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**PROSPECTS AND PROBLEMS IN THE PROMOTION OF INTRA WEST AFRICAN
TRADE**

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I. INTRODUCTION

1. The present study on "the prospects and problems in the promotion of intra West African trade" is based on MULPOC 1994/1995 work programme set by its thirteenth meeting of the committee of experts in Nouakchott in March 1993. Given the limited number of human resources, the present study was not carried out within the initial scheduled biennial period. It has therefore been included in the 1996/1997 work programme of MULPOC since the issue on integration through the markets remains a major concern to West African States.

2. In fact, trade has always been both a sign and a factor of development or economic prosperity. At that level, the situation of Africa in general and of West Africa in particular turns out to be less satisfactory. According to databases, African exports (except those of South Africa) were representing 1.7 % of the world total exports in 1994. Out of this, the exports of West Africa accounted for 0.5 %¹. This is insignificant if we consider the fact that the populations of the region and the subregion are said to represent respectively 11.5 and 3.6 % of the world population.

3. It is not therefore surprising that the present study which emphasizes trade between the States of the subregion comes up with disappointing results. And, given the fact that similar causes produce similar effects, a common explanation to these poor results registered at the level of the domestic and foreign trade is : the weakness of the production capacity. Also, there are many shortages in raw materials for which the continent and the subregion rank highly, as well as in manufactured products (shortage at the level of processing industries/value added, insufficiency in quality and quantity, limited range of products, etc.).

4. The question will therefore be to know what measures, policies and strategies to implement in West Africa in order to :

- remove the numerous trade barriers in the subregion ; and
- create at the same time an integrated market which by all means is to be finalized in order to realize economies of scale in reaching a significant portion of the market on the one hand, and on the other hand, to be able progressively but surely to master modern methods of competitive production that will first allow, the recapturing of domestic markets before our manufactured products begin to break through on the world market.

¹ Databases drawn from "Bulletin mensuel de statistique de la Division de statistique des Nations Unies, Vol. L n°11- novembre 1996"

5. The scheme retained for the present study is the following : the first section will deal with the analysis of the past and recent situation of the intra West African trade. The second section highlights the various difficulties at the productive, marketing, infrastructural and institutional levels which hinder the promotion of these exchanges. The third section is concerned with the prospects and opportunities for our States in the light of the globalization and liberalization of the economy.

II. DATABASES ON INTRA WEST AFRICAN TRADE

2.1 Situation in West Africa

6. Between 1960 and 1990, world exports increased on average by 12 % per year against only 3 % for Africa ². This shows the unfavourable context in which the promotion of intra subregional exchanges took place at the beginning of the 70s with the creation of integration groupings.

7. The exchanges within the Economic Community of West African States (ECOWAS) represented 2.93 % of the global exchanges in 1970 and 10.10 % in 1980 (a threefold increase) and in value they have been roughly multiplied by eight (that is, from 86.5 to 693.4 million US\$) within the same period thanks particularly to the creation of ECOWAS in 1975. That upturn was followed by a significant setback in 1985 followed by a slow recovery between 1990 and 1992 (see Table 1). It should be mentioned that the informal trading is not reflected in this table, although this non-registered trade offers substantial quantities of goods to the market. Incidentally, like informal exchanges, this table highlights the pre-eminence of intra subregional trade within the regional commercial activities : 72 to 86 % of West African exports on the African continent are directed to neighbouring ECOWAS member countries.

2.2 Comparison with other development groups.

8. The comparative evolution of the intra grouping commercial performances between 1970 and 1992 indicates that the percentage of intra grouping exports in comparison to the total exports of each grouping is relatively low and has increased little in two decades (see Table 2). The switchback variations for ECOWAS as also for the PTA (Preferential Trade Area) of East African States are all below 10 % and express the combined effects as concerns the delays observed in the liberalization of intra grouping trading and the staple commodity price fluctuations on the international market.

