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# Economic Report on Africa 1994



# ECONOMIC REPORT ON AFRICA, 1994

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## *PREFACE*

*The Economic Report 1994 provides an analysis of the main socio-economic trends and issues in the performance of African economy in 1993, and the outlook for 1994. It updates, in the light of additional data and information since December 1993, some of the preliminary assessment in my End-of-Year Statement on 17 December 1993 to the Heads of Mission of Member States of the United Nations, representatives of international organizations and of the media, in Addis Ababa.*

*The revised estimates for 1993 indicate a much reduced level of economic performance in the African region, 1.0 per cent, compared to 3.0 per cent that had been expected early in the year, and even poorer than the 1.4 per cent that was anticipated in December 1993 in the preliminary estimates.*

*As in previous years, the economic situation in the African region remains precarious and disturbing although some modest gains have been realized in the overall growth of agricultural output in 1993. Four years into the new decade, the regional economy is yet to show tangible signs of a recovery and renewed growth. The continued poor economic result in the region is particularly worrying as it contrasts sharply with the trends in the other developing regions where growth has significantly picked up or been irrepressible. With lagging economic growth in the face of a thriving population growth rate, it is not surprising that the standards of living of the vast majority of the population in Africa have remained low and on the decline.*

*The major factors that were responsible for the meagre growth in regional output in 1992 have also been at work in 1993, albeit with varying degrees of negative impact: civil conflicts and political crises in some African countries; natural disasters, especially drought, in one or two subregions; and weaknesses in demand and prices of exports and in external financial assistance to Africa on account of an unfavourable international economic environment that continues to be marked by stagnation in the leading industrialized countries of Europe. The baleful influence of these factors and their implications both for the overall regional economy and for differences in socio-economic performance as between subregions, economic groupings and countries are fully examined in the report. The important thing to underscore at this stage is the urgent necessity for purposive actions on the part of the African Governments and people, and their development partners, in stabilizing the deepening deterioration so that an earnest return can be made to the path of renewed growth and development. This is so in view of the even greater uncertainties that currently surround the prospects for 1994.*

*Drought has returned to the Horn of Africa with a vengence that many already see as the harbinger of another round of famine and a reminder that the region is yet to intricate itself from the ten-year cycles of famine that have come to be associated with it in the mind of the whole world. For the overall regional economy, ECA, based on prevailing conditions and the emerging trends, foresees only a small rebound in output growth in 1994. But even the GDP growth rate of about 2-2.5 per cent, were it to materialize, is surely not what will restore the region to the path of sustained development.*

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*Economic Commission for Africa*

*April 1994*

# I. THE AFRICAN ECONOMY IN 1993

## A. Overview

1. Economic performance has again been disappointing in most African countries as it has been in the past decade and a half. Overall regional product grew by only 1 per cent in 1993, according to ECA's latest estimates, compared with a virtual stagnation in output in 1992 (see table 1). The average GDP growth rate for the period 1990-1993 is now thought to be around 1.3 per cent, which amounts to a yearly fall in per capita product of 1.7 per cent and a further slide into poverty on the part of the generality of the African population.

2. Four years into the new decade, there is as yet no visible sign of economic recovery or significant improvement in the standards of living which had fallen so much during the decade of the 1980s. The continuing lack of accelerated growth in the regional economy, even in 1993, is a vivid reminder that the underlying structural weakness and extreme vulnerabilities that provoked the African economic crisis in the first instance are still very much with us, and that unless the African Governments and people are steadfast in their efforts to remove the basic constraints on growth, they risk losing the decade of the 1990s as they did the 1980s. Despite the several years of implementing structural adjustment programmes (SAPs), most African countries are yet to outgrow the narrow confines of inherited colonial economic structures or to diversify their economies beyond the groundnuts-, coffee-, cocoa-based system of monoculture. The poor economic performance results in 1993 are particularly worrying as they are in sharp contrast with the estimated output growth rate of 5.5 per cent for the developing countries as a whole and continue to be matched with a fast rate of growth in population of over 3 per cent.

Table 1
Developing Africa economic indicators

| | 1990 | 1991 | 1992 | 1993[a] |
|---|---|---|---|---|
| Developing Africa, growth rate GDP constant 1990 prices | 1.8 | 2.1 | 0.4 | 1.0 |
| Oil exporters, growth rate GDP constant 1990 prices | 1.7 | 2.3 | 1.1 | 0.8 |
| Non-oil exporters, growth rate GDP constant 1990 prices | 1.8 | 1.8 | -0.7 | 1.4 |
| Agricultural output (FAO Index, 1979-1991=100) (% growth) | 1.4 | 4.6 | -1.5 | 3.1 |
| Oil production (million tons) | 321.3 | 336.4 | 343.3 | 339.5 |
| Mining production (1980=100) | -1.3 | -4.4 | -0.8 | .. |
| Oil prices ($/barrel, Brent crude) | 23.9 | 19.9 | 19.3 | 17.0 |
| Consumer prices (1980=100) | 15.2 | 30.3 | 40.1 | 35.5 |
| Commodity prices without oil (1990=100) | -4.3 | -3.0 | -5.1 | -5.7 |
| Exports ($ billion) | 80.4 | 75.8 | 74.5 | 74.3 |
| Imports ($ billion) | 74.3 | 72.9 | 74.9 | 75.9 |
| Debt services (%)[b] | 26.2 | 27.1 | 26.3 | 24.4 |
| Current account ($ billion) | 4.0 | 0.4 | 0.7 | -0.5 |

Source: ECA secretariat.

[a] Preliminary.

[b] In percentage of goods and services exports.

3. The relatively poor regional growth performance in Africa in 1993 is mainly a reflection of the decline in mining output and the drastic fall in agricultural commodity real prices and export earnings.

4. Mining production has been in decline since 1991, due to conflicts in key mining areas of some countries and the impact of weak demand. But never since 1986 had the growth in value added in the mining sector been negative as it did in 1993. There was a decline in the output of both fuel and non-fuel minerals in 1993. The fall of 1.1 per cent in oil production was accounted for by OPEC producers, where mandatory cuts, capacity limitations and the impact of civil war in Angola were constraining factors, and non-OPEC producers, where output was on the decline for the first time in years. The prices of ores and metals lost the most ground during the year, falling by around 15.9 per cent in 1993 compared to 2.7 per cent in 1992. This sharp down-turn in prices of mineral ores and metals stemmed from the combined effects of stagnation in industrialized countries and the increased supplies from the members of the Commonwealth of Independent States (CIS).

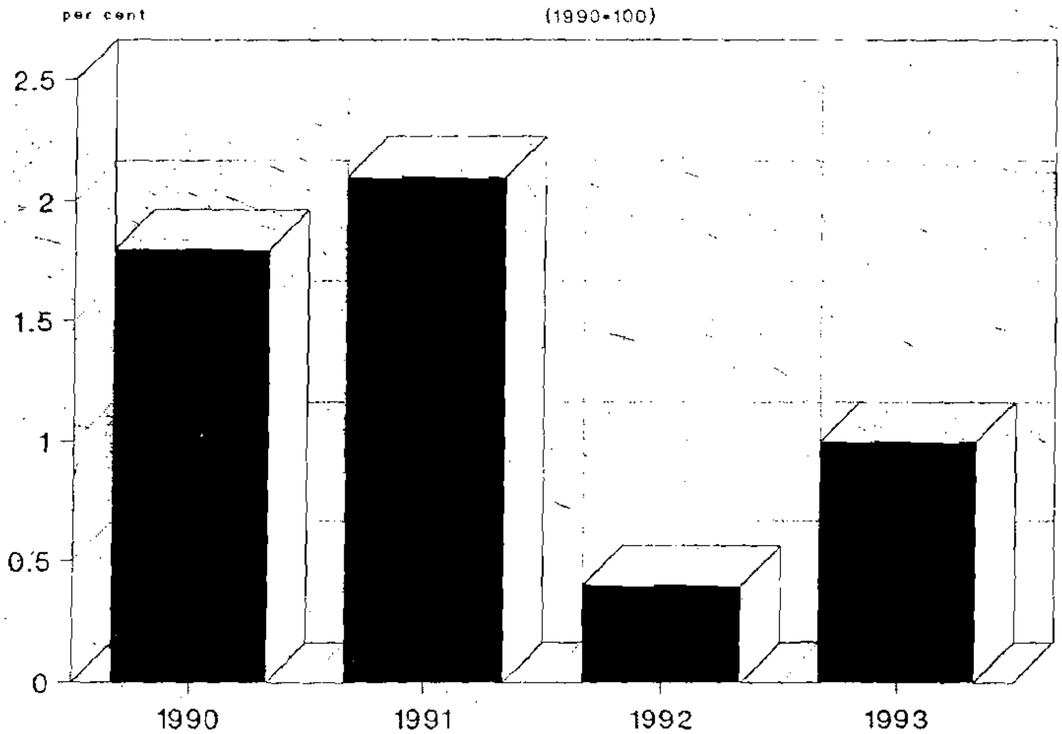
5. For at least a decade, the prices of agricultural commodities have tended to fall on the international markets while those of manufactures have tended to rise. These opposing movements have resulted in a decline in the net barter terms of trade between agricultural commodity exports and the imports of manufactures and crude petroleum. A comparison of the three years 1990-1992 with those of 1970-1981 shows a decline of 30 per cent, overall, or an average annual rate of 3 per cent.[1]

6. The ECA Export Price Index shows that prices fell by an estimated 7.5 per cent in 1993, compared to 2.1 per cent in 1992 and 11.6 per cent in 1991. Some of the key commodities that make up that index are tropical beverages, the prices of which reached record lows in 1992 and have shown further losses estimated at 6.3 per cent in 1993. The cumulative loss would have indeed been steeper but for the steps taken by producers to reduce supply to markets. This was mostly the result of the efforts of coffee producing nations which announced in August 1993 their intention to coordinate marketing policies and actually took off 10 million bags from the market. The fall in prices of food exports moderated in 1993 to 1.0 per cent compared to a rise of 1.5 per cent in 1992. On the other hand, the prices of agricultural raw materials rose slightly by 0.6 per cent compared to 2.5 per cent in 1992. Cotton prices have continued to drop and the prices of logs have fallen back, after rising strongly in 1992.

7. The unfavourable international economic environment, marked by continued recession in the Organization for Economic Cooperation and Development (OECD) countries in 1993, accounted for stagnation in world trade, uninterrupted fall in commodity prices and weak demand for Africa's exports. Only the United States of America has showed some signs of sustained recovery in 1993, while the European countries that are traditionally Africa's major trading and development partners, remained mired in recession and stagnation. The adverse impact of international economic environment on the African regional economy manifested itself in many forms. It showed up mostly in the continuing fall in fuel and non-fuel commodity export prices as well as in declining ODA flows and the absence of improvements in the external debt situation. For example, the average price for Brent crude oil in 1993 is estimated at US$17.0 compared to $19.32 in 1992, a fall of 12.0 per cent. The fall in the price of oil through most of 1993 has been attributed both to the prolonged stagnation in the industrialized countries and also to the failure by OPEC members to adhere to agreed production quotas.

8. Due to reduced growth and unfavourable markets abroad, the export revenues for African countries have not shown improvements in 1993 over 1992. If anything, they have fallen. Available data indicate that export values may have shrunk in 1993 by around 0.2 per cent to $74.3 billion. This follows the drop of 1.8 per cent in 1992. The low prices of commodities noted above are mainly responsible for the decline in export revenues in 1993. By contrast, imports values have edged up slightly to $75.9 billion. The implied balance of trade deficit, together with the traditional negative net balance for Africa on the services account, gives a combined deficit of $0.5 billion in the balance on current account, compared to a surplus of $0.7 billion in 1992. Such a decline implies a

Fig. 1 : Developing Africa
GDP growth rates, 1990-1993
(1990=100)



decrease in financial flows to the region, something that is not possible to confirm as yet with hard data. The most recent information from OECD sources indicates that resource flows to Africa at 1991 prices and exchange rate have remained practically the same, a significant 10 per cent drop in comparison with the figures for 1990.

9. It would be a mistake, however, to ascribe all the blame for the relentless decline in commodity prices to the sluggish growth in the industrialized nations. Additional factors at work were the weakening and removal of economic provisions in international commodity agreements and the growing substitution of synthetics for primary commodities in the production of some final and intermediate goods, and increased supplies of primary commodities to the world market by many producers. In recognition of such an adverse environment and the need to strengthen the efforts of African countries to diversify their production base, the United Nations Secretary-General submitted a report to the General Assembly in 1993, proposing the establishment of a Diversification Fund for African Commodities, to be endowed with a capital outlay of $50-75 million for an initial period of three years.

10. On the bright side, a good indicator of the level of production in the agricultural and food sector in the Africa region is the aggregate cereal production which, according to FAO estimates, rose by 4 per cent in 1993 to 80.3 million tons. Another is cassava production, where an increase of nearly 12 per cent was recorded, bringing the estimated level of output of this important component of food supply in much of tropical Africa to 91.7 million tons in 1993 compared to 81.9 million tons in 1992. In spite of this satisfactory performance, however, acute food shortages still persist in Ethiopia, the Sudan, Liberia, Mauritania, Sierra Leone, Rwanda, Angola, Mozambique and Burundi. In addition, drought conditions persisted in the Maghreb subregion where it reduced considerably the cereal crops in countries such as Algeria, the Libyan Arab Jamahiriya, Morocco and Tunisia. The fall in cereal production in Morocco for the second consecutive year was particularly severe, as the output of 2.9 million tons in 1993 was less than a third of the 8.7 million tons harvested in 1991. The drought which broke out in Eastern and Southern Africa in 1992 did not abate as fast as had been anticipated; it continued to exercise a contractionary influence on some of the economies in the subregion even in 1993. Nevertheless, the level of cereal production in Southern Africa is estimated to have risen from 9.8 million tons in 1992 to 19.6 million tons in 1993.

11. Continuing civil conflicts and political crises in some African countries have become a major factor in output growth. Countries such as Somalia, Liberia, the Sudan and Angola remained mired in intense and widespread conflicts in 1993, with continued paralysis and devastating repercussions for economic and social development. For some of the countries that had only recently emerged from prolonged periods of conflicts, such as Ethiopia, Eritrea, Chad and Mozambique, there were both positive effects in terms of the peace dividends to be reaped, and negative factors in terms of very fragile social and political cohesion and the budgetary impact of rehabilitation, resettlement and reconstruction. Unfortunately, the number of African countries in political crisis and turmoil increased during 1993, with many of such crises manifesting themselves in the form of disputes over election results, cancellation of election results and abrupt termination of the democratic transition process.

12. In all such cases, the inevitable consequence is some form of disruption or paralysis of the economic system, or the crippling of vital sectors of the economy. In Zaire, for example, the political crisis which started in 1991 remains unresolved, with the economy in precipitous decline as a result of the critical damage to plant and equipment and overall loss of confidence in the economy and its management. A similar though less serious situation prevailed in neighbouring Congo for most of 1993, whilst the tourist sector of a country like Egypt has come under increased attack. In Nigeria, in 1993, the resulting strains from the socio-political tensions and uncertain environment within the country were all too evident in almost all sectors of the economy, with a resultant reduction in the tempo of economic activities nationwide.

13. Although the external debt of the region increased only by 2.4 per cent in 1993 to

reach \$285.4 billion and there was a fall in the actual debt-service ratio, there were no fundamental changes in the debt indicators for the region. Debt-service arrears have continued to accumulate, especially for sub-Saharan Africa. Even North Africa that had experienced some relief from the cancellation of a substantial part of the debt of Egypt is again beginning to see a rise in its debt-service ratios. For the region as a whole, the external debt to GDP ratio has risen from 89.6 per cent in 1992 to 95.9 per cent in 1993; the debt to export ratio from 287.4 per cent in 1992 to 288.9 per cent in 1993; while the debt service to export ratio fell from 26.3 to 24.4 per cent over the same period.

14. In the course of 1993, the view began to evolve that the threat posed to the international financial system by the debt overhang of the developing countries had receded. However, this is true only in so far as the threat relates to international commercial banks that were owed mainly by middle-income countries of Latin America. Actually, a different form of debt problem is getting worse. This refers to the growing indebtedness of the low-income countries to the multilateral financial institutions, whose debts cannot be rescheduled, given their status as preferred creditors. A substantial portion of the African countries' external debt and debt-servicing obligations are owed to multilateral institutions, principally the World Bank, IMF and the African Development Bank. The share of multilateral debt in Africa's aggregate debt stock has risen to 21.0 per cent in 1993. This compares to 20.5 per cent in 1992 and 19.3 per cent in 1991.

15. For the region as a whole, domestic demand expanded in real terms in 1993 by 1.5 per cent, slightly more than the GDP growth rate. Government consumption gained by some 2 per cent, which is slightly less than the 1990-1992 average of 2.9 per cent. Private consumption was however less buoyant, increasing by an estimated 0.5 per cent only compared to 2.5 per cent in 1992 and 3.7 per cent in 1991. Gross domestic investment in the region declined after the first oil shock in the early 1980s, both in volume and as a proportion of GDP, and it was not until 1985-1986 that it started to recover, up to 1990. But it has again been on the decline for some time. In 1993, gross fixed capital formation rose by a remarkable 2.5 per cent, in complete reversal of the apparent decline in the last two years, -0.6 per cent in 1992 and -5.8 per cent in 1991. However, the investment ratio fell to an estimated 16.1 per cent in 1993 from 18.0 per cent in 1992 and 18.8 per cent in 1991. Notwithstanding the overall importance of investment in the revitalization of growth in Africa, it is far from clear whether the poor economic results for the region in the last one and a half decades have been due more to insufficient investment than misguided and wasteful use of investible resources. It is in all possibility due to both sets of factors.

16. The rate of inflation remained high in the African region in 1993, with an average rise in consumer prices at 35.8 per cent compared to 35.3 per cent in 1992 and 36.3 per cent in 1991. With the exception of North Africa, there has been an increase in the consumer price index in all the subregions in 1993, the major contributory factors being currency depreciation, higher tariffs on utilities, heavy budgetary deficits, growth in money supply, removal of subsidies on food staples, fuel and imported inflation.

17. In Nigeria, the impact of continued naira depreciation, rapid growth of liquidity and rising costs of funds, upward adjustment of fuel prices and related tariffs and relative shortage of consumer goods contributed to the situation of a 100 per cent increase in the general price level. The increased inflationary spiral in the Sudan was the result of devaluation of the Sudanese pound and an almost doubling of the money supply. The delaying effect of the civil war on the planting of the sorghum crop exacerbated the situation. The price increase in Zambia was due to the devaluation of the kwacha and the abolition of the maize subsidy. In Ghana, the huge pay raises prior to the general elections was a contributing factor to the price rise. In Zimbabwe, removal of the subsidy on the maize meal led to a 50 per cent increase in the price of the staple in June 1993, while higher tariffs for electricity and travel had similar effects.

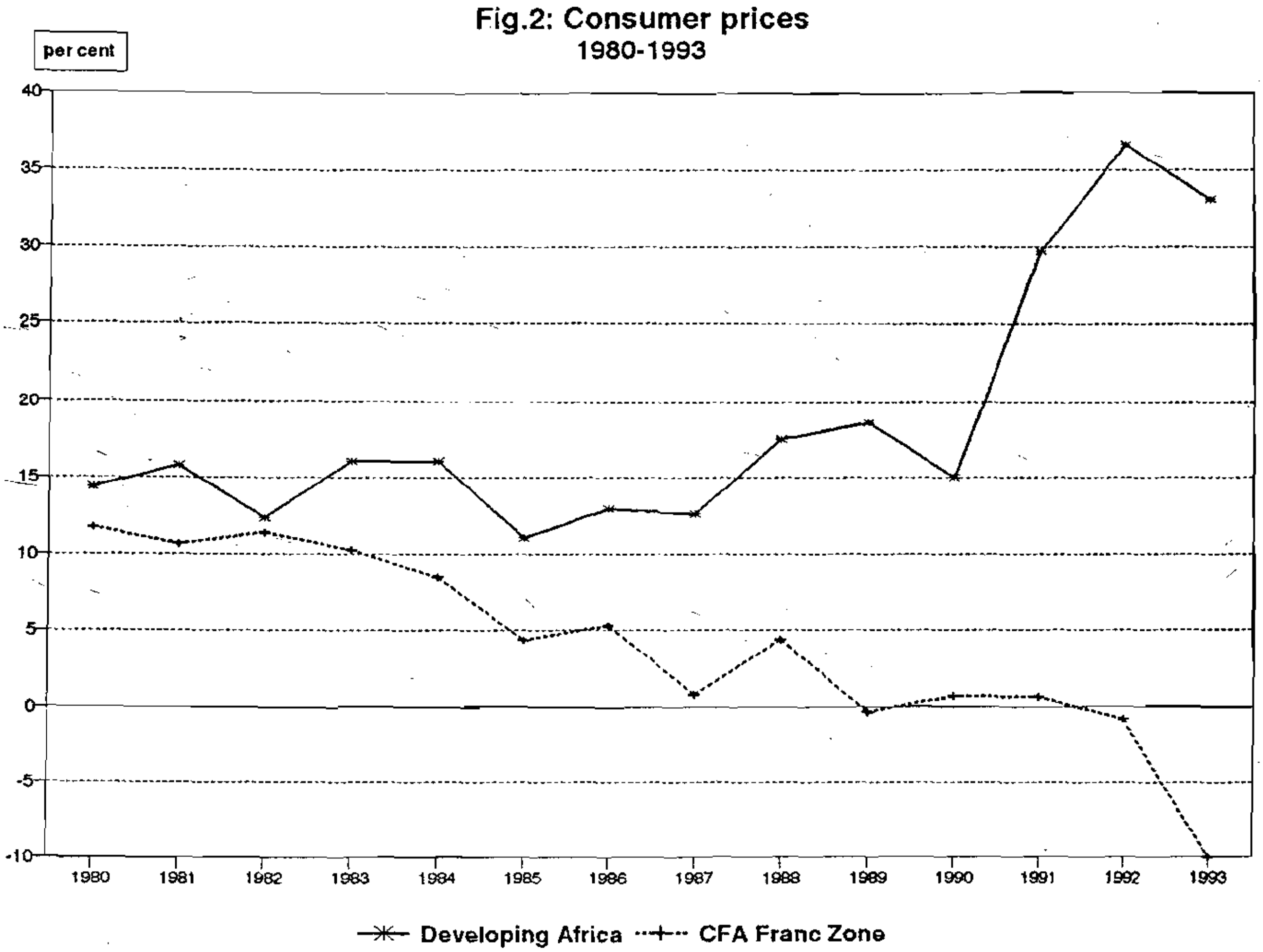


Fig.2: Consumer prices
1980-1993
per cent
40
35
30
25
20
15
10
5
0
-5
-10
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
Developing Africa
CFA Franc Zone

18. Comparatively however, the franc zone countries have continued to show minimal inflation, with consumer prices rising by a mere 1.4 per cent in 1993. In the case of Zaire, where the situation of hyperinflation has persisted in 1993, the rise in consumer prices moderated from 4,129.2 per cent in 1992 to 1,500 per cent in 1993. The expansion in money supply has subsided, with some dampening effect on the rate of price increases, but the overall situation remains as yet unsustainable, as shown by the rapid depreciation of the newly introduced currency, the new zaire. As in 1992, the higher rates of inflation in 1993 in the African countries outside the franc zone, to the extent that they contrast sharply with the experience of moderate price increases and lower inflation in the economies of Africa's major trading partners, must be seen as a real threat to the region's competitiveness and growth momentum.

19. The configuration of economic policy in 1993 centred mostly on stabilization and fiscal adjustments, monetary and financial reforms, and economic liberalization and deregulation. More and more African countries have continued to pursue their economic adjustment policies within the framework of the World Bank/IMF SAPs rather than in the context of the adjustment and transformation advocated in the African Alternative Framework to Structural Adjustment Programmes for Socio-economic Recovery and Transformation (AAF-SAP). This is notwithstanding the isolated efforts of the Governments of Nigeria and the Sudan to dismantle, in their different ways, some of the economic liberalization measures that had been introduced with IMF/World Bank approval in previous years. In the 1993/1994 budget of the Sudan, for example, price controls on basic commodities were re-introduced while the total subsidy on bread was raised by 13 per cent and those on fuel products increased by 9 per cent. In the 1994 federal budget, on the other hand, the Nigerian Government took measures to rationalize interest rates and to peg the exchange rate of the naira to N22, thus ending the SAPs era of uncontrolled and free-floating exchange and interest rates.

20. On the fiscal policy side, more rigour was exercised in many countries in 1993 in addressing the fiscal deficit, which is gradually being brought within acceptable levels as a proportion of GDP: from 10.6 per cent in 1989 to 5.4 per cent in 1991/1992 and 6.5 per cent in 1992/1993. But curbing fiscal deficits is not always easy in an unstable fiscal environment. In Nigeria, for example, the Government had projected an estimated fiscal deficit of N28.6 billion for 1993 but the overall fiscal operations resulted at year-end in a vastly increased deficit of N75.2 billion, compared to the N44.2 billion incurred in 1992. The improvement in fiscal deficits was achieved in the region in 1993 mostly at the high development cost of a steep reduction in the capital budget, which now accounts for about only a quarter of total public expenditure in the region, compared to about 40 per cent in 1990. Because they are already compressed, recurrent expenditure often prove inflexible downwards, and to cut them further becomes socially and politically untenable.

21. With the soaring costs of servicing domestic and external debts, a number of African countries have been forced to adjust downwards their wage bills through civil service retrenchments. A growing number of others have put more emphasis on revenue generation, the basic components of which include broadening of the tax base, changes in the tax rate, greater enforcement and stiffer penalties to ensure compliance and effective collection of revenue arrears. Countries like Mali, Zambia and Comoros restructured their customs duties and tariffs in 1993 to increase revenue receipts. Tax concessions have also been granted to spur the economy and to increase exports in countries such as Nigeria, which introduced a value-added tax (VAT) in 1993 mainly to plug tax loopholes that were aiding tax evasion. But, even here, efforts have been particularly frustrated by the sluggish growth in tax revenues from international trade sources, and growth possibilities have therefore had to be sought increasingly within the domain of the wider domestic economy.

22. As regards the rationalization of expenditure, one major facet in 1993 was the targeted scaling-down of the wage bill. This took the form of reduction in the number of public sector wage recipients, freezing recruitment, reducing levels of income and fringe benefits, compulsory and early retirement of staff. In Cameroon, for example, a salary cut of 50 to 70 per cent was introduced in 1993

together with reduction of administrative staff. The main objective of the salary cuts, beside reducing expenditure, was to minimize retrenchment by using accrued savings in the wage fund to pay as many retained workers as possible. In Chad, there was a freeze on recruitment and a 15 per cent reduction in public personnel. In the United Republic of Tanzania, the reduction in the wage bill is being effected through phased retrenchment - 10,000 civil servants were retrenched in 1993 with additional curtailments expected in 1994. In Senegal, civil servants saw a 15 per cent reduction in their remunerations, while similar budget balancing moves took place in Côte d'Ivoire in 1993. In addition, some African countries initiated new investment policies in 1993 in order to revitalize the economy and create a more conducive investment climate, essentially by revising or promulgating new investment codes. The major incentives provided in Namibia during the year for private sector investment in the manufacturing sector included a 50 per cent tax rebate on taxable income for a period of five years; cash grants amounting to 50 per cent of the real cost of export promotion and tax-free concessions on dividends and profits in convertible currency.

23. Be that at as may, it is becoming increasingly apparent that measures of economic discipline and institutional upgrading may not alone be enough for re-launching development in Africa. There is a pertinent need to simultaneously target the raising of production and productivity to significantly higher levels if the region is to move to a new frontier of economic efficiency and technological transformation path. The missing link here is capacity building, in all its aspects including human, institutional and infrastructural development. This must involve, among other things, avoidance of wastage of scarce resources, the rehabilitation of Africa's dilapidated infrastructure and the strengthening of the State and other public institutions to shoulder the essential tasks of planning and implementation of capacity building.

### B. Subregional and economic grouping performance

24. While the GDP growth performance was uniformly poor among the subregions, there were substantial variations and divergencies in country performance and among economic groupings in 1993 (tables II and III). North Africa, as a group, grew faster than sub-Saharan Africa in 1992, but the reverse was the case in 1993. Output growth in North Africa fell to 0.8 per cent in 1993 from 0.9 per cent in 1992, while GDP rose in sub-Saharan Africa from 0.5 to 1.5 per cent. Among the subregions, Central Africa was the hardest hit by the economic down-turn and the only region that experienced a negative growth rate in 1993, with output falling by -4.6 per cent. All the other subregions exhibited positive growth rates that were, with the exception of North Africa, above the overall regional average of 1.0 per cent. As in previous years, the variation in output performance between subregions, economic groupings and countries hinges, for the most, on differences in their experience with the weather cycle, civil strife and political tensions, domestic policy developments and the vagaries of international demand and commodity prices.

25. In North Africa (without the Sudan), growth performance was rather disappointing on the whole, on account of the drought in the Maghreb and difficulties with the oil sector in some countries. The only exception in terms of robust growth is Tunisia, which recorded a 4.1 per cent increase in GDP. In Morocco, the cereal output was drastically reduced by drought and so were water supplies for irrigation and electricity generation to the point of provoking power rationing to industry. The result was that GDP dropped by 0.7 per cent in Morocco in 1993, following a previous fall of 3.2 per cent in 1992. Lower oil production and United Nations sanctions remained growth-constraining factors in the Libyan Arab Jamahiriya in 1993. The Algerian economy, which has been in stagnation since 1986 and has been facing the problems of transition from central planning to a free market economy, came under further pressure from lower oil prices, heavy debt-service obligations, besides facing the problems of an import-dependent industrial sector. The economy grew by a mere 0.6 per cent. The Egyptian economy stagnated in 1993 in vital sectors such as tourism, which increasingly came under extremists attacks and thus experienced a big slump. Almost 10 per cent of jobs in Egypt depend on the tourist trade.

