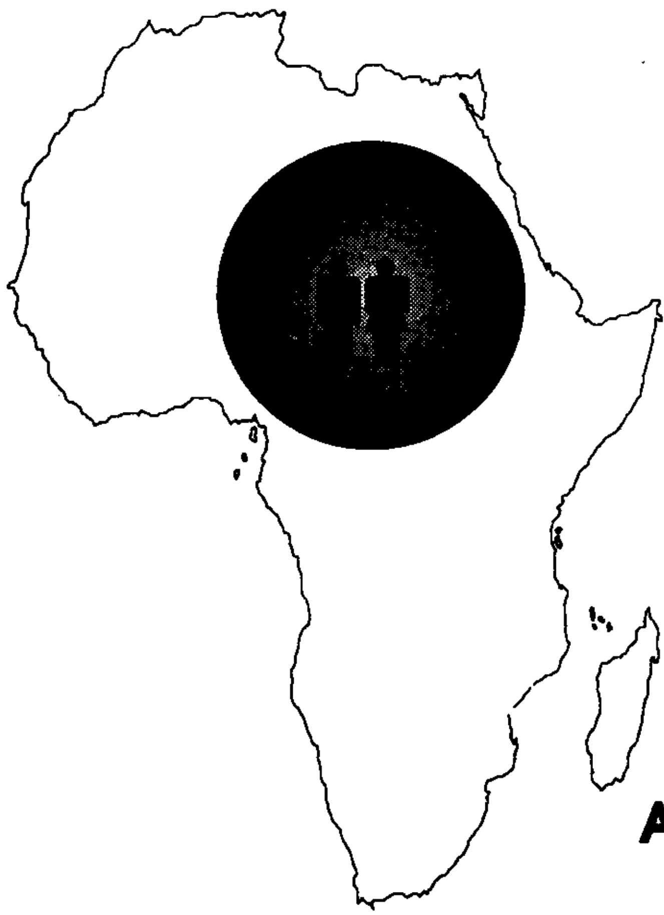
A. Fall

United Nations
Economic Commission for Africa

E/ECA/CM.16/3

# Economic Report on Africa 1990



Addis Ababa
April 1990

62066

United Nations
Economic Commission for Africa

E/ECA/CM.16/3

# Economic Report on Africa 1990

Addis Ababa
April 1990

# Contents

# List of tables

# List of Figures and Boxes

Figures | Page



Boxes

# PREFACE

This **Economic Report on Africa 1990**, which provides an analysis of the main socio-economic trends and issues in the African region in 1989 and outlook for 1990 as well as updates my **Preliminary Assessment of the Performance of the African Economy in 1989 and Prospects for 1990** which I undertook before the Corps Diplomatique and International Press in Addis Ababa on 15 January 1990, has been prepared by the staff of the United Nations Economic Commission for Africa. The year 1989 marks the end of the tumultuous decade of the 1980s - which, all are agreed, in terms of development opportunities, was lost to Africa - and the beginning of the new and perhaps even more challenging decade of the 1990s.

The 1980s was a period of general economic and social retrogression. During this period, Africa moved from one social and economic crisis to another. On a yearly basis between 1980 and 1989, per capita income fell by 1.7 per cent, gross fixed capital formation by 1.9 per cent, export volumes by 2.7 per cent, import volumes by 3 per cent, commodity prices by 3.1 per cent, while unemployment increased four times faster than in the 1970s. Indeed, many other socio-economic indicators have continued to worsen. The stock of debt almost doubled to US$256.9 billion between 1982 and 1989, amounting to 328.4 per cent of exports of goods and services. Also, during the 1980s, the number of African least developed countries rose from 17 to 28. And yet the decade could rightly be characterized as the decade of conventional Structural Adjustment Programmes (SAP) par excellence.

Although, with a growth rate of GDP of 2.9 per cent, the year 1989 showed an improvement on the average growth rate for the 1980s, this has not been adequate to reverse the trend of sliding per capita incomes and consumption established since the beginning of the decade. This performance contrasts sharply with the steady progress experienced in the rest of the Third World countries (with the exception, perhaps, of Latin American countries) and the recent uninterrupted prosperity in the OECD countries, Africa's traditional trading and economic partners and neighbours and on whom they so overly depend.

The general deterioration in the African economic and social conditions is a direct outcome of the worsening domestic development setting and the extremely unfavourable external economic and financial environment. The persistence of the crisis, with its relentless aggravation, has indeed convinced all genuine friends of Africa that the policy framework for grappling with the economic and social crisis has not always been adequate and often is inappropriate. The policy prescriptions widely adopted during the decade, based on conventional adjustment programmes, have failed to address the fundamental structural issues in Africa's development; hence their failure to arrest the downward trend, less reverse it and bring about a sustainable process of development and transformation. This lacuna in the policy framework has now been addressed by the African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation (AAF-SAP) adopted by the Commission in April 1989 and subsequently endorsed by the Assembly of Heads of State and Government of the Organization of African Unity at its twenty-fifth meeting and the General Assembly of the United Nations at its forty-fourth session.

The development challenges of the 1990s may even be more daunting than those of the decade that has just closed. Already, the signposts are not too encouraging as far as the external factors are concerned, as they point in the direction of recession or, at best, a slow-down in growth in the industrialized countries, with considerable adverse impact on the growth of developing countries. This backsliding could set in motion severe recessionary tendencies of far-reaching consequences, leading to depressed export demand, and, more seriously, import compression and reductions in the volume of investment, although it could take sometime for such effects to be fully felt. Of additional concern to African countries, in particular, is the possibility of further falls in resource flows arising from such anticipated slow-down of growth in the OECD countries, and the growing fears that the financial crisis experienced in Africa in the 1980s may turn into a serious famine and real resource crunch in the 1990s. It is certain for instance that the new approach of parallel tracks, under which aid dialogue and aid allocation are to be tied to the conditionalities of structural adjustment lending, will severely affect even official development assistance (ODA) and other grants. These developments are likely to lead to a diminishing ability on the part of African countries to acquire concessional finance for development and, therefore, to a greater resort to commercial borrowing, with all the serious implications for the debt burden. Interest rates are expected indeed to soar further, which, taken together with the likelihood of further depreciation of the US dollar, will appreciably increase the debt-servicing obligations especially for countries such as those of Africa whose trade transactions are preponderantly dollar-denominated.

In addition, the decade of the 1990s is likely to witness an intensification and consolidation of regionalized economic blocs, starting with the imminent establishment of one common market in Europe by 1992. Thus, for Africa, the adverse effects of growing protectionism and restrictions on market access could be considerable in the 1990s. There is also the prospect that resource flows to Africa will dwindle as and when resources are diverted for the development of depressed areas within the European Economic Community. This prospect is all the more evident with the emerging closer ties between Eastern and Western Europe. These factors, combined, can only lead to the further marginalization of Africa in the 1990s and beyond.

The relaunching of development in the African region, under these circumstances, would be an even more formidable task. But, for that to take place with sufficient strength and breadth, efforts urgently need to be renewed and intensified foremost to strengthen Africa's present fragile structures and unleash all the forces needed to reinvigorate the internal dynamics of the African economy through the pursuit of policies along the lines called for in AAF-SAP, and through renewed and greater effectiveness of the programmes of regional and subregional, economic, financial and monetary co-operation.

The recently-held International Conference on Popular Participation in the Recovery and Development Process in Africa (12-16 February, in Arusha, Tanzania) whose main theme was Putting the People First is part of the continuing effort to operationalize the African Alternative. That operationalization process must involve the African people and their popular organizations, the Governments and, of course, the international community. The centrality of the African people in determining, implementing and monitoring both short-term and long-term development goals and objectives must be restored. For, as I said in my opening address to the Conference,

> *"... the foundation for self-reliant and internally self-sustaining processes of development is people's participation. It is the engine for launching the processes for economic transformation. It is the motor for accelerating the process of change and development. For development is not merely the transformation of the structures and material attributes of a society. Authentic, self-reliant processes of development inevitably result in the transformation of the people who bring about the change - their culture, their attitudes to work, their saving and investment habits, their concepts and skills and their social systems. Genuine self-reliant development of an economy brings in its trail this process of self-transformation of the people."*

Hence, in my concluding address, I stated that what Africa needs is a fundamental change and transformation, not just adjustment, and that the change and transformation required are not just narrow, economistic and mechanical ones but those that will foster and internalize, in every country and at every level of our society, the democratization of the development process and the evolution of an enabling environment that promotes initiative and enterprise, guarantees the dignity of each human being and accelerates the process of the empowerment of the people. These are the broader and fundamental changes that will bring about over time the new

Africa of our vision where there is development and economic justice, not just growth; where there is democracy and accountability not despotism, authoritarianism and kleptocracy; and, where the governed and their governments are moving hand-in-hand in the promotion of the common good.

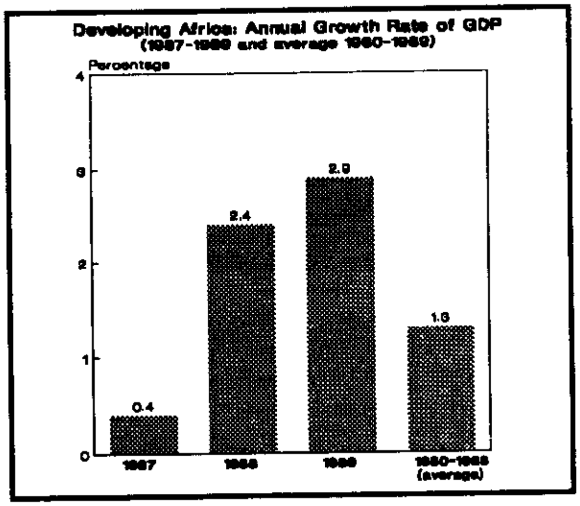
The African Charger for Popular Participation in Development adopted by the Arusha Conference responded magnificently to this challenge by carefully and systematically identifying the role and responsibility of (i) the people and their independent organizations (African Non-governmental Organizations, and Voluntary Development Organizations, Women's Organizations, organized labour and youth and students and their organizations); (ii) the African Governments; and, (iii) the International Community. Specifically, the African Charter calls upon the international community "to examine its own record on popular participation, and, hereafter, to support indigenous efforts which promote the emergence of a democratic environment and facilitate the people's effective participation and empowerment in the political life of their countries". It further urges the international community to support African countries in their drive to internalize development and transformation by accepting African initiatives to conceptualize, formulate and implement endogenously-designed development and transformation programmes.

16 April, 1990

Adebayo Adedeji

UN Under-Secretary-General
and
Executive Secretary of the Economic
Commission for Africa

# I. THE AFRICAN ECONOMY IN 1989 - AN OVERVIEW




1. There was a modest upturn in the African economy in 1989 although overall economic conditions remained precarious and the prospects for 1990 and beyond fraught with difficulties and uncertainties. GDP at factor cost grew by 2.9 per cent, following a rise of 2.4 per cent in 1988 which, although modest, is significant nonetheless in the light of the overall performance in 1987 (See Table I). Between 1980 and 1987, there was a persistent and general decline in economic activity in Africa. The continued lack of accelerated growth in the regional economy, even in 1989, is in itself a reflection of the underlying structural weaknesses, extreme vulnerability and pronounced overall dependency. A major factor in the overall growth in output in 1988 and 1989 is the buoyant agricultural conditions which prevailed for the two years in a row. Agricultural value added grew by 3.1 per cent in 1989, reinforcing the rise of 2.8 per cent in 1988 and easing considerably the food supply constraint. In addition to the positive impact of the recovery in agriculture, particularly on industry, further impetus for growth came from higher export earnings, arising mainly from the rise in oil and mineral prices, although the fall in beverage prices had serious dampening effects on the economies of beverage exporting African countries. Oil prices rose by 25 per cent while those of non-fuel export commodities increased by 3.3 per cent in 1989. Political stability in countries previously afflicted by civil strife has also helped recovery while continuing policy reforms, as advocated in Africa's Priority Programme for Economic Recovery 1986-1990 (APPER), constituted additional positive factors.

**Table I**
Developing Africa
economic indicators, 1987-1989

| | 1987 | 1988 | 1989 |
|---|---|---|---|
| Real GDP growth (factor cost) (%) | 0.4 | 2.4 | 2.9 |
| Domestic demand Growth (%) | -1.4 | 1.8 | 3.2 |
| Inflation rate | 12.9 | 20.1 | 20.9 |
| Commodity prices (1980=100) | 61.2 | 52.8 | 63.5 |
| Petroleum production (million mt) | 241.1 | 246.4 | 257.9 |
| Petroleum prices (US$/bd) | 17.8 | 14.4 | 18.0 |
| External debt (US$ billion) | 241.0 | 249.7 | 256.9 |
| Current account balance (US$ billion) | -10.2 | -8.8 | -7.7 |

Source: ECA Secretariat.

2. The major impediments to regional growth stemmed as before from the foreign resource constraint arising from the escalating debt crisis, capital flight and the foreign exchange crunch,

all of which impeded import growth and capacity utilization and expansion. The inadequacy of financial inflows to support policy reforms had a profound adverse effect on the recovery efforts in Africa. The fall in export prices of coffee and cocoa to their fourteen-year low had devastating effects on the economies of a number of African countries, notably Côte d'Ivoire, the Central African republic, Cameroon, Rwanda and Uganda. In Côte d'Ivoire and Cameroon, for example, producer prices have been drastically reduced while Uganda and Rwanda suffered substantial losses in export earnings from coffee. Escalating inflation and growing uncertainties with respect to the investment climate in Africa also took their toll, with dire consequences for private investment, foreign and local. These, together with the region's well-known fundamental structural rigidities and limitations, have constrained efforts at broadening the production base, expanding and maintaining economic and social infrastructure, and the creation of a more conducive environment for sustained development.

3. An interesting feature of the food supply situation in 1989, arising from the continued growth in agricultural production, is the increasing number of countries holding surplus food for export. In Eastern and Southern Africa alone, four countries (namely, the United Republic of Tanzania, Zambia, Zimbabwe and Kenya) had an exportable surplus of maize, estimated at 1,070,000 tons, while, in West Africa, seven countries ( Mali , Côte d'Ivoire, Ghana, Togo, Benin, Gambia and Burkina Faso) held an exportable food surplus estimated at 520,000 tons, double almost the coarse grain import requirements of that subregion. At the same time, pockets of famine and food deficits continued to exist in a number of countries, particularly Angola, northern Ethiopia, Mozambique and Sudan due to drought and/or civil strife.

4. In the mining sector, output rose by 3.2 per cent and 2.4 per cent in 1988 and 1989 largely on the strength of oil production. Higher oil and metal prices helped partially to alleviate the severe foreign exchange squeeze and to facilitate imports of essential inputs in the mineral-exporting countries, although structural rigidities and production difficulties prevented some of them, like Zambia and Zaire, from taking full advantage of the improved prices.

5. Improved agricultural input supply and higher export earnings were instrumental in raising the growth in manufacturing value added from 2.6 per cent in 1987 to 4.3 per cent and 4.9 per cent in 1988 and 1989 respectively. However, these growth rates hardly indicate a real recovery in Africa's nascent and relatively small manufacturing sector. The structure of industry remained fairly stagnant and plagued with considerable unutilized and underutilized capacity.

6. As for expenditure on GDP, domestic demand grew by 3.2 per cent in 1989, following a rise of only 1.8 per cent in 1988. This reflects largely the recovery in private consumption by 4.2 per cent as contractionary policies imposed limitations on growth of public consumption to only 0.3 per cent in 1988 and 1.5 per cent in 1989, causing further depression in investment activity. However, in per capita terms, private consumption grew only marginally in 1989, following declines in the preceding two years. Indeed, since 1980, per capita consumption has fallen by about 11 per cent, with far-reaching consequences for living standards and the quality of life.

7. Of particular concern is the alarmingly low rate of growth of gross fixed capital formation, which is currently inadequate to compensate even for capital depreciation, and has progressively therefore resulted in capital decumulation. After falling by 5.9 per cent in 1987, gross fixed capital formulation grew only marginally in 1988 and 1989, posting rates of growth of only 0.6 per cent and 1.4 per cent respectively. As a result, the investment ratio in the region is now barely above 15 per cent of GDP as compared to over 20 percent in the 1970s. The slow rate of growth of investment is in itself the consequence of growing resource constraints arising from poor export performance, stagnating and sometimes falling external resource inflow, high and rising debt service obligations, and the series of retrenchment measures that have been adopted within the framework of conventional adjustment programmes. Such is the generality of the malaise that it has affected all groups of countries, oil exporters and non-oil exporters alike. The oil exporters, in particular, having engaged in enhanced levels of investment activities

## Box 1
## THE 1980s: AFRICA'S LOST DECADE

The 1980s shall always be remembered in Africa's development history as a decade of retrogression. During this period, the region was engulfed by a series of unprecedented crises, lapsed into widespread and precipitous economic and social decline at the domestic level, and suffered further marginalization externally. There was a general deterioration in the main macro-economic indicators, widespread disintegration of the productive and infrastructural facilities, a rapid worsening in the social scene, repeated droughts and accelerating environmental degradation. The unending crisis did not only affect the current well-being of the average African; it threatened the long-term development prospects of the region as a whole.

The development momentum, created in the 1960s and 1970s, modest as it was, faltered in the 1980s. Incomes per capita fell by 1.7 per cent, yearly, against rises of 3 per cent and 2.4 per cent yearly in the preceding decades, respectively, while the investment ratio crumpled from 24.5 per cent of GDP at the end of the 1970s to only 15.5 per cent of GDP by 1989, hardly a sufficient amount to compensate for depreciation and the widespread capital decumulation. Whereas developing Africa closed the 1960s and 1970s with trade surpluses of US$ 1.8 billion and US$29.1 billion, respectively, it suffered a massive deficit of US$7.7 billion by the close of the 1980s. Also, the debt stock rose steeply, from US$48.3 billion in 1978 to a massive US$256.9 billion in 1989, and open and disguised unemployment increased significantly. The social scene has also deteriorated, due partly to the impact of orthodox structural adjustment programmes. Poverty became more widespread and income distribution more skewed. Civil strife, crime and social unrest also became more rampant.

