of which:				
North Africa	10.9	13.2	14.6	14.8
Sub-Saharan Africa	10.5	12.1	12.5	12.5
Ratio of Debt to GDP (In percentage)				
Developing Africa	80.2	87.3	91.1	90.9
Of which:				
North Africa	84.2	76.8	75.3	74.2
Sub-Saharan Africa	104.5	100.3	112.3	112.4
Ratio of Debt to goods and services exports				
Developing Africa	371.5	339.5	327.7	300.4
Of which:				
North Africa	378.8	351.3	306.0	267.8
Sub-Saharan Africa	365.3	328.2	348.9	334.6
Ratio of debt service to goods and services exports				
Developing Africa	31.6	34.0	33.5	30.2
Of which:				
North Africa	32.7	37.7	36.4	32.0
Sub-Saharan Africa	30.5	30.7	30.6	28.3
Sources: World Debt Tables 1990-1991; 1989-1990; OECD, 1989 Survey IMF Outlook, October 1990, and various issues.				
* Preliminary estimates				

the special steps and initiatives taken to solve its debt crisis, the real debt relief accruing to the continent has, so far, been marginal and "too little" and "too late," confined mostly, as it were, to ODA debts. For a long time, the creditors have insisted on a case-by-case approach to the debt of developing countries, in preference to the global approach favoured by the latter. However, as more and more countries have become unable to repay their debts, and as scheduled debt service has reached clearly unsustainable levels, there has been a perceptible even if reluctant shift to the idea of debt reduction and debt cancellation which the African countries, on their part, have consistently insisted upon as the only way out. But the creditors have also, almost without exception, established a linkage between debt relief measures and the adoption of IMF/World Bank SAPs which, by common agreement, have proved detrimental to recovery and transformational efforts in Africa. In this respect, it is regrettable that even the recent initiatives that have recognized the need for debt reduction and for debt service to match debtors' capacity to pay, have continued to insist on strict adherence to orthodox SAPs, despite their contractionary economic effects.

76. Although the majority of the poorest, most-indebted countries in the world are to be found in Africa, only 16 African countries have to date benefitted from the Toronto Terms for debt rescheduling through the Paris Club and for the cancellation of up to one-third

of debt service and the restructuring of the remainder. And the total of debt rescheduled so far is no more than \$5.7 billion, which is far from commensurate with the weak debt-servicing capacity of the low-income African countries. Of the benefitting countries, Central African Republic, Madagascar, Mali, Niger, Senegal, Tanzania and Togo have already been granted the Toronto Terms twice, i.e., two successive tranches, but the approach involving extension of the rescheduling period into multi-year agreements or to cover maturities over several years is yet to be formalized and generalized.

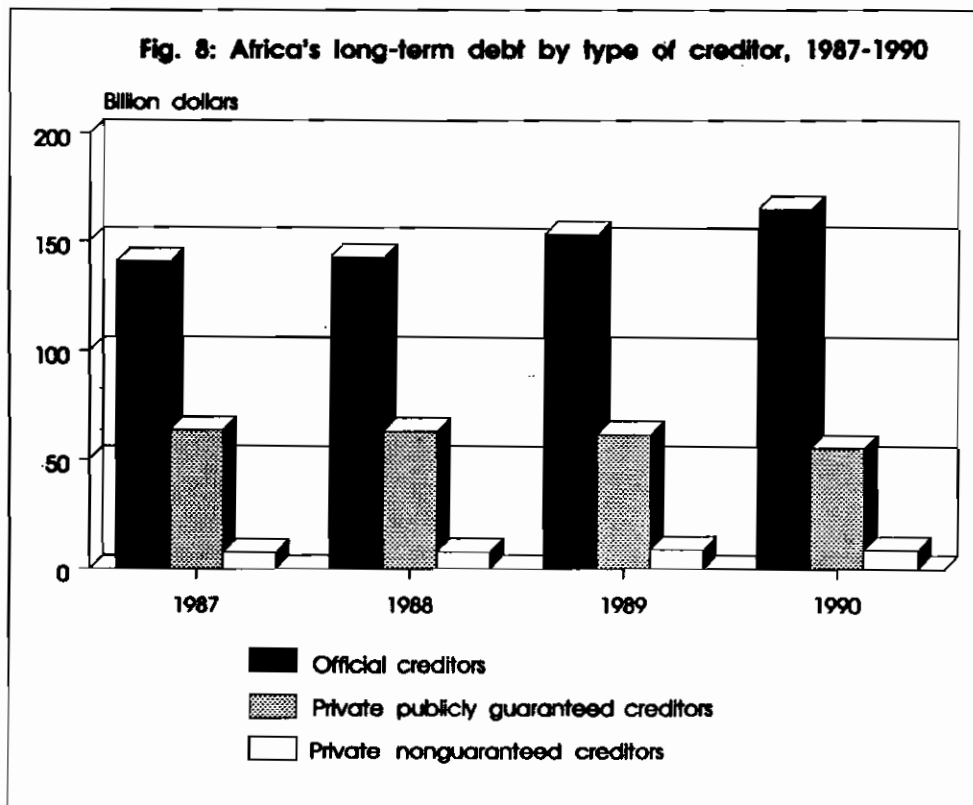
77. Of the African countries eligible under the Brady Plan, Morocco, whose external debt was valued at \$20.7 billion in 1989 with a debt service ratio of 32 per cent, has signed a very favourable rescheduling agreement in 1990, under which \$1.2 billion of its debt has been rescheduled for 15-20 years. The Morocco rescheduling agreement was indeed the first under the Brady Plan in Africa, and included a debt conversion element. Congo, an equally heavily indebted country, has also secured a favourable rescheduling agreement on its public and guaranteed debt with the Paris Club in mid-September 1990. The amount rescheduled is as yet unknown, but an innovative measure to convert part of the debt into local currency projects was included. A debt rescheduling agreement was also in progress with Cote d'Ivoire which was expected to set a model for other countries, although such an agreement is yet to be finally concluded. On the other hand, in January 1991, Nigeria signed a debt rescheduling agreement on its official debt of \$15 billion. The accord covered the debt falling due before March 1991 and provided a repayment period of over 20 years with a ten year grace period for development aid, and 8 years for other credits. The agreement also included provisions for limited debt swaps, and would seem to have set the stage for an agreement with the London Club on the \$5.6 billion owed by Nigeria to the commercial banks with whom it has been negotiating for a buy-back scheme.

78. At the Second United Nations Conference on the Least Developed Countries, held in Paris in September 1990, a Dutch proposal was presented by the Minister for Development Cooperation, Mr. Jan Pronk, calling for the writing off and full forgiveness of all debt of the poorest and most-indebted countries to governments of developed countries. Earlier on, at the Commonwealth Conference in Trinidad, a less radical proposal, known as the Trinidad Terms, had been made by the then British Chancellor of the Exchequer (and now British Prime Minister), Mr. John Major. The proposal called essentially for the writing off two-thirds of the outstanding bilateral debt balance of the poorest developing countries, rescheduling the rest at market prices over a 25-year period, including a five year grace period, and, capitalizing all or part of the interest on over-due payments during the grace period.

