

APPROVED FOR RELEASE: 2007/02/08: CIA-RDP82-00850R000300020029-5

1 OF 1

FOR OFFICIAL USE ONLY

JPRS L/9257

18 August 1980

Sub-Saharan Africa Report

FOUO No. 685



FOREIGN BROADCAST INFORMATION 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.

For further information on report content call (703) 351-2833 (Near East); 351-2501 (Iran, Afghanistan); 351-3165 (North Africa).

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

FOR OFFICIAL USE ONLY

JPRS L/9257

18 August 1980

SUB-SAHARAN AFRICA REPORT

FOUO No. 685

CONTENTS

INTER-AFRICAN AFFAIRS

Economic Developments Since January Reported (MARCHES TROPICAUX ET MEDITERRANEENS, 11 Jul 80)	1
Correspondent Examines ACP-EEC Meetings (Jacques Latremoliere; MARCHES TROPICAUX ET MEDITERRANEENS, 30 May 80)	5
ADB Rocked by Discord, Scandal (Siradiou Diallo; JEUNE AFRIQUE, 18 Jun 80)	11
Large Loan to WADB Described (MARCHES TROPICAUX ET MEDITERRANEENS, 4 Jul 80)	17
Beginning of OMVS Dam Construction Announced (MARCHES TROPICAUX ET MEDITERRANEENS, 4 Jul 80)	18
Briefs	
East-South Preferential Zone	19
Simon Malley Expulsion	19

ANGOLA

Briefs	
Reported GDR Military Assistance Head	20
UNTA Demonstration	20
Benguela RR Sabotage Admitted	20
Oil Contract	21
Officials at French Reception	21

- a - [III - NE & A - 120 FOUO]

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

CENTRAL AFRICAN REPUBLIC

Details of Economic Recovery Plan 1980-1981
(INDUSTRIES ET TRAVAUX D'OUTRE-MER,
Jun 80) 22

UBAC Operations in Fiscal Year 1979
(MARCHES TROPICAUX ET MEDITERRANEENS,
11 Jul 80) 29

EEC Aid To Be Paid in Form of Subsidies, Loans
(MARCHES TROPICAUX ET MEDITERRANEENS,
11 Jul 80) 30

CHAD

FAN Official Resigns in Protest
(MARCHES TROPICAUX ET MEDITERRANEENS
11 Jul 80) 31

ETHIOPIA

WSLF Leader Attacks Ethiopian Colonialism
(Abd-al-Nasir Shaykh Adam Interview;
AL-WATAN AL-'ARABI, 9-15 May 80) 32

Eritrean Situation, Soviet Intentions Discussed
(Georges al-Rasi; AL-WATAN AL-'ARABI,
9-15 May 80) 34

GABON

Overall Survey of Economic Situation Augurs Well
(MARCHES TROPICAUX ET MEDITERRANEENS,
11 Jul 80) 38

GAMBIA

FAD Sanitation Improvement Loan Granted
(MARCHES TROPICAUX ET MEDITERRANEENS,
27 Jun 80) 40

GUINEA

Briefs
Eximbank Boeing Loan 41

FOR OFFICIAL USE ONLY

IVORY COAST

New Framework for Democracy Assessed (Jonathan Kolela; AFRIQUE ASIE, 7 Jul 80)	42
Political, Business Changes Reported (MARCHES TROPICAUX ET MEDITERRANEENS, 20 Jun 80)	45
Recent Economic Developments Reported (MARCHES TROPICAUX ET MEDITERRANEENS, 11 Jul 80)	50

MALI

Briefs Seminar on State Enterprises	52
--	----

MOZAMBIQUE

Salt Production Company Established To Increase Exports (MARCHES TROPICAUX ET MEDITERRANEENS, 11 Jul 80)	53
Briefs Italian Company for Geological Survey	55
Italian Textile Plant Construction	55
Increasing Cooperation With Bulgaria	55

SAO TOME AND PRINCIPE

Briefs Political Prisoners Released	56
--	----

SENEGAL

PDS Leader Discusses Party's Program, Position (Abdoulaye Wade Interview; JEUNE AFRIQUE, 11 Jun 80)	57
Public, Small Businessmen Unhappy With Economic Situation (Sylviane Kamara; JEUNE AFRIQUE, 2 Jul 80)	61

TANZANIA

Financial Difficulties Said To Be Blocking Development (MARCHES TROPICAUX ET MEDITERRANEENS, 4 Jul 80)	64
--	----

- c -

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

TOGO		
	Briefs	
	Food Crops Production Development	67
UGANDA		
	Tragic Conditions in Karamoja Described (MARCHES TROPICAUX ET MEDITERRANEENS, 11 Jul 80)	68
ZAIRE		
	Transportation Statistics Reported (MARCHES TROPICAUX ET MEDITERRANEENS, 4 Jul 80)	71
	Briefs	
	Mining Studies	73
	UNDP Aid	73

FOR OFFICIAL USE ONLY

INTER-AFRICAN AFFAIRS

ECONOMIC DEVELOPMENTS SINCE JANUARY REPORTED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 11 Jul 80 p 1726

[Article: "The Evolution of the Economic Situation of the States of Central Africa Since the Beginning of 1980"]

[Text] Our issue No 1796 of 11 April 1980 (page 852) carried an analysis of the economic situation of the states of Central Africa at the end of 1979. New and recent indications have been provided by the Bank of Central African States (BEAC), according to which the evolution of the economic situation during the first quarter of 1980 may be characterized as follows:

- Noticeable decline in agricultural products for export, except for cacao and cotton in Cameroon and coffee in Gabon.
- Resumption of forest industrial activity except in Central Africa.
- Net expansion in production of petroleum and minerals except in Gabon, where the decline in petroleum production has been accentuated by the fact of the progressive exhaustion of the deposits.
- Stagnation in real terms in the business activity of industrial firms.
- Remarkable increase in the foreign trade of Cameroon at the end of 1979, as a result of exports of petroleum which led to a reduction in the deficit in the commercial balance.
- Notable slowing down of the increase in prices except in Central Africa, where a strong acceleration in the rate of increase was noted, resulting from the increase in the cost of energy.

Cacao - The definitive results from the 1978-1979 cacao season show production of 110,000 tons for Cameroon (up 3,000 tons compared to the previous season), 4,754 tons for Gabon, and 2,772 tons for the Congo. At the end of March, 1980, sales amounted to 112,704 tons in Cameroon, 2,452 tons in Gabon, and 1,196 tons in the Congo.

Coffee--The definitive results from the 1978-1979 season confirm the provisional estimates published in our issue referred to above. As of the end of May, 1980, sales of the present harvest totaled 33,072 tons of Robusta in Cameroon, 3,052 in Central Africa, 306 tons in Gabon, and 1,347 tons in

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

the Congo. For Arabica, coffee sales in Cameroon totaled 13,651 tons as of the end of February.

Cotton--Cameroon, during the 1979-1980 season, had a record production of cotton seeds. A further decline in the harvest was recorded in Central Africa, and the conduct of the harvest was disturbed in Chad. The definitive results of the 1978-1979 season show 136,725 tons in Chad, 59,496 tons in Cameroon, and 32,150 tons in Central Africa. The harvest of cotton now under way amounted to 50,000 tons in Chad during the first two months of 1980 and 73,800 tons in Cameroon and 20,765 tons in Central Africa as of the end of March, 1980. In terms of cotton fiber picked, the 1978-1979 season provided 27,343 tons in Cameroon (up 37.8 percent over the previous year), 50,143 tons in Chad (up 12.4 percent), and 7,291 tons in Central Africa.

Bananas--With a total of 76,749 tons, net exports of bananas during 1979 by the Cameroon Banana Organization (OCB) reflected a decline of 5 percent as compared with 1978. Production during 1980 will be affected by the prolonged drought which has affected the planted areas.

Tobacco--The Cameroon Tobacco Company (SCT), which during the 1978-1979 season produced nearly 630 tons of wrapper tobacco and 1,230 tons of cut tobacco, has been required to close six of the 13 training centers by reason of the difficult situation in the international tobacco market. Under these conditions the number of tobacco planters has declined from 9,000 to 6,500, and forecasts for the 1979-1980 season are in the order of 1,600 tons. In Central Africa production has declined further: 1,800 tons in 1979 (765 tons of wrapper tobacco and 1,035 tons of cut tobacco).

Timber--Profiting from the favorable situation in the international market, the forestry sector of the region, since the end of 1979, has reflected very sustained activity, except in the Congo, for Okoume wood [Gaboon wood], and in Central Africa. In Gabon the production of Okoume wood in 1979 recorded a decline for the third consecutive year, with a production of 1.2 million cubic meters. On the other hand exports (one million cubic meters) expanded and at increased prices. Sales during the first two months of 1980 totaled 176,600 m³ (up 4.6 percent), and exports amounted to 158,600 m³. Local employment of wood used 215,000 m³ of Okoume timber in 1979 (against 296,900 m³ in 1977).

In the Congo purchases of Okoume wood by the Congolese Office of Wood in 1979 totaled 46,220 m³ (down 25 percent). Exports and local use of the wood also declined respectively by 16 percent and 81.1 percent.

In Cameroon exports of wood recorded at the port of Douala in 1979 brought out 362,280 tons of bark (up 11.95 percent) and 91,520 tons of sawdust (up 21.75 percent).

FOR OFFICIAL USE ONLY

In Central Africa the production of bark in 1979 declined to 368,600 m³ (down 20 percent), and that of sawdust amounted to 67,380 m³ (down 35.4 percent). The noticeable slowing down of forestry activity continued during the first months of 1980. Exports for the year 1979 totaled 122,130 m³ of bark (up 10 percent over 1978). Exports of sawdust, amounting to 23,275 m³, went down by 50 percent.

Petroleum--Gabon continued to record, in 1979, a decline in its petroleum production with 9.8 million tons (down 7.6 percent). For the first two months of 1980 the drop in production, compared to the corresponding months of 1979, amounted to 4.9 percent. On the other hand the production of natural gas increased by 7.4 percent in 1979 and by 24.6 percent in the first two months of 1980.

In the Congo the production of petroleum in 1979 was recorded at 2.7 million tons (up 12.6 percent), while the production of natural gas declined by 15.9 percent. In the course of the first 2 months of 1980 the production of petroleum increased by 5.8 percent, and the production of natural gas went down again: 7.8 percent less compared to the same months of 1979.

Petroleum production in Cameroon rose in 1979 to 1.8 million tons (against 1.7 million tons in 1978), all of it exported.

Other Minerals--With a production of 2.3 million tons, Gabonese output of manganese increased by 34.5 percent in 1979. The increase in production continued in the course of the first 2 months of 1980 (up 44.6 percent). Also in Gabon, the production of uranium ore has grown steadily since 1977. Production for 1979 was recorded at 1,101 tons of uranium concentrates (up 7.7 percent). The increase continued during the first 2 months of 1980 (up 14.2 percent).

In Central Africa the figures on production and exports of diamonds for 1979 were published in our issue number 1796, respectively 314,200 carats (up 10.8 percent) and 300,020 carats. The value of the exports represented 2.6 billion CFA (up 29.8 percent over 1978). For the first quarter of 1980 production rose to 99,900 carats, against 69,400 carats for the first quarter of 1979.

Industry--In Gabon industrial activity was again maintained in 1979, with the exception of the chemical and tobacco sector, with the latter suffering from the competition of foreign-made cigarettes.

In Central Africa the favorable trend of the first half of 1979 was not maintained to the end of the year, the overall business figure of the firms surveyed declining by 4.5 percent by comparison with 1978. In real terms the decline was much more evident. The textile industry was particularly affected, with a decline of 31.2 percent. Investment undertaken by the firms concerned only amounted, in 1979, to 243 million CFA (down 35.5 percent compared with 1978).

FOR OFFICIAL USE ONLY

On the whole the industrial sector of Cameroon underwent a satisfactory development during the period from October, 1978, to September, 1979, with an increase of 14 percent in the overall business figure and exports higher by 7 percent.

Prices--A rather noticeable slowing down of the increase of consumer prices was noted in the course of the first quarter of 1980. For the year 1979 as a whole the increase in prices was 8 percent in Cameroon, 9.76 percent in Gabon, and 11 percent in Central Africa.

Foreign Commerce--The foreign commerce of Cameroon was recorded in 1979 at 271.2 billion CFA in imports and 238.7 billion in exports, for a deficit of 32.5 billion CFA against 55.6 billion CFA for 1978. The noticeable reduction of the deficit was due to the contribution of petroleum, whose exports represented 56.3 billion CFA.

In Central Africa foreign trade in the first three quarters of 1979 produced a deficit of 1.4 billion CFA.

For the Congo the latest statistics are for 1978. Imports totaled 56.6 billion CFA, and exports amounted to 26.6 billion CFA, for a deficit of 30 billion CFA (as against a deficit of 3.8 billion CFA for 1977).

COPYRIGHT: Rene Moreux et Cie Paris 1980

5170
CSO: 4400

FOR OFFICIAL USE ONLY

INTER-AFRICAN AFFAIRS

CORRESPONDENT EXAMINES ACP-EEC MEETINGS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 30 May 80 pp 1246-47

[Article by Jacques Latremoliere: "Reflexions on a Meeting"]

[Text] Some 500 participants, from 51 ACP [African, Caribbean and Pacific countries (associated with the EEC)] countries out of 59, as well as 8 countries out of 9 from the European communities, Ireland being absent, met in Marseilles from 21 to 23 May, at the joint initiative of the Chamber of Commerce and Industry and the municipality. Their purpose was to examine in depth what could be called, avoiding official phrases, the "instructions for use" of the Second Lome Convention, concerning commercial and industrial cooperation, particularly in the regional framework outlined by this document.

Opening just a few days after the closing of the Franco-African Conference in Nice, such a meeting was bound to appear, more or less, its antithesis or its rival. In Nice, however, the work did not concern only Lome II, a subject treated by Mr Olivier Stirn, but the North-South dialog, the Euro-Arab-African "trilog," and bilateral French-African cooperation itself. In addition, the discussion was directed toward heads of state or governmental delegations. In Marseilles, it was a question of bringing together for a dialog heads of companies, or public or semi public bodies with industrial or commercial purposes, and a few specialists from the services in Brussels. It is with this in mind, that, leading, along with Mr Gaston Deferre and Mr Mario Pardini, the Italian senator and member of the European Parliament, the Marseilles meeting to the baptismal font, Mr Claude Cheysson noted, a little ironically, that "these days, civil servants do not seem to be involved in production or commerce."

