

APPROVED FOR RELEASE: 2007/02/08: CIA-RDP82-00850R000100030046-7

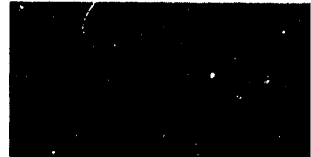
1 of 1

FOR OFFICIAL USE ONLY

JPRS L/8343

20 March 1979

TRANSLATIONS ON NEAR EAST AND NORTH AFRICA
(FOUO 9/79)



NEAR
EAST



NORTH
AFRICA

U. S. JOINT PUBLICATIONS RESEARCH SERVICE



FOR OFFICIAL USE ONLY

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

COPYRIGHT LAWS AND REGULATIONS GOVERNING OWNERSHIP OF MATERIALS REPRODUCED HEREIN REQUIRE THAT DISSEMINATION OF THIS PUBLICATION BE RESTRICTED FOR OFFICIAL USE ONLY.

| | | | | |
|--|---|--|--|------------------------------|
| BIBLIOGRAPHIC DATA SHEET | | 1. Report No. JPRS L/8343 | 2. | 3. Recipient's Accession No. |
| 4. Title and Subtitle TRANSLATIONS ON NEAR EAST AND NORTH AFRICA, (FOUO 9/79) | | | 5. Report Date 20 March 1979 | |
| 7. Author(s) | | | 6. | |
| 9. Performing Organization Name and Address Joint Publications Research Service 1000 North Glebe Road Arlington, Virginia 22201 | | | 8. Performing Organization Rept. No. | |
| | | | 10. Project/Task/Work Unit No. | |
| | | | 11. Contract/Grant No. | |
| 12. Sponsoring Organization Name and Address As above | | | 13. Type of Report & Period Covered | |
| | | | 14. | |
| 15. Supplementary Notes | | | | |
| 16. Abstracts The serial report contains information on socio-economic, government, political, and technical developments in the countries of the Near East and North Africa. | | | | |
| 17. Key Words and Document Analysis. 17a. Descriptors | | | | |
| Political Science | <input checked="" type="checkbox"/> Inter-Arab Affairs | <input checked="" type="checkbox"/> Libya | <input type="checkbox"/> Sultanate of Oman | |
| Sociology | <input checked="" type="checkbox"/> North African Affairs | <input checked="" type="checkbox"/> Mauritania | <input type="checkbox"/> Syria | |
| Economics | <input type="checkbox"/> Afghanistan | <input checked="" type="checkbox"/> Morocco | <input checked="" type="checkbox"/> Tunisia | |
| Culture (Social Sciences) | <input checked="" type="checkbox"/> Algeria | <input type="checkbox"/> People's Democratic Republic of Yemen | <input type="checkbox"/> United Arab Emirates | |
| Ethnology | <input type="checkbox"/> Bahrain | <input type="checkbox"/> Persian Gulf Area | <input type="checkbox"/> Western Sahara | |
| Geography | <input type="checkbox"/> Egypt | <input type="checkbox"/> Qatar | <input type="checkbox"/> Yemen Arab Republic | |
| Technological | <input type="checkbox"/> Iran | <input type="checkbox"/> Saudi Arabia | | |
| Military Sciences | <input type="checkbox"/> Iraq | <input type="checkbox"/> Spanish North Africa | | |
| | <input type="checkbox"/> Israel | <input type="checkbox"/> Sudan | | |
| | <input type="checkbox"/> Jordan | | | |
| | <input type="checkbox"/> Kuwait | | | |
| | <input type="checkbox"/> Lebanon | | | |
| 17b. Identifiers/Open-Ended Terms | | | | |
| 17c. COSATI Field/Group 5D, 5C, 5K, 15 | | | | |
| 18. Availability Statement For Official Use Only. Limited Number of Copies Available From JPRS. | | | 19. Security Class (This Report) UNCLASSIFIED | 21. No. of Pages 59 |
| | | | 20. Security Class (This Page) UNCLASSIFIED | 22. Price |

FORM NTIS-35 (REV. 3-72)

THIS FORM MAY BE REPRODUCED

USCOMM-OC 14852-P72

FOR OFFICIAL USE ONLY

JPRS L/8343

20 March 1979

TRANSLATIONS ON NEAR EAST AND NORTH AFRICA

(FOUO 9/79)

CONTENTS

PAGE

INTER-ARAB AFFAIRS

Reflections on Arab Tradition and Modernity
(Fuad Zakariya; THE JERUSALEM QUARTERLY, No 10, 1979) 1

NORTH AFRICAN AFFAIRS

Algerian President New Enigma in Saharan War
(Abdelaziz Dahmani; JEUNE AFRIQUE, 14 Feb 79) 9

ALGERIA

Selection of Algerian President Discussed
(JEUNE AFRIQUE, 14 Feb 79) 11

Role of Algerian Army Viewed
(JEUNE AFRIQUE, 14 Feb 79) 15

Polisario Front Announces 'Defection' of Moroccan Deputy
(MARCHES TROPICAUX ET MEDITERRANEENS, 9 Feb 79) 17

Industrial Development of Algeria Does President
Boumediene Honor
(MARCHES TROPICAUX ET MEDITERRANEENS, 9 Feb 79)..... 18

Chadli Bendjedid Called Energetic, Realistic
(MARCHES TROPICAUX ET MEDITERRANEENS, 9 Feb 79) 20

Briefs

SNS-Nippon Agreement 23
El Moustakbal Dam 23
Daimler-Benz Vehicles 23
Equipment for Steel Complex 24

- a - [III - NE & A - 121 FOUO]

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

| CONTENTS (Continued) | Page |
|--|------|
| LIBYA | |
| Briefs | |
| Libyan Nuclear Program | 25 |
| Weapons Deliveries | 25 |
| MAURITANIA | |
| Details on SNIM Reorganization Noted (Abelaziz Dahmani; JEUNE AFRIQUE, 14 Feb 79) | 26 |
| Agricultural Situation Appears To Be Critical (MARCHES TROPICAUX ET MEDITERRANEENS, 9 Feb 79) | 28 |
| Briefs | |
| Lieutenant's House Arrest | 30 |
| Japanese Fishing Center | 30 |
| MOROCCO | |
| Economic Performance, 1978-1980 Plan Detailed (MARCHES TROPICAUX ET MEDITERRANEENS, 26 Jan 79) .. | 31 |
| TUNISIA | |
| Report on Industrial Activity During First Half of 1978 (MARCHES TROPICAUX ET MEDITERRANEENS, 9 Feb 79) ... | 51 |
| Trade Deficit Increases in 1978 (MARCHES TROPICAUX ET MEDITERRANEENS, 2 Feb 79) ... | 55 |
| Briefs | |
| Kuwaiti Loan | 56 |
| New Railway Station Switch | 56 |
| EEC Aid to Cities | 56 |
| Japanese Electronic Aid | 56 |
| Aid From GDR | 57 |
| GDR Aid for Phosphates | 57 |

- b -

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

INTER-ARAB AFFAIRS

REFLECTIONS ON ARAB TRADITION AND MODERNITY

Jerusalem THE JERUSALEM QUARTERLY in English No 10, Winter 1979 pp 77-83

[Article by Fuad Zakariya]

[Text]

The Egyptian writer Tawfiq al-Hakim has made the perceptive distinction between a 'backward' and a 'lagging' society. The former has never been at the spearhead of progress while the latter once led the convoy of civilization, but fell behind when its pace slackened or stopped completely. Al-Hakim thus endeavoured to define the relationship between cultural development and the dimension of time, notably the relationship between past and present. A lagging society tends to be past-oriented, looking with nostalgia at the good old days when it carried the torch of progress. A prime example of such a society is the Arab world. Any discussion of this society should take as its point of departure that special relationship between past and present.

In Arab culture, the past confronts the present not as an entity which is linked to and integrated with it. Rather, the past acts as an independent force contending with the present, defending its own privileges against it and striving to take its place. In brief, our attitude towards the past is ahistorical. This is in contrast with the historical attitude which places the past in a realistic context, examining it from a relativistic viewpoint as a bygone phase which disappeared into successive phases of human evolution leading to the present. In a historical approach the past does not compete with the present and there can never be a question of congruity (or lack of it) between them, for the present carries the seeds of the past and the past creates the present even as it expires and is superseded by it. In Arab culture, however, the past cuts off its relationship with history, loses its relativistic character and

* F. Zakariya is an Egyptian philosopher who teaches at 'Ayn Shams University. This is a somewhat abridged version of an article published in *al-Addb* (Beirut).

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

becomes an ever present force, independent of the framework of time. It is thus bound to clash ineluctably with the present. Past and present thus emerge as two distinct entities, and not as they are in fact: part and parcel of one force whose character changes with the passage of time. This ahistorical approach is responsible, to a large extent, for the backwardness of the Arab world and for the confusion which bedevils Arab culture.

Critics of Tradition

The best illustration for this confusion is the ongoing debate on tradition vs. modernity.

On one side of this debate stand the critics of tradition, who single out the defects of our cultural heritage and call for them to be drastically remedied. This author agrees with their claims, yet rejects their conclusions. The critics find our tradition to be replete with irrational elements: superstitions, mysticism, mythological modes of thinking. This is undoubtedly true up to a point, but there is no reason to conclude - as the critics do - that our tradition is utterly defective. Let us remember that the same irrational elements did not impede the progress of European thought. European mediaeval thought was no doubt obscurantist and mystical-prone, and even modern Europe maintains a measure of irrational elements, which permeate its scientific activity as well. Until the 18th century, electricity and magnetism were seen as mystical forces, and chemists spoke of masculine and feminine minerals. Up to Descartes' time, animals were considered to be mere instruments, devoid of consciousness and feeling alike. The mentally ill were sometimes burned alive in order to banish the evil spirits dominating them.

Nevertheless, Europe was the spearhead of progress in the modern era. If these factors did not block the way to modernity in the West why should they be deemed impediments to progress in the Arab world? One could even make the case, as some European thinkers do, that these intellectual errors may be a necessary phase on the way to discovering the truth. Science, they argue, is not so much a cluster of truths reached one by one, as a cluster of errors progressively overcome. Superstition and mystical belief can thus be deemed stages on the road to knowledge, provided other - and better - stages evolve and supersede them. From a historical viewpoint, irrational thought and superstitions *per se* cannot be the cause of backwardness. Whether they become so, is determined only by later developments.

The same holds true for the accusation that the Arab heritage is fraught with tyranny and repression. Dr. Zaki Najib Muḥamad in his *Regeneration of Arab Thought* (in Arabic) claimed that this tyranny lay at the root of our backwardness. But is not the history of European thought replete with cases of liberties repressed?

FOR OFFICIAL USE ONLY

Without having to delve far back into mediaeval history or into the intolerance of the Reformation, cannot one find in modern history a legion of examples of persecution of intellectuals in the name of religion? Giordano Bruno was burned alive, Galileo was put on trial and almost executed. The same fate menaced Descartes, while Spinoza had to resort to an apparently theological style in order to hide his essentially rationalistic approach. Intellectual terror by the religious establishment is thus not the domain of the dark ages of Arab traditional culture alone. The West, however, has found its way beyond that phase, into the era of enlightenment and freedom of expression. Thus, while the defects in our tradition should certainly be overcome, they cannot be considered solely responsible for our intellectual backwardness. One should rather investigate later, post-mediaeval, developments in the Arab world in order to find the source of our malaise.

Those who heap all the blame for today's backwardness on mediaeval factors apparently expected tradition to be a sufficient basis for solving the problems of the present. They were bitterly disappointed to find that it does not fulfil this 'task'. The very ferocity of criticism levelled at tradition denotes that the latter is being unconsciously compared to the present. The past is perceived as a living force which should be overcome.

Proponents of Tradition

The same sort of comparison, but with an opposite intention, underlies the approach of the defenders of tradition. Theirs is the obverse of the same coin: they exaggerate the real (i.e., historical) significance of our tradition. The traditionalists claim that we are backward because we have forsaken our heritage and only when we come back to it can we achieve progress. Some traditionalists ask us only to be 'inspired' by our tradition, while others seek to resurrect the entire heritage. They argue that deliverance will come only through an intensive search for a recreation of the past, even down to such details as dress. Such appeals for a reinstatement of the past cannot be found today in other cultures; they are unique to the Arab world.

There are traditionalists who often depict our heritage as encompassing all human knowledge, past and present, thus precluding the need to overreach its bounds. Certain authors strive to prove that all new scientific discoveries are anticipated and foreshadowed in the verses of the Koran. Nuclear science is supposed to have its origins there because there are verses which contain the term *dhurra* (atom). In another philological sleight-of-hand they claim that modern biology is prefigured in verses about Allah's creating all living beings from water. Others still may view the verse about Muhammad's ascension to heaven as anticipating space travel. True enough, there are out-and-out traditionalists

FOR OFFICIAL USE ONLY

(e.g., Bint al-Shati) who reject interpretations in this vein and refuse to make the Koran into a treatise on the natural sciences or space technology. They argue that the Holy Scriptures are designed to enlighten us on the realm of the spirit and not on that of matter. There are also traditionalists who reject the above-mentioned exegesis as depreciating the value of our heritage. Human reason, they argue, has circumscribed capacities and man should know that all his scientific knowledge will always remain intrinsically limited and of secondary knowledge.

Another tendency claims that Arab scientific and intellectual achievements during the Islamic Golden Era are the source of many modern discoveries and innovations. Such a claim is certainly better borne out by accepted historical facts, yet is steeped in exaggeration: it takes Arab scientific heritage out of its historical context and - in a manner reminiscent of the first tendency - bestows upon it an absolute value, valid for all times. It is quite common, for instance, to find Arab thinkers who exert themselves to prove that the most up-to-date scientific discoveries were known to the mediaeval Arabs. One such 'expert' claimed that al-Biruni (973-1053) was the father of the Theory of Relativity.

