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FOREIGN TRADE NEWSLETTER

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FOREIGN TRADE NEWSLETTER

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FOREWORD

The Foreign Trade Newsletter is prepared by the Trade Section in the Trade and Surveys Division of the Economic Commission for Africa.

The information published is entirely taken from newspapers and periodicals. The secretariat accordingly can accept no responsibility for accuracy and completeness of the information. It is hoped that later issues will publi information received from member countries, in response to the recommendation adopted by the first session of the Standing Committee on Trade, that the secretariat be kept informed on a regular basis by individual African governments about significant developments in the area of trade.

This issue of the Newsletter combines material received during the second and third quarter of 1963.

The geographical names in the Newsletter do not imply endorsement or acceptance by the United Nations.

DEVELOPMENTS AT A GLANCE

TRADE AGREEMENTS

Algeria - Bulgeria

Algeria and Bulgaria signed a trade agreement in Algiers on 22 February 1963. The agreement is valid until 31 December 1963, thereafter being renewable for one further year by mutual consent.

Bulgaria is to import various foodstuffs including preserves, cereals and wines, phosphates, iron ore, electrical cables and wires and motor cars. Goods to be imported by Algeria will include machinery (textile, tool-making, industrial), electrical (including radios and television) apparatus, glass and tableware, chemicals, fertilizers, textile goods and ships.

No quota values are stated.

(Board of Trade Journal, London, 28/6/63)

Algeria - Poland

Algeria and Poland signed a trade agreement on 26 January, 1963. It is valid for a period of one year, being renewable automatically unless notice is given of its termination.

Algeria is to export fruits, vegetables, wines, tobacco, ceraals, woollen blankets and carpets, iron and steel products. Exports from Poland will include potatoes, sugar, butter, ham and tinned meat, glassware, chemical and pharmaceutical products, textiles and steel products.

There is no quota value stated in the present agreement.

(Board of Trade Journal, London, 5/7/63)

Algeria - Switzerland

A trade and co-operation agreement has been signed between Algeria and Switzerland. This agreement is valid for one year and thereafter renewable by mutual consent.

Switzerland is to export dairy products, livestock, chemical products textiles and tobacco, while Algeria will provide Switzerland with carpets, fresh vegetables and dates.

(Marches Tropicaux, Paris, 20"7/63)

Cameroon - Switzerland

An agreement on trade, protection of investments and technical co-operation between the Cameroon Republic and Switzerland was signed on 28 January 1963. Under the terms of the agreement the Federal Republic of Cameroon will authorise the importation of Swiss products, such as medicated milk, chemical and pharmaceutical products, mechanical and electrical equipment and sewing and writing machines. Switzerland will continue to accord the same liberal regime existing at the time of the agreement to products originating from Cameroon, notably bananas, coffee, cocoa, tobacco, wood, cotton, and palm oil.

The agreement is valid until 31 December 1964, and is renewable by mutual consent.

(Marches Tropicaus, Paris, 3/8/63)

Cameroon - U.K.

An agreement on commercial and economic co-operation between the U.K. and Cameroon provides for duty-free entry into the United Kingdom of West Cameroon's tea and tropical hardwoods to be maintained after October 1, when West Cameroon will cease to be part of the Commonwealth preference area.

However, Cameroon will continue to export these products duty free into the common market countries, because of her status as an associate member. Furthermore, the U.K. and E.E.C. has signed a provisional agreement abolishing customes tariffs on tea and tropical hard woods. This agreement is valid only from 1 January 1964 to 31 December, 1965. It is hoped, however, that the agreement will become permanent under the framework of GATT.

(West Africa, London, 3/8/63 and
Afica South of the the Sahara,
Paris 12/9/63)

Congo (Brazzaville) - Switzerland

The Republic of the Cong (Brazzaville) and Switzerland signed on 18 October 1962 in Berne, a trade agreement, granting each other most-favoured-nation treatment. The agreement includes clauses for the protection of investment and also for indemnification of properties in case of nationalization.

Switzerland has agreed to grant the same liberal regime existing at the time of the agreement for products originating from Congo (Brazzaville).

The Congo will import for the current year the following commodities: dairy products (300 000 SF), textiles (300 000 SF), clocks and watches (200 000 SF), photographic apparatus, gramaphones, cinema projectors (50 000 SF), electrical and mechanical equipment (100 000 SF) and chemicals and pharmaceuticals (200 000SF).

The agreement is valid until 31 December, 1964, and thereafter renwed unless three months' notice of termination is given.

(Board of Trade Journal, London, 5/4/63

Dahomey- U.S.S.R.

A trade agreement has been signed in Cotonou between the representatives of Dahomey and the U.S.S.R.

The agreement is based on the principle of equality and non-discrimination. Dahomey is to export agricultural products, notably palm oil and the U.S.S.R. is to provide the former with industrial equipment, such as agricultural machinery, and other manufactures products.

(Afrique Nouvelle, Dakar, 19-25/7/63

France - Iceland

By an exchange of letters between the Governments of Iceland and France, Morocco, Cameroon, Central African Republic, Congo (Brazzaville), Dahomey, Gabon and Mauritania the trade agreement between France and Iceland of 6 December, 1951 has been extended for a period of one year, from 1 January, 1963.

Icelandic exports will include fresh or frozen sea fish, smoked cod and salted cod tongues. There will be a miscellaneous quota of F 665,000 to be divided between Iceland's exports to France and the African States.

(Board of Trade Journal, London, 28/6/63)

France - Sweden

Details of the trade agreement of 19 March 1963, between France and Sweden have been published.

By an exchange of letters the arrangements provide for the exchange of trade between Sweden and France, the Central African Republic, Congo (Brazzaville), Dahomey, Gabon, Upper Volta, Chad, the Malagasy Republic and Mauritania, for a period of one year with effect from 1 January 1963.

Swedish exports to France and the overseas Departments and Territories include beer, fish, various food products, lubricating oils and pleasure boats.

Swedish exports to the African States include powdered and condensed milk, butter, prefabricated houses, paper, cardboard and furniture.

(Board of Trade Journal, London, 12/4/63)

Ghana - Japan

Ghana and Japan have signed a trade agreement, according each other most-favoured-nation treatment. The two countries agreed on the need for import licences, but exempted from duties goods of small value imported temporarily to canvass orders. Agreement was also reached on the development of transit trade through their respective territories, and also for the organisation of trade fairs and exhibitions for the promotion of trade between their countries.

Payment is to be made in sterling or in any other convertible currency.

The Ghana Government has undertaken to issue import licences for Japanese products, such as textiles and light machinery.

(Africa South of the Sahara, Paris, 14/3/63)

Ghana - Niger

Ghana and Niger have concluded a trade agreement according most-favoured-nation treatment and the suspension of all duties and taxes on imports from each other.

The agreement is valid for one year, thereafter being renewable by further negotiation.

Niger is to supply Ghana with groundnuts, and other agricultural products such as meat and hides. In return Ghana will provide Niger with fruits (bananas and pineapples), coffee and nonalcoholic beverages.

(Moniteur Africain, Dakar, 6/7/63)

Guinea - Poland

The Guinea - Poland trade and payments agreement, signed in June 1960 has been extended for a further three years. At the same time a commercial exchange agreement covering 1963 has been concluded.

Under the agreement Poland will export to Guinea food products, pharmaceutical products and machine tools. In return, Guinea will supply to Poland iron ore, bauxite, aluminium oxide, shelled groundnuts, bananas and sesame.

(Africa South of the Sahara, Paris 28/3/63)

Guinea - Japan

On 19 April, 1963, Guinea and Japan signed a trade agreement which is valid for one year and renewable automatically, unless notice of its abrogation is given by one of the parties.

The main points of the agreement are:

-the two countries accord most-favoured-nation treatment, on the principle of non-discrimination, to the products originating from either country with regard to the customs tariff and export/import licences.

-payment in convertible currency

-the two governments will facilitate the entry, residence, travel and establishment and other activities of the nationals of either country.

-if Guinea becomes a contracting party to the General Agreement on Tariffs and Trade, the two parties will co-operate to normalise their relations within GATT.

-to develop trade the two governments will organise fairs and exhibitions in their respective territories.

-at the request of either party, a commission, representing the two governments, will be set up to study the execution of the agreement.

(Le Moniteur Africain, Dakar, 8/6/63)

Guinea - U.A.R.

The U.A.R. Trade Organisation has concluded agreement with the Government of Guinea to deliver consumer goods worth £ E 1 million to Guinea. Amongst the products to be exported are textiles, shoes and bags.

It has also been decided to establish a U.A.R. - Guinea import and export company to facilitate trade exchanges between the two countries.

(Afro - Asian Economic Review, Cairo, Jan. 1963)

Guinea - Nigeria

Guinea and Nigeria have agreed in principle to:

- conclude a trade agreement;
- establish a direct air service;
- open direct postal, telegraphic and telephone services;
- exchange students, teachers and expand cultural relations.

The technical details will be studied by experts.

(Africa Economic Newsletter, Johannesburg, 11/5/63)

Ivory Coast - France

France and the Ivory Coast have agreed upon the extension of the preferential trade arrangements existing between them to cover the year 1963.

The quota for coffee exported to France has been reduced from 100.000 to 88.000 tons. The guaranteed price of 3.20 francs has also been reduced to 2.95 francs per kg for Grade II and 2.90 francs for Grade III coffee. With regards to bananas, there will be no discrimination against Ivory Coast's products, and canned pineapple slices and juice will still have access to the French market duty-free.

The Ivory Coast will purchase from France the required quantity of cereals for the local flour mill. However, the price of the raw materials purchased is not to exceed the world market price by more than five per cent.

(Afro-Asian EconomicReview, Cairo
March 1963)

Libya - U.S.S.R.

A trade agreement was signed between Libya and the Soviet Union on 30 May 1963. The U.S.S.R. is to import next year 3,000 tons of groundnuts, 400 tons of wool, 500 tons of tobacco, 400,000 hides, plus lemons and sardines.

Libya is to take an unspecified amount of agricultural machinery, bulldozers, equipment for light industry, cotton manufactures, sugar and other goods.

(International Commerce, Washington,
24/6/63)

Liberia - Austria

A trade agreement was signed between Liberia and Austria on 29 June, 1963. The agreement provides for the export of breeding cattle, tobacco goods, steel products, tools and machines from Austria and coffee, cocoa, gold, rubber and iron ore from Liberia.

Payment is to be made in convertible currency. The agreement is for one year and will be prolonged for a further year provided written notice of termination is not given within six months of the date of expiry.

(Board of Trade Journal, London, 16/8/63)

Madagascar - Japan

A trade agreement between the Malagasy Republic and Japan has been signed. This agreement is valid for one year and will be extended automatically for a further year.

The two countries have agreed to accord most-favoured-nation treatment to each other in their trade exchanges.

The main purpose of the present agreement is to develop and expand trade between the two countries. In 1962, Japan exported $ 1.9 million worth of goods to the Malagasy Republic and imported $760,000 worth from that country.

(Afro-Asian Economic Review, Cairo, July 1963)

Mali - Senegal

On 8 June 1963, several agreements were signed between Mali and Senegal. These agreements concern trade, payments, customs, railway traffic and the use of the port of Dakar by Mali.

a) Trade Agreement

The agreement is valid for a period of one year and renewable automatically unless notice of termination is given by one of the parties. It provides that a treatment as favourable as possible shall be given in the granting of import/export permits. Each of the contracting parties, shall endeavour to facilitate the importing of goods originating and coming from the other country, and particularly those on the two lists appended to the agreement. (The lists include almost all the products of both countries).

Both parties shall concurrently ensure commercial transit to the best of their mutual interest. Most-favoured-nation treatment shall be the rule. However, this shall not apply to goods coming from one of the contracting parties but originating in a third country which does not enjoy m-f-n treatment in the other contracting country.

b) Payments agreement

This agreement is valid also for one year and thereafter renewable automatically unless notice of termination is given by one of the parties.

Accounts in French francs, the money of account, free from all charges and interest, shall be opened respectively at the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO) in Dakar and at the Banque de la Republique du Mali for payments between the two countries.

These accounts may be supplied with convertible currencies at the rate of the exchange market in the franc zone. Subject to the agreement of the two countries, the accounts concerned may be used for payments to a third country. An overdraft account, bearing no interest, amounting to 2 million French francs shall be opened in order to facilitate the continuity of payments.

c) Customs agreement

It shall establish an international transit system by rail between the two countries. International transit by water and road shall be allowed. However, the procedures for the application of these two systems may be subject to special protocol.

d) Agreement on railway traffic

This agreement is valid for 25 years. The tariffs of the transport of goods and passangers will form the subject of a common study. The international traffic requires consignment note. A railway agreement will establish a system of arbitration and the appointment of an arbitrator.

e) Agreement on the use of the ports of Dakar and Kaolack

This is also valid for 25 years.

A free zone comprising a part of the facilities of the ports shall be set up for the benefit of Mali, under the international transit system. Two representatives from Mali shall sit on the Board of Directors of both ports.

(Moniteur African, Dakar, 10/8/63)

Mali - Tunisia

Four agreements have been signed between Mali and Tunisia, as follows:

a) A trde agreement: the value of exchange between the two parties being estimated at $500,000;
b) Technical and scientific co-operation, stipulating the exchange of experts and missions;
c) A cultural agreement;
d) An air agreement - opening of the route Tunis - Bamako.

(Marches Tropicaux, Paris, 3/8/63)

Morocco - Pakistan

The trade agreement between Morocco and Pakistan originally signed 20 April 1962, has been renewed for a further year until 20 April, 1964.

Quotas under the agreement remain unchanged.

(Board of Trade Journal, London, 28/6/63)

Morocco and Portugal

The trade agreement between Morocco and Portugal, originally signed 13 May 1961, has been renewed for one year until 1 May 1964.