Table II
Output share and growth rate by subregion and economic grouping, 1990-1993

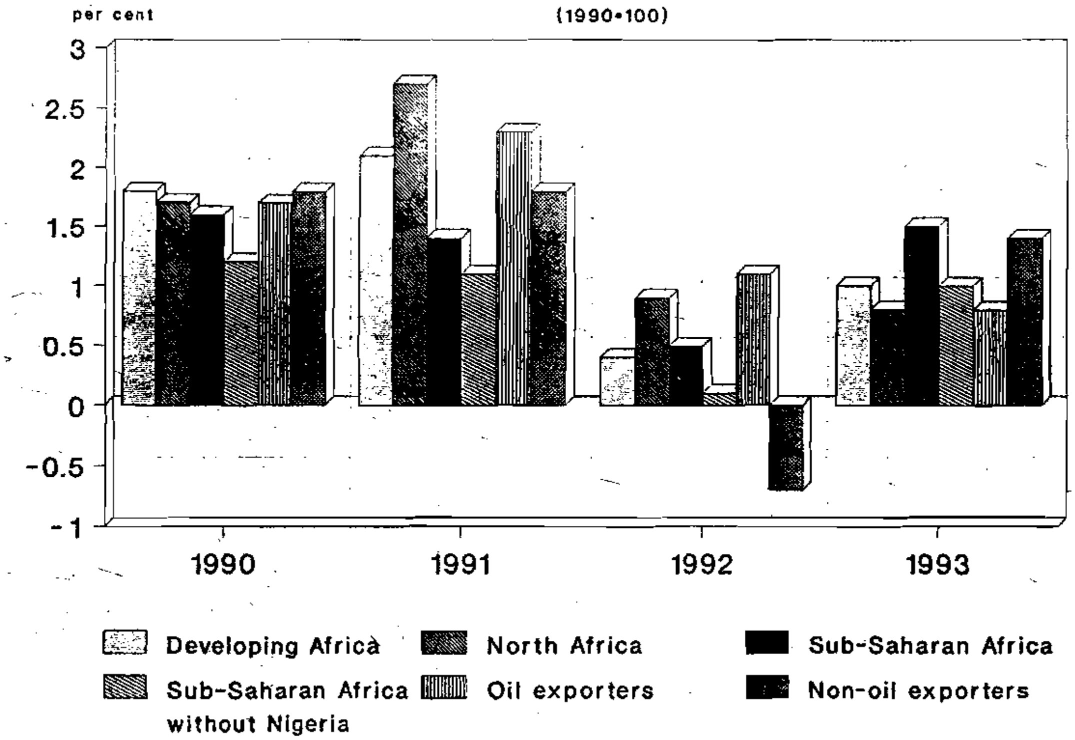
| Group/country | Output share current prices (percentages 1992) | Growth rate (percentage) 1990 prices | | | | |
|---|---|---|---|---|---|---|
| | | 1980-1993 | 1990 | 1991 | 1992 | 1993 |
| North Africa[a] | 55.2 | 2.17 | 1.7 | 2.7 | 0.9 | 0.8 |
| Sub-Saharan Africa | 48.3 | 1.58 | 1.6 | 1.4 | 0.5 | 1.5 |
| Central Africa | 10.8 | 1.27 | -1.8 | -1.3 | -4.8 | -4.6 |
| East Africa | 15.5 | 2.49 | 2.1 | 2.4 | -1.4 | 2.6 |
| Southern Africa | 7.4 | 2.36 | 1.7 | 3.6 | -1.3 | 1.2 |
| West Africa | 18.6 | 0.98 | 3.4 | 1.9 | 3.0 | 2.7 |
| Sahel | 8.9 | 2.43 | 0.6 | 1.5 | 6.7 | 2.4 |
| Sub-Saharan Africa without Nigeria | 44.8 | 2.03 | 1.2 | 1.1 | 0.1 | 1.0 |
| Oil exporters | 55.5 | 1.76 | 1.7 | 2.3 | 1.1 | 0.8 |
| Non-oil exporters | 44.5 | 1.99 | 1.8 | 1.8 | -0.7 | 1.4 |
| Least developed countries | 21.8 | 1.82 | 0.8 | 0.6 | -0.2 | 1.9 |
| Others (non-oil exporters and non LDCs) | 27.0 | 1.62 | 2.2 | 1.5 | -2.4 | -0.3 |
| Franc zone | 17.5 | 1.65 | -0.1 | 0.4 | -1.0 | -1.1 |
| Mineral exporters | 8.3 | 0.50 | 0.6 | -1.8 | -3.6 | -3.2 |
| Beverages exporters | 14.0 | 1.75 | 1.3 | 1.4 | -0.3 | 3.2 |
| Developing Africa | 100.0 | 1.85 | 1.8 | 2.1 | 0.4 | 1.0 |

Source: ECA secretariat.

26. In West Africa, GDP growth performance was better than the regional average but below that of 1992, with output growing by 2.7 per cent in 1993 due mainly to a good agriculture season in 1992/1993. The subregional output growth rate in 1992 was 3.0 per cent, which was a significant improvement over the 1991 performance of 1.9 per cent. The largest economy in the area, Nigeria, has grown by a significant 4.5 per cent in 1993, but this was at a reduced rate compared to 1992. The performance of the productive sectors of the Nigerian economy were highly constrained in 1993 by high and unstable interest rates, a fast depreciating naira exchange rate, increasing inflation rate, high tariffs on public utilities and a tense and uncertain political environment. In contrast, the franc zone economies in the area have continued to stagnate and decline, with GDP growth at rate of -1.1 per cent in 1993, following a similar decline of -1.0 per cent in 1992. The largest of them, Côte d'Ivoire, suffered a decline of 0.4 per cent in GDP in 1993, followed by the Niger (-5.5 per cent), Togo (-8.9 per cent) and Senegal (-0.3 per cent).

27. In Central Africa, subregional economic performance is clouded by the continuing crisis in Zaire, where GDP fell by 13 per cent in 1993, after a 12 per cent decline in 1992 and there is no immediate prospect of recovery as virtually all institutions have been paralysed by the political deadlock in the country, and major economic infrastructures are in a state of disrepair. The three oil-producing countries of the subregion - Cameroon, the Congo and Gabon - are also in a difficult situation and serious predicament: Cameroon, because of a severe financial crisis, declining oil production and a severely strained political system; the Congo, because of intense political conflicts and, like in

Fig. 3 : GDP growth rates
by sub-region and economic grouping, 1990-1993



Cameroon and many other French-speaking countries, a deepening crisis in the financial system; and Gabon, because of financial strains and a volatile political situation. The output decline in Cameroon alone was of the order of 5.9 per cent in 1993. The GDP growth rate declined also in Gabon, by 0.9 per cent, and only rose by 1.5 per cent in the Congo.

28. In East and Southern Africa, the situation has significantly improved in areas where weather conditions are back to normal. This was reflected in a rise of Southern Africa's aggregate output in 1993 by 1.2 per cent compared to a fall of 1.3 per cent in 1992 and a rise in the GDP growth rate of East Africa by 2.6 per cent, compared with the decline of 1.4 per cent in 1992. Further north, economic performance has been disappointing in Kenya, where GDP has grown by only 1 per cent in 1993 due essentially to drought, lower tourism revenues and the suspension of foreign aid by donors. In Ethiopia, GDP is reported to have registered a huge 9.3 per cent growth in 1993, due to improved performance in most economic sectors, particularly agriculture, but this is essentially a recovery after the many years of low output growth associated with civil war and drought. The Sudan also is estimated to have grown by 5.9 per cent which, though robust, is far less impressive in comparison to the 12.9 per cent recorded in 1992. The rate of inflation in the Sudan is particulary serious, estimated at over 60 per cent in 1993. Towards the latter part of 1993 and running through to the beginning of the new year, the weather conditions have been unfavourable in the Horn of Africa, posing a serious threat to agriculture and food production. Millions of people appear to be under very serious threat of a famine that already looms large on the horizon, reminiscent of the famine cycles of 1973-1974 and 1983-1985. The 1993 cereal crop in the Sudan is estimated at only 3.4 million tons, compared to the bumper 5.4 million tons the year before. There was a decline in mining production in virtually all the major mineral-producing countries in the Eastern and Southern African subregion in 1993, with the exception of Zimbabwe where a recovery has set in, following the precipitous decline in 1992. Diamond production remained stagnant in Botswana, with an estimated decline of 1 million carats from the 1992 output level of 16 million carats. Mining production declined by 1.1 per cent in Zambia on account of the continued decline in copper production and other sectors that had either not fully recovered (i.e., agriculture) or remained in decline (i.e., manufacturing and construction). On the other hand, there was stagnation in diamond and uranium production in Namibia as a result of poor world demand conditions.

29. As before, the principal dividing line at the level of economic groupings is between oil-exporting and non-oil-exporting countries, and between African least developed countries (LDCs) and non-LDCs. Owing to lower oil prices and persistent structural problems and reduced external demand, the oil exporters did not do as well in 1993 compared to 1992. They recorded a growth rate of 0.8 per cent, which represented a sizeable decline over the 1.1 per cent growth rate in 1992. By comparison, the non-oil exporters fared better in 1993, with output growing by 1.4 per cent which is a big turn-around considering the decline of -0.7 per cent in 1992. The mineral-exporting countries are expected to have registered a fall in output in 1993, with their combined GDP dropping by -3.2 per cent following an earlier fall of 3.6 per cent in 1992. The collapse of the mining industry in Zaire and the poor demand conditions on the world market were evidently not conducive to any real growth in the mineral sector in 1993. Beverage-exporting countries, on the other hand, were expected to improve on average in growth performance in 1993, with their output growing by 3.2 per cent compared to the 0.3 oer cent GDP decline in 1992.

30. As a group, African least developed countries performed poorly in 1993 but their GDP growth rate of 1.9 per cent was nonetheless a significant improvement compared with the 0.7 per cent decline in 1992. The positive growth rate in 1993 is due more to the relatively improved performance of members of the group spanning the Sahel (the Sudan included) where GDP increased by 2.4 per cent. Three years into the United Nations Programme of Action for the LDCs for the 1990s, the African LDCs are still not out of the doldrums. Political conflicts and civil wars have adversely affected such LDCs as Liberia, Somalia, the Sudan, Rwanda, Sierra Leone and Zaire, destroying physical and social infrastructure and precipitating increases in the numbers of refugees

and displaced persons. The continued decline in the terms of trade of commodity-dependent African LDCs has not been significantly compensated for by development assistance flows, while their precarious financial position has been further weakened by debt-service obligations. In short, the poor growth rate observed in the African LDCs in 1993 has, to a large extent, been due to unfavourable primary commodity market conditions, reduced output in mining and inadequate inflows of external resources.

31. GDP growth rate declined in the CFA franc zone countries, at -1.1 per cent compared to -1.0 per cent in 1992. The largest economies in the group - Côte d'Ivoire, Cameroon, Gabon and Senegal - were either in crisis or in stagnation, while virtually all of them were undergoing a painful financial crisis requiring a major restructuring of the financial sector. It was against this background that the devaluation of the CFA franc took place in January 1994.

32. Table III provides a frequency distribution of the countries in the region according to output growth rates. Far fewer countries had negative growth rates in 1993 compared to 1992, with the number falling from 18 to 15. The number experiencing growth rates of over 5 per cent rose from 8 in 1992 to 11 in 1993, significant among which are Ethiopia, the Gambia, Guinea, Lesotho, Malawi, Mauritius and Swaziland, each with a growth rate of over 6 per cent and, together, were the bright spots in 1993. The same number of countries, 15 in each case, had growth rates of 0-3 and 3-5 per cent in 1993 compared to 18 countries experiencing growth rate of 0-3 per cent and 16 countries with 3-5 per cent growth rates in 1992.

Table III
Frequency distribution of African countries according to the real growth of GDP, 1990-1993

| | 1990 | 1991 | 1992 | 1993 |
|---|---|---|---|---|
| NEGATIVE | 15 | 16 | 18 | 15 |
| 0-3 | 13 | 13 | 16 | 15 |
| 3-5 | 13 | 10 | 10 | 10 |
| MORE THAN 5 | 10 | 12 | 7 | 11 |
| Total | 51 | 51 | 51 | 51 |

Source: ECA secretariat.

# II. DEVELOPMENTS IN PRODUCTION SECTORS

33. Agriculture, mining and manufacturing, between them, accounted for an average of 46 per cent of value added in developing Africa in 1990-1994. The share of agriculture in the GDP has stagnated at around 21 per cent, compared to 13 per cent for mining and 12 per cent for manufacturing.

## A. AGRICULTURE

### 1. Food production trends

34. According to data provided by the Food and Agriculture Organization of the United Nations (FAO), Africa recorded the highest gains in tonnages of agricultural production among the developing regions of the world in 1993. Total agricultural output (in tons) grew by 3.1 per cent in the African region in 1993, compared to a negative growth rate of 3.7 per cent in 1992 (table IV). The surge in output is mainly attributed to a recovery in southern Africa from the severely drought-reduced harvests of 1992, but is also the result of a 3.8 per cent expansion in production in Nigeria. Despite the remarkable gains, however, the 3.1 per cent increase in overall African agricultural production would still not have compensated for the 3.7 per cent decline in output in 1992.

35. Food production increased by 3.3 per cent in 1993, compared to a negative growth rate of 3.7 per cent in 1992. Output of roots and tubers, which traditionally provide a key share of the food supply situation in much of tropical Africa, increased by 12 per cent from 81.9 million tons in 1992 to 91.7 million tons in 1993. In Nigeria, production of roots and tubers increased by almost 48 per cent, from 21.3 million tons in 1992 to 31.6 million tons in 1993. Production also rose in Burundi, Ghana, Guinea, Mozambique, Togo and Zaire, reflecting larger plantings, but fell significantly in Angola and Liberia, due to civil strife and mealy-bug damage.

36. Total cereal output in developing Africa increased by about 15 per cent from 70.1 million tons in 1992 to 80.3 million tons in 1993, but variations and differences in output persisted as between subregions and countries.[2]

Table IV
Annual changes in food, agricultural, crop and livestock production in developing countries (percentages)

| | Food | | Agriculture | | Crops | | Livestock | |
|---|---|---|---|---|---|---|---|---|
| | 1991 to 1992 | 1992 to 1993* | 1991 to 1992 | 1992 to 1993* | 1991 to 1992 | 1992 to 1993* | 1991 to 1992 | 1992 to 1993* |
| Developing economies | 2.3 | 0.7 | 2.0 | 0.6 | 1.5 | -0.4 | 4.2 | 3.0 |
| Africa | -3.7 | 3.3 | -3.7 | 3.1 | -4.5 | 2.9 | -1.7 | 2.8 |
| Latin America and the Caribbean | 2.9 | -0.5 | 2.2 | -0.8 | 3.5 | -2.2 | 2.5 | 2.6 |
| Near East | 4.5 | 0.1 | 5.0 | -0.5 | 5.3 | -0.5 | 4.0 | -0.3 |
| Far East | 2.7 | 0.9 | 2.4 | 0.8 | 1.4 | -0.3 | 5.7 | 3.7 |
| Other developing | 2.6 | -0.3 | 1.5 | - | 1.6 | 0.9 | 2.4 | 1.5 |

Source: FAO, Twenty-seventh session of the Conference, Rome, 6-25 November 1993, p. 3.

* Preliminary.

37. In North Africa, for example, the aggregate production of cereals in 1993 is estimated at 21.8 million tons, some 7 per cent less than the 1992 above-average crop. Output of wheat decreased by about 4 per cent to 9.3 million tons, while the coarse grain harvest dropped by 1.1 million tons to 8.7 million tons. These declines were merely due to sharp reductions in Algerian wheat and barley harvests which fell by 23 and 60 per cent respectively. The prospects for the 1994 wheat and barley crops are unfavourable in Tunisia and eastern Algeria, but most favourable in Egypt and Morocco.

38. In West Africa, aggregate output of cereals is estimated at a record 28.6 million tons, 7 per cent above the average of the last five years. Output of coarse grains is estimated at 22 million tons, 9 per cent more than in 1992. Among the best performers in the subregion were Ghana, Côte d'Ivoire, Benin and Guinea-Bissau. In the Sahelian countries, record crops were gathered in Burkina Faso and Mauritania, while output in Senegal was close to the 1989 mark. Cereal production in 1993 was above average in the Gambia and the Niger and about average in Mali and Chad. In Cape Verde, cereal production declined due to unfavourable weather.

39. In Central Africa, the subregional output of cereals is estimated at a record of 2.8 million tons, 11 per cent above the average of the last five years. In Zaire, a record cereal harvest was gathered in 1993, but increasing food supply difficulties are being faced by a large segment of the urban population due to distribution constraints and the sharp erosion of purchasing power on account of the rapid depreciation of the zaire.

40. In Eastern Africa, the aggregate 1993 coarse grain production is estimated at 16 million tons, or 15 per cent lower than that of 1992. In the Sudan, the 1993 aggregate output of sorghum and millet is estimated at 2.9 million tons, 35 per cent less than the 1992 bumper crop and 11 per cent lower than the average for the previous five years, mainly reflecting a decrease in plantings and losses due to pests and weeds. In Kenya, maize production was sharply reduced following the disastrous 1993 late rains outcome.

41. In Southern Africa, the 1993 aggregate wheat harvest is estimated at 2.3 million tons against the drought-reduced out-turn of 1.5 million tons in 1992. A good crop was harvested in Zimbabwe after an extremely poor crop in 1992, when the country experienced one of the worst droughts in living memory. The estimated aggregate coarse grain out-turn in 1993 for this subregion is put at about 18 million tons, as against only 5.8 million tons in 1992. In Malawi and Swaziland, weather conditions were unfavourable, while in Madagascar, recent cyclones have caused serious damage to paddy crops in the eastern part of the country.

42. In spite of the recovery in agricultural production in many countries, Africa's aggregate food aid needs in 1994, though less than the 1993 level, remain high and would require an even larger rate of expansion in output (table V). Fourteen countries in the region are currently facing exceptional food emergencies, half of them afflicted with civil strife. In Somalia, for example, the distribution of relief supplies to parts of Mogadishu has been severely disrupted. In Angola, the civil war has had disastrous consequences for national food security, while in Mozambique, there are still several millions displaced persons and returnees whose consumption needs can only be met by relief food aid. In Ethiopia, some 4 to 6 million people are estimated to be at risk from famine, and the projections are that the country will need some 494,000 tons of emergency food aid in the second half of 1994. Serious difficulties are still reported from the southern Sudan, where recent population displacements have exacerbated the situation. Food problems continue in Rwanda in the uncertain security situation that has prevented displaced persons from returning to their homes. In Kenya, substantial food aid may be needed in 1993/1994. Other African countries requiring exceptional or emergency assistance include: Eritrea, Liberia, Mauritania, Sierra Leone and Zaire.

Table V
Estimated 1993/1994 or 1994 cereal import requirements of low-income food-deficit African countries
(thousands of tons)

| Country | 1992/93 or 1993 Actual imports: Commercial purchases | 1992/93 or 1993 Actual imports: Food aid | 1992/93 or 1993 Actual imports: Total commercial & aid | 1993/94 or 1994: Total import require-ments | 1993/94 or 1994 Import position: Total commercial & aid | 1993/94 or 1994 Import position: Food aid allocated, committed or shifted | 1993/94 or 1994 Import position: Commercial purchases |
|---|---|---|---|---|---|---|---|
| Africa | 18,827.8 | 6,170.1 | 24,997.9 | 23,515 | 10,508.2 | 2,753.4 | 7,754.8 |
| North Africa | 10,760.0 | 751.1 | 11,511.1 | 12,700 | 5,740.6 | 318.2 | 5,422.4 |
| Eastern Africa | 1,246.6 | 1,608.3 | 2,854.9 | 3,934 | 1,184.7 | 774.6 | 410.1 |
| Southern Africa | 2,675.3 | 3,153.2 | 5,828.5 | 2,684 | 2,097.5 | 1,213.2 | 884.3 |
| Western Africa | 3,595.1 | 605.3 | 4,200.4 | 3,636 | 1,430.3 | 439.0 | 991.3 |
| Central countries | 2,266.9 | 349.2 | 2,616.1 | 2,201 | 1,254.5 | 263.2 | 991.3 |
| Sahelian countries | 1,328.2 | 256.1 | 1,584.3 | 1,435 | 175.8 | 175.8 | 0.0 |
| Central Africa | 550.8 | 52.2 | 603.0 | 561 | 55.1 | 8.4 | 46.7 |

Source: FAO, Food crops and shortage, Special report, No. 1, Jan.-Feb. 1994.

43. The forecast for many food-importing African countries, especially in the CFA franc zone, has been lowered to reflect the devaluation of the CFA franc in January 1994. In a "normal year", the 14 member countries of the CFA franc zone imported a total of some 1.2 million tons but, in 1994, with the devaluation, rice imports into these countries are expected to fall significantly, possibly by more than 20 per cent.

2. Production trends in industrial crops

44. Data on Africa's industrial crops and its share in total world production in 1990-1993 are given in table VI. Production increases are recorded in 1993 for practically all the crops listed in the table, except for cocoa, where output declined by 4.0 per cent from 1,287 tons in 1992 to 1,236 tons in 1993.

Table VI
Production of industrial crops

| Commodity | 1990 | | 1991 | | 1992 | | 1993 | |
|---|---|---|---|---|---|---|---|---|
| | 000' metric tons | Percentage share of world production | 000' metric tons | Percentage share of world production | 000' metric tons | Percentage share of world production | 000' metric tons | Percentage share of world production |
| Coffee | 1262 | 19.9 | 1200 | 19.5 | 1026 | 17.8 | 1123 | 19.6 |
| Tea | 309 | 12.3 | 324 | 12.4 | 291 | 11.9 | 324 | 12.7 |
| Cocoa | 1417 | 56.8 | 1258 | 53.8 | 1287 | 54.3 | 1236 | 52.8 |
| Tobacco | 341 | 4.9 | 396 | 5.5 | 439 | 5.9 | 462 | 5.7 |
| Sugar | 5712 | 5.1 | 4137 | 3.7 | 3786 | 3.2 | 3833 | 3.5 |
| Cotton | 3442 | 6.4 | 257 | 4.3 | 219 | 4.2 | 241 | 4.6 |

Source: FAO computer printout, April 1994.

45. The prices of agricultural commodities have tended to decline further on the international market in 1993. Coffee exporters have generally been the big losers, as the global declines in prices have been so large as to generally offset the expansion in production. The small increases in yields and production have been outweighed by a decline in the barter terms of trade on the international market, thereby reducing the overall earnings (the income terms of trade). In Uganda, for example, when the International Coffee Organization (ICO) export quota system collapsed in mid-1989, coffee accounted for more than 90 per cent of export earnings. This collapse, which led to a worldwide glut and undermined international coffee prices, slashed Uganda's coffee earnings by 75 per cent, from more than $400 million in 1988 to a mere $100 million in 1992.

46. Coffee production in developing Africa increased by 9.5 per cent from 1.03 million tons in 1992 to 1.12 million tons in 1993. The best production gains in 1993 were attained in Côte d'Ivoire and Uganda where output is estimated to have grown by 59.3 and 46.3 per cent respectively. In Côte d'Ivoire, which is the largest coffee-producing country on the continent, the producer price has been raised from CFAF 170/kg to CFAF 200/kg 1992/93 to CFAF 265/kg in 1994/95. This incentive is expected to boost production from 199,000 tons in 1993 to 240,000 tons in 1994/95.

47. Cocoa production in developing Africa declined by 4 per cent from 1.29 million tons in 1992 to 1.24 million tons in 1993. In Côte d'Ivoire (which by now is the largest cocoa-producing country in the world) and Ghana, production declined by 1.6 and 8.9 per cent respectively in 1993. Production stagnated at 130,000 tons in Nigeria in 1992 and 1993, while it increased by 8.7 per cent in Cameroon, from 92,000 tons in 1992 to 100,000 tons in 1993. In July 1993, as a reaction to the adverse cocoa market, worldwide, the 13 member countries of the Cocoa Producers' Alliance (Copal) signed an Agreement designed to promote the development and strengthening of international cooperation in all sectors of the world cocoa economy and to contribute towards the stabilization of the world cocoa market in the interest of all members by seeking, in particular: (a) balanced development of the world cocoa economy through necessary adjustments in production and the promotion of consumption to secure an equilibrium between supply and demand in the medium and long

term; (b) adequate supplies at reasonable prices equitable to producers and consumers.

48. Cotton production in developing Africa increased by 11.9 per cent, from 2.19 million tons in 1992 to 2.45 million tons in 1993. The big surge in production in the course of 1993 is ascribed to the sharp production gains experienced in Mali, where production grew by nearly 17 per cent from 271,000 tons in 1992 to 317,000 tons in 1993. Cotton production in North Africa rose by 6 per cent in 1993 to 416,000 tons. Production rose in Egypt to 358,000 tons in 1992/93, the highest level since 1986/87 while production in the Sudan declined to 255,000 tons, the smallest since 1957/58. Production in the French-speaking African countries increased by 2 per cent, to 560,000 tons in 1992/93, equal to the record production level reached by 1990/91. The current estimate of 1993/94 world production is 17.2 million tons, which is 1.4 million tons less than at the start of the year and 3.6 million tons less than the record production just three years ago.[3]

49. Tobacco production in developing Africa rose by 5.3 per cent from 439,250 tons in 1992 to 462,390 tons in 1993. Part of the increase was accounted for by the rise in tobacco production in Malawi, where output expanded from 127,213 tons in 1992 to 142,100 tons in 1993, although rising production costs and the fall in the price of burley tobacco have continued to plague the sector. In Zimbabwe, the largest tobacco-producing country on the continent, production declined from 211,394 tons in 1992 to 204,790 tons in 1993, with the high probability that unsold stockpiles of some 160,000 tons of tobacco may have to be carried over to 1994 at a very high cost. In addition, the USA legislation requires that a minimum of 75 per cent of American-grown tobacco be used in the manufacture of cigarettes sold in the USA which gives serious cause for concern, as America is one of Zimbabwe's major customers, absorbing annually about 15 per cent of the country's output.

50. Sugar production in developing Africa increased by 1.1 per cent, from 3.79 million tons in 1992 to 3.83 million tons in 1993. In Mauritius, the largest sugar-producing country in the region, output is estimated to have declined by nearly 15 per cent from 643,200 tons in 1992 to an estimated 550,000 tons in 1993 - the worst crop since production plummeted to 475,000 tons in 1980 because of poor weather conditions. Despite the shortfall in output, Mauritius will still be able to fulfill its 1993/94 quota of 507,000 tons. The revised estimate for global production in 1993/94 is now 112,069 million tons, with consumption put at 114,481 million tons which leaves a deficit of 2.4 million tons. Despite the deficit forecast for 1993/94, the International Sugar Organization has cautioned against expectations of a continued sugar rally, pointing to a historical trend supply surplus.

51. Tea production in developing Africa increased by 4.5 per cent, from 2.44 million tons in 1992 to 2.55 million tons in 1993. In Kenya, the largest tea producing country on the continent, production increased from 188,100 tons in 1992 to 210,000 tons in 1993 while in Malawi, output rose by 12.9 per cent from 31,000 tons in 1992 to 35,000 tons in 1993. Small-scale farmers in Kenya are being encouraged to step-up tea production through the incentive of bonus payments by the Kenya Tea Development Authority. The aim is to raise production by 10,000 tons annually in 1994 and 1995.

### 3. Agricultural development policies

52. As in 1992, liberalization remained an important focus of agricultural policy in many African countries in 1993. In Cameroon, for example, cocoa and coffee growers can now directly export their crops without passing through government-registered intermediaries. In Egypt, in an effort to boost agricultural exports, licensing and pricing committees on a wide range of agricultural commodities, including dehusked rice, potatoes, citrus fruit, peanuts, onions and garlic, are being abolished. At the end of 1993, the Government of Morocco abolished State monopoly of sugar and tea imports, and of the processing and marketing of these same products which, for the past 20 years, had been the preserve of the Office national du thé et du sucre (ONTS). In Zambia, farmers are now free to sell their maize without government intervention in maize pricing. The ban on maize exports in the course of the 1992 drought has also been lifted. In Nigeria, the 1986 ban on wheat imports has now been

completely eased, leading to a substantial drop in the price of locally produced wheat flour. In Malawi, the Government has announced measures to encourage broader private sector participation in seed production and marketing, an area in which, until 1992, the National Seed Company of Malawi had a virtual monopoly. This will include issuing of seed production and marketing licenses to new seed enterprises and the liberalizing of seed pricing. In addition, similar initiatives have been announced for fertilizer in the form of a policy framework designed to progressively remove fertilizer subsidies and gradually liberalize its importation, marketing and pricing.

53. In Ghana, a package of incentives is being introduced to boost the export of processed timber under the New Investment Code. It includes customs duty exemptions on the importation of machinery and equipment and the provision of capital allowance of 40 per cent in the year of establishment of new processing mills and 20 per cent in subsequent years. The package also allows for the retention of between 20 and 35 per cent of export earnings.

54. Drought relief and recovery was also a major focus of agricultural development policies in 1993. In Morocco, the Government has drawn up long-term plans to address drought as a structural problem. The Stabilization Fund against Natural Disasters is now capitalized at DH1 million and would provide compensation for farmers suffering from drought. Other ongoing incentives include the programme to increase the irrigated land area, under which work on 85,000 hectares will be completed in 1994. In Zimbabwe, in order to accelerate recovery from the drought, the agriculture and water sectors continue to be accorded high priority with capital budget allocation of $526 million in 1993, a large portion of which ($280 million) will go towards the ongoing construction of major dams and irrigation schemes and the implementation of drought-related water works. In Botswana, several public sector labour-intensive projects were mounted in the agricultural sector to generate employment opportunities for victims of drought. However, the longer-term alleviation of the impact of drought on the rural population will depend a great deal on the effectiveness of Botswana's research and extension efforts in developing more drought-resistant crops and methods of farming and on efforts at diversifying rural production activities through tourism, informal sector income generation and the strengthening of rural-urban economic linkages. In Zaire, the production of cassava is being enhanced to ensure food security in the countryside and provide Zairians with their only affordable source of food and food-substitute for expensive imported cereals; while in Malawi, the Government is undertaking a World Bank/UNICEF/-WHO population, health and nutrition (PHN) project aimed at ensuring food security and better nutrition for the people.