This ahistorical attitude to our heritage refuses to deal with the present according to its own specific logic and applies instead the logic of a bygone period, however glorious it may have been. In the final analysis, however, such an approach is counterproductive. By attributing to mediaeval Arab scholars many of the achievements of modern science one intends to prove that the Arabs preceded the West in these fields, but in fact such claims do nothing but glorify Western thought. Western achievements serve as the yardstick for measuring the status of Arab thinkers. Only if an Arab preceded Einstein, Kant or Hume is he acknowledged to have been great. Had we really believed in the greatness of our mediaeval scientists and thinkers we should have persuaded humanity of their claim to greatness in their own right. Indeed, did the West ever glorify an outstanding personality because he preceded an Arab thinker in arriving at a certain discovery or because he succeeded in developing or interpreting an idea launched by an Arab?

That is the difference between a self-confident culture, using itself as its own criterion and a culture which has to compare itself to others, trying to outdo them.

Moreover, the ahistorical approach assumes that our tradition is a living force capable of solving all problems in the present. Some of its more extremist proponents would go so far as to claim that any setback we suffer, be it even a military one, is somehow related to our attitude towards tradition. It is thus that many thinkers attributed our defeat in the June 1967 war to the ignorance of our roots (including our religious roots), while our better performance in 1973 was claimed to be due to a certain return to tradition. Thus

FOR OFFICIAL USE ONLY

the past becomes the only element liable to deliver us from the hardships of the present. Such an ahistorical and reactionary approach is surely no great help in facing up to the problems of the present.

Nature of Arab Heritage

Our heritage must certainly have some special characteristics which inspire the above-quoted views of critics and proponents alike. For, one might ask, why did not irrational factors and repression of free thought in the West produce the same results as they did in the Arab world? Why did the West succeed in shaking off these impediments and moving forward, while in Arab society they blocked progress? What is it which compels the proponents of tradition to cling to their reactionary concepts and look for the sources of modern science in the Holy Scriptures and classical literature? In brief, why do we remain past-oriented and bogged down?

The Arab cultural heritage contains a phenomenon which I shall refer to as 'cultural discontinuity'. It is the lack of continuity between our past and present, which explains why we pin impossible expectations on our heritage or lay at its door unwarranted blame.

In their golden age, Arab science and philosophy attained the highest degree of progress achievable in the Middle Ages. The Arabs were the mentors of world civilization. Yet this era elapsed and the development of Arab thought stopped completely. In the late 19th century there began an Arab movement of renaissance (*nahda*, or awakening), basing itself upon this tradition of mediaeval thought which had been so impressive in its own time. It disregarded the fact that humanity had already evolved far beyond that stage, and the Arabs lagged to such an extent that they could not compensate by simply putting the train of progress in motion from the very point where it had stopped so long ago.

Cultural discontinuity thus means that Arab science and philosophy do not constitute an unbroken tradition extending from its heyday to our own times; we rather have before us a Golden Era followed by long Dark Ages. As the Golden Era had no real continuity, there was no opportunity for it to be integrated into the intellectual make-up of man in the Arab world. Science and philosophy were insulated from the general society, remaining the preserve of a tiny elite. Their principles had never been absorbed into the intellectual baggage of the common man.

Take, in contrast, the case of Copernicus. In his own century few scientists shared his views, but the continuity of the Copernican tradition and the efforts exerted towards its consolidation made it into a basic ingredient of the general culture. The same is true of other major Western scientific discoveries, such as the Theory of

FOR OFFICIAL USE ONLY

Evolution or the emergence of psychoanalysis. These were the conceptions of a few individuals, but they filtered from the elite downwards, thanks to the continuity of scientific thought. Arab mentality and daily behaviour, however, were not affected by Arab scientific and philosophical tradition. One cannot say that the Arab is imbued with it as, for instance, the Frenchman can be said to be Cartesian. It is ironical that the most enthusiastic proponents of Arab tradition present it as a manifestation of elements that 'one could not have conceivably expected' to find in the Arab world and of individual thinkers of whom it is said: 'the common man would be astonished to find how enlightened they were'. This very astonishment proves that the heritage of these thinkers has not been integrated into our being. What is much more dangerous is that the very significance of the Arab heritage suffers from cultural discontinuity and is in need of reassessment. There can be two approaches to a historical heritage, one liable to foster progress and the other, backwardness. The first approach perceives the heritage as developing in a continuous manner, each phase surpassing and absorbing its predecessor. Tradition grows in a living and developing organism. The second approach tries to resuscitate discontinued traditions without considering whether they are relevant to the new conditions. In the first case, the tradition lives within its own death; in the second, it dies within its life, for it is resuscitated artificially and transplanted as an alien body into a new age which is bound to reject it.

Lessons of the European Renaissance

The modern Arab's attitude towards his scientific and philosophical heritage is that of a hoarder and not of a user. Those who actually used our heritage and profited from it were the Europeans of the Renaissance era. Arab achievements were added to their body of knowledge and set into motion a process of development which was to continue without stop. It is Europe which has actually preserved Arab culture in a true manner, even though one cannot point out today a direct present of Arab tradition in European culture. It would also be difficult for you to detect in your physiognomy the traits of your ancestor of ten generations ago, even though you are able to trace your genealogy to him.

The Arab should thus ponder the lessons of the Renaissance in order to find out what enabled the West to develop so much more than us, although their point of departure was lower than ours.

The major lesson is that the Europeans did not hesitate to reject a whole cultural tradition, namely the Aristotelian philosophy which dominated the Middle Ages. They even went so far as to make Aristotle shoulder the responsibility for false commentaries attributed to him in the Middle Ages. Scientists like Galileo began with the premise that one should liberate thought from the hold of

FOR OFFICIAL USE ONLY

the Ancients (e.g., Aristotle) and turn directly to nature in order to understand the laws of the universe. This rejection of classical tradition was due to its discontinuity. Its accomplishments were glorious in Antiquity but it froze in the Middle Ages, unable to absorb new elements and evolve further. Hence the rejection and the Renaissance claim that one should begin *ab initio*. Later on, when the classical heritage was no longer a real competitor, the Europeans took a much more balanced view, placing it within the appropriate historical perspective. The classical heritage could be acknowledged as a force which had been of great value in its time, even though later developments far surpassed it. The historical approach does away with the contradiction between glorifying the heritage and the admission that it is unsuited to the present.

Rejection and total challenge of tradition is, hence, necessary in the first phase of renaissance, the historical approach being adopted only in the second phase.

Alienation and Westernization

Our cultural lag leads to a situation of helplessness *vis-à-vis* present problems, coupled with the impossibility of ignoring them. The major manifestation of this dilemma is a sort of Westernization which does not prepare the terrain for a new departure. This Westernization, ironically, is self-imposed and not imposed from the outside.

One kind of this Westernization can be found among Arab disciples of foreign culture: those who tend to complete with the help of foreign words what they cannot express in their own language, importing from far away lands their life-style, dress, even facial expressions and body language. Theirs is a geographical alienation. Their body is still in an Arab country, but their mind is elsewhere.

The critics of this Westernization are also alienated, however, in a much more latent, hence dangerous, manner. Being proponents of tradition, they are chronologically alienated: alien to the problems of their own times and finding solace and refuge in bygone times, seeking in our ancient vocabulary the expression of new meanings, in our ancient philosophy an answer to contemporary ethical problems and in our ancient warfare a guide to modern strategy. Yet the present imposes itself upon man even when he tries to flee it.

FOR OFFICIAL USE ONLY

Which alienation is worse? The geographical dimension tends to be contracted nowadays. Technology reduces differences between local cultures and fosters uniformity; a world civilization is in the making. In the dimension of time, the contrary is true. The difference between two generations today is much like that between ten generations in past centuries. Chronological alienation - based upon a static conception of time - thus represents a greater danger. It fosters nothing but self-delusion.

COPYRIGHT: The Middle East Institute, Jerusalem

CSO: 4020

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

NORTH AFRICAN AFFAIRS

ALGERIAN PRESIDENT NEW ENIGMA IN SAHARAN WAR

Paris JEUNE AFRIQUE in French 14 Feb 79 pp 30-31

[Article by Abdelaziz Dahmani: "Orphan POLISARIO?"]

[Text] The Saharan affair entered a new phase with the election of a new Algerian president on 7 February. For now, the game "spheres of influence" is done. With Houari Boumedienne, the POLISARIO Front could count on the unequivocal support of the Algerian head of state. Some went so far as to say the Saharan affair was Boumedienne's private preserve.

This had allowed POLISARIO to reinforce its military and diplomatic position since 1975 to the point of causing serious problems to Morocco and Mauritania, so strong seemed the common purpose of Algeria and its proteges. With Boumedienne the POLISARIO lost its principal protector and no one can predict its future with any certainty, even should Algerian leaders swear to continue the policies of the deceased president.

No one could be more sensitive than the POLISARIO to the dangers of a possible change in Algeria. And to keep from weakening, to reassure their troops, who felt the death of Boumedienne keenly, the Saharans launched their most murderous offensives to date on Moroccan positions, in the past few weeks.

They took advantage of the preparation for and the holding of the FLN [National Liberation Front] Congress on 27-31 January, of the withdrawal to Algiers of their political and military councilors, to launch large-scale operations. The Saharans even announced "700 Moroccan soldiers dead" and extensive damage from one operation at Lemseid in the neighborhood of El Aioun, before threatening Morocco with a "military solution."

Psychological Warfare

The most spectacular operation was 28 January against the Moroccan town of Tan-Tan. We can affirm that there was a great deal of damage and many deaths on both sides. The POLISARIO, playing on surprise, partially occupied the town and caused serious damage. They took many women and soldiers

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

as hostages. But while falling back they were forced into making a stand and in turn left dozens of dead.

This operation against Tan-Tan, as audacious as the attack against Nouakchott in June 1976 occurred while the FLN congress was in full swing. When it was announced, the majority of the 3,000 participants applauded vigorously. The less enthusiastic were mostly military and moderates.

For the military, the attack on Tan-Tan could have been the prelude to war between Algeria and Morocco. Some Istaqlal and USFP [Socialist Union of People's Forces] leaders spoke to deeply felt Moroccan bitterness using such terms as "national disaster" adding that the threshold of the "intolerable" had been crossed.

At Algiers a number of moderates saw in this operation unwarranted interference with the conference's work and a preference for the hardliners, those wanting to make Morocco responsible for basic Algerian problems. Abdelaziz Bouteflika, minister of foreign affairs, doubtless felt himself to be a special target and was particularly virulent about Morocco.

In a way, this is the revenge of POLISARIO against those, who are numerous, who would label them as "only an Algerian satellite." And now they seem to want to make their protector play their game! Has POLISARIO staked its all on this occasion? Its hard to say for sure before Algeria's position is further clarified and the new president has defined his policy. It is said that Chadli is a moderate, ready for dialog, but how far will his hands be free to attempt to find with Morocco a solution to the Saharan affair, if there should be place for it in the dialog? Mauritania's overtures for peace and POLISARIO's military offensives show that the political issue is tied to Algerian/Moroccan contacts.

During the transition period that began with Boumedienne's illness and was prolonged until the election of Chadli Bendjedid, each party delivered itself to psychological warfare, not restraining itself from any means, any violence, verbal or other--arms parachuted, urban terrorism, assassination attempts--to bend events in its favor. The results have not been, so it seems, what the three protagonists had hoped for. The principal and new enigma of the Saharan affair is called Chadli....

COPYRIGHT: Jeune Afrique GRUPJIA 1979

8860
CSO: 4400

FOR OFFICIAL USE ONLY

ALGERIA

SELECTION OF ALGERIAN PRESIDENT DISCUSSED

Paris JEUNE AFRIQUE in French 14 Feb 79 pp 27-30

[Article by J.-L. B.: "Who Really Is the New President?"]

[Text] Boumediene's heirs have taken good care of things. On 9 February, after 45 days of Mr Rabah Bitat's weak interim, Col Chadli Benjedid took over the highest office. Two days earlier, the new president (alone) went before the voters. At the close of a fourth FLN convention which had lasted longer than planned, a week earlier, the party had named him as its candidate to succeed to the presidency.

The new president who is accepted by everyone, is said to have been chosen by the convention after open debates where a lack of compromise between various factions finally led the army to achieve a consensus by proposing his candidacy. The transition which was accompanied with great fanfare, appears to have taken place flawlessly. The constitution was scrupulously observed and continuity was assured.

The Most Senior

All this is reassuring, as is the image portrayed of Col Chadli Benjedid. Among the first impressions characterizing this man who has been stationed in the region of Oran for 14 years but who is not well known at Algiers, are his moustache and white hair, the "Raf Vallone look" as they say in Algeria, his relative youth (not quite 50 years old), a solid and discreet bearing, and a reputation of being anything but gullible. As the head of the second military region, commanding the most important units of the Algerian army, this career officer who was forged in the underground after serving with the French army, was concerned solely with his own jurisdiction at Oran. His participation in Algeria's political affairs was minor. He is considered a man of experience, on the moderate side, without strong ideologies.

How then can these characteristics make him a head of state? We are told that we shall have to observe him at work, and are offered one explanation for the selection of this individual: Chadli Benjedid is the most senior

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

officer holding the highest rank. This is where we can start asking ourselves some questions. The same type of argument prevails in other latitudes, especially in Latin America: when the army takes over the government, as a general rule the highest ranking officer is installed as the head of state. The decisive factor is not so much a matter of qualifications of a particular general, but a question of what he represents: the military establishment and, behind the scenes, the small groups who actually control it.