As in previous decades, economic conditions in the 1980s were influenced by domestic and external factors. However, it was the pervasively negative impact of these factors, especially the exogenous ones, that sets aside the 1980s as a decade of deepening economic and social crisis. The inadequacies of domestic efforts at capacity building and economic management, apart, there were the adverse exogenous factors, notably the weather conditions and the unfavourable international economic environment. Although Africa suffered brief cycles of droughts, particularly around mid-1970s, the 1980s witnessed a series of repeated, widespread and intense periods of droughts. The Great African drought of 1983-1985, for example, left in its wake considerable loss in human life and livestock, and set in motion a major process of environmental degradation and social dislocation. The 1980s also saw the unprecedented collapse of commodity prices. The ensuing loss in revenue, both in magnitude and scale, was such as had never before been experienced in Africa. In 1986 alone, Africa lost about one-third of its potential export earnings, largely through the fall in commodity prices. Mainly as a result of the fall in commodity prices, Africa's share in the value of world trade fell steeply from 4.7 per cent in 1980 to 2.2 per cent by 1989. Indeed, it was in the face of the collapse of commodity prices that many African countries resorted to heavy external borrowing to sustain levels of expenditure. The debt problem, which hardly existed during the earlier decades, had turned into a major development bottleneck in the 1980s. And although some initiatives have been launched to tackle this problem, their impact on the size and scope of debt has been almost negligible and ineffectual. Overall, as the decade wound to a close, the comprehensive and imaginative solutions needed to cope with the region's problems of debt, commodity trade and resource flows in an interrelated manner were still not in sight.

during the 1970s have, with the fall in oil prices and the growth in debt service obligations, had to cut back drastically on investment programmes.

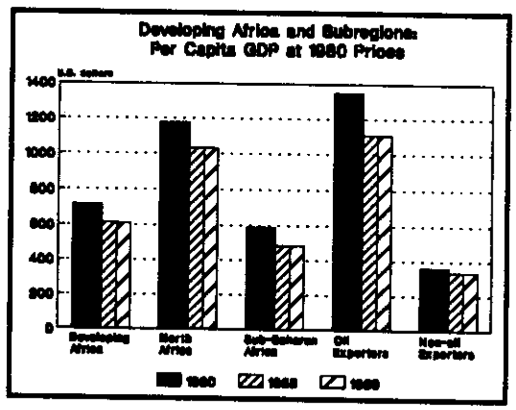
8. The deficit on current account fell only slightly in 1989, amounting to US$7.7 billion despite the rise of export earnings by 6.4 per cent. Notwithstanding the rise in world trade by about 6.5 per cent, Africa's export volumes actually fell in 1989 by 8.6 per cent following a fall of 1.8 per cent in 1988. The continued fall in export volumes resulted in the further marginalization of the region in world trade. Africa's share in global trade is estimated to have fallen overall from 4.7 per cent in 1980 to only 2.1 per cent in 1989.

9. Net disbursements of official development assistance (ODA) to developing Africa amounted to US$17.2 billion in 1988 at current prices and exchange rates of which US$14.7 billion went to sub-Saharan Africa. This amount was however neither sufficient in nominal or real terms to prevent total overall net flows from falling. According to ECA estimates, net resource outflows from Africa in 1988/1989 amount to a hefty sum of about US$6.0 billion on account of reverse flows arising from debt service, capital flight and the terms of trade effects.

10. The external debt position of Africa continued to worsen in 1989 with the debt overhang remaining the most serious constraint on recovery and renewed development in the region. The stock of debt rose sharply and uninterruptedly from US$138.6 billion in 1982 to US$249.7 billion in 1988. And, even in 1989, it is estimated to have risen by about 2.9 per cent to reach US$256.9 billion, amounting to about 93.3 per cent of the regional GDP. Debt service is currently estimated at 32.2 per cent of exports of goods and services. The rise in the stock of debt in recent years is largely accounted for by rising interest rates and the capitalization of arrears as the contracting of new loans has become increasingly difficult. The debt crisis must therefore be viewed not just in terms of the existing stock of debt but, most importantly, in the light of falling and/or fluctuating commodity prices, falling or stagnating external resource inflows and the constraints imposed by the conditionalities of adherence to orthodox SAPs in order to secure new loans and even debt rescheduling.

11. Inflation rates have remained generally high, although notable variations exist as between subregions and among countries. Inflation rates of over 30 per cent were recorded in Mozambique, Nigeria, Somalia, Sudan, Uganda, Zaire and Zambia, whereas countries such as Algeria, Morocco, Tunisia, Ethiopia, Mauritius, Seychelles, Congo, Rwanda and Côte d'Ivoire, to mention only a few, have enjoyed fairly low levels of inflation. A few countries, namely, the Central African, Republic, Equatorial Guinea, Burkina Faso and Mali, experienced decelerating rates of inflation. The average rate of increase of consumer prices in Africa ranged between 10.2 per cent in 1985 and 12.9 per cent in 1987, but escalated to about 21 per cent in 1988 and 1989. These high rates of inflation contrast sharply with the moderate increases in prices in the OECD countries – Africa's major trading partners – where inflation rates of only 3 per cent and about 4.7 per cent were recorded respectively in 1988 and in the first nine months of 1989. The fact that Africa's consumer prices rose faster than those of its trading partners is, in itself, an indication of the serious threat to the region's competitiveness and growth momentum. Among the major contributory factors to the inflationary spiral in Africa in recent years are the repeated massive and generalized devaluation of African currencies, the foreign exchange-related scarcities impinging on productive capacity utilization and availability of imported consumer goods, and the general freeing of prices associated with liberalization measures. Inflationary pressure has been most severe in countries which have devalued their currencies. Indeed, it is now clear that exchange rate devaluation, whatever form it has taken, has led Africa into a period of excessively high rates of inflation during the 1980s.

12. The economic outlook for 1990 will critically depend, as was in the past, on both internal as well as external factors, the most important of which are the weather situation, the progress in the implementation and sustenance of effective policy reforms for transformation, and the developments in the international economic environment. If the weather conditions were to remain as favourable as they were in the past two years, and provided African countries continue to pursue reform policies along the lines advocated by APPER and AAF-SAP, agriculture



could grow by as much as 4.5 per cent in 1990 and the food situation will improve further. Also, if the external economic environment improves and there is some significant amelioration of the external debt burden, the resource constraint on development will ease, further boosting the favourable impact of agriculture on the economy, particularly regarding input supply for manufacturing and the strengthening of the social infrastructure. In such a situation, manufacturing output could rise by 5.3 per cent and overall GDP would rise by about 4.3 per cent in 1990. If, however, agricultural growth were to falter, pulling down manufacturing output along with it, and if the international economic environment worsens and, in particular, the growth of the OECD countries, Africa's major trading partners, floundered GDP growth in Africa would in all probability approximate only 1.6 per cent in 1990.

# II. SUBREGIONAL AND ECONOMIC GROUPING PERFORMANCE

13. Although the 1989 outcome was much better than that of 1988 in all the subregions, in so far as output performance is concerned, there were significant variations among the various subregions and economic groupings and countries (see Tables II and III). At the subregional level, the East and Southern Africa and West Africa continued to show rates of growth exceeding the regional average while growth was generally weak in North and Central African subregions.

14. In North Africa, output grew by 2.8 per cent in 1989 against a negative rate of 0.4 per cent in 1987 and a growth rate of 1.8 per cent in 1988. A major factor in the upswing is the recovery in agricultural and manufacturing output and, to a lesser extent, mineral production. In Algeria, output bounced back after the serious difficulties experienced in 1987 and 1988, thanks to the improvement in the oil market and the expansion of the liquefied natural gas (LNG) exports by about 13.4 per cent to reach 30 billion $m^3$ in 1989. The reorganization and the streamlining measures undertaken during the past few years have injected a significant element of flexibility into the management of the economy. These measures have been further strengthened by the introduction in September 1989 of a new programme of action which is intended to improve the socio-economic environment and relaunch the economy. In the Great Libyan Arab Jamaihirya, more flexibility is also being advocated, as State control, which has been the hallmark of economic management, is eased to encourage greater private sector participation. In accordance with the new policy, the ownership of some state-owned factories has been transferred to the employees. Morocco, which enjoyed exceptional growth in 1988, has experienced a slight recession in 1989. The servicing of its debt, currently estimated at US$21.1 billion, is putting serious strains on the economy. Egypt, another large debtor, is facing mounting difficulties arising from rising debt service obligations at a time of levelling-off in earnings from such rentier sources as the Suez Canal dues, tourism, oil revenue and remittances from nationals working in the neighbouring Arab countries. To consolidate its production structure, the country has recently adopted an economic reform programme with emphasis on gradualism and social justice.

15. West Africa, on the other hand, enjoyed strong growth in 1988 and 1989, with combined GDP growing by 3.0 per cent and 3.1 per cent respectively. Practically all sectors shared in the upturn in 1989, with agriculture growing by 2.9 per cent, manufacturing by 4.6 per cent and mining by 3.1 per cent. However, within the subregion, performance varied widely. Whereas the non-Sahelian countries have performed better in 1989 compared to 1988, the Sahelian countries could hardly sustain their strong showing of 1988. In the food sector, FAO estimates that the output of coarse grains and milled rice may have fallen by about 9 per cent to 7.9 million tons in 1989, due mostly to the decline in production in the eastern part of the subregion, notably in Burkina Faso (-9 per cent), Niger (-24 per cent), Chad (-20 per cent) and Cape Verde (-56 per cent). In the western part, however, output is estimated to have increased in Senegal, reached record levels in the Gambia and Guinea-Bissau, and remained close to the 1988 record in Mali. And, even within the non-Sahelian zone, countries like Benin, Sierra Leone, Liberia, Côte d'Ivoire and Togo continued to face economic difficulties of varying intensities. Sierra Leone suffers from the decade-long slide and contraction in export earnings arising principally from smuggling and illegal mining of precious metals, especially diamonds. Export earnings are estimated to have fallen from about 13.5 per cent of GDP in 1981 to only 6 per cent in 1988 while arrears on external debt are currently estimated at almost half of the stock of debt of US$913 million. In Côte d'Ivoire, notwithstanding favourable debt rescheduling terms agreed recently, the fall in coffee and cocoa prices has compounded the already acute financial difficulties of the country.

16. Nigeria, the largest economy in the West African subregion, grew by 3.3 per cent in 1989, following some recovery in its agricultural sector and the rise in oil export earnings, following severe cut-backs in the country's foreign exchange earnings to less than a third of the level in the early 1980s. There were noticeable improvements in imports and capacity utilization in 1989, but further pressures on the economy were exerted by the debt burden and the rising rates of inflation following the massive devaluation of the naira from mid-1986 and the gradual removal of subsidies on petroleum products. Inflation rates have soared to over 40 per cent in 1989 while investment activity remains extremely weak.

**Table II**
Output share and growth rate by subregion and economic grouping, 1987-1989

| | US$ billion | Percentages | | | |
|---|---|---|---|---|---|
| | GDP per head 1988 (1980 US$) | Ouput share in 1988 | Growth 1987 | 1988 | 1989 |
| North Africa | 1093.1 | 4.9 | -0.4 | 1.8 | 2.8 |
| Sub-Saharan Africa | 483.8 | 60.4 | 1.1 | 2.7 | 3.0 |
| Central Africa | 533.7 | 10.3 | -1.5 | 1.4 | 1.6 |
| East & Southern Africa | 245.0 | 12.8 | 3.5 | 3.3 | 3.8 |
| Southern Africa | 372.8 | 4.7 | 1.6 | 4.0 | 3.3 |
| West Africa | 657.5 | 34.9 | 0.9 | 3.0 | 3.1 |
| Sahel countries | 188.4 | 3.4 | 1.4 | 4.5 | 1.5 |
| Sub-Saharan Africa without Nigeria | 361.0 | 34.3 | 1.2 | 2.4 | 2.8 |
| Oil exporters | 1028.0 | 64.9 | -0.2 | 1.6 | 2.8 |
| OPEC members | 1489.2 | 48.4 | -1.1 | 1.2 | 3.0 |
| Non-oil exporters | 351.1 | 35.1 | 1.7 | 3.8 | 3.1 |
| LDCs | 218.6 | 13.1 | 3.1 | 2.5 | 3.5 |
| Developing Africa | 613.1 | 100.0 | 0.4 | 2.4 | 2.9 |

Source: ECA Secretariat.

17. In Central Africa, economic growth continued to be weak. The collapse in the international price of cocoa and coffee to their lowest levels in fourteen years has had devastating effects, particularly on countries such as Burundi, Rwanda and Cameroon. Not only did export earnings tumble, producer prices have per force had to be substantially slashed. Burundi had to devalue its currency by about 9 per cent in an attempt to deal with the economic crisis created by falling export earnings from coffee and to reduce its budget by about US$36.7 million to offset revenue losses. Rwanda also introduced severe austerity measures to overcome the precipitated shrinkage in its economy estimated at around 6 per cent. Cameroon experienced a negative growth in 1989 and has had to contend with a smaller budget and drastically reduced levels of imports.

18. The East and Southern African subregion as a whole maintained a growth rate in output of over 3 per cent during the past three years, owing largely to relatively strong growth in the agricultural and manufacturing sectors. Although performance within this group varied, the countries of the subregion share nevertheless many common policy concerns, notably the drive to improve the investment climate in order to enhance investment ratios. In Kenya, for example, the government has introduced measures to promote the development of capital markets, improve investment climate for foreign investors and restructure the tax system in favour of export-oriented companies. Similarly, in Mauritius, the government cut the capital transfer tax from 45 per cent to 15 per cent, liberalized exchange controls, and is considering the establishment of off-shore companies to enhance the country's appeal to foreign investors. Zimbabwe is also providing more tax concessions to improve its investment climate.

19. Uganda and Zambia continued to grapple with the issue of appropriate exchange rate policy and adjustment. In Uganda, the shilling was devalued further by 60 per cent in July 1989 while in Zambia the kwacha was devalued also by a further 60 per cent in June 1989 from K10 to K16 to the US dollar. As a reflection of this and other economic difficulties, inflation rates continued to escalate. Economic stability and the pace of implementation of rehabilitation programmes have further been seriously undermined by the deterioration in the terms of trade and heavy debt service obligations although the relative political stability in Uganda has in itself helped the economic climate.

20. Performance also varied at the level of economic groupings. The African OPEC members in particular registered remarkable recovery, from -1.1 per cent in 1987 to 1.2 per cent in 1988 and 3 per cent in 1989. The performance of non-oil exporting countries, on the other hand, remained erratic, ranging from 1.7 per cent in 1987 to 3.8 per cent in 1988 and 3.1 per cent in 1989.

21. The African least developed countries (LDCs), which now number twenty-eight, have also posted a significant recovery in 1989. After falling to 2.5 per cent, the growth of GDP, assessed at constant 1980 factor cost, picked up to 3.5 per cent. The improvement in the performance of agriculture, which also led to improvements in the food supply situation, was the major factor in the upswing. This has temporarily masked the deleterious effects of the low level of investment, which has fallen almost uninterruptedly as a proportion of GDP from 18.2 per cent in 1980 to 16.6 pr cent in 1989, and the continuous deterioration in the balance of payments and fall in per capita resource inflows in real terms. The trade deficit has progressively worsened, from US$5.2 billion in 1980 to US$6.23 billion in 1988. At the same time, the inflow of resources decreased in real terms by about 2.7 per cent annually during the 1980s, thwarting all the hopes and optimism that had been pinned on the Substantial New Programme of Action (SNPA) adopted in favour of the LDCs by the international community in September 1981. It is against this background that the second United Nations Conference on African LDCs is scheduled to take place in 1990 in Paris to undertake a comprehensive review and appraisal of the implementation of the SNPA and to consider possibilities for further action. In this regard, the Conference of Ministers of African LDCs, in a declaration adopted in April 1989, proposed the launching of an immediate action programme for the period 1990-1993, as a component of the comprehensive action programme for the 1990s in order to assure emergency preparedness in the LDCs, rehabilitate and restructure their economies and ensure that their medium and long-term programmes are not impaired.

22. Amongst the countries on the continent, there are variations on the basis of the magnitudes of growth rates in output over the years. As Table III shows, whereas the number of countries in the region experiencing negative growth rates has fallen, only about one-third of all African countries have in the last three years managed to achieve up to 3 per cent positive growth rates. Two countries,namely Botswana and Mauritius, have been able to record consistently what could be considered as remarkable levels of growth over this period.

**Table III**
Frequency distribution of African countries
according to growth rate of GDP, 1987-1989

| Growth | 1987 | 1988 | 1989 |
|---|---|---|---|
| Negative | 15 | 8 | 4 |
| 0 - 3 | 13 | 18 | 15 |
| 3 - 4 | 8 | 4 | 18 |
| 4 and above | 14 | 20 | 13 |

Source: ECA Secretariat.

# III. PERFORMANCE IN THE FOOD AND AGRICULTURAL SECTOR

23. As noted earlier, the output of agriculture (including fishing, livestock and forestry) in developing Africa increased by 3.1 per cent in 1989 compared to 2.8 per cent in 1988. Noticeable gains were recorded in North African and East and Southern African subregions where agricultural value added grew by 3.4 per cent and 4.1 per cent, respectively, while in Central Africa and the Great Lakes region (comprising Rwanda, Burundi and Zaire) results were much less favourable and output is reported to have grown by only 1.6 per cent and 2.5 per cent, respectively. The region's total agricultural output could have been significantly larger but for the grasshopper infestation which affected in particular the east Sahelian zone of West Africa and some parts of East and Southern Africa, and the incidence of drought and/or civil strife in countries such as Angola, Mozambique, Ethiopia and Sudan. By mid-October 1989, grasshoppers had infested some 7 million hectares in West Africa. In Sudan, for example, grasshopper attacks and unfavourable weather resulted in a sharp decline in sorghum and millet harvest in the southern and western parts of the country. In Ethiopia, crops in the northern part of the country have been severely reduced by both drought and civil war. In Angola and Mozambique, the food supply situation remains grave, with drought and civil strife, including sabotage of infrastructure, continuing to impede farming activities and the distribution of emergency food relief.