Quotas under the agreement remain unchanged.

(Board of Trade Journal, London 28/6/63)

<u>Morocco - Finland</u>

A new trade agreement was concluded between Morocco and Finland on 1 July 1963. Morocco will import paper and paperboard, as well as other industrial products. Finland is to buy phosphates, sardine conserves and handicrafts.

(Marches Tropicaux, Paris, 13/7/63)

<u>Morocco - U.A.R.</u>

Morocco and U.A.R. have initialled a new trade protocol regulating their exchanges for 1963. This is the fourth protocol to the agreement signed between them in 1958.

Under the new protocol, the volume of trade between the two contracting parties is to be increased by 30 per cent from the 1961 level or by about £E 2.7 million for each of the countries.

(Afro-Asian Economic Review, Cairo, July 1963)

<u>Morocco - Cuba</u>

Under an agreement signed between Morocco and Cuba, the latter is to deliver 1 million tons of sugar, on an annual quota basis, until 1966. The deliveries and the mode of payment are as follows:

a) July 1963 - June 1964, 300,000 tons, 58 per cent payable in sterling and 42 per cent in clearing;

b) July 1964 - June 1965: 300/350,000 tons, 40 per cent payable in currency, and 60 per cent in clearing;

c) July 1965 - June 1966: 300/350,000 tons, 40 per cent payable in currency and 60 per cent in clearing.

In addition quotas have been established for the importation of tobacco leaf and cigars from Cuba.

Moroccan goods for exports to Cuba are divided into two lists. The first list, which includes fish flour, cork and cork products, tinned sardines and miscellaneous foodstuffs, contains goods for which there are fixed quota values. The second list, which includes phospates, cereals, essential oils, plastics materials, ferrous sulphate, enamel and glassware and utility vehicles, is indicative only.

(Marches Tropicaux, Paris, 8/6/63)
(Board of Trade Journal, London, 23/8/63)

Morocco - Poland

A protocol for a trade agreement has been signed between Morocco and Poland.

Morocco will export to Poland several foodstuffs, wines, phosphates, iron ore, zinc, copper, wool, vegetable, cotton, cork, tanned skin, veneer and plywood and agricultural machinery and tractors.

Poland will supply Morocco with butter, chesse, seed potatoes, raw and blended tobacco, textile goods, periodicals, tinned and preserved food, hardware, tires for bicycles, cosmetics and pharmaceutical products, radio receivers and parts, sewing machines, agricultural and industrial machines, sports equipment, cinema and photographic materials, dyestuffs, and timber.

(Board of Trade Journal, London 14/6/63)

Morocco - China

The contents of the new agreement between Morocco and the People's Republic of China has been published. The value of the exchange is fixed at 70 million dirhams.

Moroccan exports include: phosphates(600,000 tons), wool (500 tons), preserved sardines (20,000cases), vehicles (14 million dirhams), and handicrafts (200,000 dirhams). The wool quota has been reduced to 100,000 dirhams from 400,000, and non-ferrous mineral to 3 million from 7 million dirhams. The quota for cotton is increased from 1,000 to 2,500 tons. Superphosphates are excluded.

Moroccan imports from China are made up as follows: green tea (8,000 tons, reduced from 9,500 tons), cotton tissue and fibre (3 million dirhams, reduced from 4.4 million dirhams), sewing machines (240,000 dirhams) and handicraft (200,000 dirhams). Two new items appear on the list: iron products (3.5 million dirhams), and products of light industry (3 million dirhams). There are increases in the quota for silk tissues (1 million dirhams), chemical products (1.4 million dirhams) various equipment (6 million dirhams) and cinnamon (500,000 dirhams).

(Marches Tropicaux, Paris, 18/5/63)

Morocco - Senegal

The agreement concluded between Morocco and Senegal became effective in June, 1963.

It provides that Senegal will accord the minimum tariff for certain Moroccan goods and that the Moroccan Government will put at the disposal of Senegal, through the intermediary of the Caisse Maracain de Prerequation des Huiles, a sum of 300,000 dirhams which will serve to support the marketing of Senegalese oil in Morocco.

(Marches Tropicaux, Paris, 6/7/63)

Morocco - Sweden

The trade agreement signed between Morocco and Sweden on 8 February 1960, has been renewed. The new protocol signed on 21 May 1963 is valid for one year from 1 February 1963.

The main feature of the agreement is that certain goods, such as internal combustion engines, unassembled lorry chassis, and spares for motor vehicles, have been deleted from the Swedish export list since these items are included in the Moroccan list of global import quotas. The Moroccan export list has been increased by a number of Moroccan products, particularly cut flowers, new potatoes, vegetables and wine.

Board of Trade Journal, London, 19/7/63)

Niger - Tunisia

A trade agreement was signed in Tunis on 3 April 1962 between Niger and Tunisia.

Tunisia is to export citrus fruits and other fresh fruits, cereals, olive, and other oils, fruit juices and preserves, phosphates and their by-products, lead and lead articles, textiles, soaps and detergents.

Niger will export to Tunisia groundnuts, cotton cereals, gum arabic, skins and hides, and henna.

The agreement has a duration of three years, and will be renewed by agreement.

(Board of Trade Journal, London, 8/2/63)

Niger - U.A.R.

A trade and payments agreement has been signed between the United Arab Republic and Niger, granting each other most-favoured-nation treatments.

The agreement is effective for one year and will be tacitly renewed annually thereafter unless denounced by either party by giving notice three months prior to the expiry date.

Under the terms of the agreement Niger will import cotton goods, artificial silk, agricultural and mineral products, perfumes, soaps, magazines, rubber and leather goods, shoes, trucks, refrigerators, radios and household goods. In return Niger will export groundnuts, oil and oil-cake, hides and skins, preserved meat, gums, kapok and onions.

Payment is to be made in pound sterling or any other freely convertible currency acceptable to the Central Banks of the contracting parties.

(Marches Tropicaux, Paris, 13/7/63
and Le Moniteur Africain, Dakar, 21/3/63)

Nigeria - U.S.S.R.

Nigeria and the Soviet Union signed a trade agreement on 2 July 1963. The agreement stipulates most-favoure-nation treatment in respect to trade and shipping.

Russia will supply Nigeria with cars, tractors, farm machinery, cement, rolled ferrous metal products, fabrics, soap and food. Nigeria will export to Russia cocoa beans, cotton, rubber, and certain other commodities.

(Board of Trade Journal, London, 9/8/63)

Somalia - Italy

The trade and payments agreement signed between Italy and Somalia on 1 July 1960 has been further renewed for a year as from 1 July 1963. The agreement guarantees Somalia a virtual monopoly in supplying the Italian market with bananas.

(Neue Zurcher Zeitung, Zurich, 12/6/63
and Bank for International Settlements,
Berne, 14/6/63)

Sudan - Poland

A trade agreement has been concluded between Sudan and Poland, regulating their trade exchanges for 1963.

Poland will export cloth, sugar, cement, laminated products, shoes, household and consumer goods, while the Sudan will provide Poland with cotton, vegetable oil, oil-cake and gum arabic.

(Africa South of the Sahara, Paris
21/3/63)

Sudan - U.S.S.R.

The trade and co-operation agreement between the Sudan and the Soviet Union has been renewed, after its expiry last December.

The agreement outlines the execution of several projects in the Sudan to be completed in the first half of 1964: two silos, a plant to manufacture powdered milk, a cement factory, a factory to dehydrate onions and two canning plants for fruit and vegetables. These projects are to be financed by the Soviet Union through a credit of £ 9 million.

Under the trade agreement Sudan will export to the Soviet Union raw hides, cotton grain, oil, dates and other local products, and will import timber, cars, cement, and other Soviet goods.

(Africa South of the Sahara, Paris, 18/3/63)

U.A.R. - Korea

A trade and a long-term payments agreement has been concluded between the United Arab Republic and the Democratic Republic of Korea.

The present agreement replaces similar agreements signed by the two parties in 1957. Under the new one-year payments agreement, credit facilities between the contracting parties are fixed at £ 50,000 sterling in each direction.

Korean imports from the U.A.R. include mainly cotton, rice, tires and chemicals, while her exports to the U.A.R. include machines, iron steel and chemicals.

(Afro-Asian Economic Review, Cairo, March 1963)

U.A.R. - U.S.S.R.

A trade and payments agreement was signed on 23 June 1963 between the U.A.R. and the U.S.S.R. The agreement is effective from January 1, 1963, and remains in force until December 31, 1965 - after which date it is renewable for a further period of three years automatically unless notice of termination is given.

The agreement is intended to facilitate Egyptian exports of raw cotton, rice, oil seed, citrus products and certain manufactures and semi-manufactures including cotton yarn and cloth to the U.S.S.R.

The U.S.S.R. is to export a wide range of machinery and equipment, oil and petroleum product, timber, metals, chemical products and miscellaneous capital good, medicines, clocks and watches, cameras, and certain other consumer goods.

A clause in the agreement prohibits the re-exportation of Egyptian goods by the U.S.S.R. without prior consent of the U.A.R. Government.

The payments agreement is on a sterling basis with a swing credit of £ 6 million. Any balance in excess of the stated amount carries an interest and is to be settled in a convertible currency on demand of the creditor.

(Board of Trade Journal, London, 28/6/63

EXTERNAL ASSISTANCE, CREDITS AND INVESTMENTS

Algeria-France

After several weeks of negotiations, a financial agreement was signed on June 24, outlining French financial assistance and other aspects of monetary relations between the two countries.

France has made available to Algeria development aid amounting to F 250 million ($50 million), to be utilized at the discretion of the Algerian government, and a further F 100 million of untied aid will be made available towards the last quarter of 1963. Furthemore, a total of F 400 million is provided in the form of aid tied to the purchase of French goods. These amounts are drawn from the development aid to Algeria, a total of F 1,000 million, which was approved by parliament in November 1962. A sum of F 250 Million has been set aside for indeminification of French citizens for damages to their properties in Algeria.

The repayment of the F 300 million credit, which was advanced by the French Treasury in November 1962 has been postponed until the end of this year. However, the French Treasury has agreed to extend additional credit amounting to F 250 million.

An arbitration tribunal is to be set up to mediate conflicts arising between the two countries concerning petroleum rights in the Sahara.

In return, Algeria has modified the recent decree that prevented foreigners (i.e. French citizens) from leaving Algeria unless they had tax clearance from the Algerian authorities.

(Marches Tropicaux, Paris, 29/6/63)

Algeria-Yugoslavia

Under an agreement signed in Belgrade, Yugoslavia is to supply two textile plants, one leather working factory and one fruit processing plant to Algeria.

The total value of the arrangement is estimated at $7.3 million.

(Financial Times, London, 26/6/63)

Algeria-U.K.

Great Britain has accorded Algeria a loan of NF 70 million. This loan is to be used for the construction of several factories: three cotton and wool spinning mills; one paper mill with a capacity of 50 tons/ day; and a sugar mill composed of a refinery and a beetroot distillery.

(Marches Tropicaux, Paris, 6/7/63)

Algeria

Fiat and Someca - the tractor division of Simca - have entered into an agreement with the Algerian Government to set up a plant in Algeria for the assembly and manufacture of tractors and agricultural machinery.

A new joint company has been established, in which the Algerian state will hold 75 per cent of the capital.

(The Financial Times, London, 20/2/63)

Algeria-Federal Republic of Germany

An agreement has been signed in Algier between Algeria and the Federal Republic of Germany to establish a textile industry in Algeria.

This agreement stipulates the construction of textile industry and the fabrication of cloths. The Algerian Government will provide the German consortium with labourers and the necessary credit, while the German enterprise will furnish the machines and the technicians.

(Marches Tropicuax, Paris, 20/7/63)

Algeria-Kuwait

Kuwait has granted Algeria a loan of F 260 million (about $53 million)

(Financial Times, London, 19/2/63)

Cameroon-U.K.

The British Government has offered a long-term loan of £ 200,000 to the Cameroon Republic. The loan is to be used for the purchase of goods in Britain.

(Board of Trade Journal, London, 2/8/63)

Associated African States and Algeria - EEC

The table shows the number of projects and the commitments of the European Development Fund up to 30 June 1963 for the fourteen associated states previously French colonies and Algeria:

Country	Projects			Total	Contracts entered into- estimate of costs	Expenditure upto 30/6/63
	Number	Social	Economic			
		US $1,000			US $1,000	
Algeria	7	4.031	8.469	17,500	4.279	993
Cameroon	30	11,620	32.057	43.677	11.916	5.666
Chad	22	9.822	15.134	24.956	13.193	10.945
Congo (Brazaville)	18	3.899	10.920	14.819	9.054	4.716
Ivory Coast	18	11.866	21.177	33.043	16.192	11.923
Dahomey	17	6.809	9.135	15.944	5.052	2.105
Gabon	14	5.063	7.803	12.866	5.617	3.386
Upper Volta	12	10.280	15.680	25.960	6.556	4.941
Madagascar	40	8.122	42.651	50.773	21.038	9.370
Mali	23	11.314	20.994	32.308	11.620	8.146
Mauritania	12	4.198	8.138	12.336	3.492	3.322
Niger	8	8.543	16.087	24.630	6.843	5.518
RCA	22	7.005	6.072	13.077	3.234	1.732
Senegal	21	13.878	20.728	34.606	13.321	10.575
Togo	17	6.952	6.456	13.408	4.775	2.900
Total	263	124.503	199.451	323.954	127,028	81.522

(Bulletin de l'Afrique noire, Paris, 11/9/63)

Congo (Leopoldville)

The US Department of Agriculture has announced that it will provide the Republic of the Congo (Leo) with nearly $24 million worth of agricultural prducts under two " Food for Peace " agreements. (Public Law 480).