79. Although the Trinidad Terms are less generous than the Dutch proposals, especially as they insist on the traditional precondition of beneficiary countries adhering to SAPs and provide for less than full write-offs of outstanding debts, they represent, nevertheless, considerable progress and improvement over the Toronto Terms which offer the write-off of only one-third of debt by only part of the creditors. Besides, the Trinidad Terms are meant to immediately apply to all debt rather than to successive tranches as is the case under the Toronto Terms. This is not surprising since it was the recognition of the inadequacy and limited effects of the Toronto measures that gave birth to these two proposals. Meanwhile, while these proposals continued to be under consideration, the French Government has already acted swiftly on its debt cancellation initiative, and has written off the debts of a number of African countries, including Senegal.

80. However, even if all the above proposals are implemented in their entirety, there would still be a need for further action in respect of the debt owed to multilateral institutions, such as the IMF and the World

Bank, which now hold a significant proportion of Africa's external debt. Certain African countries, such as the Sudan, Somalia, Liberia, Zambia and Sierra Leone, have, in recent years, accumulated large arrears in their payments to the IMF and have had, in consequence, their drawing rights suspended, with little or no further access to external resources, bilateral or multilateral. Although a new mechanism, known as the 'rights approach', was created in 1990 to break the impasse between the Fund and such countries, it has the serious disadvantage of postponing rather than really addressing the thorny issue of interest service charges on large arrears balances which these indebted countries can ill-afford. It is a paradox having poor countries borrow more merely to pay debt service to the Fund when what they urgently need is an increase in net resource inflows. Obviously, more would have to be done to reduce the stock of multilateral debt as well as the interest service charges on the arrears. What Africa needs from the multilateral institutions is not the negative flows that have been typical of the operations of the IMF in Africa in recent years, but strong net positive flows.



VI. The Social Situation

81. Following a decade of almost uninterrupted socio-economic decline and immiserization on the African continent, during which per capita incomes and, therefore, living standards collapsed in the face of escalating unemployment and inflation, the social situation of many African countries has become extremely serious, marked, as it were, by social unrest, civil conflict and political upheavals.

82. In addition to the now familiar catalogue of social problems - sagging budgetary allocations to social services and therefore declining standards in schools and health services, a growing dependent population, increasing urban pressure and associated crimes, marginalization of women in the production process, disintegration of the kinship system, etc., - the outstanding social phenomenon in Africa in 1990 is the crisis of popular participation in development, arising from decades of over-centralization of power and, in many cases, the effective exclusion of the overwhelming majority of the people from effective participation in social, political and economic development.

83. In a few African countries, in 1990, the people have taken to the streets in the quest for basic rights and the defence of individual freedom and democratic participation for the majority of the population. They have demanded for popular participation and, in some cases, have resorted to open revolts to force governments to put their people first by bringing an end to the pervasive lack of democracy that has made popular mobilization, accountability and economic and social justice difficult if not impossible in the region.

84. Of course, some of the positive developments in the field of popular participation in 1990 have come about not so much from open conflicts or violent revolts as from the anticipation by Governments of the need to accommodate popular participation. Many African Governments conducted peaceful multi-party elections in Africa in 1990, and, in a few cases like Benin, Cape Verde and Sao Tome, an orderly change of government has resulted from popular elections. This is significant, since, as acknowledged in the African Charter for Popular Participation in Development, "popular participation is dependent on the nature of the State itself and ability of Government to respond to popular demand. Since African Governments have a critical role to play in the promotion of popular participation, they have to yield space to the people, without which popular participation will be difficult to achieve. Too often, the social base of power and decision-making are too narrow. Hence the urgent need to broaden these; to galvanize and tap the people's energy and

commitment; and to promote political accountability by the State to the people. This makes it imperative that a new partnership between African Governments and the people in the common interest of societal and accelerated socio-economic development should be established without delay".

85. But the idea of popular participation is not confined to and must not be confused with political pluralism or multi-party political systems, important as they may be. The essential thing is for people to be empowered to participate meaningfully in their self-development, and to be effectively involved in creating the structures and programmes that serve the interests of all as well as to effectively contribute to the development process and share equitably in its benefits. For this to happen, people must have the freedom to express themselves, and their freedom from arrest must be guaranteed. In short, people's basic human rights must be extended and protected, as urged in the African Charter, through the vigorous implementation by Governments of the African Charter on Human and People's Rights and the Universal Declaration of Human Rights, the Convention on the Rights of the Child, the ILO Convention No. 87 concerning Freedom of Association and Protection of the Right to Organize and the Convention on the Elimination of all Forms of Discrimination Against Women. The African Charter on Popular Participation in Development, which is a sort of modern-day Magna Carta for the region, remains as valid and as relevant as ever. The Charter defines the democratic rights and obligations of the people and their organizations, on the one hand, and of the governments and multilateral institutions, on the other.

86. Also, as emphasized in the African Charter, one of the key conditions for ensuring people's participation throughout the African continent is the bringing to an end of all wars and armed conflicts. On the contrary, however, in addition to the on-going conflicts that have for years ravaged countries such as Ethiopia, the Sudan, Mozambique and Angola, civil wars and political unrest have erupted in 1990 in Somalia and some parts of Western and Central Africa such as Liberia, Chad and Rwanda that were previously free of such conflicts. Not only was Africa deprived of the "peace dividends" that could have accrued to it in 1990, refugees and individuals displaced by man-made disasters were a growing category of the vulnerable in the region in 1990. Unfortunately, both the receiving countries and the countries where the refugees come from share the increasingly acute problems of shortages of land, food, housing, education and employ-

BOX 5

Putting the People First: The Role of Popular Participation in Africa's Socio-economic Transformation

...popular participation is both a means and an end. As an instrument of development, popular participation provides the driving force for collective commitment for the determination of people-based development processes and willingness by the people to undertake sacrifices and expend their social energies for its execution. As an end in itself, popular participation is the fundamental right of the people to fully and effectively participate in the determination of the decisions which affect their lives at all levels and at all times.

... nations cannot be built without the popular support and full participation of the people, nor can the African economic crisis be resolved and the human and economic conditions improved without the full and effective contribution, creativity and popular enthusiasm of the vast majority of the people. After all, it is to the people that the very benefits of development should and must accrue...

... popular participation is, in essence, the empowerment of the people to effectively involve themselves in creating the structures and in designing policies and programmes that serve the interests of all as well as to effectively contribute to the development process and share equitably in its benefits. Therefore, there must be an opening up of political process to accommodate freedom of opinions, tolerate differences, accept consensus on issues as well as ensure the effective participation of the people and their organizations and associations... (It) requires that the political system evolve to allow for democracy and full participation by all sectors of ... societies.

... the role of the people and their popular organizations is central to the realization of popular participation. They have to be fully involved, committed, and indeed, seize the initiative... Popular participation begins and must be earnestly practised at the family level, because home is the base for development. It must also be practised at the work place, and in all organizations, and in all walks of life.

...African Governments have a critical role to play in the promotion of popular participation; they have to yield space to the people....

... the international community (needs)... to support indigenous efforts which promote the emergence of a democratic environment and facilitate the people's effective participation and empowerment in the political life of their countries.

