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STUDY ON ECONOMIC CO-OPERATION FOR THE DEVELOPMENT
OF WEST AFRICA

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OF WEST AFRICA

Following the Conference of Heads of State and Government of West Africa held at Monrovia in April 1968, the Economic Commission for Africa and the Centre for Development Planning, Projections and Policies jointly organized a study team on economic co-operation for the development of West Africa.

The team was at work for a period of nine months in 1968 - 1969. Specialists in economics, agriculture, industry, trade and transport served with the team for part or the whole of this period.

A summary of the team's report is given below.

A. INTRODUCTION

1. In order to attain the targets proposed for the Second Development Decade, the West African States must make a vigorous and sustained effort to develop their economies. The economic growth rate of some countries in the subregion is still below their rate of population increase. Furthermore, it appears that if imbalances within the subregion are to be reduced the present growth rate in some countries will have to be at least doubled.

2. This study shows that subregional economic co-operation can substantially assist the countries concerned to achieve the targets for the Second Decade. Also, economic co-operation should make it possible to reverse the present trend towards intensification of the imbalances in economic growth between the different countries. What is more, co-operation appears as an essential pre-condition for sustained economic growth beyond

the 1970s, through economic diversification coupled with national specialization in selected fields - something which cannot be achieved without co-operation.

3. The experience gained in the area of multinational economic co-operation within the groups now existing in the subregion and outside indicates that what is needed is continuous creative activity. The effects of such activity tend to be felt in the long term, and they are often hard to measure because they are associated with structural changes. It must therefore be kept in mind that making a balanced assessment of the anticipated benefits and costs of co-operation for each country will always be difficult.

4. As can be expected, this study is far from being an exhaustive treatment of the subject of economic co-operation in West Africa. It is intended as a starting point. Still, it does offer a basis for some conclusions concerning targets and means to be used, some initial practical recommendations also and some suggestions as to areas where detailed studies will be necessary.

B. PRESENT SITUATION

5. In this first section we shall briefly describe the main features of the subregion's population and economy, taking into account both the present situation and current trends. A summary of the team's recommendations is given in Section C.

POPULATION

6. West Africa is a complex group of fourteen states differing substantially one from another as regards total population, density of population, natural resources and level of development. Nigeria alone

accounts for about 60 per cent of the subregion's population, which totals nearly 100 million inhabitants (see annex 1). At the other extreme the Gambia has only 330,000 inhabitants. All the other countries have between 1 and 8 million inhabitants, with only one of them, Ghana, exceeding 5 million. This uneven distribution is connected with the history of the subregion.

7. The density of population is extremely low (less than 5 per km²) in the three countries bordering the southern Sahara (Mauritania, Mali, Niger), each of which accounts for more than 1 million km² out of the 6 million km² of the subregion. Nigeria on the other hand, although almost as large as these three countries, has a density of 63 per km², four times the average for the subregion. The other countries have densities around the average: from 10 to 33 persons per km² (see annex 1).

8. In order to arrive at a better understanding of the distribution of population, this initial picture needs to be supplemented by an examination of a more detailed map of population densities. This shows two zones of high density: one covers the south of the coastal countries, running from Nigeria to south-east Ivory Coast and including part of the Upper Volta, and the other extends from Sierra Leone to western Senegal. These zones are separated by two belts of below-average density.

9. Thus there are zones of low density in the coastal countries (Liberia, north and south-west Ivory Coast, and Mauritania) and, on the other hand, zones of high density, up to 150 persons per km², in one of the land-locked countries, the Upper Volta, where the amount and quality of cultivable land per person are posing serious problems which may well grow more acute as time goes on,

In the forest zones the side-by-side existence of local food crops and export crops, combined with the shifting cultivation system, still leave some room for increase in densities, and the fact that there is scope for forestry planning in at least some countries is a positive factor.

10. A feature of population development is the average natural increase rate of 2.7 for the period 1960-1965 (see annex 1). But here again there are great variations between countries:

(a) the two countries with the highest and densest populations have the highest rates of increase: 3.0 per cent in Nigeria and Ghana:

(b) three low-density countries have the lowest rates: Liberia, 1.1; Mauritania, 1.2; and Senegal, 1.6;

(c) nine countries have comparable rates ranging from 2.0 to 2.4.