The commodities include wheat, flour, rice, corn dried beans, dried and canned milk, butter, cheese, processed chicken, tobacco and cotton fabrics. Payment by the Congolese Government will be made in local currency, 90 per cent of which will be used for the economic development of the Congo through the United Nations.

(International Financial News Survey, IMF, 22/3/63)

Congo (Leopoldville)

The Italian ENI Petroleum Group has agreed to invest $12.7 million in an oil refinery in the Congo (Leo), with an initial capacity of 60,000 metric tons annually. For this purpose a new company Societe Congo-Italienne de Raffinage (SOCIR) will be formed, to be owned half by the Congo Republic and half by ENI's subsidary, ANIC-SPA.

This is the second recent project of this kind in the Congo. In December 1962 a company formed by Mobil, Texaco, Shell and Petrofina agreed to invest about $10 million in a refinery plant to produce half a million metric tons annually.

(New Africa, London May 1963)

Dahomey-USA

The US Agency for International Development (AID) has given a loan of $426,000 to the Government of Dahomey to assist in financing private development projects. The loan will be re-lent to the Dahomey Development Bank to support medium and long-term loans to enterprises in the field of agricultural processing, building materials, manufacture, and to small traders.

(International Review Service, New York 1/3/63)

East Africa-United Kingdom

An agreement was signed 10 June 1963, between the East African Common Services Authority and the British Government. Under this agreement the UK will provide a Commonwealth Assistance Loan of up to £2.55 million (about $5.7 million) to the East African Common Services Organisation. The Loan will be used for the purchase of diesel and electric locomotives, wagon ferries and auxiliary equipment, and work and services. It will be repayable over a period of 12 years with a grace period of eighteen months.

(Board of Trade Journal, London, 21/6/63)

Ethiopia-IDA

The International Development Association (IDA), an affiliate of the World Bank has given a development credit equivalent to 13.5 million to Ethiopia for a continuing programme of road development. This credit is extended for 50 years and is free of interest, but there is a service charge of 0.75 per cent annually on the amount drawn and outstanding. Repayment of the principal will begin in November, 1973.

(Bank for International Settlement, 4/3/63)

Ethiopia-USA

An agreement providing for the sale of $928 thousand worth (or about 6,000 bales) of cotton to Ethiopia, under the Food for Peace programme, has been announced by the US Department of Agriculture.

This sale will help meet Ethiopia's cotton needs in 1963 and the expansion of its textile industry. The agreement stipulates that 25 per cent of the proceeds in local currency will be made available to the US Government for its own use and another 20 per cent set aside for loans to US and Ethiopian private firms.

(Africa South of the Sahara, Paris ..
13/6/63)

Ethiopia

Plans for the establishment of two further cement factories at Massawa and Bahr Dar have been announced by the Ethiopian Cement Board. The two new factories will be in addition to the existing factory at Dire Dawa and one under construction in Addis Ababa. The latter will have a capacity of 70,000 tons.

(Afro-Asian Economic Review, Cairo, June 1963)

Ethiopia

An agreement was signed in August between Ethiopian and a Japanese group representing the Mitsubishi Shoji Kaisha Ltd, Toyo Rayon Company Ltd and the Textile Manufacturing Company Ltd to establish a synthetic fabrics company.

Under the agreement the Company shall have an initial share capital of Eth $2.5 million, 50% of which shall be subscribed by the Japanese group and the remaining by the Ethiopian Government.

(The Ethiopian Herald, Addis Ababa 30/8/63)

Ethiopia-USA

The United States Agency for International Development has announced a loan of $4 million to Ethiopia, to finance the construction of two all-weather roads to link a south-west area of the country with an existing all-weather road network leading to the capital city and seaports.

The loan will be repayed by the Ethiopian Government in US dollars over a period of 40 years, including a 10 year grace period, at an annual interest of 3/4 %. The loan will provide most of the local currency costs of the project. The foreign exchange cost, estimated at $7.9 million, will be financed by the International Development Association.

(Afro-Asian Economic Review, Cairo, July 1963)

Ethiopia

The American firm Parsons and Whittmore have signed a contract with the Ethiopian Government for the construction of a paper mill factory. Work will start in the near future, and the project is estimated to cost Eth $8 million.

For the first year of production, output is estimated at 6,500 tons and it is hoped to increase the capacity to 15,000 tons within five years.

(Jeune Afrique, Dakar, 18-24/7/63)

Gabon - USA

An investment guarantee agreement between Gabon and the USA was signed at Libreville in early April 1963. The agreement will enable the US Government to guarantee private investments made by Americans in Gabon. This should promote the establishment of new industries in the country.

(Africa Economic Newsletter, Johannesburg, 20/3/63)

Gabon - UN Special Fund

The United Nations Special Fund, the Government of Gabon, and the World Bank have signed an agreement for an iron ore transport survey in Gabon.

The survey will consist of two studies to determine: (1) the economic and technical feasiblity of a railroad to carry iron ore from Makakou - Mekambo area in north-eastern Gabon to a suitable sea port near Libreville, and (2) the impact of the proposed railroad on the economy of the country.

The UN Special Fund has allocated about $2.1 million to cover the foreign exchange costs. The local currency costs, which will amount to the equivalent of $815,000, will be borne by the Gabon Government. The World Bank will act as an executive agency for the survey.

(Africa South of the Sahara, Paris, 24/6/63)

Ghana

The firm Cekop of Poland and the Government of Ghana have signed a contract for the construction of a sugar refinery.

Cekop has opened a credit of £1.5 million, repayable in five years at an interest rate of 5 per cent, The firm is responsible for the construction and supply of equipment for the factory, which will be ready in 1966.

(West Africa, London, 10/8/63)

Ghana-Federal Republic of Germany

Under the terms of an agreement signed in Bonn, the Federal Republic of Germany has granted to Ghana a loan of DM 20 million (about $5 million) to help finance constrution of a bridge over the River Volta.

(West Africa, London, 25/5/63)

Ghana-China

An agreement, on economic and technical co-operation, involving G £ 7 million about ($20 million) has been signed in Accra between Ghana and the People's Republic of Ghina. The People's Republic of China will assist Ghana in establishing a cotton spinning and weaving mill, cotton knitwear, pencil, enamelware and chinaware factories and will also send experts and technicians to Ghana to provide technical assistance on the project and to train Ghanaians locally and abroad.

(Afro-Asian Economic Review, Cairo, Jan. 1963)

Ghana

Comazi Brothers, an Italian Company, will open a $89,600 worth plasticware factory at Tema, to produce shopping bags, curtains, table-cloths and raincoats. The necessary raw material is to be shipped from Italy.

(International Commerce, Washington, 22/4/63)

Ghana

Work has began on a bleaching, printing and finishing factory for textiles in Tema. The factory which will begin operation in early 1964, will cost 1.6 million ($4.5 million) and is expected to prin 15 million yards of cotton and rayon materials annually. Also under construction is a G£ 2.2 million factory which is to proccess about 36,000 tons of cocoa beans annually (about 10 per cent of Ghana's cocoa crop). A second factory for the manufacture of cocoa butter and cocoa powder, costing G £1 million, which is under construction in Takoradi is expected to be completed by March 1964.

(New Africa, London, May 1963)

Ghana

Construction has started on a £ 4½ million state-owned complex of seven food factories, including flour and oil mills, fish, margarine, and animal food cannery at Tema. The idea of grouping these factories to have easy access to waste and surplus materials which can be put to profitable use. Fourteen silos are being built for grain storage with a storing capacity of 16,000 tons.

(West Frica, London 3/8/63)

Guinea-France

Guinea and France concluded on 22 May 1963 an agreement settling the financial differences that have been outstanding since Guinea become independent in 1958. The agreement set Guinea's indebtedness to France at F 90 million ($18 million) and fixed its claim against France at F 120 million, leaving a net balance of F 30 million in Guinea's favour. The indebtedness of Guinea represents mainly the net value of the assets in Guinea of the former branch of the Banque Centrale des Etats de l'Afrique de l'Ouest, which was nationalized by the Guinea Government in 1960 to create the Central Bank of Guinea.

Guinea's claim against France represents mainly the pensions paid by the Guinea Government to Guinean veterans of the French army since the French Government stopped these payment five years ago. The French Government will now resume current payment of these pensions, which amount to nearly F 20 million annually.

(Le Monde, Paris, 24/5/63)

Guinea-USA

The United States has consented to lend Guinea $2.4 million for the expansion of electrical services in several administrative centres.

This loan is to help Guinea in developing the agricultural and industrial sector of her economy. It will facilitate the purchase of the necessary equipment in the U.S. and also acquire the services of American technicians.

Guinea is to contribute $1.3 million in local currency. The loan is repayable in 40 years, the first payment being due in ten years.

(Marches Tropicaux, Paris, 6/7/63)

Ivory Coast

The Export-Import Bank has authorised a loan of $5 million to the Ivory Coast, to be used for the purchase of electrical generating and related equipment from the United States. The equipment will include a 12,500 Kw gas turbine generating unit to help expand the present power producing capacity; 200 miles of 90 Kw transmission line from Abidjan to Bouake; and the erection of four transformer and switiching stations to distribute the additional energy.

The loan is repayable over a 12-year period commencing in 1966.

(International Review Service, New York, 1/3/63)

Ivory Coast

Ivory Coast became a member of the International Monetary Fund, the International Bank for Reconstruction and Develpment, (World Bank), and the International Finance Corporation and the International Development Association on 11 March 1963.

Ivory Coast's quota in the International Monetary Fund is $15 million; ist subscription to the capital stock of the International Bank is 200 shares with a total par value of $20 million; its subscription to the International Finance Corporation and the International Development Association is $111,000 and $1,010,000 respectively.

(IMF, Press Release, No. 433, 11/3/63)

Ivory Coast-France

Under two agreements signed recently, the French Fonds d'Aide et de Cooperation has granted the Ivory Coast loans totalling CFAF 1,026 million (approximately US $4 million). Of this total CFAF 456 million will be spent on the improvement of agricultural production, CFAF 385.5 million on construction of social and welfare institutions, and CFAF 184.5 million on demographic and topographic studies.

(New Africa, London, May 1963)

Ivory Coast-USA

The US Agency for International Development (AID) has announced a loan of $1.7 million to the Ivory Coast for the construction and up keep of roads. The loan will finance the purchase of over 100 graders, bulldozers, excavators and tractors. Similar purchases were made under a prior grant of $500,000. The new purchases will replace 70 per cent of the worn out equipment over a two year period.

The loan is repayable in dollars at 0.75% interest in 40 years-the first installement being due in 10 years.

(International Commerce, Washington, 22/7/63)

Kenya

A new company, Development Finance Co. of Kenya, has been formed with government support to encourage development of the country's agriculture, industry and commerce, reports Barclays Bank D.C.O. from Nairobi.

The authorized capital will be £2 million and agreement has been reached by the Kenya Government with the Commonwealth Development Corporation and Deutsche Entwicklungs Gesellschaft whereby all three will participate initially to the extent of £500,000. As a result of this agreement both West German and British technical advice should be available to any particular project which the company may agree to finance.

(The Times, London, 15/8/63)

Kenya-USA

In order to meet Nairobi's need for expansion of its water supply, the U.S. Agency for International Development has granted a loan of $2.2 million dollars to Kenya.

(Africa South of the Sahara, Paris, 8/7/63)

Kenya-United Kingdom

An agreement under which the Colonial Development Corporation is to lend £125,000 to help the Nairobi City Council in financing the extension of its water supply has been signed recently in Nairobi.

The scheme involves the construction of two major and two minor dams for diverting water from the Kiburu River into the existing Saramua Resevoir. The work will be completed by the end of 1964.

(New Africa, London, May 1963)

Liberia-IMF

The Internationa Monetary Fund has entered into a stand-by arrangement with the Government of Liberia, authorising drowings upto $5.7 million over the next 12 months. This is in support of a programme of financial reform, to meet Liberia's indebtedness which is about $125 million.

(IMF Press Release, Washington 31/5/63)

Liberia-USA

The US Agency for International Development (ADD) has provided a $24 million loan to finance 90 per cent of the construction of a hydro-electricity project, which will supply much cheaper industrial power than is at present available.

(Africa South of the Sahara, Paris 3/6/63)

Liberia-Yugoslavia

The Agricultural Credit Corporation of Liberia and Energoprolekt of Yugoslavia have signed an agreement for the construction of a modern slaughter-house in Monrovia.

The cost of the project is estimated at $550,000 which is to be met by a long-term loan.

(West Africa, London, 22/6/63)

Morocco

The first of the six sugar beet factories of the Moroccan Government has started operations. It was built by the Polish company, Cekop, at a cost of £4.2 million.

The factory has a capacity of 45,000 tons of granulated sugar a year.

(The Financial Times, London, 21/6/63)

Morocco-France

On July 23, France and Morocco signed agreements covering French financial assistance and other aspects of monetary relations between them. For the current year financial aid to Morocco totals F 210 million icluding:

- F 150 million for the financing of public investments by the Moroccan Government;

- F 40 million for the purchase of goods and equipment in France;
- F 100 million in the form of export credits, in addition to the F 90 million previously granted but not yet utilized;

Agreement was also reached with regard to the debt of the Moroccan Government to France. This has been consolidated in a 25-year loan, at an interest of $1\frac{1}{2}$ per cent. The firs payment, which is about F 25 million, is to be made at the end of this year.

(Le Monde, Paris, 25/7/63 and Marches Tropicaux, Paris, 3/8/63)

Niger

Niger became a member of the International Monetary Fund, the International Bank for Reconstruction and Development and the International Development Association on April 24, 1963.

Niger's quota in the International Monetary Fund is 7.5 million; its subscription to the capital share stock of the Bank is 100 shares with a a total par value of $ 10 million and its subscription to the International Development Association $500,000.