**Table IV**
Growth in agricultural value added by subregion and economic grouping 1987-1989
(in percentages)

| | 1987 | 1988 | 1989 |
|---|---|---|---|
| Central Africa | 0.6 | 3.3 | 1.6 |
| East and Southern Africa | 2.8 | 2.5 | 4.1 |
| North Africa | 1.7 | 0.8 | 3.4 |
| West Africa | 1.2 | 3.7 | 2.9 |
| OPEC members | 2.7 | 2.0 | 2.8 |
| Non-OPEC | 0.7 | 3.3 | 3.3 |
| LDCs | 2.8 | 2.7 | 3.0 |
| Oil-exporting | 2.9 | 1.2 | 2.5 |
| Non-oil-exporting | -2.8 | 6.6 | 4.3 |
| Developing Africa | 1.5 | 2.8 | 3.1 |

Source: ECA secretariat

24. According to data provided by FAO, cereal production in developing Africa in 1989 was about 80.0 million tons, which, though less than the bumper harvest of 1988 by 2.6 per cent, was almost 16 per cent higher than the 1987 crop. Except for coarse grains, whose production declined by 6.6 per cent from 60.6 million tons in 1988 to 56.6 million tons in 1989, other major cereals registered notable increases over the same period, especially wheat and rice whose output grew by 11.3 per cent and 7.1 per cent, respectively. Roots and tubers, which traditionally provide a key share of the food supply in much of tropical Africa, recorded an increase of about 1.8 per cent from 99.4 million tons in 1988 to 101.18 million tons in 1989.

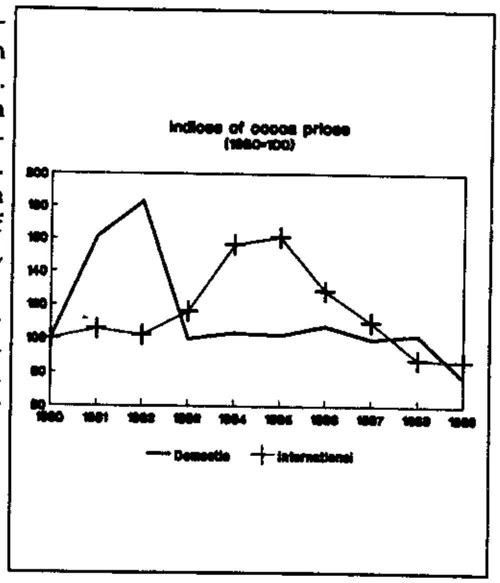
25. An interesting aspect of the food supply situation in 1989 is the increasing number of countries holding surplus food for export. The United Republic of Tanzania, Zambia and Zimbabwe attained some 770,000 tons of surplus maize for export, about 400,000 tons of which

is held by Zimbabwe alone. In Kenya, following another good harvest of coarse grains in 1989, an estimated 300,000 tons of white maize is available for export. In West Africa, seven countries held exportable surpluses, estimated by FAO at 520,000 tons, which is almost double the coarse grain import requirements of the deficit countries in the subregion. Over half of this is held by Mali. And smaller quantities are held by Côte d'Ivoire (60,000 tons), Burkina Faso (50,000 tons), Ghana and Togo (40,000 tons each), Benin (30,000 tons) and the Gambia (3,000 tons). The food supply situation in other parts of this subregion has however been unsatisfactory. The 1989 coarse grain and milled rice of the nine countries of the Inter-State Committee for the Control of Drought in the Sahel (CILSS) is forecast to decline by 9 per cent to 7.9 million tons from its 1988 record harvest of 8.6 million tons. In Mauritania, following grasshopper attacks in 1989, a significant decline from last year's record is foreseen. In Cape Verde, output of maize is estimated at only 7,300 tons in 1989 when compared to a record of 20,000 tons in 1987 and 16,000 tons in 1988. The cereal import requirements for 1990 are estimated at 82,000 tons. In Burkina Faso, output of cereals is estimated at 1.9 million tons which is 9 per cent lower than the 1988 record. Invasion of grasshoppers from the north continued until October 1989 when 270,000 hectares had already been treated. In Chad, cereal output is estimated to have reached 677,000 tons, which is 20 per cent below the bumper harvest of 1988. In the northern cropping areas, output is forecast to decline sharply, reflecting poor rains and crop damage by grasshoppers. In Niger, cereal output is estimated to have reached 1.83 million tons which is 23 per cent below the record output of 1988. The decline in cereal output is attributed to poorly distributed rains and localized crop damage by grasshoppers.

26. Although 11 countries in the region held exportable surpluses of about 1.2 million tons, Africa's food aid needs have increased in 1989. The aggregate cereal import requirements by the 43 low-income food-deficit countries are estimated to have risen by 3.8 per cent to reach 18,388 thousand tons, a significant proportion of which has to be met through food aid. Although some exportable food surplus are available from neighbouring countries in meeting the food deficits, there are considerable logistical difficulties which inhibit such possibilities. Political strife often constrains the movement of food grains from surplus to deficit areas.

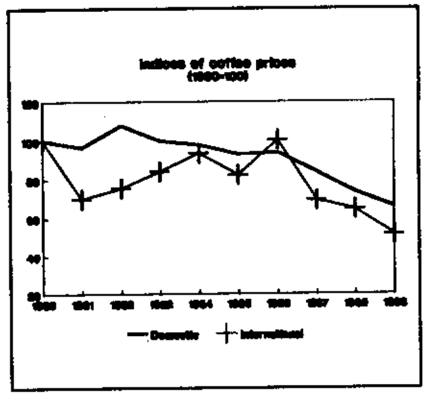
27. The output of Africa's industrial crops in 1987-1989 and its share in total world production is given in Table V. But for tobacco and cocoa, production generally increased between 1988/89 and 1989/90. This, however, is in contrast to the experience with producer prices which, almost without exception, fell between 1988 and 1989 as one African government after another had to reduce domestic prices drastically to accomodate the slump in international prices.

28. The production of cocoa beans in developing Africa is estimated at 1.41 million tons in 1989/90 compared to 1.45 million tons in 1988/89. Prices in both real and nominal terms have been falling steadily since 1988/89, reflecting the persistent imbalances between demand and supply. In fact, the world cocoa market is entering its fifth consecutive year of excess supply. By the end of 1988/89, world stocks increased by 300,000 tons, bringing the world cocoa closing stock to over 1.1 million tons -- the highest level in the post-World II period -- and world prices to their lowest in fourteen years. Consequently, major cocoa producing African countries such as Côte d'Ivoire and Cameroon have been forced to lower the guaranteed price paid to farmers to levels not seen for over ten years. In Côte d'Ivoire, producer prices for cocoa were cut by 50 per cent from 400 CFA a kilo in 1988/89 to CFA 200 a kilo in



in 1989/90. Similarly, in Cameroon, cocoa prices were slashed by 40.5 per cent from CFA 420 a kilo in 1988/89 to CFA 250 a kilo in 1989/90. The overall weighted cocoa producer price index for Africa (1980=100) fell by 24.5 per cent in 1989/90.

29. Coffee production increased by 5.6 per cent from 1.23 million tons in 1988/89 to 1.29 million tons in 1989/1990 Since the International Coffee Agreement collapsed in July 1989, coffee prices have plummeted. In Kenya, for example, local coffee prices fell from KSh45,700 per ton in 1988 to KSh30,000 per ton in 1989. The demand for and prices of robustas varieties, which account for about two-thirds of the region's coffee production, have been particularly weak.



30. The production of tea increased by 7.5 per cent from 268,000 tons in 1988/89 to 288,000 tons in 1989/90, reflecting mainly the increase in output of Kenya tea from 164,000 tons to 175,000 tons over the same period. Emerging from a temporary slump following the unilateral import restrictions imposed on Kenya tea by Pakistan in 1987, the Kenyan tea industry has shown strong signs of recovery.

**Table V**
Production of industrial crops in developing Africa
(1987/88 - 1989/90)

| | 1987/1988 | | 1988/1989 | | 1989/1990 | |
|---|---|---|---|---|---|---|
| | | Share in world production | | Share in world production | | Share in world production |
| | '000 mt | % | '000 mt | % | '000 mt | % |
| Cocoa | 1 881 | 54.0 | 1 450 | 60.4 | 1 406 | 58.3 |
| Coffee | 1 263 | 19.9 | 1 225 | 22.2 | 1 293 | 22.4 |
| Tea | 225 | 10.5 | 268 | 10.8 | 288· | 11.4 |
| Cotton | 3 620 | 7.4 | 3 653 | 6.9 | 3 870 | 7.8 |
| Sugar | 5 689 | 5.6 | 5 732 | 5.5 | 5 853 | 5.5 |
| Tobacco | 301 | 4.2 | 302 | 4.5 | 305 | 4.2 |

Source: Gills Duffus, Cocoa Market Report, No. 335, October 1989 and FAO computer printouts, Rome.

31. Cotton production is estimated to have increased to 3.87 million tons in 1989/90 compared to 3.65 million tons in 1988/89. In Egypt, which is the largest cotton producing country in the continent, production is estimated to have increased slightly to 920,000 tons in 1989, from 900,000 tons in 1988 but was significantly lower than the 978,000 tons produced in 1987. The lower production in the latter two years was more of a reflection of the poor farm gate prices which undermined the competitiveness of cotton particularly vis-à-vis berseem clover. In Cote d'Ivoire, production of cotton has practically doubled in seven years, partly owing to gains in average yields. Anticipated developments in global production and consumption in 1989 point to an excess of production over consumption for the first time in three seasons. This could contribute to some replenishment of world stocks by the end of the 1988/89 season. A rise in inventories in the United States and other major exporting countries, including India and the USSR, was likely to be partly offset by a further draw-down of inventories in China and Pakistan. Stocks in major importing countries could shrink further in 1989 unless a fall in the value of the US dollar vis-à-vis other currencies makes import purchases for stocking attractive.

32. Sugar production is estimated to have grown from 5.73 million tons in 1988 to 5.85 million tons in 1989. In Mauritius, one of the leading sugar producing countries in the region, output is forecast to have reached 650,000 tonnes in 1989 from a level of 634,000 tonnes attained in 1988. Swaziland and Zimbabwe also realized modest gains in production over the same period. Poor production in Cuba and China and a drought in the United States lowered the global sugar supply on the international market in 1988. In 1989, however, world production was expected to increase by 1.0 per cent to a record 107.1 million tons. Prices on the world market have been low since 1981, dropping from £150 per ton in June 1984 to a mere £61 per ton in July 1985, the lowest level in 15 years. In 1987, the average London daily price was £107.6 per ton, but, by the end of 1988, it had risen to £150 per ton. In 1989, however, prices rose by about 6.9 per cent.

33. Production of tobacco was estimated to have reached 305,000 tons in 1989 compared to 302,000 tons in 1988. In Malawi, which accounts for 15 per cent of the world exports of burley tobacco, some 55 million kg of the crop is forecast for 1990. Zimbabwe attained its highest output of tobacco in 25 years, and growers forecast even higher production levels in 1990. Just under 130 million kg of flue-cured leaf was sold in 1989, up 12 per cent from almost 120 million kg in 1988. The value of the 1989 crop is estimated at Z$640 million (US$290 million). Both in Malawi and Zimbabwe, average auction prices in 1988/89 were considerably above those for the 1987/88 crop which, in the case of Zimbabwe, had been seriously damaged by drought.

34. Available evidence from most African countries indicates that higher priority is being accorded the agricultural sector as called for by APPER. Indeed, many countries have been striving to achieve while some have actually exceeded the 20-25 per cent ratio in total investment allocation recommended in APPER in order to realize food self-sufficiency and food security. In Nigeria, for example, the Federal Government has planned a total public sector investment of N94.2 billion during the 1990-1992 "rolling plan" period and is trying to encourage private sector investment of N50 billion over the same period. The plan focusses on peasant farmers, who are seen as key to food self-sufficiency under the plan, and on the production of raw materials for industry. The launching of agricultural development projects is planned in all 21 States of the country, including an extensive rehabilitation programme for cocoa, rubber and oil palm.

35. In Senegal, the 1989/90-1991/92 Investment Programme, estimated at a total cost of US$2.74 billion, gives top priority to the development of agriculture with 32.7 per cent of the investment devoted to it, followed by infrastructure and services, with 29.7 per cent. The 1987/88-1991/92 development plan in Egypt aims at achieving an agricultural production growth rate of 3 per cent per annum, such that, by 1991/92, a 37 per cent self-sufficiency in wheat (up from 24 per cent in 1980/87); 67 per cent self-sufficiency in sugar (up from 52 per cent); 113 per cent self-sufficiency in fruit (up from 104 per cent); 125 per cent self-sufficiency in vegetables (up from 106 per cent) would be achieved. In Uganda, the 1987/88-1990/91 Rehabilitation and Development Plan earmarks 24 per cent of its total allocations to the agricultural sector. The 1989/90-1991/92 Development Plan of Swaziland aims at achieving national self-sufficiency in maize, the expansion of fruit and vegetable production as a means of increasing rural incomes and improving nutrition, and the encouragement of cash crop production amongst small-scale farmers.

36. In the Great Libyan Arab Jamahiriya, a great stride towards irrigation development has been taken through the massive water pipeline project, known as the "Great Man Made River", which is to link wells at Sarir and Tazerbo oases by twin pipelines of a combined length of 1,900 km to a holding tank at Adjedabiya on the coast, before being diverted to Benghazi and to the Sirthe region, is costed at US$5 billion. The completion of the first phase of the project is now due in 1991. The scheme envisages the provision of irrigation to 180,000 ha, divided among 37,000 farm units in the Sirthe region. The units will be devoted to cereal cultivation through which, it is believed, Libya will achieve self-sufficiency in food-grains. In addition, pasture is to be provided for 2 million heads of sheep and 200,000 cattle.

37. Several planning initiatives and policy strategies in support of agriculture have also been apparent at subregional levels. In North Africa, a major objective of the newly established Union of the Maghreb countries (Algeria, the Libyan Arab Jamahiriya, Mauritania, Morocco) is to promote socio-economic development with a particular focus on agriculture. In addition, a subregional commission for the control of locust has also come into being in the same subregion following the recent locust infestation. The Commission, which has been created through the instrumentality of the FAO, aims at strengthening national plant protection services in close collaboration with sub-regional groupings such as CILSS and the Organization Commune de Lutte Anti-acridienne et Anti-aviaire (OCLALAV), the activities of which have now been reduced mainly to those of collection and dissemination of information on pest control. The Economic Community of West African States (ECOWAS), for instance, in pursuit of economic co-operation and integration, has launched a multi-sectoral project, a major component of which is agricultural development. This project, which is financed by UNDP, is executed by ECA in collaboration with FAO and other UN agencies including UNIDO, UNCTAD, ICAO and ITC.

38. A vital area to which the attention of member countries is directed in Central, Eastern and Southern Africa is the promotion of food security. In Eastern Africa, the Inter-governmental Authority on Drought and Development (IGADD), which comprises six drought-prone countries: Djibouti, Ethiopia, Kenya, Somalia, Sudan and Uganda, has geared its policy efforts towards the formulation of a sub-regional food security strategy. The Southern Africa Development Co-ordinating Conference (SADCC) has continued not only with its policy of promoting food security, but also with the strengthening of agricultural research on such staple food crops as maize, sorghum and millet. In Central Africa, inter-governmental organizations like the Economic Community of Central African States (ECCAS) and the Economic Community of Great Lakes Countries (CEPGL) have taken significant steps towards orientating their policies for the attainment of greater food self-sufficiency. The CEPGL, for example, has formulated more than ten subregional projects, some of which seek to reinforce national services in food processing, fish production and agricultural mechanization. In addition, the Preferential Trade Area for Eastern and Southern Africa (PTA) and the various ECA MULPOCs play a major role in fostering regional or subregional co-operation in agricultural sector development. For instance, at the meeting of the PTA Council of Ministers held in November 1989, the launching of a subregional project for intensifying the production of cereals and vegetables in Ethiopia, Kenya, Malawi, Uganda, Tanzania and Zambia was agreed upon

# IV. MANUFACTURING INDUSTRY

39. Manufacturing output recorded a growth rate of 4.9 per cent in 1989 as against a rise of 4.3 per cent in 1988 and 2.6 per cent in 1987. The improved performance of the manufacturing sector was due largely to the improvement in the agricultural supply position, greater availability of foreign exchange for the import of essential inputs and spare parts and, to some extent, the rise in domestic demand. In Zimbabwe, for example, it is estimated that domestic demand accounted for about 65 per cent of the total sources of growth for manufacturing value added (MVA) and that in Kenya this ratio approached 70 per cent. Export demand for African manufactures has however remained weak due no doubt to poor export promotion and to protectionism in Western Europe. However, it must be pointed out that Mauritius has already achieved a breakthrough in penetrating the American market.

40. Although the average growth rate of manufacturing for the region as a whole has improved slightly, performance was greatly uneven among the different countries and sub-regions, ranging from an exceptionally high rate of growth of 22.7 per cent in Uganda to a substantial drop of 7.3 per cent in Angola and 5.9 per cent in the Central African Republic. At the subregional level (Table VI), North Africa and Eastern and Southern Africa showed significant improvements in industrial growth in 1989 (5.4 per cent and 5.1 per cent, respectively) compared with West Africa (for which MVA growth decelerated from 5 per cent in 1988 to 4.6 per cent in 1989) and Central Africa (with MVA growth rate of only 2.2 per cent). Notwithstanding the positive MVA growth rates recorded in several African countries in 1989, the share of manufacturing value added in regional GDP remained relatively small at 11.6 per cent, reflecting the traditional structural limitations and weaknesses of the African economies and the severe cuts in investment expenditures in recent years resulting from the adoption of conventional structural adjustment programmes. Throughout the 1980s, investment in manufacturing remained below 20 per cent in several countries.

**Table VI**
Indicators of manufacturing sector performance in developing Africa
(Percentages)

| | Contribution of manufacturing to GDP | | Growth Rates | | |
|---|---|---|---|---|---|
| | 1987 | 1989 | 1987 | 1988 | 1989 |
| Central Africa | 6.6 | 6.6 | -7.4 | 0.3 | 2.2 |
| East and Southern Africa | 14.1 | 14.4 | 5.5 | 3.9 | 5.1 |
| North Africa | 11.9 | 12.5 | 1.9 | 4.5 | 5.4 |
| West Africa | 10.7 | 11.0 | 4.1 | 5.0 | 4.6 |
| OPEC Members | 29.0 | 30.0 | 1.2 | 3.5 | 6.1 |
| Non-OPEC | 12.4 | 12.8 | 3.6 | 4.9 | 4.0 |
| LDCs | 8.8 | 9.0 | 5.5 | 4.9 | 3.8 |
| Oil-exporting | 10.8 | 11.3 | 1.9 | 3.9 | 5.6 |
| Non-oil exporting | 11.9 | 12.2 | 3.8 | 5.0 | 3.8 |
| Developing Africa | 11.2 | 11.6 | 2.6 | 4.3 | 4.9 |

Source : ECA Secretariat.