11. An important factor affecting the current level and evolution of these rates is the decline in mortality, which is in turn connected with the rising standard of living, the density of population and the move towards the towns. It is currently expected that the natural increase rate will rise slightly in future for all countries in the subregion because fertility rates, although among the highest in Africa, should fall only insignificantly with urbanization, while improvements in health conditions should foster a rapid decline in the mortality rates. The rise in the natural increase rate will be more marked in those countries where the rate is now lowest. In the circumstances the population of the subregion is expected to reach 146 million by 1980 (a density of 24 persons per km²).

One important consequence of this demographic pattern is that the relatively low percentage of working-age population (15 to 60 years) should tend to fall even lower than the present figure of approximately 50 per cent.

12. The present level of urbanization is as follows: 12.8 per cent of the population live in towns of over 20,000 inhabitants (see annex 1) and 7.6 per cent in towns of over 100,000 inhabitants. Here again three groups can be distinguished:

(a) the three land-locked countries and Mauritania, which have rates below 5.5 per cent;

(b) Senegal, where the proportion of urban population is 24.6 per cent, double the average for the subregion;

(c) the remaining countries, which are grouped around the average, with proportions varying from 8 to 15 per cent.

The two largest towns (over 600,000 inhabitants) are in Nigeria. Next, come Dakar, Accra, Abidjan, etc.

13. On the basis of current assumptions the rate of urban population increase is estimated to be 5.5 per cent (twice the natural increase rate). Urban population is thus expected to reach 19 per cent of total population in 1980.

The growing urbanization of the population is a significant economic factor. It is often associated with a change in consumer behaviour, not only for those in receipt of high salaries, but also for the population as a whole: traditional food-stuffs such as tubers and millet tend to be replaced by food-stuffs that are easier and quicker to prepare, such as rice and processed foods.

14. In addition to rural-urban migration there is very substantial inter-country migration through which a not inconsiderable proportion of the inhabitants of the three land-locked countries (Mali, Niger, Upper Volta) go to work for varying periods (and sometimes establish themselves) in the coastal countries, mainly the Ivory Coast and Ghana. These migratory

movements have considerable economic and social importance.

ECONOMY

Present situation

15. From south to north the region is covered by five climatic zones: rain forest, maritime savanna, humid savanna, dry savanna and steppe. As a result of the shape of the frontiers, inherited from the colonial period, most States incorporate two or three of these zones. Each zone has its own different range of farming, the variety of which grows poorer from south to north, both for food crops and for export crops. In the rain-forest zone the main food crops are cassava, yam, bananas, plantains, rice and maize, whereas in the north millet or sorghum and cowpeas are found. Among export crops coffee, cacao, oil and coconut palms, hevea and bananas can be grown in the forest zone, while ground-nuts are the only important crop in the savanna areas in the north of the subregion, although cotton-growing is developing. Similarly, productivity is much higher in the forest zones than in the savanna. However stock-raising, which is more or less impracticable in the forests, is of some importance in the maritime and humid savanna zones and is becoming a mainstay in the dry savanna.

This shows that there are substantial possibilities of north-south complementarity, and also that there is a danger that the coastal countries may find themselves competing with one another in export markets.

16. On the basis of the information given in annex 3 on the formation of the 1965 gross domestic product (GDP) for the subregion and of a summary analysis of current development plans, let us now examine the structure and comparative evolution of the different economic sectors.

Agriculture, Forestry, Fishing

17. In all countries the primary sector occupies an important, if not the leading, place in the economy. However, the share of agriculture in the GDP is twice as high in one country as in another (30 per cent in Liberia, 59 per cent in the Niger). The proportion of the population living off agriculture is everywhere high (80 per cent in Liberia). Three groups of countries can be distinguished:

- (a) Liberia, Guinea, Sierra Leone and Senegal, where the primary sector contributes about one-third of the GDP;
- (b) a group in which this proportion varies from 40 to 50 per cent;
- (c) a group in which this proportion is above 50 per cent, i.e. above the average for the subregion (Upper Volta, Gambia, Dahomey, Nigeria, Niger).

18. The respective places occupied by agriculture, livestock, forestry and fishing within the primary sector are shown in annex 2. Livestock occupies a leading place in only one country, the Niger (40 per cent). It is important - one-fifth to one quarter - in the other land-locked or sub-Saharan countries (in decreasing order: Mali, Mauritania, Upper Volta).

Sea or river fishing is important (11 to 7 per cent) in five countries (in decreasing order: Mauritania, Liberia, Senegal, Dahomey, Mali).

Forestry is important in the Ivory Coast (18 per cent), less important (8 to 9 per cent) in Dahomey, Nigeria and the Upper Volta, and of little importance elsewhere.