55. In Cameroon a draft new forest policy document has been prepared with the aim of developing and sustaining the economic, ecological and social functions of Cameroon's vast forest resources. According to a study completed in 1993, Cameroon is loosing more than 175,000 hectares of forest a year and a cumulative total of as much as 1,000 hectares has probably been lost to agriculture in the last decade. Reafforestation is offsetting only about 1 per cent of annual exploitation, with harmful repercussions on the environment, wildlife and eco-systems.

## B. Mining

### 1. Fuels

56. Total crude oil production in Africa in 1993 is estimated to have dropped marginally by 1.1 per cent to 338.18 million tons, some 3.86 million tons less than the revised 1992 production figure of 342.04 million tons (table VII). The reported decrease is the result of lower outputs from both the OPEC group, mainly Algeria and the Libyan Arab Jamahiriya and non-OPEC members such as Angola, Cameroon, and Tunisia. The weak production performance in these countries more than outweighed the substantial production increase recorded in such producing countries as the Congo, Egypt and Nigeria. Lower production and weak prices have resulted into a sharp drop in oil producer revenues, with total exports estimated at $47.2 billion in 1993, which is 6 per cent less than in 1992.

Table VII
Crude Oil Production in developing Africa
(Million tons)

| Country | 1992 | 1993[E] | 1994[F] |
|---|---|---|---|
| Algeria[1] | 61.5 | 60.76 | 62.28 |
| Angola | 27.39 | 26.5 | 28.16 |
| Cameroon | 7.39 | 6.38 | 6.3 |
| Congo | 8.23 | 8.66 | 9.71 |
| Egypt | 44.23 | 44.68 | 44.32 |
| Gabon | 14.78 | 14.73 | 15.15 |
| Libyan Arab Jamahiriya | 73.97 | 68.47 | 68.72 |
| Nigeria | 97.65 | 102.1 | 109.56 |
| Tunisia | 5.6 | 4.74 | 4.03 |
| Zaire | 1.3 | 1.16 | 1.14 |
| Developing Africa Total | 342.04 | 338.18 | 349.37 |

Source: UN, Monthly Bulletin of Statistics, November 1993; OPEC Bulletin, January 1994; EIU, Country Reports and ECA secretariat.

[E] = Estimates
[F] = Forecasts
[1] = Including Condenstes.

57. Crude oil production in Algeria (excluding condensates) was 766,300 barrels per day (b/d) during the first quarter of 1993. By the end of the second quarter, output had dropped slightly to 750,600 b/d. Following this trend, the overall average production for the year (excluding condensates) was 756,000 b/d, which is 2.5 per cent lower than the 1992 average of 780.1 thousand b/d. Oil production in Angola fell in 1993 by about 6 per cent due to production shutdown on the Sohio on-shore block and the partial halt on off-shore Block 2, due to the prevailing civil war. Nevertheless, by the end of the year, production had picked up substantially, running at some 525,000 b/d, which was only 3 per cent less than the record of 541,000 b/d achieved in 1992.

58. In the Libyan Arab Jamahiriya, where the oil industry has been experiencing difficulties since 1992 as a result of United Nations sanctions, there was a negative effect on both the volume of oil production and the value of oil export earnings. Oil production fell marginally from 74.3 million tons in 1991 to 73.95 million tons in 1992, but must have fallen substantially in 1993 as the country has been unable to meet its new OPEC quota of 1.39 million b/d, due in part to technological and logistical constraints. Economic activities in the country have slowed down, lowering domestic oil demand to an estimated 160,000 b/d in 1993.

59. In Nigeria, production started with a high level of 1.962 million b/d for the first quarter of 1993, reaching in February its highest level for over 10 years, at 2.13 million b/d. It was only by the second quarter, following the country's decision to cut production in order to bolster oil prices, that output dropped to 1,878,400 b/d. Throughout the third quarter of 1993, as output from Mobil's Edop project climbed gradually, total production rose again to an average of 1.889 million b/d. The estimates for the overall 1993 production indicate that, despite the political problems and the onset of strike activities by the national oil workers union, crude oil production appears to have been maintained at around 2 million b/d, compared to 1.961 million b/d in 1992. This increase of

almost 5 per cent was due to the fact that the country's nineteenth oil field at Opuekeba, in the Escravos concession, officially became operational in mid-1993. Initial production from this field is expected to add some 16,000 b/d to the country's actual total oil production.

60. In Tunisia, the sharp upturn in oil production during 1992 did not continue in 1993, as falling output from the country's bigger and older oil fields such as El-Borma, Ashtart and Ezzaouia were unmatched by increased production from newer, smaller wells. Total oil production for the first half of 1993 was just over 2.4 million tons, representing a 10.2 per cent drop compared to the output in the first half of 1992. The overall production figure for the year is estimated to have fallen by more than 12 per cent. In Gabon, following the voluntary production restraint recommended to West African producers in 1993 by OPEC, production dropped in the second quarter to 295,700 b/d from 298,300 b/d in the first quarter before rising to a new high of 297,500 b/d in November 1993 following the start of output from the Shell-Gabon-operated Echira oil field. Provisional estimates reveal that at year-end, crude oil output remained essentially unchanged, dropping only by 0.3 per cent to 14.73 million tons.

61. Gas production in developing Africa is concentrated mainly in two countries: Algeria and Nigeria. In North Africa, Algeria produces almost the subregion's entire output, while in sub-Saharan Africa, Nigeria accounts for more than 80 per cent of the total natural gas production. The rest, about 20 per cent, is being produced by four other countries: Angola, the Congo, Gabon and Rwanda. In Algeria, the production of natural gas reached a record 110 billion $m^3$ in 1992, up 2.3 per cent from 107.5 billion $m^3$ in 1991. Condensate and liquefied petroleum gas (LPG) production remained almost unchanged at 17.1 and 4.5 million tons respectively. On the other hand, natural gas production in Nigeria rose marginally by 1.3 per cent, reaching 31.97 billion $m^3$ in 1992, compared with an increase of 12.2 per cent in 1991. The higher increase in the level of production in 1991 is attributable to the rise in crude oil production. The quantity of gas flared is very significant, accounting for 77.9 per cent of total gas output. However, local consumption of natural gas, especially gas utilized as fuel by oil companies, has increased by 7.5 per cent. The drive for oil exploration in sub-Saharan Africa, more particularly during the last decade, has led tangentially to considerable growth in the estimated natural gas reserves in the subregion. In 1992, estimated sub-Saharan Africa natural gas reserves amounted to 3.8 trillion $m^3$ as against 411 billion $m^3$ in 1971. Of this quantity, about 78 per cent is located in Nigeria, where the absolute growth of reserves has particularly been impressive (170 billion $m^3$ in 1971 and 3 trillion $m^3$ in 1992). The frequency of gas discoveries and the rate of growth in estimated reserves in other sub-Saharan African countries, the most important being Namibia, the United Republic of Tanzania and Cameroon, has also been significant.

## 2. Non-fuel minerals

62. The extreme vulnerability of the African mining sector to external shocks and the vagaries in the international minerals market was again demonstrated in 1993. Internal production difficulties apart, the major non-fuel mineral producers in the African region, i.e. Gabon, Niger, Zaire and Zambia, were hard hit by the weak demand associated with sluggish growth of the world economy and the destabilization of markets occasioned by the off-loading of unusually large volumes of mineral exports from countries of the former Soviet Union. In Zaire in particular, the damage to equipment in Shaba province in 1993 has been so severe that, according to some press reports, copper production may cease altogether in 1994, following reduction in the production capacity from 500,000 tons in 1987 to 144,000 tons in 1993. From all available indications, the declining trend in African mining production was maintained in 1993.

63. The low production levels in Africa and the depressed minerals and metal prices worldwide have impacted negatively on the incomes of most African mining companies, especially the base metal producers, and therefore on mineral export earnings. Nonetheless, many countries were actively engaged in the search for new investment in exploration, exploitation and development activities within the mining sector in an effort to broaden and diversify their export base.

64. The production of cobalt and copper was the hardest hit by the recession, with the output of cobalt in the region estimated to have fallen by more than 50 per cent in 1993 alone. Zaire's cobalt production which used to be around 14,500 tons in the 1980s was only 3,000 to 4,000 tons in 1993. Aluminum production also levelled off in 1993, with a rate of increase in output no more than 5.5 per cent as a direct result of the continued decline in consumption world-wide. But precious metals, especially gold, seemed to have performed better. The total output of gold in 1993 is estimated at 56 tons, an increase of 4 per cent over 1992. The Ashanti Gold Field Corporation of Ghana is estimated to have produced alone some 765,250 ounces of gold in the year.

65. There was a renewed interest in the rationalization of the existing frameworks for the exploitation of the region's mineral resources in 1993. As mining investment in Africa dried up, African Governments have increasingly turned their attention to the streamlining of mining laws and the adoption of new fiscal regimes in support of the sector. In addition to the progressive reduction in the ownership and participation of the government in mining operations, privatization of the mineral companies is seen as the panacea in many countries. One good example is Ghana where government participation in gold mining operations since 1990 has been reduced to a maximum of 10 per cent, and plans were at an advanced stage in 1993 to reduce government share in the Ashanti Gold Fields Corporation at Obuasi and Bekansi to a maximum of 30 per cent.

66. In Ethiopia, as a follow-up to the Investment law of 1992, the Transitional Government adopted new mining laws in June 1993 (i.e., the "Mining Proclamation No. 52/1993" and the "Mining Income Tax Proclamation No. 53/1993"), the main objective of the new mining laws being the improvement of the legal framework for mining investment in the country. In both Proclamations, the Government is seeking to encourage private sector exploration efforts, both foreign and local, in the development of mineral resources through the provision of: (a) exemption from customs duties and taxes of all equipment, machinery, vehicles and spare parts necessary for mining operations; and (b) remittance of profits and dividends accruing from mining investment; principal and interest on foreign loans; (c) fees, royalties or any other payments accruing pursuant to a technology or management agreement relating to the mining investment as well as other incentives.

67. In Guinea, new regulations and rules were introduced in 1993 setting out the conditions for the exploitation and marketing of gold, diamond and other gemstones. The rules and regulations specify in particular the criteria for the granting of mining titles and the mechanisms for the purchase of the gems through "Comptoirs d'achat". In Mali, the institutional framework for the mining sector has been revised; public mining enterprises are to be sold to the private sector and exploration contracts awarded to national concerns. As a result, there has been a flurry of activities in the mining sector since July 1993, reinforcing the prospects for the future of this vital export industry. In Namibia, the Government has embarked on further nurturing of local and international private interests in the country's mineral potential through the introduction of new administration structures for mineral exploration in the country. In the gold mining sector, for instance, permission has been given to local gold producers to seek offshore support for expansion projects. Producers undertaking new investments are to be allowed to hedge a portion of their annual production by means of outright forward sales.

### C. Manufacturing industry

68. According to a recent report by the United Nations Industrial Development Organization (UNIDO) for the 1980s, value added in African manufacturing grew at around 2 per cent annually, compared with 3 per cent in Latin America, 3.5 per cent in OECD countries, 4.4 per cent in Eastern Europe and over 7 per cent in Asia. The 1980s saw employment in manufacturing increasing by only 1 per cent annually in Africa, compared with an annual growth in the labour force of over 3 per cent. Manufacturing accounted for an average of only 10 per cent of total regional GDP in Africa.

Table VIII
Indicators of manufacturing performance in Africa, 1990-1993

| Subregion/economic grouping | MVA at 1990 prices (as % of GDP) | | | | MVA growth rates (% per annum) | | | |
|---|---|---|---|---|---|---|---|---|
| | 1990 | 1991 | 1992 | 1993 | 1990 | 1991 | 1992 | 1993 |
| North Africa | 14.2 | 14.1 | 14.0 | 14.4 | 2.7 | 1.8 | 0.5 | 3.3 |
| East & Southern Africa | 13.6 | 12.8 | 12.5 | 12.1 | 2.2 | -3.5 | -3.7 | -1.9 |
| Central Africa | 11.5 | 10.8 | 10.3 | 9.8 | -3.3 | -7.8 | -9.3 | -8.4 |
| West Africa | 7.9 | 8.0 | 7.8 | 7.6 | 1.8 | 3.1 | 0.7 | -0.2 |
| African LDCs | 10.7 | 10.0 | 10.0 | 9.8 | 1.1 | -6.0 | -0.9 | 0.2 |
| Sub-Saharan Africa | 10.3 | 10.0 | 9.7 | 9.4 | 0.8 | -1.8 | -2.3 | -1.4 |
| Developing Africa | 12.1 | 11.9 | 11.8 | 11.8 | 1.9 | 0.3 | -0.8 | 1.3 |

Source: ECA secretariat.

69. As shown in table VIII, there was a recovery in the manufacturing sector in Africa in 1993, with value added increasing by an estimated 1.3 per cent, following a decline of 0.8 per cent in 1992. The sector accounted for almost 12 per cent of GDP between 1990 and 1993. As in previous years, the performance of the manufacturing sector was adversely affected in 1993 by a host of structural bottlenecks, ranging from the non-availability and high cost of imported inputs and difficulties with domestic supply of raw materials to rising costs of labour, credit and other supporting facilities. Also, civil wars and political conflicts in countries such as Angola, Burundi, the Congo, Liberia, Somalia, the Sudan, Rwanda and Zaire have, to a large extent, paralyzed industrial production.

70. There were substantial variations in the performance of the manufacturing sector at subregional and country levels in 1993. In Eastern and Southern Africa, for example, the utilization of installed industrial capacity was seriously disrupted following the devastating drought of 1992. In Zimbabwe, which has the most diversified manufacturing base in the subregion, output in the manufacturing sector fell by 16.8 per cent during the first eight months of 1993, compared to the corresponding period in 1992. The largest contribution to the decline was recorded by the transport equipment subsector which fell by 47.9 per cent, due largely to depressed demand conditions on both domestic and external markets. Others came from the non-metallic mineral products subsector, down 24.7 per cent, followed by metals and metal products, down 22.7 per cent; foodstuffs, down 20 per cent; and wood and furniture, down 19.7 per cent. The sectoral declines broadly reflect the tail effects of the 1991/92 drought and the resultant economic downturn, coupled with an unfavourable international setting. The combined operating losses of the 10 industrial parastatals in Zimbabwe was estimated at Z$772 million in 1992-1993, which is about 2 per cent of the country's GDP. The losses are expected to escalate to Z$815 million in 1993-1994, as most of the parastatals have done little to increase efficiency or to reduce operating costs. The State-owned iron and steel manufacturer, ZISCO, has become practically insolvent with a financial deficit of Z$253 million and a debt of over Z$1 billion. In Zambia, nearly three-quarters of all the country's textile and clothing factories have now been closed. By November 1993, 20 out of 22 textile factories operating in Livingstone were forced to close down because of the influx of cheap second-hand clothes from Europe, the USA and Asia. The importation of duty-free items which are then resold on the local markets is also a problem for many manufacturers. In the United Republic of Tanzania, the privatization drive is seriously lagging behind because of the high rehabilitation costs of old plant and equipment. In Kenya, import-substitution opportunities are becoming much more difficult to find. The "easy options" in consumer and intermediate goods seem to have

already been exhausted, and import-substitution possibilities are now mainly in capital goods industries which face problems from the limited size of the domestic market.

71. In North Africa, manufacturing value added increased markedly from 0.5 per cent in 1992 to 3.3 per cent in 1993. In Tunisia, output of non-foodstuff manufactured goods rose by 6.1 per cent in 1993 while the textile subsector of the manufacturing industry also expanded strongly. The textile subsector is however beset by structural problems, including lack of effective integration of the enterprises in the various areas of the industry - spinning, weaving, finishing, designing and assembling. The sector suffers from ageing machinery and lack of training facilities which gives Tunisia an international disadvantage. In Morocco, the divestiture programme yielded DH2.3 billion (or $240 million) in 1993; of the 112 enterprises listed for divestiture, 45 had been audited and valued. Of these, 10 have been transferred to the private sector and a further 10 were in the process of being transferred. In order to attract international companies to invest in the local economy, Morocco's leading private sector company (Omnium nord africain) is planning to set up a $200 million investment fund. In Egypt, there has been a shift to diversify the manufacturing base from the production of consumer and intermediate goods to capital goods. Preparation for building Egypt's first special steel plant is about to start. The round bar and rod plant will have an initial capacity of 100,000 tons annually, thereafter rising to 150,000 tons and will supply Egypt's automotive and construction industries.

72. In West Africa, manufacturing value added, which decelerated to 0.2 per cent in 1992, increased by 0.7 per cent in 1993. In the CFA franc zone part of the subregion, it is expected that the devaluation of the CFA franc in January 1994 would further trigger high import prices which might result in the substitution of locally sourced alternatives for goods previously purchased abroad. In Nigeria, which has the largest manufacturing base in the subregion, the industrial sector also performed poorly. Production was adversely affected by the high interest rates, naira exchange and inflation rates, low utilization of installed industrial capacity, plant closures as a result of the political crisis and the high cost of raw materials for manufacturing as prices of imports increased. The low capacity utilization of the sector is also as a result of the inability of firms to refurbish or replace ageing machinery and procure sufficient raw materials domestically. Moreover, foreign private investments had been adversely affected by the unstable macroeconomic and socio-political environment. In Ghana, high interest rates and the banking sector's reluctance to take risks with new loans made financing for industry expensive and difficult. Consequently, in the period 1988-1992, at least 120 factories were closed mainly due to competition from cheaper imports, with garments, leather, electronics and pharmaceutical sectors being the hardest hit. In Côte d'Ivoire, the official index of industrial production, calculated on the base of 1984/85 = 100, shows 102 for 1989 and 96 for 1990, the latest year for which figures are available. Preliminary estimates for the first three years of the 1990s reveal industrial production to have declined further from the level attained in 1990. Manufacturing output has been beset by high labour costs. The cost of industrial labour in 1991 in Côte d'Ivoire, according to a World Bank report was twice that of Malaysia and four times that of Nigeria and Ghana. As a measure to improve Côte d'Ivoire's competitiveness, import duties on foodstuffs, meat, minerals, vehicle tyres, building materials, leather goods, industrial machinery and spare parts were reduced in 1993. Senegal is equally plagued by higher production costs. According to a survey carried in 1993, Senegalese production costs had risen above those in other African countries. The costs of electricity, water, fuel and labour faced by manufacturers in Senegal were at least double and often several times higher than those in Zimbabwe, Kenya and Ghana. The total cost of producing similar items of men's clothing could be 40 per cent higher in Senegal than in the three African countries.

73. In Central Africa, manufacturing value added has been consistently on the decline between 1990-1993. In Zaire, MVA declined by 20 per cent, mainly due to the political crisis in the country and the shortage of foreign exchange for the importation of essential inputs and raw materials. Consequently, few factories have been able to operate at more than 30 per cent of installed capacity. What is more, foreign investment has been discouraged by the

volatile political climate. In Cameroon, manufacturing activity is suffering from intense competition from smuggled imports, particularly from Nigeria, such as leather goods and shoes, agro-industry and the metal-processing and cement industry.

74. The major areas of industrial policy in the course of 1993 and 1994 centred on import duty exemptions, the privatization of parastatals and the creation of employment opportunities. In its 1992/93 budget, the Government of the United Republic of Tanzania abolished customs duty and sales tax on industrial inputs as well as excise duties on locally produced goods, such as sugar, textiles, cement, etc. The corporate tax rate for local firms was reduced to 35 from 45 per cent and, for foreign firms, from 50 to 40 per cent. Similarly, Malawi has introduced a 12 per cent export allowance for non-traditional exports and abolished excise duties on local raw materials in order to enhance the domestic "sourcing" of inputs. In the 1992/93 budget, the Government reduced corporate tax to 35 from 40 per cent and gave manufacturing enterprises a rebate on expenses incurred in the 18 months following the start-up of operations.

75. In Namibia, manufacturers that are registered with the Ministry of Trade and Industry and the Ministry of Finance will qualify for the following incentives: (a) a 50 per cent abatement on taxable income derived from manufacturing for a period of five years, to be phased out over a subsequent period of 10 years; (b) an accelerated depreciation allowance for buildings used in the manufacturing process as follows: 20 per cent in the first year and 8 per cent per year of the balance over 10 years; and (c) an additional deduction of 25 per cent in respect of training and wage expenditures.

76. In Morocco, in recognition of the difficult financial situation caused by two years of drought and slow economic growth, the company tax was reduced from 40 per cent in 1992 to 38 per cent in 1993 and 37 per cent in 1994. In addition, in a bid to restructure the pattern of imports in favour of capital goods and discourage consumption, duties on equipment for approved investment programmes were lowered to 10 per cent.

77. In contrast, the Investment Act promulgated in Zambia in 1991 is being radically revised for the following reasons: first, the investment incentives have seriously eroded the tax base and is jeopardizing the Economic Recovery Programme. Second, the tax break is creating unfair competition. While long-established companies are fully taxed on the return on their investments, newly established competitors pay no tax. Thirdly, while the tax encourages the rapid run-down of existing equipment, it discourages employment creation by favouring the use of capital-intensive techniques. Finally, the Government has come to recognize that favourable macroeconomic policies, political stability, security, the availability of resources and markets and liberal provisions for the repatriation of profits are far more significant considerations.

78. The privatization of public enterprises has become an important strategy of the African Governments not only to address fiscal imbalances caused by subsidies to loss-making parastatals, but also to encourage increased private sector participation in their economies. In the context of the United Republic of Tanzania's New Investment Policy, the Government plans to liquidate or sell inefficient public enterprises and to retrench 80,000 employees in the next three years. In Morocco, the privatization programme, which is officially estimated to have netted $240 million in 1993, will gather further momentum in 1994, when it is expected to yield $360 million. Privatization in the banking, hotel and textile sectors is also awaited. The Government of Madagascar has raised about FMG14,000 million from the privatization of 77 firms, 61 other firms being slated for privatization. In 1993, Burkina Faso launched a private sector assistance project supported by a $7 million credit from the World Bank/IDA. The project is focusing on the capacity building of government institutions that provide services to the private sector and in financial intermediaries.

79. During 1992-1993, the Government of Uganda sold the Lake Victoria Bottling Company and East African Distillers, relinquished its share holding in Shell (Uganda) Ltd. and reduced its equity in Kakira Sugar Works to 30 per cent. A management contract was negotiated for the management of Printpak Ltd.

80. Employment creation in manufacturing has been another objective. In Botswana, for example, the financial assistance policy continues to be one of the main instruments through which the Government, in pursuit of the twin objectives of employment creation and economic diversification, assists productive businesses. During 1992, a total of 488 projects costing P30 million, with the potential to create an additional 5,228 jobs, were approved. Of the jobs to be created, 42 per cent would be in large-scale projects, while 30 and 28 per cent respectively, would be in medium- and small-scale projects. In Mauritius, while employment among large firms in the manufacturing sector declined by 6 per cent in 1990-1993; in small firms, it increased by 37 per cent. Apart from the EPZ and sugar sectors, employment among small firms in all other sectors registered significant growth rates in 1990-1993.

# III. THE EXTERNAL SECTOR

## A. Trade

81. World merchandise export volume increased by 2.6 per cent in 1993 compared to 3.9 per cent in 1992, reflecting the continued slow growth in the global economy, depressed demand conditions and the spread of protectionism. Prices on the commodity markets have been in a continued downturn, dropping by a further 10.3 per cent in 1993 according to the ECA Comprehensive Commodity Export Price Index, with oil prices showing a sharp decline of 12 per cent. According to the IBRD forecast, world trade volumes are likely to grow by 4.6 per cent in 1994 in real terms and commodity prices to rise by 2.9 per cent. The successful conclusion of the Uruguay Round of Multilateral Trade Negotiations within GATT is expected to lead to a pick-up in world trade volumes, as consumer confidence rebounds with greater market access world-wide for agricultural products and manufactures. According to a recent OECD/IBRD study, the annual gain in global income from the successful conclusion of the Uruguay Round is estimated to reach $270 billion in 2002 and each year thereafter.

82. With continued slow growth and unfavourable markets abroad, however, the indicators of Africa's merchandise trade were far from encouraging in 1993. If anything, they suggest that 1993, like 1992, was a bad year for Africa's external trade, with Africa's already depressed share of world merchandise trade edging up to 2.1 per cent of world exports in 1993, compared to 2 per cent in 1992 and 2.1 per cent in 1991. The major factor at work, it would seem, has been the growing trend towards inward diversion of trade that has been occurring in recent years in other parts of the world with the formation of regional trading blocs.

83. According to ECA estimates, the value of merchandise exports decreased by 0.2 per cent in 1993, while the volume decreased by 8 per cent, leading to a 7.5 per cent decline in the unit value of exports. The fall in the value of merchandise exports reflects the slide in the prices of primary products and petroleum. By comparison, the value of exports declined in 1992 by 1.7 per cent, in the face of a rise of a mere 0.3 per cent in export volume and a decline of 2.1 per cent in the unit value of exports.

84. As for merchandise imports, the decrease in the unit value in 1993 was a reflection of the moderate movements in the prices of manufactures, which have a large weight in African imports. Food import prices, another important element, given the increasing share of imports in the region's food supply, fell by 1 per cent in 1993. Import values increased by 1.3 per cent in 1993, while the volume of imports grew by 3.5 per cent and the unit value of imports declined by 2.1 per cent. In 1992, the value of imports rose by 3.7 per cent as a result of a 1.6 per cent increase in import volumes and a 2 per cent rise in the unit value of imports. There was also a compression in imports in 1991 with a 9.8 per cent decrease in value, a 7.4 per cent fall in volume, and a 2.6 per cent decline in the unit value of imports. The manufactures price index decreased by 1.2 per cent in 1993, following an increase of 3 per cent in 1992 and a decrease by 0.7 per cent in 1991. The fuel price index declined by 12 per cent in 1993, 3.1 per cent in 1992 and 16.7 per cent in 1991, affecting the price levels of oil-importing African countries. In the case of primary import commodities, prices have been in a downturn since 1990-1993, according to the ECA Commodity Export Price Index. Wheat prices fell by 7.3 per cent in 1993, after rising by 17.5 per cent in 1992, following a 5.1 per cent price fall in 1991. For minerals and metal prices, there has been a persistent downward trend and price changes in the import price index have been very small during 1991-1993. Thus, prices fell by 2.1 per cent in 1993, rose by 2 per cent in 1992 and fell by 2.6 per cent in 1991.

85. The terms of trade for African countries thus declined by 5.5 per cent in 1993, as compared to a 4.1 per cent drop in 1992, whilst the purchasing power of exports rose by 1.9 per

**Fig.4: External trade indices**
**in 1990 US dollars**

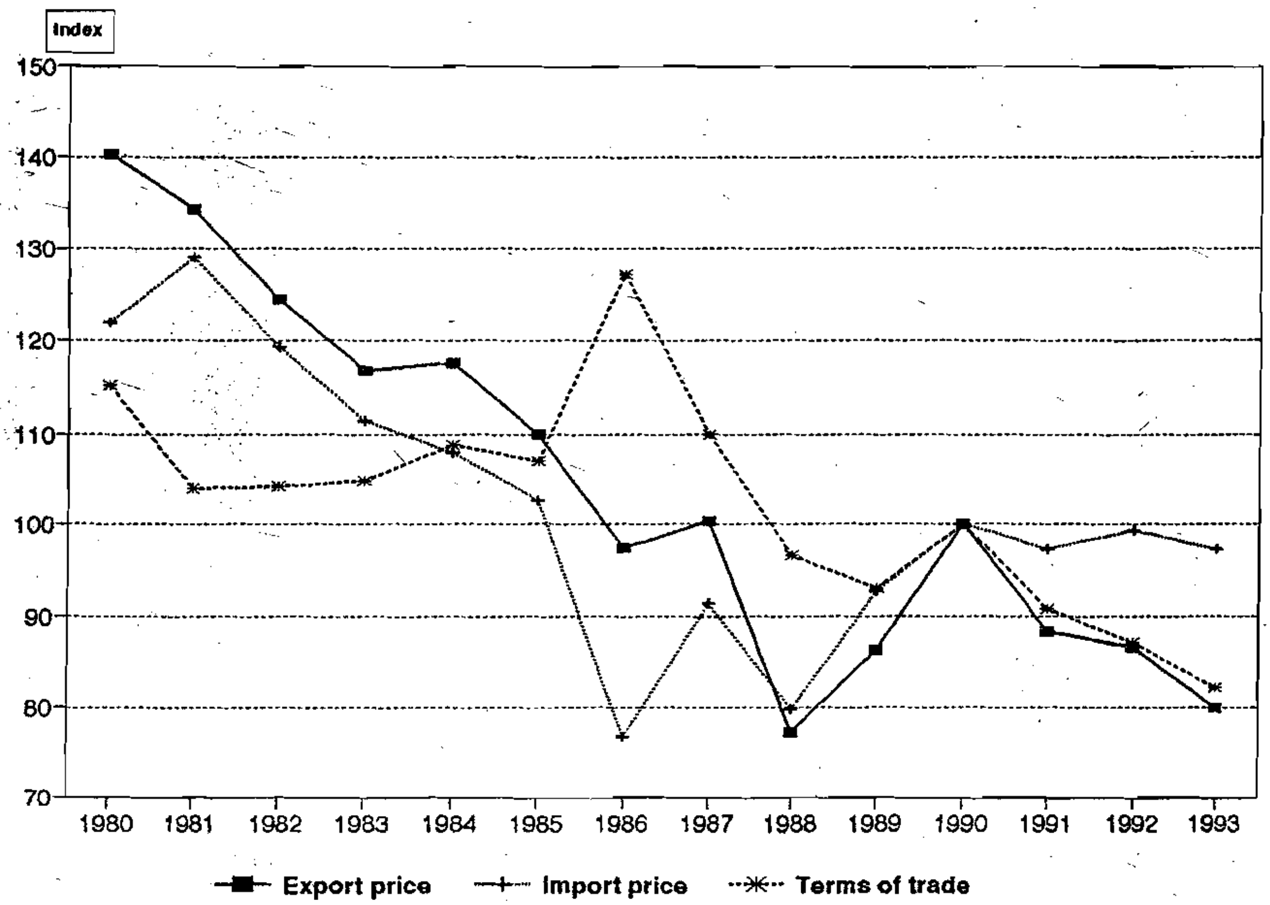


Table IX
Foreign Trade of African Developing Countries
1990-1993 (Annual Percentage Change)

| | 1990 | 1991 | 1992 | 1993 |
|---|---|---|---|---|
| Exports | | | | |
| Value | 31.0 | -5.4 | -1.7 | -0.2 |
| Volume | 13.2 | 7.0 | 0.3 | 8.0 |
| Unit value | 15.8 | -11.6 | -2.1 | -7.5 |
| Exports | | | | |
| Value | 25.8 | -9.8 | 3.7 | 1.3 |
| Volume | 16.6 | -7.4 | 1.6 | 3.5 |
| Unit value | 7.8 | -2.6 | 2.0 | -2.1 |
| Terms of Trade | 7.4 | -9.2 | -4.1 | -5.5 |
| Purchasing Power of Exports | 21.4 | -2.8 | -3.7 | 1.9 |
| % Share of Developing Africa | 2.3 | 2.1 | 2 | 2.1 |

Source: IMF, International Financial Statistics and World Economic Outlook; ECA secretariat.

cent compared to a 3.7 per cent deterioration in 1992. This is a consequence of the moderate changes in the prices of manufactured goods, which make up the bulk of Africa's imports and the heavy slide in the prices of primary commodities.