While the majority of the ACP representatives present were bound, through the institutions they represented, to their national organizations, it should be understood that the Marseilles discussion was to be spontaneous. Mr Gaston Deferre would thus be able to criticize the formulas suggested or "imposed," recalling, along the way, the eminent role that he had played, as the inventor of the "blueprint law" for the independence of

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

the African peoples. This liberal look, complemented by several attacks in principle against the action of the multinationals in the Third World, amounted to a political justification of the city of Marseilles for the fine organization of this meeting. In addition, he is said to have also attracted certain listeners, such as the Malagasy, who refused to go to Nice. Afterwards, he was quickly forgotten and the meeting went on as if it had taken place in Brussels or Hamburg. A prolonged acrimony in the criticism of the multinationals would have, besides, been unfavorably received by many of the guests taking part in the debate.

How should it be summed up? The official communique reflects the general nature of the work, but not the comments made in individual reports. The main disadvantage of this kind of meeting is that much time is lost in listening to the reading of papers prepared in advance and which it would be preferable to read in advance. The debate itself can be summed up as a series of observations presented one after the other, without any connection between them. Each of the papers, and this was especially true when they were given by specialists, had a specific subject. But the speaker was careful, most often, to give it an elegant presentation, submerging the most important part of it in droning cliches. What remained afterwards was not so much practical conclusions as the dominating influence of a few, whether it was a matter of the study of economic mechanisms, of open perspectives on the future, or fire-breaks to reduce excessive boldness.

Mr Claude Cheysson: A World Dimension of the Community

The opening speech of Mr Claude Cheysson can, in that respect, be considered as an axis around which the papers were focused. Recalling the amount of financing involved in Lome I and II and the overall rise of 58 percent in exports from the ACP countries between 1975 and 1979, which was a result of this financing, he had to admit that the overwhelming predominance of raw materials within these exports contradicts the optimism that the bare statistics might at first suggest. One of the reasons for this situation has to be sought in the relative indifference of the countries which benefit from the knowledge and the penetration of the Western markets, like the problem of the transfer of commercial technologies, in spite of the grants provided for that purpose in the first and, especially, the second convention.

Legal and customs documentation, statistics, price lists, data banks constitute the necessary arsenal of the ACP countries in the conquest of the major European and American markets. But an operational knowledge, which is acquired only through close contact with the businesses involved, and not in the ministries, is still more indispensable. The same is true for industrialization: A few operations developed thanks to the aid of Lome I, such as the large cement factory owned in common by Togo, Ghana and the Ivory Coast, or the encouragement given by certain African

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

countries to the development of small and middle size businesses, should not delude us. The label of cooperation of the ACP countries with Brussels nevertheless ought to open up, better than anything else, access to the financial markets and in particular, those of Arab capital, since experience shows that where one unit of account appears, the Arabs follow with six or seven. Mr Cheysson thus favored in Marseilles, for the EEC and the EIB (European Investment Bank), the recycling function decided upon at Nice by Mr Monor for France and the Central Fund. Competition or complementarity?

To the facilities for financing in the industrial sector there must correspond, in addition, security of access for the ACP countries to the markets of the Community. Certainly, the protection clauses will only be able to work in the future under strictly defined conditions of consultation. "But it is regrettable that the Lome II Convention has limited to 5 years the guarantee of free access to those markets--a very short term to justify an industrial investment--while countries like Egypt, Syria or Algeria have obtained commercial clauses of an indefinite duration." It is also deplorable that the ACP countries did not use the considerable facilities at the disposition of the Commission of the Communities, in the framework of sector consultations, in order to provide for industrial restructuring, in which the trade unions ought to be involved and which would permit making room for their exports.

The worldwide dimension of the Community was finally mentioned. In the opinion of Mr Cheysson, it is only on that level that we can resolve the major problems between the industrial countries and the PVD [developing countries], whether it is a matter of the price of raw materials, the search for a legal structure as opposed to purely speculative operations, or of the deficit of the balances of payment of the Third World, in a word, of this North-South dialog, whose routes, through the obligatory convergence of Nice and Marseilles, are those of cooperation, as opposed to the exchange of "missiles and megatons" which characterizes the East-West dialog.

Technical Processes

High quality studies served as a technical base to the work of the three committees: commercial cooperation, industrial cooperation and regional cooperation as a framework for the first two. Let us note particularly a report by Mr J.E. David, of the Office of Development in Brussels, on "transfers of commercial technology," and the "problematics of regional cooperation and the EEC-ACP Convention" of Mr Moussa N'Gom, the secretary general of CEAO (West African Economic Community). It is nevertheless in the domain of industrial cooperation (Committee B) that the papers were most impressive.

FOR OFFICIAL USE ONLY

Among many others, one must note that of Dr Ulf R. Siebel, a member of the Vorstand of the Afrika Verein, on the conditions of reciprocal responsibility in industrial projects. Mr Jean Dromer, the president of the International Bank for West Africa, treating the financing of these projects, emphasized the prohibitive character of certain interest rates with respect to the infrastructure and the necessity, for the promoter of the project, of retaining control of the financing, the dangers of an abandonment of that responsibility showing up frequently in the "financing in hand" operations. Supporting the thesis of Mr Dromer, Mr Diawara, the president of the Dakar Club, proposed once again, the creation of a multilateral fund directed by Europe permitting the offering, with a guarantee to the holders of capital, particularly the Arabs, of outlets in the industrial countries and sources of financing adapted to needs, as much from the point of view of the length of the loans as of the improvement of interest rates. Mr H. Michel, the president of the "Co-operation in Development" Committee of the Union of Industries of the EEC, emphasized the guarantee of investments which ought to be, in his opinion, sought in the framework of the Lome agreements.

Mr Jacques Alibert, the delegate general of the International Committee for Black Africa (CIAN), presented a well organized study on joint enterprises, their objectives, their financial and technical mechanisms and the results of Africanization of their posts as a function of vocation training. While regretting that the participation of the ACP countries in the capitalizing of businesses has been limited to governments or to European companies, local small and medium size businesses having had only a small role up until now in the movement, Mr Alibert emphasized the speeding up function which could fall to the chambers of commerce and industry, even upon the interstates funds permitting the placing on the stock exchange of companies installed in neighboring countries. He studied the problem of the retrocession of participation of national investment companies in local enterprises or with private nationals as well as the mechanism, in the framework of the joint enterprises, of increases in capital, underscoring the disadvantages of "foreign funding participation," which is only admissible to the extent that non voluntary withdrawal "is linked to the length of the industrial amortizations and to the transfer of capital and its fruits."

The Fire-Breaks

The concrete preoccupations of the private sector, at meetings such as those in Marseilles, may engender, with regard to the great doctrinal themes which may be developed, a certain courteous indifference. The conformism which results from it would very quickly become a burden, if certain speakers did not dissipate the mists by playing intelligently the role of "devil's advocate."

FOR OFFICIAL USE ONLY

It must be said that by assuming this function, with great restraint moreover, Mr Xavier Torre, the chairman and president of Optorg, profited from the Evangelical paper, which had preceded his, of Mr Christian Megrelis, the chairman and president of Export Assistance International, on the virtues of free trade. One might have expected in Marseilles heated discussions on the forms of the "joint venture" or some other subject but the sort of Cobdenian cult(*) to which Mr Megrelis invited his listeners of Committee A irresistibly called for a response. That of Mr Torre was so pertinent that one almost regretted that it might have seemed to have been dictated by the spirit of "repartee," although it contained, suitable for everyone, a useful lesson to think about.

How has the association of Yaounde, at first a limited zone for trade, protected by the common European foreign tariffs then changed into a worldwide association because of the membership of Great Britain, at the same time as Brussels was making itself the champion of generalized preferences and of lowering customs barriers, constitutes in itself an interesting phenomenon to study. But, eliminating, in a spirit of devotion to free trade, the sclerosing effects of worldism on the development of the African economies, the original goal of Yaounde I, is much more debatable. From 1972 to 1977, while world trade was tripling, exports other than oil from the ACP countries noticeably dropped in volume. In all the exports for developing countries, those of the ACP countries dropped from 13.5 to 10.15 percent. "Even if the participation of the Community remains preponderant in the ACP trade, their position in the whole of trade with the countries of the common market remains stationary while that of the other developing countries is growing."

Worldization works to the advantage of the industrial production of Southeast Asia, of South Korea and of Latin America, contributing to keep the ACP countries, in spite of the attenuation brought about by certain mechanisms such as Stabex, in an underdevelopment all the more anguishing since their share of exports to the EEC varies from country to country, 8 ACP countries out of 59 furnishing 63 percent and by product, 40 percent of these exports coming from countries in which the concentration by product is higher than 75 percent. We would be happy of course to see Brussels assume global responsibilities if it were not at the expense of the poorest countries, in Africa in particular, the destabilization of which might have the most dreadful consequences for Europe.

Mr Jacques Ferrandi, the president of CIAN, addressing Committee B on the problem of industrialization, also recalled that the war cry of the liberalists--"laissez faire, let things be," at times resembled a

*Richard Cobden, economist and industrialist, was, in the 19th century, one of the most ardent advocates of the idea of free trade.

FOR OFFICIAL USE ONLY

command: "Let me do as I please, let me by." But he surprised his audience a little by defending with talent the thesis that the development of industry in the ACP countries constitutes a false problem, that of agriculture alone being important. But the thesis is not a paradoxical one: through the capital, the labor, the raw materials and the consumers that it engenders, agriculture is, indeed, the necessary condition for an industry which is "ready to break out" and ought, at all events, to be the subject of another "trilog" between the private sector, the host country and the public authorities of the industrialized countries, "who alone are qualified to change profoundly the relations of their economy with that of their African partners." Let us agree, however, that these words are not at all in agreement with the spirit of a house in which the former director of the EDF [European Development Fund] was, for a long time, one of the most influential forces. To treat in the same way, as he has done, the guaranteeing of foreign investments against political risks by denying its stimulating effect in order to reduce it to a simple problem of fairness, is to pose the philosophic problem of the relations of the guarantee and the inducement, but not to resolve, as the public was hoping, an actuarial problem in the framework of Lome II. A little too much brilliance has harmed, in the work of a technical committee, the effect of words which would have been more welcome during a closing session, in which they might have balanced the certainties of some economists.

That session, it is true, was reduced to the minimum. Its chairman, Mr Raymond Chasle, the ambassador from Mauritius to the Communities, and chairman of the committee of ACP ambassadors to Brussels, was content to limit himself to pointing out lessons of an immediate and practical nature. Mr Cheysson was no longer there in order to give them a resonance. Madame Simone Veil would of course bring to the delegates the greetings of the European Parliament. The subjects treated were too unfamiliar to her for her speech to rise above individual congratulations and an end-of-the-meeting optimism. There was no real conclusion, which was, actually, not important since an artificial formulation would risk not dealing with the tendencies slowly evolved from the contact of ideas and men.

COPYRIGHT: Rene Moreux et Cie Paris 1980

8956
CS0: 4400

10

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

INTER-AFRICAN AFFAIRS

ADB ROCKED BY DISCORD, SCANDAL

Paris JEUNE AFRIQUE in French 18 Jun 80 pp 54-56

[Article by Siradiou Diallo]

[Text] As tradition would have it, the African Development Bank (ADB) distributes less money than dramatics. And now we find that this wondrous institution has become the innocent victim of a military coup d'etat. By overthrowing President William Tolbert, Master Sergeant Samuel K. Doe upset the delicate and complex scenario set up for the election of the future president of the Bank. It was to take place in Monrovia from 12 to 16 May.

A Cautious Game

Just when 5 tons of documents and nearly 200 people from headquarters were getting ready to leave Abidjan to move towards Liberia, the new strongman of the country put a veto on holding in his capital city the 16th annual assembly of the governing board (finance ministers of the member states). Reason: such a meeting would cost the Liberian public treasury a great deal of money. And that does not fit in with the policy of austerity which the new regime intends to promote. But in diplomatic circles in Monrovia it is thought that the authorities would not be in a position to guarantee the participants' security.

All the same, once the moment of panic caused by this untoward happening was over, the management of the ADB was not long in getting back its self-control. And then it consulted rapidly with the member states before postponing to June 23 this 16th assembly which will take place at headquarters in Abidjan.

As a result the eight candidates for the presidency (J. A. No 999) now possess a 6-weeks' extension. To polish up their strategy. Because the game is tighter than ever.

Assuredly, the election of the president of the ADB has traditionally been the subject of long and better bargainings. Up to now the confrontation, always soft pedaled, of course, was localized more or less between

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

Arabs and blacks, anglophones and francophones, if not between progressives and moderates. This time the Arabs are not presenting a candidate. Which is interpreted as a sign of a waning of interest on their part.

Assuming that this interpretation is correct, is the North Saharans' attitude the outcome of the opening up of capital to which certain of them were opposed with all their might? Or of the policy of deliberately sabotaging Arab-African cooperation incarnated by the outgoing president, Mr Kwame Fordwor? The fact is that international financial circles are coming to fear more and more a withdrawal of the Arab countries. And they make no secret of the fact that the Bank still is not strong enough not to die of starvation, if it is deprived of the precious sap which petrodollars represent.

Regional Balances

However that may be, the North Saharans having got out of the game, they leave the anglophones and the francophones facing each other. To which are added the splits inside of each one of the two groups. And that further complicates the outlook.

That is why voices are being raised to demand a stricter definition of the rules before proceeding with the election of the president. It is confided that useless confrontations must be avoided. The African experts say that the criterion of competence should be the only one to be taken into account.

For this club of right-minded persons the institution's policy will have to be focused primarily on safeguarding a proper balance among the different regions present within the Bank. A balance which, if certain people are to be believed, was broken by ex-president Fordwor. The realities peculiar to each region must be taken into account at any cost, they say. In the formulation and implementation of the Bank's policy as well as in making assignments to responsible positions. It is especially important, these good fairies gathered at the bedside of the "sick person" feel, to define a clear position regarding Arab-African cooperation and regional and subregional actions.

Resist Pressures

Similarly the position with respect to non-African countries associated with the Bank must be clarified once and for all. Must the African Development Fund (ADF) be promoted and developed? Is the opening up of capital to foreign states definitely accepted, or is it a matter of a mere road accident which is likely to come up again? With whom must the Bank cooperate, according to what criteria, what mechanisms and within what limits? Whatever the answers to these questions may be, a consensus seems to have been reached about one point: the new president will have to conduct himself as a jealous but realistic defender of Africa's

FOR OFFICIAL USE ONLY

supranational interests. Thus not only resist pressures which the powers outside of Africa will not fail to exert on him, but adopt strict neutrality with respect to the countries and the political and ideological tendencies and trends which divide the continent up among themselves.

Finally the board of governors will have to endow the ADB with flexible but precise operating rules. To avoid the power conflicts that are so detrimental to the institution's operations. In particular define and spell out more clearly the responsibilities of the board of administration and the director's office. And this is needed to avoid a recurrence of the sad scene which the ADB put on in June 1979 in the form of the serious conflict which pitted Kwame Fordwor against the majority of the members of his board of administration.

