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**MULTINATIONAL PROGRAMMING AND  
OPERATIONAL CENTRE (MULPOC) FOR  
WEST AFRICA**

**REPORT ON THE PROSPECTS AND  
CONDITIONS REQUIRED FOR EXPORTS  
DIVERSIFICATION IN WEST AFRICA**

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8. In the mining sector also, the African sub-soil is undoubtedly the richest in the world ; precious stones, gold, oil, gas, copper, bauxite, uranium, cobalt iron, phosphates, among others, abound in the African sub-soil. A sign, revelatory of this fact, is the presence, on the continent, of numerous multinationals and foreign companies prospecting for and extracting mineral resources.

It is, moreover, from the products of the extractive industries that the continent realises its best result, in terms of world export : 10.4 percent of the world export of mining products in 1993, as against only 3.5 percent from export of agricultural produce and 0.7 percent from manufactured products <sup>1</sup>

9. Such a situation poses clearly the problem of local human capacities and acquisition of technology required for efficient and profitable exploitation of the natural endowments of the region. The solution of this problem will make it possible for Africa to realise a substantial increase in its potential for export to the rest of the world in terms of quantity and value.

10. Limiting oneself to West Africa, which is of interest to us as far as this study is concerned, it is necessary to point out that the context described above is equally applicable to this subregion which is representative of the African continent. In other words, West Africa's mineral and agricultural potential is considerable in spite of the desertification which is threatening to spread if appropriate control mechanisms are not put in place.

11. In determining the export potential, we deem it necessary to differentiate between trade that can be promoted in the subregion and West African States' potentials for export to the remotest countries of Europe, Asia or America. To buttress this option, one can take the typical example of manufactured products : some of the countries of the subregion (especially, Côte d'Ivoire, Ghana, Nigeria and Senegal) produce manufactured goods which generate substantial trade within the subregion but insignificant and even non-existence in terms of trade with the rest of the world (cf. Annex 1), and this situation is attributed mainly to lack of competitiveness and, sometimes, to poor quality, characteristic of our manufacturing sector under the present circumstances.

## **2.2. NATURAL ENDOWMENTS OF THE SUBREGION**

### **2.2.1. - Agro-sylvo-pastoral resources**

12. Traditionally, the West African subregion can be subdivided into two major zones according to the agro-climatic conditions. Among the landlocked sahelian countries are: Burkina Faso, Mali and Niger which produce mainly local cereals (especially, millet and sorghum) during the rainy season, for home consumption. These countries also raise a lot of cattle, sheep and goats that are marketable, essentially, in the subregion. During the off-season which is approximately

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1. GATT : trends and statistics on international trade 1994.

## I - INTRODUCTION

1. The study on the "prospects and conditions required for exports diversification in West Africa " was included in MULPOC'S 1996-1997 work programme by the 14th meeting of its intergovernmental Committee of experts held in Cotonou from 27th to 31st March 1995.
2. The study finds its justification, essentially, in the need for the continent, in general, and West Africa, in particular, to adopt a development strategy, taking into account the preponderant role of exports in the growth of national economies.
3. As it will be seen later on, the subregion has a great natural and human potential for the implementation of such a strategy. Moreover, the present context characterised by the structural adjustment, devalued CFA franc and the implementation of the Uruguay Round Agreements, among others, augurs well for the development of our exports.
4. However, there are also a number of obstacles, among which, can be cited : absence of marketing outlets attributed either to insufficient demand or to excess of supply ; low competitiveness of our products (finished products, in particular) ; lack of innovation (absence of new products) ; the historical links which hamper geographical diversification of exports ; inadequate infrastructure ; as well as shortage of funds.
5. The present study will, therefore, deal successively with the potential and prospects for diversifying the subregional exports before examining the conditions required to achieve this objective.

## II - EXPORT POTENTIAL

### 2.1. GENERAL CONTEXT

6. The African continent is endowed with enormous natural resources. From the point of view of agriculture, all the subregions have very fertile lands. Moreover, the irrigation potential is very poorly exploited (hardly 10 percent of the irrigable lands are effectively exploited, according to FAO), yet irrigation could have made it possible, on the subregional scale, to overcome difficulties like drought in saharan and southern Africa or even the high population growth, implying an increase in foods needs.
7. Africa is among the greatest producers of coffee, cocoa, tea, topical fruits, cotton, timber, fishes etc... Moreover, its fauna and flora are greatly utilised in various sectors ranging from tourism, pharmaceutical industry, down to cottage industry.

### **2.2.2. Mineral resources**

16. West Africa is endowed with a lot of mineral resources ; the greater part of the production is exported to the industrialised countries, most often in the raw state. The major mineral wealths available, together with the countries that produce them are listed as follows :

**Bauxite** : Guinea, Ghana, Sierra Leone, Guinea-Bissau

**Iron** : Mauritania, Liberia, Senegal

**Uranium** : Niger

**Phosphates** : Senegal, Togo, Guinea-Bissau

**Oil** : Nigeria, Benin, Côte d'Ivoire, Guinea Bissau

**Gas** : Nigeria

**Diamond** : Liberia, Sierra Leone

**Gold** : Ghana, Mali, Niger, Burkina Faso, Sierra Leone

**Manganese** : Ghana

**Tin** : Nigeria

**Titanium** : Sierra Leone

### **2.2.3. Other Natural resources**

17. As indicated earlier on, the diversity of the fauna and flora of West Africa's savanas and forests provides good prospects for the development of tourism industry and the related service activities such as hotel and catering businesses. Cottage industry is a sector which should have also better advantage both of the abundance of raw materials stemming from the bio-diversity (timber and hides and skins, notably) and the wealths of the sub-soil (metals), as well as tourism susceptible of increasing the demand for objects of art.

## **2.3. THE DIFFERENT EXPORT DIVERSIFICATION AXES**

### **2.3.1. Horizontal and vertical diversification**

from October to March, market-garden produce and vegetables are produced in large quantities through irrigation. This period of the year, which corresponds to winter in the Western countries, is favourable for certain exports to those countries ; it is a period when fruits and vegetables get good prices in the countries of the North. Foodstuffs, such as, French beans, strawberries or tomatoes can, therefore, be further exported to those countries if only means of transport by air are available and the international trade agreements are applied, taking into account the precarious economic situation facing African countries and the least developed countries, in particular. Other cash crops such as cotton are also produced during the rainy-season for export outside the subregion.

13 As regards the coastal countries, their potential is mainly in the production of maize, root-crops and tubers (yam, cassava) palm oil and fishes, all of which can be sold to the neighbouring and African countries. Tropical fruits (bananas, pineapples, pears) and horticultural products (flowers, plants, core of palm-tree) are also exportable within the subregion and to the Northern hemisphere. Timber and rubber can also be exported to the industrialised countries.

14. The sahelian coastal countries (Cape Verde, Gambia, Mauritania and Senegal) have characteristics which, by definition, embrace the two categories of countries previously described. Like some of the landlocked sahelian countries, they have a considerable potential in the production of market-garden produce and vegetables (groundnuts, beans) and like a great number of the coastal countries, they have great potential in fish and other sea products (the coastlines of Mauritania and Senegal are among the most fish-bearing coastlines of the world) as well as in horticulture.

15. In terms of exports, the agricultural potential which has just been analysed is summarised in table n° 1 below :

**Table n° 1 : The subregion's potential in export of agricultural produce**

Sahelian countries : Burkina Faso, Mali, Niger	Livestock (sheep, cattle, goats, camelines) fruits and vegetables (mangoes, Strawberries, beans (niébé), French beans, onions) cotton Karite almonds
Coastal countries : Benin, Côte d'Ivoire, Ghana, Guinea, Guinea Bissau, Liberia, Nigeria, Sierra Leone, Togo	Coffee, Cocoa, timber, cotton, hevea, Palm oil, tropical fruits (pineapples, bananas, pears, oranges) Maize, yam, cassava, fishes
Sahelian coastal countries : Cape Verde, Gambia, Mauritania, Senegal	Fishes and shellfishes Livestock Niébé (beans), groundnuts

**Source : Bibliography**

23. It should, however, be pointed out that if the continents of the Northern hemisphere represent crucial marketing outlets for Africa, in general, and the subregion, in particular, the converse is not true, due to the fact that the integration processes are advanced in these parts of the world : within the European Union (EU), for example, the intra-zonal trade accounts for nearly two-thirds of the exchanges.