41. Efforts are however being intensified to improve industrial efficiency, broaden the industrial base and create an environment that is more conducive to industrial development. In Ethiopia, for example, the government has approved a package of reforms that are designed to encourage private capital investments in order to boost investment in small-scale industry, tourism and to encourage joint ventures. In an effort to improve the investment climate, the government of Mauritius has enacted legislation to permit the establishment of offshore companies, and introduced fiscal incentives to improve the investment climate. In Egypt, the thrust of industrial policy was placed on the development of intermediate goods and engineering industries with a view to broadening the industrial base and enhancing the forward and backward linkages of the industrial sector so as to enhance its cost effectiveness and improve the quality and competitiveness of Egyptian products. In Guinea, following the fall in world market prices for bauxite, the government decided to develop mineral-based industries. In Zaire, emphasis is increasingly being placed on further processing of mineral products. The Maghreb Union countries on their part, are planning to set up a company to develop the iron ore reserves around Nouakchott (Mauritania), to establish a Maghreb project for industrial fibres, to form a supreme board for iron and steel, and to establish a company to overview projects concerning public goods and future industries. In Zimbabwe, the government launched a new code for investment, which offers greater opportunities and flexibility for investment in priority areas. The list of incentives includes up to 100 per cent dividend and profit remittance for some high priority industrial projects, the establishment of special incentives for mining projects, and more flexible regulations enabling the use of blocked and surplus funds by third parties. There are 68 priority projects, 24 of which are in the manufacturing industry, with priority given to projects outside the main urban areas, to new capital, intermediate and consumer goods industries as well as export-oriented industries.

42. A few countries have also embarked on enhancing the capacity of their export-oriented industries in order to increase their penetration of the world markets. For example, Nigeria is planning to complete its Ajaokuta integrated steel mill project which will give the country an expanded steel production capacity of 2.3 million tons a year to meet domestic demand and create a supply for external marketing, particularly in the West African subregion. Foreign exchange difficulties, however, have impaired efforts in a number of countries to fully develop the export potential in manufacturing. This was, for example, the case in the Sudan for the sugar mill; in Cameroon and Congo for the food-processing plants; in Mozambique for edible oil production plant; and, in Tanzania for agricultural tool and implements manufacturing. Sometimes, the lack of effective transportation systems has also prevented African countries from expanding their industrial capacities ahead in anticipation of export demand.

43. The difficulties experienced by the African manufacturing exports seem to have grown worse in recent years. In North Africa, the enlargement of the European Economic Community has already marginalized exports of textiles and food industries, and further difficulties are foreseen by 1992 when the community becomes one integrated market. For example, Morocco's balance of trade with EEC has declined drastically, due largely to the system of extra-tariff protection covering agricultural exports to the EEC. In East Africa, likewise, inadequate technological innovation seems to be one of the factors retarding the competitiveness of manufacturing products, for example, in Kenya and Zimbabwe. Moreover, many developed countries are retreating into protectionism.

44. The raising of the share of manufacturing in total output and Africa's share in total industrial output could hardly be achieved without renewed efforts to relaunch industrial development. That task must be based on the natural resources and factor endowments of the continent and should be vigorously pursued with the full realization that it would require, inter alia, the reorientation of industrial policy more in favour of the creation of domestic resource-based industrial capacity and indigenous factor inputs. In the international development strategy for the second Industrial Development Decade for Africa (IDDA), a target growth rate of 8 per cent is set for the manufacturing sector in Africa in order for its share of world industrial

production to be raised 1.4 per cent in 1990. It is against this background and of the less than 5 per cent growth in the manufacturing sector since 1978 that the current challenges of industrialization in Africa must be seen.

# V. ECONOMIC AND SOCIAL INFRASTRUCTURE

45. Adequate and efficiently managed economic and social infrastructure constitute part of the enabling environment for the integration of production and markets both of which are crucial to the realization of the objectives of greater national and regional self-reliance in Africa. Yet, these infrastructure have remained extremely narrow, grossly inadequate and in a poor and desperate state despite the heavy investment on them in Africa in the past three decades. The pervasive lack of repair and maintenance culture prevalent all over Africa has in part contributed to the erosion of the very meagre infrastructural base that there is, with consequential heavy burden on cost of productive investment and business operations in the region. This year's review, as a start, concentrates only on transport and communications, industrial and energy infrastructure, although social infrastructures which are no less important are dealt with in the next chapter.

## Transport and communications

46. Transport and communications infrastructure are particularly crucial for agricultural production and marketing, and this is why several African governments have allocated 20-40 per cent of public sector investment to this sector during implementation of the First United Nations Transport and Communications Decade (UNTACDA I; 1978-1988). The new UNTACDA II (1991-2000) aims not only at the rehabilitation, upgrading and maintenance of existing transport and communication networks, but also at building the missing national and subregional links so as to foster intra-African trade.

47. Nevertheless, the density of African road network is very low : 0.12 kilometer of road for every square kilometer of territory, on average. Worse still, only a tiny fraction of the road infrastructure in many African countries is all-weather and the bulk of it has continued to deteriorate, due to lack of technical and financial resources required for maintenance, and partly also because of the absence of a maintenance culture. It is only in the last two years or so that several African countries have begun to devote special attention to systematic rehabilitation, upgrading and maintenance of existing road networks in order to reduce existing backlogs piled up over the years.

48. Road rehabilitation and maintenance in Africa, whether of trunk or feeder roads, is generally prohibitive since it tends to rely heavily on expensive methods and costly equipment. The problem is further complicated by the gross incidence of capacity under-utilization of maintenance equipment itself. For example, it is estimated that road maintenance equipment in West Africa operates at less than 50 per cent of capacity. With the acute scarcity of foreign exchange in most African countries, the acquisition of road repair equipment, most of which have to be imported, has become exceedingly difficult, and a welcome substitution by labour-intensive techniques is now taking place. Of particular importance in this regard is the development and maintenance of roads in the rural areas, and the increasing involvement of local communities and the use of labour-intensive techniques in order to achieve greater cost effectiveness and to generate local employment. This will require a training of the local population in road upgrading and maintenance, which is one of the main objectives of UNCTACDA II.

49. The vehicle population in Africa is not only limited but skewed in its distribution. The ratio of passenger cars to commercial vehicles in circulation has remained constant at approximately 2:1, whereas the opposite should hold in view of the greater contribution which commercial vehicles could make to economic development. All motor vehicles, in general, have a short life-span.

50. The African railway network, estimated at about 50,000 kilometers, is relatively small even when compared to those of other developing countries. Once the major means of long-distance bulk haulage, the railway network has progressively deteriorated in recent years largely because of poor maintenance and rising operating costs. The gradual fall in the number of locomotives and the poor shape of the rolling stock resulted in the progressive fall (to below 60 per cent) in operations with some systems operating at well below 40 per cent of overall capacity.

51. The world of today is an increasingly information-driven world, where the ability to access and exchange information world-wide has become a key to competitiveness. However, none of the equipment involved with the new technologies of informatics can be used if the basic telecommunications network is not, as it is in Africa today, in place. While at least 80 per cent of the basic PANAFTEL network has been installed, less than 50 per cent is said to be in satisfactory operation. Data transmission facilities and, of course, FAX facilities have been introduced. However, these facilities are not available in the majority of African countries and, where they exist, are not easily available to the business community. There is also the fact that in many countries the telephones simply do not function due to poor maintenance and bad or obsolete equipment.

52. The telephone penetration in Africa, expressed as the ratio of connected exchange lines or main stations to 100 head of population, has hardly equalled the growth in the population, leaving Africa virtually in the same position as at the beginning of the decade of the 1980s in relation to the other developing regions of Asia and Latin America. The ratio stands for the moment at only 0.77. It is estimated that the present demand for telephone lines in Africa is more than 60 per cent of current installed capacity. This is essentially because of the relatively low size of budget allocations for the development of the telephone network. Whereas Europe currently allocates 0.7 per cent of GDP to telephone expansion, Africa's figure is presently only 0.3 per cent. There are still at least 15 African countries with less than 10,000 telephone subscribers in their national networks and most of which lines are taken up by the government and parastatals.

## Industrial infrastructure

53. The lack or dearth of capability to design, implement, manage, up-grade and maintain industrial capacity has been cited as one of the major factors explaining the narrowness, weakness and uncompetitiveness of Africa's industrial base. Although many countries are conscious of the benefit and, hence, of the need for establishing industrial estates, project evaluation and design capability and industrial research institutes, these are often poorly co-ordinated, starved of funds and inadequately supported by the development of the necessary skills. Poor co-ordination and lack of consultation, for example, deprived many industrial enterprises of valuable advice on technology selection and locational choices and often resulted in poor location, higher operational and overhead costs and the use of inappropriate technology. The success of some countries, particularly in North Africa and Eastern and Southern Africa, at industrial development, on the other hand, has been largely attributed to their ability to engage in the development of industrial infrastructure, including the systematic infusion of technology alongside efforts at expanding their industrial capacity.

## Energy infrastructure

54. Energy infrastructure is heavily influenced by the extremely uneven geographical distribution of the energy sources and the fact that the major portion of commercial energy, notably oil and natural gas, is destined for exports. In addition, the development and distribution of energy sources is both capital- and skill-intensive, while its demand structure is a function of the stage of development. The uneven distribution of commercial energy sources necessitates that many countries have to import their commercial energy requirements. To help improve their energy portfolio and reduce their import bills, an increasing number of countries are establishing oil exploration and oil resources development agencies. However, so far, only the major Africa oil producers notably, Algeria, Egypt, Nigeria and the Libyan Arab Jamahiriya have the necessary financial and technical capability for carrying out successful, though limited, oil exploration activities. The greater majority of countries have had to rely on the efforts of the international oil companies. However, the slump in oil prices during the 1980s and the huge costs involved have greatly affected the extent and pace of petroleum exploration. International firms are increasingly confining their activities to off-shore and near-shore concessions.

55. There is now a major shift in favour of the development and use of hydroelectric power in the region. Hydroelectric power now accounts for about 30 per cent of the total installed capacity in the continent. Many countries, previously heavily dependent on thermal plant and imported oil, have turned to hydroelectric sources. To help iron out some of the unevenness in electricity production in African countries, power connections across international boundaries are also steadily increasing. The members of SADCC are investigating further possibilities of co-operation in energy in order to reduce their structural dependence on South Africa. In West and Central Africa, studies are now being undertaken by the Union of African Producers, Transporters and Distributors of Electrical Energy (UPDEA) with the objective of connecting countries from Mauritania through to Zaire, i.e., those with lower potential to those with higher potential. Phase I of the project aims at linking the Nigerian and Ghanaian grids and Phase II aims at the integration of the national grids of Côte d'Ivoire, Burkina Faso, Guinea, Sierra Leone and Niger. Egypt, on its part, is rehabilitating its electric power capacity and is exploring the possibilities of linking its national grid with those of its Arab neighbours. In Morocco, the rural electrification programme, started on the late 1970s, has been expanded and there is plan to build the second largest hydroelectric complex in Africa, after the Aswan project in Egypt, in the Mjara area. In Burkina Faso, work has started on the Bagre hydroelectric dam which, on completion, is expected to raise electricity generation capacity by about one-third.

56. Many countries are also exploring their natural gas potentials, although only Algeria, Nigeria and Egypt have developed sufficient capacities for domestic as well as export demand. Algeria, for example, has recently expanded its liquefied natural gas (LNG) capacity through revamping its gas liquefaction facilities, and is planning to expand its trans-Mediterranean line from its present maximum load of 12,500 million m3 to about 18,500 million m3 a year. A number of countries have also constructed geothermal power generation facilities. Less visible progress has been recorded in recent times with regard to the development of new and renewable sources of energy, although many mature technologies have already become available in the field.

# VI. THE SOCIAL SITUATION

57. Throughout the 1980s, Africa was drawn into a deep and persistent socio-economic crisis. So much so that many of the impressive gains of the post-colonial era in both the economic and social spheres were severely eroded or completely lost in most of the ECA member states, causing human misery on an unprecedent scale. The downward spiral has been due partly to internal factors like structural imbalances and weaknesses, the extreme vulnerability of the African economy and domestic policy failures. Between 1980 and 1989, growth enrolment ratio at the primary level decreased from 80 to 76; food crisis, exacerbated by recurrent drought, floods, and locust infestation, culminated in mass starvation and severe malnutrition to the extent that, by the end of the 1980s, the number of severely hungry and undernourished had risen from 80 million in the mid-1970s to well over 150 million. Similarly, the quality of health infrastructure -- e.g., hospitals, clinics and dispensaries -- declined precipitously practically in all African countries. In addition, structural adjustment programmes, which have required cut-backs in public expenditure, have been esspecially severe on public expenditure, on Primary Health Care (PHC) and Maternal Child Health (MCH), leading to the resurgence of endemic and epidemic diseases, and aggravated by the continuous outflow of various categories of health manpower, especially doctors, nurses, and laboratory technologists, in search of better economic opportunities outside the African region. It has also been severe on expenditure on education. Both health and education have been treated as the soft sectors in orthodox SAPs programmes.

58. Population growth in Africa has been increasing faster than anywhere else in the world despite high infant mortality rates and low life expectancy. Currently, the total population of ECA member states is around 591 million. By the year 2008 or so, it could cross the one billion mark if the present trends continue. This high rate of population growth distinguishes the ECA region from other world regions: the growth rate for the world as a whole is 1.73; for the ECA region it is 3.95. Africa's total fertility rate (TFR) of 6.20 compares unfavourably with the TFR of 1.90 in the developed region and is the highest in the world. And a high percentage of the population is young-- 46 percent are under 15 years of age whereas in developed regions, the dependency ratio is 22 percent. It is only recently that attitudes towards population growth have begun to change so that a smaller population size is now being encouraged by a number of African countries.

59. In the lost decade of the 1980s, massive and growing unemployment became a major feature of the social situation in Africa. Until the late 1970s, expansion in the modern and informal sectors disguised the crisis. With rapid population growth, sagging growth rates in regional output and a severe slump in the world prices of Africa's major export commodities, open and disguised unemployment increased four times faster than in the 1970s, and is likely to worsen in the 1990s given current trends. The number of urban unemployed, for example, is growing by 10 per cent per annum or more in many countries, and the labour force is projected to grow by another 30 percent in the 1990s. Women are twice as vulnerable to unemployment as men. And young people, some of whom may have been given some training in rural programmes but have no access to land, credit and marketing opportunities, are deserting rural areas in search of employment in the cities, thus creating problems for the rural areas while at the same time increasing the pressure on the already overstretched infrastructural facilities in the urban areas.

60. It is not only the young who are leaving, of course. The rural-urban migration applies to adult men too, as a result of which families are disrupted and women become overburdened with the entire responsibilities of home and farm. This partly explains the declining productivity in the agricultural sector. Whereas the young constitute one third of the potential labour force, some 60-75 percent of them are unemployed. While large numbers of unemployed youth have

secondary level education, unemployment is rapidly creeping up the educational ladder to include university graduates. Both the young and the old alike have suffered declining real wages and have had to face faltering wage employment growth in the modern sector, and rising unemployment. Some find work in the expanding informal and rural sectors as prospects there improve; but many of the people actively looking for jobs remain unemployed, sometimes for years at a time.

61. In many countries, real wages have declined by some 30 percent between 1980 and 1989. The result is that more and more people, even among the gainfully employed, have had to resort to 'moonlighting' as they engage in multiple activities and other ways of supplementing family incomes. In 14 of the ECA member states, the number of new jobs created in the industrial sector as a proportion of all new jobs in the modern sector fell by more than 22 per cent between 1975 and 1989. Since the early 1980s, many governments have had to cut back on public sector employment, and private modern sector employment has not been able to compensate.

62. In the first two decades of independence, a high priority was accorded education in the African countries. In some instances, 20 - 30 per cent of the annual budget was allocated to this sector, and adult literacy blossomed -- from 9 per cent in 1960 to 40 per cent in the early 1980s. But there has been a down-turn in the second half of the decade, with educational programmes subjected to severe budgetary cuts and demographic pressures. All indications are that the region is now seriously under-investing in human capital formation. Total enrolment has stagnated or declined and the quality of education has deteriorated. The annual growth rate of total enrollment fell from 8.7 per cent in 1975 to 2.9 per cent in 1987, and was particularly low at the primary level. The growth in female school enrolment declined in the 1980s by more than 6.5 per cent. As families are forced by poverty to withdraw their children from schools, the drop-out rate has increased, and girls who are a low priority, educationally, drop out more frequently in the face of family difficulties. Faced with inadequate or non-payment of salaries in an inflationary atmosphere, teachers have increasingly also become part of the brain drain.

63. To some extent, women teachers are filling the gap, especially at the secondary school level where the number of women teachers has risen steeply. But, generally, women occupy the lowlier jobs in most other fields. In agriculture, women outnumber men (between 66 and 80 per cent of agricultural production is handled by women) but they benefit little from the technological innovations to which men have access. In the cities, women are mainly in the informal sector, with 20 per cent in the modern sector. Employers prefer unskilled, non-unionized, illiterate women who are unlikely to fight against their low salaries and the threat of technological advances. And, although only 27 per cent of the 270 million women in Africa are registered as being economically active, many work on their own account, appearing as "unpaid family workers" in the statistics.

64. As already indicated, the economic crisis of the 1980s has also had a devastating effect on health in Africa generally. The current life expectancy of 51 years is one of the lowest in the world and the maternal mortality rate of 11 per 1000 live births is very high. The infant Mortality Rate (IMR) of 100 per 1000 live births is also one of the highest in the world. And, in the mid-1980s, nine out of the ten countries with the highest Under-Five Morality Rate (US-MR) of 250 per 1000 live births were in Africa. With cutbacks in public expenditure on Primary Health Care (PHC) in general and Maternal Child Health (MCH) in particular, the situation has become worse. A comparison of indicators among the various African states shows up the difference between countries with a working health policy and those where it is not working. While Mauritius has a life expectancy of 69 years at birth, Sierra Leone has 42. Mauritius has an Infant Mortality Rate of 25 per 1000 live births, Mali and Mozambique 170. Mauritius has an Under-Five Mortality Rate of 30 per 1000 live births, and Mali has 296.