Excerpts from African Charter on Popular Participation in Development

ment opportunities. Health hazards, such as diarrhoea, respiratory infections, dehydration and anaemia are wide-spread in refugee camps. Refugees also face a lot of hostility from citizens of the receiving countries who may feel threatened by the new competition for jobs and resource-use, and by what is perceived as the socially disruptive influence of the alien guests. The countries of emigration, on the other hand, generally experience depopulation, reduced productive capacity and lowered agricultural output in the aftermath of refugee out-movement. Voluntary repatriation appears thus to be the remedial solution to the problem of refugees, given the limited resources of host countries, coupled with assistance to resettle refugees in their home countries. But the resolution of Africa's conflicts, domestic and external, is the only lasting solution.

87. Another significant feature of the African social situation in 1990 is the acute crisis facing the African

child. Twenty-six per cent or 79 million of African children were said to be underweight, 35.2 per cent stunted and 10.2 per cent wasting. Malnutrition, which considerably aggravates many such diseases as diarrhoea, measles, tetanus, whooping cough and pneumonia, has increased as food production failed to keep pace with population growth. In 1990, malaria alone killed over 700,000 of the under-fives in sub-Saharan Africa, and, notwithstanding the remarkable progress that have been made with immunization, the available data from 37 sub-Saharan countries indicate that about half of them have less than 40 per cent coverage for Diphtheria, Pertussis and Tetanus (DPT) or Oral Rehydration Therapy (ORT). If the current trends are allowed to continue rather than reversed, it has been estimated by UNICEF that "Africa's share of global infant and child death will increase to 40 per cent by the end of the century - up from 15 per cent in 1950 and 30 per cent in 1986"³. With the youthfulness of the African population - at least 45 per cent of the African

3 UNICEF, Africa's Children, Africa's Future: Implementing the World Summit Declaration, UNICEF, New York, 1990, p.9.

population are children - it is essential that urgent and immediate actions be undertaken to implement policies and programmes designed to enhance child survival and development. Towards that end, the African Charter on the Rights and Welfare of the African Child was adopted by the Heads of State and Government of the Organization of African Unity in 1990 while the 1990s have been designated as the African Decade for Child Survival and Development. The historic World Summit for Children that took place in 1990, and the Declaration that emanated from it, have already culminated in a plan of Action for the survival, protection and development of children in the 1990s.

88. A major source of concern for the African governments is how to ensure the effective participation and involvement of youth in the development process. There is a greater level of alienation today among the youth in Africa, as a rising proportion of educated young people are unable to find any productive employment. In order to avoid the growing tendencies to anti-social behaviour on the part of the youth, as shown by mounting crime and delinquency, and disruptions to socio-political stability, it will be necessary to inten-

sify the implementation of socio-economic reforms and corrective measures as specified in the region's programme of action on youth. This is imperative if the rapid rural-urban migration of the youth, which is already creating severe health problems in terms of malnutrition and sanitation, among others, is to be slowed down.

89. Drug abuse and trafficking are some of the worldwide problems that increasingly confront the continent. By 1990, many African countries, including the Gambia, Kenya and Nigeria, had come to accept that, in addition to international trading, the consumption of drugs had increased within their national borders. Cannabis, heroine, cocaine and various psychotropic drugs are the main substances in local markets that have caught the attention of the unemployed and frustrated youth; these same substances form the basis of the growing transit trade in illicit drugs in Africa. The 1990s will call, therefore, for the development of special anti-drug programmes and services in Africa, especially in view of the known connection between drug usage and AIDS.

VIII. Outlook, 1991

90. The economic prospects for 1991 will evidently depend on both the external and internal factors that have in the recent past significantly influenced the region's economic fortunes. One of the key external factors of importance to the African economy is the likely level of oil prices. At the end of 1990, it was thought that even with a rapid end to the conflict in the Persian Gulf and no major damage to oil installations in the area, oil prices would still be in the \$25-26 a barrel range. This meant that while oil exporters would have continued to enjoy very high export revenues, oil importers would similarly not suffer from energy shortages that would cut deeply into their economic growth rate, as had happened in the second half of 1990.

91. Now that the Gulf war has been concluded much more rapidly than was anticipated, and although Kuwait may still not be in a position to resume oil production before a year, at best, while Iraqi oil continues to be embargoed, oil prices have been falling and are now under the OPEC benchmark of \$21 a barrel set in July 1990. In fact, the OPEC meeting held in March 1991 decided on only a small reduction of output (1 million barrels a day), leaving the oil glut intact, and oil prices to continue their free fall. Given the increase of oil production in OPEC countries during 1990 by some 5 per cent, and the fact that, in Africa, oil production even rose by a higher percentage, it is difficult to see any large production cut-backs during 1991, and, therefore, a significant improvement in oil prices. African prospects have thus changed significantly with the end of the Persian Gulf war and the 1990 energy crisis. The African oil-importing countries are very unlikely to be subjected, in 1991, to the same kind of pressures they endured in 1990. By the same token, the oil exporters are going to be denied the high oil export revenues that accrued in 1990. Therefore, in overall balance of payments terms, debt service and investible resources, African countries may well be back to the situation they were prior to August 1990.

92. There are other factors in the world economy which are of equal importance to Africa, however. The overall economic conditions in the industrial countries, which are Africa's main trading and development partners, are some of these. With the slow-down in such market economies as Germany, France and even Japan, which hitherto had been spared from the recession in the industrialized economies, and with the increasingly protracted and costly transition in Eastern Europe and the USSR, the prospects for the world economy in 1991 appear to be worse than earlier predicted. Most forecasts now indicate that growth will

further significantly slow down in 1991, leading to a lower demand for African exports, and lower prices for African export commodities. Resource flows to Africa will also be adversely affected. Already, while some Eastern European countries have secured considerable debt cancellations (one half of Poland's debt was recently forgiven), nothing comparable has been offered to the African countries in general, notwithstanding the concessions to Egypt on its military debt to the USA and on other debts to the Persian Gulf states, and the recent moves by France to cancel debts owed by Senegal and some other African countries.

93. Internally, provided that the weather situation is more favourable in 1991, and there are already indications to that effect in so far as North Africa is concerned, the agricultural sector should be able to significantly improve on its 1990 performance. On the other hand, there is every reason to believe that the process of economic policy reforms and sound management would be intensified in the African countries in the context of AAF-SAP and the African Charter for Popular Participation, and that conflict resolution, greater political stability and democratization would be a much more prominent feature of the internal situation in the region in 1991, giving additional boosts and a new fillip to economic activities in the region, and to the revitalization of investment, particularly domestic investment and the consolidation of industrial rehabilitation.

94. Overall, therefore, and on the basis of the above considerations and assumptions, it is forecast that the region's output will grow by 3.0 per cent in 1991, around the same rate as the region's population. The main impetus will come from the growth of the agricultural and mining sectors. The mining sector should grow by about 5 per cent in 1991, with the oil exporters managing to perform averagely on account of high petroleum production levels and provided oil prices do not fall any further during the year. In non-oil producing countries, on the other hand, growth is expected to firm up greatly in 1991, reaching up to 2.2 per cent compared to the meagre 0.7 per cent in 1990. The recovery in GDP growth in 1991 is expected in all the subregions of Africa. In particular, the GDP growth rate for the African LDCs, which now number 29 and constitute the majority grouping in the region, will rebound to about 2.7 per cent after the -0.3 per cent of 1990, in view of the expected recovery in agriculture and food production in 1991 which, were it to materialize, would also redound favourably on the manufacturing sector with respect to capacity utilization.