86. Oil-exporting countries accounted for total exports of $47.6 billion or 64 per cent of overall regional exports in 1993, compared to $50.2 billion or 67.5 per cent in 1992 and $50.7 billion or 66.9 per cent in 1991. For the major oil exporters, export revenues decreased by about 5.3 per cent in 1993 (table X), the result of the drop in oil prices from a level of $19.32 a barrel in 1992 to a level of $17 a barrel in 1993. Oil prices have been soft for most of 1993, reflecting slack demand, stock build-ups and anticipated resumption of supply by the Persian Gulf countries, creating a situation of uncertainty. Oil prices declined on average by 12 per cent in 1993, but the decision reached at the recent (March 1994) OPEC talks in Vienna not to interfere with production quotas, and what is considered to be improved prospects of Iraq's oil re-entry into the market place, have caused global crude oil prices to plunge further. Weekly world oil prices averaged at $16.47 a barrel during January 1993 - March 1994, falling by 24.9 per cent during the first quarter of 1994 as compared to the first quarter of 1993. World oil demand in 1993 was affected by the decline in apparent demand in the former Soviet Union. But individual country performance varied as usual with respect to the export revenues of the major African oil exporters: the largest increase in oil export revenue was recorded in Tunisia (10 per cent), while the sharpest drop was registered in Egypt (42.6 per cent), followed by Angola (21.6 per cent) and Gabon (8.1 per cent). Exports of oil-importing countries on the other hand are estimated to have risen by 10.4 per cent in 1993, declined by 3.4 per cent in 1992 and risen by 20.5 per cent in 1991.

87. With the steady marginalization of Africa in world trade and its relatively low and declining market share, it is clear that African economic fortunes and performance depend a lot on the price movements of its limited commodity exports and undiversified products (table XI). Export prices remained volatile in 1993, with commodity prices of interest to Africa declining further and indeed at a faster rate than in 1992. The ECA Export Price Index, using weights reflecting the structure of African exports, shows that the loss in average commodity prices was 7.5 per cent in 1993, compared to 2.1 per cent in 1992 and 11 per cent in 1991. When fuel and manufactures are excluded, the average price decline is 2.2 per cent in 1993 compared to 3.4 per cent in 1992 and 5.6 per cent in 1991.

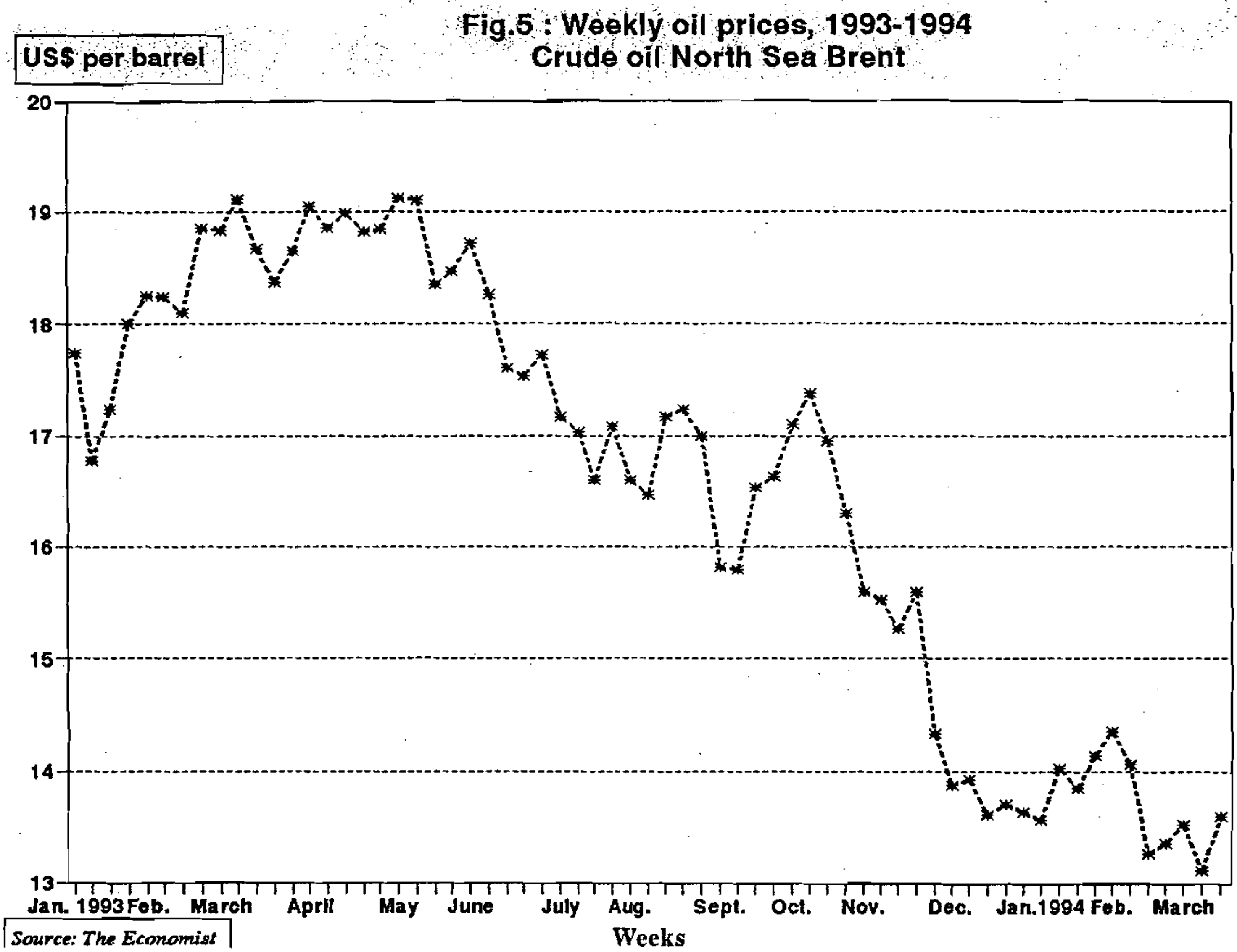


Fig.5 : Weekly oil prices, 1993-1994
Crude oil North Sea Brent
US$ per barrel
20
19
18
17
16
15
14
13
Jan. 1993 Feb. March April May June July Aug. Sept. Oct. Nov. Dec. Jan.1994 Feb. March
Weeks
Source: The Economist

Table X
Exports of Oil-Exporting Countries, 1990-93
(Billion US$)

| | 1990 | 1991 | 1992 | 1993 | % variation in 1992/93 |
|---|---|---|---|---|---|
| Algeria | 13 | 12.3 | 12.2 | 11.6 | -4.4 |
| Egypt | 3.5 | 3.5 | 3.1 | 1.8 | -42.6 |
| Libya | 11.4 | 10.2 | 10.0 | 9.8 | -2.2 |
| Tunisia | 3.5 | 3.7 | 4.0 | 4.4 | 10.0 |
| Nigeria | 13.6 | 12.3 | 4.9 | 11.9 | 0.1 |
| Cameroon | 1.9 | 1.9 | 1.8 | 1.8 | -1.2 |
| Congo | 1.4 | 1.0 | 1.2 | 1.2 | 0.8 |
| Gabon | 2.5 | 2.2 | 2.3 | 2.1 | -8.1 |
| Angola | 3.9 | 3.4 | 3.8 | 3.0 | -21.1 |
| Total Exports | 54.6 | 50.7 | 50.2 | 47.6 | -5.3 |

Source: IMF, International Financial Statistics; Economist Intelligence Unit; ECA secretariat.

88. The prices of beverages rose on average by 6.3 per cent in 1993, after the decline of 12.3 per cent in 1992 and a fall of 6.8 per cent in 1991. The Coffee Price Index, which had been in a persistent downward trend with the suspension of the International Coffee Agreement in July 1989, rose by 12.8 per cent in 1993, after falling by 12.5 per cent in 1992 and 9.5 per cent in 1991. A continued upward trend is expected in international coffee prices, not only because of the retention programmes being implemented by producers since the August 1993 Kampala meeting, when the Inter-African Coffee Organization and the Latin American coffee producers agreed to withhold 20 per cent of their crop starting in October 1993, with the percentage progressively declining to zero as stipulated trigger prices are reached on the market, but also because world coffee export volumes have generally been on the decline with reduced coffee production. Still, there remains a real danger of long-term price uncertainties with the dampening effects of released stocks in consuming countries, where inventories are estimated at 20 million tons against the usual level of around 10 million tons. Moreover, with the collapse of the International Coffee Agreement (ICA) and the system of export quotas, as well as the withdrawal of support for ICA by the United States of America, the international coffee market may return to being ruthlessly competitive, as producers have never been able to cooperate successfully for very long periods of time. Moreover, storing coffee for prolonged periods has far-reaching implications for the quality and there is the risk therefore of piling up of large stocks of undrinkable coffee that has been stored for an indefinite period. A significant long-term improvement in prices of coffee thus remains unlikely, notwithstanding the International Coffee Organization (ICO) forecast for average robusta coffee prices to rise from 52.5 cents/lb in 1993 to 61 cents/lb in 1994 and the continued upward trend in the prices for coffee since the world market for coffee experienced a revival in the final quarter of 1993.

89. But the slide in cocoa and tea prices has continued unabated. The price of cocoa dropped by a further 7.9 per cent in 1993, following falls of 7.8 and 5.9 per cent respectively, in 1992 and 1991. Although there are expectations of future rising prices for cocoa, which have prompted significant forward sales of new crops on the part of Cameroon and Côte d'Ivoire, real increases in cocoa prices will be constrained by the already large world stocks of cocoa. Moreover, there has been an increased use of vegetable oil rather than cocoa for the production of chocolate in the major consuming countries of Europe. Again, Indonesia's reported intention of doubling its 1992/93 production of 180,000 tons by the end of the decade could seriously depress cocoa prices on the international market, which could significantly disrupt the growth momentum in the producing countries.

Nonetheless, the February 1994 edition of the Economist Intelligence Unit's (EIU) World Commodity Forecasts expects a global deficit of 220,000 tons in 1993/94 (October-September), and has revised upwards its projections for the average price of cocoa to 63.3 cents/lb in 1994 and 68 cents/lb in the first half of 1995.

90. For tea, on the other hand, the average London auction price in 1993 was the lowest in history, notwithstanding the effects of depressed demand on global supply, as farmers cut back on production in countries such as Kenya or switch to non-export varieties as in China. Tea prices declined in 1993 by 13.6 per cent, compared to a 8.5 per cent rise in 1992 and 9.3 per cent price decline in 1991 due to increased output with abundant labour supply, and improvements in yield and management despite the significant increase in former Soviet Union (FSU) imports.

91. The prices of agricultural raw materials rose by 0.6 per cent in 1993 compared to a 2.5 per cent rise in 1992. There was a slowdown in the rate of decline in cotton prices in 1993, signalling some sort of recovery on account of a modest rise in cotton consumption, deteriorating production prospects and weather and pest-related damages that have depleted accretions to the already large cotton stocks. Under the GATT agreement, competitive producers not receiving production subsidies should benefit as subsidized production declines.

92. The experience with rubber prices is similar. The world recession, resulting in a weakened demand situation for tires and other rubber products, low oil prices keeping synthetic rubber prices low, the presence of a large buffer stock and expanding production have brought about a fall of 2.3 per cent in rubber prices in 1993, following a price increase of 4.4 per cent in 1992 and a decline of 4.6 per cent in 1991. The possibility exists for a reversal of the downward pressure on prices, if the International Natural Rubber Organization (INRO) Agreement extended through 1994 is renegotiated, allowing, directly and through producers cartels, rubber purchases to support domestic producers. As duties on natural rubber are already zero, the main effect of the Uruguay Round would be a decline in tariff escalation in the industrial countries.

Fig. 6 : ECA commodity prices, 1980-1993

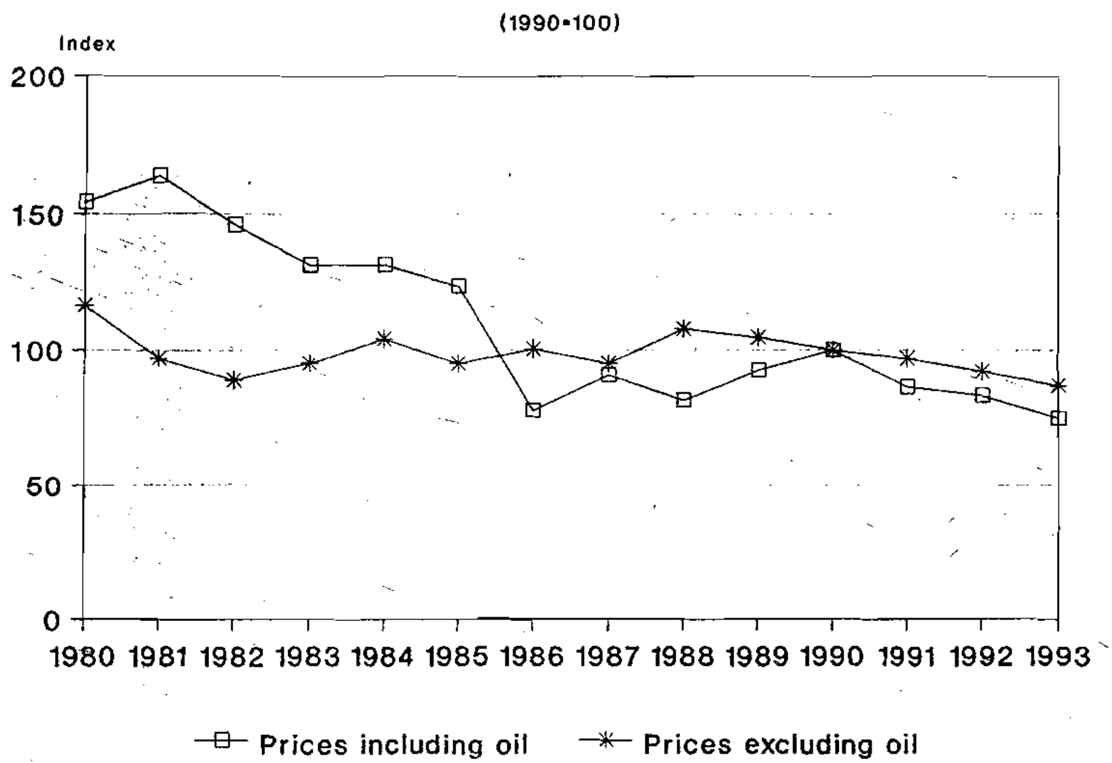


Table XI
Wholesale price indices for selected commodities
1990-1993 (Base, 1990 = 100)

| Price basis | | 1990 | 1991 | 1992 | 1993 |
|---|---|---|---|---|---|
| Petroleum | UK Brent Spot | 100.0 | 83.3 | 80.7 | 71.0 |
| Coffee | Uganda (New York) | 100.0 | 90.5 | 79.2 | 89.3 |
| Cocoa | New York & London | 100.0 | 94.1 | 86.8 | 79.9 |
| Cotton | Egypt (Liverpool) | 100.0 | 92.8 | 70.4 | 69.7 |
| Groundnuts | All origins (Europe) | 100.0 | 92.8 | 63.2 | 71.1 |
| Tea | Average Auction (London) | 100.0 | 90.7 | 98.4 | 85.0 |
| Sugar | EC Import Price | 100.0 | 104.9 | 106.6 | 101.6 |
| Logs | Malaysia (Tokyo) | 100.0 | 105.4 | 118.9 | 112.5 |
| Phosphate rock | Morocco (Casablanca) | 100.0 | 104.9 | 103.1 | 93.8 |
| Iron ore | Brazil (North Sea Ports) | 100.0 | 107.9 | 102.6 | 91.2 |
| Copper | UK (London) | 100.0 | 87.9 | 85.8 | 75.7 |
| Bovine meat | All origins (US Ports) | 100.0 | 103.9 | 95.8 | 102.0 |
| Bananas | Latin America (US Ports) | 100.0 | 103.5 | 88.2 | 94.1 |
| Palm oil | Malaysia (Europe) | 100.0 | 116.9 | 135.8 | 132.7 |
| Tobacco | USA (All Markets) | 100.0 | 105.5 | 105.4 | 103.4 |
| Hides | USA (Chicago) | 100.0 | 86.2 | 82.2 | 86.4 |
| Rubber | All origins (New York) | 100.0 | 95.4 | 99.6 | 97.3 |
| Aluminium | Canada (UK) | 100.0 | 79.6 | 76.6 | 71.2 |
| Lead | UK (London) | 100.0 | 68.9 | 67.1 | 50.4 |
| Manganese | UK | 100.0 | 114.3 | 109.4 | 102.2 |
| Nickel | UK (N. European Ports) | 100.0 | 92.1 | 79.2 | 63.6 |
| Tin | All origins (London) | 100.0 | 90.3 | 98.3 | 87.6 |
| Cobalt | | 100.0 | 197.4 | 226.0 | 170.6 |
| ECA Comprehensive Commodity Export Price Index Including Fuels | | 100.0 | 86.6 | 83.4 | 74.8 |
| ECA Commodity Export Price Index Excluding Fuels | | 100.0 | 97.0 | 92.1 | 86.9 |

Source: IMF, International Financial Statistics; UNCTAD, Monthly Commodity Price Bulletin; ECA secretariat.

93. Timber prices, on the other hand, have reflected stagnant demand and high inventories due to faltering EC growth and recession in Japan and the ban on export of logs from Sabah (Indonesia), all of which have affected paper mill purchases of logs, despite lower timber production on account of unfavourable weather conditions. The Index of Timber Prices fell by 5.4 per cent in 1993, compared with a 12.8 per cent rise in 1992 and a 5.4 per cent rise in 1991. There are signs of recovery, albeit uneven, in European demand for timber in 1994.

94. Metal and mineral prices have maintained the downward slope prevailing since 1990 on account of the recession, faltering recovery and, therefore, depressed demand in the industrialized countries, which are Africa's main markets. The Price Index of Minerals and Metals fell by 15.9 per cent in 1993, in sharp contrast to the milder decline of 2.7 per cent in 1992. For copper, the most important mineral export of Africa, prices declined by 11.8 per cent in 1993, following earlier decreases of 2.4 per cent in 1992 and 12.1 per cent in 1991. Weak demand conditions in European and Japanese markets and high volumes of base metal exports from the Eastern European bloc have raised metal stocks, pushing copper prices to record lows, despite near total production losses in Zaire, the major African producer and lower mine production elsewhere. Iron ore prices fell by 11.1 per cent during the year, due to the slow-down in the world steel market. As steel prices increase, raising steel production, an improvement is expected in the supply and demand balance for iron ore, expected to make annual iron ore negotiations between major steel makers and iron ore producers more favourable to iron ore producers and raise the prices for iron ore. Despite the lower iron ore prices, capacity expansions have proceeded, involving new steel-making technologies that are cost effective.

95. As for aluminum, given the existing levels of stocks, production cutbacks have been inadequate to counteract the depressing market balance effects of weak demand conditions, continued exports from Eastern Europe and the former Soviet Union and stock build-up. As a result, prices fell by 7.0 per cent in 1993, compared to 3.8 per cent in 1992, making it the largest surplus year ever. The Memorandum of Understanding accepted by major aluminium producers in Brussels in January 1994 calls for further non-utilization of production capacity to shore up prices. The Tin Price Index declined by 11.1 per cent during the year, after a 9.1 per cent rise in tin prices in 1992 and a 9.7 per cent fall in 1991. The off-loading of stocks of the former Soviet Union on weak Western industrial markets has caused a crash in tin prices. Labour strikes, production cuts and the tightening of supply through the Association of Tin Producing Countries (ATPC) rationalization scheme of restricting exports of refined tin by member countries are expected to halt the present downward pressure on tin prices as a result of market surpluses and aid a price recovery, despite the US Defense Logistics Agency tin stockpile disposal programme and the diluting effect of non-ATPC tin exports.

96. As for the Price Index for Lead, this declined in 1993 by 24.9 per cent, following a 2.6 per cent fall in prices in 1992 and a 31.1 per cent price decrease in 1991. A major reason for the downturn in lead prices has been the large volume of lead exports from the transitional economies, following a collapse in their internal demand for lead. Lead stocks have now declined, suggesting a shift to deficits in the underlying market balance. There has also been a tightening in the market for concentrates, indicating that the period of low prices may have run its course. Nickel prices fell by 19.7 per cent during the year, following a 14 per cent decline in 1992 and a 7.9 per cent decrease in 1991. Market expectations are now for a prolonged waiting period before a significant recovery occurs in nickel prices. World nickel production and consumption declined in 1993. In 1994, the supply and demand balance for nickel can be expected to improve with a stronger demand for stainless steel production, even though nickel consumption in the former Soviet Union may continue to be reduced and, on the supply side, production cuts have been announced by some nickel producers, although the market fundamentals still remain weak.

97. In the balance-of-payments accounts, there is an estimated decrease of 0.2 per cent in exports in 1993, following a 1.8 per cent decline in 1992 and a 5.7 per cent fall in 1991. Exports

Fig. 7: Indices of tea, coffee and cocoa prices

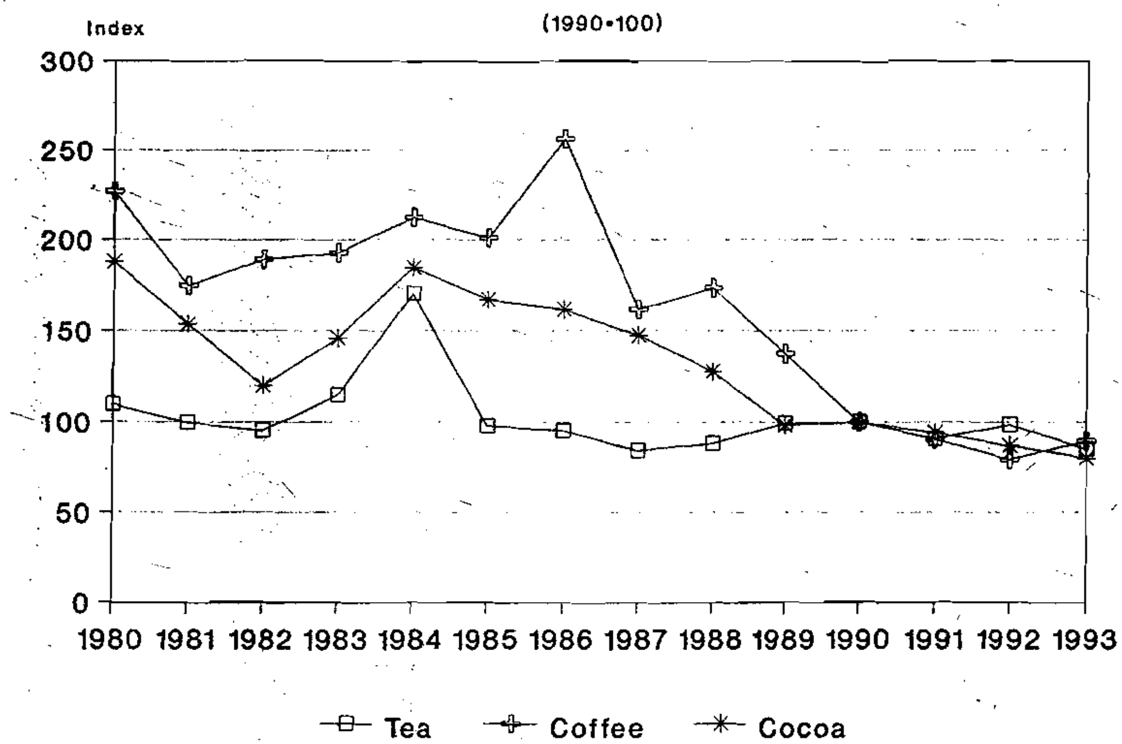


Table XII
Developing Africa: Balance of payments, 1990-1993
(Billion US$)

| | 1990 | 1991 | 1992 | 1993 |
|---|---|---|---|---|
| Exports | 80.4 | 75.8 | 74.5 | 74.3 |
| Imports | 74.3 | 72.9 | 74.9 | 75.9 |
| Trade balance | 6.1 | 2.9 | -0.5 | -1.6 |
| Services net | -5.2 | -4.4 | -3.5 | -4.3 |
| Unrequired transfers | 18.0 | 17.1 | 20.0 | 20.4 |
| Official | 24.6 | 69.2 | 73.6 | 81.7 |
| Private | -6.6 | -52.0 | -53.5 | -61.2 |
| Investment income, net | -14.8 | -15.3 | -15.5 | -15.1 |
| Current account including errors | 4.0 | 0.4 | 0.7 | -0.5 |
| Overall balance | -26.3 | -62.2 | -63.6 | -69.3 |
| Change in reserves (- increase) | -22.3 | -61.8 | -63.0 | -69.9 |
| Net external financing | -7.5 | -7.6 | -5.0 | -8.7 |
| | 29.7 | 69.4 | 68.0 | 78.6 |

Source: IMF, International Financial Statistics; World Economic Outlook; National Sources; ECA secretariat.

stood at an estimated $74.3 billion in 1993, while imports increased by 1.3 per cent for the continent as a whole to $75.9 billion. This gives a balance of trade deficit of $1.6 billion (table XII).

98. The net balance on the services account for Africa has been consistently negative and is estimated at $4.3 billion in 1993, reflecting the increasing cost of insurance, freight and other non-factor costs payable to non-African carriers. The income showed small changes during 1989-1993, increasing by 2.6 per cent in 1993, after worsening by 1.3 per cent in 1992 and 2.7 per cent in 1991. The net income balance has been placed at negative $15.1 billion in 1993. On account of the indebtedness of many African countries, necessitating heavy interest payments to borrowers, there has been a continued net outflow of resources for factor services. Official transfers increased by 11 per cent in 1993 to reach $81.7 billion. Private transfers were negative over the period 1989 to 1993 and, after the phenomenal outflow in 1991, have moderated to an increase in outflows of 3.8 per cent in 1992 and 14.4 per cent in 1993 over the preceding years to reach a level of negative $61.2 billion. The balance on current account went into a deficit of about $0.5 billion in 1993, compared to surpluses of $0.7 billion in 1992 and $0.4 billion in 1991.

## B. DEBT

99. The external debt of the developing countries, according to the World Bank, increased by 6.5 per cent in 1993, compared to 3.5 per cent in 1992. The growth in the volume of debt was greatly influenced by two most important factors which seem to have marked a turning point in the relations of this group of countries with creditor countries since 1991: (a) the resumption and consolidation of private resource flows to most middle-income counties and (b) the near stagnation of net resource flows to low-income countries that are dependent mainly on official development assistance (ODA). Thus, it was the growing economies of Latin America and Asia, with their better operational contexts for the new financial instruments and the lending mechanisms on the international markets, which were the main beneficiaries of the increase in debt-related resource flows rather than the African countries that were yet to create, with their lagging growth and embryonic and fragile capital markets, the appropriate environment for resources recycling.

100. Preliminary estimates by the ECA secretariat indicates that at the end of 1993, the outstanding external debt of developing Africa increased by 2.4 per cent to $285.4 billion, from $278.8 billion in 1992. The rise of increase in external borrowing was the lowest among the developing regions. Almost a quarter of the net growth in the value of the debt was due to accumulated arrears of interest payments and the rest mainly from new disbursements by creditors. The net flows on debt in 1993, though positive, were 0.6 per cent less than in 1992.

101. The external debt of sub-Saharan African countries, which were the beneficiaries of over 70 per cent of the net global lending to developing Africa in 1993, was reported at $166.5 billion, an increase of 2.9 per cent over the $U161.8 billion recorded in 1992. Such a strong growth in the net change in debt stock is attributable to the relative stability of net inflow levels on account of debt and interest arrears, with the latter alone accounting for almost 40 per cent of the increase (table XIII).

102. In North Africa, by contrast, the volume of external debt rose only marginally in 1993, by 1.5 per cent, from $117.0 billion in 1992 to $118.9 billion. The level of outstanding debt in this subregion has been relatively stable since the exceptional debt relief granted to Egypt in 1990. But it needs to be pointed out that the pattern of the debt indicators for the subregion as a whole does not always accurately reflect the situation in individual countries. Algeria, the Sudan and, to some extent, the Libyan Arab Jamahiriya may have in recent years been hindered in their access to fresh loans on the international capital markets either because of the difficulties experienced in the renegotiation of their existing debt commitments or, as in the case of Libyan Arab Jamahiriya, on account of United Nations sanctions.