65. Accprding to the UNICEF and WHO, most of the child deaths in Afica could be reduced considerably through the widespread use of vaccines (in Mauritius 85% of children were

immunized with DPT, in Mali 12%, Niger 5 %.). Other diseases could be prevented by using clean non-contaminated (boiled) water and Oral Rehydration Therapy (ORT). Unfortunately, with declining incomes and employment opportunities, the nutritional status of the African population has deteriorated very sharply. The net result of this nutritional deficiency is increased nutritional disorders, a major cause of high child mortality and stunted growth, both of which have reached alarming proportions in Africa. If health for all by the year 2000 is to become a reality, the pre-eminence of the Primary Health Care approach, Oral Rehydration Therapy, immunization and clean water is mandatory.

## Box 2
## OVERALL ASSESSMENT OF THE HUMAN CONDITION IN AFRICA

Over the past decade the human condition of most Africans has deteriorated calamitously. Real incomes of almost all households and families declined sharply. Malnutrition has risen massively, food production has fallen relative to population, the quality and quantity of health and education services have deteriorated. Famine and war have made tens of millions of human beings refugees and displaced persons. In many cases, the slow decline of infant mortality and of death from preventable, epidemic diseases has been reversed. Meanwhile the unemployment and under-employment situation has worsened markedly.

Acts of destabilization and aggression, being perpetrated against the countries of Southern Africa by the South Africa regime, have also imposed massive human and economic costs, greatly in excess of military budgets or battle casualties. Of the approximately one million human beings dead in southern Africa as a result of South African agression over 1980-86 about one hundred thousand were war-dead, narrowly defined. Of the approximately thirty billion dollars in lost production, most relates to the creation of chaos and the loss of peasants' crops and national production.

Progress in advancing the human condition in Africa depends on the structure, pattern and political context of socio-economic development. The problems and Weaknesses in these areas must therefore be recognized and attempts must be made to tackle them in order to achieve the objectives of social and human development. This is also necessary because the economic crisis which Africa faced from the late 1970s found fertile ground in the structural and political weaknesses that bred the germs that hastened the intolerable deterioration in the human condition.

Finally, the political context for promoting healthy human development has been marred, for more than two decades, by instability, war, intolerance, restriction on the freedom and human rights of individuals and groups as well as overcentralization of power with attendant restrictions on popular participation in decision-making. In such a context, the motivation of many Africans to achieve their best in productivity and the enhancement of their own and society's well-being has been severely constrained. In times of economic crisis, the politically stronger social groups and individuals survive while the weaker ones go under in increasing deprivation, social dislocation, hunger, ill-health or death.

Exerpts from the Khartoum Declaration
Sudan 1988

66. A new dimension compounding the health problem is the Acquired Immune Deficiency Syndrome (AIDS) which is beginning to exacerbate the health problems in Africa. AIDS and Human Immunodeficiency virus (HIV) pose unprecedented threat to global health as the

epidemic spreads over all continents. At present, due largely to lack of epidemiological surveillance system for AIDS, available statistics do not accurately indicate the exact number of people suffering from AIDS or infected with HIV in Africa. However, by December 1987, forty-two countries of the region were in the AIDS monitoring system established by WHO. A total of 7,338 AIDS cases were reported in 36 countries of the region; 96 per cent of those cases were reported by 12 countries, i.e 5 in Central Africa, 3 in East Africa, 2 in Southern Africa and 2 in West Africa. Also, in urban areas, seroprevalence varies from 2 to 18 percent, while in some Central and Eastern African cities, seroprevalence among high risk groups ranges from 30 to 80 per cent. Data from WHO also indicate that more than 80 percent of AIDS victims are between the ages of 20 and 49 years. From a development point of view, this has a number of socio-economic and demographic ramifications. For instance, in terms of labour force participation, the 20-49 age bracket is usually defined as the most productive in any society. Thus, the rapid spread of AIDS could impair the labour force for years to come, with serious implications for socio-economic planning, capacity building and the development process in general, particularly when the health of the most productive segments of the population becomes adversely affected.

67. So far, there is no cure for AIDS; no effective vaccine or chemotherapeutic drugs for HIV and AIDS prevention and treatment. Rather, intensive and widespread health information, education and communication remain the only way of containing the HIV and AIDS epidemic. Therefore, given the extreme scarcity of resources facing primary health care infrastructures in developing countries, especially those of Africa, HIV infection and AIDS can only be effectively brought under control through international cooperation, including bilateral and multilateral collaboration. For example, besides the drastic modification of sexual behaviour, condom is so far the most effective method of preventing HIV infection and AIDS. However, financial cost is definitely a deterrent to condom use in many developing countries, especially among the rural population who for the most part may be simply too poor to purchase condoms.

68. Drug abuse and illicit drug trafficking are rapidly becoming serious problems in Africa. Yet, by March 1987, 17 (or 34 percent) out of the 50 member states of the Economic Commission for Africa (ECA) had not adhered to any of the existing international drug control treaties. This was perhaps due to the erroneous belief or feeling that the problem was not yet a serious one. However, during the First Meeting of Heads of National Drugs Law Enforcement Agencies, Africa Region, held at ECA in Addis Ababa, in April 1987, most delegates expressed grave concern over the increased illicit trafficking in drugs that involves the nationals of many African and non-African countries. Widespread drug abuse, especially of cannabis in West Africa, and methaqualone in Southern Africa, was said to be posing a serious problem in those subregions.

69. Despite the problems inherent in data collection on drug abuse, practically all the African delegates reported some form of drug abuse in their countries, especially the use of cannabis. One ECA member state reported that the use of heroine, especially among the youth (19-25), posed a serious situation forcing the government to form a select committee to plan a comprehensive anti-drug strategy. Yet, until recently, the drug problem in most African countries had been one of transit traffic. However, it is now known that producing, transit and consuming countries can rapidly experience an epidemic, as in the case of Thailand and Pakistan in recent years. Also, increased involvement in international illicit drug trafficking inevitably leads to increased local abuse. Thus, in the last few years, cocaine, heroine, psychotropic substances and a host of other illicit drugs have begun to appear in the local markets of African countries, indicating that drug abuse was no longer a non-problem.

70. With economic deterioration, higher unemployment, and severe cutbacks in public expenditures on social services, and in the wake of a population explosion, the African family has been faced with financial insecurity, inaccessibility to basic decent housing and medical care. Most importantly, it has had to contend with insufficient food as well as the stresses that this entails. Most African countries do not have a comprehensive social policy on family welfare;

where policy exists, it is in the minority formal sector, so families struggle to survive often by trying to migrate.

71. Similarly, minority groups such as the disabled, of whom there are 50 million in Africa, are a low priority in the development scene. Nonetheless, following the activities of the International Year of the disabled in 1981 and the United Nations Decade of Disabled Persons, there has been increased awareness of the problem of the handicapped. Consequently, the African Rehabilitation Institute for Disabled Persons in Zimbabwe is active in research and training; some subregional organizations, as well as the ECA, UNICEF, ILO and WHO, are also investing skills and funds to fight problem of disabilities, along with non-governmental organizations. Preventive steps have been taken through basic health care which has been intensified, along with road improvement and safety codes for workers. But rehabilitation is largely institution-based and caters only for a few.

72. Notwithstanding the enormous degradation of the environment that has taken place in Africa, environmental management is yet to be integrated into socio-economic planning. The fact of the situation is that Africa experiences a desertification rate of some 70 square kilometers a year. Over two-thirds of the continent is arid or semi-arid, and 40 of the 50 African countries are threatened by desertification or drought. Already there has been massive social disruption as victims of drought and desertification flee into towns and neighbouring countries in search of food and shelter. And it has been difficult to either plan for or monitor their social welfare in this state of flux.

73. Despite the various efforts to assist refugees to become self reliant, the refugee problem continues to pose one of the most serious and intractable social problems in Africa. For instance, of the estimated 12 million refugees in the world, almost half are in Africa. The countries in the Horn of Africa -- Djibouti, Ethiopia, Somali and Sudan -- are particularly affected, hosting almost 2 million of the total number of African refugees, and the numbers are increasing daily. Indeed, since the beginning of 1987, the number of Sudanese refugees in Ethiopia has jumped from just over 100, 000 to around 375, 000. In less than 2 years, 400,000 Somalis have fled across the border to Ethiopia and Djibouti (UNHCR, 1989).

74. The victims of apartheid and the distabilization policies of South Africa, and those of other regional political conflicts, the refugees -- mostly women and children -- are faced with political, social and economic crisis of unprecedented dimensions. The magnitude of the refugees and related problems becomes clearer when we add another 10 million, approximately, of displaced persons in the region whose plight is yet to be resolved.

75. In the meantime, growing indebtedness and crippling poverty, dwindling arable land for agriculture settlement, resulting from widespread environmental degradation, soil erosion, deforestation and desertification, and economic decay have made it increasingly difficult for most host governments to settle and help refugees, which, in turn, tends to aggravate the underlying tension between refugees and nationals. As UNHCR points out, for the majority of the large-scale refugee situations in Africa, and particularly for the more recent ones, there is no real prospect for a lasting solution other than voluntary repatriation. The opportunities for self-reliance are limited by economic, demographic, environmental and a host of other factors.

76. In the last decade, the ECA, along with other agencies, has embarked upon the process of a fundamental rethinking of the strategies and policies for the solution of the many facets of Africa's socio-economic crisis. One of the most embracing of this attempt is The African Alternative Framework to Structural Adjustment for Socio-economic Recovery and Transformation (AAF-SAP), the most recent follow-up on which is the Arusha Charter on Popular Participation. It bases its proposals on the restoration of rural areas in an environmentally sound way which, if implemented, will have a very positive impact on environmental management and social development. With diversification of production in the rural sector, rural employment

will be increased and pressure on land reduced, as will environmental stress. The local processing of primary commodities will encourage economic diversity, increase rural incomes and employment, and thus, stem rural exodus. This will help in making social welfare accessible to all.

77. Most of Africa was self-sufficient in food twenty years ago, but self-sufficiency ratios have dropped significantly as food production failed to receive the priority it deserves in development planning and resource allocation. By the end of the 1980s, almost 40 per cent of pre-school children in Africa suffered from Acute Protein Energy Deficiency (APED) in spite of the guidelines laid down by the Lagos Plan of Action and the African Priority Programme for African Economic Recovery and Development (APPER) for the achievement of regional food self-sufficiency. In effect, therefore, the implementation of the LPA, APPER and AAF-SAP oriented programmes are imperative for the 1990s and beyond, especially in respect of policies that favour the rural sector and reduction of the urban bias. The entire environment for agricultural development must be re-invigorated and improved with policy measures such as production subsidies, price-support measures and incentives for greater selfsufficiency in Africa's basic staples.

78. African governments must also direct greater attention to family welfare to ensure sustained and coherent growth and development. The resolutions of the Fifth Meeting of the Conference of African Ministers of Social Affairs in October 1989, pertaining to the family, the Decade for the African Child and the African Charter for Social Action, have laid down guidelines and strategies for the strengthening of the African family. What remains is their faithful implementation as a basic step towards building the solid foundation from which socio-economic development can be sustained, and for placing family planning firmly on the social agenda in the African countries. The role of women in society must be recognized and advanced more seriously. Appropriate policy and structural changes that will give women access to land, new technology, credit, markets, and relief from overwork would enable them to produce more. They also need the basic resources of fuel and water. The Nairobi Forward Looking strategies adopted in 1985 and the Abuja Declaration on Women of 1989 offer guidelines as to how to go about accomplishing these goals.

# VII. TRADE AND RESOURCE FLOWS

79. World trade grew approximately by 6.5 per cent in 1989, following a remarkable growth of 8.5 per cent in 1988 as the developed market economies experienced a seventh year of uninterrupted expansion. African trade benefited to some degree no doubt from this growth in economic activity in both years, judging from the increases recorded for most of its trade indicators (see Table VII). Yet, on the whole, developing Africa begins the decade of the 1990s with less than favourable prospects for its external sector. The recent rapid growth of the industrialized countries is expected to slow markedly, beginning in 1990, thereby lessening the demand for the region's primary products and reversing the commodity price gains of the past two years. Africa's share of global exports declined steadily during the 1980s, from 4.7 per cent in 1980 to an average of 2.1 per cent in 1988-1989, and may decline even further in the 1990s. This is a clear indication of the marginalization of Africa in world trade, and points to the need to restore Africa's competitiveness in world markets by rebuilding all the infrastructure that were severely blighted by the severe import compression and foreign exchange shortages that the region experienced since the middle-years of the decade.

80. Export revenues in 1989 amounted to US$61.4 billion, which represents a 6.4 per cent increase over the US$57.7 billion recorded in 1988. This increase was mainly due to a 14.8 per cent increase in export unit values as the volume of exports declined by a further 8.6 per cent following a decline of 1.8 per cent in 1988. The strong recovery of oil prices and the continued strength of minerals and metals prices accounted for much of the increase in export unit values. Beverage prices remained depressed for the third year in a row. The value of imports grew by 5.9 per cent, from US$67.7 billion in 1988 to US$71.7 billion in 1989. This resulted from increases in both volumes and unit values, estimated at 4.4 per cent and 1.5 per cent, respectively. The growth rate recorded for import unit values, the lowest in recent years, reflects a marked slow-down in the rate of increase of average prices of manufactured goods imported from developed market economies. This category, excluding manufactured chemicals, usually comprises 60 per cent of Africa's total imports. The merchandise trade balance widened slightly to a deficit of US$10.4 billion in 1989, compared to a deficit of US$9.96 billion in 1988.

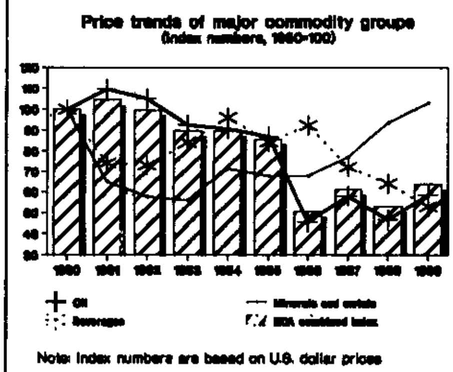
**Table VII**
Merchandise trade of developing Africa, 1988-1990
(Annual percentage change)

| | 1988 | 1989[a] | 1990[b] |
|---|---|---|---|
| *Exports* | | | |
| Value[c] | 7.1 | 6.4 | 1.0 |
| Volume | -1.8 | -8.6 | -1.5 |
| Unit value[d] | 8.9 | 14.8 | 2.5 |
| *Imports* | | | |
| Value[c] | 12.1 | 5.9 | 4.0 |
| Volume | 5.4 | 4.4 | 0.5 |
| Unit value[d] | 6.4 | 1.5 | 3.5 |
| Terms of trade | 2.4 | 8.1 | -1.0 |
| Purchasing power of exports | 0.7 | 4.7 | -2.4 |
| Share of developing Africa in world exports (%) | 2.2 | 2.1 | 2.0 |

[a] Preliminary estimates; [b] Forecast; [c] In dollar terms; [d] At 1980 prices.

Source: ECA estimates based on the IMF, International Financial Statistics (various issues); UNCTAD, Handbook of International Trade and Development Statistics, 1988 and national sources.

81. Favourable trade prices contributed to a substantial 8.1 per cent gain in Africa's terms of trade and a more modest 4.7 per cent increase in the purchasing power of exports in 1989.




82. The ECA wholesale price index of African traded commodities improved by 19.2 per cent largely as a result of the recovery of oil prices to an average of US$18 per barrel from an average of US$14.6 dollars per barrel in 1988, an increase of 25 per cent, and an estimated 10 per cent increase in the index of minerals and metals prices. The index of non-oil traded commodities registered an increase of only 3.3 per cent mainly as a result of a 17 per cent decline in the index of beverage prices. As indicated in the price trends for individual commodities, shown in Table VIII, average prices went down for four of Africa's major traded commodities (coffee, cocoa, sugar and logs) and up for seven (petroleum, cotton, groundnuts tea, phosphates, iron ore and copper) in 1989.

**Table VIII**
Wholesale price indices for selected commodities and
the ECA commodity index, 1987-1989
(1980=100)

| Commodity | Price basis | 1987 | 1988 | 1989 |
|---|---|---|---|---|
| Petroleum | North Sea Brent | 58.0 | 46.9 | 58.4 |
| Coffee | Uganda (New York) | 69.5 | 64.6 | 52.9 |
| Cocoa | New York and London | 76.7 | 60.8 | 48.7 |
| Cotton | Egypt (Liverpool) | 106.2 | 142.3 | 187.9 |
| Groundnuts | European ports | 58.0 | 58.4 | 61.3 |
| Tea | Average auction price (London) | 76.6 | 80.3 | 88.1 |
| Sugar | (EEC London) | 97.1 | 107.8 | 104.1 |
| Logs | Malaysia (Tokyo) | 113.3 | 119.4 | 115.1 |
| Phosphates | Morocco (Casablanca) | 88.4 | 74.4 | 87.5 |
| Iron ore | Brazil (North Sea ports) | 81.6 | 84.9 | 96.4 |
| Copper | (London) | 81.5 | 119.0 | 132.1 |
| ECA commodity index | | 61.2 | 52.8 | 63.5 |
| Non-oil commodities | | 80.5 | 88.0 | 90.9 |
| Minerals and metals | | 77.1 | 93.8 | 103.1 |
| Beverages | | 72.4 | 64.0 | 53.1 |
| ECA commodity index in real terms[1] | | 52.8 | 42.7 | 50.9 |

[1] The ECA commodity index deflated by the United Nations' index of the dollar prices of manufactured exports of industrial countries.

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

83. Copper prices registered a firm 11 per cent increase for the year although it is evident that the recovery that started in 1987 is beginning to wane (prices had increased by 30 per cent in 1987 and by a further 46 per cent in 1988). Average prices for phosphates, bauxite and iron ore increased by 17.6 per cent, 13.2 per cent and 13.5 per cent, respectively, in 1989.