² ECA, Report on the Economic and Social Situation in Africa, 1996

Table 1 : ECOWAS Trading Performance, 1970/1992

Value of the group's exports (10 ⁶ US\$)				Part of the intra group trade (percentage)	
Year	Towards ECOWAS 1	Africa 2	World 3	1/2 4	1/3 5
1970	86.5	106.4	2,947.8	81.30	2.93
1980	693.4	920.1	6,846.3	75.36	10.10
1985	1,025.6	1,182.8	19,598.9	86.71	5.23
1990	1,470.3	2,005.3	17,611.9	79.32	8.35
1991	1,424.7	1,972.4	15,656.2	72.23	9.10
1992	1,567.3	2,158.4	19,988.5	72.61	7.84

Source : UNCTAD, Handbook of Integration and Cooperation groupings of developing countries, volume I, 1996

Table 2 : Part of the intra group exports in the total of the group's exports in %.

	1970	1980	1985	1990	1991	1992
ECOWAS	2.9	10.1	5.2	8.3	9.1	7.8
CEAO	-	-	-	11.7	10.2	10.6
PTA	9.5	12.1	5.6	6.6	6.5	6.7
LAIA	9.9	13.7	8.3	12.1	13.5	16.7
ASEAN	21.1	16.9	18.4	18.6	19.3	19.4

Source : UNCTAD, Handbook of statistics of international trade and development, 1993 quoted by M.A. Chérifi in "Analyse comparative des programmes de libéralisation commerciale de groupements d'intégration", Sept. 1995.

9. Although the rate of their internal exports tied up with their total exports has risen to a higher level comprising between 10 and 20 %, the Latin American Integration Association (LAIA) and the Association of South East Asian Nations (ASEAN) have not, from one year to the other, witnessed a significant surge that could be attributed to a voluntarist regional policy in terms of integration.

10. The Economic Community of West Africa (CEAO) which was the second biggest integrated Community of West Africa ³ is between the two previous groups since its figures fluctuated between 10 and 11, indeed, even 12 % in 1993⁴.

11. To conclude this chapter, it is worth listing the major products which were exchanged so far in trading within the subregion. Except for rare traditional products such as kola nut, exchanges were done mainly in food products and manufactured goods. The raw materials and the cash crops with which West Africa is in fact well endowed are mainly exported to foreign countries. In a nutshell, one sees that African countries bordering the Atlantic Ocean market local cereals, tropical fruit, fish and manufactured articles (especially Nigeria, Côte d'Ivoire, Ghana and Senegal regarding the last category) whereas Sahelian countries produce live cattle and vegetables (french bean, onion and niébé - bean).

III. CONSTRAINTS RELATED TO THE PROMOTION OF INTRA WEST AFRICAN TRADE

3.1 Constraints related to production

3.1.1 At the level of agriculture

12. It is evident to recall that in terms of trade generally, expansion can only occur if the level of production is sufficient in quantity and quality. For instance, with the agricultural sector for which the subregion is known to depend, it is important to mention that an important amount of rainfall and the management of water are a prerequisite to obtain substantial productions to enable exchanges. This remark concerns particularly Sahelian countries where water problems are a major source of concern with the irregularities of the rainfalls in space and in time, the

³ CEAO was officially dissolved in March 1994 following upon the creation of the West African Economic and Monetary Union in January of the same year.

⁴ ECA, quoting IMF sources in "liberalization of local products exchanges : case study of West Africa", December 1995.

difficulties related to the financing of dams and boreholes for irrigation purposes, etc. As an example, one can mention the devastating effect of the 1973 and 1984 droughts on the local live cattle which is the main asset of many countries in terms of exchange.

13. Desertification constitutes the other problem which undermines agricultural production in the subregion. This phenomenon is all the more so worrying since it may henceforth affect countries bordering the Atlantic Ocean, such as Guinea, particularly in their northern regions.

14. As a result, the following phenomena will be observed : successive droughts ; desertification which causes decline in agricultural yields ; rural - urban migration which is a vicious circle and which accelerates drop in production since it generally concerns the able-bodied population in rural areas. Thus, the traditional seasonal and temporary migration to the capital or to a richer neighbouring country has henceforth resulted in "definitive" departures of men leaving behind the old, women and children in many villages.