95. If, however, adverse conditions were to prevail in 1991, for example, from a combination of bad or poor weather in the Sahel and in southern Africa and lower exports, and if in addition to the prevailing slump in oil prices, the recession already underway in the indus-

trialized countries were to lead to a further fall in commodity prices and resource flows, higher interest rates and dearer imports, then, the economic growth in the Africa region may well turn out to be as low as 3 per cent in 1991.

Statistical Annexes

TABLE 1. BASIC INDICATORS				
SUB-REGION/COUNTRY	POPULATION MILLION 1990	GDP PER CAPITA IN CONSTANT 1980 US \$ 1990	AVERAGE ANNUAL GROWTH RATE OF CONSUMER PRICE INDEX 1980=100	
			1983-1987	1989
NORTH AFRICA	142.5	1174	...	...
ALGERIA	25.4	2145	9.1	7.0
EGYPT	54.1	678	17.6	14.4
LIBYAN ARAB JAMAHIRIYA	4.5	6674	...	0.0
MOROCCO	25.1	983	7.8	2.3
SUDAN	25.2	356	30.2	50.0
TUNISIA	8.2	1495	7.3	6.3
WEST AFRICA	199.5	683	...	...
BENIN	4.7	340	...	0.0
BURKINA FASO	9.0	223	1.4	-0.7
CAPE VERDE	0.4	243	7.9	3.0
COTE D'IVOIRE	12.6	778	5.8	0.8
GAMBIA	0.9	372	30.2	8.9
GHANA	15.0	363	28.6	13.5
GUINEA	6.9	333	...	28.3
GUINEA BISSAU	1.0	234	...	7.3
LIBERIA	2.6	277	2.3	4.1
MALI	9.4	261	0.4	-1.5
MAURITANIA	2.0	389	...	4.7
NIGER	7.1	358	-0.3	-4.4
NIGERIA	113.0	900	14.9	42.1
SENEGAL	7.4	531	6.6	-1.5
SIERRA LEONE	4.2	262	89.4	24.5
TOGO	3.5	351	-0.3	0.3
CENTRAL AFRICA	72.9	472	...	...
BURUNDI	5.5	251	6.6	9.9
CAMEROON	12.0	787	3.7	12.0
CENTRAL AFRICAN REPUBLIC	2.9	370	1.9	1.1
CHAD	5.7	200	1.7	-6.7
CONGO	2.0	1465	5.6	3.5
EQUATORIAL GUINEA	0.4	161	...	0.0
GABON	1.2	4117	4.7	0.0
RWANDA	7.2	183	2.7	1.0
SAO TOME & PRICIPE	0.1	387	...	0.0
ZAIRE	36.0	340	51.5	44.5
EAST & SOUTHERN AFRICA	197.3	319	...	...
ANGOLA	10.0	765	...	0.0
BOTSWANA	1.3	1812	9.1	10.2
COMOROS	0.5	318	...	0.0
DJIBOUTI	0.6	617	8.1	10.0
ETHIOPIA	46.7	106	3.9	4.4
KENYA	25.1	411	9.1	7.1
LESOTHO	1.8	302	14.4	12.7
MADAGASCAR	12.0	290	12.6	15.5
MALAWI	8.4	206	17.7	12.7
MAURITIUS	1.0	2003	4.2	9.9
MOZAMBIQUE	15.7	144	...	50.0
NAMIBIA	1.9	1149	...	...
SEYCHELLES	0.1	2768	1.7	1.2
SOMALIA	7.6	390	46.4	50.0
SWAZILAND	0.8	980	14.3	8.4
TANZANIA	27.3	229	31.9	19.0
UGANDA	18.4	192	234.2	77.9
ZAMBIA	8.5	471	35.9	55.0
ZIMBABWE	9.7	753	12.9	7.4
TOTAL AFRICA	612.2	655	...	...

TABLE 2. GROSS DOMESTIC PRODUCT(1980 PRICES)

SUB-REGION/COUNTRY	GDP(US \$ BILLION) AT 1980 CONSTANT PRICES				GROWTH RATE (PERCENTAGE)		
	1980	1984	1989	1990	1980-90	1984-90	1990
NORTH AFRICA	133.5	145.5	162.2	167.2	2.3	2.3	3.2
ALGERIA	42.3	50.1	53.1	54.4	2.5	1.4	2.5
EGYPT	21.0	29.9	35.7	36.6	5.7	3.4	2.7
LIBYAN ARAB JAMAHIRIYA	35.7	27.5	28.4	30.3	-1.6	1.6	6.9
MOROCCO	17.8	19.2	23.9	24.7	3.3	4.3	3.4
SUDAN	7.9	8.6	9.5	9.0	1.3	0.8	-5.3
TUNISIA	8.7	10.2	11.6	12.2	3.5	3.0	5.2
WEST AFRICA	124.2	109.8	132.4	136.0	0.9	3.6	2.9
BENIN	1.4	1.6	1.6	1.6	1.7	0.0	0.0
BURKINA FASO	1.4	1.6	2.0	2.0	3.6	3.8	-0.4
CAPE VERDE	0.1	0.1	0.1	0.1	3.2	0.0	-5.8
COTE D'IVOIRE	10.2	9.9	10.3	9.8	-0.4	-0.2	-4.5
GAMBIA	0.2	0.2	0.3	0.3	2.3	7.0	6.9
GHANA	4.2	3.9	5.2	5.4	2.5	5.6	4.8
GUINEA	1.7	1.9	2.2	2.3	3.2	3.2	4.8
GUINEA BISSAU	0.2	0.2	0.2	0.2	2.6	0.0	-2.0
LIBERIA	1.1	1.1	1.0	0.7	-4.5	-7.3	-30.8
MALI	1.7	1.8	2.4	2.4	3.3	4.9	-0.1
MAURITANIA	0.7	0.7	0.8	0.8	1.2	2.3	2.8
NIGER	2.5	2.1	2.5	2.5	-0.2	2.9	3.1
NIGERIA	93.6	79.3	97.7	101.7	0.8	4.2	4.1
SENEGAL	3.0	3.3	3.8	3.9	2.8	2.8	3.5
SIERRA LEONE	1.1	1.1	1.1	1.1	-0.0	0.0	2.3
TOGO	1.1	1.0	1.2	1.2	0.6	3.1	2.5
CENTRAL AFRICA	26.8	32.0	33.8	34.4	2.5	1.2	2.1
BURUNDI	1.0	1.1	1.4	1.4	3.8	4.1	-0.5
CAMEROON	6.7	9.6	9.4	9.5	3.6	-0.2	1.0
CENTRAL AFREICAN REPUBLIC	0.9	1.0	1.1	1.1	2.1	1.6	0.3
CHAD	0.7	0.8	1.1	1.1	4.3	5.5	2.4
CONGO	1.7	2.9	2.8	2.9	5.4	0.0	5.3
EQUATORIAL GUINEA	0.1	0.1	0.1	0.1	6.6	0.0	-0.2
GABON	4.3	4.3	4.3	4.8	1.2	1.9	11.5
RWANDA	1.2	1.3	1.4	1.3	0.7	0.0	-4.4
SAO TOME & PRINCIPE	0.0	0.0	0.0	0.0	0.4	5.9	12.7
ZAIRE	10.3	10.9	12.2	12.2	1.7	1.9	0.1
EAST & SOUTHERN AFRICA	49.2	51.7	62.2	62.8	2.5	3.4	0.9
ANGOLA	6.1	6.1	7.9	7.7	2.4	4.0	-3.5
BOTSWANA	0.9	1.4	2.3	2.3	9.7	8.6	1.5
COMOROS	0.1	0.1	0.1	0.1	-1.8	0.0	0.9
DJIBOUTI	0.3	0.3	0.3	0.3	-1.2	0.0	0.7
ETHIOPIA	4.1	4.4	5.0	4.9	1.8	1.8	-2.1
KENYA	7.1	7.9	10.1	10.3	3.8	4.5	2.5
LESOTHO	0.4	0.4	0.5	0.5	2.7	3.8	14.4
MADAGASCAR	3.2	3.0	3.4	3.5	0.8	2.6	3.0
MALAWI	1.2	1.4	1.7	1.7	3.2	3.3	3.3
MAURITIUS	1.1	1.3	1.9	2.1	6.4	8.3	6.5
MOZAMBIQUE	2.4	2.1	2.2	2.2	-0.9	0.8	3.1
NAMIBIA	2.0	1.9	2.0	2.2	0.9	2.5	6.0
SEYCHELLES	0.1	0.1	0.2	0.2	3.3	12.2	5.8
SOMALIA	2.4	2.5	2.9	2.9	1.9	2.5	0.1
SWAZILAND	0.5	0.6	0.7	0.8	4.0	4.9	4.6
TANZANIA	5.1	5.1	6.1	6.3	2.1	3.6	3.4
UGANDA	2.8	3.0	3.7	3.5	2.3	2.6	-4.9
ZAMBIA	3.9	4.0	4.1	4.0	0.3	0.0	-2.9
ZIMBABWE	5.3	5.9	7.1	7.3	3.3	3.6	3.1
TOTAL AFRICA	333.7	339.0	390.6	400.4	1.8	2.8	2.6