Table XIII
Sources of change in debt stocks
developing countries, developing Africa and sub-Saharan Africa 1992 and 1993
(US$ billion)

| Source | Developing Countries | | Developing Africa | | Sub-Sahara | | North Africa | |
|---|---|---|---|---|---|---|---|---|
| | 1992 | 1993 | 1992 | 1993 | 1992 | 1993 | 1992 | 1993 |
| Net flows on debt | 87.5 | 89.7 | 5.0 | 4.7 | 4.3 | 4.2 | 0.8 | 0.5 |
| Cross-currency valuation effect | -29.1 | 22.9 | -9.3 | ... | -5.7 | ... | -3.6 | ... |
| Volontary debt reduction | -10.4 | -9.2 | -2.4 | ... | -2.4 | ... | 0 | ... |
| Rescheduled interest | 14.2 | 14.7 | 2.1 | ... | 1 | ... | 1.1 | ... |
| Net increase in interest arrears | -7.0 | -10.1 | 2.2 | 1.7 | 2.1 | 1.9 | 0.2 | -0.2 |
| Unidentified changes | 1.0 | 0.0 | -0.5 | 0.3 | 0 | -1.3 | -0.5 | 1.6 |
| Net change in debt stock | 56.2 | 107.9 | -2.9 | 6.7 | -0.7 | 4.8 | -2.1 | 1.9 |

Source: World Bank, Data Extract Programme 1993-1994.

103. The debt structure in Africa has not significantly changed over the past five years. Medium- and long-term debt, which forms the bulk of the debt obligations, increased only by a mere 1.2 per cent in 1993, compared with a decline of 2.3 per cent in 1992, a reflection perhaps of the policy shifts in the priorities of donor countries not only in terms of a more active support for Eastern Europe but also the prospects of creating special development funds for other parts of the world. ODA remains the most important source of long-term resource flows to Africa and it would seem there has been, since 1990, some mild recovery in the

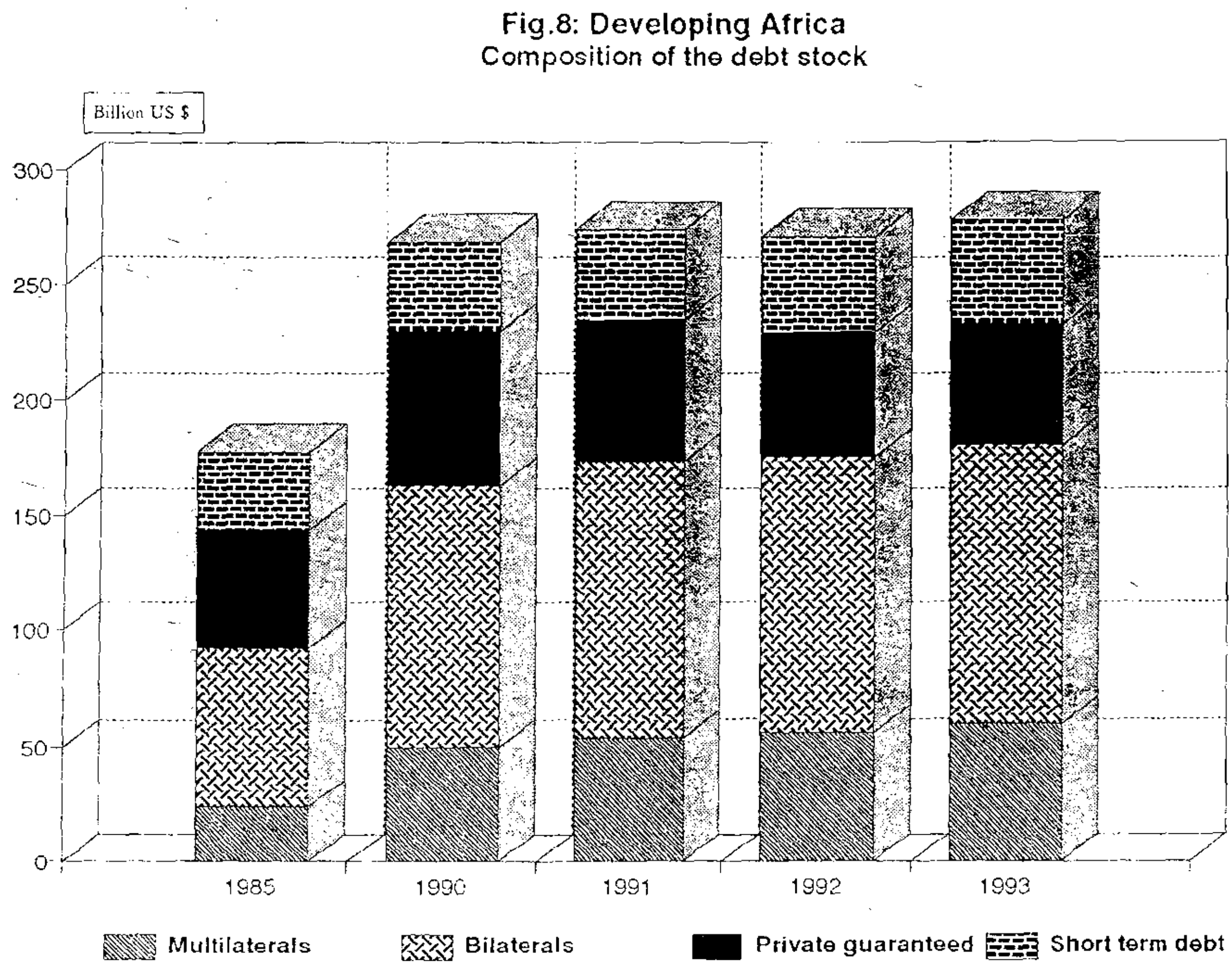


Fig.8: Developing Africa
Composition of the debt stock
Billion US $
300
250
200
150
100
50
0
1985
1990
1991
1992
1993
Multilaterals
Bilaterals
Private guaranteed
Short term debt

support of official creditors to the region as a whole under the impulse of multilateral aid, even though sub-Saharan Africa has continued to experience some stagnation and even decline. In 1993, the share of multilateral assistance in total long-term official development finance reached 33 per cent from 32 per cent in 1992, compared to 26 per cent in 1985. Disbursements by bilateral creditors fell from 68 per cent in 1992 to 67 per cent in 1993, compared to 74 per cent in 1985.

104. The unstable economic and political situation in sub-Saharan Africa has been of great concern to private creditors and has not been without repercussions for the flow of ODA to countries in this subregion. It adversely affected the course of negotiations with multilateral and bilateral creditors, impeding, in many cases, credit disbursements and the implementation of financial programmes, especially those concluded with the IMF and the World Bank. The negative impact of such handicaps is indeed reflected in a recent World Bank projections of net flows on debt to Africa south of the Sahara, which forecast a decrease of $360 million in net flows on debt owed to official creditors in 1993, on account of a strong contraction in net bilateral inflows (-$349 million) and stagnation in multilateral inflows. While the low-income African countries are expected to see a strengthening in the aggregate net resource flows on debt, rising to $2 billion, in 1993, on account of increased grants (+6.2 per cent), the middle-income countries could suffer a decline of $600 million, made up of $375 million from official creditors and $225 million from private creditors.

105. The debt-service ratio fell from 27 per cent in 1991 to 26 per cent in 1992 and may have reached 24 per cent in 1993, due mainly to the slight increase in the export earnings realized by sub-Saharan Africa from goods and services and a reduction of almost one quarter in its debt-service obligations in 1993.

106. However, a close look at the debt indicators reveals that there has been no change in the profound nature of the constraints imposed on the African countries by the debt burden, especially when account is taken of the speed at which arrears accumulate annually and the trends on account of net transfers due to debt. For the region as a whole, the external debt to GDP ratio has risen consistently, from 78 per cent in 1990 to 83.7 per cent in 1991, 89.6 per cent in 1992 and 95.9 per cent in 1993 and the same ratio is very much above 100 per cent in many countries. The debt to export ratio, which was 271.3 per cent in 1990, is now 288.9 per cent, having risen to as high as 295.8 per cent in 1991.

107. The volume of interest arrears for all of developing Africa has regularly increased since 1985, a year when they totalled only 13 per cent of short-term debt; it has multiplied five-fold in the past years and now accounts for almost 45 per cent of short-term debt. The accumulation in interest arrears is especially strong in the middle-income African countries south of the Sahara where total interest arrears had multiplied 55 times in nine years. The arrears, whether immediately payable or recycled through capitalization, have generally constituted one of the main contributors to growth of the debt stock. Also, in middle- and low-income severely indebted sub-Saharan countries, because of the chronically negative net transfers on account of debt, the drain on the meagre export earnings in Africa continues to be very high compared to fresh injections of funds by creditors (figure IX) and constitutes a real impediment to the process of reconstitution and consolidation of capital. Disbursements to developing Africa as a whole, already stagnating in 1991 and 1992, must have decreased by almost 7 per cent in 1993, falling from $20.5 billion to $19.1 billion. With a debt service of $24.1 billion, the emerging net deficit would be approaching $5 billion. This gives the impression that the concessions so far made by the donor community have only superficially addressed, if at all, the causes of the persistent debt crisis in Africa. According to the World Bank, the number of severely indebted low- and middle-income countries in Africa south of the Sahara has continued to increase, rising from 27 in 1992 to 30 in 1993.

108. The need to place the strategies for dealing with the African debt crisis under the framework of SAPs in the wider context of genuine prospects for domestic growth has repeatedly been emphasized. It must be recognized that while improved political climate and the pursuit of macroeconomic reforms are

**Fig.9: Developing Africa**
Net transfers and arrears on debt

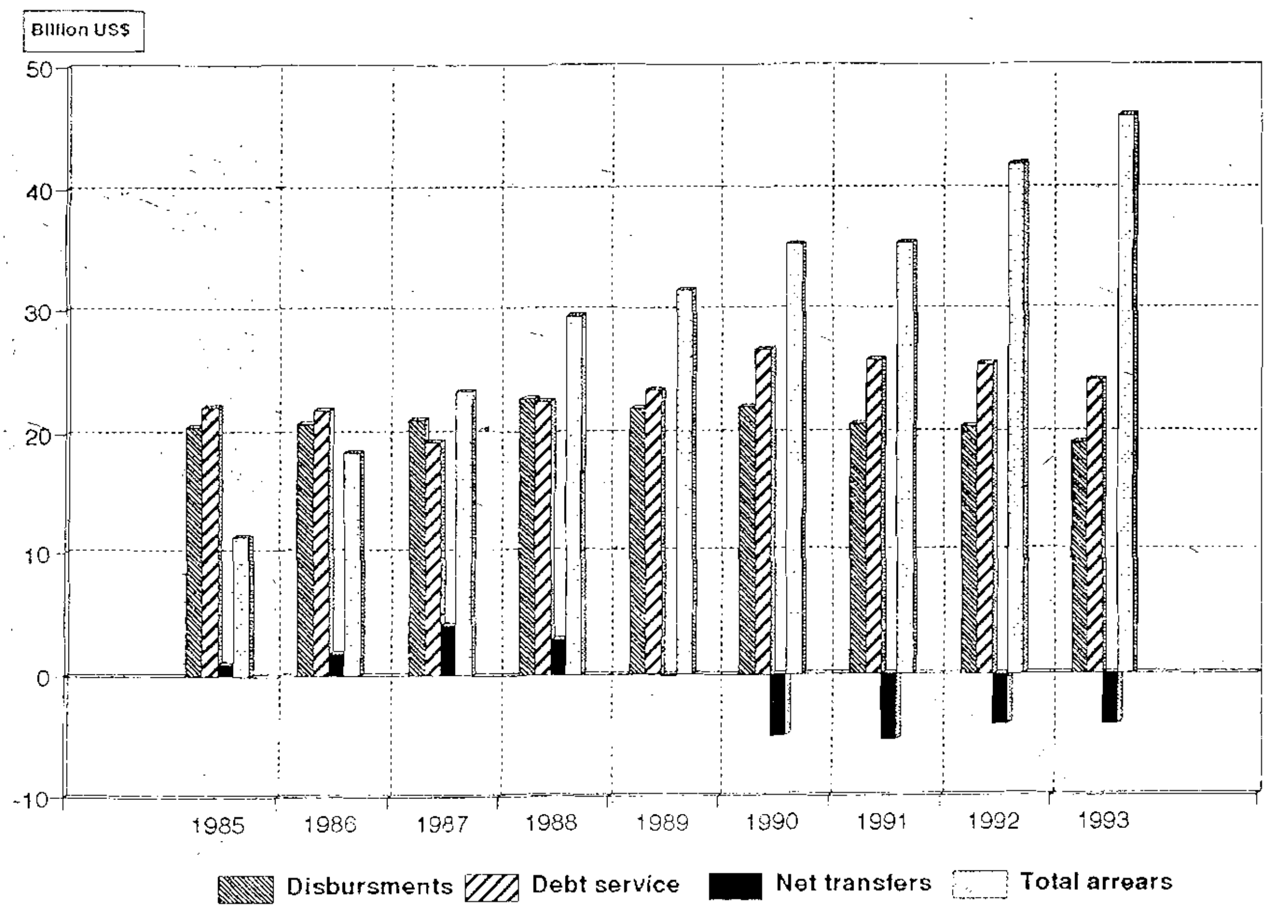


Table XIV
Africa's External Debt and Debt Service, 1990-1993

| | 1990 | 1991 | 1992 | 1993* |
|---|---|---|---|---|
| Total external debt | (Billions of dollars) | | | |
| Developing Africa | 276.7 | 281.6 | 278.8 | 285.4 |
| . North Africa [a] | 119.5 | 119.0 | 117.0 | 118.9 |
| . Sub-Saharan Africa | 157.2 | 162.6 | 161.8 | 166.5 |
| Debt Service | (Billions of dollars) | | | |
| Developing Africa | 26.7 | 25.8 | 25.5 | 24.1 |
| . North Africa | 16.0 | 15.5 | 15.8 | 17.0 |
| . Sub-Saharan Africa | 10.7 | 10.3 | 9.7 | 7.1 |
| | Ratios (in per cent) | | | |
| Debt to GDP | | | | |
| Developing Africa | 78.0 | 83.7 | 89.6 | 95.9 |
| . North Africa | 62.2 | 66.4 | 69.1 | 73.3 |
| . Sub-Saharan Africa | 96.7 | 103.4 | 113.9 | 123.1 |
| Debt to goods and services exports | | | | |
| Developing Africa | 271.3 | 295.8 | 287.4 | 288.9 |
| . North Africa | 253.7 | 281.3 | 258.3 | 263.1 |
| . Sub-Saharan Africa | 286.3 | 307.4 | 313.0 | 310.6 |
| Debt service to goods and services exports | | | | |
| Developing Africa | | | | |
| . North Africa | 26.2 | 27.1 | 26.3 | 24.4 |
| . Sub-Saharan Africa | 34.0 | 36.6 | 34.9 | 37.6 |
| | 19.5 | 19.5 | 18.8 | 13.2 |

Source: World Bank, World Debt Tables 1993-1994 (Data Extract Programme), December 1993; and ECA.

* Preliminary estimates.
[a] including the Sudan.

important determining factors of stable and sustainable growth in Africa, the current rigidities in the international economic environment and the reluctance of creditors to adopt radical measures are equally strong impediments to the resolution of the African development crisis.

109. It is increasingly clear that repeated reschedulings, the cornerstone of the London and Paris Clubs approach to the resolution of the African debt crisis, suffers from great limitations since they automatically lead to the accumulation of arrears and that more imaginative approaches are needed to resolve the African debt crisis which is anything but a temporary phenomenon. In line with this realization, the Paris Club has accepted the principle of reducing debt servicing and debt owed to official creditors by the economically weakest and most severely indebted countries. However, due to deficiencies in the options of "the Toronto Terms", which produce long-term effects only in countries benefiting from successive reschedulings, a revised version of these "Toronto Terms" was evolved by creditors ("The Enhanced Toronto Terms") replacing the proposal of John Major, former British Chancellor of the Exchequer, who had been more

incisive with regard to the totals of bilateral debt. While the number of countries benefiting from such arrangements has grown in sub-Saharan Africa since 1991, the share of the rescheduled debt has varied over the years and a speedy extension of the approach to all debtors has been held back by the eligibility criteria. In sub-Saharan Africa, 13 countries (Benin having featured twice) were beneficiaries under the 17 agreements arranged world-wide with official creditors between December 1991 and September 1993 for a total of $3.5 billion, which is around 10 per cent of the arrears accumulated by this category of debtors in late 1993. Furthermore, a World Bank fund, aimed at encouraging the buy-back of a portion of the commercial debts of countries benefiting from the IDA Debt Reduction Facility, has been used by only three African countries since its establishment. Uganda was the only country that benefited from the fund in 1993, following the Niger and Mozambique which had earlier benefitted from it in 1991. According to reports, similar lending arrangements for Ethiopia, Sao Tome and Principe, Sierra Leone, the United Republic of Tanzania and Zambia are being prepared and should be ready for signature in 1994. Finally, there are individual initiatives that have been taken by several creditor countries involving partial or total debt cancellations.

110. In the absence of effective coordination of activities and interests on the part of creditors, the positive efforts of some bilateral creditors in reducing bilateral debt in recent years have generally been negated by the non-rescheduling of multilateral debt. Balance-of-payments financial support provided by bilateral creditors has been destined, in part, for clearing arrears with multilateral institutions. The result, in most cases, has been an outright loss of liquidity, as the resources have merely often served in shifting the payment difficulties experienced with one privileged creditor to another. As is well known by now, preservation of relations with the IMF through prompt periodic repayments has not always been accepted as a universal measure of credit-worthiness of debtors and guarantor of automatic release of new funding. This is especially so when creditors know that the inherent nature of the payment difficulties and that they are bound to recur. These contradictions strengthen the idea of a radical solution in the form of a single and definitive debt-reduction operation for the most severely indebted countries. The United Kingdom of Great Britain and Northern Ireland and France seem to have a less rigid stance on this issue than does the United States of America. However, the announcement by the United States, shortly after the summit of the Group of Seven most industrialized countries (G-7) held in Tokyo (July 1993), agreeing to a reduction of half of its loans to 18 of the poorest and most severely indebted African countries marks the beginning of a degree of flexibility in the American stance, which should lead rapidly to adoption of the principle of massive cancellation of the African debt.

111. Bilateral initiatives, in the past two years, have also been a cornerstone of the strategy for treating the debt of middle-income countries. The most recent was the establishment by France, at the Libreville Summit in 1992, of a debt-conversion fund for financing development, specially reserved for the four middle-income countries of the franc zone (Cameroon, the Congo, Côte d'Ivoire and Gabon). Since the creation of this fund, endowed with 4 billion French francs, FF500 million have been recycled, in order of importance, to Gabon (CFAF 17.9 billion), Cameroon (CFAF 4.7 billion) and Côte d'Ivoire (CFAF 2.4 billion). Despite these numerous handouts, the commercial component of the debt of these countries continues to dim the prospects for an early resolution of the crisis.

112. From the foregoing, it is clear that the African debt crisis can only be resolved by a dual strategy of removing constraints associated with the debt and simultaneously reviving growth in the African countries through the consolidation of internal processes of capital accumulation. The African financial crisis is not just a liquidity problem; it is as well a solvency problem, the roots of which are deeply embedded in the continent's crisis of development.

113. Given the limited and indeed fragile connections that the middle-income African countries now have with the international financial markets, it is increasingly clear that the loan conversion schemes that had worked so well in the case of the Latin American countries could not be considered as a suitable tool in the

strategy for dealing with this category of African debtors whose relations with traditional creditors have been marked by high tensions and payments difficulties and yet, no specific alternatives have evolved in place of the use of loan conversion instruments as a means of dealing with the debt problem of middle-income African countries. As a consequence, the demands for loans from these countries have been redirected to multilateral and bilateral creditors which were initially more receptive to the financial needs of the low-income countries. Yet, due to their middle-income status, these countries are only allowed to contract non-concessional multilateral loans which brought with them fresh repayment problems. Since 1990, efforts have been made by the Paris Club to address some of these problems by initiating the "Houston Terms" but the results have not been satisfactory so far, given the complexity of the eligibility criteria and the inherently unsuitable nature of the schemes to the situation of the middle-income African countries.

## C. Resource flows

114. According to a recent OECD publication,[4] the increase in net transfers of capital to developing countries, which began slowly in 1987, grew particularly strong in 1992. This trend is explained by the fairly significant commitment on the part of private creditors in sharp contrast to the relative stagnation in ODA flows. The total volume of resource flows grew by more than 30 per cent in 1992 to reach a total of

Table XV
Total Net Resource Flows to Developing Countries, 1985-1992

| Billion US$ | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992p |
|---|---|---|---|---|---|---|---|---|
| I. Official Development Finance (ODF) | 44.4 | 50.9 | 56.9 | 61.4 | 60.8 | 69.4 | 70.1 | 72.3 |
| 1.1 Official Development Assistance (ODA) | 32.9 | 39.1 | 43.8 | 47.5 | 48.6 | 52.4 | 57.4 | 58.3 |
| of which: . bilateral disbursments | 24.8 | 29.8 | 33.8 | 36.4 | 36.3 | 39.2 | 41.3 | 41.3 |
| . multilateral disbursments | 8.1 | 9.3 | 10.0 | 11.0 | 12.3 | 13.2 | 16.1 | 17.0 |
| 1.2 Other ODF | 11.5 | 11.8 | 13.1 | 13.9 | 12.2 | 17.0 | 12.7 | 14.0 |
| of which: . bilateral disbursments | 3.8 | 3.8 | 6.3 | 7.3 | 5.2 | 6.8 | 4.9 | 6.0 |
| . multilateral disbursments | 7.7 | 8.0 | 6.8 | 6.6 | 7.0 | 10.2 | 7.8 | 8.0 |
| II. Total export credits | 3.7 | -1.1 | -2.2 | -2.5 | 9.5 | 4.5 | 1.8 | 3.5 |
| of which: . short-term | 3.2 | 3.0 | 4.1 | 2.0 | 4.8 | 4.4 | -0.8 | 0.5 |
| III. Private flows | 30.1 | 23.4 | 31.6 | 39.6 | 45.2 | 56.6 | 62.2 | 99.8 |
| 1. Direct investment | 6.5 | 10.8 | 19.6 | 21.9 | 26.7 | 26.9 | 26.4 | 30.6 |
| 2. International bank lending | 15.2 | 7.0 | 7.0 | 7.8 | 10.5 | 15.0 | 11.0 | 40.0 |
| 3. Total bond lending | 4.2 | 1.0 | -0.1 | 1.5 | 1.3 | 4.5 | 13.0 | 14.2 |
| 4. Other private | 1.3 | 1.3 | 1.1 | 4.2 | 2.7 | 5.1 | 6.6 | 9.5 |
| 5. Grants by non-governmental organizations | 2.9 | 3.3 | 4.0 | 4.2 | 4.0 | 5.1 | 5.2 | 5.5 |
| Total net resource flows | 78.2 | 73.2 | 86.3 | 98.5 | 115.5 | 130.5 | 134.1 | 175.6 |
| | At 1991 prices and exchange rates | | | | | | | |
| Total net resource flows | 135.5 | 102.9 | 105.7 | 112.4 | 133.0 | 135.2 | 134.0 | 165.5 |
| Total ODF | 76.9 | 71.5 | 69.7 | 70.1 | 70.0 | 71.9 | 70.1 | 68.1 |
| Total ODA receipts | 61.9 | 60.1 | 57.1 | 56.6 | 56.9 | 61.8 | 60.6 | 57.3 |

Source: OECD, Financing and External Debt of Developing Countries, 1992 Survey, Paris 1993.

$175 billion, out of which private resources accounted for more than 90 per cent of the additional inflows and contributed more than 50 per cent to total net flows for the first time. The new inflows came mainly from the international money market and, to a certain degree, from private investors, reflecting the easing of the negotiation conditions on the international market, including a lowering of interest rates and the restoration of investor confidence in the developing countries with emerging signs of renewed growth and the consolidation of economic reforms.

115. The situation in Africa falls within the globally alarming context of the poorest countries on earth, characterized by a relative stagnation of official flows and a worsening deficit of net private transfers. With the volume of resource flows to Africa rising to $24.6 billion in 1992, compared to $23.3 billion in 1991, Africa accounted for a mere 3 per cent of the additional net flows recorded by developing countries as a whole. Even though its share of ODA (the most significant of public development funds) increased between 1985 to 1992, the growth rate involved remains very modest indeed, given the scope and persistence of the private flow deficits.

116. As can be seen from table XVI, there has been a progressive decline in the share of bilateral donors. Annual disbursements by bilateral creditors accounted for about 70 per cent of ODA in 1985, but the ratio has gradually fallen to 68 per cent in 1991 and 66 per cent in 1992. Correspondingly, the share of multilateral disbursements has risen. This erosion in the importance of bilateral disbursements runs counter to the agreed objective in the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF) to maintain the real growth of ODA at more than 4 per cent per year.

117. While the inflows from private sources strictly follow the logic of financial profitability, ODA is much more the manifestation of the donor country's solidarity with the development efforts of the poorest countries. With the political and economic crisis facing the African countries, together with their marginalization on the world capital market, the expectation is that a greater degree of solidarity would be elicited from Africa's development partners in the North but that has not happened. Japan is indeed one of the few industrialized countries to have raised the level of its contributions to the developing countries; major donors such as Canada, Finland, the United Kingdom and Sweden are reducing the contributions. At the Tokyo conference held on 5 and 6 October 1993 to discuss the development problems of Africa, Japan pledged to increase by 50 per cent its level of financial assistance over the coming five years. By generally offering to provide the developing countries with $120 billion ODA over the next five years, Japan is significantly increasing the volume of its flows to Africa.

118. The other issue of concern relates to the level of disbursements to the African countries by the multilateral institutions during the 1992-1993 biennium. As an illustration, World Bank disbursements to sub-Saharan African countries declined by $1.2 billion during 1993, which means a reduction of 30 per cent compared to the level in 1992. The IMF disbursements amounted to only $525 million between April 1992 and April 1993, while $1 billion was granted to Africa the year before. The low level of disbursements by the two Bretton Woods institutions who are Africa's major financial partners is to be explained both by the prevailing constraints on their principal lending facilities and by the fact that the number of countries borrowing through such principal lending facilities has fallen due either to administrative delays associated with transitional political processes or because of political unrests which have hindered effective financial operations. All these have been happening at a time when a growing number of African countries have become eligible for the concessional lending facilities of IDA on account of their low income status.

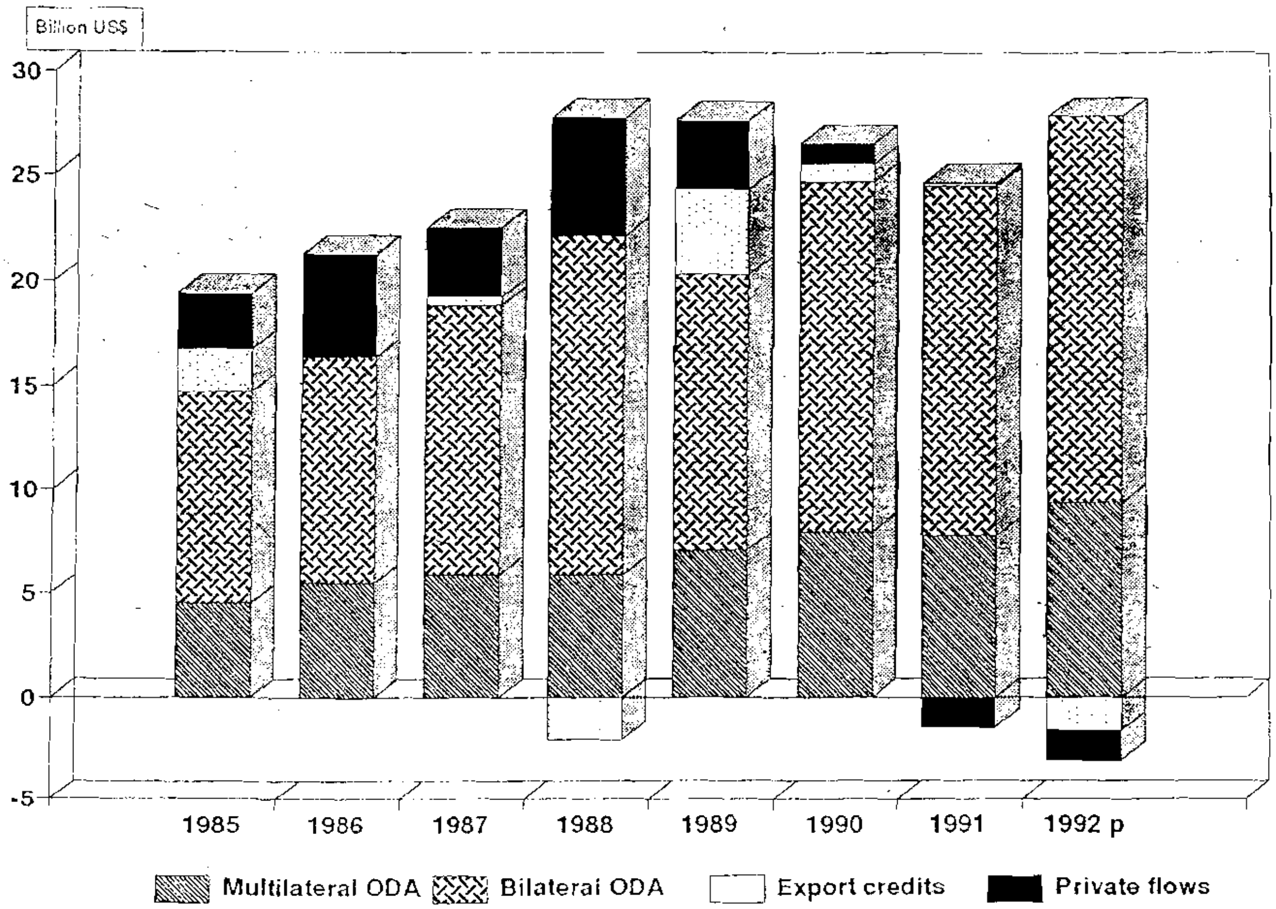
119. It is by no means certain what effects the additional restrictive conditionalities now being demanded by donors in the form of management ratings, etc., will have on the level of future disbursements and of what impact, if any, they could have on the prospects of replenishment of resources of the multilateral institutions. Already, the United States is planning to scale down by 25 per cent the amount of resources allocated to the International Development Association (IDA) this year.