19. It is noteworthy that about 60 per cent of production is home-consumed, although this varies substantially from one country to another (44 per cent in Senegal and 84 per cent in the Upper Volta, for example). Of the

40 per cent which is marketed, half consists of agricultural commodities exported to world markets, and this trade is not expected to rise very much. The development of demand for marketed agricultural commodities therefore greatly depends on urbanization, and consequently on economic co-operation between the countries concerned, since urbanization is unevenly distributed in the subregion. It will require a basic re-orientation of agriculture (increase in productivity and overhaul of marketing arrangements), since for some products - and therefore for some zones - a substantial increase in the quantities marketed may be involved.

Mining, Industry, Construction

20. Examination of the secondary sector's share in the GDP shows there to be three groups:

- (a) three countries are around 10 per cent: Gambia, Dahomey, Niger;
- (b) seven countries are between 14 and 19 per cent;
- (c) the share is very high, between 25 and 40 per cent, in four countries: Guinea, Mauritania and Sierra Leone (25 to 30 per cent) and Liberia (38 per cent).

The position of these last four countries is due to the importance of mining, which in Guinea represents 11 per cent of the GDP and in the other three countries 19 to 29 per cent. But experience, in the subregion has shown that mining, where it is present, tends to direct the economy outwards and has little influence on industrial activity.

The four countries which account between them for 80 per cent of the output of the subregion's secondary sector (in order of importance: Nigeria, Ghana, Ivory Coast, Senegal) are in the middle group.

three

In the/land-locked countries (Mali, Upper Volta, Niger) the relatively high proportion of the GDP (15 to 10 per cent) accounted for by the secondary sector reflects the importance of handicrafts.

21. In manufacturing alone does the position of the countries of the subregion seem much more uniform:

(a) two countries appear to be only slightly industrialized:

Mauritania and Dahomey (less than 5 per cent of the GDP);

(b) in ten countries industry's share in the GDP is between 5 and 10 per cent;

(c) in only two countries is the figure above 10 per cent; Ivory Coast and Senegal.

22. A few significant facts should be noted:

(a) although specialization exists, the particular areas in which it applies tend to be the same in the different countries, especially the four countries which account for the bulk of the subregion's industrial GDP. There is, however, more diversification in Nigeria owing to the size of the market.

(b) There would appear to be surplus production capacity owing to the very small size of markets and possible competition in respect of the terms for the establishment of new industries.

Services

23. In half of the countries the proportion of the GDP accounted for by this sector is lower, but only slightly so, than the subregional average of 34 per cent. Nigeria, with the lowest percentage, belongs to this group. The other half includes some industrial or mining countries (Senegal, Ivory Coast, Guinea, Sierra Leone) but it also includes the Gambia, Mali, and Dahomey. In Senegal 50 per cent of the country's GDP is at present accounted for by the service sector.

Gross domestic product per capita

24. The gross domestic product per capita varies widely and can be six times as high in one country of the subregion as in another. In decreasing order we have:

GDP per capita above \$200: Liberia, Ivory Coast, Ghana, Senegal;

GDP per capita between \$100 and \$200: Sierra Leone, Mauritania, Togo, Gambia;

GDP per capita below \$100: Guinea, Niger, Nigeria, Dahomey, Mali, Upper Volta.

The 1966 average was \$114, the highest figure being \$291 and the lowest \$48.

External trade

25. Mention should be made of the heavy dependence of the subregion's economies on external trade, which is especially noteworthy when allowance is made for their low degree of monetization, referred to above.

26. There is a substantial volume of unrecorded trade and contraband between the countries of the subregion. Total trade is estimated to be twice the volume of recorded trade. Approximately three-quarters of this intra-subregional trade is at present accounted for by agricultural commodities.

The land-locked countries (Upper Volta, Mali, Niger) have a higher share of intra-subregional trade than the others. They import 40 per cent of recorded trade and export a large proportion of unrecorded trade. The principal exporting countries are, nevertheless, the Ivory Coast and Senegal. The former has a favourable balance in this intra-subregional trade (total trade, whether recorded or not). The evolution of customs policies since independence is gradually closing the gap between the widely divergent levels

of duty that formerly obtained in countries with different colonial systems.

Transport

27. A few facts are worthy of note. Apart from the Ghana-Nigeria road link, communications between the coastal countries are almost entirely by sea. The most isolated country by land is Guinea (seasonal connexions only). Of the land-locked countries only the Niger does not have a heavy transport connexion, with no need to break bulk, to the sea (either in the direction of Dahomey or of Nigeria).