(International Financial News Survey, IMF, 26/4/63)

Niger

Hunt Oil Company is undertaking a 5-year oil prospecting programme. The total cost is estimated at $10 million.

(International Commerce, Washington, 24/6/63)

Niger-France

A total of 854 million CFA francs ($3.5 million) has been allocated to Niger from the French Fonds d'Aide et de cooperation. Of this, 2.8 million is earmarked for development of the country's arid regions.

(Africa Economic Newsletter, Johannesburg, 20/6/63)

Niger-USA

The US Agency for International Development has awarded a $ 168,000 contract to E. Limel Paulo of New York to conduct feasibility studies and cost estimates of a proposed bridge across the Niger River in Niamey and possible improvements of a road.

(International Review Service, New York, 1/3/63)

Nigeria-USA

Nigeria and the USA have concluded an agreement to institute an investment guarantee programme. The agreement will further encourage the investment of private American capital in economic and industrial development in Nigeria.

Under the agreement, the US provides an insurance against various non-business risks to American investors for projects approved by both governments.

(West Africa, London, 19/1/63)

Nigeria

Indian Head Textile Mills, Inc. has agreed with the Government of Nigeria to construct a textile plant at Aba in Eastern Nigeria. The cost is estimated at $7 million.

The Export-Import Bank has granted a credit of $2 million toward the project, i.e. for the purchase of textile machinery in US. The new mill will provide employment for about 1,000 Nigerians and has a capacity of 7 million yards of gray cotton cloth.

(International Commerce, Washington, 22/4/63)

Nigeria-UK

The UK Government has undertaken to give assistance to Nigeria to enable the Nigerian Railway Corporation to order from British suppliers steel rails and accessories worth £1.2 million (about $3.4 million). This assistance will be given as a loan to cover the full value of the order. The repayment of the loan will be over a period of Twenty-years.

(Board of Trade Journal, London, 25/6/63)

Nigeria

After negotiations between the representatives of the Nigerian Port Authority and other interested parties, a loan of £4½ million, at 6 per cent interest, has been raised to finance the dredging on the Bonny Bar to allow the passage of large oil tankers.

The Nigerian Port Authority has also secured, last December, a loan of £4.5 million from the World Bank to build extra warehouses and berths to expand the capacity of the port of Lagos.

(The Financial Times, London, 26/7/63)

Nyasaland-UK

The British Government has agreed to an aid of £2.25 million to Nyasaland to meet the gap in Nyasaland's budget for the last half of 1963.

The Financial Times, London, 10/7/63)

Senegal-France

A Franco- Senegal agreement involving nearly 500 million CFA francs (about £2million) for projects in Senegal, has been signed in Dakar. Most of the money will be utilized for developing and diversifying agricultural production, while some 100 million CFA will be used to maintain the Dakar Stadium.

(Africa South of the Sahara, Paris, 14/3/63)

Senegal-USA

Senegal and the US signed an investment guarantee agreement on 12 June 1963. The agreement is designed to develop economic co-operation between the two countries and to create favourable conditions for the investment of American capital. It provides assurances that investment will be protected from expropriation or monetary exchange problems.

(Africa South of the Sahara, Paris, 17/6/63)

Senegal-UK

The United Kingdom has agreed to lend Senegal about 300 million cfa Francs (about £1.2 million) for the purchase of capital equipment.

(Africa Economic Newsletter, Johannesburg, 13/4/63)

Senegal-USA

Under a "Food for Peace" agreement between Senegal and USA a shortage of grain in Senegal is to be met by the purchase of $622,000 worth of yellow sorghum, from US suppliers.

Of the payment received, from the sale of the grain in local currency, 50 per cent will be used for loans to Senegal for development projects agreed upon by Senegal and AID as part of US economic assistance; 15 per cent for loans to private investors and 35 per cent for US expenses abroad.

(International Commerce, Washington, 22/7/63: Moniteur Africain, Dakar, 13/7/63)

Senegal

The American Export-Import Bank, has authorized a loan of 73 million CFA francs to Senegal for financing the purchase of materials and equipment necessary for the installation of a cold storage and freezing plant.

(Moniteur Africain, Dakar, 20/7/63)

Somalia-USA

A $3.6 million loan has been given to Somalia by the US Agency for International Development. The loan is to be used to increase the water and power available to the port city of Chisimaio and for completion of port installations. Repayment will be in US dollars over 40 years.

(Africa South of the Sahara, Paris, 13/6/63)

Sudan-UN Special Fund

The UN Special Fund has granted 115,000 to the Sudan to contribute toward the cost of survey of electric power requirments of the country and the preparation of a long-range programme for power development. Sudan is to supply the equivalent of 26,000 toward the cost of the project, which will be carried out for the Special Fund by the International Bank for Reconstruction and Development (IBRD)

(International Review Service, New York, 1/3/63)

Sudan-USA

Under the "Food for Peace" programme the USA is to provide to the Sudan 2.8 million bushels of wheat flour valued at 6 million. Sale proceeds will be used for loans by the Agency for International Development to US and Sudaness private enterprise and for economic development grants and loans.

(International Review Service, New York, 1/3/63)

Sudan-UK

Sudan has been able to secure a loan of £5 million from the Uk Government to finance project which are included in Sudan's 10-year Plan. Details of the projects to be financed are still being discussed.

(Afro-Asian Economic Review, Cairo, July 1963)

Tanganyika-Federal Republic of Germany

The Federal Republic of Germany has given loans totalling DM 35 million (8.8 million) to Tanganyika and will provide technical assistance under an agreement signed in Dar-es-Salaam.

Tanganyika will submit proposals for projects to be financed.

(Afro-Asian Economic Review, Cairo. January 1963)

Tanganyika-USA

The US Agency for International Development has given a $250,000 loan to Tanganyika to assist the latter's Community Development Programme. The loan is part of a US commitment of $10 million to Tanganyika's three-year development plan. It brings to $5.1 million the loans authorized under the commitment.

(Africa South of the Sahara, Paris, 24/6/63)

Tanganyika

Tanganyika's first plastic factory-Tanganyika Tegry Plastics Limited has started production in Dar-es-Salaam. The plant is owned by the Government and by Amgat Plastics, Ltd of Israel. The total cost of the project is estimated at £60,000 ($168,000).

(International Commerce, Washington, 24/6/63)

Tanganyika

The Commonwealth Development Finance Company and Barclays Overses Development Corporation have agreed to participate in the financing of the Tanganyika Portland Cement Company's project for the manufacture of cement near Dar-es-Salaam.

C.D.F.C. will make avaiable a secured sterling loan of £400,000, an unsecured loan of £37,000 and a subscription of £30,000 for ordinary shares. B.O.D.C. will provide a secured loan of £100,000 an unsecured loan of £12,000 and a subscription of £10,000 for ordinary shares.

(The Financial Times, 2/8/63)

Togo-Federal Republic of Germany

The Federal Republic of Germany has granted a loan of DM 53 million to Togo under a financial aid agreement signed between the two countries. The loan is to be utilized for the construction of the port of Lome.

(Africa South of the Sahara, Paris, 11/7/63)

Tunisia-USA

Tunisia and USA have signed an agreement providing for a $10 million loan to Tunisia; to be paid back over 30 years, starting 10 years from 1962 with a service charge of 0.75 per cent per annum.

The loan will be used to buy well-drilling and agricultural equipment from the USA. It is separate from a loan of $180 million which the USA has agreed to make available to help finance Tunisia's three-year economic development plan ending in 1964.

(Afro-Asian Economic Review, Cairo January 1963)

Tunisia-USA

The US Agency for International Development has announced the authorization of a loan of $15 million dollars to Tunisia. The loan will be used for the purchase, in the USA, of various goods, such as steel and iron products agricultural machinery, wood, consumer goods, cotton fabrics, pharmaceutical products, fertilizers, etc. This is part of th loan of $ 180 million which the USA had promised Tunisia towards the financing of the three-year economic development plan.

(Marches Tropicaux, Paris, 8/6/63)

Uganda-UK

An agreement, under which the UK extended a loan of £2.4 million (about $6.7 million) to Uganda to purchase British goods and services, was signed in Kampala in April 1963.

The loan is part of the aid promised by the UK to Uganda under a financial agreement made in 1962 before the country's independence. It is repayable in 19 years, beginning in 1969.

(Africa South of the Sahara, Paris, 4/4/63)

Upper Volta-Federal Republic of Germany

The Federal Republic of Germany has announced that it will grant Upper Volta DM 12 million ($3 million). The grant is to be used for the construction of a cement plant and also for other projects.

(Moniteur Africain, Dakar, 27/4/63)

Upper Volta

On 2 May, 1963, the Upper Volta became a member of the International Monetary Fund and the International Bank for Reconstruction and Development.

The Upper Volta's quota in the Fund is $7.5 million, and its subscription to the capital stock of the Bank is 100 shares with a total par value of $10 million.

(International Financial New Survey, IMF, 10/5/63)

UAR-USA

The US Agency for International Development has authorized a loan of $30.6 million to UAR to finance the construction of a thermal power station in Cairo.

The loan agreement carries a service charge of 0.75 per cent on the disbursed balance of the loan with repayment to be spread over 40 years after the disbursement.

(Afro-Asian Economic Review, Cairo March 1963)

UAR-USA

An aid agreement has been signed between the UAR and USA. The USA will provide a $12.9 million loan to the Government of the UAR for budgetary support.

(International Review Service, New York 1/3/63)

UAR-Federal Republic of Germany

The Federal Republic of Germany has granted a loan of DM 230 million ($57.5 million) at 3 per cent to the UAR to cover the foreign exchange cost of 25 infra-structure projects. The loan is repayable in 16 years after the completion of each project.

In Addition the Federal Government guarantees that a fund up to DM 250 million (62.5 million) will be made available to finance German deliveries and commercial and other credits repayable over periods extending to 12 years.

A similar guarentee was extended to the loan of DM 80 million ($20 million) made by a consortium of German banks to the National Bank of Egypt in September 1962.

(Middle East Economic Digest, London, 29/3/63/ and 5/4/63)

UAR-USSR

The Soviet Union will lend E£ 20 million (about $57 million) to the UAR for the financing of certain industrial projects, according to a new economic agreement signed in Moscow.

The Financial Times, London, 21/6/63)

IMPORT RESTRICTIONS, CUSTOMS TARIFFS AND EXPORT DUTIES

Algeria

The Algerian Journal Officiel of 4 June 1963 published a list of those goods on which quotas are fixed and import restrictions imposed. These regulations became effective from 10 June 1963 for some products and from 1 July 1963 for others.

These measures follow certain other restrictions on imports imposed earlier this year. With effect from 1 January 1963 a licence issued by the Ministry of Commerce was required for imports from all countries of tea , used clothing, household soap, tallow, fatty acids, oil seeds and oils and fats of animal or vegetable origin. With effect from March 5 1963 imports of coffee, edible oils and oil seeds became a monopoly of the Office National de Commercialisation.

Among the goods which are affected by the new regulations are transistor radios, fabrics and carpets, clothing, shoes, leather and skins, soap, matches, tea, coffee, cereals, milk, butter pastes, vegetables, meat, fish, animals, poultry, certain fruit juices, wine, tobacco, fertilizers, cement, lime and plaster.

The regulations will be implemented either by means of import prohibition, quantitative restrictions or by the application of particular conditions which are to be announced at a later date either by decree or notice to importers.

Imports originating from the Franc Zone area are not subject to the same treatment as those originating outside the area. The former are governed by import authorizations issued by the Minister of Commerce, while the later will be subject to import licences issued by the same authority within the limit of fixed quotas.

(Marches Tropicaux, Paris, 8/6/63 and Africa Economic Newsletter, Johannesburg, 8/6/63)

Algeria

The Algerian Journal Officiel of 22 February 1963 published a decree which instituted a special temporary surtax of 3 per cent on all imported goods with effect from 20 February 1963. The decree allows certain exceptions in the area of some foodstuffs and other essential goods, mainly raw materials, such as unmanufactured wool, cotton and metals.

(Board of Trade Journal, London, 31/5/63)

Cameroon

Cameroon has prohibited the importation of the foll wing alcoholic drinks:

a) wines with alcohol added (fortified wines) of more than 12°;
b) spirits, other than rums and tafias of wine spirit, of grape marc, of fruit or grain;
c) aperitif drinks with a wine base (aperitif properly called vermouth) of more than 18°;
d) liqueur wines (port, etc) of more than 23°;
e) Absinthes, and other liqueurs which can be classed as similar to absinthe in so far as they contain ketonic essences (wormwood, caraway, tansy)
f) Bitters, gentian bitters, goudrons and similar drinks with absinthe base, etc., of more that 30° of which the sugar content is less than 200 gms per litre.
g) Aniseed spirits, of more than 45° sold as aperitif or digestive drinks, and whatever their content of sugar.

(Board of Trade Journal, London, 9/8/63)

Cameroon

Aniseed liqueurs, which were previously included under the tariff heading "others", are now specified separately and are subject to a fiscal import duty of 200 per cent ad valorem instead of 120 per cent.

(Board of Trade Journal, London, 9/8/63)

Cameroon

The Council of Representatives of the General Agreement on Tariffs and Trade agreed on 30 April 1963, that the Government of Cameroon became a contracting party to the GATT and acquired the rights and obligations of the General Agreement.

(International Financial News Survey, IMF, 10/5/63)

Central African Republic

The Council of the Representatives of the General Agreement on Tariffs and Trade agreed on 30 April 1963, that the Government of the Central African Republic became a contracting party to the GATT and acquired the rights and obligations of the General Agreement.