So long as precise and workable rules are not adopted, it is said in the halls of headquarters as well as in the waiting rooms of ministries, it will be risky, not to say venturesome to elect a new president. Chosen in these conditions, would he not, in fact, be running the risk of finding himself sooner or later in the same situation as Mr Fordwor? And of recreating tensions like those which led to his bemeaning removal and gave rise to an atmosphere of crisis injurious to the Bank's reputation? Now the big maneuvers are starting up in such a manner that considerations of a political nature are apt to prevail, and by far, over criteria having to do with competence and human qualities. Thus the Mauritanian, Sidi Ahmed Ould B'Neijara, who for 3 months was the governor of his country's central bank before becoming minister of finance right after the military coup of 10 July 1978, is not particularly well known in African and international banking circles. If for no other reason than his age (33 years), he is thought of in these circles as being inexperienced.

By the same token the Ugandan, Franck Mwine, does not enjoy the support of any country. With a doctorate in law from Harvard Law School, Mr Mwine, 39, has for 10 years been the principal advisor of the legal department of the World Bank (IBRD) in Washington. Which has not failed to cause trouble. In point of fact, quite a few ADB governors state that they are shocked by the conduct of the Ugandan candidate who takes advantage of his official trips to carry on his campaign.

Two other candidacies, in the present African political situation, do not have much chance of succeeding: those of the Burundian, Donatien Bihuté, and the Senegalese, Khalilou Sall. The former, 40 years of age, is at present the minister of the plan in his country. Although sponsored by the sister republic of Rwanda, he is not considered a candidate of any consequence. As for the Senegalese, Khalilou Sall, he is not a stranger to the ADB, since between 1971 and 1977 he successively functioned as chief of the projects division and director of the operations department.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

Aged 54, the Senegalese candidate, whose personal ratings are not questioned, still suffers from a serious handicap: Senegal, the story goes, already is filling too many positions in international organizations. And so few countries seem inclined to vote for him. His being sponsored by the Comoro Islands is in itself particularly symptomatic. On the other hand, the election arithmetic at the outset gives some chance to the Zambian, Mung'Omba Willa. This 41-year-old lawyer with a law degree from the University of London, fulfilled numerous political functions in his country before becoming the administrator of the International Monetary Fund from 1976 to 1978. Since then he has been managing the Zambian branch of the Standard Bank (English).

Very well known to the whole of anglophone Africa, Mr Mung'Omba normally ought to be able to count on the massive support of those countries, that is 40 percent of the voting power within the ADB. In East Africa, however, those who take exception to his "insufficient" action when he represented the region in the IMF are numerous.

The official backing that Nigeria brings him (12.5 percent of the voting power) may not be either unconditional or irreversible. That is to say Mr Mung'Omba's victory is not a foregone conclusion. Especially since the francophone members persist in believing that by virtue of the rule (unwritten, it is true) of rotation the anglophone members who, with Mr Fordwor, have already held the position, will know how to play fair.

In that case the duel would be inevitable between the Malian, Seydou Djim Sylla, and the Guinean, N'Faly Sangaly, 47, ex-governor of the Central Bank of Guinea and several times minister before filling his present position of delegate minister to the European Common Market in Brussels. But his main asset rests mainly on the support which has just been bestowed upon him by the headquarters country, Ivory Coast, after wavering between the Malian and Guinean candidates.

A Family Candidate

This surprised and even shocked a number of member states which feel quite rightly that as the host country of headquarters Ivory Coast should have remained strictly neutral up to the voting day; or, in any case, should abide by the duty of reserve which common courtesy requires in such circumstances. That would be in keeping with the spirit of African hospitality to which its directors lay claim. It is true that the Guinean candidate is not just anybody. First and foremost he is the brother-in-law of President Sekou Toure and the "pet" of Mme Andree Toure. For months the presidential couple have made every effort to get the "big moneyman" of the family elected.

For his part, Mr Sekou Toure seems to have dropped into the scales the full weight of his high reputation to win this battle. He stands a chance of succeeding. In any case, from Accra to Cairo, from Rabat to

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

Kinshasa, he has led the offensive personally. It is said that even France has been called to the rescue to win its African "friends" over to the Guinean cause. Similarly it would seem Fidel Castro received a special message from Conakry urging him to intervene with his Angolan, Ethiopian and Libyan allies.

The only thing is, this personal and urgent intervention by President Sekou Toure has shocked certain member states. So much so that what Mr N'Faly Sangare takes to be a major asset runs the risk of becoming his Achilles' heel. Through the interposed Mr Sangare would it not be Sekou Toure in person who would henceforth be orienting the Bank's decisions?

To get around such a threat the majority of the francophone countries seem to lean more and more in favor of the Malian candidate, Mr Seydou Djim Sylla, who seems politically more acceptable to them. Crossroads of ancient civilizations and a natural bridge between Mediterranean Africa and black Africa, his country maintains relations of understanding and cooperation with all members of the OAU.

His candidacy is sponsored by the Congo. He filled different technical functions in his country before being designated as administrator of the International Bank for West Africa (BIAO) at the instance of the Central Bank of the West African States (BCEAO). The Malian candidate has likewise been executive secretary for the negotiating group of the African States, the Caribbean and the Pacific in Brussels and the special advisor to the president of the Arab Bank for African Economic Development (BADEA) in Khartoum.

That is to say that Mr Sylla, whose talents as a diplomat are known and appreciated, is just the right person to "resolve" the unity of the ADB and win back the somewhat shaken confidence of the Arab states. Which makes him the best candidate of the francophone group. Only this group, even if strengthened by the Portuguese speakers, accounts for only 27 percent of the voting powers. That is why the unofficial support of Algeria enjoyed by Mr Sylla is worth its weight in gold. Especially since Algeria can drain off into its channel states like Madagascar, Angola, Mozambique and perhaps Libya.

In Case of an Impasse

If this broad spread of support should materialize, the Malian could be assured, if not of being elected, at least of moving to the head of the group right after the first ballot. But it may be that to take a pick between Sylla and Sangare will not be possible. On the assumption that the latter refuses to give up, the former runs the risk of being overtaken at the end of the race by a dangerous outsider in the person of . . . Mr Goodall Edward Gondwe, at present the acting president. Assuredly, on replacing, in July 1979, the Ghanaian, Fordwor, this 44-year-old Malawian

FOR OFFICIAL USE ONLY

committed himself to abstaining from being a candidate, but in case an impasse occurs, he could appear as a last resort. In a letter dated 23 January 1980, the government of Kenya already requested that he be kept in office for 5 years.

In addition to the atmosphere of ease and sound management that he succeeded in restoring, it must be recognized that Mr Gondwe has managed to accomplish other feats of strength. In particular the ADB is indebted to him for having regained, barely a few months after the serious crisis of the summer of 1979, the hearing and the respect of the member countries of the ADF. The performances provided subsequently both in matters of financing projects and on the level of mobilizing resources on the international financial market astonish specialists and compel their admiration. It was thus that Mr Gondwe succeeded, at the end of 1979, in obtaining 150 million dollars. And still more recently (17 April 1980) he was able to take credit for obtaining a new loan of 250 million dollars signed within a few days by European, American and Arab banks.

An Outsider?

No mistake can be made with signs like these. Of all the claimants to the directorship of the ADB Gondwe up to now is the one who enjoys the best reputation, the one about whom everybody agrees to admit that he meets the necessary human and technical conditions required to face the basic obligations and put through the basic reforms that are called for.

But the game is far from being won. As long as nobody crosses the finish line, three of the candidates at least, or even four, (Gondwe, Sylla, Sangare and Mung'Omba), still have a chance, and can hope to win. Until then each one will try to get in a good spot. Although they may have to seduce the small countries while making pledges to the big three (Algeria, Libya, Nigeria) without whose support no combination stands any real chance of being the victorious one. Failing the reaching of an agreement within their respective groups on any one of the candidates now running, anglophones and francophones could--why not--fall back on one last bandit: in such a turn of events the chances of the present president of the West African Development Bank (BOAD), the Upper Voltan, Pierre Claver Damiba, would not be negligible.

COPYRIGHT: Jeune Afrique GRUPJIA 1980

9498
CSO: 4400

FOR OFFICIAL USE ONLY

INTER-AFRICAN AFFAIRS

LARGE LOAN TO WADB DESCRIBED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 4 Jul 80 p 1680

[Text] To expand and diversify its relations with the industrialized countries, the West African Development Bank (WADB), represented by its president, Pierre-Claver Damiba, signed on 30 June with the French Foreign Trade Bank, the Bank of Indochina and Suez and the Bank of European Union a framework buyer-credit agreement for 150,000,000 French francs (7,500,000,000 CFA francs).

This framework agreement is for the purpose of financing a maximum of 85 percent of the contracts concluded with French suppliers by buyers from the six UMOA (West African Monetary Union) countries: Ivory Coast, Togo, Benin, Senegal, Upper Volta, Niger.

As is well known, the WADB is an international public institution, founded at the meeting of the chiefs of state of the six UMOA member countries on 14 November 1973. Since it was founded it has been dedicated to financing: on the one hand, regional and national projects of common interest working toward the economic integration of the member states and West Africa; on the other hand, projects intended to promote the balanced development of those states.

In our 27 June issue, No 1807 (page 1622), we reported on the WADB's fiscal year 1978-1979 and announced that three new loans amounting to 2,573,000 CFA francs had been granted to Benin, Upper Volta and Togo.

Since it was founded the WADB has been presided over by Pierre-Claver Damiba, a former Voltan government minister.

COPYRIGHT: Rene Moreux et Cie Paris 1980

8946
CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

INTER-AFRICAN AFFAIRS

BEGINNING OF OMVS DAM CONSTRUCTION ANNOUNCED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 4 Jul 80 p 1680

[Text] On his return from a trip to Saudi Arabia President Senghor announced that construction of the Diama and Manantali dams, in Senegal and Mali respectively, will begin before the end of the year. These dams are part of the program of the Senegal River Development Organization (OMVS), which includes Mali, Mauritania and Senegal; they are the two most important drought control projects affecting the three governments.

The total cost of construction of the concrete projects (excluding hydro-electric equipment) will be \$600,000,000 to \$650,000,000. As of last December about \$100,000,000 were yet to be raised.

To obtain this additional financing the chiefs of state of Mali, Mauritania and Senegal traveled to Kuwait, France, West Germany, Saudi Arabia and Canada.

On his return from Saudi Arabia President Senghor revealed that the latter country had decided to increase its contribution by 50 percent (the original contribution was \$100,000,000). France and West Germany, which had announced their respective participation as \$56,000,000 and \$92,000,000, promised to offer more, according to Mr Senghor. For its part Kuwait, whose participation was \$75,000,000, agreed to pay an additional \$30,000,000.

COPYRIGHT: Rene Moreux et Cie Paris 1980

8946
CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

INTER-AFRICAN AFFAIRS

BRIEFS

EAST-SOUTH PREFERENTIAL ZONE--From 27 May to 7 June there is being held in Addis-Abeba, at the headquarters of the Economic Commission for Africa (ECA), the seventh meeting of the intergovernmental team in charge of negotiations (INT) for the establishment of a preferential commercial zone in East and southern Africa. During the meeting, the participants will be examining in particular four chapters of the treaty setting up such a zone. The drawing up of this treaty began 2 years ago. It concerns the "Horn of Africa" (Djibouti, Ethiopia, and Somalia) the former Community of East Africa (Kenya, Tanzania and Uganda), Malawi and Zambia, certain countries of southern Africa (Botswana, Mozambique, Zimbabwe, Angola, Lesotho and Swaziland), and the islands of the Indian Ocean (Comores, Madagascar, Mauritius and Seychelles). [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 30 May 80 p 1253]

SIMON MALLEY EXPULSION--Mr Simon Malley, director of the bimonthly magazine AFRIQUE-ASIE, has been requested to leave French territory as soon as possible. Egyptian by birth and having obtained American nationality, Mr Simon Malley lived in France with his wife and his three children for about 20 years, but on a precarious basis. In effect he was subject to the regulation regarding three-month extensions of his residence permit, which were renewable. For reasons which were not made clear to him the French authorities, at the end of June, declined to renew his extension of residence for a new period of 3 months. The French authorities have an obligation to inform Mr Simon Malley of the reasons which led to their decision. Their refusal to do so could only be interpreted as a measure of censorship against a bi-monthly magazine whose political views annoy them, a measure absolutely contrary to freedom of the press and publication, recognized both by the Declaration of the Rights of Man and by the French Constitution, and incompatible with the liberal character of French society. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 11 Jul 80 p 1718] 5170

CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

ANGOLA

BRIEFS

REPORTED GDR MILITARY ASSISTANCE HEAD--The East German General Hans Ernst, 59 years old, reportedly has recently assumed command of the military advisers placed by the GDR at the disposition of Angola, according to the West German conservative daily newspaper, DIE WELT (Springer Group) on 1 July. The newspaper referred to information provided by the Angolan rebel movement UNITA and by sources close to the South African intelligence services. DIE WELT added that the South African intelligence services reportedly have indications of the presence of East German instructors in the Angolan air forces, notably recordings of conversations by radio between pilots speaking with a Saxon accent. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 11 Jul 80 p 1760] 5170

UNTA DEMONSTRATION--The National Union of Angolan Workers (UNTA), the only union in the country, has appealed to the population to be ready for an aggravation of the situation, to close ranks around the Party and the president of the republic, and, in case of need, to take up arms. Moreover, elementary school students, high school students, and university students who had been excused from class on 1 July by the Ministry of Education held an important meeting on the same day to show support for the MPLA in the streets of Luanda to protest against the South African invasion of southern Angola. The slogans carried by the students condemned in particular "the silent attitude of France, Great Britain, the United States, Canada, and the Federal Republic of Germany." [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 11 Jul 80 p 1760] 5170

BENGUELA RR SABOTAGE ADMITTED--In the press conference which he held in Freetown on 30 June outside the OAU summit meeting, Mr Paulo Jorge, Angolan minister of foreign affairs, indicated that the Benguela railroad is operating between Zaire and Angola and even Zambia, while admitting that "there are from time to time some problems and even cases of sabotage, which is very easy to accomplish, given the length of the rail line." He emphasized that embargo measures against South Africa, to be effective, must be strictly applied and constitute a whole structure. He let it be understood that, between now and the end of the year, Angola would undertake its first five-year plan and may consider joining the Convention of Lome when

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

economic conditions are fulfilled. "We are still a young state and we must first make a detailed study of our potential and of our level of production, which is still low by reason of the destruction which we have inherited from the past." [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 11 Jul 80 p 1760] 5170

OIL CONTRACT--A production-sharing agreement has been signed between the Angolan National Petroleum Company (SONANGOL) and TOTAL, a communique published by the French Petroleum Company [CFP] indicates. This contract, which involves block 6 (about 4800 km²) at sea off Luanda, was approved at the beginning of May by the Angolan Council of Ministers. TOTAL is the operator of the concession. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 11 Jul 80 p 1760] 5170

OFFICIALS AT FRENCH RECEPTION--Angolan Minister of Foreign Affairs Paulo Jorge and SWAPO President Sam Nujoma appeared at the official reception offered by the French Embassy in Luanda on the occasion of the 14 July celebration. Their presence caused a stir given the hard position recently adopted by Angolan authorities toward France and the other so-called "contact group" countries in relation to the situation in Southern Africa. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 25 Jul 80 p 1874]

CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

CENTRAL AFRICAN REPUBLIC

DETAILS OF ECONOMIC RECOVERY PLAN 1980-1981

Paris INDUSTRIES ET TRAVAUX D'OUTRE-MER in French Jun 80 pp 354-355

[Text] The economic recovery plan 1980-1981 comprises investments in an amount of 45.087 billion CFA of which 13.1 billion originate from foreign aid.