Regrouping

The comparison is valid, to a certain extent, with respect to the events in Algeria. Colonel Chadli Benjedid's election did not take place as one would have us believe and the army played a much more important role than that of simply a final arbiter. In order to reconstitute the process it is necessary to go back to the last days of November (Boumediene died on 27 December) when the first signs of regrouping appeared within the Council of the Revolution, in anticipation of the need to find a successor. Two major trends took shape, labeling as virtual candidates the names of Abdelaziz Bouteflika, minister of foreign affairs, and Mohamed Salah Yahiaoui, top leader in charge of the party machine. Col Ahmed Ben Sherif, former gendarmerie chief, tried to play his own card. Holding fewer aces than his two adversaries, Ben Sherif is said to have pleaded for an expanded convention and for a greater number of candidates. His proposals were not accepted.

The question then arose, concerning the assignment of control over the Ministry of Defense to colonels Chadli and Belhouchet, as to whether this decision should be credited to Bouteflika's group or whether it merely endorsed it. The latter theory now appears more likely: everything leads us to believe that the army rapidly tried to slow down the rise of Boumediene's minister of foreign affairs who had a head start in the race to power according to numerous observers (especially foreign). For this reason the army is said to have supported Yahiaoui whose expanded possibilities became rapidly apparent. By projecting a double image as an Islamic and Marxist scholar, presenting himself as a strong man who favors a pure and hardline Algerian brand of socialism, Yahiaoui seemed to predominate. His chances appeared to be so much the greater as he was in charge of the organization of the convention. But his progression alarmed some members of the state apparatus who were displeased with his plans to strengthen the party. Businessmen as well as technocrats were equally disturbed, fearing Yahiaoui's economic options.

Ahead of Time

In this game of succession which consisted of shifting alliances within a small group of men, the weight of respective positions taken by these different interest groups was felt in terms of the relationship of forces on a particular day. It would appear above all that the military side also

FOR OFFICIAL USE ONLY

expressed reservations concerning Yahiaoui's extremism. Thus, it is reported that he, in turn, was slowed down to the satisfaction of other groups less anxious than the army. Although Yahiaoui had to take into account a strong representation of the military at the convention, his supporters did constitute a majority among the participants. This is why the army, in pursuing its offensive, presented Chadli Benjedid as its candidate--a move which was far from displeasing to many young officers--and had him accepted before the meetings of the FLN. If Chadli's candidacy was firmed up ahead of time, what is the use of these debates and the closing report, one would ask? It would be simplistic to believe that it was just a maneuver to hoodwink people. First of all, it is to be noted that in addition to the delegates of a structured party, the convention was attended by different groups constituting the enlarged power elite, namely the military, technocrats, representatives of government and administration, members of the FLN apparatus, etc. A number of participants who were ready to play the game thought that the convention must in fact reach an agreement concerning the candidacy. However, the prevalent attitude, especially that of certain officers, is said to have shown them that it was not really worthwhile to go very far. Not to mention the sluggishness of bureaucratic organization, the dispersion and channels within the various committees and other programmed interference. Those who believed in an orderly process were left with a certain uneasiness. At a higher level, there was a question of balancing the representation of different interest groups and regional constituencies: this preoccupation is reflected in the composition of the central committee (160 titular members and 30 substitutes) which is the hypothetical "supreme body" of the FLN between conventions.

The New Regime

Finally and above all, matters yet to be resolved outside Chadli's candidacy were at stake. That is to say there was a question of dividing the power among the different elements present. There was apprehension about a possible demonstration on Ben Sherif's part. He is reported to have been active and to have been reconciled with Bouteflika. Yahiaoui, for his part, was able to keep some of his projects concerning the party--whose support he had been counting on--but he had to accept, surprisingly, Chadli's designation as the FLN's secretary general.

Here again, as a new surprise, the question came up as to whether the army might not be attempting to reconstitute the Boumediene system--whereby numerous positions were being given to the chief personages--when it had been expected that the cards would be widely distributed. Negotiations are continuing and a first balance of different forces will be reflected in the composition of the government. It is nevertheless difficult to imagine that there will not be a real division of power. The different leanings hope to be able to derive some benefit under Chadli. And, after all, the latter comes in from Oran whereas the others are already in Algiers in their positions. When it is time to appoint one or more (probably two or

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

three) vice presidents and the prime minister, there will be a better understanding of the extent of compromises. The political bureau consisting of 17 members who represent a sort of enlarged council of the revolution, is regrouping those who remain within the area of consideration. Noteworthy at this level is the arrival of Colonel Mirbah, the chief of military security. He undoubtedly is a man on the rise. Chadli Benjedid who was selected on the basis of his qualifications, will he seek to assert himself when he is confronted by those who placed him in power? It is reasonable to suppose so if one remembers that this man stood firm when Boumediene tried to pull him away from his territory at Oran.

A new regime is being born at Algiers.

COPYRIGHT: Jeune Afrique GRUPJIA 1979

9261
CSO: 4400

14

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

ALGERIA

ROLE OF ALGERIAN ARMY VIEWED

Paris JEUNE AFRIQUE in French 14 Feb 79 p 29

[Article by H. K.: "A Highly Politicized Army"]

[Text] The People's National Army which is one of the strongest armies in Africa and in the Arab world (78,800 men), derives from the National Liberation Army which was forged during seven years of the war of independence. The National Liberation Army was divided into autonomous wilayas because of the nature of combat and the vastness of the Algerian territory. Shortly after the country's independence this splintering which was aggravated by divergencies among the FLN leadership, led to the "crisis of the wilayas" which came close to becoming a bloody conflict. But thanks to the support of the border armies led by Colonel Boumediene, Mr Ahmed Ben Bella prevailed over his opponents in the Provisional Government of the Algerian Republic. After he was appointed minister of defense in the first government of independent Algeria, Colonel Boumediene managed to unify the National Liberation Army which then became the People's National Army.

The Drop of Water

It is through the People's National Army that President Ben Bella succeeded in suppressing the armed uprisings of his adversaries. Colonel Shaabani was executed and Hocine Ait Ahmed was jailed. But the head of state had become aware of the dangers of having to depend on the army. In 1965 he began to undermine the powers of his defense minister by naming, during the latter's absence, Col Tahar Zbiri as chief-of-staff of the People's National Army. Colonel Boumediene's comrades from the Oujda group were pushed aside: after Messrs Medgehri and Kaid Ahmed came Mr Bouteflika's dismissal. This was the drop of water which caused the bowl to overflow. During the night from 18 to 19 June the People's National Army went into action. President Ben Bella was overthrown.

The Courtship

President Boumediene who was aware of the mistakes made by his predecessor, consolidated his power by relying heavily on the army the command of which

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

he jealously kept for himself. The future would bear him out. On 14 December 1967, Colonel Zbiri, the chief-of-staff, advanced on Algiers leading an armored convoy. His troops were rapidly dispersed.

Being as strongly politicized as its forerunner, the People's National Army with its political commissariat as one of its most important elements participates in all major decisions. Calling itself the "spearhead" of the revolution, it supported President Boumediene's initiatives, and it has been courted by different leanings such as those which surfaced within the Council of the Revolution during President Boumediene's agony and later on during Mr Rabah Bitat's term. As the country's principal organized force it finally decided in favor of Chadli.

Beshir Ben Yahmed wrote shortly before the country became independent, "Tomorrow's Algeria will be what the People's National Army wants to make of it." This truth still is indispensable.

COPYRIGHT: Jeune Afrique GRUPJIA 1979

9261
CSO: 4400

FOR OFFICIAL USE ONLY

ALGERIA

POLISARIO FRONT ANNOUNCES 'DEFECTION' OF MOROCCAN DEPUTY

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 9 Feb 79 p 308

[Text] In a bulletin published in Algiers on 1 February, the POLISARIO Front announced the "defection" to the Saharan movement of Abderrahman Ould Leibak, deputy in the Moroccan Parliament. According to the POLISARIO Front, Ould Leibak is reportedly also president of the Communal Council of Boujdour (northern Western Sahara) set up by Rabat and a member of the Moroccan Red Cross.

The bulletin also emphasizes that "important officials from the former Jemaa (assembly of notables during the time of the Spanish Sahara) and former tribal chiefs have also joined the ranks of the POLISARIO."

At a press conference held in Algiers at the headquarters of the Saharan movement, Leibak, whose "disappearance" was officially recognized 3 days ago by Rabat, said that the Moroccan opposition parties, particularly the USFP [Socialist Union of People's Forces] and the PPS [Party of Progress and Socialism] of Ali Yata "speak a great deal about a widespread war in the region." Leibak nevertheless believes that "Morocco could not wage such a war because the authorities in Rabat thought that it would be the end of the royal regime."

Leibak also said that Morocco was experiencing a "serious economic crisis" and that the "morale of the Royal Army was at its lowest point." According to him, military spending represents over 35 percent of the general budget although no investments have been made for the development of the Western Sahara.

Finally, Leibak stated that he had "infiltrated" the Western Sahara for several years on behalf of the POLISARIO Front, that he had been automatically included on the Istiqlal Party's list for the elections and that his membership in the Parliament had been "the only way to continue to wage militant action."

COPYRIGHT: Rene Moreux et Cie., Paris, 1979

11,464
CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

ALGERIA

INDUSTRIAL DEVELOPMENT OF ALGERIA DOES PRESIDENT BOUMEDIENE HONOR

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 9 Feb 79 p 308

[Text] In an editorial devoted to the "oil heritage" of President Boumediene, the periodical PETROLE ET GAZ ARABES states that "the name of Houari Boumediene will remain attached to the principal events that have completely transformed the physiognomy and structures of the world hydrocarbon industry in the course of recent years."

Analyzed by the national agency ALGERIE PRESSE SERVICE, the editorial, which is signed by Dr Nicolas Sarkis, editor of the periodical and an oil expert, emphasizes that for Algeria, "nationalization was not an end in itself, but a means of rationalizing the working of its hydrocarbon resources and integrating the oil and gas industry into its ambitious economic development plans. The action was accompanied by a heavy increase in petroleum production, which went from 26.5 million tons in 1965 to 57.2 million tons in 1978, and the launching of major refining projects (installed capacity will be raised from 2 million tons in 1965 to over 21 million tons in 1980) and petrochemical projects (Arzew, Annaba and Skikda complexes).

"Regarding natural gas, Algeria is already the world's leading exporter of liquified natural gas with 6.4 billion cubic meters shipped in 1978. It will remain so in the foreseeable future with exports that will be gradually increased to 70 billion cubic meters in 1985."

Dr Sarkis, observing that SONATRACH (National Company for the Transport and Marketing of Hydrocarbons) has "rapidly become the ninth-ranking hydrocarbon producer in the world and one of the most dynamic national oil companies," also emphasizes the spectacular development of the "human capital" of this company, which from "a dozen cadres in 1965 went to over 5,000 Algerian cadres in 1978, while the total personnel of the company and its subsidiaries reached the figure of 78,420." He notes that "while assuming the heavy responsibility for oil and gas activities in Algeria, SONATRACH even began several years ago to grant technical assistance to several Arab and African nations."

Fitting the action of SONATRACH into an overall perspective, the editorialist of PETROLE ET GAZ ARABES observes that it "was waged within the more

FOR OFFICIAL USE ONLY

general framework of the economic development plans carried out under the Boumediene regime. No less than 420 new projects, including 270 plants and 150 infrastructure projects, went into operation between 1971 and 1977. In the course of the last 6 years, over 500 other projects were launched in the different industrial, agricultural and service sectors. A few figures enable one to measure the results of these efforts: The production of electricity went from 1,000 kWhs in 1962 to over 4,000 in 1977; that of unprocessed steel from 5,500 tons to nearly 400,000 tons; that of cement from 963,000 to 2.5 million tons; and that of compound fertilizers from 46,300 to nearly 600,000 tons.

"Most of the investments required to finance this development come from the gas and oil export receipts," the editorialist recalls, "which receipts went from \$321 million in 1971 to \$6.2 billion in 1978. It is estimated that at the beginning of the 1980's, they will exceed \$12 billion with the start-up of the major natural gas export projects."

Summing up the role assigned to gas and oil in the development of the Algerian economy, President Boumediene said in February 1978 on the occasion of the official opening of the Arzew gas liquification complex that "the development of our hydrocarbon reserves in order to increase our export receipts is dictated by our determination to use these receipts in a wise, austere and effective manner so as to encourage the systematic creation of new economic activities capable of engendering by themselves other sources of revenue that we must bequeath to the future generations."

COPYRIGHT: Rene Moreux et Cie., Paris, 1979

11,464
CSO: 4400

FOR OFFICIAL USE ONLY

ALGERIA

CHADLI BENDJEDID CALLED ENERGETIC, REALISTIC

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 9 Feb 79 p 293

[Text] Col Chadli Bendjedid, the new Algerian chief of state, appears to be as reserved in manner and sparing of his words, as secretly authoritarian and modestly devoted to public service, as President Houari Boumediene was when he came to power. But the newly elected president emerged from a regular procedure which took place in an atmosphere of perfect calm and in keeping with strictly observed constitutional standards, while for a long time, his predecessor could only claim a "revolutionary legality."

The choice of the FLN candidate -- actually the appointment of the chief of state by the party -- will in the final analysis have set two factions against one another: the hard-line wing of the national organizations, particularly the workers and youth groups (the UGTA [General Union of Algerian Workers] and the UNJA [National Union of Algerian Youth],) which did not conceal their desire to see Mohamed Salah Yahiaoui occupy the nation's highest post; and the mass of moderates, who feared progressive excesses but who could not hope to impose a person such as Abdelaziz Bouteflika, described, especially abroad, as a liberal.