(International Financial News Survey, IMF, 10/5/63)

Congo (Brazzaville)

The Council of the Representatives of the General Agreement on Tariffs and Trade agreed on 30 April 1963, that the Government of the Congo (Brazzaville) became a contracting party to the GATT and acquired the rights and obligations of the General Agreement.

(International Financial News Survey, IMF, 10/5/63)

East Africa

Higher import duties on motor cars and textiles were announced and came into force on 16 April 1963 in all the three East African countries (i.e. Kenya, Uganda and Tanganyika).

Duties on textiles, in general are increased from 33 1/3 per cent to 36 2/3 per cent. The present duty of 15 per cent on motor vehicles is retained for parts of passenger vehicles imported for local assembly, but otherwise motor vehicle duties are increased as follows: by 5 per cent on heavy load-carrying vehicles and buses; by 10 per cent on small passenger cars, and by 15 per cent on large cars, of more than 2,000cc. At the same time, a purchase tax of £10 ($28) is levied on the transfer of all second-hand vehicles. A purchase tax of Shs. 30/- ($4.20) is levied on the sale of second hand motor cycles, tricyles and trailers.

One of the principal reasons for these measures is that the East African Governments need additional revenue. The measures can also be seen as a long-term incentive for the establishment of local textile industries and encouragement for the setting up of major assembly plants in East Africa.

In Kenya, the increased duties are expected to yield some £800,000 in additional revenue £350,000 from textiles; £250,000 from new motor cars, while the purchase tax on second hand cars is expected to produce some £200,000.

In Uganda, the higher duties are expected to yield £415,000 of additional revenue in the full year. For Tanganyika no estimate is available.

(Africa Economic Newsletter, Johannesburg, 20/4/63)

Ethiopia

An increase in the import duties on alcoholic beverages, various cotton goods and motor vehicles has taken effect from 26 April 1963.

(Board of Trade Journal, London, 31/5/63)

Federation of Rhodesia and Nyasaland

The duties on rope, cordage and twine not weighing more than 1 lb per 25 yards have been increased by 25% ad valorem. (not including sisal)

(Board of Trade Journal, London, 16/8/63)

Gabon

The Council of the Representatives of the General Agreement on Tariffs and Trade agreed on 30 April 1963 that the Government of Gabon became a contracting party to the GATT and acquired the rights and obligation of the General Agreement.

(International Financial News Survey, IMF, 10/5/63)

Ghana

Ghana's imports are now divided into four main categories for licencing purposes. They are grouped as follows;

a) bulk goods for which licences are issued for one year.

b) trade items for which licences are issued for six months.

c) Goods which are manufactured locally and for which licences will be limited.

d) that portion of consumption which cannot be met by local production.

e) Goods for which licences will not be issued at all.

The Ghana National Trading Corporation is to become a wholesale importer for small traders.

(West Africa, London, 2/2/63)

Ivory Coast

The Ivory Coast Journal Officiel of 26 June 1963 has published a new regulation prohibiting the importation into the Republic of wheat flour from any source unless authorized by the Ministry of Finance, Economic Affairs and Planning.

Import of wheat flour in bags of a minimum weight of one kilogramme will still be permitted until 31 December 1963.

(Board of Trade Journal, London, 12/7/63)

Mali

According to a decree of January 1963, the duties and taxes, except the statistics tax, on seed potatoes have been suspended in Mali.

(Board of Trade Journal, London, 12/7/62)

Mali

The Mali Journal Officiel of 15 February 1963 has published certain laws passed on 25 January 1963 modifying certain customs tariff and fiscal import duties.

a) Suspension of the levying of customs import duties (surtax on foreign products). The beneficiaries of the suspension are those countries which have concluded trade agreements with Mali on the most-favoured-nation treatment basis.

b) Suspension of the levying of customs import duties (surtax on foreign products) imposed on those products originating from the member countries of the EEC.

c) Modification of the fiscal import duties on paper and prints:

i) the rate has been reduce from 15% to 5% on paper and paperboard (including cellulose wadding), machine-made, in rolls or sheets, in centinuous length, single-ply and other.

ii) the rate has been increased from 5% to 15% on picture prints, photographs and other printed matter, obtained by any process; other reproductions and printed matter, not elsewhere specified or included; administrative printed matter.

d) Suspension of export duties and taxes:

i) on meat and derivatives produced by the national slaughter house.
ii) on henna.

e) Suspension of the uniform purchase tax on the export of live animals.

f) Modification of the fiscal export duty on live animals:

i) bovines - 5%
ii) sheep - 5%

(Marches Tropicaux, Paris, 27/7/63)

Morocco

The suspension of exports of sheep skins (which was imposed in April) has been lifted.

(International Commerce, Washington, 22/7/63)

Morocco

The Moroccan Bulletin Official of 29 March 1963, published a list of global quotas for imports during 1963 from countries having convertible currencies. For some of the goods the quotas have values estimated according to expected requirements and may be increased if required. For some others the quotas are strictly limited to specified values. On some items a part of the quota (in most cases about 1/10) has been reserved for imports into Tangiers.

(Board of Trade Journal, London, 24/5/63)

Niger

Niger is introducing a series of measures to raise revenue in anticipation of a cessation of French support for the budget, which will probably mean a 15 per cent cut in receipts in 1964. These measures include an increase in excise tax on alcohol, the imposition of a tax of 20 per cent on monthly salary checks, a reassesment of customs duties on a c.i.f. rather than on f.o.b. basis and increase in the turnover tax from 6 per cent to 9 per cent.

(International Financial, News Survey 7/6/63)

Nigeria

In order to protect the Nigerian industry from cheap foreign imports, an import duty of 4shs. each has been imposed on blankets and carpets, effective from 5 July 1963.

(West Africa, London, 20/7/63)

Senegal

The rate of the special tax on tobacco has been modified as follows. in CFA francs):

foreign cigars: cigarillos of a weight of less that 5g : 5F each
cigars of a weight more or equal to 5g : 25F;
luxury cigarettes: 38 F for a packet of 20 cigarettes;

other cigarettes: 16 F for a packet of 20 cigarettes;
snuffs : 75 F per Kg; other tobaccos : 1,000 F per Kg.

(Marches Tropicaux, Paris, 17/8/63)

Senegal

A law passed on 12 June 1963, modified the tax on alcohol and alcholised liquids as follows (in CFA franc):

Beer: 27% on the wholesale price, all other taxes included

Wine and alcoholic drinks:

ordinary wine, per litre or bottle : 50 F

sparkling wine or champagne, per litre or bottle : 100 F

alcoholic drinks, containing less than 12°, per litre or bottle : 50 F

" " " 12° - 20°, per litre or bottle : 120 F

" " " more that 20°, per litre or bottle : 200 F

Other alcohols and alcoholised liquids, containg alcohol and of a strength 50°, with the exception of,

methylated spirit, per litre : 200 F.

(Marches Tropicaux, Paris, 17/8/63)

Sudan

Import quotas have been established for goods, imports of which have in the past been restricted to protect local production. The goods are knit-wear, sweets, soap (toilet), aluminum and enemelware, paints, shoes, mirrors, cheese and butter.

(Board of Trade Journal, London, 24/5/63)

Tanganyika

The Tanganyikan Government has modified the duty on certain commodities. Commodities now dutiable at the general rate of 25 per cent ad valorem (the previous rates are shown in parentheses) include :

All fresh fruits and vegetables (free and various rates); prefabricated buildings (12½ %); lifts, including the gates (free); non-industrial refrigirators, air conditioners, cold storage plant, including parts and accessories (free); weighing and measuring machines and appliances, not elsewhere specified, including petrol and oil pumps embodying measuring devices (12½%); bricks, slates and tiles, including plastic, asbestos and glass tiles, for building purposes (12½%); putty (12½%); plate and sheet glass (12½%); lime and building plaster (free); handles for tools and implements (free); plywood, pulpwood, plastic and other similar composite sheeting and boarding (12½%); cups, medals, badges, shields, and other similar prizes or awards, not being articles of general utility (free); toys and games, children's, including toy cycles, scooters and the like (12½%); felt, ruberoid, uralite and similar substances for building purposes, flooring and other permanent flooring material (other than wood and cement) roofing compounds, window glass substitutes (12½%).

Items hitherto admitted duty-free, but now subject to a rate of 12½% include:

door handles, door closer, finger plates, latches, rim and mortice locks, and lock furniture, but not including padlocks; sanitary or lavatory appliances and fittings, expanded metal, down pipes, and ventilators; tanks of a capacity of 30 gallons or more, of stainless steel not exceeding .25 inches and of aluminium or alloy not exceeding .75 inches in thickness.

Other changes are :

Lubricating oil from 60 tanganyikan cents to 1 shilling per imperial gallon; paints, colors, distempers, enamels, lacqueurs etc, from 25 to 33½%; artificial flies for fishing, from 20 to 33 1/3%; Portland and other building cement, from Shs 1/50 per 400 lbs to Shs 1/10 per 100 lbs.

(International Commerce, Washington, 22/7/63)

Tanganyika

Tanganyika has announced a change in the export tax on sisal. The existing ad valorem tax of 5% on sisal exported at £60 or more per ton, will be replaced by a sliding scale which raises the floor level to £75. Between

£75 and £100 the tax remains at 5%, rising to an effective rate of 10% at an export price of £110 and 20% at £125 or more.

The Financial Times, London, 14/6/63)

Tunisia

The Tunisian Journal Officiel of 15-19 March 1963, announced that for 1963 the duty-free quota of nitrogenous fertilizers will remain the same as that for 1962, i.e. 2,500 tons.

(Board of Trade Journal, London, 3/5/63)

Tusisia

The Tunisian Journal Officiel of 24-28 May 1963 published a decree adding to the list of prohibited imports the following:

- Sulphur of all kinds (but excluding colloidal sulphur and crude sulphur, loose in micromized form or refined in drums).

(Board of Trade Journal, London 5/7/63)

U.A.R.

The Egyptian Treasury has announced taxe increases from 1 July 1963. Stamp duties on letters sent abroad (surface mail or airmail) are increased by 25 per cent.

Since 20 June 1963, the tax on cigarettes increased by 1 piastre for one packet of 20 cigarettes and by ½ piastre for a packet of ten cigaretts. Taxes are also increased on tires, automobile batteries and certain other commodities.

On alcoholic drinks taxes are increased from 50 to 100 per cent. The tax on beer is increased by 2 piastres and 1 piastre for a big bottle and a small bottle respectively.

(Marches Tropicaux, Paris, 13/7/63)

BANKING AND CURRENCY

Ghana

The administration of Exchange Control Regulations in Ghana was transferred from the Bank of Ghana to the Ministry of Finance and Trade with effect from 1 March 1963.

(New Africa, London, May 1963)

Guinea

All old Guinea francs held abroad are now worthless following currency changes introduced by the President. The central Bank of Guinea has been authorized to put into circulation from 10 March 1963 new banknotes which will replace all categories of notes in circulation. Coins, however, remain valid.

The aim of the monetary reform is to put an end to foreign exchange sumggling and the circulation of counterfeit money.

(New Africa, London, May 1963)

Liberia

An initial par value for the Liberian dollar, at one Liberian dollar = one US dollar, has been established by agreement between the Government of Liberia and the International Monetary Fund.

(UN Press Release, IB/1302, 13 March 1963)

Nigeria

An initial par value for the Nigerian pound at £N 1 = US $2.80, has been established by agreement between the Government of Nigeria and the International Monetary Fund.

(IMF, Press Release, Washington, April 17, 1963)

Sierra Leone

The West African pound sterling will be replaced by a new currency, the Leone, as from August, 1964. Notes and coins will be freely convertible into sterling. One pound will be worth two Leones.

(New Africa, London, July 1963)

Somalia

An initial par value for the Somali shilling, at Sh. So. 1 - US $0.14, has been established by agreement between the Government of Somalia and the International Monetary Fund.

(International Financial News Survey, IMF, 21/6/63)

Tunisia

Recent negotiations, in Paris, lead to the establishment of a multinational bank in Tunis. The Bank, to be called l'Union Internationale de Banque en Tunisie, will be capitalized at $1.7 million, divided between Tunisian and foreign participants. Foreign groups include the Bank of America, as well as French, Italian and German banks.

(International Commerce, Washington, 22/7/63)

UAR

The nationalized Egyptian banks have concluded agreements with a number of foreign banks concerning the granting of short-term interim credits. The total amount of these facilities is not known, but it is estimated at about SF 500 million (about $116 million). The credits in question will not be used on a bilateral basis; those granted by the banks of one country may be used to finance Egyptian imports also from other countries. It is believed that the Bank of America will be the leading institution in this kind of transaction.

Other participating banks are from West Germany, Britain, France, Japan, Switzerland and Scandinavia. It is understood that a short time ago the Moscow Narodny Bank, through its London branch, offered certain big Egyptian banks some of the facilities in question, with a ceiling of £15 million (about $42.0 million). The Egyptian banks would be free to use these Russian facilities for the financing of imports from western countries and the credits in question would have a duration of 180 days.

(Bank for International Settlements, Basle, 28 May 1963)

STATE TRADING

Algeria

The functions of the state-trading organization, Office National de Commercialisation (ONACO) have been extended. Originally it was entrusted with the sale and export of esparto grass (which is now mainly dealt with by the State-run Agency Office des Alfas). This organization now acts and has reponsibility for the importing, exporting of the following commodities: edible oils and oil seeds, green and partly roasted coffee, tea, groundnuts, fruits and vegetables and sugar.

(Board of Trade Journal, London, 26/7/63 and 23/8/63)

Ghana

The Ghana Government has established a Diamond Marketing Board which will undertake all buying and selling of diamonds in Ghana. It will also be responsible for grading, valuing and processing of all diamonds.