84. The 17 per cent decline in beverage prices in 1989 follows a 13 per cent decline in 1988 and a steep decline of 21.7 per cent in 1987. The collapse of the International Cocoa Agreement

in 1988 and general oversupply in world markets led to world-market price losses of 20.7 per cent in 1988 and 20.2 per cent in 1989. In addition, the quota system of the International Coffee Agreement was suspended in July 1989. Although a two-year extension was subsequently agreed upon in September 1989, it is devoid of any price support provisions. Coffee prices subsequently fell to a 14-year low towards the end of 1989, registering a decline of 18.2 per cent for the year. This compounded the already depressed state of the industry that had suffered price losses of 7.1 per cent in 1988 and 31 per cent in 1987. Only tea prices improved, with an average increase of 9.7 per cent for the year.

85. Export revenues of African exporters of coffee and cocoa have been severely eroded because of these adverse price developments despite bumper harvests and increased export volumes. Uganda, which depends on coffee for over 90 per cent of its export revenues, estimates its 1989 loss of export earnings from coffee will at over US$150 million. The 25-member Inter-African Coffee Organization estimates that losses to its members will be in the region of US$1,500 million in 1990.

86. Africa's trade structure is still characterized by dependence on a narrow base of primary commodities for its export earnings while manufactured goods continue to account for a high proportion of imports. In 1987, the latest year for which detailed commodity trade data are available, primary commodities accounted for 82.4 per cent of developing Africa's exports. Mineral fuels and related materials (primarily crude petroleum) represent over 70 per cent of these primary commodity exports and 56.8 per cent of total exports of the region. Food and agricultural raw materials accounted for 25.6 per cent of Africa's export earnings while exports of manufactures contributed another 14.1 per cent. Manufactured goods accounted for 71.5 per cent of Africa's total expenditure on imports. Imports of machinery and transport equipment alone represented 34.7 per cent while other manufactured goods accounted for another 24.7 per cent. Food imports accounted for 14.6 per cent.

87. The geographical distribution of Africa's external trade has changed little during the 1980s. Africa's major trading partners continue to be the developed market economies of Western Europe and North America. In 1988, these countries bought 77.7 per cent of Africa's exports and supplied 70.3 per cent of its imports. Trade with other regions remain at low levels although there are indications of a perceptible diversification of import sources over the last three years. The share of imports of machinery and transport equipment and other manufactured goods from Asian countries, and, to a lesser extent, from centrally-planned economies, has been increasing since 1985, indicating, may be, the short-term price advantages enjoyed by some of these countries in competititon with Africa's traditional sources of imports.

88. On 15 December 1989, the Fourth ACP-EEC Convention was signed in Lome, Togo, and is expected to run for 10 years commencing from 1st March 1990 even though the financial aspects are renewable after five years. Lome IV is similar essentially to Lome III in its basic structure, but some of its principal elements, for example the recognition accorded to the needs for human-centered, self-reliant development process in ACP countries and the role and importance of horizontal and vertical diversification, popular participation and regional co-operation and integration in that process represent new dimensions and a definite improvement in the emerging socio-political and economic environment of North-South co-operation and relations. Under the new Convention, improved access has been granted to some forty additional agricultural products while there is greater simplification and relaxation of the rules of origin for ACP products. There are specific provisions also for accommodating new areas of ACP-EEC co-operation and concerns, such as the environment, population and demography, structural adjustment, enterprise development and the development of services. For instance, the terms and conditions of development financing have been significantly expanded to accommodate, for the first time, structural adjustment support and continued attenuation of external debt, this time mainly in the form of grant aid. Judging from past experience with implementation of ACP-EEC Conventions, the real challenge for the ACP States in 1990 and the years

ahead is to ensure that the euphoria created by the signing of Lome IV is matched equally with practical implementation of all its provisions.

89. The size of intra-African trade remained fairly small and its structure dominated by food and mineral fuel items. In 1988, intra-African exports were 6.5 per cent of total regional exports. As in previous years, mineral fuels and related materials account for the largest proportion of trade within the region. In 1987, exports of this commodity group accounted for 29.7 per cent of total regional exports. Food, beverages and tobacco accounted for an additional 26 per cent of intra-regional trade. The share of manufactured goods other than machinery and transport equipment amounted to 14.3 per cent.

90. A disaggregation of intra-African trade shows that there is a tendency for concentration of that trade at the subregional level. Except for Central Africa, whose share of within-subregion trade is currently about 48 per cent of its intra-African trade compared with 64 per cent in 1980, the share of within-subregion trade in the other three subregions has increased over time and is presently over 70 per cent. Indeed, in the case of West Africa, this share has risen to about 85 per cent. This pattern of trade concentration is not altogether surprising given the proliferation and increasing role of subregional economic groupings, the relative ease of intra-subregional transportation and traditional trade links and communications, and the prevalence of subregion-wide dietary habits.

91. The direction of intra-African trade as between the sub-regions also witnessed some significant changes during the 1980s. In Central Africa, there was more emphasis on trade with North Africa, which accounted for ab  ıt a fifth of the subregion's exports, and West Africa, whose share rose from about 15 per cent in 1980 to about 26 per cent by the end of the 1980s. The share East and Southern Africa in this trade has declined to only 5 per cent. In contrast, the share of East and Southern Africa's intra-subregional trade has grown more in favour of Central Africa. West Africa, likewise, is increasing its trade share with Central Africa and at the same time reducing its share of intra-subregional trade with North Africa. The share of West Africa in North Africa's intra-subregional trade, which was significant at the beginning of the decade, has fallen drastically by the close of the decade.

92. In furtherance of greater economic co-operation, the 16-member Economic Community of West African States (ECOWAS) adopted in 1989 a trade liberalization programme aimed at reviving trade among member states and expanding the production base of the West African economy. All non-tariff barriers among community members are scheduled to be phased out over a four-year period beginning in January 1990. Another significant feature of the economic co-operation process in Africa in 1989 is the establishment of the Union of Arab Maghreb (UAM) as a subregion-wide economic grouping for Northern Africa and the expansion in membership of the Preferential Trade Area for Eastern and Southern Africa (PTA). These developments, together with the preparatory steps towards adoption of the Charter of African Common Market and Economic Community, are part of intensified efforts in Africa towards achievement of the objectives and goal of full economic integration of the African continent by the year 2000.

93. On an f.o.b basis, the deficit on Africa's balance of trade fell slightly to a deficit of US$1.6 billion in 1989, compared to a deficit of US$2.7 billion in 1988. With a deficit of US$16.1 on the services account and private unrequited inflows of US$10 billion, the overall current account deficit for 1989 was US$7.7 billion, which is slightly lower than the recorded deficit of US$8.8 billion in 1988. If official transfers are included, the deficit on the current account was about US$2.7 billion and US$1.0 billion in 1988 and 1989 respectively.

# Box 3
## INTRA-AFRICAN TRADE

In the Lagos Plan of Action (LPA) and the Final Act of Lagos (FAL), the principle of collective self-reliance through inter-African development co-operation and integration is seen as one principal basis for the sustained growth and development of the African region. In providing the conceptual framework and the strategies for the attainment of this objective, the LPA and FAL envisage that, by the year 2000, efforts at African co-operation would have gone through several stages to culminate in the establishment of an African Economic Community. Intra-African trade plays a major role in this strategy, not only as a means of increasing the volume and diversifying the structure of the overall trade of the region but, most importantly, as an element in the overall strategy of economic co-operation. It should always be remembered that for countries with inappropriate and parallel production structures, like those of Africa, the establishment of customs unions that ignore the production dimension is most unlikely to succeed as there would hardly be anything to trade in.

In Africa, since independence, attempts at the establishment of subregional institutions to encourage economic integration through trade liberalization and facilitation include: the Economic Community of West African States (ECOWAS); the Economic Community of Central African States(ECCAS); the Economic and Customs Union of Central African States (UDEAC); the Economic Community of the Great Lakes Countries (CEPGL); the Preferential Trade Area for Eastern and Southern African Countries (PTA) and the Union of Arab Maghreb (UAM). However, despite the substantial trade potential in many products and the establishment of these institutions, the level of intra-African trade continues to be very low. In fact, the share of recorded intra-African trade in the total trade of Africa declined from an average of 6.1 per cent in the 1960s to 5.2 per cent in the 1970s and further to 4.9 per cent during the 1980s. Also, as Table B.1 shows, the structure of this trade continues to be dominated by food and mineral fuels and related materials, although the share of food items remained fairly stable during the 1980s, while that of fuels has fallen significantly from 41 per cent in 1980 to 29.7 per cent in 1987. Manufactured products accounted only for one-fourth in 1980 but this share has since increased to about one-third of the total value of intra-African trade in 1987. Unrecorded border trade, on the other hand, is believed to be significant.

**Structure of intra-African trade in 1980 and 1987**

| | 1980 | 1987 |
|---|---|---|
| Food, beverages and tobacco | 24.5 | 26.0 |
| Crude materials, excluding fuels | 9.1 | 10.8 |
| Mineral fuels and related materials | 41.0 | 29.7 |
| Chemicals | 4.4 | 8.0 |
| Machinery | 2.9 | 6.3 |
| Other manufactured goods | 18.1 | 19.2 |

Source: UN, Monthly Bulletin of Statistics, May 1988 and May 1989 and ECA Secretariat.

At the root of the low and declining share of intra-African trade, no doubt, is the parallel production structures of African economies and the low technological threshold in the region which seriously impairs the quality and cost competitiveness of African products vis-a-vis those imported from the developed countries or even the newly industrializing countries of Asia and Latin America. Moreover, by concentrating on market expansion, the institutions created have virtually ignored the production dimension. Other impediments include: high cost of transport within the region, lack of capacity for regular supply, lack or dearth of quality control and technical standards, paucity of trade and marketing institutions, lack of trade information, the vertical integration of trading networks by transnationals with their overseas parent corporations, and insistence on the use of a few major convertible non-African currencies for trade transactions in spite of the establishment of payments and clearing systems for settlement of trade balances within the region.

Expansion of intra-African trade should therefore principally be predicated on the re-orientation and transformation of Africa's economic structures and the removal of trade-related obstacles. Of special importance in this regard is the development of complementary subregional infrastructure and production structures, and the integration of national markets.

94. In 1988, total resource inflows to sub-saharan Africa increased to US$20.4 billion from US$18.1 billion in nominal terms. Official development assistance (ODA) constituted about 58 per cent of total capital inflows. Additional development finance from other agencies was US$5.7 billion in 1988 compared to US$3.0 billion in 1987. Private flows on less concessional terms stagnated at around US$4.2 billion in 1988 compared to US$4.0 billion in 1987. In real terms, however, the total resource flows increased from US$21.9 billion in 1987 to US$25.2 billion in 1988. The issue of ODA has become all the more important in view of the growing interest in OECD countries, since 1989, in the need to provide resources to such Eastern European countries as Poland, Hungary and the German Democratic Republic, and the current uncertainties surrounding the volume and the conditionalities of external resource flows to Africa in the immediate future.

**Table IX**
Resource flows to sub-Saharan Africa
1980, 1986-1988
(Billions of dollars)

| | 1980 | 1986 | 1987 | 1988 |
|---|---|---|---|---|
| Official development finance (ODF) | 10.6 | 15.4 | 18.1 | 20.4 |
| Official development assistance | 8.9 | 13.4 | 15.1 | 14.7 |
| Bilateral | 6.4 | 9.4 | 10.7 | ... |
| Multilateral | 2.5 | 4.0 | 4.4 | ... |
| Other ODF | 1.8 | 2.0 | 3.0 | 5.7 |
| Export credits | 1.8 | -0.1 | -0.2 | 0.6 |
| Private flows | 3.7 | 4.2 | 4.0 | 4.2 |
| Total flows | 16.1 | 19.5 | 21.9 | 25.2 |
| Memorandum item: | | | | |
| Total flows at 1987 prices and exchange rates | 21.3 | 22.4 | 21.9 | 23.5 |

Source: OECD, Financing and External Debt of Developing Countries, 1988 Survey, (Paris, 1989). Official development assistance for 1988 was estimated from ECA sources.

# VIII. THE DEBT SITUATION

95. As in 1988, Africa's external debt position worsened in 1989 and is projected to become even more critical in 1990 and beyond. Total external debt increased by 2.9 per cent from US$249.7 billion in 1989 to an estimated US$256.9 billion in 1989 (Table X). The increase is matched by a rise in the proportion of the total outstanding stock of debt of all developing countries, from 19.4 per cent in 1988 to 19.9 per cent in 1989. Africa's debt now stands at 93.3 per cent of total regional GDP and 328.4 per cent of the value of export earnings.

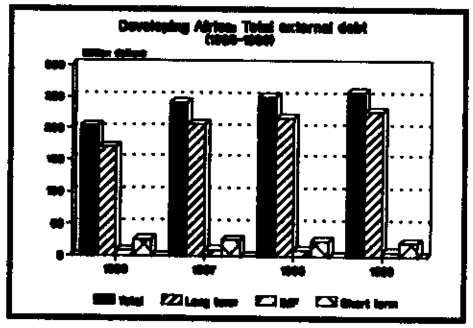


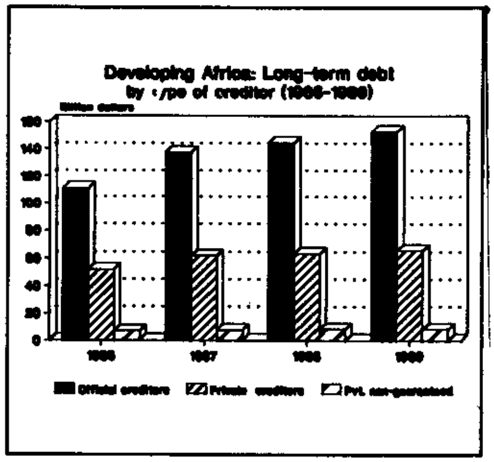
**Table X**
Developing Africa's: External Debt and Debt Service
1986 - 1989

| | 1986 | 1987 | 1988 | 1989* |
|---|---|---|---|---|
| | | (Billions of Dollars) | | |
| ***Total External Debt*** | | | | |
| Developing Africa | 203.7 | 241.0 | 249.7 | 256.9 |
| North Africa | 100.5 | 114.6 | 115.3 | 119.4 |
| Sub-Saharan Africa | 103.2 | 126.4 | 134.4 | 137.5 |
| ***Debt Service*** | | | | |
| Developing Africa | 22.2 | 19.3 | 24.0 | 25.3 |
| North Africa | 12.0 | 10.7 | 13.7 | 14.7 |
| Sub-Saharan Africa | 10.2 | 8.6 | 10.3 | 10.5 |
| **Debt Burden Indicators** | | (in percentages) | | |
| ***Ratio of debt to gross domestic product*** | | | | |
| Developing Africa | 66.9 | 78.0 | 90.0 | 93.3 |
| North Africa | 64.0 | 65.3 | 87.7 | 85.2 |
| Sub-Saharan Africa | 70.1 | 94.7 | 92.0 | 101.6 |
| ***Ratio of debt to exports of goods and services*** | | | | |
| Developing Africa | 345.4 | 348.7 | 339.1 | 328.4 |
| North Africa | 356.2 | 328.9 | 307.3 | 303.8 |
| Sub-Saharan Africa | 335.5 | 368.8 | 372.1 | 353.2 |
| ***Ratio of debt service to exports of goods and services*** | | | | |
| Developing Africa | 37.7 | 28.0 | 32.6 | 32.2 |
| North Africa | 42.5 | 30.7 | 36.4 | 37.5 |
| Sub-Saharan Africa | 33.2 | 25.2 | 28.7 | 27.1 |

* Preliminary estimates.

Sources: World Bank, World Debt Tables, 1989-1990 Edition; OECD, Financing and External Debt of Developing Countries, 1989 Survey (Paris, 1989); IMF, World Economic Outlook (April and October 1989); African Economic Digest, various issues and ECA Secretariat estimates.

96. Long-term public or publicly guaranteed debt owed to official and private creditors accounted for 88 per cent of Africa's total outstanding debt. Debt obligations related to the use of IMF credit accounted for another 2.7 per cent while the remaining 3.2 per cent and 8.4 per cent consisted of private non-guaranteed debt and short-term debt, respectively.




97. The stock of long-term debt increased by 5 per cent in 1989, following a 4.4 per cent increases in 1988, a lower rate than the average annual increases of about 18 per cent for the years 1985-1987.

98. Official creditors account for 60 per cent of Africa's outstanding debt and 70 per cent of public and publicly guaranteed debt. Debt owed as a result of bilateral arrangements represent 41.4 per cent of total outstanding debt, 48.6 per cent of public and publicly guaranteed debt and 70 per cent of debt owed to official creditors. Corresponding figures on debt owed to multilateral lending agencies are 18.1, 21.3 and 30 per cent of the categories mentioned above. For the first time in the 1980s, outstanding debt owed to official creditors on concessional terms (48 per cent of official debt) was lower than outstanding debt on non-concessional terms (52 per cent).

99. The share of long-term, publicly guaranteed debt to private creditors increased by 4 per cent in 1989 accounting for 25.6 per cent of total debt and 30 per cent of public and publicly guaranteed debt. Although also indicative of the trend towards less concessionality in Africa's debt mix, the increase in this category may also point to a shift from market-related borrowing (both long and short-term) and a decrease in the accumulation of debt through the use of IMF credit facilities.

100. The debt to export ratio tor the region declined slightly in 1988 and 1989 reflecting a faster rate of export growth (an average of just over 6 per cent for both years) than the rate of debt accumulation that averaged 3.2 per cent. In 1989 the ratios were 328.4 per cent for the region; 303.8 per cent and 353.2 per cent, respectively, for the North and sub-Saharan subregions. These ratios are still relatively high compared to average ratios of about 170 per cent in 1982 at the beginning of the debt crisis.