The disastrous financial and economical situation of the Central African Republic (in spite of international aid of more than 100 billion CFA from 1970 to 1978) inventoried after the collapse of Bokassa's regime, induced the new team of leaders to obtain very urgent financial aid from France and to draw up a biennial plan for economic and social recovery for 1980 and 1981.

The 1976-1980 5-year plan was too ambitious in relation to the resources of the state (the Central African Republic has 2.3 million inhabitants in a 623,000 sq km area, its gross domestic production amounted to 101 billion CFA in 1979 and the net revenue registered in the budget of fiscal 1980 amounted only to 21.8 billion CFA). Discounted foreign input did not quite materialize and after 3 years only 17 percent of the programs planned were carried out.

The Central African economy, or at least the modern "sector" of the economy, depends almost entirely on the exportation of some of its crops, from which the state receives the greatest part of its resources.

For 1979 the products feeding the exports represented 32,150 tons of cotton seed (which after ginning would produce an export return of 3.3 billion CFA), 13,200 tons of coffee (8 billion), 2,000 tons of tobacco (1 billion). Lumbering furnished 330,000 tons of logs (4.4 billion). Diamonds accounted for 314,000 carats (8.5 billion CFA).

Chronically deficient, the foreign exchange balance for 1978 showed a negative balance of 7.4 billion CFA, and the balance of payments for the same year, notwithstanding foreign aid contribution for development, also showed a deficit of 1.6 billion CFA.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

Thus, the recovery of the economy is considered by the new governmental team as a primordial and essential task. To this end, the 1980-1981 biennial program was approved on 21 March 1980, a program which should serve to formulate a new 5-year plan for 1982-1986.

The entire program for the 1980-1981 recovery plan comprises investments in an amount of 45.087 billion CFA divided (in million CFA) as follows: Agriculture 11.836, stock farming 2.593; waterways 2.088; road construction 10.095; aerial ground surface organization 2.165; telecommunications and broadcasting 4.195; city planning 2.728; industry 1.300; energy 215; mines 1.230; education 4.471; health and social affairs 1.901; administration 270.

The estimated usage program is assessed at 60 percent for 1980 and 40 percent for 1981.

On the volume of planned investments, 13.1 billion CFA in foreign aid has already been acquired and its implementation will take effect in 1980.

Priority has been given to rural development and to the installations, the amounts apportioned to these two sectors representing respectively 32 percent and 47 percent of the entire investment program.

Agriculture

The Central African economy is closely tied to the productions of the rural sector which principally supply 80 percent of the active population and they alone assure the major part of the exports; 60 to 77 percent between 1971 and 1977 and 54 percent in 1978.

Rural development activities listed in the biennial program cover investments in an amount of 11.8 billion CFA, over a period of 2 years and 21.7 billion to be entered later in the next 5-year plan. These activities concern five integrated projects (food products, cotton cultivation, light mechanization, rural groups, rural trails and commercialization) the establishment of an 8,000 ton sugar complex, extendable to 16,000 tons for local consumption (6 billion CFA beyond 1982), for the resumption of the Bossongo palm plantation (1 billion for 1980 and 1981).

Stock Farming

To the 2.6 billion CFA scheduled for 1980 and 1981, an equivalent amount of complementary investments must follow for the development of stock farming in the western territory, drainage of the Bambari zone, development of agriculture in the eastern region, poultry farming and porcine breeding.

Waterways

Actions of a priority nature (investments in an amount of 2.1 billion CFA for the 2 years already planned for the 2.7 billions at a later date),

FOR OFFICIAL USE ONLY

include maintenance and repair of the waterway fleet, reinforcing the Kolongo repair yard, replacing the handling equipment in the port of Bangui.

Highways

The highway framework of construction comprises eight principal roads for a total of almost 4,000 km of which only 290 km are in the tarred network.

To the 10.1 billion CFA credits allowed for 1980 and 1981, 8.1 billion will be added for the completion of the entire program: repairing, rebuilding, bridge construction, reconstruction of the enclosure for public works materiel.

Financing of this program is set up as follows: paving with asphalt the Bangui-Bossebele axis (146 km) IDA-ADB (International Development Association- African Development Bank) Kuwaiti funds; repairing the Bossebele-Garoua-Boulai axis (440 km) through financing by FAC (French Aid and Cooperation Fund), FED (European Development Fund)-RFG; repairing the trails in the cotton zones (1,700 km) through FAC-CCCE (Central Fund for Economic Cooperation) financing; and the Berberati-Carnot-Baoro axis (200 km) financed by the FAC. The FED should also assure the restoration of 40 art objects and the 2 heavy reloading units recently delivered by Japan should be assigned to the Sibut-Bambari-Bangossou roadway (550 km). Financing must be found to effect the repair of the Sibut-Kaga-Bandoro-Chad border road and the Bossebele-Bossangoa-Bedaoyo road (345 km), as well as to insure the maintenance of the Nola-Berberati-Gamboula and Bangui-M'Baiki roads.

Aerial Ground Surface Organization

The Central African Republic has one international airport in Bangui (which takes care of 95 percent of the air traffic) and 72 regional airports.

In the 2.2 billion CFA credit program, the extension of the landing strip for the reception of heavy carrier planes in Bangui has been apportioned in the amount of 0.5 billion (1.7 billion later); the improvement of the structures and of the equipment of several provincial airports, the modernization of security installations absorb the complement of the equipment anticipated.

Telecommunications

The needs which are of greatest priority entail investments in an amount of 4.2 billion CFA for the 2-year plan and 1.1 billion later. These will cover: the renovation of Bangui telephone cables (2 billion), the construction of the pan-African telecommunications "Panafitel" network in the Central African Republic .6 billions (passage illegible) and 0.5 billion beyond 1981, renewing of transmission equipment in various

FOR OFFICIAL USE ONLY

regions, installation in Bangui of a ground station for international traffic telecommunications by SOCATI (Central African Telecommunications Company) (partly financed 0.3 billion for 1981 and 0.3 billion later), improvement of radiophonic cover of the country (1.2 billion and 1.2 billion beyond 1981).

City Dwelling

With city living amounting only to 28 percent the Central African Republic is not too urbanized. The priority program has secured the city of Bangui for the construction of an overall sewer system and the erection of a filtering station (2.8 billion CFA over the 2 years and 6.7 billion for the period of 1982-1986).

For your guidance, 7 billion CFA have been anticipated through financing by the European Development Fund for a later realization of the first phase in the supply of rain water.

Industry

The industrial sector is still underdeveloped. The first venture in the country is represented by the MOCAF brewery [expansion unknown] which develops its activities regularly. CAE (Central African Textile Industry) has seen its situation deteriorate due to their worn-out material and the excessive inflation in the number of its personnel. The decrease in cotton-seed production has affected UCCA [Central African Cotton Union] which, in addition to cotton ginning, extracts oil from the cotton seeds; for fiscal 1979-80 its deficit is estimated to 0.6 billion CFA. The cutting and wood-peeling units of Slovenia-Bois (wood) units suffered from the shortage of the oil supply and the delays in moving their products. Cigarette manufacturing has not progressed either during fiscal 1978-1979. The Bata company had to put a ceiling on its production due to the fraudulent importation of shoes. SEGA (Company for the Management of slaughter houses) must face charges for very high exploitation in comparison to insignificant receipts.

Significant figures in the industrial production of the Central African Republic for 1978 are summarized as follows: 2.6 million meters of fabrics (1.1 million less than in 1977), 659,000 ready-to-wear garments (minus 500,000), 749,000 pairs of shoes (plus 6,000), 268,000 hl (hectoliters) of beer (plus 36,000), 14.2 million packs of cigarettes (plus 190,000), 52,200 cubic meters of sawed wood (plus 900), 4,400 cubic meters of plywood and peeled wood (minus 600), 14,300 bicycles and motorcycles (plus 3,100), 730 tons of corrugated sheet metal (minus 220) and 305 tons of household equipment in metal (minus 90).

For the 2 years under the plan the investments foreseen total 1.3 billion CFA of which 0.8 billions for the Central African Textile Industry through financing by BDEAC (Development Bank of the Central African States) and from private share-holders, and 0.5 billions for a tanning trade project, private financing being sought.

FOR OFFICIAL USE ONLY

As a reminder, other private investments matched by banking assistance are listed to be carried into effect after 1981; introduction of a second brewery in Bouar by a Belgian group (2.5 billion CFA), creation of a cement factory (9.5 billion), and resumption of the project to manufacture pharmaceutical products (5 billion).

In addition, to solve the problem of the cotton mills the arrival of a foreign partner would be very welcomed, for his technical support and his capital investment would contribute to rebuilding the working capital of the Central African cotton union which would bring its 20 cotton ginning companies into a new company.

At the present time the resumption of activities in ready made clothes by CIOT (Industrial Company for Textile Work) is discounted and studies are in the process for the overhauling of BRICERAM (Brick-making and Ceramic Company).

The new regime plans to revise the investments code in the sense of the dependence of the fiscal advantages accorded to investors with the economic impact on the enterprises (added value and employment of nationals).

Finally, the BCI (Central African Bank for Investments) must be given the means to facilitate the promotion of national industries, particularly for small and medium enterprises.

Energy

The situation of the sector is marked essentially by the weakness of the national energy resources, and the decrepitude of the production units. A total of 0.2 billion CFA in priority investments will be allotted to ENERCA [expansion unknown] for extensions and reinforcements for the Central African energy network. Complementarily all the needs, after 1981, are calculated to amount to 0.8 billion for extension and modernization, all this financing to come from abroad.

Mines

The Bokouma uranium deposit situated at 450 km east of Bangui, is only potential wealth.

Diamonds, the first exportation product supplies 30 percent of the overall revenue. In 1978 domestic taxes produced 1.4 billion CFA.

As regards research, CONOCO [expansion unknown], an American company, is continuing to prospect for hydrocarbon in a zone close to the Chadian border and a Canadian group has obtained a permit for radioactive minerals in the Nola, Mbaiki, Bangassou and Berberati regions. Long term possibilities are appearing for the Fatima-Bobosa limestone deposit in conjunction with the establishment of a cement factory, the financing of which is being sought and for the deposit of iron ore in Bogoin which was set aside up to the present time due to the poor rentability of the exploitation, the project will be re-examined when the 1982-1986 5-year plan is formulated.

FOR OFFICIAL USE ONLY

In the 1.2 billion CFA for expenses anticipated for the biennial program, 1.1 billion covers a pilot workshop created in France for the treatment of 500 tons of Bakouma uranium ore.

Education and Professional Training

Priority investments for 1980 and 1981 will amount to 4.5 billion CFA, and those anticipated for 1982-1986 were estimated to reach 4.7 billion.

This financing concerns various projects: primary and secondary study centers, technical state school, scholastic buildings, schools for collective promotion [ecole de promotion collective] equipment and materiel, laboratory equipment, etc.

Health and Social Affairs

The apportionment for the 2 planned years amounts to 1.9 billion CFA; for the period beyond 1981, the needs are estimated to reach 2.4 billion.

The actions anticipated cover the construction of a 300 bed community hospital in Bangui (1.4 billions financed by the African Bank for Development), the construction of a central laboratory, repairing rural health centers, modernizing and equipping, as well as the establishment of polyvalent centers for social development.

Administration

This heading has been allocated 300 million francs CFA for the purchase of computers and equipment.

The actions undertaken by the new leadership team for the purpose of activating the recovery of the economy by means of the 1980-1981 biennial program analyzed "supra" will be accompanied by measures for the reorganization and will help raise the moral standard of the state companies.

The situation of these companies is very alarming. Some of them have virtually stopped making any payments and are surviving thanks to budgetary subsidies. Almost all of them have deficits in their operating accounts and their working capital is nonexistent.

This deterioration was due at the same time to a lack of severe measures taken in management, budgetary inflation, granting of disproportionate advantages, decrease in output, bad upkeep of equipment, generalized waste, with some exceptions, poor accounting procedures, nonjustified levies by the former regime on the treasury of the stabilization fund for agricultural products and Central African energy.

FOR OFFICIAL USE ONLY

Independently of the strigent measures which are needed, the state wishes to associate now with foreign partners of unquestionable competence who can bring their technical support and financing necessary for the re-constitution of the treasuries, the state agreeing to let these partners have a part of the powers of management.

However, although this partial exclusiveness could not be applied to the production and distribution of water and electricity, to the control of aerial navigation, to the management of the stabilization fund for agricultural products, nevertheless the foreign reinforcement of technical assistance is very necessary.

COPYRIGHT: Rene Moreux et Cie Paris 1980

7993
CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

CENTRAL AFRICAN REPUBLIC

UBAC OPERATIONS IN FISCAL YEAR 1979

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 11 Jul 80 p 1749

[Text] The difficulties which preceded the fall of the imperial regime seriously disturbed the economic activity in the Central African Republic and had unfavorable effects on potential investments.

Given this context, the Union of Central African Banks (UBAC) was forced in the course of the 1979 fiscal year to pursue the development of its operations. Its balance as of 31 December 1979 came to 7.2 billion CFA francs. The level of customer deposits (current accounts, checking accounts and term deposits) came to 2.9 billion CFA francs at the end of the year, up 3.4 percent over the figure for the end of 1978. The employment volume was slightly increased, and the portfolio of holdings and advances came to 6.1 billion CFA francs overall. Apart from the balance, commitments in endorsements and guarantees and confirmed credit accounts totaled 1.1 billion CFA francs.

Operational income increased 12 percent and general expenditures increased 24 percent in comparison to the 1978 fiscal year.

After taxes and the establishment of a fund of 30 million CFA francs for general risks, the net profits for the 1979 fiscal period came to 96.6 million CFA francs, on which the general assembly decided on 24 April 1980 to declare a dividend of 15 percent on a capital of 550 million CFA francs, matched by 49 million in reserves.

In November 1979, on the proposal of the public authorities, Mr Celestin Gombalet, chief clerk of the Central African Treasury, was appointed director general of the UBAC, replacing Mr Francois Epaye. On 15 April 1980, six new administrators were appointed to represent the state, and Mr Jean Poulain, director, was appointed bank administrator. Finally, on 24 April 1980, on the proposal of the government, Mr Jules-Marc Laguerema was appointed president of the UBAC, replacing Mr Moukou Mondziaou.