(New Africa; London, March 1963)

Ghana

The Agricultural Produce Marketing Board has been dissolved and two Marketing Boards set up in its place : the Timber Marketing Board and the Cocoa Marketing Board. The latter will deal not only with the sale and export of Cocoa but also coffee, palm kernel, palm oil, coprah, coprah oil, shea nuts and butter, groundnuts and bananas.

The Timber Marketing Board will excercice control over the country's export trade in round logs and sawn timber and assist in the development of the timber industry in Ghana.

(West Africa, London, 25/5/63)

Guinea

On 12 December 1962, a notice was published about the establishment of new state trading organizations in Guinea, amongst which were ELECTRA (dealing with importation and distribution of electrical fittings, lamps, bulbs, plugs, electric irons, torch, batteries, etc.) and also SELECTION (dealing with the importation and distribution of watches and clocks, jewelary, musical instruments, etc.).

A decree of 31 May 1963 has now abolished these organizations. The functions of Electra have been transfered to the state trading organization EMATED, and those of Selection have been transferred to the state trading organization DIVERMA.

(Board of Trade Journal, London, 5/7/63)

Uganda

The Uganda Coffee Marketing Board commenced operation on 1 April 1963. From that date it is the sole buying organization for dry processed Rubusta coffee in Uganda. Its buying price was initially set at 50 cents a pound, an increase of 2 cents on the previous ruling.

The export duty on cofee has also been adjusted from 1 April 1963, and now takes effect if the price exceeds £90 ($252) a ton, instead of £120 ($336), a ton, as previously. This change follows a suggestion in a report of the World Bank in 1961 that export taxes bore more heavily on cotton growers than on coffee growers.

(International Financial News Survey, IMF, 3/5/63)

TRADE PROMOTION AND TOURISM

Basutoland

A Basutoland Tourist Association has been formed. The purpose of the Association is to promote and encourage tourism in the Territory, to maintain and improve standards for visitors and encourage the inhabitants to be tourist conscious, to assist in the protection of the flora, fauna and fish, and of historical relics, and to provide a central organization for tourism.

(Africa Economic Newsletter, Johanessburg, 13/4/63)

Sierra Leone

A holiday hotel is to be built at Lumley Beach, near Freetown. The project will cost £½ million. This is a Government venture designed to attract tourists.

(West Africa, London, 13/7/63)

Swaziland

A Swaziland Tourist Board to encourage tourist traffic to and within Swaziland, and to assist in the improvement of amenities for tourists, has been formed.

(Africa Economic Newsletter, Johanessburg, 27/4/63)

Ghana

Ghana will hold an international Trade Fair late in 1964 or early 1965. The Fair will have as its theme "Ghana trades with the World" and will feature manufacturing, agricultural and other products from Ghana. Countries from all parts of the world are expected to participate in the Fair.

(West Africa, London, 22/6/63)

Ivory Coast

The next International Fair of Bouke is to be held in January 1966. The programme of the Fair will permit, as it did in February 1963, the presentation to 250,000 visitors regional activities in the field of agriculture, industry, commerce and culture. Several foreign countries have already manifested their intention to participate in the Fair.

(Moniteur Africain, Dakar, 3/8/63)

COMMODITY NEWS

International Coffee Agreement

The International Coffee Agreement came into force provisionally, on 1 July 1963, following its ratification by the Swedish Government.

The Agreement, which was adopted on 28 September 1962 at an international conference held at UN Head . was to enter into force provisionally as soon as at least 20 exporting countries, representing at least 80% of the exporters, and ten consuming countries, representing 80% of the importers, had ratified the agreement or indicated their intention of doing so.

Under the terms of the Agreement, when the required number of importing and exporting countries have ratified it, the UN Secretary General was requested to convene a session of the International Coffee Council. Thus the International Coffee Council held its first meeting, in London, from 29 July 1963.

The Council, after severl weeks of discussion, decided that for the coffee season 1963/64 it will maintain the same quotas as in the previous year, that is 99% of the basic export quotas, with certain adjustments.

The main coffee export quotas for the crop year begining October 1963 fixed by the International Coffee Council are as follows:

Annual Quotas, 1963 - 64

Country	99% of basic export quota (b6 Kg. bags)
Bolivia	[illegible] 20,000
Brazil	17,820,000
Colombia	5,951,167
Congo (Leopoldville)	940,500
Costa Rica	940,500
Cuba	198,000
Dominican Republic	504,900
Ecuador	546,480
El Salvador	1,415,205

Ethiopia	1,009,800
Guatemala	1,331,055
Haiti	498,960
Honduras	282,150
India	356,400
Indonesia	1,164,240
Mexico	1,493,910
Nicaragua	414,909
Nigeria	18,000
OAMCAF	4,259,104
OCIRU	410,850
Panama	25,740
Peru	574,200
Portugal	2,166,762
Sierra Leone	64,350
Tanganyika	431,103
Trinidad & Tobago	43,560
Uganda	1,868,860
UK (Kenya)	516,667
Venuzuela	470,250
TOTAL	45,732,622

Total export quotas amount to 45,732,622 bags, of which the first quarter (October-December) accounts for 11,228,556 bags.

(Africa South of the Sahara, Paris
4 July 1963)

Coffee - Production Outlook

The U.S. Department of Agriculture first estimate of the 1963/64 coffee crop puts world production at 66,123,000 bags and exportable production at 52,300,000 bags.

Africa's share is estimated to show an increase of 0.4 per cent over the 1962/63 season. Angola's new crop is expected to be at the same level as last year while Ivory Coast's crop would be lower. The prospects for the Tanganyikan crop are good and Uganda's production would probably be at the same record level as last year.

Estimates for the 1963/64 output and exportable production are given as follows (with 1962/63 figures shown for comparison):

Country	1963/64 output	1963/64 exportable 60Kg bags	1962/63 output	1962/63 exportable 60 Kg bags
Total Africa	15,211,000	14,684,000	15,148,000	14,591,000
Angola	3,100,000	3,050,000	3,100,000	3,050,000
Cameroon	1,000,000	980,000	875,000	855,000
Congo (Leopoldville)	1,000,000	950,000	950,000	900,000
Ethiopia	1,350,000	1,170,000	1,280,000	1,100,000
Ivory Coast	3,000,000	2,950,000	3,250,000	3,200,000
Uganda	2,300,000	2,287,000	2,300,000	2,287,000

(The Public Ledger, London, 1/7/63

Coffee - Ivory Coast

The Ivory Coast has informed the United Nations that it will join the International Coffee Agreement as a member of the producer-country group of Cameroun Congo (Brazzaville), Ivory Coast, Dahomey, Gabon, Togo, Central African Republic and Madagascar.

The Ivory Coast has already signed the Agreement, but this announcement takes advantage of a clause in the Agreement which allows exporters to group their memberships. The eight members of Ivory Coast's group betweeen them account for 9.7 per cent of world exports according to the 1961 Statistics.

(Africa South of the Sahara, Paris, 1/7/63)

International Cocoa Agreement

Under the auspices of the UN Economic and Social Council on international trade in cocoa, convened for the end of September in Geneva, to work out an acceptable international agreement. The conference is basing its discussions on the proposed draft for a provisional agreement prepared by the UN/FAO Cocoa Study Group.

The Proposed draft contains a number of alternative provisions as well as certain unsettled points, as follows:

1) Imposition of export sales quotas which would become effective between certain price limits;

2)The calculation of the reference price based on the London and New York futures markets (but the Council by a 2/3 majority vote of both exporting and importing countries can decide to employ an alternative method of calculating the reference price);

3) Establishment of basic quotas: under certain specified conditions the conference would introduce annual sales quotas applying a certain percentage of the basic quota for all members on both cocoa beans and products.

4) On October the 1st of each year the council is to review the market situation, prospects and prices to fix the annual sales quotas; the relationship between the market price and the maximum and minimum price will guide the Council in its decisions to introduce quotas;

5) The draft provides for a certain flexibility in the application of quotas: some exemptions are foreseen in case of specified sales for delivery in subsequent years; these sales would be charged against quotas in subsequent years. Basically, however, any excess over sales quotas will result in a reduction of the member's quota for the following year;

6) Member countries and the Council would co-operate in maintaining the level of production in a reasonable balance with consumption;

7) A special fund would be established to promote consumption, to assist producer conutries in meeting the costs of mainiaining stocks, etc.

There remains two points on which agreement is yet to be negotiated First, there is the question of the maximum and minimum prices and price intervals. The propsed draft calls for two successive intervals above the minimum price and two below the maximum price; if the market price enters the interval immediately above the minimum price, quotas came into effect; if the market price enters the interval immediately below the maximum price, the quotas cease to be in force; between the two intervals, the Council has power to introduce or remove sales quotas or modify the level of the sales quotas.

Second, still to be determined by the present conference is the basis and also the percentage for calculating the limitations on imports by members from non-member countries.

(Marches Tropicaux, Paris, 31/8/63)

Olive Oil

The United Nation Olive Oil Conference has adopted a new international agreement to replace the existing agreement, when it expires on 30 September 1963.

The new agreement calls for the establishment of an Olive Oil Council which is responsible for taking action aimed at the stabilization and expansion of the world olive oil economy and for the expansion of olive oil consumption.

The agreement also makes provision for the setting up of a propaganda Fund to which producing member countries will contribute. The annual income of the Fund is expected to be £100,000, which will be used for educational and advertising campaigns designed to expand world consumption of olive oil.

The new agreement will become effective on 1 October 1963 for a period of four years.

(Financial Times, London, 25/4/63)

EXCHANGE RATES

National Currency per US Dollar

Algeria	(New Franc)	4.937
Angola	(Escudo)	28.75
Burundi	(Franc)	50.00
Cameroun	(CFA Franc)	246.85
Central African Republic	(CFA Franc)	246.85
Chad	(CFA Franc)	246.85
Congo (Braz.)	(CFA Franc	246.85
Congo (Leo.)	(Franc)	50.00
Dahomey	(CFA Franc)	246.85
Ethiopia	(Dollar)	2.484
French Somalia	(Djibouti Franc)	214.4
Gabon	(CFA Franc)	246.85
Ghana	(£G)	0.3571
Germany, Fed. Rep. of	(DM)	3.991
Guinea	(Guinea Franc)	246.85
Ivory Coast	(CFA Franc)	246.85
Kenya	(East African shilling)	7.143
Libya	(£L)	0.3571
Madagascar	(CFA Franc)	246.85
Mali	(Mali Franc)	246.85
Mauritania	(CFA Franc)	246.85
Mauritius	(Rupee)	4.762
Morocco	(Dirham)	5.06
Mozambique	(Escudo)	28.75
Niger	(CFA Franc)	246.85
Nigeria, Fed. of	(£N)	0.3571
Reunion	(CFA Franc)	246.85
Rhodisia and Nyasaland, Fed. of	(£)	0.3571
Rwanda	(Franc)	50.00
Senegal	(CFA Franc)	246.85
Sierra Leone	(£)	0.3571
Somalia	(Somalo)	7.147
South Africa, Rep. of	(Rand)	0.7175
Sudan	(£S)	0.3482
Tanganyika	(East African Shilling)	7.143
Togo	(CFA Franc)	246.85
Tunisia	(Dinar)	0.420
United Arab Republic	(£E)	0.4348
U.K	(£S)	0.371
Uganda	(East African shilling)	7.143
Upper Volta	(CFA Franc)	246.85
Zanzibar	(East African shilling)	1.143

Source: U.N. Monthly Bulletin of Statistics, Sept 1963

RECENT DEVELOPMENTS IN AFRICAN TERMS OF TRADE (1956-61)
WITH SPECIAL REFERENCE TO FLUCTUATIONS IN EXPORT PROCEEDS

1. The ability to have large exports and to obtain favourable terms for them is of particular importance to African countries since an exceptionally large percentage of the region's output is exported and an equally large part of total expenditures on capital as well as consumption goods is made on imports. Any deterioration in the terms of foreign trade, i.e., in the relation of export prices to import prices, therefore constitutes a problem of significant dimensions for Africa and imposes severe handicaps in maintaining a steady and rising rate of economic growth.

2. However, to assess the real significance of changes in terms of trade in the context of the critical importance of ensuring an import capacity adequate to maintain and accelerate the pace of economic development, a close look at the inter-relationships between variations in price, volumes and proceeds is necessary. It may well be in some cases that even falling prices (if world markets thereby absorb larger quantities) could contribute to expanded export earnings.

3. An attempt is made in this note to examine the recent fluctuations in export proceeds with reference to not only changes in prices but also taking into account movements in volume. At the same time, relevant data in respect of prices of imports have also been analysed to derive changes in terms of trade and purchasing power of African exports. Only recent fluctuations (from 1956 to 1961) are analysed, highlighting the nature of the short-term problem of instability in export proceeds, whereas cyclical or long-term fluctuations which are sometimes intermingled with structural difficulties of a longer term nature are not dealt with.

4. A conspicuous feature of recent evolution of African foreign trade has been the fact that the rapid expansion in total volume of exports

has failed to bring about a corresponding gain in export incomes owing to the persistent tendency for the prices of primary products to decline. On the other hand, import prices in recent years remained relatively stable or moved within narrow limits only whereas import volumes have risen. Consequently, the overall trade position of the African countries has been worsening as indicated by the widening of the trade gap and depletion of foreign exchange reserves.

5. According to the data shown in Table 1, the index (1958 = 100) of the terms of trade of African countries (excluding South Africa) was down from 103 in 1956 to 92 in 1961 largely on account of a sharp decline in export unit values (the index stood at 89 in 1961 as against 103 in 1956) whereas the drop in average import prices during this period was relatively slight (only by 3 per cent). The total value of exports from Africa rose by 15 per cent, or on an average by 2.75 per cent per year, but the rate of growth in import outlays (c.i.f.) during this period was somewhat higher than that experienced by export proceeds. However, the expansion in export volume (by 34 per cent from 1956 to 1961, or at an annual rate or over 5 per cent) outpaced the rise in import volume (by 23 per cent, or at an annual rate of about 4 per cent).