Economic trends

28. Having outlined the present situation, let us now quickly review a few features of those targets given in current plans that are of interest as far as problems of co-operation are concerned, as well as the trends currently recorded in individual sectors.

29. In the agricultural sector current plans are generally concerned both with developing the production of commodities marketed internationally or regionally and locally and with developing raw materials that could be used by local industry (cotton, sugar cane).

In food crops, projects are planned for rice in many countries, and for maize.

The plans for countries which have both forest and savanna areas seek to exploit the complementary nature of the two zones by improving equilibrium in their respective development.

There are projects for livestock not only in those countries where it is already the mainstay, but in some coastal countries as well (the Ivory Coast and Sierra Leone, for example).

30. In the industrial sector the aim everywhere is to diversify production but, except perhaps in Nigeria, the size of the market is an obstacle. In the mining countries, except Liberia, the forecast growth rates for the mining sector are high. The same is true of mining in Nigeria, Togo and the Ivory Coast. There is also the possibility that mines can be worked in the Upper Volta.

31. In the service sector it is noteworthy that the country expecting the highest growth rate is the one in which this sector is at present least developed (Mauritania). Generally speaking, the forecast growth rates for services are:

(a) slightly lower than the growth rate for the economy as a whole in those countries where the forecast evolution of this rate is low;

(b) slightly higher than the growth rate for the economy as a whole where this rate is expected to be high.

32. In some plans the forecast volume of scheduled investment is examined, revealing not only great divergencies in the per capita level of investment, but also great discrepancies in the possibilities of financing such investment internally. Thus, in the land-locked countries internal resources are relied upon to meet 13 per cent of investment, the balance coming from foreign aid and loans, whereas in Nigeria these proportions are approximately reversed.

Sectoral development

33. The table given in annex 4 shows currently estimated growth rates in the countries of the subregion, based on development plans. It can be seen that the relative position of each country does not differ greatly from one sector to another. There are three groups of countries.

	<u>Present percentage of</u>		<u>Remarks</u>
	<u>GDP</u>	<u>Population</u>	
Upper Volta, Dahomey, Mali, Gambia	6.9	12.1	Growth rates around 2 per cent. Present growth rates lower than rates of population increase
Senegal, Liberia, Ghana, Niger	29.3	16.3	Average growth rates. Industrialized or mining countries, plus one land-locked country.
Nigeria, Guinea, Sierra Leone, Togo, Ivory Coast, Mauritania	63.8	71.6	High growth rates (4 to 9 per cent). Three out of the four mining countries. Two industrialized countries.

Co-operation should enable each country to increase its growth rates; the effects are expected to be more marked in those countries which now have the lowest rates.

34. The divergencies between the growth rates forecast in current plans would thus be reduced

<u>Rate</u>	<u>Number of countries</u>	<u>Rate</u>	<u>Number of countries</u>
≤ 4	2	≤ 8	1
≤ 5	3	≤ 9	1
≤ 6	2	≤ 10	1
≤ 7	1		

C. SUMMARY OF THE TEAM'S CONCLUSIONS

The setting for co-operation

35. The geographical setting can first of all be defined. Economic co-operation should be both gradual and flexible. The different areas in which it appears to be desirable can be approached one after the other. The natural tendency for particular groups of countries to be formed on the basis of geographical proximity must be recognized. Small groups of countries can more quickly arrive at joint or co-ordinated policies and move on from the project stage to definite agreements. Such groups, which would need to be worked out in more detailed studies, could be formed (see annex 5) by: (a) the "Entente" countries and Ghana, and (b) the Senegal river States plus the Gambia, Liberia and Sierra Leone. Nigeria alone forms an economic entity in which the market is such as to permit balanced industrial development. In general a desirable solution would appear to be the conclusion of multi-lateral agreements open to any interested country in the subregion. Co-operation between the countries of the subregion must not exclude co-operation with Central Africa, whether in the form of research coastal transport or of any steps that might be taken to create a favourable setting for the development of trade.

36. Institutions (secretariat, technical committees, etc.) should be small and should be established only gradually, as and when co-operation is extended to each new area. The necessary research should be undertaken by agencies of the States concerned, supported, where necessary, by international organizations or outside consultants. Priority must always be given to the preparation of specific co-operative projects. In this way co-operation would

take the form of a number of successive stages: arrangements for specialization and trade, the adjustment of national development policies and the economic planning of the subregion as a whole.