COPYRIGHT: Rene Moreux et Cie., Paris, 1980

5157
CSO: 4400

29

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

CENTRAL AFRICAN REPUBLIC

EEC AID TO BE PAID IN FORM OF SUBSIDIES, LOANS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 11 Jul 80 p 1748

[Text] The aid given to the Central African Republic by the European Economic Community (EEC) within the framework of the second Lome Convention will come to 49 million European units of account (UCE), or about 14 million CFA francs.

The joint communique published in Bangui on 7 July following the visit paid by the planning mission of the EEC from 3 to 6 July made it clear that this sum will be made available to the Central African government in the form of subsidies (13 billion CFA) and loans (1.3 billion CFA).

This aid will make it possible to finance the national development projects. It will go basically to the three priority sectors defined in the recovery plan discussed in Bangui: 34 percent will be allocated for rural development, 36 percent for infrastructures, and 11 percent for human resources.

The communique said that the European Investment Bank (BEI) may participate in the financing of industrial and agroindustrial project studies. The BEI may also contribute to freeing the Central African Republic from its isolation, in the fields of telecommunications and river transportation, among others.

The communique also specified that the EEC is also prepared to finance transfers on the basis of the Stabex, emergency aid, and aid in food, as well as subsidies for non-governmental organizations.

The EEC delegation and that representing the Central African Republic also undertook an exchange of views on regional cooperation. A portfolio which may total between 14 and 17 billion CFA francs will be reserved for the financing of regional projects in the Central African Republic.

COPYRIGHT: Rene Moreux et Cie., Paris, 1980

5157
CSO: 4400

30

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

CHAD

FAN OFFICIAL RESIGNS IN PROTEST

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 11 Jul 80 p 1748

[Excerpt] Mr Ousman Djidda, in charge of relations with the Arab world for the command council of the Armed Forces of the North (FAN), announced on 3 July in Lagos that he was leaving the movement headed by Mr Hissein Habre.

In a statement given to the press in which he explained the reasons for his resignation, Mr Djidda accused the FAN leader among other things "of intolerable actions in his deliberate opposition to the implementation of the Lagos agreement." He also referred to the "deterioration of the situation within the movement," and said in addition that "Mr Hissein Habre, who personifies the FAN sector, has always been and still remains solely responsible for the polluted situation which continues to prevail."

The former FAN leader issued an appeal in his statement "to the countries which believe in the sincerity and the nationalism of Hissein Habre, asking that they revise their initial position."

Mr Ousman Djidda made it clear, in conclusion, that he does "not plan to join any movement," but will place himself "in the service of the country within the framework of the institutions resulting from the Lagos agreement."

COPYRIGHT: Rene Moreux et Cie., Paris, 1980

5157

CSO: 4400

FOR OFFICIAL USE ONLY

ETHIOPIA

WSLF LEADER ATTACKS ETHIOPIAN COLONIALISM

Paris AL-WATAN AL-'ARABI in Arabic 9-15 May 80 p 37

[Interview with Assistant Secretary General of the Western Somali Liberation Front 'Abd-al-Nasir Shaykh Adam, conducted by Kamal Hasan Bakhit]

[Text] The news confirms that fighting has broken out anew in Western Somalia (the Ethiopian Ogaden area), with Somalia attempting to detach this Somali-inhabited region and restore it to the motherland. AL-WATAN AL-'ARABI met with Assistant Secretary General of the Western Somalia Liberation Front (WSLF) 'Abd-al-Nasir Shaykh Adam, who spoke about the situation there.

He said, "What is now going on in Western Somalia is a grinding war between the Ethiopian regime, supported by foreign forces, and our front's forces. The intention of Mengistu's regime is to wipe out the Western Somali people's revolution, and to subject the will of our people to its colonialist domination by force of arms.

"The enemy's losses during March were an estimated 2,220 dead, 5 tanks, and 9 artillery guns."

[Question] How did your front arise and what are its goals?

[Answer] The WSLF came into existence in 1960, as a fulfillment of a pressing need and as a natural development of the political conditions in Western Somalia, and in order to express our people's political aspirations.

Ethiopian colonialism repressed the political organization in Western Somalia, the Somali Youth Unity Party, and slaughtered the party bases after the withdrawal of the English military administration.

As a result, a number of secret organizations sprung up, which soon developed into the WSLF in 1960. From that time on, it has relied on armed struggle, be it against the Haile Selassie or the Mengistu regimes.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

All the popular classes of Western Somalia are represented in the front, since it includes peasants, shepherds and tradesmen in addition to intellectuals. Its ultimate goal is the liberation of Western Somalia from army and foreign occupation, and the achievement of total independence.

[Question] What about the front's relations with Arab countries?

[Answer] We and our brothers in the Arab countries share a single destiny and goal, since they are the natural allies of our people's just struggle. The front has offices in Baghdad, Damascus and Algiers, and representatives in Kuwait, Jiddah and Cairo. We are hoping that our Arab brothers will help us confront the vicious onslaught which is trying to eliminate our Somali Arab people's entity and religious beliefs.

[Question] What are the problems now facing the front from the military standpoint?

[Answer] In mid-1977, we had liberated more than 95 percent of Western Somalia, in spite of the numerical and material superiority of the Ethiopians. However, Mengistu sought the aid of foreign forces (Soviet and Cuban) which supplied him with arms, equipment and men who fought on behalf of Ethiopian occupation. Our basic problem is the presence in Somalia of those foreign forces in large numbers. Then comes the problem of our refugees and the meager aid which has been provided for their relief, be it medicine or food.

[Question] What do you think would be the solution to the Western Somalia problem?

[Answer] The only solution acceptable to us is for Ethiopian colonialism to depart, and for the people of the region to be allowed to freely and unconditionally decide their destiny. We will not be satisfied with any alternative to complete independence.

COPYRIGHT: 1980 AL-WATAN AL-ARABI

8559
CSO: 4402

FOR OFFICIAL USE ONLY

ETHIOPIA

ERITREAN SITUATION, SOVIET INTENTIONS DISCUSSED

Paris AL-WATAN AL-'ARABI in Arabic 9-15 May 80 pp 36-37

[Article by Georges al-Rasi: "The Eritrean Rebels: Mengistu in Front of Them and Numayri Behind Them"]

[Text] The Eritrean issue has once again returned to the diplomatic scene, at a time when Ethiopia is getting ready for a new military venture in the rebel region.

What is happening on the Eritrean scene at the start of the third decade of its heroic struggle against Ethiopian occupation?

Recent news from the capitals directly concerned with the conflict, whether Addis Ababa or Khartoum or from within Eritrea itself, varies, and does not give a clear picture of the Eritrean revolution or its Ethiopian enemy.

The news from Addis Ababa speaks of an attempt made this week to regain the military initiative, beginning with the opening of the 600-km road from Addis Ababa to the Red Sea port of Assab, preparatory to launching a counterattack on the rebels who achieved brilliant victories in December, at which time they strengthened their presence in the city of Nakfa, located in the northern part of the occupied area, and inflicted crushing losses on Ethiopian enemy forces. To this day they are still besieging about 13,000 Ethiopian soldiers stationed among the hills surrounding the city of Afabet.

As for the news from Khartoum, it speaks of hasty attempts to reach an accord or a reconciliation between the Ethiopian government and some of the liberation organizations on the basis of a proposal of autonomy.

The strange thing about the matter is that totally incompatible parties are trying to bring about this Ethiopian-Eritrean accord in order to achieve mutually contradictory goals. On the one hand there is the Sudanese desire to end the struggle in order to break up the Soviet-Ethiopian connection, first of all, and secondly to come up with a

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

solution to the refugee problem, since to date more than 400,000 persons have crossed the Eritrean-Sudanese borders fleeing the destruction which Ethiopian planes have inflicted on their towns and villages.

The news about Sudanese mediation speaks of secret meetings at the Sudanese capital from 19 to 24 April, attended on the Sudanese side by National Security Agency Chief Maj Gen 'Umar al-Tayyib, on the Ethiopian side by Col Tesfaye Wolde Selassie, chief of the Ethiopian security agency and member of the ruling military council in Addis Ababa, and on the Eritrean side by Ahmad Nasir, head of the Eritrean Liberation Front/Revolutionary Council (ELF/RC), and Isayyas Afeworki, assistant secretary general of the Eritrean People's Liberation Front (EPLF). These secret meetings apparently revolved around a study of the Moscow-backed Ethiopian proposal for autonomy in the occupied region.

It should be pointed out that Ethiopian President Col Mengistu Haile Mariam, head of the ruling military council in Addis Ababa, recently expressed his desire to attend Sudanese President Ja'far Muhammad Numayri's celebrations on the anniversary of his taking power on 5 May. Sudanese Vice President 'Abd-al-Majid Khalil has visited Addis Ababa twice during the last 6 weeks.

Other news confirms preparatory Ethiopian-Eritrean contacts in a number of world capitals since early this year, in particular East Berlin, Rome and Moscow.

An Unhappy End for Ethiopian Arrogance

The fact is, the eagerness now displayed by Addis Ababa for finding a peaceful way out of the Eritrean dilemma did not arise solely from Soviet desires subject to strategic considerations, but came about as a direct result of the crushing military defeats which its advance forces on the Eritrean front have sustained.

During the past year, Ethiopia had totally rejected even the notion of meeting with the Eritrean liberation movements, and its military leadership reached the height of arrogance in February 1979 when it succeeded in launching a counterattack on the revolutionary forces advancing on Asmara, and regaining some of the region's towns from rebel hands.

But its recent defeat and the retreat of its elite military divisions from the Nakfa-Afabet front has made it quick to accept Numayri's move to play the role of mediator between the two sides.

As for the revolutionary forces, they seem to be maintaining their vitality and vigor from the armament standpoint, especially since during their recent battles they acquired large quantities of Soviet arms, including 100 military trucks, 17 T-54 tanks, long-range artillery, anti-tank guns, and airplanes, in addition to guns of various calibers.

FOR OFFICIAL USE ONLY

Naturally, all these arms cannot be compared to the billion dollars' worth of arms which the Ethiopian side has gotten from the Soviet Union over the past 3 years, not to mention the military experts and battalions, in which, unfortunately, soldiers from some Arab countries have participated--countries which defend the "right to self-determination" of all the land's people while battling against this principle on Arab territory itself.

As opposed to the Sudanese attempts at mediation and reconciliation (supported by Egypt and Somalia, as some news media have claimed), other Ethiopian, Eritrean and Soviet parties are trying this time to find a middle-of-the-road solution to the problem on the basis of the "ideological unity" among some parties to the struggle, in order to strengthen the Soviet belt surrounding the Gulf oil fields. The Russians want to get out of the Eritrean entanglement, which has caused complications and disturbances in its relations with some of the area's states, as well as embarrassment for its Arab friends. But at the same time, they want to retain the positions they gained in Ethiopia and Eritrea.

The Real Soviet Intentions

Here an important point must be made, one which is rarely mentioned in news and analyses, which can be summarized by the following question: Do the Russians really want a decisive Ethiopian victory in Eritrea?

The answer is most likely in the negative. Therefore, what is the secret behind the Soviet stand?

The secret lies in internal Ethiopian affairs. That is, until further notice Eritrea is Moscow's main means of pressure vis-a-vis the existing situation in Addis Ababa, with which it does not seem to be completely pleased.

The military regime of Haile Mariam has shown obvious hesitation in bringing out into the light of day the proletarian Communist "Workers' Party," which was completely copied from the Soviet Communist Party, and which Moscow sees as a basic guarantee for its continued influence over the former Ethiopian empire. But the present Addis Ababa leaders know full well that the crystallization of the party's format would simply mean the removal of military figures from the government to the benefit of the civilian leadership, and apparently Mengistu is not at all eager to do this.

To keep the struggle between the two sides from breaking out into the open, Haile Mariam is trying to delay things by forming successive commissions to draw up the format of the party. The last such commission was called the "Commission to Organize the Party of the Working People of Ethiopia" (COPWE). Meanwhile, it has been assumed that the establishment of the party would finally be announced on 17 December 1979.

FOR OFFICIAL USE ONLY

In addition to the silent struggle between Moscow and Addis Ababa, the Ethiopian government is meeting increasing resistance in several regions. In addition to the Eritrean revolution there is the Tigre People's Liberation Front (TPLF); Tigre is located in southern Eritrea, and its capital is Makla. There is strong coordination between this front and the EPLF.

There is also the Oromo Liberation Front (OLF), Oromo being a region in southern Ethiopia. The Oromo are an ethnic group, constituting about 40 percent of the Ethiopian population, and it is resisting the complete control which the Amhara group imposed on it a long time ago. In the past few weeks some officers of Oromo origin have been purged, including two members of the ruling military council, Maj Dimisi Dirisa and Col Abat Marsha. Recently this region has seen a number of violent operations against the government and its representatives. And, naturally, there is the West Somali Liberation Front (WSLF), which is carrying on its struggle in the Ogaden desert (see the following interview).

There remains another important point to be made in this rapid review of the Eritrean-Ethiopian struggle: the growing split between some segments of the Eritrean revolution, at a time when plans for settlement proliferate.

It is well known that today there are four revolutionary groups. The first group, the founding of which dates back to 1961, calls itself the ELF-RC, is led by Ahmad Nasir, and is based in the southern and western areas of Eritrea up to the Sudanese borders.

The second group is the EPLF, led by Isayyas Afeworki and Ramadan Muhammad Nur, which split off from the basic organization in 1970 to lead the leftist wing of the Eritrean revolution. This is the group which has waged the most violent battles against the Ethiopian forces in recent months. It is concentrated in the mountainous regions surrounding Nakfa.

There is, thirdly, the Eritrean Liberation Front-People's Liberation Forces (ELF-PLF), led by Osman Saleh Sabbe, which was formed in 1976 and which is basically linked with the Sudan and is active along its borders.

Finally there is the Eritrean Liberation Front-People's Liberation Forces [sic], led by Osman 'Ajib, which was formed last month. It is based along the Sudanese borders and follows a nationalist line.

The question is: Why doesn't the ELF learn from the liberation experiments the usefulness of which has been proven, whether in Algeria or Vietnam or even recently in Zimbabwe, and which are based on the principle of a "broad front," inasmuch as the heart of the matter, at this stage, is the liberation of national soil?

COPYRIGHT: 1980 AL WATAN AL-'ARABI

8559

CSO: 4402

FOR OFFICIAL USE ONLY

GABON

OVERALL SURVEY OF ECONOMIC SITUATION AUGURS WELL

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 11 Jul 80 p 1749

[Article: "Improvement of the Economic Situation"]

[Text] The policy of economic recovery and of austerity, put in practice in Gabon over the past 2 years, has had positive effects, a recent dispatch from AFP reports. Gross domestic product in 1979 regained the level of 720 billion CFA units of account, which had been that of the period of expansion and then had fallen to the level of 600 billion.