24. Intensification of certain exports (those still low) can be likened to diversification. The objective, in this case, is similar to that of geographical diversification of exports. It involves reducing the dependence on produce, the main source of revenue under the present circumstances. Conscious of the unpredictability of the international markets and the fact that developing countries have no control over the world prices of a great number of basic commodities, one easily realises the need for our countries to have a more varied range of export products.

## **2.4. EXPORT POSSIBILITIES**

### **2.4.1. At The sub-regional level**

25. One can distinguish two (2) main categories of products sustaining trade in West Africa. They are : food products and manufacturing articles.

26. Concerning the first category, it must be pointed out that there is quite a wide range of food products which are marketed among the States of the subregion. Table 2 shows the main exportable foodstuffs in the subregion.

27. It is necessary to add that trade in food products are encouraged by the trade liberalisation programmes between the member states. Thus, since the decision taken on 28th May 1981, raw products (food crops included) have been circulating freely within the ECOWAS zone without taxation. The informal trade has concurrently been substantial even though it is difficult to know its volume.

28. On the other hand, it should also be mentioned that table 2 does not include certain products such as kola nuts (produced by the coastal countries and highly consumable in the Sahel), potassium carbonate or salt, among others. Apart from the fact that these products can hardly be classified among the food crops, there is also the fact that they have little prospects of diversifying exports as the consumption of the products is almost exclusively local.

### a) Horizontal diversification

18. This form of diversification aims at promoting new primary products for export. From the point of view of agriculture, which is West Africa's vocation, one can observe real possibilities for creating new products. For example, not all the varieties of mangoes available today existed barely two decades ago : agronomic research (graft and hybridisation) has permitted such diversification.

19. As regards mineral resources horizontal diversification means stepping up the prospecting of the sub-soil. Several member states, particularly, the landlocked sahelian countries, are presently working in this direction in conjunction with foreign companies : Intensive research works are carried out by Mali, Burkina Faso and Niger in the Liptako-Gourma region with a view to ensuring appreciable increase in gold production. This policy of systematic prospecting should have been extended to cover the entire West African subregion but it is coming up against the problems of shortage of financial, material and technical resources.

### b) Vertical diversification

20. Vertical diversification involves processing of products with a view to increasing their value for export. The subregion's potential in this field is equally great since agriculture, just like the wealth of the sub-soil, permits to have considerable raw materials capable of being utilised by some of the processing industries. Moreover, agro-industries account for 60 percent of the value added created by industry in Africa.

21. However, the manufacturing value added, in West Africa, accounted for only 7.64 percent of GDP in 1993 <sup>2</sup>. It, therefore, appears that there is absolute need to strive to ensure that industry's contribution to formation of national wealths is substantially increased ; hence the need to pursue the development of agro-industries (in view of the subregion's highly agricultural vocation) and to embark on a much more extensive processing of mineral resources.

### 2.3.2 Other aspects of diversification

22. Geographical diversification of exports : it involves trying to balance the destination of exports by aiming at other potential customer countries even if it means reducing the dependence vis-à-vis certain traditional customer countries. indeed, in the present situation, Europe occupies a prominent position vis-à-vis the subregion's sales to the outside world just like the European Union is also the first customer of the whole of Africa. It is, notably, France, Germany, Italy, Benelux, Portugal which contribute to making the European Union (EU) West Africa's major importer ahead of North America and Asia. Nigeria's oil exports to North America are largely responsible for the importance of North America as destination of the sales of the subregion. Finally, Asia with countries such as China, Japan and Thailand, is an important customer of the subregion, notably, of countries like Mali, Mauritania and Burkina. <sup>3</sup>

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2. ECA Report on the economic and social situation in Africa 1995.

3. "Jeune Afrique" Directory, 1994 Edition.



30. Particularly, in line with the import substitution policy which the devaluation of the CFA franc has come to strengthen, many are the articles whose subregional trade is expected to develop. Among the major groups of finished or semi-finished products can be cited mainly :

- processed food products (fruit juice, jam, canned vegetables, chocolate, coffee, oil, etc...) ;
- Other agriculture-based products (boards, hides and skins) ;
- Products derived from extractive industries (aluminium articles, phosphates fertilisers, bricks, tiles, etc...) ;
- Sanitary products and cosmetics (cotton, paper napkins, sanitary paper, beauty creams, etc...) ;
- Clearing products (soap, detergent, insecticides, etc...) ;
- Pharmaceutical products (drugs, serum, etc...) ;
- Plastic products (plates, buckets, sachets, packing cases, etc...) ;
- Textiles (wax and fancy prints).

31. West African States are not at the same level in terms of their ability to carry out these productions. In other words, their levels of industrialisation are different. Ecowas proposes the following classification in its scheme for liberalisation of trade in industrial products originating from the community :

**Relatively More industrialised countries :**

Côte d'Ivoire, Ghana, Nigeria, Senegal.

**Relatively Least Industrialised countries**

Burkina Faso, Cape Verde, Gambia, Guinea Bissau, Mali, Mauritania, Niger

**Intermediary countries**

Benin, Guinea, Liberia, Sierra Leone, Togo.

32. Mention should also be made of a great potential in the area of extractive industries (oil, marble, bauxite, etc...) This potential is particularly useful in terms of supply of raw materials to some subregional enterprises.

33. There are other production or service sectors which need to be mentioned (hydro-electric power, transit and the related operations etc...).

**2.4.2. At the extra-subregional level**

34. In this part, one will deal especially with identifying the possibilities of exporting to the markets of the industrialised countries of Europe, Asia and America. It should be pointed out that there are diversification prospects in almost all the production sectors, according to Member States. The sectors concerned are, therefore, agricultural products, mineral products, handicrafts, tourism and, finally, manufacturing products.

Table 2 : Main foodstuffs exportable within West Africa

Products	Potential Exporters	Potential Importers
<u>Staple foods</u>		
maize	Togo, Côte d'Ivoire	Niger, Burkina Faso, Mali
Yam	Nigeria, Côte d'Ivoire	Mali, Niger
Cassava	Côte d'Ivoire, Benin	Mali, Burkina Faso
Niébé (beans)	Niger, Senegal	Nigeria
<u>Vegetables</u>		
French - beans	Burkina, Mali, Niger, Senegal	Côte d'Ivoire, Ghana
Fresh tomatoes	Burkina Faso, Mali, Senegal	Togo, Mauritania
Onions	Niger	Côte d'Ivoire, Benin, Togo
<u>Fruits</u>		
Mangoes	Mali, Guinea, Burkina Faso	Senegal, Niger
Bananas	Côte d'Ivoire, Benin, Togo, Ghana, Guinea	Mali, Niger
Fresh Pineapples	Côte d'Ivoire, Togo, Benin, Nigeria, Guinea	Niger, Burkina Faso
Pears	Côte d'Ivoire, Togo	Mali, Burkina
<u>Animal Products</u>		
Livestock	Mali, Niger, Mauritania, Burkina Faso	Côte d'Ivoire, Nigeria, Ghana, Togo, Benin, Liberia, Sierra Leone
Fishes	Mauritania, Senegal, Gambia, Guinea, Guinea-Bissau, Sierra-Leone, Liberia, Cape-Verde	Niger, Mali, Burkina-Fasso, Togo, Benin, Nigeria
Shell fishes	Cape-Verde, Gambia, Mauritania, Senegal, Guinea, Togo	Burkina Faso, Niger, Mali

Sources : Diverse

29. The Manufactured goods of local origin has a great potential for trade development in West Africa just like the rest of the continent whose imports, it must be recalled, are constituted essentially by products of this category ; 80.8 percent of the goods imported by Africa from the European Union were products manufactured in 1992.<sup>4</sup>

4. GATT "Trends and statistics of international trade 1994".

42. **GUINEA BISSAU** : The country exports particularly cashew nuts which, alone, accounts for half of the total value of the export revenue. Shrimps and timber are, to a lesser extent, two other important export products. Guinea-Bissau's diversification potential resides in the still scantily exploited or completely unexplored wealth concealed in her sub-soil : (especially, bauxite, phosphates and oil). In the spirit of balancing the sources of revenue, one should also think of increasing the contribution of sea products (especially, fish) to exports, although the proceeds from the issuance of permits to foreign fishing trawlers already account for 43 percent of Government revenue.