Finally, it should be remembered that the implementation of agreements will not always depend on Governments alone. It may be necessary to devise means of encouraging private investors to respect the agreements made between the States.

General framework and psychological climate

37. If co-operation is to be extended, using the present situation as a starting point, it would appear that early attempts should be made to reach preliminary agreements for the purpose of creating a general framework and psychological climate favourable to an increase in the exchange of goods, the movement of persons and the circulation of information.

38. With regard to the exchange of goods, the first steps to be taken might cover:

- (a) standardization of regulations and easing of formalities;
- (b) progressive reduction of customs duties on commodities of particular interest to the subregion.

This should be preceded by a thorough study of the commodities to be considered, of the foreseeable increase in trade which could be achieved, and of possible fiscal implications.

As far as the movement of persons is concerned, the size of current migratory flows justifies a simplification and standardization of the pertinent regulations.

39. Information falls into two categories:

(a) Technical information. In a number of sectors countries often undertake research without co-ordinating their programmes and without arranging adequate circulation of the results obtained. As will be seen in greater detail in the case of agriculture and industry, with joint programming and an exchange of experience (and even of personnel) time could be saved and optimum use made of available resources.

(b) Statistical and economic information. Lack of uniformity in statistical and economic information is one of the obstacles encountered in all studies on co-operation between the subregions countries. This is probably one of the first areas in which co-operation can be organized within the scope of the recommendations and work of ECA (Conference of African Statisticians, Conference of African Planners, miscellaneous African working groups). Experience has shown that a small group of countries can make rapid headway in co-ordinating statistics (on agriculture, industry, transport, trade, prices, etc.) and studies (national accounting, presentation of economic plans and reports, etc.). This requires simply a standardization of concepts, of nomenclatures and of tabular presentation of data, an exercise which can reach a level of considerable detail in the case of a small group of countries. The differences commonly found in statistical and economic studies between one country and another (surveys, censuses, indices, etc.) should give rise to a fruitful interplay of ideas through the exchange of technical documentation, organization of courses, etc.

Agriculture and related industries

40. The general objectives to be aimed at here, the attainment of which will depend on an active policy of economic co-operation, are as follows:

- (a) maintaining suitable rates of migration from the countryside to the towns or between countries;
- (b) reducing in time the subregion's general dependence on the outside world for agricultural commodities and food-stuffs (current trends imply that this will increase);
- (c) increasing, wherever possible, the supply of local agricultural commodities to industry (tobacco, cotton, etc.).

41. It is possible, on the basis of this study, to indicate some particular areas in which subregional co-operation should improve the chances of attaining these aims:

RESEARCH

It is not so much a question here of cutting back current expenditure as of reducing the rate at which this expenditure is rising, and of obtaining quicker results and increasing the effectiveness of the research work done. Particular areas in which co-operation can be of value are:

- (a) improved farming methods in the savannah zone, and research into cultivation systems in general;
- (b) a study of reforestation in the forest zones;
- (c) experiments with new varieties (sugar cane, etc); seed multiplication;
- (d) the establishment of plant protection stations;

(e) technological research (partial substitution of millet and sorghum flour for wheat flour; research into ways of increasing the consumption of low-cost proteins - leguminosae - in the towns; research into new uses to which anticipated maize surpluses can be put);

(f) miscellaneous research on livestock (health protection, development and management of surface and ground water with a view to making use of adjacent lands, a study of pastoral nomadism and natural grazing grounds, research into high-yield fodder crops and fodder storage, research into the possibilities of increasing animal productivity by weight etc.).

Generally speaking, any research by means of which productivity can be increased or market outlets expanded (food technology, market surveys) is suitable material for economic co-operation, particularly in the case of products in respect of which an increase in subregional trade can be expected (poultry, for example).

42. A detailed study of the improvements that can be made in the marketing arrangements for the important products in subregional trade should also be undertaken on a co-operative basis, to enable the producing countries to meet, on favourable terms, the rise in demand from importing countries, which would otherwise have to obtain increasing quantities of their supplies from outside the subregion.

43. If detailed market surveys are carried out, it should be possible for specialization agreements to be reached under which the land-locked countries in particular could obtain improvements in their production and marketing facilities in exchange for opening up their markets to selected industrial products manufactured in the coastal countries.

44. Lastly, co-operation might find a favourable field in the training of experts at different levels (organizers etc.). Exchanges concerning experience in extension techniques might be rapidly undertaken and pursued in the future.