15. As already mentioned briefly above, the lack of financing is at the origin of various constraints in the agricultural sector. Among other things, there are :

- the obsolete farming methods (the disadvantage of yoke farming and all the more so of mechanized farming) ;

- the limited use of performing inputs for the products (improved seeds, fertilizers and pesticides) ;

- the lack of equipment for fishermen ; etc.

3.1.2. At the industrial level

16. As with industrial products, the subregion equally encounters many obstacles despite the dynamism of countries such as Nigeria, Côte d'Ivoire, Ghana or Senegal in that field. Thus, it was observed in 1994 that the manufacturing industry was contributing only 8.11 % to the subregion GDP whereas that figure amounts to 15.36 % for all the continent⁵.

17. It should be noted, by way of explaining this situation, that technology transfers, so much expected to materialise soon after independences, did not occur. Instead, more trading firms

⁵ ECA, Report on the social and economic situation in Africa, 1995.

established in the place of industrial partnerships that were to provide the required equipment and training. Moreover, the African continent has the smallest proportion in foreign private investments. Sub-Saharan Africa - except South Africa - received in 1994 less than 4 % that is, hardly 3 thousand million of the 80 thousand million US\$ in direct foreign investments intended for all the developing countries⁶.

18. As a result, locally manufactured articles no longer often meet the continuity and quality criteria in production, which are required by an industry aiming at breaking through in a more demanding world market. Consequently, most of the exports of West African manufactured products are essentially made in the subregion. Incidentally, these products are basically supplied to national markets since in practice they do not have a subregional basis : these products are the industrial productions intended for the national market of the subregion's countries.

3.2 Constraints related to commercialization

19. The purchasing power is too weak in the subregion and constitutes an obstacle to the development of exchanges. In fact, three quarters of the LDCs are among the West African countries and several of them had in 1994 per capita incomes below 300 US \$ per year (namely Burkina Faso, Guinea-Bissau, Mali, Niger, Nigeria and Sierra Leone)⁷. Moreover, the minimum guaranteed wage was also less than 50 dollars per month in a good number of these countries. And since the promotion of trade is based on the level of consumption, it is easily understandable that this situation is unfavourable to the promotion of exchanges.

20. Weather conditions : with an economy based on agriculture, West Africa faces with great difficulty the problem related to the preservation of food products because of the high ambient heat which prevails the greater part of the year. With the possibilities of expansion in the production of perishable goods, this constitutes a difficult problem to solve given the following reasons :

- the lack of good roads to get access to the interior as well as the lack of interstate communication ; hence, the long delays in the carriage of goods from one end to the other ;

- the lack of storage and preservation facilities ; particularly, the weak level of container packaging of these products ;

⁶ WORLD BANK, Global economic prospects and the developing countries, 1996.

⁷ WORLD BANK, World Development Report, 1996

- the lack of processing industries, etc.

These weather conditions generally provoke a sharp increase in the price of the products which, given the weak buying power, represents a serious problem as concerns exchanges.

21. The lack of information : Traders need viable information on the available quantities, sources of supply as well as on the conditions of getting access to various markets for food crops and manufactured articles. Unfortunately, the Chambers of Commerce failed to perform the initial role assigned to them. Integration groupings are trying to make up for that weakness : CEAO sponsored the creation of a regional centre (CRIC) based in Abidjan to promote trade information. ECOWAS organizes trade fairs for economic operators at the subregional and international levels.

22. The monetary question : West Africa presently has ten (10) national currencies (cfa franc, escudo, dalasi, cedi, guinean franc, peso, liberian dollar, ouguiya, naira and leone) of which only one, the cfa used by WAEMU member States, is convertible at the international level. This variety of currencies, the great majority of which is not convertible, represents a significant handicap in the promotion of trade because of the inherent difficulties. To illustrate this, one should notice that intra CEAO trade has always been more important than intra ECOWAS trade (see the preceding table 2). This, according to a good number of economists, is related to the advantage derived from monetary union.