Under such conditions, the People's National Army, sufficiently well represented in the Congress to constitute a blocking minority, could offer a solution by bringing out of its ranks a man of character, moved solely by overriding national interests: Col Chadli Bendjedid, who immediately seemed to be a possible successor to President Boumediene, therefore became the only possible successor because he was the person who could be accepted by everyone.

Balance Between Government and the FLN

To say that with Col Chadli Bendjedid it was a question of a "compromise candidate" makes it possible to explain the reasons for his choice, but it also risks failing to recognize the character of the new chief of state. Everything that one can learn about him, his rural origins and his almost exclusively military training, his life as a soldier and his career as a military leader within the confines of the West, and finally, his strict loyalty to President Boumediene and his political line, lead one to think

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

that he will be a strong and decisive personality, in no way a journeyman seeking middling solutions.

In other words, those persons at home and abroad who would expect Col Chadli Bendjedid to provide a fundamental revision of Algerian socialism, considerable expansion of the private sector and an indulgent orientation toward consumer privileges will know nothing but disappointment.

On the other hand, since he is an attentive observer and a realistic leader, one can presume that all practical progress that is possible will be resolutely sought. It is very likely that the trend -- already affirmed in the past several months -- toward social and human concerns and toward concrete development aimed at productivity will not be abandoned; on the contrary. It will perhaps give rise to broader and bolder developments.

While with Mohamed Salah Yahiaoui the FLN would have had its role asserted and its options radicalized, one may now wonder whether the party will, as previously expected, succeed in breaking away from the government in order to take control of it on behalf of the nation and formulate the general policy of the Algerian people. While within the party's Central Committee, which the Congress has just appointed, active factions that will move in that direction are represented, it is not certain they they will be able to carry the rest with them.

Furthermore, the very traditional makeup of the Political Bureau does not lead one to expect radical modifications in the general policy. One finds in it all the members of the former Council of the Revolution, along with an equal number of prominent persons of diverse merits representing reformist Muslim thought, as in the case of Ahmed Taleb Ibrahimi, determination to have modern industrial development, as in the case of Belaid Abdesselam, and continuity of the high administration, as in the case of Mohammed Seddik Benyahia.

New President To Govern Alone?

It is highly likely, moreover, in the face of this FLN in the midst of transformation and whose future is difficult to predict, that there will be a state authority which will no longer be, as one saw in the past, concentrated in the person of the president of the republic.

It will be remembered that after the constitution went into effect, President Boumediene did not use the power given to him to appoint a vice president and a prime minister. He would probably have done so eventually, but first of all he wanted to bring about the renewal of the FLN and he undoubtedly thought that the latter would then have something to say, not only about the president of the republic but also about the other persons placed at the head of the state.

It is generally thought that unlike him, Col Chadli Bendjedid is anxious to bring two front-ranking personages into the vice presidency and the head

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

of the government. In this way, he could, it is explained, balance the different factions that were rivals at the time of the presidential choice. However, it is not certain that the new chief of state is inspired by such a mixing. He may just as well govern alone, for a certain time at least, or bring in persons without any particular political or social orientation.

The choice that Col Chadli Bendjedid makes will be of great interest, for it will provide an indication about the future orientation of the regime. The very distribution of high posts will perhaps be as important as the presidential choice just made.

However, one must not therefore forget the warning which the newly chosen president immediately issued: He "will resist all pressure, no matter what its origin, in order to tackle the task of building a strong government."

For many Western observers, the choice of a new president would necessarily give rise in Algeria to a change in political atmosphere. Whatever future changes may be made in structures, the person elected is precisely the one who should most clearly take up once again the methods, attitudes and style of President Boumediene and in the final analysis, this is perhaps the essential psychological reason for his designation.

COPYRIGHT: Rene Moreux et Cie., Paris, 1979

11,464
CSO: 4400

FOR OFFICIAL USE ONLY

ALGERIA

BRIEFS

SNS-NIPPON AGREEMENT--The Japanese firm Nippon Steel has announced that it will send a delegation to Algeria headed by its vice president, Kanse Harada, to sign a memorandum of understanding with the SNS (National Steel Company) concerning Japanese cooperation on the construction of an integrated iron and steel plant having an annual capacity of 10 million tons of unprocessed steel. According to a dispatch from Tokyo issued by AGEFI, the only details given are that the program of cooperation will last 10 years and will involve the design, planning and construction of the plant, along with supervision of its operation in the future. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 9 Feb 79 p 309] 11,464

EL MOUSTAKBAL DAM--The El Moustakbal Dam, which will be built on the hills of southwestern Bleda and whose cornerstone was laid on 22 January by Ahmed Bencherif, minister of hydraulics, land development and environmental protection, will make it possible to regulate the flow of the Bou-Roumi, Djer, Chiffa and Harbil wadis for the purpose of irrigating the Mitidja plain. Mastery of these wadis is all the more important because their waters previously emptied into the sea. During times of abundant rainfall, they sometimes caused considerable damage. Some 30,000 hectares of land will be irrigated thanks to this dam, which will hold back 188 million cubic meters of water. The dam will be made up of a dike 100 meters high above the Bou-Roumi wadi and 290 meters long. The volume of the dike will be on the order of 3.3 million cubic meters. According to the technical specifications, the provisional diversion will be made up of a gallery 830 meters long and 6 meters in diameter whose opening upstream will be designed as a bottom drainage structure. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 9 Feb 79 p 309] 11,464

DAIMLER-BENZ VEHICLES--The SNTV (Algerian National Passenger Transport Company) will receive a shipment in February of the first vehicles to be furnished by Daimler-Benz AG of Stuttgart. The total number ordered was 381 (340 Mercedes passenger cars, 30 small basus and 11 safari buses). The West German firm emphasizes that it won the order despite strong foreign competition and that the SNTV, recognized as one of the principal transport companies on the African continent, already has many Mercedes vehicles in its pool of 2,400. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 9 Feb 79 p 309] 11,464

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

EQUIPMENT FOR STEEL COMPLEX--The last elements of the track for an overhead crane going to the electric steel mill of the El Hadjar iron and steel complex near Annaba were supplied to the SNS (National Steel Company) by the enterprise VEB Metalleichtbaukombinat Leipzig. The steel frame has a total weight of 2,550 tons and the different elements measure up to 12 meters, with a weight of 50 tons. Another enterprise in the GDR, VEB Schwermaschinenkombinat "Ernst Thalmann" of Magdebourg, is also participating in the equipping of the new Algerian iron and steel complex. In addition to the equipment from the Soviet Union, a combined rolling mill for the production of strip iron and wire bearing the trademark of the biggest builder of heavy machinery in the GDR will be tried out in 1979. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 9 Feb 79 p 309] 11,464

CSC: 4400

FOR OFFICIAL USE ONLY

LIBYA

BRIEFS

LIBYAN NUCLEAR PROGRAM--Karachi asserts that Qadhdhafi has the atomic bomb. A Pakistani source has revealed that Libya is preparing to explode a nuclear device in the desert in Fezzan which will have the same force as the Hiroshima [explosion]. This will take place between now and the end of April. Pakistani engineers will manufacture this device. [Text] [Paris PARIS MATCH in French 23 Feb 79 p 67]

WEAPONS DELIVERIES--The Soviet Union has delivered to Libya some MIG 23s and 25s as well as some Tu-22 medium-range bombers. In addition to 1,000 T 54 and T 55 tanks, Libya has 200 T 62 tanks. Its SA 2 missiles, now obsolete, have been replaced by SA 6 and SA 7s. Rare indeed are the Libyans trained in the use of these weapons. [Text] [Paris VALEURS ACTUELLES in French 5 Mar 79 p 42]

CSO: 4800

25

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

MAURITANIA

DETAILS ON SNIM REORGANIZATION NOTED

Paris JEUNE AFRIQUE in French 14 Feb 79 pp 35, 36

[Article by Abdelaziz Dahmani, "Difficult Birth for the New SNIM"]

[Text] During the 60's a popular saying was "Mauritania is MIFERMA [Iron-Mining Company of Mauritania]". This company for exploiting Mauritanian iron was nationalized 28 November 1974 by President Mokhtar Ould Daddah. At the head of MIFERMA, now renamed SNIM [National Industrial and Mining Company], the former chief of state put the country's foremost engineer: Ismail Ould Amar. Since then Mauritania has been drawn into the Sahara conflict. The iron industry (which provides 80 percent of the country's foreign exchange) has suffered greatly from the murderous raids launched from Tindouf by the POLISARIO Front. There followed a deterioration of the economy which acted like yeast to the coup d'etat of 10 July 1978.

Ismail Ould Amar was among the first to support the new regime of Colonel Moustafa Ould Saleck. He explained his support to the military by citing his hope of saving the Guelb project which, during the 1980's, ought to extend ore exploitation through opening a new mine 35 kilometers from the present deposits at Zouerate. This project is estimated to cost \$900 million, of which \$460 million will go for the first phase alone.

Financing for the project has already been obtained before the coup d'etat. But before committing themselves, the western and Arab financiers had demanded that SNIM be cleaned up. During this process occurred a dramatic event: Ismail Ould Amar resigned on 3 January 1979 "for personal reasons", saying "it was not possible for him to continue with this task." At the same time he also turned down a ministerial post.

This unexpected leavetaking left a job uncompleted. The keystone to the clean-up operation, a joint company to replace the former state firm so that work at Guelb could get started, had not yet been constituted.

On 7 January 1979, Ely Ould Allaf, 42, native of Atar, graduate in physics, telecommunications engineer, was appointed head of SNIM. The new president/director general was torn from his post as secretary general of OMVS (Senegal

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

River Development Organization) at the moment when that organization was beginning to be operational. Ely Ould Allaf, who from 1965 to 1975 had occupied various ministerial and diplomatic posts, has the reputation of being a good manager. He set to work quickly.

Kuwait

His first task: reconstitute capital for the new company, of which Mauritania still holds 41 percent of the shares. To do this, there first had to be an evaluation of SNIM's assets. Such an evaluation was deemed difficult for the climate was not one of confidence. Just a year ago Kuwait had declared itself ready to take 49 percent of the shares, with the proviso that eventually shares could be passed on to other partners. But just recently Kuwait and the Mineral Arab Company refused the \$360 million valuation of the company's assets proposed by Mauritania. After hard bargaining, they finally accepted a figure of \$295 million.

On 29 January, four Arab financial organizations agreed to underwrite the new company's capital for \$98 million: Kuwait, \$40 million; the Arab Industrial Company, \$28 million; Morocco, \$20 million; and \$10 million from the Islamic Development Bank. Libya and Iraq's intentions are not yet known.

The new SNIM has a new administrative council presided over by Yedali Ould Cheick, 31, an excellent journalist and the most knowledgeable about Saharan affairs. The vice president is a young Kuwaiti executive, Mohamed Housseyan.

Kuwait, which allowed the shareholders of the former MIFERMA to be paid off, proposes to maintain its right to oversee strictly the management and control of the new company.

COPYRIGHT: Jeune Afrique GRUPJIA 1979

8860
CSO: 4400

FOR OFFICIAL USE ONLY

MAURITANIA

AGRICULTURAL SITUATION APPEARS TO BE CRITICAL

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 9 Feb 79 p 314

[Text] Grains: harvest less than 30,000 tons and deficit higher than 40,000 tons.

Based on the report drawn up by a mission of the Mauritanian Ministry of Rural Development (from 22 November to 6 December of last year), the daily newspaper CHAAB reported in a series of articles published at the beginning of January the agricultural results and forecasts for 1978-1979. The situation appears to be critical due to the lasting drought which has prevailed for the past few years.

This mission, which included "representatives of the donor countries and organisms" disclosed the decrease of cultivated areas which results in an increase in the grain deficit. On the basis of an annual allowance of 120 kg of grain per head for a total population of approximately 1.5 million, consumption requirements amount to 180,000 tons.

At this point Mauritania's production for the 1978-1979 season, using the last 3 years' average, will certainly not exceed 30,000 tons (20,000 tons for the previous season).

Foreign aid and importation through the intermediary of SONIMEX [National Import-Export Company] amount to about 66,000 tons, to which stocks amounting to 17,000 tons from the emergency plan and 6,000 tons programmed by the OMC [Mauritanian Grain Office] should be added.

Consequently, the investigating mission estimated that the cereal deficit for the period of 1 December 1978 to 30 December 1979 will be between 38,000 and 47,000 tons.

The reason for this very definite national shortage is due to the intensification of the drought, which has particularly affected "rainfall" ("dieri," ponds, wadis and dams) cultivation. These cultivated lands represent 70 percent of the agricultural production capacity in Mauritania.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

The decrease in cultivable land is due to many factors: rural exodus accentuated by the land-locked isolation of the agricultural regions; the walls are frequently choked with sand and quite a few dams and embankments are broken and in disrepair; shortage of seeds; unequal distribution and duration of the rainfall in the area; for instance, it did not rain enough in August and it rained too much in September; damage caused by the birds, and especially by the migratory locusts, while stocks of pesticides have been notoriously insufficient: 20,500 tons were needed while only 10,000 tons were available.

The livestock(?) is also in grave danger: the mission estimates that the state will have to intervene before the month of March. In fact, 23,900 tons of cattle feed must be found for the needs of the animals. The 1977 stocks do not exceed 3,000 tons.