INDUSTRY

45. The general objectives which may be sought in this field depend still more than agriculture on increased economic co-operation:

- to diversify industry, particularly where some industrial development already exists;
- to allow new activities to be developed so as to ensure conditions for more autonomous and balanced development;
- to achieve competitive prices which will make it possible to benefit by the market established through sub-regional co-operation, without penalizing the less industrialized countries, and to proceed to further stages of development.

46. The first recommendation relates to the maximum use of the existing production capacity. A thorough preliminary study of actual feasibilities and possible prices would seem necessary. This study should be conducted with the producers themselves.

The projects already envisaged in some countries of establishing new industries which like iron and steel or chemical fertilizers require a wide market, should also be immediately re-examined from the new approach of gradually building up a sub-regional market. The problem may also arise with regard to the extension of activities such as the manufacture of tyres.

47. A careful study of markets and their possible development should come before the finalizing of agreements on specialization and distribution

of markets in respect of iron and steel, non-ferrous metals, the chemical industry, engineering, etc..

The forms of specialization contemplated should make it possible to seek a balance between:

- coastal countries which can share part of the new production arising out of co-operation;
- inland countries which should be able to give priority at least to the processing of local raw materials.

A careful study will be necessary to assess the effect on each country of the lowering of customs barriers on certain products, in the context of the proposed specialization.

48. As the finalization of the agreements on specialization referred to above will probably be a long process, the immediate co-operation of countries in the sub-region should make it possible to engage in various activities designed to achieve industrial standardization:

- the definition of products in respect of which the prospects of production in the sub-region may be regarded as favourable, bearing in mind projections of demand;
- the activities necessary to achieve common standards for these products on a priority basis.

49. A detailed study of the potentialities of possible co-operation in the training of various technicians should reduce the number of requests for help from abroad.

TRANSPORT

50. The first recommendation to be made as a result of the present study concerns the urgent need to arrange, during the second Decade, a programme for the sub-region's telecommunications network. This work, which falls within the scope of the Pan-African network studied by the United Nations Special Fund, could be financed, at least in part, by the sub-region's countries jointly.

51. With respect to roads, the team recommends construction of a number of inter-country road connexions, which are at present either completely lacking or open on a seasonal basis only.

This preliminary programme would be an important step towards implementation of the recommendations adopted by the West African Transport Conference held at Monrovia in 1961.

52. On the subject of railways, the team's recommendations are concerned with standardization. The relevant documents and regulations should be brought into line and there appears to be a need for a detailed study regarding the establishment of a railway linking Lagos (Nigeria) and Takoradi (Ghana).

53. If the coastal countries concerned co-ordinated their policies, costs could be immediately cut in the coastal trade. The anticipated increase in coastwise traffic as a result of greater economic co-operation will make it necessary to carry out detailed studies with a view to arriving at a common policy (to include the Central African countries concerned) on such matters as freight rates, harmonization of port facilities and a joint or approved coastal shipping line.

54. It is recommended that the provision of a heavy transport outlet to the coast for the Niger (the only country at present without one) should be examined. The question of what route it should take and what means should be employed, as well as the times at which new investments would be justified, should be examined in conjunction with neighbouring countries.

55. Machinery for facilitating consultations in the sphere of transport in general, and coastal trade in particular, will soon be necessary. Transport co-ordination problems will grow with the increase in trade expected to take place as a result of sub-regional co-operation.

TRADE

56. Here the countries concerned have agreed in principle that the aim should be the establishment of a customs union. It appears that this aim could be achieved by the end of the second Decade if the preliminary steps are taken soon.

57. The various measures that can be considered at the moment are as follows:

(a) the conditions at present applying to trade between the UDEAO (West African Customs Union) countries could be extended, on a reciprocal basis, to the other countries of the sub-region. This procedure which is initially valid for local agricultural products, could subsequently be extended to industry through product-by-product negotiations.

(b) The two-column tariff system already practised by a number of countries in the sub-region could be adopted by all.

(c) A meeting of the insurance companies concerned could make recommendations as to that co-operative measures would be needed in order to obtain the insurance facilities required for the expansion of sub-regional trade.

(d) Customs personnel could be trained jointly.