43. **LIBERIA** : The traditional exports are composed of timber (29 percent of overall exports), iron ore (28 percent) and natural rubber (26 percent). The diversification sector to be considered boils down essentially to coffee and cocoa, with regard to agriculture ; as for minerals, there are some manganese, bauxite, gold and tin-ore deposits, which are being exploited .<sup>7</sup>

44. **MALI** : In term of exports, three products play a predominant role. Cotton, according to UNCTAD Statistics, accounts for 47 percent of Mali's exports and livestock 29 percent. The third important product is gold which accounts for about 18 percent. Prospects for diversification are to be identified in the fields of market-gardening (French beans, mangoes), livestock-derived products (especially, hides and skins), and also of the mineral reserves (bauxite and iron) estimated at 800 million and one billion tonnes respectively.

45. **MAURITANIA** : Exploitation of iron ore and fishing (shell fishes and fishes) generate the greater part of the export revenue of the country. Each of the two activities makes almost the same contribution (about 50 percent) according to statistical sources. Possibilities for diversification should be envisaged, especially, in the field of animal husbandry (especially, hides and skins) and also in further processing of fishing products and iron ore.

46. **NIGER** : Niger's exports are composed of uranium (79 percent) and livestock (14 percent) <sup>8</sup>. Off season crops such as French bean or strawberries, can be exported to Europe, in particular. Livestock by-products, notably, hides and skins, are other alternative. Moreover, it appears that Niger has other mineral wealth's, for example, gold in the area.

47. **NIGERIA** : The country is excessively dependent on oil (96 percent of the revenue in 1992 <sup>9</sup>. It will, therefore, be desirable to embark on the development of other sectors susceptible of exporting more and, particularly, agriculture : cashew nuts, pineapples, ginger, vanilla, coconut, cocoa, etc... Nigeria should do everything possible to be able to export its manufactured products beyond West and Central Africa in view of its industrial experience and the size of its big domestic market..

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7. African Federation of Chamber of Commerce. African Trade Directory. Vol-1 - 1993.....

8. UNCTAD - Analysis of trade and trade between developing countries, June 1994.

9. Jeune Afrique, 1994, Directory.

35. **BENIN** : In 1992, cotton accounted for 75.6 percent of the export revenue<sup>5</sup>. Benin, however, has a potential for diversification in agricultural production : palm oil, karite, pineapples. In the mining sector, Benin has some resources that are still unexploited such as oil, gold and numerous construction materials.<sup>6</sup>

36. **BURKINA FASO** : According to UNCTAD data, cotton, gold and livestock are Burkina's major exports. The prospects for diversification of its exports reside in products such as fruits and vegetables (notably, mangoes, strawberries and French beans) ; they presently represent a very small percentage (hardly 6 percent) of the overall exports. Karite also constitutes an export potential.

37. **CAPE VERDE** : The fisheries sector (tuna, lobster and other species) account for 40 percent of export revenue. Diversification prospects seem rather limited : emphasis should particularly be placed on the need for a vertical diversification through greater industrialisation of the sector with a view to having a product under different forms of presentation (fresh, chilled, sealed, salted or canned fish etc...) likely to meet the varied demands.

38. **COTE D'IVOIRE** : presently, the major exports of the country are : cocoa (major world producer), coffee, timber, tropical fruits and rubber. Côte d'Ivoire's diversification potential is in horticulture (flowers, tropical plants, palm cores), Fabrics (loincloths), oil, among others. The new impetus given to certain tropical fruits (pineapples, bananas) which had lost their share of the market, is also expected to boost diversification by way of re-balancing the sources of revenue.

39. **GAMBIA** : Gambia's exports are presently based essentially on groundnuts and fishes. Market-garden and horticultural produce (mangoes, green pepper, flowers, ornamental plants, etc...) can serve as basis for diversifying exports. Vertical diversification based on agro-industries is possible from fisheries products. Gambia's territorial waters are also said to conceal oil.

40. **GHANA** : Four (4) primary products : cocoa, timber, gold and manganese presently dominate Ghana's export trade. There are, however, opportunities for diversification in many fields : Fishing which is to be revived, the cultivation of oil palm, cotton, sugar-cane, tobacco and especially hevea (rubber) should be developed industrially in order to increase exports. In the mining sector, there is the need to reactivate diamond and bauxite mining. Oil reserves have been discovered in commercial quantities off-shore.

41. **GUINEA** : Diversification of exports is presently on a small-scale. According to UNCTAD data, bauxite and iron accounted for about 84 percent of the overall export revenue in the early 1990s. Diamond ranked second (9 percent). With her favourable agro-climatic conditions, Guinea has a great potential in both the production of sea products (particularly, shrimps) and tropical fruits (mangoes, bananas, pineapples).

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5. "Jeune Afrique" Directory 1994, 101.

6. CBCE, le Bénin de renouveau : Un chantier porteur.

- Sahelian countries :**
- Fruits and vegetables
  - Hides and skins
- All countries (Coastal and Sahelian) :**
- Mining products
  - Cotton
  - Oil-seeds
  - Tourism
  - Handicrafts

### III. NEED TO DIVERSIFY EXPORTS

#### **3.1. EXPORT-BASED GROWTH ON EXPORTS : THEORETICAL AND HISTORICAL ASPECTS**

53. It is widely believed that opening onto the outside world and trade liberalisation are the best guarantee for economic development. Accumulation of capital and investment which result from the development of exports, contribute to the strengthening of the domestic production potential - from the points of view of technology and capacities and encourage sustained increase in trade and growth.

54. The theory of growth derived from export is simple : not only does expansion of exports contributes directly to increase in the revenues of the factors of production in the export sector, but it also creates a new demand for factors and services. By influencing the domestic production capacity, expansion of the export sector can stimulate technological development. It can also, through cost reduction realised as a result of economies of scale, encourage new activities utilising the product of this sector as factors of production. Furthermore, a dynamic export sector opens onto the outside world, generates an international trade culture which encourage modernisation of economy.

55. History offers numerous examples of countries where growth has been stimulated by exports. The most remarkable among such countries is, perhaps, Great Britain which became a world power through export of textiles, then iron and coal. In the contemporary world, the phenomenon is illustrated, notably, by the rapid development of the new industrialised countries of East Asia such as Singapour, Republic of Korea, Hong Kong and the Chinese province of Taiwan.

56. The relationship between export growth and economic development, depends, among others, on the characteristics of the export sector and external market conditions. The literature on economic history seems to indicate that, at the initial stages of development, expansion of exports has more chances of contributing to general economic development if the export sector is characterised by a high labour coefficient. In a mostly agrarian society (Africa is), the food industry which processes local products or the light industry with a high labour coefficient can contribute to social development more than an advanced capitalistic industry which, very often, does not ensure transfer of technology to the local labour force.<sup>11</sup>

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11. UNCTAD, Analysis of trade and statistics between developing countries June 1994, PP. -19.