In addition, sanitary protection of the cattle is very inadequate. The needs are enormous: that is, 1.2 million doses of mixed vaccine for bovine plague and contagious peripneumonia; also 500,000 doses of vaccine against symptomatic bovine anthrax and other diseases.

The mission made many recommendations: continuing the distribution of food to the most afflicted segments of the population; encouraging truck-gardening during the dry season; increasing safety devices for the protection of the grazing grounds against bush fires.

COPYRIGHT: Rene Moreux et Cie., Paris 1979

7993
CSO: 4400

FOR OFFICIAL USE ONLY

MAURITANIA

BRIEFS

LIEUTENANT'S HOUSE ARREST--Lt Moulaye Hashem, 29 years old, aide-de-camp of former Mauritanian President Moktar Ould Daddah, was cashiered and returned to civilian life for "indiscipline" by the Military Committee for National Reformation (CMR) of which he was a member, according to information received by ARP from "reliable sources" and reported on 5 February. Not having received the assignment he coveted on the day after the coup d'etat of 10 July 1978, Lt Hashem had attempted a few weeks later to instigate many officers against the new regime of Col Moustapha Ould Mohamed Saleck. Denounced and arrested, he had been placed under house arrest. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 9 Feb 79 p 314] 7993

JAPANESE FISHING CENTER--At the end of January the Japanese Shipowners Association presented a fishing center valued at 2.2 million francs to Mauritania, located at Nouadhibou, 400 km north of Nouakchott, to be used for the training of Mauritanian sailors. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 9 Feb 79 p 314] 7993

CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

MOROCCO

ECONOMIC PERFORMANCE, 1978-1980 PLAN DETAILED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 26 Jan 79 pp 183-187

[Text] Tayeb Bencheikh, Moroccan secretary of state in charge of planning and regional development, presented the 1978-1980 economic and social plan during a meeting held in Paris on 16 January under the sponsorship of the Morocco Committee of the CNPF (National Council of French Employers). Louis Berthomieu presided over the meeting, in which Dr Youssef Ben Abbas, Moroccan ambassador to France, also participated. The essential points in his talk are presented below.

Speaking to French businessmen and representatives of the specialized press, Bencheikh first expressed satisfaction with the meeting as a new expression of the will both countries have to strengthen their bilateral relations in a framework of mutually advantageous cooperation. He took pains to explain the reasons underlying this 3-year plan, which King Hassan II announced on 4 June 1978 as a replacement for the expected new 5-year plan for 1978-1982. The plan was approved by the House of Representatives last 27 December.

As a plan marking a time of transition and reflection, it is aimed first of all at consolidating the achievements of the previous 5-year plan (1973-1977). This explains why the secretary of state considered it necessary to begin his talk by briefly taking stock of that previous plan. But the new plan does not mean stagnation. Economic development and social progress will continue, but at a pace adapted to the new realities--marked by austerity--which are no longer the same as those that prevailed in 1974, when the considerable rise in phosphate prices made it possible to envisage accelerated development. Economic conditions have

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

changed a great deal since then. In addition to the inevitable effects of the inflation and economic crisis that have raged steadily on a worldwide scale, Morocco has been forced, since the "Green March" of November 1975, to bear the very heavy burden of the Saharan War and the resulting financial drain.

The proposed investment program seems ambitious. It will require extensive foreign participation. Fulfillment of the new plans will also depend on the increased resources that should be provided by better harvests, a recovery in worldwide demand for phosphates and phosphate products, the announced exploitation of certain petroleum deposits, and development by the BRPM [Mineral Exploration and Investment Office] of recent discoveries. Lastly, the secretary of state did not conceal his country's fears in connection with the admission into the EEC of Spain, Portugal, and Greece.

1. General Survey of Economic and Social Developments: 1973-1977

Great efforts were made in the area of economic and social development during the 1973-1977 period. This was in keeping with the general orientations of the plan, which was aimed essentially at the following objectives:

- a) Mobilization of all of the country's productive capacities with a view to achieving the highest growth level.
- b) The equitable distribution of the fruits of that growth in a framework of genuine social justice.

A) Changes in Chief Economic Indicators

1) Gross domestic production: During the 1973-1977 period, despite a particularly difficult international and regional environment, Morocco achieved an average annual growth rate of 6.8 percent in its gross domestic production. The goal set by the plan was 7.5 percent. The gross domestic product, which includes the salaries of government employees, experienced an average annual growth rate of 7.4 percent during the same period.

With the exception of the agricultural sector, which registered a decline due to poor weather conditions, all sectors experienced notable average annual growth rates: 8.9 percent for energy, 6.9 percent for industry and handicrafts, 28.5 percent for construction and public works, 7.2 percent for transportation and communications, and 9.4 percent for commerce. The mining industry registered a relatively moderate rate of development (3.9 percent) owing to difficulties in the marketing of phosphates.

Those differing rates of growth by sector led to important changes in the structure of production: a drop in the importance of the agricultural sector

FOR OFFICIAL USE ONLY

and a rise in that of the secondary and tertiary sectors, as shown below (in percentages):

| Activity | 1972 structure | 1973-1977 average | 1977 structure |
|---------------------------------|-------------------|----------------------|-------------------|
| Primary | 21.8 | 17.4 | 13.9 |
| Secondary | 30.6 | 32.9 | 34.9 |
| Tertiary | 47.6 | 49.7 | 51.2 |
| Total gross domestic production | 100.0 | 100.0 | 100.0 |

2) Gross fixed capital formation: There was an unprecedented rate of growth in gross fixed capital formation: 38.9 percent annually in value and 29.5 percent in volume. The rate of investment in relation to gross domestic production rose from 15.4 percent in 1973 to 37 percent in 1977. It averaged 25.6 percent for the 5 years from 1973 through 1977, compared to 15.7 percent for the 5 years from 1968 through 1972.

An analysis of the structure of gross fixed capital formation reveals the predominance of "equipment," the value of which showed an average annual growth rate of 43.7 percent. "Construction" and "public works" registered average annual growth rates of 38.8 percent and 43 percent respectively.

Such performance in the field of investment was the result of efforts by both the public and the private sector. For example, issues from the state equipment budget reached unprecedented levels: more than 26 billion dirhams (1 dirham = approximately 1.10 francs) during the period from 1973 through 1977. All sectors benefited from government efforts in the field of outfitting. The breakdown of outfitting expenditures by sector (excluding national defense) was as follows:

| | % |
|--------------------------------|------|
| Agriculture | 25.8 |
| Industry | 16.7 |
| Infrastructure | 20.8 |
| Education and cadre training | 12.4 |
| Social and cultural facilities | 8.6 |
| General administration | 5.2 |
| Regional development | 10.5 |

It should be noted that because the disruption of the international economy had its effect on Morocco's economy, which remains very open to the outside world, it was necessary to revise the plan's forecasts in 1974 in order to protect the financial equilibrium and maintain the rate of growth by introducing new investment programs.

Important economic and social projects materialized.

In the agricultural sector, the building of dams continued: four new dams were completed and eight more are under construction. In addition, 159,000 hectares were developed.

FOR OFFICIAL USE ONLY

In the industrial sector, 17 projects were completed, among them Morocco-Phosphorus 1, expansion of Morocco Chemicals and the Mohammadia refinery, the beet sugarmill in Ksar El Kebir and the cane sugarmill in Mechraa Bel Ksiri, the sugarmill in Sidi Bennour, and the cement plant in Marrakesh. Thirteen big projects are also nearing completion, among them Morocco Phosphorus 2, a plant for the production of chlorine and PVC, expansion of a sugarmill and a refinery, Morocco Cellulose, and the cement plants in Oriental and Temara.

In the field of infrastructure and transportation, we can mention the following among the projects that have been completed or are underway: five new ports (Nador, Jorf Lasfar, Tarfaya, Tan-Tan, and Jebha), expansion of the ports of Casablanca, Agadir, Safi, and Tangier, the construction of 2,200 kilometers of new roads, and the doubling of the rail line between Casablanca and Rabat. In addition, the landing strips have been extended at the airports in Oujda, Marrakesh, Ouarzazate, Er-Rachidia, Smara, Goulimine, and Tan-Tan, and the Nouasseur air terminal has been built.

The merchant fleet has been increased by the acquisition of 39 new units, with the result that 15 percent of the ocean shipping was carried on Moroccan ships in 1978, compared to 2 percent in 1973.

The growing demand for energy has required the construction of 10 hydroelectric plants and 2 thermal plants.

In the tourist sector, more than 10,000 beds have been added, and another 19,000 are on the way.

In the social sector, construction work is underway or complete on 11 university schools and higher institutes, 5 student residence halls, more than 5,000 secondary-school classrooms, 12 regional pedagogical centers, 17 first-time education centers, 11 regional primary teacher training schools, and 10,000 primary-school classrooms.

Also completed were two university hospital centers, five regional hospitals, and nine provincial hospitals.

As regards drinking water and housing, nearly 123,000 low-cost dwelling units were built by the Ministry of Housing and the ERAC's (Regional Development and Construction Companies), and more than 60 towns and urban centers were supplied with drinking water and water purification facilities, with the result that the capacity for producing drinking water increased 2.5 times.

This rapid growth in investments has certainly had its effect, notably on prices, the trade balance, and the financing of investments.

3) Consumption and prices: The 1973-1977 period was marked both inside and outside the country by inflationary tensions that varied in strength depending on the year. Since 1974 the Moroccan economy, which is very open to the outside world, has suffered the effects of generalized inflation, especially

FOR OFFICIAL USE ONLY

that in the Western World. Measured by changes in the cost-of-living index, domestic prices rose by an average of 9.5 percent annually between 1973 and 1977. But despite the investment effort and the rise in prices, the volume of household consumption rose at an average annual rate of 3.8 percent, representing a significant improvement in the standard of living.

Moreover, the general price rise would have been even greater if the state had not stepped in to stabilize the price of essential food products. Government subsidies of wheat, sugar, and oil prices amounted to as much as 10 percent of household food consumption during the 1974-1977 period, compared to only 1.3 percent in 1973.

4) Foreign trade: During the 5-year period, Moroccan imports rose at an average rate of 33.8 percent, while exports increased at a slower rate (20.7 percent), partly because of the difficulty in marketing phosphates in 1975 and 1976. The result was an unfavorable development in the trade balance, whose deficit ended up at nearly 8.5 billion dirhams; the rate at which imports were covered by exports declined from 80 percent in 1973 to 41 percent in 1977.

The growth of imports is explained chiefly by the higher prices for products traditionally imported by Morocco, notably energy products, by the steady rise in Morocco's purchases of semimanufactures and equipment goods (a direct consequence of the growth of investments), and the massive purchases of wheat and sugar.

The trade balance deficit had repercussions on the balance-of-payments equilibrium which, despite a sizable increase in transfers from Moroccan workers abroad and tourist earnings, could not be maintained except through recourse to foreign loans. But the debt ratio, which rose from 12 percent in 1972 to 17 percent in 1977, remains within acceptable limits, seeing that the critical level generally falls between 20 and 25 percent.

5) Financing of investment: As far as the general state budget is concerned, current expenditures experienced accelerated growth (24.3 percent). This was due in part to increased operating expenditures (21.5 percent) as a result of pay increases for government employees and higher capital spending, but also to the rise in public debt (19.5 percent). The rise in current revenues (28.5 percent) exceeded the rise in expenditures, however. The result was that during the 1973-1977 period, it was possible to finance 18 percent of the government's capital expenditures.

If domestic loans are taken into account, that rate rises to 33 percent, a figure that nevertheless appears inadequate in view of the spectacular growth of investments. The portion covered by foreign financing was therefore relatively sizable (45 percent), but since Morocco's debt capacity was underutilized, the country's recourse to foreign borrowing did not weaken the confidence placed in Morocco abroad. This is shown by the still-sizable volume of loans contracted in 1978 on the international capital market.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

As regards the financing of investments in general, whether public, semipublic, or private, the rate at which loans granted by the banking system increased was a faithful reflection of the expansion of those investments. But that rate was held within limits compatible with the needs of growth: the money supply increased at an average annual rate of 20.6 percent during the 1973-1977 period--that is, at a rate very close to that of available resources (19.7 percent) from the production and importation of goods and services.

B) Principal Measures and Reforms

Concerning the principal measures and reforms introduced during the 1973-1977 5-year period, and particularly those aimed at a more equitable distribution of the fruits of growth (the second part of the plan), Tayeb Bencheikh emphasized in his talk that to begin with, there were several reforms of a general nature. They included recovery of the country's productive apparatus, the encouragement of private investment, increased participation by young people in the general development effort, and the reform of the country's administrative, judicial, and university systems.

1) Recovery of the country's productive apparatus: Parallel with its action aimed at economic development, the state undertook the total and permanent recovery of the last remaining farms in foreign hands as well as the Moroccanization of the tertiary sector and of certain activities in the secondary sector. Those important operations were carried out without losing sight of the basic objective of maintaining and increasing production and investment, as can be seen from the figures cited above.

Furthermore, territorial waters were extended to 70 miles, and agreements were signed with foreign units willing to cooperate, whether Spanish, French, Japanese, Korean, Soviet, or any other nationality.

2) Encouragement of private investment: A set of texts making up an investment code was published back in 1973 at the same time as the 1973-1977 economic and social development plan. Their simultaneous appearance was not a matter of chance, because while the plan is mandatory for the public sector, it merely offers guidelines as far as action by the private sector is concerned. As a result, it was necessary to provide a favorable framework for participation by the private sector in the country's economic reflation.

The code gave a spectacular boost to investment in the sectors of industry, handicrafts, mining, tourism, fishing, and merchant marine, seeing that from 1972 through 1977, the money value of the programs approved by the Investment Commission increased ninefold.