N.B. ALL FIGURES ARE IN BILLION 1980 US \$ AND ARE ROUNDED OFF TO ONE DECIMAL PLACE

TABLE 3. AGRICULTURAL INDICATORS

SUB-REGION/COUNTRY	ARABLE LAND HA. PER CAPITA 1989	VALUE ADDED IN AGRICULTURE (BILLION OF 1980 US \$) 1990)	INDEX OF FOOD PRODUCTION PER CAPITA (1978- 81=100)		PRODUCTION OF CEREALS (KG PER CAPITA) 1989	CEREALS IMPORT (KG PER CAPITA) 1989
			1985	1990		
NORTH AFRICA	0.254	18.941	102.79	99.73	164	152
ALGERIA	0.284	4.15	109.65	93.00	72	303
EGYPT	0.046	5.58	110.46	116.24	195	162
LIBYAN ARAB JAMAHIRIYA	0.411	0.93	118.79	103.58	69	346
MOROCCO	0.337	4.50	110.00	115.11	304	54
SUDAN	0.509	2.30	93.26	84.24	97	23
TUNISIA	0.414	1.48	118.50	104.97	80	207
WEST AFRICA	0.273	43.918	99.71	90.70	123	16
BENIN	0.307	0.61	114.27	120.37	130	23
BURKINA FASO	0.405	0.76	112.79	110.61	223	14
CAPE VERDE	0.103	0.02	88.05	106.73	19	104
COTE D'IVOIRE	0.200	3.31	97.37	88.37	92	57
GAMBIA	0.210	0.15	91.81	91.54	140	97
GHANA	0.079	2.53	109.99	99.34	86	17
GUINEA	0.091	0.65	93.33	87.52	125	27
GUINEA BISSAU	0.311	0.15	107.54	107.15	257	61
LIBERIA	0.052	0.28	98.65	75.59	117	64
MALI	0.230	1.36	95.98	97.51	237	10
MAURITANIA	0.100	0.18	87.76	87.01	69	105
NIGER	0.522	1.36	85.39	84.90	266	15
NIGERIA	0.264	30.98	103.32	88.75	102	2
SENEGAL	0.728	0.80	111.30	108.22	149	72
SIERRA LEONE	0.409	0.39	90.67	86.98	120	36
TOGO	0.409	0.39	89.58	100.45	153	33
CENTRAL AFRICA	0.295	8.981	92.10	90.40	50	13
BURUNDI	0.211	0.71	101.00	92.90	61	1
CAMEROON	0.511	2.27	97.89	94.52	74	30
CENTRAL AFRICAN REPUBLIC	0.676	0.48	93.09	97.50	51	10
CHAD	0.578	0.49	102.45	96.20	122	7
CONGO	0.074	0.26	99.26	95.16	5	42
EQUATORIAL GUINEA	0.376	0.02	...	...	0	43
GABON	0.256	0.34	84.06	76.81	11	44
RWANDA	0.119	0.46	94.78	68.42	38	1
SAO TOME & PRICIPE	0.017	0.01	74.56	64.99	8	94
ZAIRE	0.208	3.95	98.34	89.62	35	9
EAST & SOUTHERN AFRICA	0.245	18.01	94.32	88.04	133	14
ANGOLA	0.313	0.97	89.69	78.53	29	25
BOTSWANA	1.112	0.08	78.43	70.14	48	62
COMOROS	0.171	0.07	89.50	91.67	42	94
DJIBOUTI	0.000	0.01	...	...	0	88
ETHIOPIA	0.288	1.91	88.93	88.42	129	15
KENYA	0.080	2.89	97.53	100.20	144	5
LESOTHO	0.186	0.11	86.48	80.88	72	81
MADAGASCAR	0.221	1.39	96.66	89.38	216	9
MALAWI	0.289	0.56	89.92	80.96	195	11
MAURITIUS	0.098	0.18	102.08	113.83	4	205
MOZAMBIQUE	0.188	0.86	87.01	82.66	35	26
NAMIBIA	0.363	0.20	86.45	94.36	74	0
SEYCHELLES	0.015	0.01	...	...	0	199
SOMALIA	0.140	1.96	97.24	95.81	83	25
SWAZILAND	0.210	0.14	93.35	89.06	185	52
TANZANIA	0.158	2.55	93.77	83.81	176	3
UGANDA	0.281	2.54	93.74	82.84	54	1
ZAMBIA	0.642	0.64	93.49	88.32	244	15
ZIMBABWE	0.289	0.96	112.70	91.79	262	6
TOTAL AFRICA	0.282	89.85	96.45	91.71	127	47