According to Gabonese financial sources, quoted by AFP, the balance of payments, which had declined in 1977 to a deficit of 44 billion CFA, registered a slight surplus of more than 10 billion CFA in 1979.

Due to the fact of the substantial increase in the value of exports of petroleum and of the decrease in imports--a corollary of the policy of austerity--the Gabonese balance of trade in 1979 had a substantial surplus. Three hundred and seventy-seven billion CFA in Gabonese exports to all countries in 1979 were recorded, compared to 280 billion CFA in 1978. Imports in 1979 touched 113 billion CFA; they totaled 177 billion CFA in 1977. The most important trading partner of Gabon continues to be France, with about 60 percent of the trade (Gabonese exports to France: 68 billion CFA; Gabonese imports from France: 100 billion CFA).

The increase in the price of petroleum compensated for a decrease in production related to the exhaustion of certain deposits which should be replaced, it is hoped, by new discoveries after 1983. In 1979 9.8 million tons of petroleum were produced (estimate for 1981: 9.1 million tons). Exports amounted to 8,461,270 tons in 1979 (valued at 279 billion CFA).

Timber annually produced amounts to 1,250,000 m³. In 1979 it brought in 32.8 billion CFA in exports, for a volume of about 1,215,000 m³.

Manganese production underwent a substantial expansion, with 2.3 million tons produced in 1979, particularly if one compares it with the sharp fall

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

in production in 1978. The present year should confirm this tendency, it is believed in Libreville. The 2,304,654 tons of manganese exported in 1979 were worth 26.2 billion CFA.

The production of uranium in 1979 amounted to 1,100 tons of uranium in metal terms. With the new investments under way in 1980 this tonnage should reach the figure of 1,500 tons. Exports in 1979, for their part, amounted to 1,060 tons of uranium in metal terms.

The strict measures of financial recovery applied in Gabon made it possible to reduce the public debt noticeably, from 575 billion CFA as of the end of 1977 to 440 billion CFA at the end of 1979, and there should be no more than 365 billion CFA at the end of 1980.

COPYRIGHT: Rene Moreux et Cie Paris 1980

5170
CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

GAMBIA

FAD SANITATION IMPROVEMENT LOAN GRANTED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 27 Jun 80 p 1624

[Text] The African Development Fund (FAD) recently granted a loan of 8 million UCF (1 UCF or FAD unit of account equals \$1.15 U.S. or 258 CFA francs) to Gambia to help in the financing of the sanitation project in its capital, Banjul. The loan is repayable over 50 years and there is a grace period of 10 years.

The Gambian project is designed to equip the city with a mains drainage system, to increase the capacity of certain drainage canals and to improve the Bund Polder pumping station.

The FAD will participate in co-financing the supply and installation of about 65.6 kilometers of sewage canals ranging in diameter between 150 and 160 millimeters, with all the auxiliary apparatus and hookups for the individual junctions and the construction of fully equipped manholes. This FAD participation comes within the framework of a parallel financing arrangement for the project as a whole.

The total cost of the project is estimated at 16,500,000 UCF, including 13,200,000 for costs in foreign exchange and the balance (3,300,000) for domestic costs. The total cost of the component taken over by the FAD is estimated at 10,900,000 UCF, including 8,700,000 for foreign exchange costs and 2,100,000 for local costs. The FAD loan will serve to finance about 60.5 percent of the foreign exchange costs, or 48.4 percent of the total cost of the project.

The execution of the project, which has been entrusted to the Gambia Utilities Corporation (GUC), will be spread over 4 years beginning in July of this year.

The project is the third to be financed by the FAD in Gambia, totaling in all 15 million UCF. In addition the ADB [African Development Bank] and the Nigerian Special Fund (NTF) have made a total commitment of 12,900,000 units of account for the financing of the 4 projects.

COPYRIGHT: Rene Moreux et Cie., Paris, 1980

5157
CSO: 4400

40

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

GUINEA

BRIEFS

EXIMBANK BOEING LOAN--The U.S. Eximbank granted Guinea on 14 July a \$6 million loan for the purchase of a Boeing 737-200 C aircraft whose total cost is \$19.8 million. This 10-year loan carried an annual interest rate of 9.25 percent. This is the first time that Air-Guinee purchased a U.S.-manufactured transport aircraft, and according to the bank, it is expected that this company will order more Boeing planes. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 25 Jul 80 p 1855]

CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

IVORY COAST

NEW FRAMEWORK FOR DEMOCRACY ASSESSED

Paris AFRIQUE-ASIE in French 7 Jul 80 p 30

[Article by Jonathan Kolela: "Important ICDP Congress in the Fall: With Small and Measured Pace the Regime Advances Toward Democracy, But Queries Still Abound"]

[Text] "The Ivory Coast has slackened its democratization pace, but economically and socially it is ahead of many countries." The Ivorian Republic president has recognized that his country is laboring under political stagnancy, causing among other things the adjournment of the Ivory Coast Democratic Party (ICDP) congress. Unfortunately, this admission was not followed up by necessary remedial measures, previously listed as impending by many, including personalities close to the chief of state.

Simple postponement or definitive dismissal of a reform to which President Houphouet Boigny is reportedly attached? The question certainly remains unanswered until the congress is held on the second half of September to prepare for the year-end presidential and legislative elections.

However, on 12 June, in a 2-hour-long speech before the enlarged party national council (members of the Politburo, of the government, of the leadership committee, of socioeconomic strata and chief secretaries of harbor subsectors) the chief of state already defined the limits of that necessary democratization. To those who leaning on the example of neighboring Senegal, demand a multipartite regime, the chief of state replied with a categorical "no." He stated, "All of us are Ivorian citizens, and as such all of us are ICDP militants." Thus, the party continues to monopolize political life, even if from now on grassroots participation is expected to play a larger role than in the past.

Thus, the 147 deputies (instead of 120) to be elected to the National Assembly will be designated at departmental level, and not as usual on a single ballot presented by party headquarters. Elections to city councils and village committees scheduled for this month, will be held along the same process.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

Important Decisions

For months, contradictory rumors about how to designate the president of the republic, keystone of a presidential system, have made the rounds of the country. Doesn't the chief of state risk to launch another "rumor campaign" by saying little about that question as well as about his own reelection, and by not following up on his intention, reaffirmed a few months ago, of amending the Constitution to create--according to observers--an office of vice president?

On the political level, the recent enlarged National Council was incontestably a sign of political liberalization, but it should translate at the forthcoming congress into the access to leading posts of new personalities, younger but also less involved in the scandals of recent years.

As paradoxical as it may appear, while those habitually identified with the party left wing have achieved success with some democratization, the right wing has won hands down the test of nationalized companies. In a lengthy review of the difficult economic situation (some experts estimate that the Ivory Coast has lost \$95 million because of tardy cacao sales) the chief of state shifted part of the blame on state-owned companies.

"These companies," he said, "are largely responsible for the country's catastrophic financial predicament; their debts reach 600 million and the country's, 16 billion AFC Fr."

That is why President Houphouet Boigny announced a major reform of state-owned companies: 12 of them disappear purely and simply, outliving their social usefulness or because of marginal, unsatisfactory activities. The legal status of 11 companies is sensibly modified (Three transformed into public administrative establishments (EPA) and eight into public establishments of industrial and commercial character), while three state-owned companies slip under private sector control.

Only seven state-owned companies retain their former standing, including Sodesucre, SITRAM and Palmindustrie. Besides making room for private (and often foreign) firms from now on, the elimination of state-owned companies has raised qualms about its possible economic, social and even political consequences, and about its real impact on the effort to redress the present economic situation.

Concerning the second point, no one contests the fact that many state-run companies were poorly managed or were sometimes used to amass fast and dishonest wealth. But on the contrary, it is still hard to see how can their suppression, their replacement with private companies, or even placing them in trust (from now on, major decisions in most of these companies will be taken, not by their boards of directors but rather by the minister-trustee) extricate the country from the ongoing fix?

FOR OFFICIAL USE ONLY

Finally, there is a more fundamental question: the Ivorian model calls for accumulation of capital onto the hands of the state prior to retroceding it to the national private sector. If the state has ceased to play its role, does this abdication risk to indirectly throw doubt upon the accumulation policy as well as upon the model in which it operates?

COPYRIGHT: 1980 Afrique-Asie

9213
CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

IVORY COAST

POLITICAL, BUSINESS CHANGES REPORTED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 20 Jun 80 pp 1563-1564

[Official Statement by the National Council of PDCI-RDA: "Liberalization of Political Life. Reform of the State Companies"]

[Text] The broadened National Council of PDCI-RDA [Democratic Party of the Ivory Coast-African Democratic Rally] convened in the president of the republic's residence in Abidjan on 12 June. Houphouet Boigny was present supported by all the members of the Political Bureau. All government members, members of the steering committee, the general secretaries of the subsectors of the port and the representatives of all the socioeconomic strata of the nation attended the meeting.

In a speech which lasted more than 2 hours, Houphouet Boigny announced, on the one hand, the democratization of political life, and after a review of the economic situation a reform of the state companies, on the other.

Liberalization of Political Life

The chief of state stressed the fact that the Ivory Coast must not evolve towards a multi-party regime. Consequently all the deputies elected to the National Assembly, the number of which will rise from 120 to 147, will sit as deputies of the PDCI-RDA. In return the election of these deputies will take place on a departmental level and no longer on the national ticket system. Voting will include two ballots at a week's interval. The municipal elections will be carried out under the same system and will take place after the legislative elections.

Moreover, the elections of the village committees will be carried out in a "perfectly democratic" fashion. In turn the village committees will elect the general secretaries of the subdivisions of the party. These elections will be held in July 1980.

The Party Congress, which will be preceded by a preparatory pre-congress in Yamoussoukro in August, will be held during the second half of September to prepare the presidential election and the legislative election which will take place on separate dates, before the end of this year.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

Houphouet Boigny kept his own counsel regarding the presidential elections and his own reelection. While he had alluded last December to the possibility of a reform in the constitution, he did not refer to it this time nor did he at any time mention the nomination of a vice president empowered to succeed him, when the time came.

Alluding to the rumors of a coup d'etat, Houphouet Boigny declared: "There has been a conspiracy in the Ivory Coast or a threat of a coup d'etat." In 1963 the case of Captain Sio, who, at the present time, is serving his sentence, was, in effect, "definitely only a filthy crime." The cause of Zumara Oulai who originally started some rumors is unimportant. Oulai, on the eve of being arrested for embezzlement, pretended to be at the head of a plot which could overthrow the government. In fact he was the only one to be denounced by the civilian and military region, who expressed their attachment to the chief of state and the institutions. Oulai will be prosecuted before a military tribunal only for embezzlement for which he is charged.

The Economic Situation and the State Companies Reform

The Ivorian president recognized that the economic situation of the country is not excellent but he seemed quite optimistic and rejected the thought of asking for assistance, for the time being, from friendly countries, although they had offered it. The chief of state recalled that the government had always been able to balance the budget and that it had not been necessary to call for any foreign aid not for treasury advances to attain it. "We are capable of straightening out this economic situation, he declared, as the outside world has the greatest trust in us."

A great part of the problems stems from the deficient management of the state companies. Therefore, a very thorough reform of these companies is imperative. "These state companies are mainly responsible for the catastrophic situation in which the state finances find themselves; their debts amounted to 600 million CFA for some and 16 billions for the others" specified the chief of state. Anyway, this reform had been under consideration for quite some time.

Restructuring of Ivorian State Companies

--State Societies Maintained:

Air Ivory Coast

CSSPPA (Fund for the stabilization and price support for agricultural production)

Palministry

PETROCI (Ivorian Petroleum Company)

SITRAM (Ivorian Marine Transport Company)

SODEMI (Ivory Coast Mining Development Company)

SODESUCRE (Company for the Development of Sugar Cane Plantations and the Industrialization and Marketing of Sugar)

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

--State Companies Dissolved:

BNETD (National Office of Technical Development Studies)
SICOFREL (Ivorian Company for the marketing of fruits and vegetables)
SODERIZ (Company for the development of rice)
DISTRIPAC (Company for PAC chains--Commercial action program) Authority
for the Southeastern Regional development
ARSO (African Regional Organization for Standardization) (Mission terminated)
AVB (Bandama Valley Development Authority) (Mission terminated)
SONAFRI (National Financing Company)
Ivorian Standardization Office
Ivorian Bank for P and T (Posts and Telecommunications) (returned to its
previous position as Postal Checks Fund and National Savings Fund)
Industrial undertaking center for livestock,
National center of freight offices (transformed into mixed economy company).
ITIPAT (Technological and Industrialization Institute for tropical food
products) (Replaced by a research structure in the ministry for scientific
research)
IVORY-TOOLS (Private Enterprise)
SOCATCI (Ivorian Rubber Company)
SONEGACIL (National Civil Engineering Company) To go into private business

State Companies Changing Status:

(1) Public Establishments of an Industrial and Commercial Character:
FOREXI (Company for the realization of drilling exploitation in the Ivory
Coast)
LONACI (Ivory Coast National Lottery)
SATMACI (Technical Assistance Company for the Agricultural Modernization
of the Ivory Coast)
SETU (Urban Land equipment company)
SIETHO (Ivorian Company for Tourist and Hôtel Expansion)
SODEFEL (Company for the Development of Fruit and Vegetables Production)
SODEPALM (Company for the Development and Exploitation of Oil Palm)
SODEPRA (Company for the development of animal products)
(2) Public Administrative Establishments:
MOTORAGRI (Company for the Development and Mechanization of Agriculture)
SODEFOR (Forest Cultivation Development Company)
SOGEFIHA (Company for the Financial Management of Housing)

--To Be Noted:

BNDA (National agricultural Development Bank and the Ivory Coast)

Credit, public participation companies or para-public international are
assimilated with the state companies. They have both the orientation to be
mixed economy companies.

The BNEC (National Credit and Savings Bank) is returning to its original
banking activities. The BDI (Industrial Development Office), the OPEI
(National Office for the Promotion of Ivorian Enterprises) and Securities
for Ivorian Enterprises whose activities are overlapping will merge in
order to form an entity which will enable them to become more dynamic.

FOR OFFICIAL USE ONLY

The measures which were taken were announced at the National Council of the party by Houphouet Boigny. To the difficulties which arose from the poor management by the state companies, must be added the unhappy consequences following the Ivory Coast's decision to stock about 150,000 tons of cocoa rather than commercialize them at a price which it deemed insufficient. The serious drop in market prices and the risk of deterioration in the stock forced the Ivory Coast to sell 100,000 tons at a price of 1,000 FF per 100 kg on 6 June. Western experts estimate that in this operation Ivory Coast suffered a loss of about 95 million dollars, that is, a loss of 75 million due to the drop in the market price, 8 million in interest uncollected on export revenue, 5 million for financing the inventory and 7 million for the cost of warehousing. This very costly loss for the Ivorian economy could be reduced by the hoped-for oil returns. In fact, some experts feel that in 1983 the Ivory Coast could reach a production of about 8 or 9 million tons of crude oil.