48. **SENEGAL** : The World Bank, according to a classification into four (4) categories of products <sup>10</sup>, feels that Senegal's exports are relatively diversified, with fishes topping the list and accounting for 26 percent of the overall exports in 1992. Coming next to fishes are phosphates including fertilisers (20 percent) and groundnut products (8.6 percent). The export sectors to be promoted can be cotton and market-garden product (particularly, French Beans) whose exports are presently insufficient (less than 5 percent of the overall exports). Senegal seems to have an export potential in mining products : calcium, bauxite, iron, etc...

49. **SIERRA LEONE** : Sierra Leone's exports, are, so far, dominated by mining products. Titanium, bauxite and diamond accounted for 47.26 and 14 percent respectively of the country's exports in 1992. Fishes and shellfishes also constituted a great part (about 10 percent of the overall exports). Prospects for diversification reside essentially in agricultural produce such as coffee, cocoa, ginger et palm-oil, among others.

50. **TOGO** : the country exports mainly phosphates (26 percent of the overall exports in 1992) ; cotton (17 percent) ; coffee and cocoa (8 percent). Fishes and shellfish also occupy an important place. Possibilities for diversification are expected to be envisaged preferably in the mining sector, as Togo possesses iron-ore reserves estimated at 500 million tonnes ; development of coffee and cocoa. Tropical fruits (pineapples, pears, bananas), oilseeds (karite, oil-palm) as well as horticulture (plants) also provide export opportunities.

51. This survey of potentialities will not be complete without making mention of two (2) important inter-related sectors. They are the handicraft and tourism sectors which can be likened to export of services. Three (3) countries (Cape Verde, Gambia and Senegal) illustrate particularly, the substantial resources that can be generated from tourism and the related activities such as hotel and catering businesses, handicrafts and hunting, among others... Indeed, in these countries, the tertiary sector provides nearly two-thirds (about 60 percent) of the national GDP due, partly to tourism. But the entire subregion has a great potential in this field, with the coastal countries, which number up to thirteen (13) out of the countries making up West Africa, having an undeniable advantage.

52. At this juncture, it should be stated that the possibilities for non-traditional exports should be examined in relation to the geographical situation and the potential of the States. Furthermore, it is necessary to consider the need to encourage promotion of extra-subregional exports with a view to really enriching the subregion. These possibilities can be summarised by group of countries and by categories of products as follows :

**Coastal countries :**

- Tropical fruits
- Fishes and shellfishes
- timber and rubber
- Horticulture
- Coffee/Cocoa

10. Primary Products : fuels, manufactured products and services, World Bank, Report on development in the world, 1995.

62. Although Nigeria's imposing trade surplus (3.8 billion US dollars in 1993) permits the subregion, as a whole, to have a trade surplus vis a vis the rest of the world (more than 3 billion dollars), it is desirable for each state to balance at least its trade balance. This is important, for the inflows of private and public financing are reduced and, at the same time, internal resources are limited and difficult to mobilise.

### **3.5. INCREASING THE VALUE ADDED OF EXPORTS**

63. For the export sector to become a veritable prime mover of growth and development of our countries, it is necessary to promote increase in the value added of products through processing. In other words, emphasis should be placed on vertical diversification with a view to strengthening the inter-sectoral links favourable to industrial development.

64. Indeed, it is noted that mineral resources, for example, are mainly exported in their raw form or, at most, in semi-finished form. The revenue generated by this type of exports can constitute an important source of foreign exchange, but they do not, necessarily, encourage local formation of capital because the durable goods are often imported, and do not stimulate technological advancement either, for the degree of processing is relatively low. Such observation is general as it is also valid for the agriculture-based products which are more often exported in their raw states.

65. Yet, through the promotion of value added in the export sector, the external trade sector, will have a favourable impact on employment, revenue, human capital and productivity.

## **IV - CONDITIONS FOR DIVERSIFYING EXPORTS**

### **4.1. - MEASURES TO BE RECOMMENDED**

66. One of the challenges to be faced with a view to achieving the strongly recommended diversification is to produce in sufficient quantity, with acceptable quality, punctuality and regularity. It is, indeed, at this price that Africa will be able to penetrate the international market whose exigencies are considerable.

#### **4.1.1. - Training and research**

67. Training and research should, with the increase agricultural inputs be part of the essential points of the strategy to be utilised. The subregion should develop its potential in agronomic and biotechnological research with a view to increasing outputs and diversifying its supply of agricultural produce. In the mining sector too, not only is the capital foreign but also the technical know-how needed for the exploitation of the sub-soil.

### **3.2. Stabilisation of export revenue**

57. It meets a requirement in development planning of countries. Governments need to know the contribution that can be expected from the export sector, notably, in order to allot shares between external and internal financing on future investments in particular. It is understood right from there that west Africa's dependence vis-à-vis the world price fluctuations as well as the deterioration of the terms of trade <sup>12</sup> are to be combated by a policy aimed at expanding as much as possible the range of exported products.

58. At this juncture, the GATT data (Cf annex 2) indicate that export price index of primary products has been dropping since 1990, particularly, for hides and skins, aluminium, phosphates or oil. Prices of cotton, coffee and cocoa, after having dropped, picked up again in 1994. That of banana experienced a contrasted trend. Only some few rare products like timber, rubber and oilseeds appreciated.. But the promotion of timber exports is expected to raise an environmental problem in a subregion where desertification is a real cause for concern.

59. Stabilisation and, if possible, increase of export revenue cannot be achieved as long as only one (1) or two (2) products will continue to dominate. Among the countries with the least diversified export structure, one can cite Nigeria, depending 94 percent on oil, Guinea whose bauxite accounts for 84 percent of exports, Benin and Niger where cotton and uranium respectively account for three - quarters of the overall value of exports. The other countries are hardly more diversified because with two or three primary products they briskly realise more than half of their export revenue (see above...)

### **3.3. AVOIDING MARGINALISATION OF THE SUBREGION**

60. In 1990, the share of the entire ECOWAS member states in the world exports was only 0.6<sup>13</sup> whereas the population of west Africa represents about 3 percent of the world population. The situation of the subregion is representative of the continent (2.6 percent) of the world exports in 1992 according to GATT) whereas one would have to multiply exports by, at least 5, if one wanted to maintain the relationship proportional to the population.

### **3.4. BALANCING OF TRADE BALANCES**

61. Of the 16 states of the subregion, nine (9) : Benin, Burkina Faso, Cape Verde, Gambia, Ghana, Guinea - Bissau, Mali, Senegal and Togo have structurally negative external trade balances, notably, over the period 1988 and 1992/1993. Only two (2) countries, Côte d'Ivoire and Nigeria have structurally surplus external trade balances. The other 5 countries : Guinea, Liberia, Mauritania, Niger and Sierra Leone record good year, bad year, sometimes surpluses, sometimes more or less substantial deficits (Cf. annex 3)

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12. S. LARIVIERE and F. MARTIN, theories of comparative advantages and dependence as applied to the analysis of West Africa's external trade, Sahel Center, University of Lava, January, 1991 - P.12.

13. CNUCED. analysis of trade and trade statistics between developing countries-(OP. Cit) P.16.



#### **4.1.5. Promotion of food self-sufficiency and industrialisation**

73. Promotion of food self - sufficiency and industrialisation are two essential points which condition the future development of the subregion in view of west Africa's strong agricultural vocation and the importance of industrialisation for a real development.

74. As regard food self - sufficiency, it should be recalled that it constituted a compulsory point of passage for all the nations that are developed today. It will, therefore, be difficult for our states taken individually or better still, collectively (which will have the advantage of encouraging intra-subregional exports) to make some savings from there. Apart from the means such as training, research or the agricultural inputs already mentioned, it is absolutely necessary to equally speculate on the behaviour of consumers in order to encourage the local producers.

75. Indeed, the massive import of Asiatic rice and even of fruits and vegetables hampers production which is facing the problem of lack of marketing outlets, whereas surveys show that West Africa has the capacity to have surplus production in cereal like maize as well as in staples like yam or cassava (especially, the coastal countries) and that the sahelian countries, on their part have a real potential in market - garden crops and vegetables.