Despite those convincing results--achieved notably as a result of simplified procedures and the automatic nature of the advantages granted--Moroccan officials are convinced that the codes can be further improved, notably by stimulating the creation of jobs in disadvantaged regions.

FOR OFFICIAL USE ONLY

3) Greater participation by young people in the general development effort: This participation has been expanded by the introduction of 2 years of civilian service for all graduates of schools and university-level institutions. By associating young people more closely with the daily struggle against underdevelopment and simultaneously increasing the number of competent cadres in the government departments, therefore, an attempt is being made to give the upcoming generations a more realistic view of their country's problems and of the way in which the latter are solved, considering the means and possibilities.

4) Reform of the administrative, judicial, and university systems: In these areas, important reforms have come about, the purpose being to make the administration a flexible tool in the service of economic and social development, the judicial system an equitable and efficient instrument for the moral growth of the citizen, and the university an autonomous entity whose development must keep pace with the country's needs.

Alongside those general measures and reforms, others more specifically social in character were adopted in order to give definite form, often in a pragmatic manner, to the plan's second objective--that is, a more equitable distribution of the fruits of growth.

5) Social measures: These measures affect the following areas in particular:

a) Worker participation in the profits of certain state-owned enterprises and participation by growers in the capital of the sugarmills they supply.

b) Maintenance at a reasonable level of the price of essential food products such as flour, oil, and sugar by allocating substantial subsidies through the state budget.

c) Subsidizing factors of production such as seed, fertilizer, and farm equipment.

d) The distribution of 160,000 hectares of land to 12,000 small farmers and the establishment of 340 new agricultural cooperatives.

e) Stepped-up action to provide social facilities such as low-cost housing, drinking water systems, rural electrification, public health, education and training, and so on.

Generally, therefore, there has been considerable progress in the area of economic and social development and in the field of reforms and other measures. But adjustments must be made in order to offset the imbalances created by a rapid acceleration of economic development, notably in the areas of both foreign trade and domestic financing. Those were the considerations that governed the drafting of a 3-year plan marking a time of transition and reflection.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

2. Orientations and Objectives of 1978-1980 3-Year Plan

A) Orientations

For the 1978-1980 3-year period, the plan provides two main orientations:

1. Consolidation of the achievements to date in the political and economic areas.
2. Continued social action aimed at a more equitable distribution of the fruits of expansion.

Action in pursuit of both those goals requires the mobilization of all the citizens and their participation in the work of development.

Consolidation of the achievements to date means first of all implementing adjustment measures designed to deal with the current economic difficulties that are threatening to hamper continued economic and social development. Those measures, some of which have already gone into effect in accordance with the directives announced by King Hassan II in his speech of 4 June 1978, must aim at improving Morocco's foreign payments situation and developing national savings. Equilibrium in our external economic relations will therefore be insured by implementing specific measures aimed essentially at the selective limitation of imports, export promotion, development of the tourist sector, and the encouragement of transfers of savings by Moroccans working abroad.

Appropriate measures will also be implemented for the purpose of mobilizing maximum resources from the economic agents (firms, households, and government departments) in order to finance the investments provided. In this framework, administrative procedures for granting the advantages allowed by the investment code will be further simplified and savings will be encouraged, chiefly by raising the interest rate.

Studies will be made and thought will be given to the proper solution of the problems existing in certain important areas such as education and the vocational training of workers and cadres, the tax system, government administration, and so on.

In the economic area, the harmonious development of all sectors as a whole will be pursued by completing the projects begun under the preceding plan and by undertaking new investment programs set up in accordance with the country's priority needs. Sectoral plans and long-term large-scale projects have been prepared for increasing production in certain key fields. This concerns primarily essential food products (cereals, oils, sugar, and dairy products) and basic industrial and mining products (cement, phosphates, energy, and so on).

In the social area, the efforts made under the preceding plan will be continued and intensified with a view to achieving a more equitable distribution

FOR OFFICIAL USE ONLY

of income. But whether the issue is development of the social sectors, creation of the maximum number of jobs, the regional development policy, or adaptation of the tax system to the requirements of social equity, action in these areas must be persevering.

B) Objectives in Figures

It emerges, from the prospects established on the basis of the recommended investment projects and economic actions, that gross domestic production will rise by 4.6 percent annually from 1978 through 1980. The GDP will rise at a rate of 5 percent during the same period.

Although modest in comparison with achievements in the recent past, that rate actually represents an ambitious objective in the current international economic crisis and at a time, moreover, when the country is being forced into heavy expenditures. It can be achieved only by maintaining the investment effort at a high level and substantially increasing our exports.

The various sectors will participate unequally in this growth. The primary sector will grow at a moderate rate (1.4 percent), chiefly because of the fact that farm production in 1978 was considerably above average. If calculated on the basis of an "average" year, its growth rate would be 3.4 percent. As regards the secondary and tertiary sectors, their growth rates will be 6.2 and 4.8 percent respectively.

It is expected that household consumption will show an annual growth rate of 4.3 percent in volume during the 3-year period.

Wage-earning employment will rise by 4.1 percent, or faster than the increase in the labor force. Specific measures will be adopted to give this sector a boost: grants for the creation of jobs, a real estate development code, special programs for reforestation, the reclamation of farmland, and regional development, and other programs.

As far as investments are concerned, their total comes to 37 billion dirhams for the 1978-1980 period. The rate of growth will average 4 percent annually. But considering the high level of investment achieved in recent years, that rate will be enough to keep the investment effort at a high level, since the investment rate in terms of gross domestic production will exceed 24 percent during the 1978-1980 period.

The public sector will continue to be responsible for a large share of the investments: issues through the state's equipment budget should total between 19 and 20 billion dirhams from 1978 through 1980. But 34 billion dirhams will be made available to government departments so that they can undertake their capital spending programs--practically the same volume of credits as that provided under the 1973-1977 plan, not counting the investment programs of state-owned and partially state-owned enterprises. For example, the OCP (Moroccan Phosphates Office) alone will invest more than 5 billion dirhams

FOR OFFICIAL USE ONLY

in its expansion plan. What all this means is that this 3-year plan must not be viewed as one of stagnation.

The breakdown of those credits by sector (excluding national defense) reveals the importance assigned to agriculture and the social sectors:

| | \$ |
|--------------------------------|------|
| Agriculture and dams | 25.8 |
| Industry | 13.9 |
| Infrastructure | 17.9 |
| Education and training | 17.4 |
| Social and cultural facilities | 8.9 |
| General administration | 5.0 |
| Regional development | 11.1 |

In the area of foreign trade, exports should increase by 6.6 percent annually, while imports should rise by only 3.6 percent; the resulting trade deficit will bring the rate at which imports are covered by exports up from 41 percent in 1977 to 70 percent in 1980.

Achieving that objective will require the implementation of measures supplementing the existing export promotion code and aimed at reducing the risks inherent in winning foreign markets and at increasing the confidence of the exporters.

In the area of financing, the planned tax reform and the various measures aimed at increasing the mobilization of national savings will make it possible to improve the plan's financial equilibrium. Between 1978 and 1980, for example, the volume of budgetary savings could triple, with the need for Treasury financing being reduced by 20 percent. This would make it possible to reduce the level of required foreign assistance by one-fourth.

Before discussing the projects included in the plan, Bencheikh reported the early--but preliminary--results achieved by the end of the first year of the 1978-1980 plan. Those results, which are the outcome of the measures adopted in June 1978, seem encouraging in every respect:

1. The Treasury deficit has been reduced by more than 20 percent in comparison with 1977.
2. The rate of increase in the cost-of-living index was under 10 percent, compared to 12.5 percent 1 year earlier.
3. The value of imports fell by 14 percent, while exports rose by 6 percent, thus raising the rate of coverage to 50 percent, compared to 41 percent in 1977. And the balance of payments will be almost in equilibrium.
4. Production has continued to rise overall. The decline noted in construction and public works activity is offset by increased activity in the agricultural and industrial sectors.

FOR OFFICIAL USE ONLY

C) Principal Projects in 1978-1980 Plan

The general survey of the principal projects included in the plan, as presented by Boncheikh in his talk to the CNPF, will be rounded out by the detailed table published at the end of this article.

In the sector of agriculture and dams, nearly 70,000 hectares will be developed in various regions. Nine dams now under construction will be completed, and work on four more new dams will get underway. In the "bour zones," integrated development projects will be undertaken in the regions of El Hajeb, Karia Tissa, Oulmes, and Rommani.

In the industrial sector, execution of the sugar plan will be continued by setting up new sugarcane mills in Gharb and Doukkala and expanding two others in Tadla. Work on the cement plan will continue with completion of the projects underway and the establishment of a new cement plant south of Casablanca, in addition to which a number of existing plants will be expanded.

In addition, the program for the ODI (Office for Industrial Development) provides for completion, in cooperation with the private sector, of more than 10 projects concerned primarily with agroindustry and the engineering industry. There is also a program entirely under the responsibility of the private sector.

In the mining sector, important projects are included in the Moroccan Phosphates Office's program. Among them are the establishment of new production zones in Benguerir, Khouribga, and Meskala and new units for calcining and treating phosphates, in addition to units for the conversion of this ore. Examples are the expansion of Morocco Phosphorus 1 and the establishment of Morocco Phosphorus 3.

In the infrastructure sector, in addition to the operations now in the process of completion, the program includes in particular the completion of 10 major projects for supplying drinking water and the construction of new roads in the sugarbeet zone and of trails to serve the mining areas. In the field of telecommunications, the plan provides in particular for the expansion of seven telephone exchanges, the connection of a large number of rural communes to the national system, the construction of 80 postal service centers, and extension of the television network to the Saharan provinces.

In the social sectors, numerous projects will be completed or started. In the field of education, in addition to the completion of operations now underway, the plan calls for the construction of 7,550 new classrooms for primary education, 5,200 classrooms for secondary education, and 17 boarding schools, as well as for expansion of the capacity of the vocational training centers.

Action in the field of public health will be centered primarily on expansion of the two university hospital centers in Rabat and Casablanca, completion of the cancer treatment center, and expansion of the preventive network.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

The housing program provides for the construction of more than 114,000 low-cost units in the urban areas, and there is also the program to eradicate shantytowns. In the rural sector, there is the plan to build 10,300 dwelling units and five pilot villages.

Along with the above projects, which vary in scope, the state has also set aside sizable credits for specific intervention in the form of small projects as part of its regional development policy. Those actions are designed first of all to relieve the pressures on employment that might be felt in certain regions and, second, to provide the local communities with increased resources so that they can fully accomplish the duties assigned to them by the communal charter of September 1976.

Principal Projects Included in Morocco's 1978-1980 3-Year Plan
(in 1,000's of dirhams)

Agriculture

(Responsible organization: Ministry of Agriculture and Agrarian Reform)

| | |
|--|---------|
| 1. Irrigated zones: | |
| Moulouya: development of 10,000 hectares | 278,440 |
| Gharb: development of 17,630 hectares | 384,000 |
| Doukkala: development of 15,140 hectares | 256,600 |
| Haouz: construction of the belt canal | 99,015 |
| Tadla: modernization of 83,000 hectares | 126,590 |
| Tafilalet: modernization of the traditional system | 46,100 |
| Souss-Massa: development of 7,670 hectares | 197,315 |
| Loukkos: development of 10,000 hectares | 383,890 |
| 2. "Bour" zones: | |
| Karia-Tissa integrated project | 41,052 |
| Agrarian reform | 65,000 |
| PMH (small and medium-sized water projects: 25,700 hectares) | 127,000 |
| Communal facilities (water supply, electrification, drainage, and so on in the rural communes) | 100,000 |
| 3. Stockraising: | |
| Prophylaxis of livestock | 27,900 |
| Feeding stations | 34,200 |
| 4. Water and forests: | |
| Soil protection and restoration | 51,200 |
| Reforestation | 53,000 |
| 5. Agricultural research: | |
| General and special studies | 21,100 |
| Locust control | 20,000 |
| 6. Land register: | |
| Overall topographical work | 8,700 |

FOR OFFICIAL USE ONLY

Industry
(Ministry of Industry; primarily the OCP and the ODP plus private interests)

A) Public and semipublic sector:

| | |
|---|-----------|
| 1) Sugar plan (Ministry of Industry): | 392,000 |
| Sunat/SUBM [expansion unknown] expansion | 132,000 |
| Sunacas [expansion unknown] II | 260,000 |
| 2) Phosphate plan (OCP): | 3,536,000 |
| Fourth line at Morocco Phosphorus 1 | 30,000 |
| Morocco-Phosphorus 3 | 1,573,000 |
| 3) Projects of the Office for Industrial Development (ODI): | |
| Sicor [expansion unknown] (canned vegetables from Oriental) | 10,000 |
| "Bridge" project for rolling stock | 153,000 |
| Date packaging (Zagora) | 22,211 |
| Modulec [expansion unknown] (electrical and engineering equipment) | 12,000 |
| Steel cables | 27,000 |
| Machine tools: presses | 12,000 |
| Machine tools: lathes | 15,000 |
| Cotton and poplin weaving | 35,000 |
| Poplin weaving--light drapery and carded spinning | 90,000 |
| Printed matter for export | 20,000 |
| Cologne and aftershave lotion | 2,000 |
| 4) Integrated leather unit in Oujda (Directorate of Handicrafts, private sector, and the ODI) | 5,200 |

B) Private sector:

| | |
|--|-----------|
| Engineering and electrical industries* | 750,000 |
| Textile and leather industries* | 300,000 |
| Chemical and paracheical industries, materials, construction, lumber, paper and printing | 1,660,000 |
| of which: | |
| Casa Sud cement plant | 730,000 |
| Agadir cement plant (expansion) | 200,000 |
| Beni Mellal cement plant | 300,000 |
| Other projects* | 430,000 |
| Agricultural and food industries | 510,000 |
| of which: | |
| Doukkala 2 sugarmill | 286,000 |
| Other projects* | 224,000 |

* The amount shown includes projects with ODI participation.