In presenting the reform of the state companies, Houphouet Boigny stressed the fact that the liberal regime remains the foundation of the economic policy of the state and that consequently the rights of free enterprise will continue to be respected.

A law must thoroughly reform the statute of the state companies and public establishments.

Only seven of the present state companies will retain their statute: Air Ivoire, Stabilization Fund, Palministry, PETROCI, SITRAM, SODEMI, SODESUCRE. The BNDA and Ivory Coast Credit, public participating companies or international parapublic, are assimilated with the state companies.

Fifteen other state companies have been removed due to the fact that the social purpose which had been assigned to them at the time they were established, has been achieved, or because they occupied a marginal place in their area of activity, or they did not meet the present needs of the economy, or that their management presented insurmountable problems. Two of these companies have gone into the private sector.

Three former state companies have been converted into public administrative establishments (EPA) and eight others into public establishments of an industrial and commercial character.

In fact the so called state companies retain their administrative councils with full management powers. Their control will be exercised by a ministerial guardianship committee which will meet periodically.

The public establishments will not be administered by administrative councils any longer but by advisory management commissions presided by competent ministers (secretaries) or their representatives.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

All the agents attached to the state in the state companies or in the public establishments will be compensated in the future on the same salary basis as those in the general administration. Special allowances will compensate here and there for special assignments. Only holders of high responsibility positions will be eligible for living allowances and supplementary expenses which will be established by the government. Finally the number and specifications of the service vehicles will be reduced to the administrative norms as established by the presidential order dated 14 January 1979.

COPYRIGHT: Rene Moreux et Cie Paris 1980

7993
CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

IVORY COAST

RECENT ECONOMIC DEVELOPMENTS REPORTED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 11 Jul 80 p 1740

[Article: "Ivory Coast: Recent Economic Developments" Words printed between slantlines appeared in bold face]

[Text] The Central Bank of the West African States (CBWAS) has devoted a recent economic and monetary bulletin to the Ivory Coast. The main /agricultural productions/ of the 1978-1979 campaign dealt with 311,800 tons of cacao (+5,800 tons over the precedent campaign), 277,000 tons of coffee (+81,300 tons), 114,900 tons of cotton grain (+11,900 tons) furnishing 46,700 tons of cotton fiber to shelling machines (+5,300 tons), and 232 tons of tobacco (-86 tons). In addition, the year 1979 recorded 579,400 tons of palm clusters (-137,500 tons), 30,650 tons of palmettoes (-2,500 tons) and 129,650 tons of palm oil (-21,100 tons).

On the basis of the ruling purchase prices made during the above-mentioned campaign, the producers have realized an income of 78 billion AFC Fr for cacao, 69.3 billion for coffee, 9.2 billion for cotton seeds and 5.8 billion for palm clusters. At the beginning of the current 1979-1980 campaign, purchase prices to producers were up from 250 to 300 AFC Fr per kilo for cacao and coffee.

During the first 11 months of 1979, the Abidjan international /airport/ recorded 16,927 traffic movements of commercial planes, a total of 698,300 arriving and departing passengers and 26,700 tons of freight.

As of 31 October 1979, the gross index of /industrial production/ was 287.5 as compared with 256.9 a year earlier (base 100 as determined for the year 1972).

The general african family /consumer price index/ showed 282.9 on 31 December 1979, as compared with 245.9 at the end of December 1978 (base 100 retained for the year 1970).

During the first 11 months of 1979, /duties and taxes/ collected by customs service totaled 165.4 billion AFC, including more than 80 percent on imports.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

The operational /budget/ for fiscal year 1980 has been set at 338.4 billion AFC, including both returns and expenses (+33.8 billion over the precedent); the special equipment and investment budget has been fixed at 312.8 billion AFC (493 billion) with 107.5 billion from foreign contribution.

Foreign trade in 1979 yielded 528.9 billion AFC on imports and 534.8 billion on exports, showing an excess of 6 billion AFC (as compared with a surplus of 1.8 billion in 1978 and of 99.7 billion in 1977).

As of 31 December 1979, /paper currency/ reached 193.5 billion AFC, as compared with 164.5 billion a year earlier. /Bank/ deposits reached a total of 437.4 billion AFC at the end of 1979 (+23.1 billion over the end of 1978). Taking into account the circulation and deposits within the banking system, the /credits extended to the National economy/ totaled 797 billion AFC at the end of December 1979 (-100.7 billion over the end of 1978).

Also on 31 December 1979, the Treasury of Ivory Coast had on the local level a positive balance of 43.8 billion AFC (-63.7 billion as compared with end 1978). During the year, the situation of /foreign credits/ has reversed itself, from positive for the exchange value of 24.3 billion AFC as of 31 December 1978, it has become negative for the exchange value of 77.4 billion at the end of 1979.

COPYRIGHT: Rene Moreux et Cie Paris 1980

9213
CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

MALI

BRIEFS

SEMINAR ON STATE ENTERPRISES--Gen Moussa Traore, president of the Republic of Mali, presided in Bamako at the opening of a seminar on Malian state enterprises and firms on 21 July. Amadou Abdoulaye Sy, minister of state firms and enterprises, declared that "this seminar, the first of its kind, has been organized jointly by our ministry and the National Union of Malian Workers. Its aim is to offer the cadre of our country the opportunity of comparing their ideas and experiences so as to define ways and means to strengthen and reorganize the SEE (State Firms and Enterprises)." The seminar will deal mainly with the independent national economy, the political option of the sole constitutional party (UDPM), the SEE's socio-economic environment, the dynamic role played by accountancy in the administration of the enterprise and the role of trade unions in it. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 25 Jul 80 p 1855]

CSO: 4400

52

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

MOZAMBIQUE

SALT PRODUCTION COMPANY ESTABLISHED TO INCREASE EXPORTS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 11 Jul 80 p 1760

[Article: "Project for Establishment of a National Salt Producing Company"]

[Text] A national company for the extraction, treatment, and processing of salt--which will work in liaison with an already existing factory, the FABRICA DE HIGIENIZACAO DE SAL at Matola (Maputo)--is to be established this year in Mozambique. Its headquarters will be at Maputo, and it will open branches in the provinces of Cabo Delgado, Nampula, and Sofala. It will control directly all activity in this line of business, which is to be developed by the preparation of salt drying ponds in the appropriate regions. Two projects are to be carried out, one in the province of Cabo Delgado and the other in the province of Maputo.

The first project is known under the name of the "Dieze project," from the name of the locality where it will be set up. It involves the establishment, in Pemba Bay, of a salt drying pond with a capacity of extracting 5,000 tons of salt per year. Begun last January, this project will be completed by the end of the year. It will have cost 3,000 Contos, of which 1,300 Contos will be provided by the provincial government, which will also provide the labor.

The "Dieze project" will make it possible to resume activity in the salt drying ponds in the northern part of the country. Before independence there were eight salt drying enterprises in the province of Cabo Delgado, but they have since been abandoned by their owners and now are under-exploited.

In the Province of Maputo, the salt production zone should be extended to 450 ha (an increase of 360 ha). This figure includes extensions planned both in the nationalized sector as well as in the private sector. In this way the provincial production of salt should be increased from about 27,000 tons this year to 40,000 tons in 1981.

The beginning of work on the project is scheduled for next September. It will go on at the same time as work on an increase in production by

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

existing salt drying ponds. The necessary materials are in the course of being obtained. The total value of the work will be in the order of 8,000 Contos. But this investment will be productive: it will make it possible for the Province of Maputo to expand its exports of salt from 3,000 tons this year to 25,000 tons next year.

COPYRIGHT: Rene Moreux et Cie Paris 1980

5170
CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

MOZAMBIQUE

BRIEFS

ITALIAN COMPANY FOR GEOLOGICAL SURVEY--The Italian company AQUATER, which is part of the ENI group, signed an agreement at the end of June with the national department of geology of the People's Republic of Mozambique. It concerns the preparation of geological maps and a detailed study of geochemical research in an area of 48,000 km². A series of geological maps in detail with the geochemical analysis of sedimentary formations will be prepared on the scale of 1:50,000 for an initial zone of 19,000 km². Another series, on the scale of 1:250,000, will be prepared for a second zone of 29,000 km² in the Zambezia and Nampula regions. The work is to begin immediately and to last for 3 years. The total value of the contract is about \$15 million. It is probable that an administrative charge of 15 percent will be levied in the framework of the technical cooperation agreements reached between the Italian and Mozambican governments. AQUATER has been active in Mozambique for many years. This firm is presently completing a hydrological project in the Inhambane region. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 11 Jul 80 p 1760] 5170

ITALIAN TEXTILE PLANT CONSTRUCTION--The Italian engineering company SNAM PROGETTI, which belongs to the nationalized ENI group (National Hydrocarbon Entity), at the end of June signed a contract with the minister of industry of Mozambique valued at \$9 million for the construction of a textile factory. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 11 Jul 80 p 1760] 5170

INCREASING COOPERATION WITH BULGARIA--An economic delegation from Mozambique has just visited Bulgaria to strengthen further relations between the two countries. Already dynamic economic cooperation has been increased notably in the hydrotechnical and the hydroelectric sectors, as shown in the construction of the agro-industrial complexes which Mozambique needs. Bulgarian foreign commerce organizations have undertaken irrigation work in an area of 4,200 ha in the Chai-Chai region. Similarly, they are participating in the major work in the valley of the Limpopo River and in the "Angonia" plateau. The Mozambique delegation was led by the secretary of the Central Committee of FRELIMO, Marcelino Dos Santos, and the visit took place in accordance with the treaty of friendship and of long-term economic cooperation which was signed by Samora Machel and Todor Zhivkov in October, 1979, in Mozambique and which remains in force until 1990. The signature, during this recent trip, of numerous agreements on cooperation shows that this treaty daily finds new applications which are favorable to the two countries. [Text] [1980 AFRIQUE-ASIE in French No 217 7 Jul 80 p 17] 5170

CSO: 4400

55

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

SAO TOME AND PRINCIPE

BRIEFS

POLITICAL PRISONERS RELEASED--The government of the Democratic Republic of Sao Tome and Principe recently released about 20 political prisoners, some of whom were persons arrested in August 1979 following demonstrations against a census to be held by the government which had to be ultimately cancelled. The release of Maria do Carmo Neto, wife of a former commander-in-chief of the army, should be noted. She had been sentenced to a 15-year jail term at the trial of those accused in the "Cobra-77" plot, an operation reportedly aimed at the assassination of the chief of state, President Pinto da Costa. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 25 Jul 80 p 1864]

CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

SENEGAL

PDS LEADER DISCUSSES PARTY'S PROGRAM, POSITION

Paris JEUNE AFRIQUE in French 11 Jun 80 pp 38-39

[Interview with Abdoulaye Wade, Senegalese Democratic Party leader--date and place not given]

[Text] On May 16, 17 and 18, the PDS [Senegalese Democratic Party] held its third national meetings. The opposition party, of course, did not deal very tactfully with the government, and especially not with the party in power. While agreeing with some of President Senghor's findings, namely concerning the economic situation, the opposition party proposes another analysis and another policy. To enforce it, there is only one legal route: new elections. The leader of the PDS, Mr Abdoulaye Wade, who was willing to answer questions from our special correspondent, did not seem to have any doubts as to the outcome of these elections.

Waste

[Question] During the third congress of the PDS, you stated that Senegal is going through the worst economic and financial crisis in its history. President Senghor attributes this crisis to the deterioration of the exchange terms, the drought and the petroleum shock. Do you agree with this analysis?

[Answer] I am not underestimating the influence of the drought nor that of inflation. I also do not exclude the government's responsibility. It should have planned and been prepared to face the circumstances. Unfortunately, its development program through industrialization is completely erroneous. Creating 500 jobs will not take care of unemployment. It is not through the monoculture of the peanut that one obtains alimentary self-sufficiency. Most of the investments have proved to be nonproductive: our natural and human resources have been wasted and plundered by foreigners. Not to speak of poor management and embezzlements.

[Question] There is much being said about these embezzlements in Dakar here lately. It has even been reported that the French paper LE FIGARO published a list of the senegalese ministers having bank accounts in Switzerland. However, this is not true and LE FIGARO is denying it.

57

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

[Answer] There have been, of course, embezzlements at a high level, custom smuggling on a large scale, percentages collected from contracts, overcharged factory or material sales. And fund transfers to foreign countries. In 1977, as Senghor has acknowledged, the Socialist Party spent 9 billion FCFA to ruin the PDS. Where did he get these billions? Recently, a "dignitary" from the regime was dismissed for having embezzled 120 million. Today, he says he used the millions to obtain votes for the PS... What is more serious, however, is the fact that a high official has never been penalized.

A Minimum Program

[Question] You say that the policy that has been followed for the past 20 years has been a failure. You are asking for the dissolution of the Assembly--where your party has 16 delegates--and for "free and democratic" elections. Would you be ready to ally with other opposition parties in order to confront the party in power?

[Answer] We do not need the other parties. Since they are only marginal, they would be of no benefit to us. However, I believe the Senegalese people need to feel that they are participating in a common task. This is why we are asking for elections. There, it would be every man for himself, whether four, ten or 50 parties are represented. We suggest that in the end only three parties be recognized. A "marxist-leninist" one whose society project is specific and which will anyway be a minority, and the two leading parties.

[Question] The other parties would then have to disappear. Is that not taking a step backwards?

[Answer] We are partisans of a limited multipartism. But the parties must be representative. Here, the conservative party is real folklore, as well as the small leftist groups.

[Question] And there would be alliance after the elections?

[Answer] Yes. The three authorized parties would have to agree, after the outcome of the elections, on a minimum program which would be implemented by the majority party, alone or in collaboration with the other parties.

Antidemocratic

[Question] If the PDS wins the election, would it form a homogeneous government?

[Answer] Absolutely not. We would integrate the other parties. If each person is involved, no one can withdraw his support for the government.

[Question] The African Party for Independence (PAI) of Mahjemout Diop was officially present at your congress. However, the national democratic Gathering (RND) of Cheikh Anta Diop was not seen, not was the Senegal-PAI (clandestine) nor the Senegalese Republican Movement (MRS) of Boubacar Gueye.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

[Answer] We do have contacts with the PAI but there remain some points of disagreement. The PAI rejects straight off all discussion with the party in power. We were also negotiating with the Senegal PAI but these negotiations were broken off. We have no contact with the MRS, conservative party. Nor with the Mamadou Dia group, the RND or the small leftist groups.

[Question] You have close ties with foreign parties. Namely those that are in the PS' black book. A coincidence?