76. West Africa's industrial development should, first of all, start with an effective establishment of a subregional market which will permit national and indigenous multinational enterprises to realise economies of scale with a view to reconquering the domestic market. It seems illusory, at the present stage, to want to compete with manufactured products of the Western World and of the New Industrialised Countries (NIC) in their own market.

77. In contrast, it is expected that through a process of apprenticeship and progressive improvements in our domestic markets, one can acquire experience and competitiveness. This, in the long run, will enable the subregion to export in areas where it possesses a great potential (agro - industries, processing of products of the extractive industries, among others). The high labour - intensive industries will then be a primary asset (as salary costs are low in Africa), pending the time when a more capitalistic industry will develop.

#### **4.2. KNOWING HOW TO COUNTER-BALANCE NEGATIVE EFFECTS AND TAKING ADVANTAGE OF THE AGREEMENTS, CONVENTIONS AND OTHER INTERNATIONAL EVENTS.**

78. It is believed that the results of the Uruguay Round, in view of its tendency to favour a more far - reaching trade liberalisation, will reduce the promotional effect of trade preferences on exports, which the least developed countries have been enjoying up to now. However, a sectoral analysis of the final Act of the Agreements permits to isolate a certain number of domains where the developing countries, in general, and the least developed of them, in particular, will continue to enjoy preferential conditions (Cf. annex IV). Following the Uruguay Round, within the European Union, for example, customs duties on chilled fishes, preparations

#### **4.1.2. - Trade promotion**

68. Our countries should, in addition to production, show themselves more enterprising in commercial matters vis-à-vis some of the rich countries of the North. In this regard, one should, for example, insist on the use of our embassies in those countries ; they should constitute bridge-heads for our exporters by furnishing them with information on the Western markets and furnishing the latter with information on products available in West Africa for export. Certain countries, Côte d'Ivoire among others, go a step further to send joint (State/Private Sector) trade mission abroad charged with the responsibility of presenting their export potential.

#### **4.1.3 - Adoption of specific instruments**

69. In this connection, recourse to the Industrial Free Zones (IFZ) can be useful in export promotion on condition that regulations are adapted to the required objective. Apart from the States reducing taxes to enhance the competitiveness of the products of the Industrial Free Zone (thus, encouraging investments, at the same time, in the said zones), a congenial environment for business operations and management should also be guaranteed for instance, availability of good physical infrastructure and of sources of energy at moderate prices is as crucial as labour laws which should preferably show some flexibility. The experiences of countries like Togo or Senegal which has an industrial Free Zone since 1974 will be useful to examine and improve upon.

70. In recent years, a number of countries have taken the initiative to revise their investment code granting more benefits to entrepreneurs with a view to attracting, notably, much more direct foreign investments which are generally rare on the continent. Even if such « concessions » result, in the short - term, in loss of revenue for the states, sight should not be lost of the fact that in the medium and long-term, Direct Foreign Investments (DFI) provide opportunities for training of qualified staff and transfer of technology, everything needed to render the local economies competitive.

#### **4.1.4. Promotion of business acumen**

71. Promotion of entrepreneurial acumen should be conceived within the global framework of promotion of the entire private sector. Entrepreneurial acumen can, indeed, be highly stimulated through creation of an environment which encourages private initiatives. By environment is meant, for example the financial and fiscal context, among others.

72. It will also be good to listen to the entrepreneurs in order to know their specific needs. The State and its different administrations concerned, and also the banking and financial sector, as well as the international donors should organise meetings in the form of seminars, for the attention of the economic operators, to inform them of the services and assistance that can be rendered to them and the requirements that should be met in order to get such services and assistance. In the course of such meetings, the operators can also present their complaints directly ; this will generate reflections and proposals for possible solutions to the problems identified.

eroded by the devaluation have adopted the tendency of substituting local products for imported ones. This phenomenon has been observed, especially, in the case of basic food items such as meat, rice or oil. In contrast, the gain in competitiveness vis-à-vis the price of processed products has not been substantial as the price of inputs, which have made profit has also doubled following the change in parity. In external markets the UMOA countries have made profit from products such as cotton, palm oil, banana, coffee or cocoa whose prices, denominated in dollars on the international markets, were immediately translated by doubling the exports revenue of the countries concerned. The market shares have also been regained (case, for example, of the Ivorian banana on the European market facing American competition). The devaluation could have even been more profitable if the surplus revenue in respect of certain products (cotton, coffee, cocoa, among others) as well as the return of expatriated capital had rapidly been readapted to new production activities.

#### **4.3. - ROLE OF THE DIFFERENT OPERATORS AND PARTNERS**

##### **4.3.1. - State**

81. The States should create a congenial environment upstream in order to expand the export bases. The main reforms to be effected to this effect will be :

- to develop the human capacities both from the technical point of view (promotion of teaching and technical training with a view to adapting and assimilating technological innovations) and from the commercial point of view (market survey and promotion of products) ;
- expansion of credit institutions and external trade financing organisations ;
- statutory measures encouraging direct foreign and local investments, such as trade liberalisation and labour market ;
- supporting local private initiatives through a taxation policy, advantageous to production and marketing support institutions like CICES<sup>17</sup> in Senegal or the national Chambers of Commerce ;
- to develop export support infrastructures (storage of fresh products such as fishes and tropical (fruits) as well as maritime and air transport systems (to increase competition, particularly, in these services  
with a view to guaranteeing competitiveness and the quality of exported products) ;

82. Some of the states are also giving more direct incentives. In Ghana, there is a system of premiums on exports, meant to encourage enterprises which sell to the outside world. The premiums (tax reductions) involve the manufacturing industry and agriculture and are far more greater than the increase in the percentage of production exported. In Nigeria, fiscal and other

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17. International Centre for Senegal's External Trade.

and tinned fishes, will be reduced, on average, by 11 percent. Similarly, the net reduction of the progressive increase in duties on phosphoric acid and phosphated fertilisers within the European Union and Japan are expected to lead to a certain increase in consumptions and trade in such products and permit the developing countries to embark on a more advanced processing of natural phosphate before export<sup>14</sup>. Opportunities exist in other sectors and, just like countries such as Egypt, Nigeria or Tunisia, the countries of the subregion which have still not done so, should evaluate, product by product, and sector by sector the effects of the Agreements of the Uruguay Round on their economy.

79. In spite of an increasingly unfavourable context for application of the Lome Convention (East European countries competing for financing from the European Union and the opening of the European market to south America on the demand of the United States, Spain and Portugal), one should examine the promotion opportunities which still hold good under the Convention, by first of all, amending its contents, as such an exercise is authorised by the Convention in case of changes<sup>15</sup>, which is presently the case with the trade liberalisation under the framework of the new World Trade Organisation (WTO). Such liberalisation makes the African, Caribbean and Pacific countries lose the preferential tariffs under the Convention, which their products were enjoying in the European market. Apart from the funds for stabilisation of agricultural and mineral exports revenue (stabex and sysmin) which have however, become inoperative in view of the structural nature of the fall in prices of basic products, there are other instruments of the European Union which our States can further exploit to increase their exports. They are, among others, the Convention's Regional Fund, co-ordinated by ECOWAS in West Africa, and the National Indicative Programmes which do not include enough support for private enterprises, particularly, those with export potential. In the same vein, the European Common Agricultural Reform policy adopted in 1993, should be closely examined, for, under this policy products such as oilseeds, mangoes, ginger and fish flour<sup>16</sup> imported by the Union enjoy duty-free treatment.

80. The devaluation of the CFA franc in January 1994 has also created opportunities for diversification and intensification of exports in the Subregion and beyond for the seven (7) countries of the monetary Union of West Africa (Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal and Togo). The peoples of these countries, whose purchasing power has been

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14. CNUCED, Effects of the Uruguay Round on trade and international prices of basic goods, 1995; PP. 29 and 41.