Table XVI
Total Net Resource Flows to Africa and Sub-Saharan Africa, 1985 and 1990-1992

| Billion US$ | Africa | | | | Sub-Saharan Africa | | | |
|---|---|---|---|---|---|---|---|---|
| | 1985 | 1990 | 1991 | 1992P | 1985 | 1990 | 1991 | 1992P |
| I. Official Development Finance (ODF) | 14.7 | 24.8 | 24.6 | 27.9 | 9.7 | 20.0 | 18.9 | 20.0 |
| 1.1 Official Development Assistance | 11.4 | 22.1 | 22.8 | 24.8 | 8.4 | 17.1 | 17.1 | 17.7 |
| of which: . bilateral disbursments | 8.1 | 16.0 | 16.7 | 17.5 | 5.6 | 11.5 | 11.0 | 11.2 |
| . multilateral disbursments | 3.3 | 6.1 | 6.1 | 7.3 | 2.8 | 5.6 | 6.1 | 6.5 |
| 1.2 Other ODF | 3.3 | 2.7 | 1.8 | 3.1 | 1.3 | 2.9 | 1.8 | 2.3 |
| of which: . bilateral disbursments | 2.1 | 0.8 | 0.1 | 1.0 | 0.7 | 2.0 | 1.3 | 1.5 |
| . multilateral disbursments | 1.2 | 1.9 | 1.7 | 2.1 | 0.6 | 0.9 | 0.5 | 0.8 |
| II. Total export credits | 2.1 | 0.9 | 0.2 | -1.6 | 3.1 | -0.8 | -0.5 | -1.0 |
| of which: . short-term | 1.3 | 2.4 | -0.4 | -0.6 | 0.9 | 1.0 | -0.3 | ... |
| III. Private flows | 2.8 | 1.0 | -1.5 | -1.7 | 1.6 | 0.8 | 0.1 | -1.0 |
| 1. Direct investment | 0.5 | 0.2 | 0.5 | 0.6 | -0.2 | 0.3 | 0.4 | -3.5 |
| 2. International bank lending | 0.8 | -0.8 | -4.0 | -2.5 | 0.8 | -1.0 | -2.0 | -1.0 |
| 3. Total bond lending | 0.4 | ... | ... | ... | ... | ... | ... | ... |
| 4. Other private | 0.1 | -0.1 | 0.3 | 0.2 | 0.1 | ... | 0.2 | ... |
| 5. Grants by non-governmental organizations | 1.0 | 1.7 | 1.7 | ... | 0.9 | 1.5 | 1.5 | ... |
| Total net resource flows | 19.6 | 26.7 | 23.3 | 24.6 | 14.4 | 20.0 | 18.5 | 18.0 |
| | At 1991 prices and exchange rates | | | | | | | |
| Total net resource flows | 34.0 | 27.7 | 23.3 | 23.2 | 24.9 | 20.7 | 18.5 | 17.0 |
| Total ODF | 25.5 | 25.7 | 24.6 | 26.3 | 16.8 | 20.7 | 18.9 | 18.8 |
| Total ODA receipts | 21.5 | 26.1 | 24.7 | 23.3 | 15.9 | 18.1 | 17.2 | 16.7 |

Source: OECD, Financing and External Debt of Developing Countries, 1992 Survey, Paris 1993.

Fig.10: Total net resource flows
to Africa, 1985-1992




*Source: OECD, Financing and External Debt of Developing Countries, 1992 Survey*

# IV. THE SOCIAL SITUATION

120. There was some progress towards democratization and popular participation in many parts of Africa in 1993, but the achievements have been far from spectacular. Some African countries remain embroiled in internal strife, political crisis and civil wars, underscoring the importance of the negative factors of political instability, the humanitarian tragedies on the continent and the associated difficulties and costs of averting and ameliorating their impact on the African society. And as if these problems were not sufficiently daunting, the social cost of adjustment has been so great on the continent, not simply because of the adverse impact of adjustment per se - though that was the sparking point - but because the economic strategies previously in place paid scanty attention to issues of social development.

121. Unemployment has continued to be a major problem and only few African countries, if any, seems to have as yet an effective plan for combating the scourge. Rural development has been marginal and ineffectively managed. Thus, in contrast to the limited progress made in respect of urban development, the rural sector has so far remained at nearly the same low level of primitive existence as in the last two decades. This has created a number of problems which have severely slowed down overall economic development, affecting the entire national population.

122. The legacy of the region's economic crisis in the 1980s remained very much evident in 1993, as it has been for the first three years of the present decade, especially in the form of deteriorating social and human conditions and escalating absolute and relative poverty. It is now estimated that about 220 million Africans - almost half of the population in sub-Saharan Africa - now live in absolute poverty unable to meet their most basic needs (table XVII).

Table XVII
Earning potential and trends in the labour force: selected countries

| Country | Annual growth rate of labour force (%) | Earnings per employee annual growth rate (%) | Population in absolute poverty (%) |
|---|---|---|---|
| Malawi | 2.7 | -0.8 | 82 |
| Botswana | 3.4 | -5.7 | 64 |
| Madagascar | 2.3 | -8.3 | 37 |
| Tanzania | 3.1 | -12.7 | 58 |
| Egypt | 2.7 | -2.1 | 23 |
| Ghana | 3.0 | 7.8 | 42 |
| Zambia | 3.6 | 6.5 | 71 |
| Morocco | 3.0 | -3.6 | 31 |
| Kenya | 3.7 | 0.1 | 52 |
| Ethiopia | 2.2 | 0.1 | 64 |
| Algeria | 3.7 | -2.6 | 25 |
| Burundi | 2.5 | 0.5 | 84 |
| Senegal | 2.1 | 0.5 | 47 |
| Nger | 2.7 | 0.4 | 43 |
| Mauritius | 1.9 | -0.6 | 30 |

Source: African Employment Report, 1992; ILO/JASPA, Addis Ababa.

**Box The Impact of the African Development Crisis on the African Family**

The commemoration of the International Year of the Family (IYF), in 1994, comes at a time when the integrity of the African family is been seriously undermined by persistent socio-economic crisis. The recent and unprecedented rural-urban migration, consisting mostly of young men and women, has severely compromised the socio-psychological and financial security of many families. In many African rural communities, the number of households headed by single women, many of them beyond their productive years, has steadily increased: 25-30 per cent in West Africa and 40-50 per cent in Eastern and Southern Africa. Given the imposition of Western notions of domesticity, and the concomitant decline in familial support structures, a large segment of rural female-headed households is without access to basic production resources, particularly in the area of food production, with catastrophic effects on the nutritional status of most people especially children and pregnant women.

In the urban, as in rural areas, the family has borne a disproportionate burden of the stabilization policies which call for drastic cuts in social welfare expenditure, especially in education and health. Thus, infant and child mortality and morbidity, severe malnutrition and environment-related diseases are higher among poor urban families. Furthermore, family insecurity is greatly exacerbated by HIV/AIDS scourge which, for instance, will be responsible for 10 million orphans by the year 2000 and a significant loss of income due to the death of many heads of families. The introduction of school fees and cost sharing for education and long periods of unemployment, even for those who complete their education, have forced many families to withdraw their children from the educational system. This process can only lead to further marginalisation and heightened poverty of poor families.

In accordance with United Nations General Assembly resolution 44/82 of December 1989, proclaiming 1994 as IYF, ECA organized, in December 1993, an Ad hoc Expert Group Meeting on the Impact of Economic and Social Changes on the African Family. The meeting addressed some major causes of the crisis in the family, such as armed conflicts and civil strife; high levels of unemployment and declining wages and incomes; unparalleled levels of fertility and the attendant vicious circle of poverty; poor health status of a large number of families; the impact of indiscriminate implementation of orthodox structural adjustment regimes, and the like. Other anomic manifestations of a family system in torment include divorce and separation; drug abuse and trafficking; an unacceptably large army of street children; crime against persons and property; alcoholism; violence against women and children; child abandonment and child labour; and prostitution. To arrest these developments, greater emphasis on rural transformation is imperative, with health and nutrition, education and employment creation placed on top of such an agenda.

123. Unemployment is currently at the centre of Africa's deteriorating social milieu and it is not surprising that it is a key issue in the African Common Position for the agenda of the planned World Summit for Social Development meeting to be held in Copenhagen, Denmark, in 1995. According to the 1994 World Labour Report, published by the International Labour Organisation (ILO), the rate of urban unemployment in Africa is currently estimated at about 20-25 per cent. To arrest this level of unemployment and absorb new entrants into the workforce, it is imperative that 6 million new jobs be created each year in the 1990s and as many as 10 million new jobs each year at the beginning of the next century.[5] Particular attention to youth is of great importance as the experience of recent years has confirmed that mass unemployment among the young creates a politically explosive situation which is bound to result in violence and anarchy.[6] The informal sector, previously thought to provide a buffer for the unemployed and underemployed, is already beyond saturation in many countries.

124. According to ILO,[7] urban unemployment in Africa is growing at the rate of 10 per cent annually. The average period for getting a job, even for graduates, is estimated at 46 months. The increasingly educated youth and women bear a disproportionate burden of the unemployment crisis. Social services, often the last to be favoured in good time, are frequently the first victims of retrenchment during periods of recession. In Ethiopia for example, besides the retrenchment of some 80,000 workers, about 326,338 ex-soldiers have been demobilized. In Uganda, also 30,000 public employees have been retrenched and the demobilization of 50,000 soldiers has begun. The number of persons that have to find alternative employment may be as high as 50 per cent of the total public sector employees. In the United Republic of Tanzania, over and above the retrenchment of 50,000 civil servants, there are also a considerable number of parastatal employees and security personnel that have to be laid off. In 1993, the retrenchment of 3,000 civil servants will cost the Government of Zambia about ZK16 billion in personal retirement packages. By the end of August 1992, at least 12,000 casual daily employees had been retrenched from the Government, costing ZK3 billion in redundancy payments. About 7,000 classified daily employees had to be pared from the government payroll in 1993, followed by another 3,000 in 1994.

125. Table XVIII below shows the scale of public sector retrenchment in selected African countries.

126. Apart from the sluggish growth and the growing impact of the demographic tide on labour supply, the problem of unemployment is being exacerbated by the rural urban exodus. The more able-bodied rural youth despairing at the lack of employment opportunities and social amenities abandon the countryside and flee to the urban slums where destitution and poverty is already serious. In the process, the precarious resource base of the poor has been steadily degraded. It is therefore no coincidence to observe that the poorest one quarter of the sub-Saharan Africa population contrive to make their living in areas which have been deforested or overgrazed, or farmed in ways that the soils could not withstand.

127. Education has major implications for social development. Not only is there an inverse relationship between female education and high levels of fertility, education, especially at the first and second levels, impacts positively on such key indicators of health as infant mortality rates, life expectancy, under-5 child and maternal mortality rates and morbidity. The education of the populace is therefore imperative if people are to understand and appreciate the process involved in transforming their societies. Yet, all the available indicators point to a severe and persistent crisis in the African educational sector, with gross enrolment ratios being consistently on the decline while attrition rates have been on the increase and the quality of education sliding. The percentage of GNP spent on education in Africa remains low (table XIX). The gross enrolment ratio at the first level of education is currently 70.6 per cent, compared to 80.9 per cent a decade ago. This says nothing of declining quality at all levels of the educational ladder and the frequent closure of educational institutions.

Table XVIII
Scale of public sector retrenchments in selected African countries - 1980 and 1990s

| Countries | Numbers retrenched | % of total public sector | Period |
|---|---|---|---|
| African LDCs | | | |
| Togo | 5,000 | 10 | 83-85 |
| Guinea | 40,000 | 20 | 86-91 |
| Gambia | n.a | 17 | 85-86 |
| Uganda | 80,000 | 26 | 91-94 |
| Tanzania | 80,000 | 30 | 92/93-94/95 |
| Ethiopia | 80,000 | 14.8 | 92-95 |
| Other developing Africa | | | |
| Ghana | 49,873 | 15 | 87-91 |
| Côte d'Ivoire | 15,000 | 15 | 83-90 |
| Cameroon | 47,639 | 20 | 85/86-91/92 |
| Kenya | 149,000 | 30 | 92-97 |
| Nigeria | 156,550 | 20 | 84-88 |
| Zimbabwe | 123,000 | 25 | 90/91-94/95 |

Source: African Employment Report, 1992, ILO/JASPA, Addis Ababa.

128. High levels of illiteracy, especially among women, are a serious impediment to development efforts in Africa. The 1993 UNESCO World Education Report depicts sub-Saharan Africa as having some of the lowest rates of literacy, with the total number of illiterate adults still on the increase. The explanation for this lies in the fact that in most countries of "sub-Saharan Africa the formal education system is still too small - or too few pupils emerge from it successfully - to brake the growth in the absolute number of illiterates, while out-of-school, non-formal education programmes are not sufficiently widespread to compensate."[8] The juxtaposition of sharp declines in public expenditure on education and rapid population growth rates explains, to a large extent, the continued crisis in the African educational sector. Levels of illiteracy in the region have steadily been on the increase since the beginning of the last decade and are projected to reach 146.8 million by the year 2000 compared to 132.3 million in 1980. This compares unfavourably with other developing regions such as Latin America and the Caribbean, where the illiterate population has dropped from 45.1 million in 1980 to 43.3 million in 1990 and is expected to fall further to 41.7 million by the year 2000. Similarly, an illiterate population of 165.6 million is projected for Eastern Asia by the year 2000, a sharp decline from the 1980 level of 306.7 million.

129. Four years of formal education is the minimum duration set by UNESCO for the acquisition of literacy and other basic knowledge and life skills. In some African countries, according to UNESCO, the estimated average school life expectancy may be less than 2.5 years, significant examples being the Niger (2.1 years), Burkina Faso (2.4 years) and Guinea (2.7 years). The discrepancy in educational attainment between rural and urban communities and between males and females is particularly pronounced in Africa and has adverse

implications for Africa's recovery and long-term development.

130. The picture is not totally blurred. In line with the Dakar (1992) and Cairo (1993) declarations, African Governments are investing a greater proportion of their revenues in the building and upkeep of their health and educational infrastructure. In Zimbabwe, for example, the Government remains committed to providing increasing levels of public expenditure for basic health and education. In this regard, the allocation for the combined Ministries of Education and Health have been increased from Z$264 million in 1992/93 to Z$410 million in 1993/94. Included in this provision is Z$44.5 million for construction of the National University of Science and Technology and Z$40 million for the initial phase of the family health II programme.

131. Further, a provision of Z$28 million has been made to the Ministry of National Affairs, Employment Creation and Cooperatives for skills training for youth and for the promotion of women and cooperative programmes. In Namibia, the 1993 budget reveals that the ministries receiving the biggest share of total current expenditure are education and culture with R780 million and health and social services with R440 million, or 28.5 and 16 per cent respectively of total current expenditure.

132. The Alma-Ata conference declared primary health care (PHC) the cornerstone of health development, globally, and the expectation was that health and socio-economic development would henceforth be treated as closely interconnected phenomena. Yet, PHC, considered the most cost-effective strategy for achieving health for all by the year 2000, remains yet to be firmly placed on the agenda of most African countries' health development policies. Because the commitment of health planners and policy makers to principles, declarations, and initiatives for primary health and preventative health care remain more symbolic than real, action for better health in Africa is likely to be stalled"[9].

133. The 1993 WHO Statistical Annual clearly indicates a widening gap between least developed countries, most of which are in Africa, and the rest of the world vis-à-vis important health indicators such as birth weight, infant mortality rate (IMR) and life expectancy. For the latter, UNDP's 1993 Human Development Report shows IMR as 103 per 1000 live births and life expectancy as 51.8 years in sub-saharan Africa. The under-5 mortality rate is reported to be 70/1000, while maternal mortality is 690/100,000, one of the highest in the world. Other developing regions in the world have more encouraging statistics. For example, countries in East Asia and the Pacific have an IMR of 76/1000 live births, a life expectancy of 68 years and maternal mortality rate of 195/100,000.

134. Meagre health resources, both human and material, continue to be directed towards curative efforts with little impact on the African health landscape. In a recent (1993) review by WHO/AFRO of the experiences of African countries in monitoring community health, it is reported, among other things, that only 19 per cent of those surveyed had access to organized health services; many countries in the region have some of the severest childhood mortality rates in the world.

135. The HIV/AIDS scourge, compounded by the resurgence of tuberculosis, which, according to WHO (1994) statistics will have killed at least 30 million people between 1990 and 1999, recrudescence of previously controlled diseases and the reappearance of, for instance, malaria in free-malaria zones, have combined to heighten the health crisis. Given the meagre resources allocated to the health and education sectors, especially the former (table XIX), primary health care, as enshrined in Alma-Ata and Saitama Declarations and Bamako Initiative is the only hope the African region has of confronting the health crisis which, as is now commonly agreed, is inimical to productivity and long-term growth and development.

136. Use of modern family planning is still marginal (averaging 11 per cent) or non-existent in most African countries. According to a recent study by the United Nations Children's Fund, sub-Saharan Africa is the only region of the developing world that has not yet undergone a widespread decline in fertility. However, the reported rate of modern contraceptive use has significantly risen in three countries. In Zimbabwe, 43 per cent of married women now

use a modern method of family planning, in Botswana the figure is 33 per cent and in Kenya 27 per cent. Botswana, Kenya and Zimbabwe have also fared better than many African countries in respect of falling fertility. The most dramatic decline was recorded in Zimbabwe where the TFR declined by 1.2 births per women between 1981-1984 and 1985-1988. Botswana saw a decline of 0.8 over the same period. In Kenya, the TFR decline by 1.5 births per women in total and by 0.5 between 1987 and 1989.[10]

Table XIX
Government expenditure on health and education
(as a % of total public expenditure)

| Country | Health | Education |
|---|---|---|
| Botswana | 5.0 | 15.9 |
| Cameroon | 3.4 | 13.1 |
| Ethiopia | 3.4 | 10.4 |
| Ghana | 8.2 | 23.5 |
| Kenya | 6.0 | 21.6 |
| Liberia | 5.9 | 14.1 |
| Malawi | 6.4 | 14.8 |
| Mali | 2.4 | 10.3 |
| Niger | 3.9 | 11.9 |
| Nigeria | 1.6 | 3.2 |
| Rwanda | 3.4 | 15.8 |
| Senegal | 3.3 | 16.9 |
| Sierra Leone | 2.8 | 6.6 |
| Somalia | 0.5 | 1.0 |
| Zimbabwe | 6.7 | 20.6 |

Source: UNDP and the World Bank, African Development Indicators, 1992.

137. The unprecedented increase in the number of refugees and displaced persons is one of the major consequences of the protracted civil wars, internal strife and political instability in African countries. According to the latest statistics from UNHCR, the current African refugee population is estimated at 7 million people out of a world total of 18 million and there are also 15 million internally displaced persons in Africa, most of whom are children and women. Besides the incalculable human suffering to which refugees are subjected, their contribution to socio-economic development is seriously hindered by the inherently insecure nature of their existence. Additionally, some refugees are forced to subsist often in remote and ecologically fragile areas, where they may be responsible for significant environmental degradation and instability which further heightens their plight and exacerbates their already precarious existence.

138. The three interrelated phenomena highlighted above, namely health, education and employment generation, will continue to dominate the African social development scene for the rest of the 1990s and beyond. All three are the most important issues linked to the agenda items of the World Summit for Social Development regarding poverty alleviation, employment generation and social integration. What is needed, first and foremost, is for African countries themselves to give due priority to social planning and social programmes in their own national development strategies. As articulated in the African Common Position on Human and Social Development, there is massive under-investment in these sectors in Africa. There is also neglect of certain priority areas such as poverty alleviation and employment generation. Consequently, there is the urgent need to increase resources that should be invested in job creation, environmental protection, family planning, health, education and nutrition of Africa's children. In addition, the African Common Position on Human and Social Development emphasizes social integration vis-à-vis enhancing the capacity of African families to meet their socio-economic needs, protection of children's rights and welfare and the promotion of the status of women.

# V. PRELIMINARY PROSPECTS FOR 1994

139. The economic prospects for the African region in 1994 remain uncertain and mixed, with few real grounds for optimism. The one thing that is certain is that the overall performance in 1994 will depend heavily on the developments in the region's external sector as well as on climatic conditions and the resolution of the political conflicts and the civil wars that have had and continue to have severe and deep repercussions on the social and economic conditions in the region.

140. On the external front, the factors that are of crucial importance to the region are the recovery of oil prices; the maintenance of stable if not rising export earnings based on favourable movements in commodity prices; effective debt-reduction measures; and adequate levels of resource flows. A lot will, in this regard, depend on the strength of the recovery in the OECD countries, Africa's traditional markets and major development partners. Recent forecasts for the OECD countries point to continued slow growth in 1994, which is likely to adversely affect the level of demand for and the prices of African exports as well as resource flows. GDP is forecasted to increase slightly in the OECD countries from 1.7 per cent in 1993 to 2.9 per cent in 1994, but the main boost for this modest recovery will come from the USA, where GDP growth rate is expected to reach 3.2 per cent, but not from the countries of Western Europe that are of far greater significance for Africa's external trade and financial transactions. The current monetary disturbances and the recession in Western Europe, were they to continue throughout 1994, will have severe negative repercussions on the African economy.

141. In a related development, the price of oil seems to be drifting downward as a result of the present glut in oil markets, reaching $13.12 per barrel at the end of March 1994 from $17.0 per barrel recorded in 1993. However, recent trends indicate a move towards lowering production levels by OPEC producers which, if successful in raising prices, could be the source of hope for some recovery in African oil-exporting countries for the rest of 1994.

Table XX
World economic prospects
(percentage change)

| | 1990 | 1991 | 1992 | 1993 | 1994 |
|---|---|---|---|---|---|
| World output | 2.2 | 0.6 | 1.7 | 2.2 | 3.2 |
| Industrial countries | 2.3 | 0.5 | 1.7 | 1.1 | 2.2 |
| United States of America | 1.2 | -0.7 | 2.6 | 2.7 | 3.2 |
| EC | 3 | 0.8 | 1.1 | -0.2 | 1.6 |
| Japan | 4.8 | 4 | 1.3 | -0.1 | 2.2 |
| Developing countries | 3.7 | 4.5 | 5.8 | 6.1 | 5.5 |
| Africa* | 1.9 | 1.6 | 0.4 | 1.6 | 2.6 |
| Asia | 5.7 | 6.1 | 7.8 | 8.7 | 7.1 |
| Middle East and Europe | 4.2 | 2.4 | 7.8 | 3.4 | 4.6 |
| Western Hemisphere | 0.3 | 3.3 | 2.5 | 3.4 | 3.5 |
| Formerly centrally planned economies | -3.5 | -12 | -15.4 | -10.2 | -1.1 |
| World trade volume | 4.5 | 3.3 | 3.9 | 2.6 | 4.6 |
| Commodity prices | | | | | |
| Oil price (Brent crude $/lb) | 31.6 | -16.7 | -3.1 | -12 | -3.1 |
| Other commodity prices (1990=100)[1] | -4.3 | -3 | -5.1 | -5.7 | 5.9 |

Source: IMF, World Economic Outlook, October 1993; IBRD; ECA.

* Africa, according to IMF definition, includes South Africa.

[1] Other than crude oil.

142. The regional economic performance in 1994 will depend to some extent also on whether there are important initiatives to reduce significantly Africa's external debt burden on a scale larger than the Trinidad Terms in order to boost investor confidence in the African economies, as existing initiatives have so far proven inadequate to alleviate the continent's debt problems. The protracted Uruguay Round of Multilateral Trade Negotiations was finally concluded in January 1994, but the early indications are that it will have only limited immediate effects on Africa's economic performance. The transformation of the African commodity sector will not occur overnight and the competitive nature of the world economy in the new context of the GATT is such that Africa's chances in boosting its exports will depend much more on its ability to manage change and optimize technology for more efficient production in an effort to raise its competitive stance on the international markets. However, the agreement does have some special concessions for the LDCs economies if the developed countries do not adopt restrictive approaches in the implementation of the agreement, especially in so far as reciprocal arrangements vis-à-vis the LDCs are concerned. The 25 per cent of the estimated windfall of $150-$300 billion accruing to the major industrialized nations could be recycled to finance capacity-building programmes and projects aimed at upgrading the competitiveness of LDCs and their capacity to participate in global trade.

143. Moreover, the decision of not immediately bringing the Multi-Fibre Agreement that governs trade in textiles, apparels and clothing under the GATT discipline in the context of the Uruguary Round will block the possibility of African countries expanding their exports of textiles and clothing to the developed countries. Likewise, it is most likely that the reduction of the agricultural subsidies will increase the food import bills of the African countries that also stand to loose if some of the trade preferences currently enjoyed under the Lomé Conventions between the European Union and the African, Caribbean and the Pacific Group were to be extended to other trading partners of the European Union on account of the Uruguay Round.

144. If these unfavourable developments in international commodity and financial markets were to materialize, the dynamism of the African export sector will be adversely affected, with merchandise exports decelerating from the 5.6 per cent growth in 1993 to 4.5 per cent in 1994, and merchandise imports stagnating consequently at 4.2 per cent as a result of falls in export earnings. The trade gap will reach 10.2 per cent of GDP, accentuating an already widening resource gap. So far, the tendency has been for resource flows to Africa to stagnate or at best increase only modestly; in the highly unlikely event of an increase beyond the 1993 level, there would be a sizeable reduction in the share of domestic investment financed from external sources. The one immediate implication is that the region will probably have to rely more and more on its resources, as donors review their aid programmes and devote more attention to their pressing domestic concerns and other preoccupations and interests outside Africa. Moreover, the emergence of trade blocs and regional markets such as the North American Free Trade Area (NAFTA) could make it more difficult for the African region to maintain its traditional relationships with its European partners for the supply of the much-needed resources.

Table XXI
World economic prospects
(percentage change)

| | 1990 | 1991 | 1992 | 1993 | 1994 |
|---|---|---|---|---|---|
| Overall output | 1.8 | 2.1 | 0.3 | 1.0 | 2.3 |
| Agriculture | -0.3 | 4.1 | -0.7 | 1.5 | 2.2 |
| Mining | 6.3 | 4.2 | 0.3 | -1.0 | 1.1 |
| Manufacturing | 2.4 | 0.3 | 2.0 | 2.2 | 2.5 |
| Services | 1.7 | 1.2 | 0.6 | 1.1 | 2.8 |
| Domestic demand | 0.2 | 2.9 | 0.6 | 1.3 | 1.5 |
| Export of goods and services | 16.2 | -5.7 | -1.7 | -0.3 | 2.4 |
| Imports of goods and services | 9.3 | -1.9 | 2.7 | -1.3 | -1.6 |

Source: ECA secretariat.

145. On the domestic front, most of the political crises that have engulfed parts of the continent are yet to show signs of an immediate resolution. Many countries have indeed moved or seem to be moving into deeper political crises. Even where some of these crises and conflicts could be resolved in 1994 - and there is hope that the current efforts of the Mechanism for Conflict Prevention, Management and Resolution of the Organization of African Unity and the United Nations as well as regional efforts could succeed in bringing about peaceful resolution of many of the conflicts in Africa - the immediate focus of public policy in most of the continent must *per force* centre on the pressing issues of resettlement of refugees, returnees and internally displaced persons and the rehabilitation of social, economic and human infrastructural capacities and institutions which are, in themselves, daunting tasks and resource-intensive.

146. However, there are already some emerging positive factors which may rebound to the benefit of the regional economic outlook in 1994. The recovery of some of the countries that were affected by the drought of 1993 holds some signs of relief for 1994. Rain is reported to have returned in the Maghreb countries. In Eastern and Southern Africa, many countries are currently fairing well in so far as the agricultural sector is concerned, even though the food situation remains precarious in countries such as Burundi, Rwanda, Kenya, Ethiopia, Eritrea, the Sudan, Angola and Mozambique, some of which are already in the grip of an imminent famine that only massive inflows of food aid can stave off.

147. The pursuit of prudent and consistent economic policies will shape and in part also dictate, as it has always done, the outcome of economic performance. The indictions are that policy directions will remain unchanged in 1994 from what they have been in the past decade and half, except probably in Nigeria where exchange controls have recently been reimposed in the 1994 Federal budget and the exchange rate of the national currency pegged at a level considerably higher than was previously the case on the "free" market, while control of interest rates has also been re-introduced. But the CFA franc zone countries are really the ones to watch in terms of the possible adverse impact of macroeconomic adjustment in 1994. Following financial difficulties that particularly become acute throughout 1993, forcing somewhat extreme measures on governments already hard-pressed to pay salaries of civil servants, the devaluation of the CFA franc was finally carried out in February 1994, with accompanying measures in areas of price freeze, particularly for essential commodities, foreign exchange controls, upward adjustment of wages and salaries of civil servants and price controls. In the immediate aftermath of the devaluation, prices have risen sharply, but it is yet too early to assess with any definitiveness what the overall medium-term effects and impact of the measures will be on the national budgets and the economy. A lot will indeed depend on how effectively the macroeconomic adjustment policies are implemented and fine-tuned in the different countries and how large the supply response and targeted social safety nets are for productivity and production levels and social welfare to be enhanced rather than decline.

148. Overall, however, and on the basis of the above considerations and assumptions, it is highly unlikely that the region's GDP will grow in 1994 by more than 2 to 2.5 per cent in real terms. As already indicated, it is most unlikely that the region will get substantial stimulus from the industrialized countries, as recovery in the EC countries appear to be delayed and still too little. Secondly, the recent increases in commodity prices, other than for oil, appear to be only temporary and far from being, in themselves, an indication that demand is reviving. Thirdly, whereas the prospects at the beginning of the 1994 agricultural season seem to be encouraging in most areas of the continent, with a likely lowering of food aid requirements, the drought conditions that are beginning to unfold in the Horn of Africa and in some other subregions are a matter of deep concern for agriculture revival in 1994. Fourthly, the price of oil has again been declining since early February 1994 after a short-lived rally in January this year.