101. The true scope and magnitude of Africa's debt crisis can be gauged by the level of its debt service obligations, amounted to US$25.3 billion in 1989, equivalent to 32.2 per cent of the exports of goods and services which is substantially higher than the average ratio of 27.5 per cent for all developing countries. The ratio for the North African countries, estimated at 37.5 per cent, is even higher than the regional average, while the lower ratio of 27.1 per cent recorded for sub-Saharan African countries is exceedingly burdensome given the acute socio-economic crisis in which they are engulfed and their low levels of incomes and capacity for debt-servicing. Debt service payments increased by 5.4 per cent to reach US$25.3 billion, equivalent to 32.2 per cent of the export of goods and services. With gross disbursements amounting to only to US$22 billion this constitutes a net transfer of resources from the region of approximately US$3 billion in 1989.

102. There is now a growing recognition and concern that Africa cannot overcome its present economic predicament without an early resolution of the problem of debt overhang. Hence the growing number of initiatives particularly since 1987, notable among which are the Baker Plan, the June 1988 Toronto Initiative, the Brady Plan and the initiatives by Belgium, France and the United States. However, none of these initiatives has so far captured or encompassed the holistic approach called for in the <u>African Common Postion on Africa's External Debt</u> adopted by the

Third Extraordinary Session of the Assembly of Heads of State and Government of the Organization of African Unity in November-December 1987. Indeed, the main focus of these initiatives is bilateral debt, the modalities for the relief of which are worked out on a case-by-case approach linking eligibility for debt relief to the adoption of conventional SAPs. This may partly explain the limited success of these initiatives. For example, only 12 African countries are known to have benefited from the Toronto initiative by mid-1989, with the total volume of debts cancelled or rescheduled dismally low.

103. Efforts at the alleviation of multilateral debt, which accounts for about 21 per cent of the total African debt, have even been more limited. The major initiative in this regard is the world Bank's Special Programme of Assistance (SPA), designed primarily to facilitate debt service for about 22 so-called debt-distressed countries with significant debt obligations to the World Bank, through increased IDA lending, supplemental adjustment credits, increased co-financing with bilateral donors and debt relief involving both concessional and non-concessional debt. Much less attention has been paid to the alleviation of the commercial debt burden which constitutes a significant portion of the debt obligations of such countries as Côte d'Ivoire, Morocco and Nigeria. Although this falls within the purview of the Brady Plan launched in March 1989, concrete actions regarding African debtors are yet to be taken.

104. Overall, the volume of debt-relief is estimated by ECA at less than 2 per cent of the total stock of African debt, which demonstrates, beyond doubt, that these so-called debt relief measures have approximated neither the scale nor embraced the flexibility needed to effectively remove the debt constraint on Africa's development.

# IX. PROSPECTS FOR 1990

105. As Africa enters the 1990s, the overall hope is that the new decade, unlike the lost decade of the 1980s, will witness the beginning of a genuine process of economic recovery and transformation. For that hope to be realized, however, there must be significant improvements in the internal processes of and factors at work on African development, the most important of which are the weather and policy stances, and in the overall conditions in the industrial countries which are Africa's major trading partners and its main sources of external finance. In addition, the process of economic co-operation and integration in Africa must be intensified as a counter poise to the consolidation of other regional economic blocs in the 1990s, starting with the imminent establishment of a Common Market in Europe in 1992.

106. As in previous years in the recent past, the prospects for 1990 will continue to be strongly influenced by tne three factors which have in the past proved most decisive in shaping the course of development in Africa:

- the weather situation
- progress in implementing policy reforms for transformation
- deveiopments in the international economic environment.

Assumptions as to continued deterioration or improvements in these three areas are indeed going to be very crucial to the region's economic fortunes in 1990.

107. Given that Africa has fortunately enjoyed two years of continued good and favourable weather in a row, our prognosis for 1990 assumes that this trend will prevail. Based on FAO estimates on the early harvest outlook for 1990, the expectation is that 1990 will witness the continuation of the process of recovery, especially in the agricultural sector, and that growth in agricultural output will remain satisfactory. Indeed, if the assumption of continued favourable weather conditions were to be coupled with the adoption of strong incentive packages and reform policies in favour of the agricultural sector, as recommended in APPER and AAF-SAP, and if favourable trends in the international commodity markets were to prevail, regarding demand and prices, agricultural growth in the region as a whole should be able to reach the figure of around 4 per cent in 1990.

108. Within the projected overall growth of agriculture, food production is expected to expand substantially provided that agricultural policies are vigorously supported by strong incentives in favour of food crops, particularly through the provision of extension services and credit facilities at preferential rates. Indeed, it must be emphasized that, for Africa to take off in the new decade of the 1990s with a healthy and buoyant agricultural base, it is imperative that the target figure of a minimum 4 per cent growth rate in the agricultural sector must be achieved. Most of the growth in the industrial sector in 1990 is anticipated to result mainly from the combination of improved capacity utilization, especially for the agro-allied manufacturing plants, and from increased momentum in the rehabilitation of infrastructural facilities -- economic and social.

109. With the continuation of the good performance in the agricultural sector, and with increased import capacity associated with the better export performance already achieved in 1988 and 1989, the industrial sector in Africa should be able to benefit from increased capital investment and better access to intermediate inputs in 1990. As a result, the manufacturing sector

113. If to this is added the very likelihood of little or no improvements in the primary commodity markets in 1990, the situation becomes indeed much more serious. The prices of coffee and cocoa, which have been on the decline since the early 1980s with no imminent sign of recovery, are likely to fall even further in the near future. For coffee, the over-supply resulting from the non-agreement on production quotas and prices by the International Coffee Organization is likely to dampen prices further in 1990. According to some estimates, the decline in coffee prices in 1990 may be in the range of three to five percentage points even from their present levels, while the drop in cocoa prices may be even more profound. Likewise, the prospects for African base metals are far from encouraging in 1990, given declining world demand and excess supply of the main products (copper, aluminium, nickel, zinc, lead and tin). For example, according to the latest figures of the World Commodity Outlook, 1990 (EFUEUL) the growth in copper consumption will fall from 2 per cent in 1989 to 0.6 per cent in 1990, while, for aluminum, a growth rate of only 1.5 per cent is expected. On the basis of a further fall in commodity prices in 1990, accentuated by weak demand, it is projected that Africa's total export earnings will grow only by 2 per cent in 1990 compared to the exceptionally high growth of 6.4 per cent achieved in 1989. Imports, on the other hand, are unlikely to pick up significantly in 1990, and, given the likelihood of a growing severity of foreign exchange resource constraints, may well stagnate at the 1989 level of 4.4 per cent growth.

114. Under the assumptions of depressed export price and dwindling resource flows, the implications for Africa's external developments are ominous, as the trade gap widens further and recourse to borrowing intensifies during 1990. The debt position will worsen, reaching $US 266.1 billion in 1990 compared to $US 256.9 billion in 1989 -- an increase of 3.6 per cent. Under these hypotheses, the estimate of overall GDP growth rate of the African economy would, in real terms, be around 1.6 per cent, with the result that 1990 could turn out to be a gloomy start for the new decade that most Africans would like to see as a decade of hope and socio-economic transformation.

# Statistical Annex

## Table 1: Basic Indicators

| Sub-region/country | Population (thousand) mid 1988 | GDP per capita in constant 1980 US$ 1988 | Average annual growth rate of consumer price index 1980=100 1983-1987 | 1988-1989 |
|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Algeria | 23541 | 2006 | 9.1 | 7.0 |
| Egypt | 51453 | 614 | 17.6 | 14.4 |
| Libya Arab Jamahiriya | 4232 | 6408 | ... | 0.0 |
| Morocco | 23910 | 961 | 7.8 | 2.3 |
| Sudan | 23797 | 337 | 30.2 | 50.0 |
| Tunisia | 7809 | 1271 | 7.3 | 6.3 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Benin | 4451 | 338 | ... | 0.0 |
| Burkina Faso | 8538 | 191 | 1.4 | -0.7 |
| Cape Verde | 359 | 259 | 7.9 | 3.0 |
| Côte d'Ivoire | 11599 | 802 | 5.8 | 0.8 |
| Gambia | 811 | 307 | 30.2 | 8.9 |
| Ghana | 14107 | 336 | 28.6 | 13.5 |
| Guinea | 6544 | 263 | ... | 28.3 |
| Guinea Bissau | 947 | 200 | ... | 7.3 |
| Liberia | 2397 | 367 | 2.3 | 4.1 |
| Mali | 8827 | 234 | 0.4 | -1.5 |
| Mauritania | 1916 | 354 | ... | 4.7 |
| Niger | 6694 | 320 | -0.3 | -4.4 |
| Nigeria | 105518 | 869 | 14.9 | 42.1 |
| Senegal | 6984 | 559 | 6.6 | -1.5 |
| Sierra Leone | 3949 | 236 | 89.4 | 24.5 |
| Togo | 3249 | 353 | -0.3 | 0.3 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Burundi | 5147 | 234 | 6.6 | 9.9 |
| Cameroon | 10674 | 914 | 3.7 | 12.0 |
| Central African Republic | 2771 | 355 | 1.9 | 1.1 |
| Chad | 5401 | 202 | 1.7 | -6.7 |
| Congo | 1888 | 1328 | 5.6 | 3.5 |
| Equatorial Guinea | 420 | 100 | ... | 0.0 |
| Gabon | 1094 | 3384 | 4.7 | 0.0 |
| Rwanda | 6755 | 195 | 2.7 | 1.0 |
| Sao Tome & Principe | 106 | 292 | ... | 0.0 |
| Zaire | 33755 | 342 | 51.5 | 44.5 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Angola | 9481 | 435 | ... | 0.0 |
| Botswana | 1198 | 1650 | 9.1 | 10.2 |
| Comoros | 488 | 283 | ... | 0.0 |
| Djibouti | 512 | 482 | 8.1 | 10.0 |
| Ethiopia | 44727 | 96 | 3.9 | 4.4 |
| Kenya | 23100 | 362 | 9.1 | 7.1 |
| Lesotho | 1076 | 247 | 14.4 | 12.7 |
| Madagascar | 11238 | 283 | 12.6 | 15.5 |
| Malawi | 7884 | 172 | 17.7 | 12.7 |
| Mauritius | 1077 | 1316 | 4.2 | 9.9 |
| Mozambique | 14845 | 128 | ... | 50.0 |
| Seychelles | 67 | 2239 | 1.7 | 1.2 |
| Somalia | 7106 | 390 | 46.4 | 50.0 |
| Swaziland | 737 | 870 | 14.3 | 8.4 |
| Tanzania, United Republic of | 25397 | 194 | 31.9 | 19.0 |
| Uganda | 17189 | 177 | 234.2 | 77.9 |
| Zambia | 7851 | 496 | 35.9 | 55.0 |
| Zimbabwe | 9125 | 694 | 12.9 | 7.4 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## Table 2: Agricultural Indicators

| Sub-region/Country | Arable land (ha per capita) | Value added in agriculture (billion of 1980 U.S.$) | Index of food production per capita (1979-81=100) | | Production of cereals (kg per capita) | Cereals imports (kg per capita) |
|---|---|---|---|---|---|---|
| | 1988 | 1988 | 1985 | 1988 | 1988 | 1988 |
| NORTH AFRICA | 0.272 | 18.2 | ... | ... | ... | ... |
| Algeria | 0.312 | 4.5 | 110.00 | 95.09 | ... | ... |
| Egypt | 0.047 | 5.1 | 104.80 | 110.76 | 180 | ... |
| Libya Arab Jamahiriya | 0.454 | 0.8 | 96.66 | 92.13 | ... | ... |
| Morocco | 0.345 | 3.9 | 86.99 | 83.97 | 334 | ... |
| Sudan | 0.555 | 2.7 | 94.23 | 97.45 | 217 | 23 |
| Tunisia | 0.454 | 1.2 | 117.68 | 81.30 | ... | ... |
| WEST AFRICA | 0.301 | 39.2 | ... | ... | 139 | 19 |
| Benin | 0.331 | 0.5 | 113.92 | 119.47 | 128 | 21 |
| Burkina Faso | 0.323 | 0.7 | 112.39 | 120.84 | 244 | 20 |
| Cape Verde | 0.105 | 0.0 | ... | ... | 44 | 139 |
| Côte d'Ivoire | 0.266 | 2.9 | 97.31 | 102.23 | 87 | 43 |
| Gambia | 0.211 | 0.1 | 92.86 | 105.01 | 138 | 87 |
| Ghana | 0.084 | 2.4 | 140.20 | 121.70 | 68 | 16 |
| Guinea | 0.240 | 0.6 | 121.68 | 134.08 | 102 | 41 |
| Guinea Bissau | 0.318 | 0.0 | 97.54 | 94.57 | 187 | 58 |
| Liberia | 0.056 | 0.3 | 113.07 | 96.23 | 83 | 40 |
| Mali | 0.247 | 1.1 | 88.69 | 86.98 | 265 | 12 |
| Mauritania | 0.106 | 0.1 | 102.19 | 98.75 | 83 | 114 |
| Niger | 0.590 | 1.0 | 105.24 | 99.95 | 347 | 22 |
| Nigeria | 0.290 | 28.2 | 79.70 | 76.02 | 108 | 8 |
| Senegal | 0.788 | 0.7 | 91.85 | 87.16 | 121 | 70 |
| Sierra Leone | 0.428 | 0.3 | 97.24 | 98.16 | 78 | 30 |
| Togo | 0.443 | 0.3 | 89.58 | 90.39 | 152 | 32 |
| CENTRAL AFRICA | 0.309 | 7.9 | ... | ... | 58 | 18 |
| Burundi | 0.230 | ... | 99.69 | 94.09 | 96 | 5 |
| Cameroon | 0.584 | 2.3 | 96.46 | 96.38 | 83 | 19 |
| Central African Republic | 0.720 | 0.4 | 91.05 | 83.38 | 48 | 16 |
| Chad | 0.612 | 0.5 | 103.51 | 105.39 | 154 | 17 |
| Congo | 0.365 | 0.2 | 93.85 | 93.99 | 5 | 54 |
| Equatorial Guinea | 0.322 | 0.0 | ... | ... | ... | 36 |
| Gabon | 0.276 | 0.2 | 82.47 | 78.81 | 6 | 45 |
| Rwanda | 0.114 | 0.5 | 109.24 | 104.41 | 40 | 3 |
| Sao Tome & Principe | 0.010 | 0.0 | ... | ... | ... | 85 |
| Zaire | 0.188 | 3.8 | 98.34 | 94.23 | 31 | 10 |
| EAST AND SOUTHERN AFRICA | 0.264 | 16.2 | ... | ... | 149 | 28 |
| Angola | 0.327 | 1.4 | 89.85 | 85.09 | 35 | 32 |
| Botswana | 1.219 | 0.0 | 76.35 | 77.17 | 91 | 155 |
| Comoros | 0.165 | 0.0 | ... | ... | 33 | 86 |
| Djibouti | 0.012 | 0.0 | ... | ... | ... | 117 |
| Ethiopia | 0.311 | 1.8 | 88.93 | 88.34 | 152 | 27 |
| Kenya | 0.088 | 2.6 | 85.10 | 86.78 | 76 | 9 |
| Lesotho | 0.190 | 0.1 | 99.51 | 86.78 | 141 | 108 |
| Madagascar | 0.238 | 1.3 | 88.63 | 94.63 | 131 | 9 |
| Malawi | 0.318 | 0.5 | 94.11 | 85.12 | 132 | 13 |
| Mauritius | 0.096 | 0.1 | 105.41 | 100.12 | 1 | 120 |
| Mozambique | 0.203 | 0.8 | 86.06 | 125.33 | 533 | 34 |
| Seychelles | 0.015 | 0.0 | ... | 86.80 | ... | 119 |
| Somalia | 0.154 | 1.9 | 84.59 | ... | 87 | 32 |
| Swaziland | 0.256 | 0.1 | 94.50 | 88.73 | 160 | 75 |
| Tanzania, United Republic of | 0.175 | 2.1 | 89.58 | 85.74 | 139 | 4 |
| Uganda | 0.305 | 2.0 | 86.18 | 90.39 | 93 | 2 |
| Zambia | 0.717 | 0.7 | 93.74 | 81.80 | 261 | 13 |
| Zimbabwe | 0.311 | 0.8 | 111.78 | 102.61 | 329 | 12 |
| TOTAL AFRICA | 0.283 | 81.5 | ... | ... | ... | ... |