TABLE 4. PRODUCTION AND CONSUMPTION OF SELECTED ENERGY COMMODITIES

SUB-REGION/COUNTRY	ELECTRICITY PRODUCTION (MILLION KWH) 1988			COMMERCIAL ENERGY CONSUMPTION 1988		TOTAL ENERGY REQUIREMENT (TON)* 1988
	THERMIQUE	HYDRO	TOTAL	PER CAPITA (KG)	TOTAL(TON)*	
NORTH AFRICA	72681	7759	80440	461	85658.7	74687.1
ALGERIA	13807	159	13966	860	20493.0	20970.7
EGYPT	29310	6100	35410	465	23908.5	26177.5
LIBYAN ARAB JAMAHIRIYA	16000	0	16000	2497	10580.9	10700.3
MOROCCO	7898	936	8834	243	5804.0	6281.6
SUDAN	544	517	1061	44	1027.0	6018.9
TUNISIA	5122	47	5169	492	3845.4	4538.1
WEST AFRICA	11078	8871	19949	91	18080.8	54074.7
BENIN	5	0	5	33	143.3	1218.1
BURKINA FASO	128	0	128	19	167.2	2030.2
CAPE VERDE	35	0	35	67	23.9	23.9
COTE D'IVOIRE	915	1295	2210	153	1767.5	4370.9
GAMBIA	44	0	44	77	71.7	262.7
GHANA	70	4680	4750	70	979.3	1958.5
GUINEA	342	170	512	52	334.4	1313.7
GUINEA BISSAU	15	0	15	48	47.8	143.3
LIBERIA	510	324	834	110	262.7	1409.2
MALI	42	163	205	17	143.3	1385.3
MAURITANIA	96	25	121	533	1027.0	1027.0
NIGER	160	0	160	37	238.8	1194.2
NIGERIA	7715	2210	9925	113	11918.4	35014.8
SENEGAL	763	0	763	87	621.0	1600.3
SIERRA LEONE	201	0	201	53	215.0	859.8
TOGO	37	4	41	37	119.4	262.7
CENTRAL AFRICA	516	8845	9361	73	5350.1	21663.3
BURUNDI	2	54	56	13	71.7	979.3
CAMEROON	70	2325	2395	186	1982.4	4753.0
CENTRAL AFRICAN REPUBLIC	18	75	93	26	71.7	883.7
CHAD	52	0	52	13	71.7	859.8
CONGO	3	289	292	277	525.5	1003.2
EQUATORIAL GUINEA	15	2	17	57	23.9	119.4
GABON	201	676	877	806	883.7	1552.5
RWANDA	4	168	172	21	143.3	1504.7
SAO TOME & PRICIPE	7	8	15	112	23.9	...
ZAIRE	144	5248	5392	46	1552.5	10007.6
EAST & SOUTHERN AFRICA	8092	17507	25599	59	11584.0	57776.8
ANGOLA	465	1345	1810	63	597.1	1886.9
BOTSWANA	...	...	...	...	...	...
COMOROS	12	2	14	37	23.9	23.9
DJIBOUTI	173	0	173	240	95.5	95.5
ETHIOPIA	162	653	815	18	788.2	9673.3
KENYA	198	2323	2844	65	1504.7	10198.7
LESOTHO	...	...	...	...	0.0	0.0
MADAGASCAR	213	303	516	40	453.8	2149.6
MALAWI	14	569	583	30	238.8	3511.0
MAURITIUS	539	100	639	279	310.5	716.5
MOZAMBIQUE	425	50	475	23	334.4	3869.3
SEYCHELLES	83	0	83	618	47.8	47.8
SOMALIA	257	0	257	41	286.6	1863.0
SWAZILAND	...	...	...	...	...	...
TANZANIA	267	612	879	26	668.8	7834.1
UGANDA	4	595	599	19	310.5	3320.0
ZAMBIA	40	8445	8485	168	1313.7	5756.2
ZIMBABWE	5240	2510	7750	504	4609.7	6831.0
TOTAL AFRICA	92367	42982	135349	164	100673.5	208202.0

SOURCE: 1988 ENERGY STATISTICS YEARBOOK.