149. Such discouraging growth rates that are projected for 1994 imply that many African countries are likely to remain still in the grip of an economic crisis that has been marked by an almost continuous decline in per capita income. At the same time, the growing unemployment situation may even deepen further, complicating an already depressed social situation. Worse still, the tendencies towards further accentuation of the underutilization of human capacities on the continent may lead to generating powerful pressures for the brain-drain with its attendant adverse effects on future capacity building for growth. Under the worst case scenario, the growth prospects anticipated for 1994 may even slip downwards if the employment position were to persist and worsen further.

**BOX 2**
Devaluation of CFA franc

The CFA franc (CFAF) and the Comorian franc (CF) have been pegged since 1948 and 1988 at CFAF 50 and CF 50 per 1 French franc, respectively. The first group, constituting the seven members of the West African Monetary Union (Benin, Burkina Faso, Côte d'Ivoire, the Niger, Mali, Senegal and Togo) formed a monetary union and a common central bank known as the Banque centrale des Etats de l'Ouest (BCEAO). The second group of countries, which comprises Cameroon, the Central African Republic, Chad, Equatorial Guinea, the Congo and Gabon, are associated in a monetary cooperation arrangement and a common central bank known as Banque des Etats de l'Afrique centrale (BEAC). The two groups maintain separate currencies - the franc de la Communauté financière africain for the WAMU countries and the franc de la Coopération financière en Afrique centrale for the BEAC countries - although both currencies are commonly referred to as the CFA franc.

The BCEAO and BEAC possess modern instruments of monetary control and exercise all the functions of a central bank. Each of the two central banks and the central bank of Comoros maintain an operation account with the French Treasury into which they deposit 65 per cent of their foreign exchange holdings. Balance-of-payments equilibrium is maintained by strict financial discipline of the member countries, the governments of which are prevented from using the Central Bank as a source of inflationary finance.

On 12 January 1994, the franc zone member countries decided to devalue the CFA franc by 50 per cent from CFAF 50 to 1 French Franc (FF) to CFAF 100 for 1 FF while the Comorian franc was devalued by 33 per cent from CF 50 per 1 FF to CF 75 to 1 FF. This parity adjustment is expected to be accompanied by far-reaching programmes, the aim of which is to resolve fiscal, monetary and financial balances.

The rationale for the CFA franc realignment was mainly the shrinking tax base, the accumulation of domestic and external payments arrears on debt, declining competitiveness, rising production costs and declining levels of foreign investment. According to the IMF, the terms of trade of the franc zone declined by 30 per cent while the real effective exchange rate appreciated by about 10 per cent between 1986 and 1991. In addition, average per capita income decelerated by 3 per cent annually in the franc zone countries over the period, whereas in the zone's closest neighbours in West Africa, Nigeria and Ghana, average per capita income rose by more than 5 per cent. It was the scope and magnitude of these imbalances that precipitated the use of external adjustment in addition to earlier unsuccessful efforts at internal economic adjustment.

In support of the devaluation, the IMF and the World Bank have announced a release of about US$1.5 billion for financial support to the 1994 structural adjustment programmes. As of 7 March 1994, 12 of the 14 African countries of the franc zone are ESAF-eligible. In the case of Côte d'Ivoire, this has already brought a SDR 333m stand-by credit, which the Fund hopes to translate into an Enhanced Structural Adjustment Facility (ESAF). The French Government plans to write off development loans totalling FF 25 billion ($4.2 billion) to franc zone countries. This total consists of FF 6.6 billion to the 10 low-income countries and FF 18.4 billion to the middle-income countries (Cameroon, the Congo, Côte d'Ivoire and Gabon). In order to assist the less privileged strata of the franc zone countries, social safety nets are being stepped up, ranging from rent control and price freeze to stabilization of public utility tariffs.

Although it is too early to judge the impact of the devaluation on the franc zone economies, the initial indications are for a rise in inflation, especially with respect to the price of essential goods and services. The paucity of hard data precludes a meaningful estimate of the volume of unrecorded trade between the zone and its closest neighbours, but it is most likely that the primary beneficiaries of the 50 per cent devaluation of the CFA franc will be the zone countries with a strong agricultural base and primary commodity exports (Côte d'Ivoire and Cameroon for example). The expectation also is that the huge volume of goods smuggled between the franc zone countries and their closest neighbours will be drastically curtailed. For example, a revival of Cameroon's manufacturing base, whose competitiveness has been severely eroded partly by the constant depreciation of the naira, may also be enhanced. With the largest manufacturing capacity in the subregion, there is now the prospect of rising demand for Cameroonian goods from neighbouring franc zone countries, notably Gabon and the Congo, which do not have substantial domestic manufacturing capacity and have long been accustomed to importing manufactured goods from outside Africa. In contrast, the demand for principal extractive exports, oil, manganese and uranium, which are crucial for countries such as Gabon, is generally inelastic and subject to supply-side constraints in OECD countries, particularly France. Whilst evidence on the inflows of foreign investment into the franc zone countries is extremely patchy, the focus of overseas investors is expected to be on the energy and mining sectors rather than manufacturing for which opportunities in the domestic market are rather limited in the franc zone.

150. The economic prospects for the group of African LDCs could be even more bleak. Preliminary estimates by ECA, for 1994, indicate a slowdown in economic growth in the African LDCs as a group. Real GDP of the African LDCs, estimated at 1990 market prices, is forecasted to increase by a mere 1.6 per cent in 1994, compared to the average growth rate of 2.0 per cent for the whole of developing Africa. The projected poor LDCs growth performance is predicated on a decline of 3.9 per cent in mining activities, as a result of political instability in Guinea, Sierra Leone, Zaire and Zambia which, together, account for 22.3 per cent of the GDP of the African LDCs, and a sluggish growth in agriculture due to the drought which struck a number of countries from 1992 to the first half of 1994, the effects of which are still evident in critical food shortages and looming famine in countries like Ethiopia.

151. The prospects for the subregions are mixed. Growth in North Africa will, in all probability, improve after resumption of normal weather conditions. In agriculture, the recovery from the drought of 1993, particularly in the Magreb, indicates better prospects for 1994. Rains in Morocco and Algeria will benefit wheat and coarse grain crops in the vegetative stage. According to FAO estimates, expected wheat production in Egypt is estimated to be less than last year but still above average and the country should witness an upsurge in economic activity as a result of sustained pursuance of economic reforms, with output growing by 3.9 per cent in 1994 in spite of some damage to the tourism industry by islamic militants.

152. Performance in Central Africa will continue to be clouded by the ongoing crisis in Burundi, Rwanda and Zaire. The political crisis which has again erupted in armed conflicts in Rwanda is bound to have a profound adverse effect on economic activity. In other parts of the subregion where the political situation is relatively stable, growth will continue to be constrained by fiscal and financial difficulties. According to early estimates, the Central African Republic is expected to grow by less than 2 per cent in 1994 after a continued decline that started as early as 1990. Economic conditions in Cameroon are expected to improve only slightly, if at all, because of the likelihood of a further deepening of the financial crisis which persisted during 1992 and 1993. Outputs are unlikely to return to normal in Angola and Mozambique, in 1994, owing to the severe impact of years of civil wars and the heavy demands of rehabilitation and reconstruction on the limited resource base.

153. Performance in West Africa is predicated on the likely trends of developments in the Nigerian economy, the largest country in the subregion. Oil is the key factor here and the prospects will depend on whether the OPEC countries can succeed in raising prices significantly through the limit action of supply by production quotas. Economic performance in the Sahel countries will be dictated largely by developments in environmental and weather conditions, while developments in the CFA franc zone will depend on the net effect on recent devaluation of the CFA franc. The only good part is that agricultural performance is expected to improve in the subregion, although rainfall has until now remained below normal. Plantings in the southern parts of the coastal countries have progressed fairly well, but the likely agricultural performance in the Sahelian countries that normally start planting in June is yet unclear. With all this, the subregional output growth in 1994 is not expected to exceed the 1993 level by any significant margin.

154. In East and Southern Africa, the economic situation is expected to improve only slightly in 1994 after weather conditions would have been back to normal. However, some parts of the subregion are likely to face acute shortages in 1994 due to widespread drought in areas such as the Horn of Africa. Ethiopia, which had managed to achieve a remarkable post-war recovery in 1993, has recently called for international support for emergency food aid after lack of rains had persisted. Besides, some of the countries in the subregion - Zimbabwe, Zambia and Botswana - are dependent for their export earnings on the major metals and non-fuel minerals whose prices have not shown and are unlikely to show in 1994 any significant improvements on their 1992-1993 levels.

1. FAO, The State of Food and Agriculture, 1993.

2. This trend analysis is based mainly on data provided by FAO (Food Outlook, Jan.-Feb. 1994 and Food Crops and Shortages, Jan.-Feb. 1994).

3. Cotton Review of the World Situation, International Cotton Advisory Committee, Jan.-Feb. 1994.

4. OECD, Financing and External Debt of Developing Countries, 1992, Paris, 1993.

5. Report on the World Social Situation, United Nations, 1993.

6. Ibid.

7. World Labour Report, 1993.

8. UNESCO, World Education Report, UNESCO, Paris, 1993.

9. World Bank, Better Health in Africa, 1993: 32.

10. UNICEF, The State of the World's Children 1994.

# STATISTICAL ANNEXES

Table 1. Basic Indicators

| | GDP in US$ at 1990 prices | Population in '000 | GDP per head at 1990 prices | Consumer price index annual growth rate (1980=100) | |
|---|---|---|---|---|---|
| | 1992 | 1992 | 1992 | 1980-1992 | 1992 |
| North Africa | 183721 | 147249 | 1248 | 15.9 | 26.6 |
| Algeria | 55678 | 26331 | 2115 | 12.0 | 28.7 |
| Egypt | 48953 | 54758 | 894 | 18.3 | 29.3 |
| Libya | 29354 | 4866 | 6032 | .. | .. |
| Morocco | 25577 | 26278 | 973 | 7.4 | 5.7 |
| Sudan | 10311 | 26624 | 387 | 47.6 | 109.0 |
| Tunisia | 13848 | 8392 | 1650 | 8.0 | 5.2 |
| West Africa | 77942 | 205932 | 378 | 21.9 | 47.4 |
| Benin | 2005 | 4914 | 408 | -2.8 | .. |
| Burkina Faso | 2868 | 9506 | 302 | 4.2 | .. |
| Cape Verde | 399 | 384 | 1039 | .. | .. |
| Cote d'Ivoire | 9784 | 12918 | 757 | 4.5 | 0.7 |
| Gambia | 328 | 906 | 362 | 15.1 | 9.4 |
| Ghana | 6782 | 15941 | 425 | 38.6 | 10.0 |
| Guinea | 2971 | 6110 | 486 | 18.3 | .. |
| Guinea Bissau | 272 | 1006 | 270 | 62.9 | .. |
| Liberia | 1800 | 2749 | 655 | 6.0 | .. |
| Mali | 2591 | 9807 | 264 | 4.7 | -7.3 |
| Mauritania | 967 | 2141 | 452 | 9.0 | 9.0 |
| Niger | 2721 | 8245 | 330 | 2.5 | .. |
| Nigeria | 36288 | 115443 | 314 | 21.7 | 46.0 |
| Senegal | 5919 | 7728 | 766 | 5.2 | 2.4 |
| Sierra Leone | 816 | 4375 | 187 | 66.9 | 80.6 |
| Togo | 1431 | 3759 | 381 | 4.0 | .. |
| Central Africa | 33763 | 78573 | 430 | 71.1 | 713.8 |
| Burundi | 1320 | 5813 | 227 | 7.5 | 3.9 |
| Cameroon | 11089 | 12323 | 900 | 6.7 | 2.0 |
| Central African Republic | 1254 | 3168 | 396 | 4.6 | -5.0 |
| Chad | 1437 | 5859 | 245 | 31.2 | -7.3 |

| | GDP in US$ at 1990 prices | Population in '000 | GDP per head at 1990 prices | Consumer price index annual growth rate (1980=100) | |
|---|---|---|---|---|---|
| Congo | 2934 | 2365 | 1241 | 8.2 | .. |
| Equatorial Guinea | 167 | 370 | 451 | -4.5 | .. |
| Gabon | 5770 | 1236 | 4668 | 5.8 | 2.0 |
| Rwanda | 2596 | 7513 | 346 | 6.1 | 9.5 |
| Sao Tome & Principe | 54 | 127 | 425 | .. | .. |
| Zaire | 7142 | 39799 | 179 | 150.1 | 3931.3 |
| East & Southern Africa | 59975 | 208528 | 288 | 20.8 | 35.5 |
| Angola | 10956 | 9891 | 1108 | .. | .. |
| Botswana | 3786 | 1311 | 2888 | 11.3 | 16.2 |
| Comoros | 267 | 584 | 457 | .. | .. |
| Djibouti | 477 | 467 | 1021 | .. | .. |
| Ethiopia | 5366 | 52876 | 101 | 7.0 | 10.5 |
| Kenya | 8887 | 25192 | 353 | 12.2 | 26.3 |
| Lesotho | 606 | 1853 | 327 | 13.9 | .. |
| Madagascar | 2963 | 12813 | 231 | 17.0 | 13.9 |
| Malawi | 1775 | 10227 | 174 | 15.8 | 20.0 |
| Mauritius | 2818 | 1097 | 2569 | 10.1 | 4.6 |
| Mozambique | 1277 | 15015 | 85 | 39.1 | 50.0 |
| Namibia | 2308 | 1534 | 1505 | 12.9 | .. |
| Seychelles | 373 | 74 | 5041 | 3.8 | 3.5 |
| Somalia | 539 | 9238 | 58 | 51.8 | .. |
| Swaziland | 881 | 804 | 1096 | 13.7 | .. |
| Tanzania | 2631 | 27769 | 95 | 27.9 | 21.2 |
| Uganda | 3939 | 18629 | 211 | 84.1 | 53.4 |
| Zambia | 3609 | 8607 | 419 | 27.9 | 150.0 |
| Zimbabwe | 6517 | 10547 | 618 | 16.0 | 44.8 |
| Developing Africa | 355401 | 640282 | 555 | 23.8 | 63.0 |

Source: ECA secretariat.

Table 2. Gross domestic product (1990 prices)

| Subregion/country | Gross domestic product (in million dollars) (at 1990 prices) | | | | Growth rate | | |
|---|---|---|---|---|---|---|---|
| | 1980 | 1985 | 1992 | 1993 | 1980-93 | 1985-93 | 1993 |
| North Africa | 140196 | 170136 | 183721 | 185248 | 2.2 | 1.1 | 0.8 |
| Algeria | 44913 | 56396 | 55678 | 56019 | 1.7 | -0.1 | 0.6 |
| Egypt | 33511 | 47029 | 48953 | 48972 | 3.0 | 0.5 | 0.0 |
| Libyan Arab Jamahiriya | 27834 | 27346 | 29354 | 29525 | 0.5 | 1.0 | 0.6 |
| Morocco | 17336 | 20434 | 25577 | 25402 | 3.0 | 2.8 | -0.7 |
| Sudan | 8175 | 8356 | 10311 | 10918 | 2.3 | 3.4 | 5.9 |
| Tunisia | 8427 | 10575 | 13848 | 14412 | 4.2 | 3.9 | 4.1 |
| West Africa | 70556 | 66199 | 77942 | 80068 | 1.0 | 2.4 | 2.7 |
| Benin | 1483 | 1717 | 2005 | 2084 | 2.7 | 2.5 | 3.9 |
| Burkina Faso | 1553 | 1978 | 2868 | 3005 | 5.2 | 5.4 | 4.8 |
| Cape Verde | 242 | 287 | 399 | 409 | 4.1 | 4.5 | 2.5 |
| Cote d'Ivoire | 10548 | 10130 | 9784 | 9747 | -0.6 | -0.5 | -0.4 |
| Gambia | 242 | 215 | 328 | 350 | 2.9 | 6.3 | 6.7 |
| Ghana | 5070 | 4982 | 6782 | 7107 | 2.6 | 4.5 | 4.8 |
| Guinea | 2111 | 2306 | 2971 | 3155 | 3.1 | 4.0 | 6.2 |
| Guinea Bissau | 140 | 155 | 272 | 281 | 5.5 | 7.7 | 3.3 |
| Liberia | 2416 | 2305 | 1800 | 1797 | -2.3 | -3.1 | -0.2 |
| Mali | 1618 | 1812 | 2591 | 2662 | 3.9 | 4.9 | 2.7 |
| Mauritania | 948 | 905 | 967 | 991 | 0.3 | 1.1 | 2.5 |
| Niger | 2499 | 2343 | 2721 | 2571 | 0.2 | 1.2 | -5.5 |
| Nigeria | 35053 | 30013 | 36288 | 37909 | 0.6 | 3.0 | 4.5 |
| Senegal | 4470 | 4944 | 5919 | 5904 | 2.2 | 2.2 | -0.3 |
| Sierra Leone | 798 | 783 | 816 | 793 | 0.0 | 0.2 | -2.8 |
| Togo | 1365 | 1324 | 1431 | 1303 | -0.4 | -0.2 | -8.9 |
| Central Africa | 27323 | 37795 | 33763 | 32211 | 1.3 | -2.0 | -4.6 |
| Burundi | 671 | 903 | 1320 | 1380 | 5.7 | 5.4 | 4.5 |
| Cameroon | 7828 | 14385 | 11089 | 10432 | 2.2 | -3.9 | -5.9 |
| Central African Republic | 1053 | 1171 | 1254 | 1237 | 1.2 | 0.7 | -1.4 |
| Chad | 826 | 1078 | 1437 | 1395 | 4.1 | 3.3 | -2.9 |
| Congo | 1717 | 2878 | 2934 | 2979 | 4.3 | 0.4 | 1.5 |

| Subregion/country | Gross domestic product (in million dollars) (at 1990 prices) | | | | Growth rate | | |
|---|---|---|---|---|---|---|---|
| Equatorial Guinea | 142 | 143 | 167 | 167 | 1.3 | 2.0 | 0.0 |
| Gabon | 5096 | 6294 | 5770 | 5720 | 0.9 | -1.2 | -0.9 |
| Rwanda | 2072 | 2389 | 2596 | 2630 | 1.9 | 1.2 | 1.3 |
| Sao Tome & Principe | 84 | 77 | 54 | 55 | -3.2 | -4.1 | 1.9 |
| Zaire | 7834 | 8477 | 7142 | 6216 | -1.8 | -3.8 | -13.0 |
| East & Southern Africa | 44685 | 49317 | 59975 | 61507 | 2.5 | 2.8 | 2.6 |
| Angola | 8150 | 8940 | 10956 | 10590 | 2.0 | 2.1 | -3.3 |
| Botswana | 1224 | 2105 | 3786 | 3901 | 9.3 | 8.0 | 3.0 |
| Comoros | 193 | 229 | 267 | 260 | 2.3 | 1.6 | -2.6 |
| Djibouti | 421 | 445 | 477 | 477 | 1.0 | 0.9 | 0.0 |
| Ethiopia | 5068 | 5043 | 5366 | 5863 | 1.1 | 1.9 | 9.3 |
| Kenya | 5759 | 6829 | 8887 | 8980 | 3.5 | 3.5 | 1.0 |
| Lesotho | 384 | 413 | 606 | 660 | 4.3 | 6.0 | 8.9 |
| Madagascar | 2722 | 2591 | 2963 | 3028 | 0.8 | 2.0 | 2.2 |
| Malawi | 1382 | 1612 | 1775 | 1983 | 2.8 | 2.6 | 11.7 |
| Mauritius | 1462 | 1823 | 2818 | 2989 | 5.7 | 6.4 | 6.1 |
| Mozambique | 1363 | 1064 | 1277 | 1342 | -0.1 | 2.9 | 5.1 |
| Namibia | 1986 | 1942 | 2308 | 2383 | 1.4 | 2.6 | 3.2 |
| Seychelles | 272 | 291 | 373 | 394 | 2.9 | 3.9 | 5.6 |
| Somalia | 555 | 632 | 539 | 539 | -0.2 | -2.0 | 0.0 |
| Swaziland | 365 | 491 | 881 | 985 | 7.9 | 9.1 | 11.8 |
| Tanzania | 1961 | 2076 | 2631 | 2746 | 2.6 | 3.6 | 4.4 |
| Uganda | 2562 | 2872 | 3939 | 4213 | 3.9 | 4.9 | 7.0 |
| Zambia | 3807 | 3970 | 3609 | 3569 | -0.5 | -1.3 | -1.1 |
| Zimbabwe | 5049 | 5949 | 6517 | 6605 | 2.1 | 1.3 | 1.4 |
| Developing Africa | 282760 | 323447 | 355401 | 359034 | 1.9 | 1.3 | 1.0 |

Source: ECA secretariat.

Table 3. Agricultural indicators

| | Arable land ha per head | Agriculture in million $ at 1980 prices | Food production per head Index (1979-81=100) | | Production of cereals (Kg per head) | Cereals imports (Kg per head) |
|---|---|---|---|---|---|---|
| | 1991 | 1993 | 1985 | 1992 | 1992 | 1991 |
| North Africa | 0.27 | 24332 | 101.5 | 101.3 | 197.4 | 138.1 |
| Algeria | 0.29 | 5681 | 114.3 | 124.2 | 122.3 | 217.8 |
| Egypt | 0.05 | 8234 | 105.4 | 117.5 | 268.5 | 148.9 |
| Libya | 0.44 | 1495 | 95.4 | 96.3 | 61.2 | 453.9 |
| Morocco | 0.36 | 2466 | 111.4 | 101.6 | 112.4 | 78.1 |
| Sudan | 0.48 | 4406 | 92.8 | 82.9 | 213.8 | 47.1 |
| Tunisia | 0.58 | 2049 | 121.7 | 115.6 | 262.0 | 114.2 |
| West Africa | 0.27 | 25981 | 98.8 | 107.7 | 123.0 | 24.6 |
| Benin | 0.38 | 788 | 114.2 | 117.1 | 110.1 | 46.7 |
| Burkina Faso | 0.37 | 1258 | 111.7 | 129.0 | 245.3 | 19.7 |
| Cape Verde | 0.10 | 180 | 84.6 | 105.7 | 15.6 | 202.8 |
| Cote d'Ivoire | 0.29 | 3475 | 99.0 | 89.3 | 92.2 | 53.8 |
| Gambia | 0.20 | 76 | 100.6 | 90.1 | 135.8 | 115.6 |
| Ghana | 0.17 | 3170 | 104.9 | 107.9 | 60.8 | 22.9 |
| Guinea | 0.12 | 722 | 95.7 | 95.5 | 167.3 | 51.5 |
| Guinea Bissau | 0.34 | 126 | 108.3 | 104.5 | 170.0 | 66.2 |
| Liberia | 0.14 | 579 | 98.9 | 63.3 | 40.0 | 66.8 |
| Mali | 0.21 | 1185 | 94.1 | 91.1 | 219.8 | 24.5 |
| Mauritania | 0.10 | 259 | 86.5 | 79.1 | 34.6 | 168.8 |
| Niger | 0.44 | 902 | 67.9 | 77.3 | 273.9 | 18.5 |
| Nigeria | 0.28 | 11342 | 100.7 | 125.2 | 109.0 | 7.0 |
| Senegal | 0.30 | 1058 | 109.5 | 96.4 | 110.9 | 107.0 |
| Sierra Leone | 0.15 | 231 | 94.0 | 79.4 | 109.3 | 44.0 |
| Togo | 0.18 | 631 | 91.1 | 97.2 | 122.1 | 67.5 |
| Central Africa | 0.30 | 9316 | 93.7 | 83.9 | 50.3 | 15.8 |
| Burundi | 0.23 | 615 | 100.7 | 88.8 | 53.2 | 5.6 |
| Cameroon | 0.57 | 3135 | 95.6 | 74.9 | 73.4 | 46.2 |
| Central African Republic | 0.63 | 554 | 89.5 | 93.0 | 23.4 | 8.8 |
| Chad | 0.55 | 565 | 97.8 | 102.6 | 156.2 | 13.1 |

| | Arable land ha per head | Agriculture in million $ at 1980 prices | Food production per head Index (1979-81=100) | | Production of cereals (Kg per head) | Cereals imports (Kg per head) |
|---|---|---|---|---|---|---|
| | 1991 | 1993 | 1985 | 1992 | 1992 | 1991 |
| Congo | 0.07 | 367 | 97.9 | 91.3 | 11.4 | 43.0 |
| Equatorial Guinea | 0.62 | 80 | .. | .. | .. | 26.1 |
| Gabon | 0.37 | 518 | 83.5 | 81.2 | 20.2 | 60.1 |
| Rwanda | 0.15 | 971 | 98.3 | 78.0 | 40.1 | 2.7 |
| Sao Tome & Principe | 0.29 | 11 | 75.2 | 59.9 | 7.9 | 67.2 |
| Zaire | 0.20 | 2498 | 100.5 | 92.1 | 34.6 | 8.1 |
| East & Southern Africa | 0.25 | 14988 | 93.8 | 75.5 | 99.6 | 16.9 |
| Angola | 0.35 | 1851 | 88.3 | 79.2 | 47.0 | 33.6 |
| Botswana | 1.07 | 175 | 78.5 | 60.8 | 11.4 | 79.8 |
| Comoros | 0.17 | 102 | 87.1 | 81.9 | 24.0 | 83.4 |
| Djibouti | 4.96 | 12 | .. | .. | .. | 171.1 |
| Ethiopia | 0.26 | 2401 | 88.1 | 81.9 | 132.4 | 16.1 |
| Kenya | 0.10 | 2271 | 100.5 | 99.8 | 119.8 | 14.0 |
| Lesotho | 0.18 | 75 | 83.9 | 55.4 | 47.5 | 57.1 |
| Madagascar | 0.24 | 959 | 96.5 | 81.6 | 204.2 | 9.5 |
| Malawi | 0.17 | 666 | 84.1 | 56.2 | 67.0 | 12.5 |
| Mauritius | 0.10 | 293 | 104.4 | 114.3 | 1.8 | 170.2 |
| Mozambique | 0.22 | 480 | 91.2 | 61.3 | 15.9 | 33.7 |
| Namibia | 0.43 | 351 | 72.3 | 65.2 | 20.9 | .. |
| Seychelles | 0.09 | 13 | .. | .. | 0.0 | 214.1 |
| Somalia | 0.11 | 331 | .. | .. | 21.9 | 22.2 |
| Swaziland | 0.26 | 108 | 96.9 | 76.3 | 72.1 | 71.1 |
| Tanzania | 0.12 | 1278 | 94.0 | 74.2 | 127.4 | 5.0 |
| Uganda | 0.36 | 2089 | 95.4 | 90.8 | 87.8 | 1.5 |
| Zambia | 0.61 | 657 | 93.5 | 70.6 | 69.7 | 12.8 |
| Zimbabwe | 0.27 | 875 | 113.6 | 42.9 | 47.9 | 13.2 |
| Developing Africa | 0.27 | 74617 | 97.7 | 92.8 | 123.6 | 47.4 |

Source: FAO.

Table 4: Production and consumption of selected energy commodities, 1991

| | Electricity production by type (million Kwh) | | | Commerical energy consumption | | Total energy requirement ('000 Terajoules) |
|---|---|---|---|---|---|---|
| | Thermal | Hydro | Total | Kg per capita | Total (tons) | |
| North Africa | 81621 | 12402 | 94023 | 7354 | 103115 | 3468 |
| Algeria | 17052 | 293 | 17345 | 1044 | 26767 | 812 |
| Egypt | 30560 | 9900 | 40460 | 713 | 38246 | 1236 |
| Libya | 19500 | 0 | 19500 | 4328 | 20377 | 616 |
| Morocco | 8608 | 1226 | 9834 | 368 | 9210 | 303 |
| Sudan | 391 | 938 | 1329 | 62 | 1613 | 268 |
| Tunisia | 5510 | 45 | 5555 | 839 | 6902 | 233 |
| West Africa | 10920 | 10474 | 21394 | 2050 | 33178 | 2659 |
| Benin | 5 | 0 | 5 | 48 | 227 | 55 |
| Burkina Faso | 157 | 0 | 157 | 29 | 266 | 92 |
| Cape Verde | 36 | 0 | 36 | 110 | 41 | 1 |
| Cote d'Ivoire | 781 | 1595 | 2376 | 217 | 2696 | 184 |
| Gambia | 68 | 0 | 68 | 106 | 94 | 12 |
| Ghana | 44 | 6108 | 6152 | 123 | 1906 | 207 |
| Guinea | 345 | 176 | 521 | 85 | 505 | 50 |
| Guinea Bissau | 41 | 0 | 41 | 99 | 97 | 7 |
| Liberia | 290 | 160 | 450 | 57 | 151 | 53 |
| Mali | 91 | 185 | 276 | 24 | 227 | 60 |
| Mauritania | 118 | 25 | 143 | 583 | 1214 | 36 |
| Niger | 168 | 0 | 168 | 58 | 464 | 60 |
| Nigeria | 7735 | 2220 | 9955 | 210 | 23572 | 1701 |
| Senegal | 756 | 0 | 756 | 147 | 1108 | 83 |
| Sierra Leone | 230 | 0 | 230 | 76 | 324 | 39 |
| Togo | 55 | 5 | 60 | 78 | 286 | 19 |
| Central Africa | 571 | 10234 | 10805 | 1822 | 6087 | 878 |
| Burundi | 2 | 134 | 136 | 22 | 123 | 47 |
| Cameroon | 72 | 2640 | 2712 | 101 | 1202 | 150 |
| Central African Republic | 18 | 78 | 96 | 35 | 109 | 37 |
| Chad | 85 | 0 | 85 | 21 | 120 | 39 |

| | Electricity production by type (million Kwh) | | | Commerical energy consumption | | Total energy requirement |
|---|---|---|---|---|---|---|
| | | | | Kg per capita | Total (tons) | ('000 Terajoules) |
| | Thermal | Hydro | Total | | | |
| Congo | 3 | 479 | 482 | 379 | 872 | 48 |
| Equatorial Guinea | 16 | 2 | 18 | 164 | 59 | 6 |
| Gabon | 207 | 707 | 914 | 716 | 857 | 53 |
| Rwanda | 2 | 177 | 179 | 30 | 215 | 59 |
| Sao Tome & Principe | 7 | 8 | 15 | 289 | 35 | 1 |
| Zaire | 159 | 6009 | 6168 | 65 | 2495 | 438 |
| East & Southern Africa | 9171 | 18972 | 28143 | 3107 | 18216 | 2441 |
| Angola | 480 | 1360 | 1840 | 93 | 889 | 84 |
| Botswana | .. | .. | .. | .. | 848 | .. |
| Comoros | 14 | 2 | 16 | 55 | 31 | 1 |
| Djibouti | 178 | 0 | 178 | 375 | 170 | 5 |
| Ethiopia | 121 | 785 | 906 | 27 | 1372 | 454 |
| Kenya | 159 | 2770 | 2929 | 109 | 2661 | 425 |
| Lesotho | .. | .. | .. | .. | .. | .. |
| Madagascar | 249 | 320 | 569 | 43 | 531 | 92 |
| Malawi | 14 | 736 | 750 | 37 | 371 | 143 |
| Mauritius | 738 | 75 | 813 | 494 | 535 | 33 |
| Mozambique | 440 | 50 | 490 | 31 | 486 | 162 |
| Namibia | .. | .. | .. | .. | .. | .. |
| Seychelles | 102 | 0 | 102 | 887 | 63 | 2 |
| Somalia | 110 | 0 | 110 | 10 | 86 | 74 |
| Swaziland | 200 | 216 | 416 | .. | .. | .. |
| Tanzania | 279 | 622 | 901 | 38 | 1011 | 360 |
| Uganda | 7 | 776 | 783 | 29 | 517 | 152 |
| Zambia | 40 | 7735 | 7775 | 205 | 1722 | 181 |
| Zimbabwe | 6040 | 3525 | 9565 | 674 | 6923 | 273 |
| Developing Africa | 102283 | 52082 | 154365 | 14333 | 160596 | 9446 |

— Statistics Yearbook 1991.