23. The financial system : with regards to its inadequacies, one should first take note of the difficulties in getting credits from commercial banks despite the given impression that commercial activities are more supported than industries by the banks. In fact, one should not lose sight of the fact that it is generally a handful of privileged traders who benefit from these financings for operations more often limited to import-export activities. On the other hand, intra subregional trade is wrongly financed since a good number of women and youths who are either performing these activities or who are intending to carry them cannot obtain credits from official financial channels. Equally, the banking networks are less efficient. This includes the WAEMU zone where countries use the same currency. Besides, money transfers are not performed with the speed required for commercial activities.

24. Other support services to trade : other sectors that can contribute to the promotion of exchanges do not operate well. For instance, the insurance-guarantee to exporters, the systems of telecommunications particularly difficult to use between English-speaking and French-speaking countries in the subregion.

25. The dependence of trade networks : transnational enterprises operate and control a substantial part of the imports and exports in African countries in general including our subregion. In their own interest, these enterprises direct the exchanges North-South instead of orienting them within African economic communities. It should be noted that they benefit from the conditionality of certain commercial credits stipulated by donor countries.

26. Consumer habits : In line with what was just said in the previous paragraph, there is equally the lack of confidence in our own realizations. A good number of our compatriots strongly believe that all that comes from abroad (from the North especially) is better than what is locally produced.

3.3 Institutional and technical constraints related to the integration process

3.3.1 Difficulties in implementing trade liberalization programmes

27. If within ECOWAS the liberalization of community exchanges in "raw materials" and "traditional handicrafts " was officially implemented without delay in the 80s (decisions C/DEC 8/11/79 and A/DEC 1/5/81 respectively), it was not the case for industrial products on which a decision was made since 1980 (decision A/DEC 18/5/80) with a first review in 1983 before its implementation in January 1990. Given the practical difficulties, a second review was made in 1992 to make it more flexible in order to increase the number of authorized industrial products.

28. Incidentally, the difficulties related to the effective implementation of measures on the free movement of goods should be a major source of concern. One should notice that despite the measures quoted above, the inconsiderate multiplication of customs, police and forest officers checks bring about unnecessary delays as well as an increase in the costs of goods carriage at the level of interstate trade.

29. Another obstacle should be pointed out at the level of the sharing of costs and benefits of liberalization. A blockage can occur (as in the case of CEAO for instance) in implementing compensations for losses of customs revenue suffered by the less industrialized countries within the framework of trade liberalization within the grouping.

30. Furthermore, it is worth mentioning the non-realization of the Common External Tariff (CET) project within ECOWAS. This is in fact a technical instrument which enables an increase in intra

subregional exchanges through the creation of a customs line. The CET project could not be implemented mainly because of a world environment of trade and economic liberalization and of the application of Structural Adjustment Programmes (SAPs) by the majority of countries in the subregion. It is however true that the "conflicts" between the different customs systems of the various economic communities (ECOWAS, CEAO/WAEMU and MRU) did not favour its implementation.

3.3.2 Little progress in terms of monetary cooperation

31. The implementation of a single monetary zone in West Africa has not still been achieved. Initially expected for 1994, the 33rd ECOWAS Council of Ministers meeting held in Cotonou in July 1993 pushed the implementation period to the year 2000. In fact, the SAPs implemented in our countries for some fifteen years now could have theoretically constituted a favourable environment for the realization of a single monetary zone thanks to the policy of economic austerity for the stabilization of public finances.

32. The difficulties encountered by the West African Clearing House (WACH) which was supposed to make up for the lack of a single monetary zone through the compensation of trade payments by Central Banks and in the long term through the limited convertibility of currencies (a step towards a single monetary zone) have not enable WACH to meet its goal, that is, the promotion of intra community trade. Created in 1975, WACH saw, after an encouraging beginning, the proportion of subregional financial and commercial transactions that were under its prerogative declined progressively : from 23 % during the first 5 years of functioning to 17 % during the following eight years. That percentage further decreased in 1989/1990 when the amount of transactions by WACH reached a very low level⁸. There is equally the issue on the payment of arrears accumulated by certain central banks with the institution. Its change into West Africa Monetary Agency (WAMA) has not yet significantly improved that situation.