58. A number of studies should be undertaken now or at a later stage.

(a) the long-term effects that different levels of trade liberalization would have on government revenues should be studied and a system of financial compensation over a limited transitional period should at the same time be examined;

(b) the adjustments to be made regarding the protection currently granted to certain local industries affected by the expansion of the market should be examined;

(c) a detailed item-by-item study of resources and consumption should be made;

(d) the central banks should examine what measures should be proposed for overcoming any difficulties that might arise in financing intra sub-regional trade rediscounting when it expands. A payments mechanism could be studied later. There will probably be no need for a payments union before 1980.

59. Finally it will be necessary to examine the provisions of the Yaoundé Convention to ensure that the agreements between the European Economic Community and the associated countries do not conflict with efforts

to achieve closer commercial co-operation between the countries of the sub-region.

60. In order to prepare the ground for the implementation of the co-operative measures required, it will be advisable to set up

(a) A Standing Committee on Trade Liberalization which after examining the implications of the recommendations made would prepare the measures to be adopted by Governments;

(b) An Intergovernmental Committee responsible for co-ordinating customs policies, procedures and formalities.

TRAINING

61. This problem has already been referred to several times. A detailed study should be made of training requirements in those areas where co-operation appears possible. By this means opportunities for on-the-spot training could be broadened, costs could be cut and the need to call in foreign specialists reduced.

ACTION BY INTERNATIONAL ORGANIZATIONS

62. The various international organizations concerned African organizations in the first instance, and the specialized agencies of the United Nations and other inter-governmental bodies could be asked to help with the implementation of these recommendations, especially in carrying out proposed research work.

Annex 1

SOME STATISTICS ON THE COUNTRIES OF WEST AFRICA

Country	Area (thousands of square kilo- metres)	1965 population (thousands)	Density (persons per square kilo- metres)	Proportion of urban population (percent- age of total population)	Natural rate of increase	1965 GDP (millions of 1965 US\$)
Dahomey	113	2,365	21	9.7	2.0	146.5
Gambia	11	330	30	9.1	2.4	24.8
Ghana	239	7,740	33	15.0	3.0	1,363.0
Guinea	246	3,510	15	8.5	2.2	260.8
Ivory Coast	322	3,835	12	14.1	2.0	716.9
Liberia	111	1,070	10	14.0	1.1	234.1
Mali	1,202	4,576	4	5.5	2.0	267.0
Mauritania	1,031	1,050	1	-	1.2	117.4
Niger	1,267	3,328	3	1.5	2.1	230.0
Nigeria	924	57,500	63	14.5	3.0	3,877.3
Senegal	196	3,490	18	24.6	1.6	576.2
Sierra Leone	72	2,367	33	8.9	2.0	238.3
Togo	56	1,638	30	7.9	2.1	133.8
Upper Volta	274	1,354	18	3.1	1.7	168.1
Total	6,062	97,653	16	12.8	2.7	8,359.2

Annex 2

SHARE OF AGRICULTURE, LIVESTOCK, FISHING AND FORESTRY
IN PRIMARY SECTOR GDP

(Percentage of Primary Sector GDP)

<u>Country</u>	<u>Agriculture</u>	<u>Livestock</u>	<u>Fishing</u>	<u>Forestry</u>
Dahomey	75.2	8.4	7.3	9.1
Gambia	83.3	7.6	4.8	4.1
Ghana	86.6		4.9	8.5
Guinea	84.4	13.1		2.4
Ivory Coast	75.4	3.7	3.0	17.7
Liberia	87.9	-	8.8	3.3
Mali	63.5	24.2	6.8	5.3
Mauritania	67.0	19.0	11.0	3.0
Niger	55.4	39.8	0.7	4.1
Nigeria	77.6	9.2	4.7	8.5
Senegal	75.2	11.3	8.5	4.9
Sierra Leone	87.2	5.3	2.8	4.5
Togo	83.3	6.8	1.4	4.3
Upper Volta	72.3	18.8	0.5	8.4

RELATIVE SHARE OF SECTORS IN GDP, BY COUNTRY (1965 GDP, AT 1960 PRICES)

Level	Sectoral GDP	Primary sector	Secondary sector	Tertiary sector
	National GDP	Agriculture, Forestry, Fishing	Mining, Industry, Construction	Services, etc.
			(industry alone)	
Under 10 per cent				
		Gambia	7.7	Mauritania 1.4
				Dahomey 4.1
				Liberia 5.1
				Niger 5.7
				Guinea 6.2
				Nigeria 6.8
				Sierra Leone 7.1
				Gambia 7.7
				Mali 7.7
				Togo 8.5
				Upper Volta 9.2
10 to 20 per cent				
		Dahomey	10.0	Ivory Coast 10.7
		Niger	10.5	Senegal 12.6
		Upper Volta	14.7	
		Mali	15.1	
		Senegal	16.2	
		Ghana	16.7	
		Ivory Coast	16.8	
		Nigeria	16.8	
		Togo	18.5	
20 to 30 per cent				
		Liberia	29.6	Nigeria 28.2
				Mauritania 29.2
		Guinea	25.8	
		Mauritania	29.2	
		Sierra Leone	29.5	

...