15. ECA Anticipatory evaluation of the impact of the Uruguay Round Agreements on Africa Economies, September 1994, P.14.

16. Fish flour imported by the Union enjoy duty-free treatment.

88. In Africa, an essential contribution which the private national and foreign sector can make is that of increasing productive investments in conjunction with the States and with assistance from international organisations whose resources and propensity to finance development have been dwindling as time goes by.

#### **4.3.3. - Banks and other financial Institutions**

89. The banks have the obligation to play their role fully, that is the role of financing the economy. To this end, they are to make adapted financing available to the often disadvantaged agricultural and industrial small and medium-scale enterprises (SMES) (Cash-crop, fruit, marked-garden, horticultural productions, agro-industries, etc...) with a view to diversifying the supply of products.

90. But the activities of the banks related to external trade (exportation, in this case) should be developed at the same time, just like what is being done in the developed countries where there are commercial banks put in place to finance export operations (credits, export guarantees, insurance systems, etc...).

91. In the subregion and in the rest of the continent, the specialised financial institutions such as the Monetary Agency Of West Africa (MAWA), ECOWAS and the African export-import Bank, sponsored by ADB, are expected to carry on some important missions in favour of export promotion with some specific tools (convertibility of currencies and loans and guarantees among others).

#### **4.3.4. - International Community**

92. The Governments of developed countries, via public development aid, and the international donor agencies should increase the resources of African States devoted to diversification of their economy. To this end, the continent can bring up the issue of the « Diversification Fund » recommended by the New Agenda of the United Nations for the development of Africa, and whose implementation has been delayed for lack of financial support. The Bretton Woods institutions should have been in the fore-front of donors to contribute to this fund as the structural adjustment programmes they are advocating make provision for diversification. In most of the States, projects for diversification of productions and exports have been drawn up and such projects are expected to get all the support needed from the Donor Agencies.

93. Furthermore, and beyond the financial aspect, the industrialised countries can also help expand the scope of Africa's exports through their political and administrative practices. For example, one can revisit the Uruguay Round Agreements which have derogatory clauses and stipulate the time-limits for the developing countries and the least developed ones in particular to adapt to the new regulations. The same countries also enjoy more favourable treatments in a number of sectors: agriculture, textiles, services, among others.

94. In the same vein, the countries of the North should be coherent in their aid policy and desist from contradictory practices like that of the recent past which involves supporting livestock development projects in Africa and at the same time invading the regional market with their subsidized meat.

incentive measures for manufactured products were instituted in 1986. They involve, for example, export insurance and subventions for export-oriented industries.<sup>18</sup>

83. Considering the subregion's great potential in tourism, our States should take some specific measures such as negotiating charter flights with the Northern hemisphere, improving hotel infrastructure and simplifying travel formalities within the national territories.

#### **4.3.2. - Private sector**

84. The role of the private sector involves increasing supply of goods and services which is one of the bottlenecks of exports diversification. In particular, exportable supply should be adapted to the exigencies of external demand as it is the case, for example, with the leather products (where the quality, « wet blue » notably, dominates for ecological reasons) or coffee (the Robust brand in great demand in the international market<sup>19</sup>). This adaptation also signifies possibilities for regular and timely delivery of articles of acceptable quality and in required quantity.

85. With Government support, the private sector should, moreover, break with the historical links which are such that up to now half of the commodity trade is done with western Europe (50 percent of Africa's exports in 1993 according to GATT data<sup>20</sup>, far ahead of North America (16 percent) and Asia (12 percent). One should manage to balance the geographical direction of exports by embarking on conquest of new markets, including areas such as the middle East or Latin America.

86. A path full of hope in which our entrepreneurs should tread in partnership with other nationals of the subregion, is that of multinational enterprises which enables the West African economy reach higher levels of competitiveness due to scale productions and productivity through utilisation of technological advancements often costly and unadapted to an institution limited to only one State.

87. Private enterprises flourishing in a healthy and politically stable economic environment have all the chances to encourage real development. It can, to this end, be pointed out that small and medium-scale enterprises and industries (SME-SMI) played a decisive role in the emergence and prosperity of a good number of new industrialised countries (NIC), but not only that : a country like Italy also enjoyed the adaptability of adjustment of the national economy by which a small private sector could be utilised by big firms in sub-contracting operations.

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18. Africa's trade directory (OP. CIT), PP 163 and 368.

19. ITC/UNCTAD/GATT, West African countries of the franc zone : devaluation, integration and export, November 1995.

101. The rich countries should on their part, assist the developing countries to depend less on their assistance. This objective could be approached by reducing the tariff and non-tariff barriers against the products of the south. It is gratifying to note that, on this aspects, a positive development has been initiated with the recent international agreements on world trade (Uruguay Round, WTO). Indeed, it may be that the best way to ensure, rapid and lasting growth of the world economy and development is to enhance the participation of the poor countries.

## 5.2. - RECOMMENDATIONS

102. The recommendations made at the end of this study for the attention of the main operators are as follows :

### Member States :

- The conduct of studies with a view to identifying the export sectors destined to develop for the sake of the new trade context (Uruguay Round, World Trade Organisation, devaluation of the francs CFA) ;
- Adoption of direct incentive measures such as export premiums meant to encourage enterprises which sell to the outside world ;
- Development of infrastructure and services which support exports and, notably, storage and warehousing as well as maritime and air transports including expansion of charter flights between the countries of the North and the subregion ;
- Application of educational and training policies encouraging scientific, technical and commercial subjects with a view to ensuring promotion of new exportable products.

### Private Sector :

- Adaptation of exportable products to the exigencies of international demand ;
- Assessment of the final result of the Uruguay Round by African countries ; October, 1994.
- Report on the possibilities for development of livestock and fishing in West Africa, December, 1994.
- Prospects for exploitation of livestock, fisheries and forests for industrial development November, 1995.
- Production and marketing of tradable foodstuffs in the subregion ; case study : Ghana, Guinea, Niger, Senegal, November, 1990.
- Study on food items which can be marketed between West African countries, as well as measures for increasing their production and marketing by small-scale farmers ; December, 1989.

95. African countries also need a technical assistance from Organisations like the United Nations Conference on Trade and Development (UNCTAD) and the International Trade Centre (ITC) to identify the promising areas or sectors where there seems to be great prospects for diversification, for the attention of our States.

## V - CONCLUSION AND RECOMMENDATIONS

### 5.1. - CONCLUSION

96. A growth strategy geared towards export is a viable one, even though it may not necessarily be the most efficient strategy. For trade to be prime mover of economic development, there should be a suitable range of exportable products, capable, not only of generating revenue, but also of spreading growth to other sectors and services, encouraging technological development and fashioning a company compatible with a modern industrial economy. The structure of exports necessarily varies from one country to another, according to the social, geographical and economic conditions (see chapter II, sections 2.2 and 2.4)

97. Export diversification is, therefore, an important factor for stimulating growth. Almost all the examples of successful development involve countries with a relatively diversified industrial base. Those that are highly dependent on certain products can occasionally register an exceptional growth, but, because of the instability of the markets and the tendential drop in prices of basic products, this growth risks not being durable in the long - term.

98. If an economic development policy based on exports can be recommended, it must be stated that a diversification highly oriented towards the third and distant countries (outside ECOWAS, therefore), although it is desirable in view of the high purchasing power of consumers of the industrialised countries, it is not easy to achieve because of othe numerous constraints which persist, among others : contraction of markets through increased competition, respect of quality standards, hygiene, reliability and stability of supplies as required by the tender, low competitiveness of our manufactured products.

99. One should, therefore, stake, at the same time, on the conquest of the domestic and subregional markets for which a great potential exists in several sectors, ranging from food products to manufactured ones down to services (Cf. sub-section 2.4.1.). This is, notably, expected to make it possible to save foreign exchange through import substitution and to progressively improve the competitiveness and quality of products and to aim finally, at a more precise integration in the world market (Africa, it should be recalled, accounted for only 2 percent of the world exports in 1994).