6. About 90 per cent of Africa's total export income is derived from primary products and base metals. Of the total exports proceeds in 1961, about 30 per cent was derived from four commodities alone, namely, cotton, copper, cocoa and coffee. Export of wine, diamonds, groundnuts and oil, palm kernels and oil timber and wool, taken together, accounted for another 20 per cent of Africa's total export earnings in 1961. Other commodities which figured prominently in Africa's exports during that year were crude petroleum, sugar, tobacco, rubber, phosphates, citrus fruits, hides and skins, sisal and ironeore.

7. The persistent weakness in international commodity markets, largely as a result of an imbalance in supply of, and demand for, most agricultural and mineral products, contributed to a further deterioration in

Table 1

EXTERNAL TRADE OF AFRICA 1/

Value (in million dollars), Volume and unit values (1958=100)

	1956	1957	1958	1959	1960	1961
EXPORTS						
Value, f.o.b.	4,516	4,448	4,514	4,736	5,122	5,197
Value index	100	99	100	105	113	115
Volume index	97	99	100	113	122	130
Unit Value (price)	103	100	100	93	93	89
IMPORTS						
Value, c.i.f.	5,326	5,847	5,879	5,746	6,309	6,343
Value index	91	99	100	98	107	108
Volume index	90	96	100	102	111	111
Unit Value (price)	100	104	100	96	97	97
TERMS OF TRADE INDEX	103	96	100	97	96	92

1/ The whole continent of Africa (excluding South Africa), Madagascar and other African islands.

Source: ECA Secretariat calculations based on data published in Monthly Bulletin of Statistics (UN).

Table 2

WORLD AVERAGE EXPORT UNIT VALUES
(US $ per metric ton)

	1956	1957	1958	1959	1960	1961
Cotton	740	742	681	593	630	656
Copper 1/	850	542	462	576	601	564
Cocoa	581	563	845	739	594	474
Coffee	1,048	1,022	918	750	722	680
Wine	155	170	216	174	179	182
Groundnuts (shelled)	195	204	172	164	183	179
Wool (greasy)	1,380	1,600	1,134	1,085	1,166	1,147
Sugar (raw)	95	116	100	94	89	100
Tobacco (unmanufactured)	1,228	1,342	1,292	1,291	1,295	1,247
Rubber (raw)	634	604	519	662	745	550
Palm Kernels	123	120	125	159	157	126
Sisal	159	141	140	173	213	191

1/ Rhodesia, unit value of exports.

Source: The State of Food and Agriculture 1963 (FAO)
International Financial Statistics (IMF)

Africa's overall terms of trade in 1961. The long-term falling trend in prices of primary products was resumed again in 1961, whereas the average prices of imported goods were maintained in 1961 at the level of 1960.

8. The downswing in average export unit values from 1956 to 1961 (by about 13 per cent) affected Africa's export proceeds adversely. The sharp downward movement in commodity prices was most marked in respect of the four leading African export products. Judging from FAO and IMF data on world average export unit values (see Table 3),1/ both coffee and copper suffered a decline of 35 per cent from 1956 to 1961. Price of cocoa fell by 17 per cent and that of cotton was down by 14 per cent. Important price reductions were also recorded for wool, groundnuts, sugar and rubber. On the other hand, the prices of sisal, wine, tobacco and palm kernels in 1961 were above their 1956 level.

9. Of the forty odd African countries and territories, about nine2/ alone account for about 60 per cent of total value of African external trade (excluding that of South Africa). Moreover, eighteen African countries belonging to the Franc zone taken together account for another 28-30 per cent (see Table 3). Thus changes in the terms of trade of a few large African trading units can exert a preponderant influence on the index of Africa's overall terms of trade.

10. No overall indices are available for terms of trade or for the unit values of exports and imports for many individual countries belonging to the Franc area. An attempt is made below to analyse in some detail changes in price, volume and value of leading export commodities in respect of African members of the Franc zone. As for

1/ In some cases, notably sugar, trade conducted at world market prices accounts for only a rather limited fraction of African exports because of special trade agreements. Moreover, for various export products originating in the franc area, which enjoy a sheltered access in other franc zone countries, prices received have been well above international prices.

2/ The Federation of Rhodesia & Nyasaland, Congo (Leo.), Ghana, Nigeria, UAR, Sudan, Uganda, Kenya and Tanganyika.

Table 3

AFRICA: EXPORTS BY PROVENANCE
(million US dollars)

	1956	1957	1958	1959	1960	1961
TOTAL AFRICA: (excl. South Africa)	4,516	4,456	4,514	4,736	5,122	5,197
of which:						
Franc zone 1/	1,483	1,549	1,656	1,447	1,664	1,839
Ghana & Nigeria	599	586	643	744	769	773
UAR & Sudan	601	641	602	653	750	664
Fed. of Rhodesia & Nyasaland	509	437	380	523	576	579
East Africa 2/	336	331	344	357	387	370
Congo (Leo.)	535	473	406	489	976	982
Others	453	439	483	473		

1/ including Guinea
2/ Kenya, Uganda and Tanganyika

Source: UN, *Monthly Bulletin of Statistics*, June 1963 most of the other African countries, there exists some statistical indications about changes in terms of trade, only brief descriptions are provided.

(a) North Africa (Franc zone):

11. The three North African countries (Algeria, Morocco and Tunisia), taken together, which belong to overseas franc area, accounted for 17 per cent of the total export earnings and 21 per cent of the aggregate import expenditures of Africa* in 1961. The broad similarity in climatic conditions and natural resources of these three countries reflects itself in almost a common list of export products even though the relative importance of the various items differs in the export earnings of each country. The recent spurt in the petroleum extraction and export shipments originating in the Sahara, however, has radically altered the traditional commodity pattern of exports. Petroleum now ranks as the chief export product from this sub-region, followed by wine, phosphates, citrus fruits, iron ore, olive oil and cereals. These seven items accounted for over 70 per cent of the total export proceeds of North Africa during 1961. Among the rest, vegetables, cork, fish and certain metalliferrous ores are noteworthy.

12. Petroleum shipments (originating solely in Algeria) in 1961 were valued at $308 million in contrast with $162 million in 1960 and $17 million in 1959 and the export unit values remained remarkably constant during this period,[1/] thus reflecting a sharp increase in export quantum (from less than a million tons in 1959 to 15 million tons in 1961). However, the recent emergence of petroleum as the major export product of Algeria (45 per cent of the total export earnings in 1961 as against 2 per cent in 1958), while making for a substantial improvement in export quantum and proceeds, has also had a moderating influence on

1/ By contrast, it may be noted that international prices of crude petroleum have been marked by persistent weakness in recent years with an ever increasing number of transactions taking place below the posted prices.

* including South Africa.

the recent evolution in Algeria's export prices which were adversely influenced by price drops registered by citrus fruits and ores.

13. Wine, which until 1960 was the leading export item, now occupies the second place among the exports of North Africa (accounting for 20 per cent of total export proceeds of this sub-region). Of $219 million worth of wine exported in 1961, $190 million was from Algeria, $18 million from Tunisia and $11 million from Morocco. In terms of relative importance, the share of wine stood at 28 per cent in the export earnings of Algeria, and in Tunisia and Morocco at 17 per cent and 3 per cent respectively, in 1961. With the exception of the 1957 peak (when Algeria exported 16 million hectoliters), the export volume from Algeria during 1956 to 1961 has remained close to about 13 million hectoliters per year. Prices received for these exports were especially high in 1958 (50 per cent over 1957) and fell back during 1959-61 but to a level which nevertheless was higher than that prevailing in 1956-57. There was a marked upward movement in terms of export quantum in Tunisia and Morocco from 1956 to 1958, which tapered off during the subsequent three years, whereas unit values followed a pattern close to that of Algeria. For North Africa, as a whole, the value of wine exports rose from $180 million in 1956 to $219 million in 1961, or by about 20 per cent, and the overall expansion registered in volume was about 10 per cent with an improvement in export prices of an equal magnitude.

14. North Africa occupies a prominent place among world's exporters of phosphates. Shipments from this sub-region in 1961 amounted to about $108 million, or 10 per cent of total export proceeds. Nearly one-quarter of Morocco's and one-eighth of Tunisia's export earnings in 1961 were derived from this commodity. While two-thirds of the value of exports of phosphates from Tunisia were in the natural form in 1961 as against four-fifths in 1956, the rest were processed phosphate fertilizers (superphosphates) which is a significant development as the latter command an export price nearly five times that of the primary phosphates. The fall in export quantum of the primary phosphates

from Tunisia (from 1.9 million tons in 1956 to 1.7 million tons in 1961) and the contraction in the value of these exports (from $18 to $15 million) during this period was offset by a marked growth in volume as well as value of superphosphates. Export quantum of natural phosphates from Morocco rose significantly from 1956 to 1961 (by about 40 per cent) and despite a slight decline in the price level, total receipts rose from $68 to $81 million during this period. The average price of total phosphate exports from North Africa in 1961 was 10 per cent lower than in 1956, but due to the marked expansion in [illegible], receipts were larger.

15. Citrus fruit also accounts for an important share of North Africa's export earnings. For Morocco, the share was 12 per cent during 1961, whereas for Algeria andTunisia, it was 4 per cent each. The output as well as export volume of citrus fruit has risen substantially since before the war and the upward trend has been almost uninterrupted during the latter half of the 'fifties. For instance, the quantum increase in exports from North Africa has been from about 375,000 tons in 1956 to 620,000 tons in 1961 and the corresponding rise in proceeds during the same period was from $50 to $57 million. Prices which were well maintained from 1956 to 1958 dipped during 1959 and 1960 but recovered significantly during 1961.

16. Among the various minerals exported from North Africa, iron ore (next to phosphates) is most important. Lead and lead ore and manganese ore are also exported in significant quantities. The value of iron ore exports from North Africa amounted to $45 million in 1961 - a figure 10 per cent above the 1956 level. In terms of quantum, the expansion was even more significant, resulting mainly from a five-fold increase in Morocco's shipments; the volume of Algeria's exports though exceeding that of Morocco, grew at a much slower pace and that from Tunisia in fact declined. However, the remarkable growth in export volume did not translate itself fully in a comparable growth in proceeds because of the adverse price developments. The unit value of iron ore exports

from the region in 1961 was about 20 per cent below the 1956 level. This was mainly the result of developments in Algeria and Tunisia, since the movement in prices received by Morocco was generally favourable.

17. Olive oil, which is the main agricultural export from Tunisia, is one of the very few North African commodities which have suffered violent price and volume fluctuations largely attributable to the variations in the size of crops. Prices, after suffering sharp declines in 1956-58, have tended to be more stable and the fluctuations in export proceeds have been more influenced by export quantum.

18. The above description of the changes in terms of volume, price and proceeds affecting the main export commodities (which accounted for about three-quarters of total export proceeds in 1961) indicates that the overall expansion in export proceeds of North Africa from 1956 to 1961 reflected the very favourable development in the volume of petroleum shipments as well as the moderate rise in the quantum of other major export items which more than offset the adverse price changes. With the exception of wine and petroleum, export prices of all the main items were generally 10 per cent lower in 1961 than in 1956. Assuming that the general movement in North African import prices corresponddd with the trend in overall African unit value of imports (which in 1961 was 3 per cent below the 1956 level), it may be concluded that the fall in North Africa's terms of trade was about 6-7 per cent from 1956 to 1961. (However, it remains an open question whether the improvement in export earnings would have occurred if prices had remained unchanged, especially when increases in volume of shipments were associated with falling - or more competitive - prices).

<u>(b) Tropical Africa (Franc zone):</u>

19. The Tropical African countries belonging to the franc area[1/]

[1/] Guinea withdrew from the franc area early in 1960 but it is considered here as a part of the region.

with the exception of Malagasy Republic, form a compact geographical group and share many common production and trade characteristics. They all rely heavily on a few tropical products for their export proceeds (coffee, groundnuts and oil, timber, cocoa, bananas and palm kernels) and bulk of these exports are oriented towards the French market where they enjoy privileged access (in many cases in the form of quotas and guaranteed prices). France has traditionally taken a major part of the region's production at prices above the world level. Of the fifteen countries[1/] belonging to this region, combined exports of only four (Ivory Coast, Senegal, Cameroons and Malagasy Republic) alone accounted for two-thirds of the region's export income (in 1961) and some of the remaining eleven countries represent about the smallest values recorded for any country participating in international trade.

20. As no overall indices are available for the terms of trade and the unit value of exports and imports, the recent shifts in the relation of export prices to import prices are analysed only by reference to the price developments in respect of the major export products (taking also into account the fluctuations in volume and aggregate proceeds) and the import price data based on the United Nations indices of unit value of total imports into Africa.

21. Coffee is the most important export product of this sub-region, accounting for 20 per cent of total export earnings in 1961. The relative importance of coffee in that year in the total export proceeds of Ivory Coast was 46 per cent, followed by Malagasy Republic (29 per cent), Togo (27 per cent) and Cameroons (21 per cent). The region's total exports of coffee declined in value from $160 million in 1956 to $142 million in 1961 but this decline was exclusively accounted for by Malagasy Republic, whereas all the other coffee exporting countries

1/ Senegal, Mali, Mauritania, Ivory Coast, Upper Volta, Dahomey, Niger, Guinea, Gabon, Central African Republic, Congo (Brazza.), Chad, Cameroons, Togo and Malagasy Republic.

of the region maintained their coffee earnings. While these countries also suffered sharp declines in prices received for coffee exports, the gains registered in the volume of shipments were sufficient to offset the contraction in prices. For instance, the combined exports of coffee from the former French West African countries only changed slightly in value ($94 million in 1961 as against $96 million in 1956), whereas during this period the quantum of these exports rose by 34 per cent (from 131,000 tons to 176,000 tons) and the average price declined from $733 per ton to $533 per ton (by 27 per cent). These latter prices, nevertheless, were considerably higher than world prices for coffee on account of the premium prices obtained by the countries of this region on the French market where they enjoy a preferential access and guaranteed prices for a large proportion of output. The average prices obtained by Ivory Coast in 1961 for its overall coffee exports was about $530 per ton but exports to France (accounting for one-half of the total volume of shipments) fetched an average price of about $625 per ton and those to other markets were at an average price of $455 per ton.1/ Cameroons and Malagasy Republic received about $660 and $625 per ton respectively for coffee exported to France, whereas to other destinations, the average price was about $400 and $385 per ton respectively.