## Table 3: Production and Consumption of selected energy commodities

| Sub-region/Country | Electricity production (million kwH) 1987 | | | Comm. energy consumption | | Total energy requirement ('000 terjoules) |
|---|---|---|---|---|---|---|
| | Thermal | Hydro | Total | per capita (gigajoules) 1987 | Total ('000 terajoules) 1987 | 1987 |
| NORTH AFRICA | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Algeria | 13100 | 300 | 13400 | 42 | 975 | 995 |
| Egypt | 26500 | 6000 | 32500 | 20 | 991 | 1055 |
| Libya Arab Jamahiriya | 14260 | ... | 14260 | 83 | 349 | 344 |
| Morocco | 6500 | 620 | 7120 | 10 | 230 | 247 |
| Sudan | 539 | 516 | 1055 | 2 | 43 | 245 |
| Tunisia | 4436 | 113 | 4549 | 19 | 145 | 172 |
| WEST AFRICA | 11020 | [illegible] | [illegible] | [illegible] | 760 | [illegible] |
| Benin | 5 | ... | 5 | 1 | 6 | 49 |
| Burkina Faso | 125 | ... | 125 | 1 | 6 | 73 |
| Cape Verde | 28 | ... | 28 | 0 | 0 | 0 |
| Côte d'Ivoire | 910 | 1290 | 2200 | 5 | 70 | 170 |
| Gambia | 44 | ... | 14 | 2 | 2 | 6 |
| Guinea-Bissau | 14 | ... | 14 | 2 | 2 | 6 |
| Liberia | 506 | 319 | 825 | 4 | 10 | 58 |
| Mali | 42 | 162 | 204 | 1 | 6 | 56 |
| Mauritania | 95 | 25 | 120 | 23 | 42 | 42 |
| Niger | 157 | ... | 157 | 2 | 10 | ... |
| Nigeria | 7695 | 2210 | 9905 | 5 | 495 | 1433 |
| Senegal | 752 | 0 | 752 | 4 | 28 | 68 |
| Sierra Leone | 196 | ... | 196 | 2 | 8 | 86 |
| Togo | 36 | 4 | 40 | 2 | 5 | 11 |
| CENTRAL AFRICA | 506 | 8695 | 9201 | 72 | 222 | 987 |
| Burundi | 2 | 52 | 54 | 1 | 3 | 40 |
| Cameroon | 67 | 2325 | 2392 | 8 | 85 | 200 |
| Central African Republic | 18 | 74 | 92 | 8 | 435 | ... |
| Chad | 51 | ... | 51 | 1 | 3 | 35 |
| Congo | 2 | 233 | 235 | 12 | 22 | 42 |
| Equatorial Guinea | 15 | 2 | 17 | 2 | 1 | 5 |
| Gabon | 201 | 675 | 576 | 34 | 36 | 67 |
| Rwanda | 4 | 170 | 174 | 1 | 6 | 63 |
| Sao Tome & Principe | 7 | 5 | 15 | 10 | 1 | ... |
| Zaire | 139 | 5156 | 5295 | 2 | 61 | 398 |
| EAST AND SOUTHERN AFRICA | 7989 | 17122 | 2611 | 100 | 479 | 2299 |
| Angola | 465 | 1335 | 1800 | 3 | 24 | 77 |
| Botswana | ... | ... | .. | ... | ... | ... |
| Comoros | 12 | 2 | 14 | 2 | 1 | 1 |
| Djibouti | 172 | 0 | 172 | 11 | 4 | 4 |
| Ethiopia | 160 | 650 | 810 | 1 | 36 | 419 |
| Kenya | 359 | 1911 | 2629 | 3 | 66 | 427 |
| Lesotho | ... | ... | ... | ... | ... | ... |
| Madagascar | 234 | 270 | 504 | 1 | 12 | 80 |
| Malawi | 14 | 564 | 578 | 1 | 8 | 145 |
| Mauritius | 348 | 140 | 488 | 16 | 17 | 38 |
| Mozambique | 440 | 60 | 500 | 1 | 14 | 154 |
| Seychelles | 67 | ... | 67 | 29 | 2 | 2 |
| Somalia | 255 | ... | 255 | 2 | 12 | 57 |
| Swaziland | ... | ... | ... | ... | ... | ... |
| Tanzania, United Republic of | 264 | 610 | 874 | 1 | 27 | 262 |
| Uganda | 11 | 644 | 655 | 1 | 12131 | ... |
| Zambia | 38 | 8441 | 8479 | 7 | 55 | 220 |
| Zimbabwe | 5150 | 2495 | 7645 | 21 | 189 | 282 |
| TOTAL AFRICA | 84850 | 42219 | 127069 | 411 | 4184 | 9708 |

## Table 4: Merchandise Trade: Value and Average Growth Rate

| Sub-region/Country | Total trade (million US $) Exports 1983 | Exports 1987 | Imports 1983 | Imports 1987 | Balance 1983 | Balance 1987 | Average annual Growth Rate (%) Exports 1983-87 | Imports 1983-87 |
|---|---|---|---|---|---|---|---|---|
| NORTH AFRICA | 29946 | 25305 | 36194 | 31999 | -6248 | -6694 | -4.1 | -3.0 |
| Algeria | 11163 | 8606 | 10399 | 7042 | 764 | 1564 | -6.3 | -9.3 |
| Egypt | 3214 | 4352 | 10275 | 11941 | -7061 | -7590 | 7.9 | 3.8 |
| Libya Arab Jamahiriya | 11089 | 6878 | 7467 | 4877 | 3622 | 2001 | -11.3 | -10.1 |
| Morocco | 2006 | 2826 | 3592 | 4229 | -1586 | -1403 | 8.9 | 4.2 |
| Sudan | 624 | 504 | 1354 | 871 | -731 | -367 | 10.1 | -10.4 |
| Tunisia | 1850 | 2139 | 3107 | 3039 | -1256 | -900 | 2.5 | -0.6 |
| WEST AFRICA | 15879 | 14994 | 18994 | 12447 | -3115 | 2547 | -6.6 | -10.0 |
| Benin | 67 | 123 | 588 | 318 | -521 | -195 | 16.4 | -14.3 |
| Burkina Faso | 58 | 155 | 291 | 434 | -233 | -279 | 27.9 | 10.5 |
| Cape Verde | 3 | 9 | 79 | 126 | -76 | -117 | 30.5 | 12.2 |
| Côte d'Ivoire | 2091 | 3110 | 1839 | 2370 | 251 | 740 | 10.4 | 6.5 |
| Gambia | 48 | 40 | 115 | 127 | -67 | -87 | -4.7 | 2.4 |
| Ghana | 672 | 977 | 675 | 988 | -3 | -11 | 9.8 | 10.0 |
| Guinea | 488 | 503 | 214 | 460 | 174 | 43 | 0.7 | 10.0 |
| Guinea Bissau | 9 | 6 | 55 | 84 | -46 | -78 | -8.5 | 11.3 |
| Liberia | 428 | 382 | 412 | 308 | 16 | 74 | -2.8 | -7.0 |
| Mali | 165 | 260 | 353 | 493 | -188 | -234 | 12.0 | 8.7 |
| Mauritania | 292 | 428 | 227 | 235 | 65 | 193 | 10.0 | 0.8 |
| Niger | 299 | 411 | 324 | 346 | -25 | 65 | 8.3 | 1.7 |
| Nigeria | 10357 | 7560 | 12254 | 4448 | -1897 | 3112 | -7.6 | -22.4 |
| Senegal | 618 | 677 | 1025 | 1135 | -407 | -458 | 2.3 | 2.6 |
| Sierra Leone | 121 | 130 | 160 | 137 | -39 | -7 | 1.8 | -3.9 |
| Togo | 163 | 223 | 282 | 438 | -119 | -215 | 8.1 | 11.6 |
| CENTRAL AFRICA | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Burundi | 80 | 84 | 184 | 212 | -104 | -127 | 1.3 | 3.6 |
| Cameroon | 976 | 806 | 1216 | 1272 | -241 | -466 | -4.7 | 1.1 |
| Central African Republic | 75 | 89 | 77 | 235 | -3 | -146 | 4.5 | 32.0 |
| Chad | 74 | 111 | 157 | 366 | -83 | -255 | 10.7 | 23.5 |
| Congo | 1109 | 877 | 688 | 529 | 421 | 348 | -5.7 | -6.4 |
| Equatorial Guinea | 18 | 41 | 25 | 50 | -8 | -9 | 23.4 | 18.6 |
| Gabon | 1975 | 1288 | 685 | 785 | 1290 | 503 | -10.1 | 3.5 |
| Rwanda | 121 | 113 | 269 | 352 | -149 | -239 | -1.7 | 6.9 |
| Sao Tome & Principe | 6 | 4 | 10 | 19 | -4 | -15 | -9.6 | 17.4 |
| Zaire | 1131 | 983 | 470 | 764 | 661 | 219 | -3.4 | 12.9 |
| EAST AND SOUTHERN AFRICA | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Angola | 1797 | 1327 | 816 | 1209 | 981 | 118 | -7.3 | 10.3 |
| Botswana | 636 | 1587 | 736 | 936 | -100 | 651 | 25.7 | 6.2 |
| Comoros | 19 | 12 | 34 | 50 | -15 | -38 | -11.4 | 9.8 |
| Djibouti | 11 | 19 | 221 | 210 | -210 | -191 | 14.9 | -1.3 |
| Ethiopia | 403 | 355 | 876 | 1066 | -473 | -711 | -3.1 | 5.0 |
| Kenya | 979 | 961 | 1357 | 1756 | -378 | -795 | -0.5 | 6.6 |
| Lesotho | 30 | 47 | 543 | 518 | -513 | -471 | 11.9 | -1.2 |
| Madagasca | 264 | 331 | 387 | 370 | -123 | -39 | 5.8 | -1.1 |
| Malawi | 244 | 277 | 311 | 295 | -67 | -18 | 3.1 | -1.3 |
| Mauritius | 366 | 884 | 442 | 993 | -76 | -109 | 24.6 | 22.4 |
| Mozambique | 132 | 156 | 636 | 768 | -505 | -612 | 4.4 | 4.8 |
| Seychelles | 20 | 22 | 88 | 113 | -68 | -91 | 2.1 | 6.5 |
| Somalia | 107 | 104 | 346 | 132 | -239 | -28 | -0.8 | -21.4 |
| Swaziland | 304 | 311 | 464 | 431 | -160 | -120 | 0.5 | -1.8 |
| Tanzania, United Rep. of | 372 | 288 | 802 | 923 | -430 | -635 | -6.2 | 3.6 |
| Uganda | 372 | 334 | 377 | 555 | -5 | -221 | -2.7 | 10.1 |
| Zambia | 836 | 873 | 851 | 816 | -15 | 57 | 1.1 | -1.0 |
| Zimbabwe | 1012 | 1427 | 1205 | 1209 | -193 | 218 | 9.0 | 0.1 |
| TOTAL AFRICA | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## Table 5: External Public Debt and Debt Service Ratio 1988

| Sub-region/Country | Debt stock (million US$) | | | | Debt Service (million US$) | |
|---|---|---|---|---|---|---|
| | L.T. | S.T. | Total* | %GDP | Amount | % GDP |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Algeria | 23229 | 1621 | 24850 | 53.8 | 8465 | 18.4 |
| Egypt | 43259 | 6522 | 49970 | 222.2 | 1954 | 8.4 |
| Libya Arab Jamahiriya | 600 | 1600 | 2200 | 10.4 | ... | ... |
| Morocco | 18767 | 200 | 19923 | 91.3 | 1961 | 8.7 |
| Sudan | 8418 | 2530 | 11853 | 131.1 | 164 | 2.2 |
| Tunisia | 6121 | 276 | 6672 | 64.4 | 1133 | 10.6 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Benin | 904 | 147 | 1055 | 68.7 | 92 | 6.2 |
| Burkina Faso | 805 | 59 | 866 | 47.4 | 53 | 2.6 |
| Cape Verde | 126 | 7 | 133 | 100.0 | 11 | 10.0 |
| Côte d'Ivoire | 11788 | 1828 | 14125 | 129.4 | 1355 | 11.9 |
| Gambia | 271 | 22 | 327 | 150.0 | 22 | 10.0 |
| Ghana | 2270 | 67 | 3099 | 64.6 | 577 | 12.5 |
| Guinea | 2312 | 190 | 2563 | 92.9 | 154 | 3.6 |
| Guinea Bissau | 389 | 32 | 423 | 200.0 | 8 | 4.0 |
| Liberia | 1101 | 222 | 1632 | 133.3 | 19 | 1.6 |
| Mali | 1928 | 65 | 2067 | 110.5 | 86 | 4.7 |
| Mauritania | 1823 | 183 | 2076 | 210.0 | 132 | 10.0 |
| Niger | 1542 | 105 | 1742 | 73.9 | 175 | 8.7 |
| Nigeria | 28967 | 1752 | 30718 | 98.4 | 2263 | 7.4 |
| Senegal | 3019 | 280 | 3617 | 85.7 | 396 | 9.5 |
| Sierra Leone | 510 | 108 | 727 | 77.8 | 35 | 3.3 |
| Togo | 1067 | 66 | 1210 | 85.7 | 140 | 7.1 |
| CENTRAL AFRICA | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Burundi | 749 | 12 | 793 | 66.7 | 67 | 5.8 |
| Cameroon | 3366 | 763 | 4229 | 30.2 | 652 | 5 |
| Central African Republic | 584 | 39 | 673 | 63.6 | 26 | 2.7 |
| Chad | 300 | 29 | 345 | 30.0 | 9 | 0.9 |
| Congo | 4098 | 650 | 4763 | 218.2 | 722 | 31.8 |
| Equatorial Guinea | 176 | 10 | 200 | 200.0 | 11 | 10.0 |
| Gabon | 2128 | 402 | 2663 | 81.8 | 127 | 3.0 |
| Rwanda | 585 | 44 | 632 | 25.0 | 22 | 0.8 |
| Sao Tome & Principe | 91 | 8 | 99 | 10.0 | 2 | ... |
| Zaire | 7013 | 675 | 8475 | 103.7 | 379 | 4.9 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Angola | 5700 | 700 | 6400 | 148.8 | ... | ... |
| Botswana | 494 | 5 | 499 | 27.8 | 74 | 3.8 |
| Comoros | 187 | 11 | 199 | 100.0 | 8 | 4.0 |
| Djibouti | 157 | 26 | 183 | 66.7 | 18 | 6.6 |
| Ethiopia | 2790 | 133 | 2978 | 56.6 | 267 | 5.7 |
| Kenya | 4869 | 564 | 5888 | 66.3 | 711 | 7.9 |
| Lesotho | 270 | 6 | 281 | 50.0 | 24 | 3.3 |
| Madagascar | 3317 | 95 | 3602 | 171.4 | 221 | 9.5 |
| Malawi | 1193 | 51 | 1349 | 92.8 | 161 | 7.1 |
| Mauritius | 709 | 49 | 861 | 47.4 | 201 | 10.5 |
| Mozambique | 4039 | 326 | 4406 | 314.3 | 57 | 4.3 |
| Seychelles | 123 | 36 | 159 | 66.7 | 14 | 3.3 |
| Somalia | 1754 | 116 | 2035 | 95.2 | 5 | 2.4 |
| Swaziland | 255 | 8 | 265 | 42.8 | 49 | 7.1 |
| Tanzania, United Republic of | 4100 | 560 | 4728 | 180.8 | 123 | 1.1 |
| Uganda | 1438 | 235 | 1925 | 40.4 | 129 | 3.8 |
| Zambia | 4194 | 1364 | 6498 | 180.5 | 177 | 5.5 |
| Zimbabwe | 2281 | 308 | 2659 | 50.0 | 584 | 11.5 |
| TOTAL AFRICA | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

* includes IMF credit

## Table 6: Social Indicators

| Sub-region/Country | Literacy | Students enrolled in first level of education: Total | Students enrolled in first level of education: Female (%) | Crude death rate per thousand population | Infant mortality rate |
|---|---|---|---|---|---|
| | 1987 | 1987 | 1987 | 1988 | 1988 |
| NORTH AFRICA | 49 | 15708 | 41.6 | 9.0 | 73 |
| Algeria | 54 | 3657 | 42.9 | 7.5 | 61 |
| Egypt | 47 | 6671 | 40.4 | 8.3 | 71 |
| Libya Arab Jamahiriya | 75 | 853 | 49.2 | 8.1 | 68 |
| Morocco | 36 | 2271 | 39.5 | 8.0 | 68 |
| Sudan | 36 | 1817 | 40. | 13.6 | 94 |
| Tunisia | 59 | 1357 | 45.8 | 7.6 | 59 |
| WEST AFRICA | 40 | 22099 | 42.8 | 16.8 | 113 |
| Benin | 27 | 446 | 34.1 | 17.7 | 101 |
| Burkina Faso | 16 | 436 | 36.9 | 17.1 | 128 |
| Cape Verde | 48 | 61 | 49.2 | 8.3 | 53 |
| Côte d'Ivoire | 47 | 1311 | 42.0 | 13.1 | 91 |
| Gambia | 29 | 83 | 39.8 | 24.9 | 154 |
| Ghana | 56 | 1441 | 44.0 | 12.1 | 81 |
| Guinea | 30 | 272 | 30.9 | 20.2 | 136 |
| Guinea Bissau | 36 | 77 | 35.1 | 18.4 | 122 |
| Liberia | 37 | 319 | 40.1 | 14.2 | 112 |
| Mali | 19 | 293 | 37.2 | 19.0 | 160 |
| Mauritania | 31 | 164 | 39.0 | 17.5 | 117 |
| Niger | 18 | 300 | 36.7 | 19.0 | 124 |
| Nigeria | 48 | 15264 | 44.0 | 14.3 | 96 |
| Senegal | 32 | 666 | 39.9 | 17.8 | 121 |
| Sierra Leone | 33 | 455 | 42.0 | 25.5 | 160 |
| Togo | 49 | 511 | 38.0 | 13.1 | 85 |
| CENTRAL AFRICA | 59 | 10080 | 44.2 | 14.8 | 98 |
| Burundi | 36 | 518 | 43.1 | 15.8 | 105 |
| Cameroon | 59 | 1855 | 47.0 | 13.2 | 86 |
| Central African Republic | 43 | 279 | 39.1 | 18.5 | 122 |
| Chad | 26 | 322 | 27.0 | 18.3 | 122 |
| Congo | 66 | 515 | 48.9 | 15.7 | 65 |
| Equatorial Guinea | 40 | 78 | 48.7 | 17.8 | 117 |
| Gabon | 69 | 198 | 49.0 | 16.1 | 94 |
| Rwanda | 47 | 943 | 49.0 | 15.7 | 112 |
| Sao Tome & Principe | 62 | 16 | 50.0 | ... | ... |
| Zaire | 65 | 5356 | 43.0 | 13.2 | 90 |
| EAST AND SOUTHERN AFRICA | 68 | 23853 | 46.5 | 15.4 | 102 |
| Angola | 53 | 978 | 46.0 | 19.0 | 127 |
| Botswana | 81 | 249 | 51.8 | 10.1 | 58 |
| Comoros | 59 | 63 | 44.4 | 13.0 | 72 |
| Djibouti | 59 | 30 | 43.3 | ... | ... |
| Ethiopia | 67 | 2588 | 39.0 | 20.5 | 138 |
| Kenya | 68 | 5054 | 48.0 | 10.5 | 64 |
| Lesotho | 77 | 333 | 55.9 | 13.8 | 89 |
| Madagascar | 74 | 2345 | 48.0 | 14.0 | 52 |
| Malaw | 43 | 1002 | 43.0 | 18.3 | 138 |
| Mauritius | 86 | 144 | 49.3 | 5.7 | 20 |
| Mozambique | 48 | 1264 | 44.0 | 16.9 | 138 |
| Seychelles | 74 | 15 | 46.7 | ... | ... |
| Somalia | 20 | 196 | 35.2 | 20.8 | 138 |
| Swaziland | 71 | 146 | 49.3 | 14.4 | 107 |
| Tanzania, United Republic of | 94 | 3285 | 50.0 | 12.6 | 97 |
| Uganda | 60 | 2077 | 44.0 | 13.9 | 94 |
| Zambia | 81 | 1429 | 47.0 | 12.5 | 72 |
| Zimbabwe | 78 | 2355 | 49.0 | 9.9 | 64 |
| TOTAL AFRICA | 52 | 71920 | 43.8 | 13.7 | 91 |