100. African States should, therefore have the means to increase the volume of their external trade through the production of more important wealths, in terms of quantity, quality and diversity through innovation. These means involve essentially training and human resources, in particular, in the sciences and technology.. Our States should also encourage the economic integration process which will enable them to penetrate some minimum-sized markets susceptible of assisting in the development of more competitive industrial enterprises.



*ANNEX 1***MAJOR PRODUCTS EXPORTED BY CERTAIN COUNTRIES AND GROUPINGS : SUB-SAHARAN AFRICA**

	Agricultural products, etc	Minerals, etc	Manufactured products
<b>UDEAC</b>			
Cameroon	Coffee (12) Cocoa (11) Timber (6)	Crude Oil (17) Aluminium (8)	
Congo	Timber (7)	Crude Oil (80)	
Gabon	Timber (6)	Crude Oil (77) Metalliferous minerals (7)	
Central African Republic	Coffee (20) Timber (9) Cotton (6)	Precious stones (50)	
Chad	Cotton (42) Animals (for human consumption (19) Vegetable matters (7)		
<b>CEAO</b>			
Burkina Faso	Cotton (38) Animals (for human consumption (9) Vegetable matters (6)	Gold, etc (35)	
Côte d'Ivoire	Cocoa (35) Coffee (14) Timber (9) Fruits, Fresh or dry (8)		
Mali	Cotton (47) Animals (for human consumption (29)		
Mauritania	Crustaceans, molluscs and shell-fishes (36) Fishes (9)	Iron - ore (48)	
Niger	Animals (for human consumption (14)	Radio Active materials (79)	
Senegal	Vegetable Oils (15) Processed fishes (12) Fishes (9)	Refined Oil (12) Oxides, etc (8)	
<b>MARIUM</b>			
Guinea		Metalliferous minerals (84) Precious stones (9)	
Liberia	Natural rubber (26) Timber (29)	Iron - ore (28)	
Sierra Leone	Crustaceans, molluscs and shell-fishes (10)	Precious stones (22) Metalliferous minerals (21)	
<b>CEPGL</b>			
Burundi	Coffee (76) Tea (9)		
Rwanda	Coffee (67) Tea (19)		
Zaire	Coffee (11)	Copper (59) Crude Oil (14) Precious stones	

**SOURCE : UNCTAD : Manual International Trade and development statistics, 1992**

- The figures in brackets indicate percentage share of each category of products in the overall exports of the country

- The categories correspond to the thrippe - digits column of the International Trade Transit Centre

-- The appellations are abbreviated and have an indicative value only.

ANNEX

Iron - ore	80	77	76	73	74	77	86	100	108	103	91	91	91	91	83	83
Tin	210	198	186	105	112	118	141	100	91	99	83	93	87	77	76	85
Nickel	53	54	55	44	55	155	150	100	92	79	60	68	65	53	54	64
Zinc	52	61	52	50	53	82	109	100	74	82	64	69	64	59	62	64
Lead	53	55	48	50	74	81	83	100	69	67	50	52	51	48	51	59
Phosphate rock	91	94	84	85	77	89	101	100	105	105	82	62	82	82	82	82
Total of Products above	95	98	85	82	89	109	108	100	96	95	92	93	90	91	93	98
Crude oil	129	128	122	63	81	64	78	100	83	83	73	78	79	71	65	61
All Primary products	100	102	91	76	86	101	103	100	93	93	89	91	88	87	88	92
																95

Note : Indices were calculated in US dollars. For the sources and methods utilised, see technical note in the appendix

Sources : GATT, Statistics / International Trade, 1994

ANNEX 99

TABLE A 19  
Export price of Primary products, 1983 - 1994  
(Indices 1990 = 100)

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1993				1994	
												T1	T2	T3	T4	T1	T2
Food products, beverages & Tobacco	117	120	104	98	91	110	109	100	99	98	98	98	94	97	104	109	107
Food products	110	109	92	81	83	106	109	100	99	101	100	99	96	98	105	111	104
Cereals	117	114	98	82	77	103	114	100	98	104	98	100	93	92	108	116	107
Wheat	116	112	100	85	83	107	125	100	95	111	103	111	98	96	108	109	103
Maize	125	124	103	80	69	98	102	100	98	95	93	87	89	93	105	113	103
Oil-Seed, Oils and fats	96	88	76	73	80	105	112	100	109	100	93	96	82	80	115	152	134
Oil cake, Oils seed flour	122	132	99	85	92	125	113	100	101	103	105	101	100	110	109	114	113
Meat	92	86	82	81	91	97	98	100	102	96	102	94	104	109	102	100	96
Beef	95	89	84	82	93	98	100	100	104	96	102	95	104	109	101	99	94
mutton	73	72	69	76	81	90	87	100	87	95	102	90	105	108	107	108	105
Sugar	75	68	62	71	777	89	96	100	89	90	91	88	94	90	92	94	96
Banana	79	68	70	70	70	88	101	100	104	88	82	109	87	63	66	105	69
Beverages	162	188	166	191	138	138	114	100	93	82	87	84	77	90	97	97	127
Coffee	175	194	184	235	147	159	126	100	94	74	85	79	74	92	96	100	146
Cocoa beans	167	189	178	163	157	125	98	100	94	87	88	79	78	90	105	100	107
Tea	114	170	98	95	84	88	99	100	91	98	91	104	85	84	93	86	93
Tobacco	106	106	105	93	90	93	98	100	106	106	104	113	98	100	107	109	103
Agricultural raw materials including	73	83	68	72	101	109	105	100	96	99	100	101	100	99	100	105	110
Rough timber	67	79	65	72	105	111	107	100	105	119	123	123	123	123	123	123	123
Cotton	89	101	79	65	94	77	92	100	93	70	70	72	73	68	68	93	103
Wool	75	76	69	69	97	142	117	100	71	67	56	56	56	54	56	66	79
Rubber	123	111	88	93	114	137	112	100	96	100	96	102	94	95	93	99	115
Hides and skins		64	56	69	87	95	98	100	86	82	87	88	86	85	88	83	94
Jute	68	130	143	67	79	91	91	100	---	---	---	---	---	---	---	---	---
Sisal	80	82	74	72	72	77	92	100	---	---	---	---	---	---	---	---	---
Material and non - ferrous metals With exception of crude oil including	73	69	65	61	73	108	110	100	89	87	73	79	73	72	68	73	77
Copper	60	52	53	51	67	98	107	100	88	86	72	83	70	72	63	70	80
Aluminium	88	76	63	70	95	155	119	100	80	77	69	72	69	71		76	81