IV. PROSPECTS IN THE PROMOTION OF INTRA WEST AFRICAN TRADE

4.1 A more favourable environment for the promotion of subregional exchanges

33. Certain recent developments and others that are to be expected on the international scene should lead our countries to give priority to subregional cooperation, particularly the integration through markets.

⁸ UNCTAD, Handbook of economic integration and cooperation groupings of developing countries, Volume I, 1996.

34. That is the case for the African Economic Community which, scheduled to be established in the year 2025, will require strong measures with regard to the integration of the various concerned subregions. The ECOWAS reviewed Treaty adopted in July 1993 and which is in line with the spirit of the African Economic Community underlines in its Chapter VIII, among other crucial matters in terms of Trade, the following requirements :

- the increased liberalization of trade exchanges ;
- the elimination of customs duties ;
- the progressive establishment of a common external tariff ;
- the promotion of trade exchanges ;
- the free movement of capital between Member States.

35. At the level of West Africa, the devaluation in January 1994 of the CFA franc opens interesting prospects for the promotion of intra community trade for many reasons. That measure which concerns seven West African countries (and soon eight countries with the joining by Guinea-Bissau of the WAEMU zone) increased as regards foreign imports the competitiveness of our products, particularly food products (meat, cereals, tropical drinks and fruits, market gardening products) and handicrafts ; and, to a lesser extent, because of the amount of inputs imported from foreign countries for our industry, the competitiveness of the manufactured articles of the subregion. A significant example of the consequences of that devaluation is the rebound of Sahelian exports live cattle to WAEMU member or non-member countries bordering the Atlantic Ocean. This shows the global effect of such measure on all the subregion, an explanation of which is to be found in the tight economic links established between our countries.

36. Even if Structural Adjustment Programmes (SAPs) were blamed to be an obstacle to the integration process of African countries⁹, they represent on another level a favourable factor particularly if one considers the reduction of budget deficits. In fact, the stabilization of public finances is a sufficient and necessary measure for the promotion of monetary cooperation between our countries.

37. The signing of the Uruguay Round agreements and the creation in 1994 of the World Trade Organization (WTO) will first bring about negative results for Sub-saharan countries before fostering regional cooperation in the long term. To illustrate this, one can mention the increase in price for our countries of their cereal imports (rice, cereal or maize) which will result from the decrease

⁹ Particularly as concerns the negotiations with Bretton Woods institutions within a national framework without taking into account the regional dimension and the all-out liberalization which prevents the creation of a protectionist custom line at the level of groupings.

of agricultural subsidies in the Northern hemisphere. This will boost local food crops and speed up at the same time the search for collective food security in the subregion.

38. Our countries could face the consequences of Uruguay Round as concerns the European Union. For instance, the retrenchment policy adopted by the European Union with regard to ACP products is the consequence of the termination of the generalized system of preference that will lead our countries to refocus on the subregional market. Furthermore, the prospect of the creation of the ECU in 1999 should equally strengthen the determination of our leaders to make effective the implementation of a West African single currency according to the planned schedule (in the year 2000). To that effect, WAEMU which is particularly concerned about the uncertainties in the continuity of the cfa convertibility could lead such action.

4.2 Conditions for the promotion of the subregional intra trade

39. It is in the light of the advantages that can be drawn from the situations mentioned earlier that actions should be implemented for the promotion of internal exchanges. This requires the full participation of Governments with a substantial assistance from national and foreign private sectors as well as from public aid to development. Efforts have already been made to lift in the subregion the various obstacles listed in the preceding chapter.

40. The diversification of offer by producing more and better : without doubt, the promotion of regional trade depends on the all-out diversification of offer with a focus on the vertical diversification which creates more wealth at the national level (complementary added value) and which is a development "catalyst" (increase in the intersectional links in the economies of the subregion including the strengthening of the relations between these economies)¹⁰. Be it on small-scale or industrial level, the opportunities of processing activities are high if we consider the food sector given the strong agricultural calling of our subregion¹¹. Food agribusiness in particular will have a better

¹⁰ Given its agricultural potential, West Africa will gain in developing at the same time agronomic research and biotechnologies that can increase the range and the outputs of its productions.