(Annex 3 cont.)

Level	Sectoral GDP	Primary sector	Secondary sector	Tertiary sector
	National GDP	Agriculture, Forestry, Fishing	Mining, Industry, Construction	Services, etc.
30 to 40 per cent		Guinea 30.1 Sierra Leone 31.4 Senegal 33.4	Liberia 37.9	Niger 30.6 Togo 31.7 Liberia 32.5 Upper Volta 32.7 Ghana 34.8 Dahomey 37.0 Mali 38.0 Sierra Leone 38.9 Gambia 39.5
40 to 50 per cent		Ivory Coast 41.4 Mauritania 41.6 Mali 46.9 Ghana 48.5 Togo 49.8		Ivory Coast 41.8 Guinea 44.0
50 to 60 per cent		Upper Volta 52.5 Gambia 52.7 Dahomey 53.0 Nigeria 55.0 Niger 58.8		Senegal 50.5

AVERAGE GROWTH RATES FOR THE PERIOD 1965-1970 BY SECTOR AND COUNTRY, ESTIMATED ON THE BASIS OF RATES FOR THE PERIOD 1960-1965^{1/}

Level of rate	Economy as a whole	Agriculture, Forestry, Fishing	Manufacturing industry	Construction	Mining	Services
Under 2 per cent	Upper Volta	Upper Volta Liberia Dahomey Senegal		Upper Volta	Gambia Dahomey Upper Volta	Upper Volta Dahomey Mali
2 to 3 per cent	Dahomey Mali Gambia Senegal Liberia Ghana	Gambia Niger Ghana	Upper Volta Dahomey Mali Gambia	Dahomey Mali Gambia Senegal	Mali	Gambia Ghana Senegal Liberia Niger
3 to 4 per cent	Niger	Guinea Sierra Leone Togo Nigeria	Ghana Senegal Liberia Niger	Ghana Liberia Niger	Senegal	
4 to 5 per cent	Nigeria Guinea Sierra Leone				Ghana Liberia Niger	Nigeria Guinea
5 to 7 per cent	Togo Ivory Coast Mauritania	Nigeria Guinea Sierra Leone Togo Ivory Coast Mauritania	Nigeria Guinea Sierra Leone Togo Ivory Coast Mauritania	Guinea Sierra Leone Togo Nigeria Ivory Coast Mauritania	Guinea Nigeria Sierra Leone Togo Ivory Coast Mauritania	Sierra Leone Togo Ivory Coast Mauritania

^{1/} The rates are those obtained for the period 1960-1965, except in the case of Dahomey, the Gambia, Mali, and Upper Volta, the figures for which have been adjusted slightly upwards, to the level of the rate of population increase.

Annex 5

SELECTED ITEMS OF DATA ON THE THREE GROUPS OF COUNTRIES

	Group 1 Gambia, Guinea, Liberia, Mali, Mauritania, Senegal, Sierra Leone	Group 2 Dahomey, Ghana, Ivory Coast, Niger, Togo, Upper Volta	Group 3 Nigeria	Total
Number of countries	7	6	1	14
1965 population (millions of persons)	16.4	23.8	57.5	97.7
1965 urban population (millions of persons)	1.9	2.3	8.3	12.5
1965 percentage of urban population	11.6	9.5	14.5	12.8
1965 GDP (millions of \$ US)	1,720	2,763	3,877	8,159
Percentage of sub- regional GDP	20.6	33.1	46.3	100.0
1965 GDP per capita	105	116	86	107
Purchasing power density (GDP per square kilometre)	0.6	1.2	4.2	1.4
Sectoral shares in 1965 GDP (1960 prices):				
Agriculture	35.1	48.1	55.0	48.6
Mining	10.0	2.0	4.8	4.9
Industry	8.2	9.1	6.8	7.9
Construction	4.8	4.7	5.2	4.9
Services	41.9	36.1	28.2	33.7
Total	100.0	100.0	100.0	100.0