22. Groundnuts and groundnut oil occupy the second position among the sub-region's leading export items (accounting for about 15 per cent of total export proceeds in 1961). About 95 per cent of the total value of export of groundnuts and oil originating in this sub-region was from Senegal where these two products in turn in 1961 accounted for 85 per cent of total export proceeds. The average prices received for all groundnut exports from the region fell from $231 per ton in 1956 to $158 per ton in 1961, whereas those of groundnut oil declined from $504 to $374 per ton. As the increase in

1/ As a significant amount of coffee is also exported to franc zone countries other than France at prices close to those obtained in France, the average price received for exports to all markets situated outside the franc area was still lower.

quantum (from 320,000 tons to 405,000 tons for groundnuts and 100,000 tons to 125,000 tons for groundnut oil) was not wholly sufficient to offset the price drop, the total receipts accruing from the export of groundnuts and groundnut oil in 1961 at $112 million were $10 million, or 8 per cent less than in 1956. Senegal under agreements with France obtains for its groundnuts prices appreciably higher than those received by exporting countries situated outside the franc area, and the shortfall in export earnings of Senegal would have been considerably greater if its exports had had to take place at world prices.

23. Timber was the third principal export product of this sub-region in 1961 (accounting for about 11 per cent of the total export receipts) and its share in the Equatorial Customs Union[1/] stood at 46 per cent, in Ivory Coast at 18 per cent and in Cameroons at 7 per cent. Exports of timber from all the major exporting countries (Ivory Coast, Equatorial Customs Union and Cameroons) showed a marked increase in both value and volume between 1956 and 1961 and price developments on the whole were insignificant. Unit values declined from $44 per ton in 1956 to $41 per ton in 1961 in the face of a doubling of total export quantum whereas the rise in export proceeds was from $41 million to $79 million during this period. Although the share of France was significant in these exports, the prices obtained for exports to France as well as other destinations were close to world prices.

24. Cocoa sales valued at $72 million in 1961 accounted for 10 per cent of this sub-region's total export earnings and the share of this commodity in Togo's total export proceeds was 28 per cent, in the Cameroons it was 26 per cent and in Ivory Coast it stood at 22 per cent. The wide fluctuations in cocoa prices during recent years have had strong repercussions on export revenues of Ivory Coast. Notwithstanding an expansion in total quantum (from 76,000 tons to 89,000 tons),

1/ Gabon, Central African Republic, Chad and Congo (Brazzaville).

this country's receipts from cocoa shipments fell from $48 million in 1956 to $40 million in 1961. Earnings from cocoa were maintained in the Cameroons and in Togo there was even a significant rise on account of a marked growth in the volume. Average prices received for cocoa shipments from the region, after rising from $605 per ton in 1956 to $767 per ton in 1958, fell sharply to $443 per ton in 1961. An examination of price data relating to exports to France (which took 30 per cent of total volume of shipments in 1961) and other destinations show no evidence that exports to sheltered markets have occurred at higher prices than those to other markets.

25. As a result of the marked expansion in exports of alumina from Guinea (valued at $11 million in 1960 and $29 million in 1961), the relative importance of bananas in the region's aggregate exports was down from the fourth to fifth place among the leading items. Bananas occupy a prominent place in the exports of Guinea (11 per cent of the total proceeds), Ivory Coast (5 per cent) and the Cameroons (4 per cent). The combined shipments of bananas from this region rose from 182,000 tons in 1956 to 213,000 tons in 1961 (or by 15 per cent) and as average prices remained unchanged (at about $85 per ton), export receipts advanced proportionately.

26. On account of the inadequacy of available data, it has not been possible to derive overall indications of changes in total volumes and prices of all exports. The leading export commodities discussed above accounted only for about 70 per cent of the region's total export proceeds in 1956 and about 60 per cent in 1961. The shortfall in coverage arises on the one hand from the very diversified pattern of Malagasy Republic's exports (the only two commodities taken into account, i.e., coffee and groundnuts, represented nearly one-third of total earnings in 1961 and developments related to other commodities valued at $54 million have been left out of consideration) and, on the other hand, from the very recent shift in Guinea's commodity composition of exports caused by a sharp increase in exports of alumina.

However, on the basis of limited data for the six commodities (see Table 4 below) it appears that an increase of one-third in the total quantum of exports was completely offset by price declines of an equal magnitude with the result that net change in total proceeds of these six commodities, taken as a whole, was almost negligible. Assuming that the expansion in the export earnings (accruing from commodities other than the six considered above) which rose from $186 million in 1956 to $309 million in 1961 was solely induced by favourable volume movements, it emerges that the level of average export prices in 1961 was about 25 per cent lower than in 1956.

27. It may be concluded from the preceding discussion that Tropical African countries belonging to the Franc zone suffered a reduction in the terms of trade by about 20-22 per cent from 1956 to 1961 on account of a sharp decline in export prices. The total export proceeds showed an improvement, and the capacity to import was augmented, only on account of a remarkable expansion in export volume.

Table 4

PRICE AND VOLUME CHANGES FOR LEADING EXPORTS FROM TROPICAL AFRICA (FRANC ZONE)

(million US dollars)

Commodity	'56 Quantity at '56 prices	'61 Quantity at '56 prices	'61 Quantity at '61 prices
Coffee	160	195	142
Groundnuts	74	93	64
Cocoa	78	98	72
Groundnut oil	48	64	47
Timber	41	85	79
Bananas	16	18	18
Total of above	417	553	422
Others	186	-	309
All commodities	603	-	731

(c) Federation of Rhodesia and Nyasaland

28. There was a substantial deterioration in the terms of trade of the Federation of Rhodesia and Nyasaland (by about 30 per cent from 1956 to 1961), caused by a steep decline in prices for copper and rise in prices for imported manufactured goods. The average price received for copper (this commodity accounted for 55 per cent of total export earnings) in 1961 was about 35 per cent below the 1956 level and as there was some improvement in prices received for tobacco shipments, the second leading export item, the aggregate export price index showed a fall of one-quarter during this period. The total value of copper exports in 1961 was slightly below the value in 1956 but the volume was about 45 per cent larger. Tobacco receipts expanded by about 50 per cent during this period. As regards imports, their value in 1961 was about 3 per cent below the 1956 level and volume contracted by 10 per cent. There was an increase of 7 per cent in the average prices of imported goods during this period.

(d) United Arab Republic (Egypt)

29. The unfavourable developments in the terms of trade of the United Arab Republic (Egypt) from 1956 to 1961 (the index stood at 87 with 1956 as the base) resulted from a sharp decline in the price of cotton. The quantum of cotton shipments rose from 235,000 tons in 1956 to 295,000 tons in 1961 (or by 25 per cent) but total value of these exports showed only a small increase from $284 to $298 million indicating a fall of about 20 per cent in the average prices. Import prices in 1961, on the other hand, were nearly at the same level as in 1956 and the increase in import outlays (by about one-fifth) during this period reflected the expansion in volume.

(e) Sudan

30. Although the decline in the terms of trade of the Sudan by about 13 per cent between 1956 and 1961 was equal to that experienced by Egypt, there was no comparable expansion in export volume. The total

volume of the Sudan's exports in 1961 was 2 per cent below the 1956 level, whereas the average export prices showed a reduction of about 10 per cent and consequently export earnings registered a drop of 8 per cent during this period. In respect of cotton, the leading export commodity, the decline in volume was from 115,000 tons in 1956 to 106,000 tons in 1961 and their earnings were down from $120 million to $90 million. Favourable developments in the earnings of other export items, i.e., arabic gum, sesame and groundnuts, induced largely by marked growth in volume, to some extent offset the losses recorded by cotton. On the other hand, the volume of total imported goods rose by about 85 per cent and total import expenditures were up by 82 (reflecting an increase of about 3 per cent in average import prices). The Sudan's aggregate trade position, as a result of these developments, worsened from a trade surplus of about $60 million in 1956 to a deficit of $60 million in 1961.

(f) Ethiopia

31. A sharp reduction in coffee prices and an appreciable increase in the price of imported articles were the main reasons for a deterioration in the terms of trade of Ethiopia (which fell by about one-quarter between 1956 and 1961). Coffee exports which account for about one-half of total proceeds, rose in value from $33 million in 1956 to $38 million in 1961 (or by 15 per cent) but the expansion in volume was from 33,000 tons to 57,000 tons and average prices were down by one-third. The adverse impact of low coffee prices was to a considerable extent mitigated by some increases registered in the average prices obtained for other exports (chat leaves and certain oilseeds) with the result that aggregate decline in average unit value of total exports was less than 20 per cent. Nevertheless, total export earnings rose by 20 per cent from 1956 and 1961 because of a marked expansion in total volume of shipments. The volume of imports was about 18 per cent higher in 1961 than in 1956 and import prices rose by about 15 per cent; total import values showed an increase from $67 million in

1956 to $92 million in 1961.

(g) East Africa (Kenya, Tanganyika and Uganda)

32. In the case of East Africa, the deterioration in terms of trade (of about 10 per cent between 1956 and 1961) is attributable solely to a decline in export prices as import prices moved favourably. Coffee shipments which represent about one third of total export earnings of this region, suffered a price decline of over 40 per cent between 1956 and 1961 and cotton prices (this commodity represents one-fifth of total export earnings) fell by nearly 10 per cent. Some of these heavy losses were offset by favourable price movements recorded by tea, sisal and diamonds. As the latter two commodities figure prominently in Tanganyika, the terms of trade of Tanganyika showed only a slight change and the deterioration mainly affected Uganda and to a much lesser extent, Kenya. General data indicate that the total volume of all exports from East Africa was about 25 per cent above the 1956 level. Imports in 1961 were 106 per cent of the 1956 volume and average import unit values were about 4 per cent lower. Consequently, total import expenditures did not vary significantly from 1956 to 1961.

(h) Ghana

33. Terms of trade deteriorated for Ghana owing primarily to the fall in the prices of cocoa, the main export. The index for terms of trade in 1961 stood nearly 20 per cent below the level of 1956. The volume of cocoa exports in 1961 was 70 per cent more than in 1956, whereas the quantum of total exports was 60 per cent higher. The value of total exports was up from $222 million in 1956 to $292 million in 1961 - an increase of 32 per cent - on account of the significant increase in volume of cocoa shipments which more than offset the drop in export prices.

34. The volume of imports in 1961 was about 60 per cent above that of 1956. Imported foodstuffs generally, rose in volume more than the total rise. As price changes in respect of imports were insignificant

the growth in total import volume was reflected in a greatly expanded import outlays.

(i) Nigeria

35. In sharp contrast to the deterioration suffered by practically all the African countries, Nigeria's terms of trade in 1961 stood at a level which was close to that of 1956. Nigeria's better fortune, relatively speaking, was due to the existence of a diversified pattern of exports; the fall in cocoa prices was compensated for by small increases recorded by various other export commodities and the index of overall export prices in 1961 was identical to 1956. Five major tropical products, namely, cocoa, groundnuts, palm kernels, palm oil and groundnut oil accounted for 68 per cent of total export earnings in 1956 and 60 per cent in 1961. During this period, the relative importance of crude petroleum and timber in total exports rose significantly.

36. Though the index of total volume of exports in 1961 showed a drop of 2 per cent over 1956, cocoa shipments expanded from 120,000 tons to 185,000 tons and groundnuts were up from 455,000 to 502,000 tons during this period. On the other hand, the volume of groundnut oil and palm kernels declined.

37. The volume of total imports was more than 40 per cent higher in 1961 than in 1956 and the average prices showed only a small increase of 2 per cent. The total import outlays expanded by 45 per cent with the result that the adverse balance of trade stood at a record level in 1961.

Summary

38. To sum up, though most of the African countries suffered from the fall in commodity prices from 1956 to 1961,[1] the fall in the terms of trade was most severe for those countries which rely heavily on coffee and copper for their export earnings. The Federation of Rhodesia and Nyasaland, Ethiopia and the Tropical African members of the Franc area were the worst sufferers. The fall in the terms of trade of the major cotton exporting countries - Sudan and Egypt - was about 13 per cent. While terms of trade of Nigeria were unchanged from 1956 to 1961, those of Ghana fell by 20 per cent and East African countries also suffered a decline of about 10 per cent.

39. Comparing the recent evolution of African terms of trade with oth other primary producing regions, it appears that Latin America suffered the sharpest decline (in 1961 the index stood 17 per cent below the 1956 level), whereas the adverse swing in the terms of trade of Africa was about 11 per cent. In sharp contrast, the terms of trad of the less-developed countries of Asia and the Far East taken as a whole in 1961 remained virtually unchanged from their 1956 level.

1/ While the foregoing analysis is limited to developments until 1961, it may be noted that the latter half of 1962 and the opening months of 1963 witnessed an upturn in a number of commodity prices of significance to Africa. The general index of export unit values in 1962 remained, however, unaltered from 1961 although there is a strong likelihood that 1963 would record some improvement which, barring any adverse movement in import prices, may reflect itself in improved terms of trade.