¹¹ MULPOC, Proposals for improving the role of women in the production, processing and marketing of foodstuffs in West Africa, June 1990.

prospect in the processing of vegetables, fish, fruit, milk, cocoa, etc. to finished products such as canned food, jams, fruit juice and other drinks. Apart from nutrition, sectors such as the building industry and public works, the manufacture of shoes or textile should be promoted on a subregional basis by using the available raw materials : wood, bauxite, iron, kerosene, leather, cotton etc.¹². In order to be efficient, such a strategy should be based on the strengthening and optimum utilization of institutions such as ITA - the Institute for food technology - and the African Regional Centre for Technology (ARCT) both based in Dakar, and the African Regional Organization for Standardization (ARSO) in charge of quality control.

41. A strategy on commercial promotion should equally support the subregional production diversification/development policy for more efficiency. Thus, strong measures should be taken as regards the presentation to the public of local products which do not envy anything to similar articles imported from foreign countries. For instance, ECOWAS recurrent trade fairs can increase the level of West African exchanges mainly through the direct contact between economic operators who are sellers and potential buyers. Information and presentation of the products should be handled by marketing professionals who master modern selling techniques (the prospecting of markets, attractive packaging, psychology of the consumer, etc.). As concerns the latter item, a great deal remains to be done to influence our consumption choices and direct them towards our own productions.

A programme such as 'procelos' - intended for the promotion of local cereals - designed by CILSS is to be encouraged and repeated for other speculations and even other domains.

42. Strengthening the efficiency of transport, communication and distribution systems : at the level of subregional transports, measures which improve availability, fluidity, competitiveness and coordination should be encouraged. Communication systems are planned to be promoted through the strengthening of subregional cooperation. This is a prerequisite in order to guarantee competitiveness and independence. As concerns distribution, channels should not include middlemen (wholesalers, retailers and other traders). This enables to give to the producer (especially in the field of agriculture) a substantial part of the fruit of his work. And, in the framework of the promotion of the perishable goods subregional trade, the following actions should be implemented :

¹² For further details on West African natural resource, see MULPOC's, "Rapport sur les perspectives et conditions voulues pour une diversification des exportations en Afrique de l'Ouest, avril 1996, section 2.2."

(i) strengthening the level of containerization of these products ;

(ii) reducing substantially the long delays in the transport of goods from one point to another ;

(iii) ensuring the harvest (of tropical fruit, vegetables etc.) to meet the level of ripening which is compatible with the delays of carriage.

43. Financing constitutes the other component on which a special attention needs to be paid by all the parties involved (Governments, central and secondary banks, donors, etc.) given its importance in the strategy concerning the promotion of subregional trade. The monetary policy should, through the base lending rate, stimulate productive initiatives. Secondary banks should cease giving loans to the "import-export" sector and should further support national entrepreneurs who can launch new products. They should equally finance activities relating to the exchanges in the subregion¹³. Another essential item concerns the means of payments that the financial and monetary authorities can promote and diversify at the subregional level (ECOWAS travel cheques, credit cards, the issue on compensation with the new WAMA). The organization through network's branches to establish at the level of the various member States beyond linguistic barriers is to be encouraged, like "ECOBANK" and "BIA - former Méridien BIAO" branches established in English-speaking and French - speaking countries, while trying to obtain a maximum national participation in the capital of these banks in order to be able to influence their activities. The implementation of a subregional financial market would facilitate the movement of capital which will sustain the environment of business as well as contribute to the promotion of productive initiatives and consequently, of trade. To that effect, the creation of a subregional stock market within WAEMU (shares and bonds to start with) will be an integration lever and will show that West Africa is on the right path in terms of

¹³ On that level, the lack of specialized banks is partly due to the limitation of banking facilities : there are few "investment banks" to favour the creation of enterprises thanks to financings in the long term (this role is presently played by development financing subregional institutions, such as BOAD, which are trying to fill that gap). There are equally few or no "banks that finance foreign trade" in order to facilitate operations with regard to the subregional trade ; the disadvantages of the lack of specialization are evident (low productivity, little information on the concerned economic sectors, etc.).

resource mobilization for an optimum financing of our Economy. It is hoped that in the long term, this financial market merges with or opens up to other West African countries (Nigeria and Ghana especially) which already have a national stock market.

V. CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

44. The object of the present report is the analysis of problems related to the promotion of intra West African trade which reveals the persistence of a variety of constraints from the agricultural and industrial levels (degradation of the environment, lack of technology and training, etc. see section 3.1.) to the marketing level even between our countries (limited purchasing power, variety and inconvertibility of currencies, extrovert consumer habits, etc. see section 3.2). There are also inadequacies at the level of support sectors such as credit, insurance, communication, etc. Finally, one will never be tired to insist on the necessity to further concretize integration.

45. To that effect, member States should with the most determination implement the following key actions in time :

- 1) the subregional financial market, planned for WAEMU, but will concern ECOWAS ;
- 2) a single monetary zone ;
- 3) a single West African market for the year 2025.

The achievement of these cardinal objectives depends on the effective application of measures on the free movement of people - a requirement already met in West Africa except the one on capital which still needs to be improved ; on the implementation of harmonized agricultural and industrial programmes at the subregional level in terms of natural endowments and comparative advantages of the various countries ; on the convergence of economic policies and the intensification of monetary cooperation as well as by the development of facilities.

46. These projects will be easily implemented with the setting up of institutions (Ministries, Directorates and other entities in charge of subregional integration, for instance) which aim at promoting integration, and in particular the community decisions of the member countries, with an efficient coordination and an increased interaction of the said institutions at the national and intra subregional levels.

47. Given the importance of the actions to implement, cooperation partners should increase their assistance to help our countries achieve regional integration despite the difficult financial situation faced by a majority of countries in the world including the most developed. This being said, it should be considered that a prosperous Africa at the economic level will not be a threat with regard to commercial competitiveness as perceived during the development of South East Asia. In fact, it is reasonable to consider that in the context of the liberalization of the world economy thanks to the Uruguay Round which reckons on an increase in international exchanges, each country, subregion or continent will have its place and will draw benefits in production fields where they have shown more capability. This will contribute to sustain growth at the global level.

5.2 Recommendations

48. Upstream production requires the following actions :

- horizontal and vertical diversifications of offer ;
- support in prices to farmers ;
- subsidies to cover agricultural inputs within the framework of the special dispensations to LDCs included in the Uruguay Round agreements ;
- acquisition of technologies ; and at the same time,
- training of researchers, engineers, and technicians ;
- cooperation in the field of energy (hydroelectric interconnections for instance) in order to increase the competitiveness of our products.

49. As concerns the intra subregional trade, the following actions should be implemented :

. the genuine application of coordinated programmes (between the concerned IGOs) for the liberalization of exchanges ; with a focus on :

. the alleviation of the level of harassment and other bribes during transports ;

. the promotion of information on supply sources of available raw materials at the local level (it is the case for the building industry where the promotion of local materials will help enhance the level of domestic trade and will enable a substantial savings on foreign currencies) ;

. in the short term, the convertibility of the subregion's currencies through monetary strengthening and the revival of WAMA's activities (former WACH) while hoping that a unified monetary zone will soon be created ;

. the support to the African Federation of Chambers of Commerce in its activities on comprehensive commercial prospectings as concerns the subregion's markets/needs ;

. the promotion of facilities with regard to transport, storage and telecommunication systems, and simultaneously ;

. the improvement of the transport, communication and distribution systems.

50. It should equally be recommended to :

- strengthen integration institutions (the African Economic Community, ECOWAS, WAEMU, MRU, Ministries in charge of integration, etc.) ; and

- negotiate technical and financial cooperation with the developed world as partners whose integration is more advanced (EU, ASEAN, NAFTA) .

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