* OIL EQUIVALENT

TABLE 5 : MERCHANDISE TRADE : VALUE AND AVERAGE GROWTH RATE

SUB-REGION/COUNTRY	EXPORTS MILLION US \$			IMPORTS MILLION US \$			BALANCE OF TRADE MILLION US \$			GROWTH RATE(%)			
										EXPORT		IMPORT	
	1984	1986	1989	1984	1986	1989	1984	1986	1989	1984-89	1989	1984-89	1989
NORTH AFRICA	31689	24300	26789	30086	31437	33411	-4417	-7137	-6622	-3.3	10.2	-1.5	6.3
ALGERIA	12795	8216	8740	10288	7342	9160	2507	874	-420	-7.3	6.4	-2.3	24.8
EGYPT	3140	2120	2565	10766	8657	7434	-7626	-6537	-4869	-4.0	21.0	-7.1	-14.1
LIBYAN ARAB JAMAHIRIYA	11140	7457	8747	6800	5911	5716	4340	1546	3031	-4.7	17.3	-3.4	-3.3
MOROCCO	2171	3603	3307	3911	4773	5492	-1740	-1170	-2185	8.8	-8.2	7.0	15.1
SUDAN	629	509	500	1147	1065	1235	-518	-556	-735	-4.5	-1.8	1.5	16.0
TUNISIA	1794	2395	2930	3174	3689	4374	-1380	-1294	-1444	10.3	22.3	6.6	18.6
WEST AFRICA	18104	14626	14636	15262	13949	13629	2842	681	1107	-3.8	2.1	-2.0	-0.8
BENIN	167	125	133	288	340	370	-121	-215	-237	-4.5	6.4	5.1	8.8
BURKINA FASO	79	142	144	209	489	512	-130	-347	-368	12.8	1.4	19.6	4.7
CAPE VERDE	3	5	5	71	125	132	-68	-120	-127	10.8	0.0	13.2	5.6
COTE D'IVOIRE	2707	3091	2503	1497	2350	3120	1210	741	-617	-1.6	-19.0	15.8	32.8
GAMBIA	49	46	57	100	137	161	-51	-91	-104	3.1	23.9	10.0	17.5
GHANA	528	1014	973	580	907	930	-52	107	43	13.0	-4.0	9.9	2.5
GUINEA	518	488	589	378	440	352	140	48	237	...	...	...	...
GUINEA BISSAU	17	10	9	51	70	82	-34	-60	-73	-11.9	-10.0	10.0	17.1
LIBERIA	452	430	504	363	220	311	89	210	193	2.2	...	-3.0	...
MALI	205	251	313	368	513	563	-163	-262	-250	8.8	24.7	8.9	9.7
MAURITANIA	291	354	238	208	240	222	83	114	16	-3.9	-32.8	1.3	-7.5
NIGER	273	290	329	285	377	407	-12	-87	-78	3.8	13.4	7.4	8.0
NIGERIA	11856	7357	7918	9364	6017	4742	2492	1340	3176	-7.8	7.6	-12.7	-21.2
SENEGAL	634	675	805	1072	1077	1213	-438	-402	-408	4.9	19.3	2.5	12.6
SIERRA LEONE	133	106	138	157	156	183	-24	-50	-45	0.7	30.2	3.1	17.3
TOGO	192	242	278	271	487	529	-79	-245	-251	7.7	14.9	14.3	8.6
CENTRAL AFRICA	6260	5825	5487	4399	6065	5742	1861	-140	-255	-2.6	-7.4	5.5	-5.3
BURUNDI	103	133	78	187	204	187	-84	-71	-109	...	0.0	...	-8.3
CAMEROON	886	1120	1190	1112	1272	1126	-226	-152	64	6.1	...	0.3	...
CENTRAL AFRICAN REPUBLIC	85	130	134	87	201	150	-2	-71	-16	9.5	...	11.5	...
CHAD	131	141	143	181	419	409	-50	-278	-266	1.8	1.4	17.7	-2.4
CONGO	1265	752	912	618	564	524	647	188	388	-6.3	21.3	-3.2	-7.1
EQUATORIAL GUINEA	20	50	41	25	30	47	-5	20	-6	...	-18.0	...	56.7
GABON	2011	1237	1572	724	930	964	1287	307	608	-4.8	27.1	5.9	3.7
RWANDA	144	101	84	278	370	338	-134	-269	-254	-10.2	-16.8	4.0	-8.6
SAO TOME & PRICIPE	7	11	13	13	25	27	-6	-14	-14	13.2	18.2	15.7	8.0
ZAIRE	1608	2250	1320	1174	2050	1970	434	200	-650	-3.9	-41.3	10.9	-3.9
EAST & SOUTHERN AFRICA	8013	11418	11929	10035	13823	14160	-2022	-2405	-2231	8.3	4.5	7.1	2.4
ANGOLA	1970	2924	3335	1037	1324	1356	933	1600	1979	...	...	...	...
BOTSWANA	674	1418	1695	707	1031	1022	-33	387	673	20.3	19.5	7.6	-0.9
COMOROS	7	21	18	43	60	65	-36	-39	-47	20.8	-14.3	8.6	8.3
DJIBOUTI	13	20	23	222	205	237	-209	-185	-214	...	...	...	...
ETHIOPIA	417	429	474	928	1129	1020	-511	-700	-546	2.6	10.5	1.9	-9.7
KENYA	1083	1071	991	1522	1989	2177	-439	-918	-1186	-1.8	-7.5	7.4	9.5
LESOTHO	29	40	42	504	430	493	-475	-390	-451	7.7	5.0	-0.4	14.7
MADAGASCAR	332	280	319	366	899	860	-34	-619	-541	-0.8	13.9	18.6	-4.3
MALAWI	311	289	267	271	406	503	40	-117	-236	-3.0	-7.6	13.2	23.9
MAURITIUS	372	994	986	471	1261	1325	-99	-267	-339	21.5	-0.8	23.0	5.1
MOZAMBIQUE	96	214	184	540	868	819	-444	-654	-635	13.9	...	8.7	...
NAMIBIA	...	...	...	...	...	...	0	0	0	...	...	...	...
SEYCHELLES	26	32	34	88	159	164	-62	-127	-130	5.5	6.3	13.3	3.1
SOMALIA	44	147	136	103	130	152	-59	17	-16	25.3	-7.5	8.1	16.9
SWAZILAND	237	453	361	381	516	483	-144	-63	-122	8.8	-20.3	4.9	-6.4
TANZANIA	340	276	200	680	800	535	-340	-524	-335	-10.1	-27.5	-4.7	-33.1
UGANDA	399	271	273	344	544	652	55	-273	-379	-7.3	0.7	13.6	19.9
ZAMBIA	652	1179	1185	730	835	860	-78	344	305	12.7	0.5	3.8	5.4
ZIMBABWE	1011	1360	1406	1098	1237	1417	-87	123	-11	6.8	...	5.2	...
TOTAL AFRICA	64046	56269	59141	65782	65270	67142	-1736	-9001	-8001	-1.6	5.1	0.4	2.9

TABLE 6. EXTERNAL PUBLIC DEBT AND DEBT SERVICE RATIO, 1989

SUB-REGION/COUNTRY	DEBT STOCK \$ US MILLION			DEBT STOCK (PER CENT OF GDP)	DEBT SERVICE	
	LONG	SHORT TERM	TOTAL		AMOUNT MILLION US \$	RATIO OF EXPORT*
NORTH AFRICA	100100	22800	122900	75.3	14000	30.4
ALGERIA	23169	3931	27100	57.4	6860	68.1
EGYPT	41808	9913	51721	97.9	4010	31.5
LIBYAN ARAB JAMAHIRIYA	171	2829	3000	12.5	450	4.7
MOROCCO	18651	2049	20700	92.5	2035	49.9
SUDAN	9641	2538	12179	192.2	95	9.1
TUNISIA	6660	1340	8000	78.3	1150	25.6
WEST AFRICA			70004	135.7		
BENIN	1056	121	1177	76.5	26	7.9
BURKINA FASO	685	71	756	39.9	39	12.2
CAPE VERDE	126	3	129	53.3	5	12.2
COTE D'IVOIRE	12597	2816	15413	190.6	1358	44.6
GAMBIA	330	12	342	172.7	18	7.6
GHANA	3049	29	3078	59.9	438	48.0
GUINEA	2028	148	2176	167.9	113	23.2
GUINEA BISSAU	432	26	458	299.3	12	46.6
LIBERIA	..	..	2496	280.7	..	..
MALI	2111	46	2157	119.0	66	18.9
MAURITANIA	1845	166	2010	203.9	102	20.4
NIGER	1470	108	1578	70.5	122	32.7
NIGERIA	28042	4790	32832	110.9	2900	36.4
SENEGAL	3858	281	4139	91.9	379	30.1
SIERRA LEONE	617	440	1057	182.2	4	4.2
TOGO	1022	164	1186	88.0	90	20.0
CENTRAL AFRICA	21355	3075	25029	100.8	1661	25.4
BURUNDI	850	17	867	83.0	38	35.0
CAMEROON	4198	545	4743	39.9	365	17.4
CENTRAL AFRICAN REPUBLIC	677	38	715	69.5	30	14.1
CHAD	340	28	368	38.9	12	5.3
CONGO	3547	1760	5307	233.9	440	38.0
EQUATORIAL GUINEA	213	15	228	168.9	6	14.0
GABON	2614	562	3176	91.1	223	13.3
RWANDA	606	45	651	30.0	29	15.2
SAO TOME & PRINCIPE	110	20	130	406.3	5	47.7
ZAIRE	8200	643	8843	142.6	513	63.3
EAST AND SOUTHERN AFRICA	41487	5201	46688	91.1	..	..
ANGOLA	6190	760	6950	93.7	..	..
BOTSWANA	509	4	513	20.7	69	4.1
COMOROS	162	13	175	83.7	4	22.1
DJIBOUTI	133	47	180	..	15	..
ETHIOPIA	2906	107	3013	52.9	280	40.1
KENYA	5048	641	5689	67.4	645	33.2
LESOTHO	322	2	324	76.6	22	26.2
MADAGASCAR	3510	97	3607	154.2	240	76.7
MALAWI	1346	48	1394	90.5	95	30.5
MAURITIUS	800	32	832	40.1	143	10.2
MOZAMBIQUE	4186	551	4737	463.5	63	40.2
SEYCHELLES	132	36	168	58.1	24	10.8
SOMALIA	1964	173	2137	167.6	32	47.1
SWAZILAND	260	21	281	48.9	34	..
TANZANIA	4646	272	4918	207.1	87	16.7
UGANDA	1713	95	1808	40.5	209	77.4
ZAMBIA	4995	1879	6874	190.1	171	14.9
ZIMBABWE	2665	423	3088	58.6	472	25.9
TOTAL AFRICA	223600	41800	265400	91.1	27100	33.5