FOR OFFICIAL USE ONLY

Mining and Geology

(OCP, BRPM, and private interests)

| | |
|--|-----------|
| 1. Expansion program of the Moroccan Phosphates Office (OCP) | 2,261,650 |
| Establishment of a new mining zone in Ben Guerir; Khouribga projects (a new landing and installation of a washing plant); construction of a calcining plant for black phosphates). | |
| 2) Program of the Mineral Exploration and Investment Office (BRPM): | |
| Mining exploration | 49,000 |
| Specific projects | 252,000 |
| of which: | |
| Bleida (copper concentrate) | 188,000 |
| Sidi Lahcen (concentrates of argentiferous lead) | 30,000 |
| Zgoundere (silver concentrate) | 34,000 |
| 3) Petroleum exploration (BRPM and private interests) | 331,000 |
| 4) Mining companies (private) | 195,080 |
| of which: | |
| Mining exploration | 59,000 |
| Exploitation | 111,000 |
| Development | 25,080 |
| Geology | |
| Airborne prospecting and reconnaissance on the ground | 10,098 |
| Prospecting studies and work | 7,387 |
| Applied geology in sedimentary basins | 8,347 |
| Energy | |
| (Directorate of Energy and ONE [National Electricity Office]) | |
| 1) Directorate of Energy: | |
| Studies for establishing a solar energy center | 2,000 |
| Energy studies | 3,100 |
| 2) National Electricity Office (ONE): | |
| Completion of: | |
| Idriss I plant | 27,728 |
| Oues El-Makhazine plant | 103,454 |
| Al Massira plant | 201,620 |
| Alterations at Takerkoust | 38,057 |
| Kenitra powerplant | 430,330 |
| Mohammadia powerplant | 1,334,575 |
| Studies of shale and nuclear energy | 15,942 |
| Transmission system | 692,765 |
| Distribution system | 120,400 |

FOR OFFICIAL USE ONLY

| | |
|--|---------|
| Studies of new construction and sites: | |
| Merija plant | 9,402 |
| Dchar El Oued plant | 3,260 |
| Ait Chouarit plant | 7,301 |
| Mdez plant | 8,590 |
| El Menzel plant | 3,124 |
| Matmata plant | 4,337 |
| Mjara plant | 9,774 |
| Imizdilfane plant | 10,000 |
| Ocean fishing | |
| (ONP [National Fishing Office] and private interests) | |
| 1) National Fishing Office (ONP) and private interests: acquisition of 63 oceangoing units, including 50 trawlers (12 for the ONP), three tuna boats, and 10 sardine boats | 570,000 |
| 2) Cold storage industry (ONP and private interests): four cold storage plants: Agadir (5,000 tons), Safi (2,000 tons), Tan-Tan (1,000 tons), and Laayoune (1,000 tons) | 60,000 |
| 3) ONP studies in cooperation with the UNDP [UN Development Program] and the FAO: evaluation of stocks; study of fishing gear; training of fishing specialists | 2,200 |
| Laboratory material and equipment and renovation of the fish markets (ONP) | 6,789 |
| Tourism | |
| A) Ministry of Tourism: | |
| 1) Economic studies | 5,091 |
| 2) Studies regarding tourist facilities | 20,699 |
| 3) Vocational training: | |
| Four new training centers | 35,329 |
| Tangier Tourist Institute | 10,000 |
| El-Jadida Hotel School | 9,090 |
| 4) Camping and caravanning | 10,000 |
| B) Hotel investments: | |
| Public sector (ONMT [Moroccan National Tourist Office]) (completion and development) | 61,921 |
| Semipublic sector (3,574 beds) | 184,221 |
| Private sector (14,773 beds) | 511,544 |

FOR OFFICIAL USE ONLY

Vocational Training

(Ministry of Labor and Vocational Training)

| | |
|---|---------|
| Ten institutes of applied technology | 111,552 |
| Expansion of three existing institutes | 27,627 |
| Twenty centers for professional qualification | 156,766 |
| Forty apprenticeship centers | 88,132 |
| Twenty mobile training centers | 40,000 |
| (Note: this program will be started during the 3-year plan and continued under the future plan) | |

Education

(Ministry of National Education and Cadre Training)

| | |
|--|-----------|
| Construction of classrooms, centers and schools; computerization of the ministry | 2,145,005 |
|--|-----------|

(As follows: 7,550 primary-school classrooms, 5,204 secondary-school classrooms, a regional teachers school, three regional pedagogical centers, and eight higher normal schools)

Road Infrastructure

(Directorate of Roads)

| | |
|---|---------|
| New work | 178,646 |
| Maintenance of the primary and secondary road systems | 118,048 |
| Construction and maintenance of third-class roads | 85,092 |
| Sugarbeet zones: | |
| Doukkala zone | 21,889 |
| Loukkos zone | 33,237 |
| Sebou area (STI [expansion unknown]) | 10,500 |
| Beni-Amin area | 13,595 |
| Tessaouet-Amont zone | 7,404 |
| Souss-Amont zone | 15,416 |
| Other specific projects: | |
| Erosion control and soil conservation | 3,200 |
| Karia-Tissa project | 19,700 |
| Loukkos development (study) | 800 |
| Other projects | 66 |
| Mining trails | 6,349 |
| Acquisition of public works equipment | 10,663 |
| Road service to Jorf Lasfar | 31,910 |
| Tourist infrastructure | 20,583 |
| Tangier industrial zones | 22,442 |

FOR OFFICIAL USE ONLY

Rail Transportation
(National Railroad Office [ONCF])

1) ONCF program:

Fixed plant:

| | |
|---|---------|
| Replacement of track between Casablanca and Marrakesh | 13,303 |
| Administration building | 17,125 |
| Technical shops and buildings | 15,175 |
| Service to the new phosphate center in Ben-Guerir | 44,750 |
| Doubling of track between Casablanca and Rabat | 111,891 |

Rolling stock:

| | |
|--------------------------------------|--------|
| Assembly of railroad cars in Morocco | 45,278 |
|--------------------------------------|--------|

2) Specific projects:

| | |
|---|-----------|
| Morocco-Phosphorus 1 project | 13,815 |
| Phosphorus 2 project | 24,180 |
| Railway infrastructure in connection with OCP expansion | 1,840,902 |

Port Facilities

(Directorate of the Port of Casablanca and Directorate of
Secondary Ports)

Port of Casablanca:

| | |
|----------------------------|--------|
| Miscellaneous improvements | 10,730 |
| Restructuring | 36,559 |
| Traverse pier | 64,519 |

Port of Kenitra:

| | |
|------------------------|--------|
| Strengthening of piers | 12,000 |
|------------------------|--------|

Port of Agadir:

| | |
|---|-------|
| Citrus wharf and roll on/roll off berth | 9,037 |
|---|-------|

Secondary ports:

| | |
|----------------------|---------|
| Tarfaya fishing port | 90,795 |
| Tan-Tan fishing port | 182,655 |

Port of Nador:

| | |
|-------------------------------|--------|
| Infrastructure | 89,912 |
| Superstructure | 38,000 |
| Purchase of special equipment | 40,000 |

Port of Safi:

| | |
|--|--------|
| Completion of the quay paralleling the shore | 19,391 |
|--|--------|

Port of Jorf-Lasfar:

| | |
|----------------|---------|
| Infrastructure | 676,152 |
|----------------|---------|

Housing

(Ministry of Housing)

Urban housing:

| | |
|--|---------|
| Reconstruction of the Rabat shantytown | 103,665 |
| Studies of other shantytowns | 6,000 |
| Low-cost housing developments and lots | 58,000 |
| Building materials assistance | 27,000 |

FOR OFFICIAL USE ONLY

| | |
|---|---------|
| Rural housing: | |
| Pilot villages | 14,794 |
| Low-cost housing developments | 5,000 |
| Town planning: | |
| Two plans for rural infrastructure | 4,004 |
| Seven master plans | 9,673 |
| Improvement and development plan | 11,473 |
| Architectural studies | 2,100 |
| General studies | 3,100 |
| Environmental studies and projects | 5,500 |
| Training: | |
| Development Institute | 9,076 |
| Schools for technical cadres | 7,357 |
| Office for the Technical Control of Construction: | |
| Participations in the capital of the LPEE [expansion unknown] | 2,000 |
| Hydraulic Engineering (Directorate of Hydraulic Engineering) | |
| Hydrology | 10,795 |
| Hydrogeology | 76,231 |
| Data processing | 6,126 |
| Technical assistance agreements | 52,512 |
| Water supply | 40,823 |
| Specific studies | 90,956 |
| Timinoutine Dam | 24,139 |
| Oued El Makhezine Dam | 173,770 |
| Loukkos protection dam | 34,191 |
| Abdelkrim Khattabi Dam | 148,595 |
| El Massira Dam | 167,761 |
| Heightening of Lalla Takerkoust | 78,012 |
| Tamzourt on the Issen | 294,657 |
| Belt canal and Sidi Driss Dam | 184,099 |
| Restoration of channels connected with the Idriss I Dam | 106,305 |
| Ait Chouarit Dam | 29,709 |
| M'dez Dam | 27,058 |
| M'Jara Dam | 42,169 |
| Safi breakwater | 56,000 |
| Expropriations and legal matters | 77,257 |
| Census, maintenance, and major repair of dams | 54,359 |
| Water Supply (National Office for Drinking Water) | |
| Urban water supply: | |
| Agadir | 78,420 |
| Tiznit | 6,850 |
| Sidi Ifni | 1,775 |
| Ouarzazate | 5,740 |

FOR OFFICIAL USE ONLY

| | |
|---------------------------|---------|
| Tan-Tan | 4,500 |
| Saharan provinces | 32,500 |
| Marrakesh | 50,000 |
| Kalaa Sraghna | 3,100 |
| Ben Guerir | 6,100 |
| Safi | 14,950 |
| Rabat-Casa Coastal Zone 1 | 72,000 |
| Coastal Zone 2 | 400,000 |
| Khouribga | 5,000 |
| El-Jadida Jorf-Lasfar | 239,000 |
| Settat | 7,420 |
| Sidi-Kacen | 9,400 |
| Tangier | 19,050 |
| Assila 1 | 2,500 |
| Assila 2 | 1,750 |
| Tetouan and coastal zone | 3,000 |
| Fez | 7,450 |
| Sefrou | 1,970 |
| Taza | 3,700 |
| Al Hoceima | 6,000 |
| Oujda | 6,950 |
| Nador and suburbs | 6,250 |
| Meknes 1 | 15,000 |
| Meknes 2 | 1,500 |
| Khenifra | 1,750 |
| Midelt | 1,500 |
| Errachidia | 2,750 |

Postal and Telecommunications Service
(Ministry of PTT [Posts, Telegraph, and Telephone])

| | |
|---|---------|
| Construction of administrative buildings | 21,163 |
| Completion of the 1973-1977 5-year plan (switching) | 150,202 |
| Expansion of seven telephone exchanges | 103,015 |
| Purchase of telephones and miscellaneous equipment | 6,500 |
| Purchase of teleprinters | 35,000 |
| Local circuits in rural communes | 24,933 |
| Underground lines | 108,543 |
| Mohamed V station for satellite telecommunications | 8,000 |
| Acquisition of international circuits and multiplex equipment | 122,273 |
| Construction of five urban collection offices | 6,700 |
| Construction of 22 rural collection offices | 13,050 |
| Postal mechanization | 11,616 |
| Completion of work at the National Institute of the PTT | 38,640 |

FOR OFFICIAL USE ONLY

Radio and Television
(Moroccan Radio and Television (RTM))

| | |
|--|--------|
| Tangier Radio | 18,593 |
| Construction of the Sidi Bennour radio transmitting center | 23,672 |
| Extension of the television network to Figuig | 34,039 |
| Extension of the TV network to El Jadida and Essaouira | 16,210 |
| Expansion of the Boukouali TV transmitting center | 10,895 |
| Outfitting the Safi radio transmitting center | 1,700 |
| Providing Safi Province with television programming | 6,700 |
| Extension of the TV network to Laayoune | 20,000 |
| Outfitting and equipping the Casablanca TV station | 5,000 |

Information
(Ministry of Information)

| | |
|---|--------|
| Outfitting the Tangier receiving and transmitting station | 10,000 |
| Film processing laboratory | 14,000 |

COPYRIGHT: Rene Moreux et Cie, Paris, 1979

11798
CSO: 4400

FOR OFFICIAL USE ONLY

TUNISIA

REPORT ON INDUSTRIAL ACTIVITY DURING FIRST HALF OF 1978

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 9 Feb 79 p 309

[Text] Tunisia's Fifth Economic and Social Development Plan (1977-1981) devotes 42.4 percent of all investments to the industrial and mining sector. It grants the manufacturing industries investments totaling 950 million dinars, or nearly 23 percent of the total (1 dinar = approximately 10.60 francs). The objectives of the plan establish the growth rates of each sector as follows:

| | Investments (millions of dinars) | | Rate of Growth | |
|-------------------------------|-------------------------------------|------|----------------|--------------------------------------|
| | 5th Plan | % | 1978 | Est. '78 Achieved 1st Half '78 |
| Mining sector | 120 | | 30 | 8.4 + 3.1 |
| Energy sector | 710 | | 124.1 | 10 + 15.3 |
| Manufacturing industries | 950 | 100 | 170 | 12.8 + 7 |
| Agricultural, food industries | 130 | 13.7 | 24.3 | 12.3 + 15.8 |
| Building materials industries | 290 | 30.5 | 64.8 | 30.5 + 20.6 |
| Mech. and elec. industries | 170 | 17.9 | 18 | 15.1 + 6.3 |
| Chemical industries | 220 | 23.2 | 46 | 10.2 + 3.5 |
| Textiles, leather industries | 100 | 10.5 | 10.9 | 6 - 10.4 |
| Wood, paper, etc. | 40 | 4.2 | 6 | 15.2 + 2.2 |

According to statistics published by the National Institute of Statistics, the overall index for industrial activity rose only 10 percent during the first half of 1978 compared with the level for the same period of the previous year (base figure of 100 in 1970).