## Table 5. Merchandise trade: Value and growth

| Subregion/country | Exports | | | Imports | | | Balance of trade | | | Exports | | Imports | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1991 | 1992 | 1987 | 1991 | 1992 | 1987 | 1991 | 1992 | 1987-92 | 1987/91 | 1987-92 | 1991/92 |
| North Africa | 24872.90 | 34356.92 | 33401.90 | 34415.40 | 33378.31 | 35352.60 | -9542.50 | 978.60 | -1950.70 | 6.07 | -2.78 | 0.54 | 5.91 |
| Algeria | 9029.00 | 12330.00 | 12150.00 | 6616.00 | 6852.00 | 6290.00 | 2413.00 | 5478.00 | 5860.00 | 6.12 | -1.46 | -1.01 | -8.20 |
| Egypt | 4351.40 | 3532.91 | 3054.80 | 14618.60 | 6815.24 | 7474.70 | -10267.20 | -3282.33 | -4419.90 | -6.83 | -13.53 | -12.55 | 9.68 |
| Libyan Arab Jamahiriya | 6292.00 | 10200.00 | 9974.00 | 5820.00 | 7900.00 | 8100.00 | 472.00 | 2300.00 | 1874.00 | 9.65 | -2.22 | 6.83 | 2.53 |
| Morocco | 2798.10 | 4281.90 | 3976.80 | 3839.80 | 5841.16 | 6693.10 | -1041.70 | -1559.26 | -2716.30 | 7.28 | -7.13 | 11.75 | 14.59 |
| Sudan | 265.70 | 302.50 | 213.40 | 696.60 | 1138.20 | 810.20 | -430.90 | -835.70 | -596.80 | -4.29 | -29.45 | 3.07 | -28.82 |
| Tunisia | 2136.70 | 3709.60 | 4032.90 | 2824.40 | 4831.71 | 5984.60 | -687.70 | -1122.11 | -1951.70 | 13.55 | 8.72 | 16.20 | 23.86 |
| West Africa | 15108.79 | 20279.31 | 19864.28 | 10988.58 | 16001.63 | 16312.25 | 4120.21 | 4277.68 | 3552.03 | 5.63 | -2.05 | 8.22 | 1.94 |
| Benin | 363.40 | 291.40 | 369.10 | 483.80 | 482.40 | 551.60 | -120.40 | -191.00 | -182.50 | 0.31 | 26.66 | 2.66 | 14.34 |
| Burkina Faso | 229.90 | 283.20 | 280.30 | 475.20 | 601.50 | 642.30 | -245.30 | -318.30 | -362.00 | 4.04 | -1.02 | 6.21 | 6.78 |
| Cape Verde | 7.78 | 4.14 | 4.43 | 92.83 | 132.15 | 173.29 | -85.05 | -128.01 | -168.86 | -10.65 | 7.00 | 13.30 | 31.13 |
| Cote d'Ivoire/ | 2949.70 | 2763.50 | 2880.00 | 1863.30 | 1649.40 | 1883.70 | 1086.40 | 1114.10 | 996.30 | -0.48 | 4.22 | 0.22 | 14.21 |
| Gambia | 74.51 | 142.87 | 146.95 | 94.95 | 185.00 | 177.76 | -20.44 | -42.13 | -30.81 | 14.55 | 2.86 | 13.36 | -3.91 |
| Ghana | 826.80 | 997.60 | 986.40 | 951.50 | 1318.70 | 1456.70 | -124.70 | -321.10 | -470.30 | 3.59 | -1.12 | 8.89 | 10.46 |
| Guinea | 624.00 | 755.00 | 620.00 | 507.00 | 742.00 | 770.00 | 117.00 | 13.00 | -150.00 | -0.13 | -17.88 | 8.72 | 3.77 |
| Guinea Bissau | 15.30 | 17.90 | 16.00 | 66.30 | 63.00 | 60.00 | -51.00 | -45.10 | -44.00 | 0.90 | -10.61 | -1.98 | -4.76 |
| Liberia | 374.90 | 250.00 | 200.00 | 311.70 | 120.00 | 150.00 | 63.20 | 130.00 | 50.00 | -11.81 | -20.00 | -13.61 | 25.00 |
| Mali | 255.90 | 354.50 | 339.30 | 335.40 | 447.10 | 484.00 | -79.50 | -92.60 | -144.70 | 5.80 | -4.29 | 7.61 | 8.25 |
| Mauritania | 402.40 | 435.80 | 438.00 | 359.20 | 399.10 | 448.00 | 43.20 | 36.70 | -10.00 | 1.71 | 0.50 | 4.52 | 12.25 |
| Niger | 411.90 | 283.90 | 283.00 | 409.60 | 273.30 | 331.00 | 2.30 | 10.60 | -48.00 | -7.23 | -0.32 | -4.17 | 21.11 |
| Nigeria | 7365.00 | 12254.00 | 11886.50 | 3530.10 | 7813.00 | 7475.70 | 3834.90 | 4441.00 | 4410.80 | 10.05 | -3.00 | 16.19 | -4.32 |
| Senegal | 670.90 | 903.20 | 948.00 | 955.80 | 1187.10 | 1150.00 | -284.90 | -283.90 | -202.00 | 7.16 | 4.96 | 3.77 | -3.13 |
| Sierra Leone | 138.90 | 148.80 | 144.00 | 114.80 | 135.58 | 140.00 | 24.10 | 13.22 | 4.00 | 0.72 | -3.22 | 4.05 | 3.26 |
| Togo | 397.50 | 393.50 | 322.30 | 437.10 | 452.30 | 418.20 | -39.60 | -58.80 | -95.90 | -4.11 | -18.09 | -0.88 | -7.54 |
| Central Africa | 4440.48 | 6582.74 | 6157.90 | 4246.47 | 3901.97 | 3737.70 | 194.01 | 2680.77 | 2420.20 | 6.76 | -6.45 | -2.52 | -4.21 |
| Burundi | 90.00 | 92.00 | 73.70 | 179.20 | 221.10 | 192.50 | -89.20 | -129.10 | -118.80 | -3.92 | -19.89 | 1.44 | -12.94 |
| Cameroon | 805.00 | 1932.30 | 1814.90 | 1564.70 | 970.30 | 1068.50 | -759.70 | 962.00 | 746.40 | 17.66 | -6.08 | -7.35 | 10.12 |
| C. African Republic | 128.90 | 125.60 | 123.50 | 197.70 | 178.70 | 165.10 | -68.80 | -53.10 | -41.60 | -0.85 | -1.67 | -3.54 | -7.61 |
| Chad | 109.40 | 193.90 | 130.00 | 167.30 | 219.70 | 210.00 | -57.90 | -25.80 | -80.00 | 3.51 | -32.96 | 4.65 | -4.42 |
| Congo | 876.70 | 1028.70 | 1190.40 | 419.90 | 553.00 | 540.60 | 456.80 | 475.70 | 649.80 | 6.31 | 15.72 | 5.18 | -2.24 |

| Subregion/country | Exports | | | Imports | | | Balance of trade | | | Exports | | Imports | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1991 | 1992 | 1987 | 1991 | 1992 | 1987 | 1991 | 1992 | 1987-92 | 1987/91 | 1987-92 | 1991/92 |
| Eq. Guinea | 38.48 | 35.75 | 27.60 | 47.87 | 59.56 | 47.60 | -9.39 | -23.81 | -20.00 | -6.43 | -22.80 | -0.11 | -20.08 |
| Gabon | 1286.40 | 2243.10 | 2297.40 | 731.80 | 834.40 | 885.90 | 554.60 | 1408.70 | 1411.50 | 12.30 | 2.42 | 3.90 | 6.17 |
| Rwanda | 121.40 | 95.60 | 68.50 | 267.00 | 228.10 | 240.40 | -145.60 | -132.50 | -171.90 | -10.81 | -28.35 | -2.08 | 5.39 |
| Sao Tome & Principe | 6.50 | 6.00 | 5.40 | 16.50 | 24.50 | 25.20 | -10.00 | -18.50 | -19.80 | -3.64 | -10.00 | 8.84 | 2.86 |
| Zaire | 977.70 | 829.79 | 426.50 | 654.50 | 612.61 | 361.90 | 323.20 | 217.18 | 64.60 | -15.29 | -48.60 | -11.17 | -40.92 |
| E. & S. Africa | 11319.00 | 14503.96 | 14998.30 | 12105.90 | 15828.55 | 16265.10 | -786.90 | -1324.59 | -1266.80 | 5.79 | 3.41 | 6.08 | 2.76 |
| Angola | 2322.00 | 3427.00 | 3805.00 | 1578.00 | 1347.00 | 1400.00 | 744.00 | 2080.00 | 2405.00 | 10.38 | 11.03 | -2.37 | 3.93 |
| Botswana | 1658.60 | 2533.30 | 2312.30 | 796.90 | 2289.40 | 2069.30 | 861.70 | 243.90 | 243.00 | 6.87 | -8.72 | 21.03 | -9.61 |
| Comoros | 11.60 | 24.90 | 22.10 | 46.60 | 55.80 | 61.70 | -35.00 | -30.90 | -39.60 | 13.76 | -11.24 | 5.77 | 10.57 |
| Djibouti | 28.00 | 54.70 | 57.80 | 184.80 | 383.70 | 441.70 | -156.80 | -329.00 | -383.90 | 15.60 | 5.67 | 19.04 | 15.12 |
| Ethiopia | 355.20 | 188.65 | 89.70 | 898.50 | 397.87 | 439.20 | -543.30 | -209.23 | -349.50 | -24.06 | -52.45 | -13.34 | 10.39 |
| Kenya | 959.10 | 1104.26 | 1381.10 | 1509.50 | 1536.24 | 1564.90 | -550.40 | -431.98 | -183.80 | 7.57 | 25.07 | 0.72 | 1.87 |
| Lesotho | 46.50 | 67.20 | 109.20 | 451.50 | 803.50 | 932.60 | -405.00 | -736.30 | -823.40 | 18.62 | 62.50 | 15.61 | 16.07 |
| Madagascar | 327.00 | 338.00 | 328.00 | 315.00 | 440.00 | 466.00 | 12.00 | -102.00 | -138.00 | 0.06 | -2.96 | 8.15 | 5.91 |
| Malawi | 278.50 | 473.14 | 413.20 | 177.60 | 422.88 | 441.90 | 100.90 | 50.26 | -28.70 | 8.21 | -12.67 | 20.00 | 4.50 |
| Mauritius | 843.60 | 1194.70 | 1289.70 | 870.70 | 1419.10 | 1475.60 | -27.10 | -224.40 | -185.90 | 8.86 | 7.95 | 11.13 | 3.98 |
| Mozambique | 97.00 | 162.00 | 139.00 | 578.00 | 809.10 | 799.00 | -481.00 | -647.10 | -660.00 | 7.46 | -14.20 | 6.69 | -1.25 |
| Namibia | 879.00 | 1251.90 | 1287.90 | 684.00 | 1107.80 | 1177.40 | 195.00 | 144.10 | 110.50 | 7.94 | 2.88 | 11.47 | 6.28 |
| Seychelles | 22.20 | 48.80 | 43.60 | 98.40 | 149.78 | 167.10 | -76.20 | -100.98 | -123.50 | 14.45 | -10.66 | 11.17 | 11.56 |
| Somalia | 94.00 | 106.50 | 75.50 | 358.50 | 177.21 | 86.50 | -264.50 | -70.71 | -11.00 | -4.29 | -29.11 | -24.75 | -51.19 |
| Swaziland | 454.70 | 580.10 | 423.60 | 369.40 | 631.40 | 698.20 | 85.30 | -51.30 | -274.60 | -1.41 | -26.98 | 13.58 | 10.58 |
| Tanzania | 288.10 | 360.00 | 437.10 | 785.20 | 994.80 | 1347.60 | -497.10 | -634.80 | -910.50 | 8.69 | 21.42 | 11.41 | 35.46 |
| Uganda | 319.70 | 199.81 | 140.50 | 764.80 | 168.46 | 461.40 | -445.10 | 31.35 | -320.90 | -15.16 | -29.68 | -9.61 | 173.89 |
| Zambia | 906.60 | 775.20 | 1100.00 | 626.90 | 809.80 | 810.00 | 279.70 | -34.60 | 290.00 | 3.94 | 41.90 | 5.26 | 0.02 |
| Zimbabwe | 1427.60 | 1613.80 | 1543.00 | 1011.60 | 1884.70 | 1425.00 | 416.00 | -270.90 | 118.00 | 1.57 | -4.39 | 7.09 | -24.39 |
| Total Africa | 55741.17 | 75722.93 | 74422.38 | 61756.35 | 69110.46 | 71667.65 | -6015.18 | 6612.47 | 2754.73 | 5.95 | -1.72 | 3.02 | 3.70 |

Source: International Financial Statistics, IMF, ECA secretariat.

Table 6. External public debt and debt service ratios, 1992

| Subregion/country | Debt stock ($US Million) | | | Debt stock | | Debt service as | |
|---|---|---|---|---|---|---|---|
| | Long term | Short term | Total | % of GDP | Amount ($US million) | % of GDP | % of XGS (1) |
| North Africa | 98847 | 13912 | 112759 | 69.3 | 16783 | 9.9 | 30.9 |
| Algeria | 24762 | 1587 | 26349 | 58.3 | 9822 | 21.7 | 68.4 |
| Egypt | 36425 | 4006 | 40431 | 97.4 | 2415 | 5.8 | 16.7 |
| Libya | ... | ... | 0 | 14.1 | 860 | 2.7 | 8.4 |
| Morocco | 20536 | 882 | 21418 | 74.4 | 2289 | 7.9 | 27.6 |
| Sudan | 9480 | 6605 | 16085 | 263.7 | 23 | 0.4 | 4.0 |
| Tunisia | 7644 | 832 | 8476 | 54.0 | 1374 | 8.8 | 22.7 |
| West Africa | 62868 | 11438 | 74306 | 119.1 | 6040 | 9.7 | 25.0 |
| Benin | 1322 | 45 | 1367 | 57.0 | 31 | 1.3 | 6.3 |
| Burkina Faso | 994 | 61 | 1055 | 36.4 | 46 | 1.6 | 9.2 |
| Cape Verde | 151 | 9 | 160 | 40.0 | 6 | 1.5 | 9.2 |
| Cote d'Ivoire | 13300 | 4697 | 17997 | 176.4 | 1445 | 14.2 | 39.1 |
| Gambia | 340 | 39 | 379 | 126.3 | 30 | 10 | 16.5 |
| Ghana | 3131 | 1144 | 4275 | 62.0 | 295 | 4.3 | 26.9 |
| Guinea | 2466 | 186 | 2652 | 85.5 | 134 | 4.3 | 16.0 |
| Guinea-Bissau | 580 | 54 | 634 | 317.0 | 9 | 4.5 | 47.4 |
| Liberia | 1101 | 851 | 1952 | 195.2 | 1 | 0.1 | .. |
| Mali | 2472 | 123 | 2595 | 92.7 | 26 | 0.9 | 4.9 |
| Mauritania | 1855 | 448 | 2303 | 177.2 | 84 | 6.5 | 16.7 |
| Niger | 1567 | 144 | 1711 | 77.8 | 179 | 8.1 | 47.5 |
| Nigeria | 28789 | 2209 | 30998 | 152.7 | 3375 | 16.6 | 25.2 |
| Senegal | 2982 | 625 | 3607 | 58.2 | 312 | 5.0 | 19.7 |
| Sierra Leone | 680 | 585 | 1265 | 210.8 | 14 | 2.3 | 9.1 |
| Togo | 1138 | 218 | 1356 | 84.8 | 53 | 3.3 | 7.5 |
| Central Africa | 25130 | 4846 | 29976 | 88.2 | 1160 | 3.4 | 13.6 |
| Burundi | 947 | 75 | 1022 | 92.9 | 40 | 3.6 | 31.5 |
| Cameroon | 5759 | 795 | 6554 | 60.1 | 465 | 4.3 | 20.5 |
| Central African Republic | 808 | 93 | 901 | 64.4 | 15 | 1.1 | 8.2 |
| Chad | 667 | 62 | 729 | 48.6 | 11 | 0.8 | 4.4 |

| Subregion/country | Debt stock ($US Million) | | | Debt stock | | Debt service as | |
|---|---|---|---|---|---|---|---|
| | Long term | Short term | Total | % of GDP | Amount ($US million) | % of GDP | % of XGS (1) |
| Congo | 3878 | 873 | 4751 | 148.5 | 262 | 8.2 | 23.4 |
| Equatorial Guinea | 205 | 41 | 246 | 123.0 | 3 | 1.5 | 7.5 |
| Gabon | 2998 | 801 | 3799 | 64.4 | 163 | 2.6 | 6.8 |
| Rwanda | 804 | 69 | 873 | 51.4 | 25 | 1.5 | 17.5 |
| Sao Tome & Principe | 169 | 20 | 189 | 472.5 | 2 | 5.0 | 25.0 |
| Zaire | 8895 | 2017 | 10912 | 134.7 | 174 | 2.1 | 7.5 |
| East & Southern Africa | 47521 | 9905 | 57424 | 125.9 | 3166 | 6.9 | 17.5 |
| Angola | 7628 | 2016 | 9644 | 292.2 | 208 | 6.3 | 5.8 |
| Botswana | 538 | 7 | 545 | 14.7 | 80 | 2.2 | 3.4 |
| Comoros | 165 | 8 | 173 | 57.7 | 2 | 0.7 | 5.1 |
| Djibouti | 174 | 15 | 189 | 47.3 | 14 | 3.5 | 4.6 |
| Ethiopia | 4168 | 186 | 4354 | 124.4 | 139 | 4.0 | 25.4 |
| Kenya | 5214 | 1153 | 6367 | 76.7 | 720 | 8.7 | 32.2 |
| Lesotho | 442 | 30 | 472 | 67.4 | 27 | 3.9 | 4.7 |
| Madagascar | 3805 | 580 | 4385 | 141.5 | 160 | 5.2 | 34.3 |
| Malawi | 1557 | 142 | 1699 | 94.4 | 131 | 7.3 | 27.9 |
| Mauritius | 936 | 112 | 1048 | 34.9 | 164 | 6.6 | 9.4 |
| Mozambique | 4153 | 775 | 4928 | 492.8 | 45 | 6.1 | 12.3 |
| Seychelles | 147 | 34 | 181 | 49.6 | 24 | 6.6 | 9.3 |
| Somalia | 1896 | 549 | 2445 | 244.7 | .. | .. | .. |
| Swaziland | 233 | 7 | 240 | 23.9 | 28 | 2.8 | 3.5 |
| Tanzania | 6060 | 655 | 6715 | 248.7 | 132 | 4.9 | 24.1 |
| Uganda | 2495 | 496 | 2991 | 85.5 | 139 | 4.0 | 63.8 |
| Zambia | 4823 | 2218 | 7041 | 281.6 | 586 | 23.4 | 40.6 |
| Zimbabwe | 3085 | 922 | 4007 | 102.7 | 567 | 14.5 | 27.6 |
| Developing Africa | 234366 | 40101 | 274465 | 89.6 | 27149 | 8.7 | 25.6 |

Sources: World Bank, World Debt Tables 1992-1993; ECA secretariat and various issues
(1) goods and services exports

Table 7. Social indicators - Education

| | School enrolment ratio 1989 | Primary education enrolment ratio 1991 | Adult female literacy rate 1990 | Adult literacy rate 1990 | Scientists/technicians per '000 1989 |
|---|---|---|---|---|---|
| North Africa | 72 | 81.0 | 35 | 48.0 | 2.0 |
| Algeria | 81 | 95.5 | 46 | 58.0 | .. |
| Egypt | 92 | 97.5 | 34 | 48.5 | .. |
| Libya | .. | .. | 50 | 62.5 | 11.6 |
| Morocco | 52 | 68.0 | 38 | 49.5 | .. |
| Sudan | 37 | 49.5 | 12 | 27.5 | 0.4 |
| Tunisia | 81 | 115.5 | 56 | 65.0 | 1.4 |
| West Africa | 44 | 64.0 | 35 | 46.0 | 1.0 |
| Benin | 44 | 65.5 | 16 | 24.0 | .. |
| Burkina Faso | 22 | 36.5 | 9 | 18.5 | .. |
| Cape Verde | .. | .. | .. | .. | .. |
| Cote d'Ivoire | .. | 75.0 | 40 | 53.5 | .. |
| Gambia | 43 | .. | .. | .. | .. |
| Ghana | 59 | 74.5 | 51 | 60.5 | 1.5 |
| Guinea | 23 | 37.0 | 13 | 24.0 | .. |
| Guinea Bissau | 39 | 59.0 | 24 | 37.0 | .. |
| Liberia | .. | 39.5 | 29 | 39.5 | .. |
| Mali | 16 | 23.5 | 24 | 32.5 | .. |
| Mauritania | 36 | 51.0 | 21 | 34.0 | .. |
| Niger | 18 | 29.0 | 17 | 28.5 | .. |
| Nigeria | 49 | 72.5 | 40 | 51.0 | 0.9 |
| Senegal | 39 | 58.0 | 25 | 38.5 | .. |
| Sierra Leone | 38 | 47.5 | 11 | 21.0 | .. |
| Togo | 66 | 103.0 | 31 | 43.5 | 0.2 |
| Central Africa | 50 | 74.0 | 48 | 61.0 | 0.2 |
| Burundi | 38 | 71.5 | 40 | 50.5 | .. |
| Cameroon | 67 | 100.5 | 43 | 55.0 | .. |
| Central African Republic | 40 | 67.0 | 25 | 38.5 | .. |
| Chad | 34 | 57.0 | 18 | 30.0 | .. |

| | School enrolment ratio 1989 | Primary education enrolment ratio 1991 | Adult female literacy rate 1990 | Adult literacy rate 1990 | Scientists/technicians per '000 1989 |
|---|---|---|---|---|---|
| Congo | .. | .. | 44 | 57.0 | .. |
| Equatorial Guinea | .. | .. | .. | .. | .. |
| Gabon | .. | .. | 49 | 61.5 | .. |
| Rwanda | 48 | 68.5 | 37 | 50.5 | 0.2 |
| Sao Tome & Principe | .. | .. | .. | .. | .. |
| Zaire | .. | 78.0 | 61 | 72.5 | .. |
| East & Southern Africa | 48 | 67.0 | 54 | 63.0 | 2.6 |
| Angola | .. | 94.5 | 29 | 42.5 | .. |
| Botswana | 89 | 109.5 | 65 | 74.5 | 1.2 |
| Comoros | 54 | .. | .. | .. | .. |
| Djibouti | .. | .. | .. | .. | 0.1 |
| Ethiopia | 29 | 38.0 | .. | 24.5 | .. |
| Kenya | 74 | 94.0 | 59 | 69.5 | 1.4 |
| Lesotho | 80 | 107.0 | .. | .. | .. |
| Madagascar | 55 | 92.0 | 73 | 80.5 | .. |
| Malawi | 51 | 70.5 | .. | .. | .. |
| Mauritius | 79 | 103.0 | .. | .. | 16.2 |
| Mozambique | 35 | 58.0 | 21 | 33.0 | .. |
| Namibia | .. | 94.0 | .. | .. | .. |
| Seychelles | .. | .. | .. | .. | .. |
| Somalia | 14 | 15.0 | 14 | 25.0 | .. |
| Swaziland | 87 | .. | .. | .. | .. |
| Tanzania | 41 | 63.5 | 88 | .. | .. |
| Uganda | 53 | 69.5 | 35 | 48.5 | .. |
| Zambia | 69 | 95.0 | 65 | 73.0 | 4.4 |
| Zimbabwe | 97 | 117.0 | 60 | 67.0 | .. |
| Developing Africa | 53 | 70.0 | 41 | 53.0 | 1.4 |

<u>Source</u>: UNICEF, The State of the World's Children, 1994
UNDP, Human Development Report, 1993

Table 8. Health indicators

| | Life expectancy (years) | Infant mortality rate | Under-5 Mortality rate (1) | Safe water access | '000 POP per doctor |
|---|---|---|---|---|---|
| | 1991 | 1991 (per '000) | 1991 (per '000) | 1990 (per '000) | 1984 |
| North Africa | 61 | 58 | 97 | 67 | 5.4 |
| Algeria | 66 | 60 | 61 | 68 | 2.2 |
| Egypt | 61 | 43 | 85 | 90 | 0.8 |
| Libya | 63 | 70 | 108 | 97 | 0.7 |
| Morocco | 63 | 50 | 97 | 56 | 15.6 |
| Sudan | 52 | 100 | 169 | 48 | 10.1 |
| Tunisia | 68 | 32 | 58 | 99 | 2.2 |
| West Africa | 50 | 114 | 188 | 46 | 15.2 |
| Benin | 46 | 88 | 149 | 51 | 15.9 |
| Burkina Faso | 48 | 101 | 206 | 68 | 57.2 |
| Cape Verde | .. | .. | .. | .. | 5.8 |
| Cote d'Ivoire | 52 | 91 | 127 | 76 | .. |
| Gambia | .. | .. | .. | .. | 11.6 |
| Ghana | 56 | 103 | 137 | 52 | 14.9 |
| Guinea | 44 | 135 | 234 | 53 | 46.4 |
| Guinea Bissau | 43 | 141 | 242 | 41 | 7.5 |
| Liberia | 55 | 146 | 217 | 50 | 9.3 |
| Mali | 46 | 122 | 220 | 41 | 25.4 |
| Mauritania | 48 | 118 | 206 | 66 | 12.1 |
| Niger | 46 | 191 | 320 | 53 | 39.7 |
| Nigeria | 52 | 114 | 191 | 36 | 8.0 |
| Senegal | 49 | 90 | 145 | 48 | 13.1 |
| Sierra Leone | 43 | 144 | 249 | 37 | 13.6 |
| Togo | 55 | 86 | 137 | 60 | 8.7 |
| Central Africa | 51 | 111 | 177 | 34 | 29.2 |
| Burundi | 48 | 108 | 179 | 57 | 21.1 |
| Cameroon | 56 | 74 | 117 | 48 | .. |
| Central African Republic | 47 | 105 | 179 | 24 | 23.5 |
| Chad | 47 | 123 | 209 | 57 | 38.4 |

| | Life expectancy (years) | Infant mortality rate | Under-5 Mortality rate (1) | Safe water access | '000 POP per doctor |
|---|---|---|---|---|---|
| | 1991 | 1991 (per '000) | 1991 (per '000) | 1990 (per '000) | 1984 |
| Congo | 52 | 82 | 110 | 38 | 8.3 |
| Equatorial Guinea | .. | .. | .. | .. | .. |
| Gabon | 53 | 95 | 158 | 68 | 2.8 |
| Rwanda | 46 | 131 | 222 | 66 | 34.7 |
| Sao Tome & Principe | .. | .. | .. | .. | 2.5 |
| Zaire | 52 | 121 | 188 | 39 | .. |
| East & Southern Africa | 49 | 111 | 182 | 31 | 29.3 |
| Angola | 46 | 170 | 292 | 41 | 17.8 |
| Botswana | 61 | 45 | 58 | 90 | 6.9 |
| Comoros | .. | .. | .. | .. | .. |
| Djibouti | .. | .. | .. | .. | 1 |
| Ethiopia | 47 | 123 | 208 | 25 | 60 |
| Kenya | 59 | 51 | 74 | 49 | 10 |
| Lesotho | 60 | 108 | 156 | 47 | 18.6 |
| Madagascar | 55 | 110 | 168 | 23 | 9.8 |
| Malawi | 44 | 143 | 226 | 56 | 11.3 |
| Mauritius | .. | 20 | 24 | 96 | 1.9 |
| Mozambique | 47 | 167 | 287 | 22 | 38 |
| Namibia | 58 | 62 | 79 | 52 | .. |
| Seychelles | .. | .. | .. | .. | 2.2 |
| Somalia | 47 | 125 | 211 | 37 | 16.1 |
| Swaziland | .. | .. | .. | .. | .. |
| Tanzania | 51 | 111 | 176 | 49 | 26.2 |
| Uganda | 42 | 111 | 185 | 33 | 21.9 |
| Zambia | 45 | 113 | 202 | 53 | 7.2 |
| Zimbabwe | 56 | 60 | 86 | 84 | 6.7 |
| Developing Africa | 52 | 100 | 164 | 45 | 18.4 |

Source: UNICEF, The State of the World's Children, 1994
UNDP, Human Development Report, 1993