* PERCENT OF GOODS AND SERVICES EXPORTS

Table 7. SOCIAL INDICATORS — EDUCATION

SUB-REGION/COUNTRY	SCHOOL ENROLLMENT RATIOS* 1988	PRIMARY EDUCATION ENROLLMENT RATIOS* 1988	ADULT FEMALE LITERACY RATE* 1985	TOTAL ADULT LITERACY RATE* 1985	SCIENTISTS/ TECHNICIANS PER '000 1970- 87
North Africa	64	79	39	45	11
ALGERIA	76	96	35	49	...
EGYPT	81	90	30	45	47.0
LIBYAN ARAB JAMAHIRIYA	...	...	40	57	17.0
MOROCCO	52	71	30	42	...
SUDAN	36	49	10	24	0.8
TUNISIA	78	116	47	58	2.0
West Africa	72	86	28	34	1.2
BENIN	...	50	12	19	...
BURKINA FASO	19	32	6	15	...
CAPE VERDE	68	108	...	...	...
COTE D'IVOIRE	46	70	34	49	...
GAMBIA	...	61	...	...	...
GHANA	56	71	42	53	2.6
GUINEA	19	30	8	17	...
GUINEA BISSAU	37	56	...	...	...
LIBERIA	...	35	21	32	...
MALI	15	23	15	23	...
MAURITANIA	36	52	16	28	...
NIGER	...	29	11	22	...
NIGERIA	...	77	31	43	1.7
SENEGAL	38	60	19	32	...
SIERRA LEONE	37	54	6	13	...
TOGO	64	101	25	38	0.3
Central Africa	46	74	41	54	1.1
BURUNDI	...	67	32	42	...
CAMEROON	70	109	36	48	5.8
CENTRAL AFRICAN REPUBLIC	40	66	19	32	...
CHAD	29	51	13	23	...
CONGO	...	...	38	52	3.9
EQUATORIAL GUINEA	...	108	...	...	...
GABON	...	...	43	56	...
RWANDA	46	67	32	45	0.4
SAO TOME & PRICIPE	...	...	...	...	...
ZAIRE	52	76	53	66	...
East & Southern Africa	49	89	34	58	1.4
ANGOLA	49	93	23	36	...
BOTSWANA	...	114	60	70	2.5
COMOROS	56	80	...	...	...
DJIBOUTI	31	46	...	...	...
ETHIOPIA	28	37	...	66	...
KENYA	73	96	53	65	3.7
LESOTHO	...	113	...	...	...
MADAGASCAR	...	94	68	77	...
MALAWI	46	66	...	...	2.8
MAURITIUS	78	106	...	...	25.0
MOZAMBIQUE	34	68	16	28	...
NAMIBIA	...	...	...	...	...
SEYCHELLES	...	...	...	...	...
SOMALIA	14	15	9	17	...
SWAZILAND	82	104	...	...	...
TANZANIA	42	68	88	91	...
UGANDA	47	70	29	43	...
ZAMBIA	...	97	59	67	7.6
ZIMBABWE	93	128	55	62	...
South Africa	77	79	71	47	...

SOURCE : UNICEF, THE STATE OF THE WORLD'S CHILDREN, 1991; UNDP, HUMAN DEVELOPMENT REPORT, 1990; UNESCO, STATISTICAL YEARBOOK, 1990.

* PERCENTAGE OF CORRESPONDING POPULATION

TABLE 8. SOCIAL INDICATORS — HEALTH

SUB-REGION/COUNTRY	LIFE EXPECTANCY (YEARS) 1980	INFANT MORTALITY RATE (<1 Yr.) 1989*	MORTALITY RATE * (<= 5 YEARS) 1989	SAFE WATER ACCESS ** 1985-88	DOCTOR PER '000 1984
NORTH AFRICA					
ALGERIA	65	70	102	68	2.3
EGYPT	60	67	94	73	0.8
LIBYAN ARAB JAMAHIRIYA	61	78	116	97	0.7
MOROCCO	61	78	116	60	15.6
SUDAN	50	105	175	21	10.1
TUNISIA	66	51	66	68	2.2
WEST AFRICA					
BENIN	47	89	150	52	15.9
BURKINA FASO	48	135	232	67	57.2
CAPE VERDE	...	...	...	...	...
COTE D'IVOIRE	53	83	139	19	...
GAMBIA	...	...	...	...	...
GHANA	55	87	143	56	14.9
GUINEA	43	142	241	19	57.4
GUINEA BISSAU	...	...	...	...	...
LIBERIA	53	137	209	55	9.2
MALI	45	166	...	17	25.4
MAURITANIA	47	19	217	...	12.1
NIGER	45	132	225	47	38.8
NIGERIA	51	102	170	46	8
SENEGAL	...	85	186	53	13.5
SIERRA LEONE	42	151	261	25	13.6
TOGO	54	92	150	55	8.7
CENTRAL AFRICA					
BURUNDI	48	116	196	26	21.1
CAMEROON	53	92	150	33	...
CENTRAL AFRICAN REPUBLIC	49	129	219	...	23.1
CHAD	46	129	220	...	38.4
CONGO	53	71	112	21	8.1
EQUATORIAL GUINEA	...	...	...	...	...
GABON	52	100	167	92	2.8
RWANDA	49	119	201	50	34.7
SAO TOME & PRICIPE	...	...	...	...	...
ZAIRE	53	81	132	33	...
EAST & SOUTHERN AFRICA					
ANGOLA	45	173	292	30	...
BOTSWANA	59	64	88	54	6.9
COMOROS	...	...	...	...	...
DJIBOUTI	...	...	...	...	...
ETHIOPIA	45	133	226	16	77.4
KENYA	59	70	111	30	10.1
LESOTHO	57	97	133	36	...
MADAGASCAR	54	117	179	32	10
MALAWI	48	147	258	56	11.6
MAURITIUS	70	22	29	100	1.9
MOZAMBIQUE	47	173	297	16	38
NAMIBIA	57	103	171	...	...
SEYCHELLES	...	...	...	...	...
SOMALIA	46	129	218	34	16.1
SWAZILAND	...	...	...	...	...
TANZANIA	54	103	173	56	...
UGANDA	52	100	167	20	21.9
ZAMBIA	54	78	125	59	7.1
ZIMBABWE	59	63	90	...	6.7

SOURCE : UNICEF, THE STATE OF THE WORLD'S CHILDREN, 1991.

UNDP, HUMAN DEVELOPMENT REPORT, 1990.

* PERCENTAGE OF POPULATION WITH SAFE WATER.

** PER THOUSAND