This average was obtained only by means of the performance of certain sectors such as energy (+ 15.3 percent), the food industries (+ 15.8 percent) and the construction materials (+ 20.6 percent). But on the whole, the manufacturing industries rose at a rate of only 7.2 percent during the period considered.

A. Mining

Mining activity improved. Although slow, the resumption continued in 1978 and the index was 122.4 points, up 10.6 percent over the same period in 1977.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

1 -- Phosphates: The resumption of activity in this branch (+ 1.5 percent) was lower than estimates (8.5 percent). At the conclusion of the first 6 months, quantities mined totaled 1,882,400 tons compared with 1,855,000 tons in 1977. This small growth stems from a slump because exports were down 28.5 percent compared with the same period during the previous year.

2 -- Iron: Compared with the low production registered for the past several years, a certain increase was noted (+ 5.6 percent), with 209,600 tons mined. This increase should help to build up stock because exports have been halted since October 1977.

3 -- Zinc and lead: Totalling 5,900 tons, production of zinc ore increased 20.4 percent compared with 1977 (4,900 tons), but estimates put them at 20,000 tons for the 12 months of 1978, an increase of 37.9 percent. Production of lead continues to drop, going from 8,400 to 7,000 tons (- 16.7 percent).

B. Energy

Production of the energy sector developed satisfactorily. The production index was 165.4 compared with 143.5 in 1977, whence a variation of + 15.3 percent.

1 -- Electricity: Production rose from 728.9 to 868.6 million kWhs, an increase of 19.2 percent. The portion of hydraulic electricity remains low (only 2 percent of the total).

2 -- Crude oil: The quantity of crude oil extracted during the first half of 1978 is 2,367,700 tons, while it was only 2,120,100 tons in 1977, an increase of 11.7 percent. For the entire year of 1978, the anticipated production was 4.8 million tons.

This increase is due to the injection of water into the two main deposits at El Borma and Ashtart, which causes a deterioration in the added value. Investments totaled 62.9 million dinars in 1978.

Crude oil exports remained around 2 million tons for the first 6 months of 1978, but the corresponding receipts (75.3 million dinars) showed a drop of 4.5 percent compared with the same period in 1977 due to the depreciation of the dollar.

3 -- Natural gas: The recovery of natural gas from the El Borma oil deposit served to accelerate industrial activity in the Gabes zone. The production of this source of energy rose from 108.9 million cubic meters for the first half of 1977 to 136.1 million cubic meters for the first half of 1978, or a 25-percent increase.

C. Manufacturing Industries

1 -- Agricultural and food industries: The production index for this branch rose by 15.8 percent, going from 139 to 161 points.

FOR OFFICIAL USE ONLY

2 -- Building materials: Growth in this sector included all products, particularly cement, whose production nearly doubled, going from 261,600 tons (first 6 months of 1977) to 446,300 tons (same period of 1978). The production of hydraulic and artificial lime also showed strong growth: 214,500 tons (151,400 tons during the first half of 1977). But the quantities produced are still not enough to meet the country's needs, which are estimated at 1.95 million tons of cement and 385,000 tons of lime for 1978.

3 -- Mechanical and electrical industries: From 225 points, the production index in this branch went to 239.1 points during the first half of 1978, an increase of 6.3 percent. The trend is favorable with respect to the assembly of automobiles. Estimates for 1978 had reserved 18 million dinars in investments for this sector and the rate of growth of the volume of production was to be an anticipated 14.6 percent compared with 15.8 percent in 1977.

Steel: The activity of the Al Fouladh steel mill dropped in the area of the production of iron bars and wire, with respective figures of 72,200 and 6,200 tons for the first half of 1978 compared with 83,900 and 8,900 tons during the first 6 months of 1977. On the other hand, the production of liquid reduced metal and billets -- intermediate products -- increased, going from 62,200 and 67,700 tons to 76,000 and 91,200 tons.

4 -- Chemical industries: The production of phosphate derivatives expanded greatly during the first half of 1978.

Superphosphates and phosphoric acid: Simple superphosphates (16 percent) are only sold on the local market. Production for the first 6 months went from 19,000 tons to 23,200 tons. The quantities of triple superphosphates (45 percent) produced totaled 258,100 tons, including 252,800 tons of exports worth 11.7 million dinars, an increase of 11.5 percent. During the same period in 1977, exports totaled 276,700 tons, bringing in only 9.9 million dinars. The unit price of superphosphates became steady in the meantime.

Phosphoric acids (54 percent) maintained their level of production with a slight increase (2.7 percent). During the first half of 1978, 115,100 tons were produced compared with 113,100 tons in 1977, bringing in 9.9 million dinars (9.5 million dinars in 1977).

5 -- Textile industries: This sector showed a drop of 10.4 percent compared with the level during the first half of 1977 due to the drop in the production of semi-finished products and especially the slump abroad caused by protectionist measures taken by the EEC concerning textile products.

Principal Types of Mining and Industrial Production (in 1,000 tons)

| | 6 mos. '77 | 6 mos. '78 | % Variation |
|-------------------|------------|------------|-------------|
| Crude oil | 2,120 | 2,367.7 | + 11.7 |
| Calcium phosphate | 1,854.9 | 1,882.3 | + 1.5 |
| Iron ore | 198.5 | 209.6 | + 5.6 |

FOR OFFICIAL USE ONLY

| | | | |
|--|-------|-------|--------|
| Lead ore | 8.4 | 7 | - 16.7 |
| Zinc ore | 4.9 | 5.9 | + 20.4 |
| Triple superphosphates | 231.5 | 259 | + 11.9 |
| Phosphoric acid | 113 | 116 | + 2.7 |
| Electricity (millions of kWhs) | 729 | 868.7 | + 19.2 |
| Natural gas (millions of cubic meters) | 108.9 | 136.1 | + 25 |
| Refined fuel | 519.9 | 563.9 | + 8.5 |
| Reinforced concrete bars | 83.9 | 72.2 | - 13.9 |
| Liquid reduced metal | 62.2 | 76 | + 22.2 |
| Billets | 67.7 | 91.2 | + 34.7 |
| Wire | 8.9 | 6.2 | - 30.3 |
| Cement | 261.6 | 446.3 | + 70.6 |
| Lime | 151.4 | 214.5 | + 41.7 |
| Bricks | 226.2 | 240 | + 6.1 |
| Plaster | 117.8 | 112 | - 4.9 |

6 -- Leather and shoe industries: The index for this sector dropped 13.5 percent compared with the 1977 level. This is due to circumstantial difficulties.

(This report on Tunisia's industrial activity during the first half of 1978 will be followed in the near future by an article devoted to industrial projects.)

COPYRIGHT: Rene Moreux et Cie., Paris, 1979

11,464
CSO: 4400

FOR OFFICIAL USE ONLY

TUNISIA

TRADE DEFICIT INCREASES IN 1978

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 2 Feb 79 p 246

[Text] The rate of growth of Tunisia's foreign trade in 1978 was slower than that registered the previous year. During the first 10 months, exports increased 3.8 percent and imports rose 10.4 percent compared with the figures of 25.8 and 25.4 percent for the same period in 1977. This means that the rate of cover of imports by exports remains low, scarcely exceeding 50 percent. Reflecting this situation, at the end of the first 10 months of 1978, Tunisia's trade balance showed a deficit of 326.6 dinars, an increase of 12.6 million compared with the deficit for the same period in 1977. At this rate, the annual deficit would exceed the figure of 424 million dinars anticipated by the Ministry of Planning.

During the first 11 months of 1978, Tunisian imports amounted to 719,894,000 dinars (1 dinar = approximately 10.40 francs), compared with 652,037,000 dinars for January-October 1977. This increase included all groups of products, with the exception of raw materials and semi-finished products, purchases of which totaled 273.1 million dinars in 1977 compared with 268.5 million in 1978 (first 10 months).

Beginning in 1977, the upward trend of exports continued during the first 10 months of 1978, although at a relatively less rapid rate. Export receipts totaled 357.3 million dinars, up 27.3 million dinars, or 8.3 percent, compared with the level for the first 10 months of 1977.

This trend mainly stems from the growth in shipments of citrus fruits, olive oil, wines, knitted goods and especially clothing, on the one hand, and from the improved sales price for triple superphosphates.

COPYRIGHT: Rene Moreux et Cie., Paris, 1979

11,464
CSO: 4400

55

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

TUNISIA

BRIEFS

KUWAITI LOAN--On 25 January at the headquarters of the Kuwaiti Arab Economic Development Fund, 'Abd-al-Rahman al-'Atiqi, Kuwaiti minister of finance, and Mohamed Megdiche, Tunisian ambassador to Kuwait, signed a loan agreement for the sum of 6 million Kuwaiti dinars, or approximately 8.8 million Tunisian dinars (1 dinar = approximately 10.40 francs). The loan, to be repaid in 15 years, including a 3-year deferment, has an interest rate of 3.5 percent and is to be used to finance the Kef-Chfaier phosphate mining project. The cost of the project, which will lead to the production of 2.5 million tons of phosphates in 1981, is 36 million Tunisian dinars. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 2 Feb 79 p 246] 11,464

NEW RAILWAY STATION SWITCH--The SNCFT (Tunisian National Railroad Company) has placed an order with the French company Jeumont-Schneider for a TLC 10 automatic electronic switch to equip the new station in the city of Tunis. The system, equipped for 800 inside lines and 60 outside lines (expandable to 1,290 inside and 190 outside lines) takes up little space (area needed for 800 lines less than 2 square meters). Possibilities of use will be vast and will include in particular: the utilization of lines with multi-frequency numbering; abbreviated numbering; three-way connections; musical waiting periods, and so on. The work of setting up, connecting and maintaining the system will be done by employees of the Tunisian SNCFT and the PTT [Postal, Telephone and Telegraph Service], who will be trained by Jeumont-Schneider at the Telecommunications School in Ariana. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 2 Feb 79 p 246] 11,464

EEC AID TO CITIES--The EEC has decided to grant aid amounting to 2 million accounting units (1 accounting unit = \$1.35 or 5.7 French francs) to Tunisia for the completion of studies relating to a project for sanitation improvements in 17 Tunisian cities (including the suburbs of Tunis and Sfax). The announcement was made at the end of last week by a source close to the EEC, according to an AFP dispatch from Brussels. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 9 Feb 79 p 309] 11,464

JAPANESE ELECTRONIC AID--On 30 January, accompanied by Yutaka Tamura, Japanese ambassador to Tunis, Minister of Social Affairs Mohamed Jomaa visited the Electro-Technical Instruction and Advanced Training Center,

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

where he became acquainted with the equipment given to Tunisia by the Japanese Government. Officially opened in 1959 by President Bourguiba, the Center is a training institution for young people where they can study several areas of specialization such as electricity, cold storage and electronics in order to meet the country's needs for intermediate- and upper-level personnel. It was set up within the framework of cooperation between the Tunisian Ministry of Social Affairs, STEG (Tunisian Gas and Electric Company), UTICA (Tunisian Union for Industry, Trade and Crafts) and the UGTT (Tunisian General Federation of Labor) and France. Since 1975, Japan has participated in the project by sending measuring and electronic control equipment amounting to the sum of 25,000 dinars (1 dinar = approximately 10.50 francs). Minister Jomaa also officially opened the electro-technical shop which has been supplied with Japanese equipment. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 9 Feb 79 p 310] 11,464

AID FROM GDR--A cultural and scientific cooperation program for the years 1979-1980 was signed in Tunis on 3 February by Ismail Khelil, general director of international cooperation in the Tunisian Ministry of Foreign Affairs, and Dr Alfred Peukert, ambassador from East Germany. This program establishes exchanges between Tunisia and the GDR in the fields of education, higher education in science, public health and culture. It was recalled on this occasion that at the close of the first session of the Tunisian-East German joint commission, the two countries had joined together in November in signing a framework agreement for economic, industrial and technical cooperation and that the commercial accord between the two countries had been extended until 1983 (see MARCHES TROPICAUX, 1 December 1978, p 3,306). Among other things, the documents in question provide for large shipments of machinery and equipment from the GDR, while Tunisia will provide East Germany with more mining products. At its 1 February session, the Tunisian Council of Ministers approved the bill ratifying the framework agreement on cooperation. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 9 Feb 79 p 310] 11,464

GDR AID FOR PHOSPHATES--Several East German companies are supplying Tunisia with industrial equipment for strip mining of phosphates. The VEB [expansion unknown] Verlade und Transportanlagen enterprise of Leipzig has developed a machine especially for the purpose. Other facilities will be delivered by Takraf, VEB Zemag Zeitz and VEB 7 Oktober of Magdebourg. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 9 Feb 79 p 310] 11,464

CSO: 4400

END

57

FOR OFFICIAL USE ONLY