ANNEX 999

Subregion/ Countries	Exports			Imports			Trade Balance			Exports			Imports		
	1988	1992	1993	1988	1992	1993	1988	1992	1993	1988	1992	1993	1988	1992	1993
North Africa	22490	33402	28723	30545	35333	38239	-8054	-1951	-7516	5.0	-14.0	-7516	3.5	-14.0	2.5
Algeria	7620	12150	10330	6675	6290	7770	945	5860	2560	6.3	-15.0	2560	3.1	-15.0	23.5
Egypt	2770	3055	3300	9378	7475	7358	-6608	-4420	-4058	3.6	8.0	-4058	-4.7	8.0	-1.6
Libya	5653	9974	7680	5762	8100	8200	-109	1874	-520	6.3	-23.0	-520	7.3	-23.0	1.2
Morocco	3624	3977	3424	4337	6693	6515	-713	-2716	-3091	-1.1	-13.9	-3091	8.5	-13.9	-2.7
Sudan	427	213	185	949	810	600	-522	-597	-415	-15.4	-13.3	-415	-8.8	-13.3	-25.9
Tunisia	2396	4033	3804	3444	5985	5796	-1048	-1952	-1992	9.7	-5.7	-1992	11.0	-5.7	-3.2
West Africa	14500	19704	18558	1877	16335	15515	2622	3369	3043	5.1	5.8	3043	5.5	5.8	5.0
Benin	379	369	333	511	552	5771	-132	-183	-239	-2.6	-9.9	-239	2.3	-9.9	3.6
Burkina Faso	249	288	277	487	642	643	622	994	1072	0.3	-5.1	1072	-1.2	-5.1	-11.8
Cape Verde	3	4	4	106	173	173	-103	-169	-169	5.9	0.0	-169	10.3	0.0	0.0
Côte d'Ivoire	2691	2880	27734	17769	1886	1662	922	994	1072	0.3	-5.1	1072	-1.2	-5.1	-11.8
Gambia	83	145	191	106	178	275	-23	-31	-84	18.1	29.7	-84	21.0	29.7	54.7
Ghana	881	986	1020	993	1457	1661	-112	-470	-641	3.0	3.4	-641	10.8	3.4	14.0
Guinea	651	620	993	641	770	758	10	-150	235	8.0	60.2	235	3.4	60.2	-1.6
Guinea Bissau	16	7	16	60	83	54	-44	-77	-38	0.1	146.2	-38	-2.2	146.2	-5.5
Liberia	396	200	160	236	150	188	161	50	-28	-16.0	-20.0	-28	-4.5	-20.0	25.0
Mali	252	339	344	339	483	464	-108	-144	-120	6.4	1.3	-120	5.2	1.3	-4.0
Mauritania	438	407	330	349	461	344	89	-55	-14	-5.5	-18.9	-14	-0.3	-18.9	-25.4
Niger	369	266	283	393	266	244	-24	-1	39	-5.1	6.7	39	-9.1	6.7	-8.4
Nigeria	6875	11887	10900	4270	7476	7100	2605	4411	3800	9.7	-8.3	3800	10.3	-8.3	-5.0
Senegal	679	832	723	936	1200	1105	-277	-368	-383	1.0	-13.1	-383	2.9	-13.1	-7.9
Sierra Leone	102	150	36	137	140	24	-35	10	12	-18.8	-76.0	12	-29.2	-76.0	-82.6
Togo	435	322	215	505	418	249	-69	-96	-34	-13.2	-33.4	-34	-13.2	-33.4	-40.5
Central Africa	6631	6284	6140	5083	3532	4041	1548	2752	2099	-1.5	-2.3	2099	-4.5	-2.3	14.4
Burundi	132	80	75	179	182	173	-47	-102	-98	-10.7	-6.5	-98	-0.5	-6.5	-5.4
Cameroon	1841	1944	1144	1221	983	928	620	951	217	-9.1	-40.8	217	-5.3	-40.8	-5.5
Central African Republic	130	124	277	184	165	318	-54	-42	-41	16.3	124.4	-41	11.5	124.4	92.6
Chad	146	182	136	228	243	201	-83	-61	-66	-1.4	-25.5	-66	-2.5	-25.5	-17.2

Source : ECA Report on the economic and social situation in Africa 1995

## 5.2. Recommendations

102. The recommendations made at the end of this study for the attention of the main operators are as follows :

### MEMBER STATES :

- The conduct of studies with a view to identifying the export sectors destined to develop for the sake of the new trade context (Uruguay Round, World Trade Organisation, devaluation of the franc CFA) ;
- Adoption of direct incentive measures such as export premiums meant to encourage enterprises which sell to the outside world ;
- Development of infrastructure and services which support exports and, notably, storage and warehousing as well as maritime and air transports including expansion of charter flights between the countries of the North and the subregion.
- Application of educational and training policies encouraging scientific, technical and commercial subjects with a view to ensuring promotion of new exportable products.

### PRIVATE SECTOR :

- Adaptation of exportable products to the exigencies of international demand ;
- Assessment of the final results of the Uruguay Round by African countries ; October, 1994
- Report on the possibilities for development of livestock and fishing in West Africa, December, 1994
- Prospects for exploitation of livestock, fisheries and forests for industrial development ; November, 1995
- Production and marketing of tradable foodstuffs in the subregion, case study : Ghana, Guinea, Niger, Senegal, November, 1990
- Study on food items which can be marketed between West African countries, as well as measures for increasing their production and marketing by small-scale farmers, December, 1989.

*ANNEX IV*

**Interest of countries of the subregion (ECOWAS) in the groups of products whose tariffs were reduced during the Uruguay negotiations.**

It was decided that tariffs on agricultural products with high propensity for export, such as coffee, tea, cocoa, sugar, fruits and vegetables, oil-seeds, fats and oils, and other diverse agricultural products, be reduced by more than thirty percent.

<b>Products</b>	<b>Countries for which the product presents a high propensity for export</b>
- Mineral products, precious metals and germ stones	Burkina Faso, Mali, Senegal, Togo, Ghana, Sierra Leone, Liberia
- Timber, pulp, paper and furniture	Cote d'Ivoire, Ghana
- Fishes and fish products	Senegal, Mauritania
- Coffee, tea, cocoa, sugar etc... Ghana	Benin, Cote d'Ivoire, Senegal,
- Fruits and vegetables	Cote d'Ivoire, Mali, Burkina Faso
- Oil-seeds, fate and oils	Benin, Senegal, Burkina Faso, Cote d'Ivoire, Nigeria

**SOURCES** : - International Trade Centre/UNCTAD/GATT West African countries of the franc zone : devaluation, Integration and export revival ; November, 1994.

## ADDITIONAL BIBLIOGRAPHY

### UNCTAD

- Analysis of national experiences in horizontal and vertical diversification, including the possibilities of crop substitution, Senegal : a country - study, August, 1995
- Final report of the ad hoc working group on trade opportunities in the new international trading context ; Geneva - 5 - 8 February, 1996
- Enhancing the comprehension of the new regulations emanating from the Uruguay Round Agreements and their implementation and determining how and in what it may be possible to assist the developing countries ; November, 1995
- New trade prospects resulting from the implementation of the Uruguay Round Agreements in certain sectors, and in certain markets ; June, 1995
- Examining ways of implementing the decision on the special provisions made for the least developed countries, featuring in the Final Act of the Uruguay Round, June, 1995

### ECA / MULPOC

- Expertise receded to exploit the natural resources and diversify African economies for processing and manufacturing ; March, 1994
- Basic products : proposals for a programme of action on an African scale ; January, 1996
- Promotion of multinational enterprises with subregional and international calling

### BANKS AND OTHER FINANCING INSTITUTIONS

- Granting of adapted credits to SMES/SMIS with a view to diversifying their supply of exportable products ;
- Development of the activity of the Banks, related to external trade and if possible, establishment of institutions specialised in the financing of export operations.

### INTERNATIONAL COMMUNITIES

- Support of international donor agencies to the effective establishment of the diversification Fund recommended by the United Nations New Agenda for the development of Africa (UN NADAF) ;
- Assistance of UNCTAD to Member States to identify areas and sectors where there appears to be encouraging prospects for diversification following the liberalisation of world trade.



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FAX MESSAGE

To: Mr. C. Beinhoff UNIDO, Vienna Telefax: (43 1 213455833	From: M. Robert M. Okello OIC, RCID ADDIS ABABA, ETHIOPIA. Telefax: (251-1)514416
Att:	Ref : RCID/FAX/586/97
Total No. of Pages including this page: 01	Date: 7 May 1997

Subject : US/INT/96/171 - Expert Group Meeting on  
"Introducing new technologies for abatement of  
global mercury pollution from artisanal gold  
mining", 1-3 July 1997. UNIDO Hqs. Vienna: Hotel  
reservation.

Ref. is made to your faxed message of 15 April 1997 related to the above subject.

We wish to request your assistance for making hotel reservation for Mr. Traore Adama at Hotel Nordbahn, Praterstrasse 72, 1020 Vienna. Please note that Mr. Traore will arrive on 29 June 1997 at 10.am and leave on 5 July 1997 at 7.25 am.

Yours sincerely.

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97 MAY - 7 PM 2:00  
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