[Answer] If the PS does not get along with anyone, it is not my fault and if you are saying that our relationships are suited to the occasion, you are wrong. When I was a student in London, I would meet with the present leaders of Azanie's National African Congress (South Africa). In Paris, I was the lawyer for the FLN and in Dakar, the correspondent for the MPLA and the FRELIMO. These are very old friendships. As for the POLISARIO... The PDS was the second African party--after the FLN--to recognize the Saharan Arab Democratic Republic. But we also have excellent relations with parties that are presently in power in French-speaking Africa and whose leaders have their headquarters at the OUA. They are cautious, they do not send a delegation to our congress', but Senghor knows this. I even believe he sees no objection to this.

[Question] Are you sure?

[Answer] In any event, this is what he said in Zaire. However, I also know that the foreign affairs minister, Moustapha Niasse, has asked certain countries to end their relationship with the PDS. This is antidemocratic. Our support has already been solicited for the Socialist International of which the Senegalese PS is a member. However, this is of no interest to us.

[Question] Basically, what do you want?

[Answer] Power, because we are capable of straightening out the situation.

[Question] In what way? By asking for international help?

[Answer] It is clear that the PDS will never accept the economic protection of a foreign country or of an international institution. On the other hand, foreign capital, namely Western--since we have opted for the west, which does not exclude cooperation with the East--will be welcome if our priorities are respected: development of the agriculture, command and control of our resources, economic integration in the sub-region, and especially, giving priority to the development of horizontal, African relationships, rather than vertical relationships with developed countries.

[Question] Is security, that is national defense, one of your priorities? The present government would like to increase the manpower and the budget of the army. Is Senegal threatened by a strong power or by its neighbors? Do these measures seemed justified?

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

[Answer] There are threats. The party in power has too many problems with too many people. If it is desirable to decrease the military expenses--which we will do--in this precise case, we are not against their increase.

[Question] And the home threat?

[Answer] It is real. The notion of State has been devaluated and discontentment is widespread. Notice the number of strikes. Some, of course, are only pretexts. The demands are in reality political: the Senegalese people want a change, and if the PDS does not bring about this change, confrontation is inevitable. Passive resistance has already begun.

One Only Needs a Sergeant

[Question] Are you looking for confrontation?

[Answer] For the PDS to take a position would surely accelerate the process. However, we are still counting on the wisdom of the leaders: they must realize that they are no longer capable of changing the situation. The democratic alternative is possible and preferable to taking control by the street or by the army. We do not want a revolution. A revolutionary situation is not very easily solved, and I do not know if the PDS could lead the country in a civil war atmosphere. I am not the man of exception tribunals.

[Question] Thus, for the moment, you are following a policy of laissez-faire. Are you not running the risk of having the other take over?

[Answer] The risk of a military, leftist or integratist adventure controlled from the outside does not exist. One only needs a captain or . . . a sergeant. I have made it clear to the government: if the State cannot take the necessary measures, the PDS will take the measures itself.

COPYRIGHT: Jeune Afrique GRUPJIA 1980

9592

CSO: 4400

60

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

SENEGAL

PUBLIC, SMALL BUSINESSMEN UNHAPPY WITH ECONOMIC SITUATION

Paris JEUNE AFRIQUE in French 2 Jul 80 pp 36, 37

[Article by Sylviane Kamara]

[Text] It is strangely cool in Dakar this June and it is the only novelty at first sight. At first sight only, for he who looks at things closer realizes that something is not right. The jeweler's stalls are deserted in the gold market at Sandaga. When you know the liking of the Senegalese for adornment, this loss of affection is an unfailing sign. El Hadj Thiam, jeweler, is upset about it: "We hardly sell two or three jewels per day, just enough to eat. Gold has risen a great deal. But the women especially do not buy any more because, with the rises in prices, their husband's salary is not even enough for current expenses."

"Scrounging Around"

People talk only about the rise in prices. Electric power rates have increased 6.5 percent since January. Gasoline is now in its fourth increase: 170 CFA francs for a liter of high test. And this is not over. The first victims are the taxi drivers. The one who confides his troubles between Ouagou Niayes and Tileen has two wives and five children: "I must pay my boss 5,000 francs everyday. Now with "the increase" I also spend 6,000 francs for gasoline. Consequently I am forced to work all day and part of the night, for people take taxis less and less. They do not have any money either."

The taxi drivers who want an increased fare--and who think their trade union leadership is not very aggressive--went on strike in mid-May. They were not the only ones. On the 13th, SUDES [Single and Democratic Union of Senegalese Teachers] also called the teachers out on strike. A striker, a lycee teacher, explains: "We demanded especially an increase of teacher bonuses and the extension of the housing allowance to all teachers. With 7 years of seniority, I earn 93,000 CFA francs. I rent an old two room house in Medina for 60,000 francs. I can no longer make it."

In fact, "living" becomes a more and more risky occupation and to survive one is forced to "scrounge around" as they say in Senegal. In the country,

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

peasants have eaten the seeds which ONCAD [National Office of Cooperation and Assistance for Development] distributed to them. Others sold their peanut or cotton crop fraudently and at a good price in Mauritania and Gambia. Villagers kept part of their production to produce themselves their oil, which they resell to townspeople. Djibril Sene, minister of rural development, estimates these diversions of peanuts at 50,000 to 100,000 tons. Abdulaye Wade, secretary general of the Senegalese Democratic Party (opposition) is harsher: "We have produced 700,000 tons and 420,000 have been sold. What has happened to the rest?" While, as a general rule, thiebou dieune (rice with fish) is always bathed in oil (a liter for 5 kilograms of rice), they have begun to eat less oil in certain families since a liter costs 230 CFA francs. Bread, instant coffee, evaporated milk, butter and sugar have increased so much that they are resorting, among the most "pressed," to boiled millet for breakfast. Even tea is becoming a luxury: 150 CFA francs a glass, to which must be added the sugar at 250 CFA francs a kilogram. Life is hard, but not for everybody. At Fann Residence, the ultrachic seashore district, the crisis is not recognized. A company director answers, "let us not exaggerate anything. The Senegalese have bad habits. They live beyond their means. They have willed the crisis." It is true that things are going fine for him, the owner of a villa, which he rents to an embassy for 800,000 CFA francs. Some thus substantially increase their end of the month balances.

Bankruptcy

A bank official declares, there is one of the causes of the recession: "For 3 years, most of the credits granted by the main banks have gone to real estate, a completely unproductive field: Result, there is hardly any more liquidity. When the central bank cried disaster, credit was contracted, but too tightly and dozens of small businessmen and entrepreneurs are on the verge of bankruptcy. The rate of interest on deposits was also raised to encourage saving, but who can save?" The government has the explanation for this crisis whose existence no one dares to deny any longer. Is it due to the increase in the price of gasoline, electric power and a whole string of petroleum derivatives? Inevitable, since the petroleum bill has risen from 5 billion CFA francs in 1973 to 47 billion this year (40 percent of export income). Imported products are becoming prohibitive (an increase of more than 196 percent from 1974 to 1978). The reason for it is the drop in the rates of exchange (139 percent for the same period).

There is nothing astonishing either in the fact that the increase in wages does not follow the increased cost of living, when we know that for 1979-1980 the state budget (main employer), 172 billion CFA francs, declined 6.10 percent with respect to that of 1978-1979 (178 billion).

Dissatisfaction

Because of the drought and occasional rains, peanut production was only 700,000 tons in 1979 (compared with 1 million for a normal year). Exports of oil and oil cakes produced 75 billion in 1977, but only 23 in 1979. In

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

addition, Senegal must pay its debts: 30 billion CFA francs every year. Everyone is aware of the problems which the state faces--whose standard of living, the prime minister has announced, is going to be reduced--but a certain uneasiness prevails. The development choices made by the regime which has been in power for over 20 years are being criticized more and more.

Rumors--which have always proved to be false--circulate about concealed fortunes in Switzerland. Moreover, the fact that they are false does not change anything, for many Senegalese believe it or want to believe it and this feeling of injustice has intensified the people's real discontent, which the opposition parties exploit.

COPYRIGHT: Jeune Afrique GRUPJIA 1980

8490
CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

TANZANIA

FINANCIAL DIFFICULTIES SAID TO BE BLOCKING DEVELOPMENT

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 4 Jul 80 p 1695

[Text] As we reported in our issue dated 27 June 1980, page 1638, Tanzanian Minister for Finance Amir Jamal decreed new taxes on beer, beverages, cigarettes, and gasoline to provide an additional 500 million shillings for 1980-1981 state budget resources.

In fact, during his draft budget presentation speech to the Parliament, Mr Jamal stressed three elements, in addition to the increase in prices of energy and imported products, which came together to make the financial situation of Tanzania particularly difficult at the end of the 1979-1980 fiscal period. These elements were the war with Uganda (cost--1 billion 200 million Tanzanian shillings for that fiscal period, plus 1 billion 616 million for 1978-1979, according to the minister); the increase in costs of obtaining farm products following the difficulties in the purchasing and marketing of harvests; and the drop in state income in relation to the estimates (a reported difference of 500 million shillings between actual income and these estimates).

The Tanzanian state thus had to go heavily into debt. For goals unrelated to development, 1 billion 900 million shillings were borrowed and the domestic public debt was reported as 2 billion 938 million shillings at the end of the 1979-1980 fiscal period (as compared to estimates of 1 billion 667 million shillings).

1979-1980 Deficit

Reviewing the last two budget periods, the minister for finance stated that the ordinary expenditures of the state totaled 8.3 billion Tanzanian shillings in 1978-1979, with regular income of 6.8 billion. The resulting deficit thus came to about 1.5 billion shillings. In addition, another and considerable part of the real deficit was due to war expenditures paid out in 1978-1979, but entered in the accounts in the following fiscal period.

Expenditures for development came to 4.75 billion shillings in 1978-1979, and foreign gifts and loans of about 2.43 billion partially covered these expenditures.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

The regular expenditures for 1979-1980 are estimated at 9.1 billion shillings, or 1.63 billion more than the initial budget estimate. War expenditures accounted for 1.2 billion shillings. Regular income came to 7.27 billion, or 500 million less than expected. The tax on internal sales of domestic production alone brought in 400 million less than planned, such that the regular deficit for 1979-1980 came to 1.8 billion. The minister noted that the estimates counted "in an unrealistic way" on a surplus of 319 million shillings.

Expenditures for development in 1979-1980 came to about 4.8 billion, or 33 percent less than expected. In real terms, the decline in the development budget between 1978-1979 and the following fiscal period came to 15 percent.

The corresponding resources came to 2.6 billion shillings from foreign sources, loans and gifts in 1979-1980.

The government had to go heavily into debt in 1979-1980 to the domestic banking system. About 3 billion Tanzanian shillings were thus borrowed in the course of the fiscal period, including 1.8 billion to cover ordinary expenditures, a sum equivalent to the deficit in this category.

Difficulties for 1980-1981

Mr Jamal proposed a budget with a slight deficit for 1980-1981, with expenditures coming to 16,382,800,000, including 9,342,000,000 for ordinary expenditures and 7,040,000,000 for development expenditures. This is a 25-percent increase over the expenditures in the budget estimate for 1979-1980, but only 2 percent above the final figures for that period. The regular deficit would come to 331 million shillings.

Development expenditures are 2 percent below the 1979-1980 estimates, but 15 percent above the real expenditures in that category for this fiscal period.

For the corresponding resources, 4 billion 50 million shillings would come from foreign aid in gifts and loans.

The minister noted that the decline in regular state income began in the course of the second half of the 1979-1980 fiscal period, enterprise profits being more and more absorbed by the costs of imports, which made themselves felt in the taxes collected.

Given this situation, it was decided to reduce paid expenditures as much as possible, while reorganizing the fiscal regulations, in view of the fact that at best no more than 8 billion 500 million shillings in regular income can be expected given the system in effect, while expenditures cannot be brought below 9 billion 342 million Tanzanian shillings in 1980-1981.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

For 1980-1981, changes have been made in the tax on income and the calculation of taxes on business profits has been simplified. It will be collected at the rate of 5,000 shillings on income from clearly defined professions, 2,000 shillings for public projects contractors, 1,000 for companies meeting certain requirements, a list of which will be published, 500 for the majority of semi-state and private companies, 175 for officially registered villages, and cooperative enterprises or those affiliated with regions and districts. The result will be a loss of 10 million shillings in state income, but the tax collection departments can thus devote themselves to other tasks.

Customs duties have also been simplified for imports. Medicines, books and certain related merchandise will benefit from free entry into the domestic market, while a duty of 15 percent will be collected on current products, 50 percent on goods which do not seem indispensable to the country (textiles, small private cars), and 100 percent on such products as beverages and luxury vehicles. No customs duty will be imposed on hydrocarbons, but there will be a tax on retail sales, which will bring in 250 million on the income obtained.

Taxes on retail sales are modified as follows:

Base food products will not be taxed;

A standard rate of 25 percent will apply to shoes, furniture, crackers, flour, etc;

Another standard rate of 50 percent will apply to certain household appliances and food products, cotton and rayon underwear, and small private vehicles;

A rate of 75 percent will apply to cloth and textile products in cotton and rayon;

A rate of 100 percent will be applied to luxury products such as silk and wool garments and automobiles with large engines; and

Special rates will apply to beer, alcoholic and non-alcoholic beverages, cigarettes, sugar and oil products.

In addition, in order to promote the cultivation of coffee, a Coffee Industry Productivity Development Fund has been established, and it will receive 10 percent of the taxes collected on coffee exports, which should make about 40 million shillings available annually for coffee cultivation development projects, involving the Robusta variety in particular.

According to Mr Jamal, the changes in the fiscal system should provide 510 million additional shillings. The minister believes that an effort to balance the budget at all costs would have been unwise, in view of the fact that Tanzanians are already heavily taxed.

In conclusion, the minister for finance stressed the role of agriculture in economic development and emphasized that the slow growth in domestic production could not be tolerated.

COPYRIGHT: Rene Moreux et Cie., Paris, 1980

5157

CSO: 4400

FOR OFFICIAL USE ONLY

TOGO

BRIEFS

FOOD CROPS PRODUCTION DEVELOPMENT--A 6-member FAD mission headed by Mr Leteuil visited Togo on 10 July for 10 days in order to initiate a project for the development of food crops production in the eastern area of the Notse administrative region. This FAD-financed project includes the perimeters of Notse-East and Tohoum and will initially start in the area comprised between national highway no 1 and the Mono. It will reach Tohoum only when the results obtained in the first zone are judged satisfactory. The project is aimed at providing assistance for the peasants in the areas selected for food crops production and marketing. A number of basic infrastructures such as roads, wells and warehouses will be established.
[Excerpt] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 25 Jul 80 p 1859]

CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

UGANDA

TRAGIC CONDITIONS IN KARAMOJA DESCRIBED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 11 Jul 80 pp 1753-1754

[Article: "Dramatic Situation in Karamoja"]

[Text] An AFP dispatch has just thrown light on the dramatic situation in Karamoja, in northeastern Uganda, as a combined result of drought and insecurity.

This region is inhabited by the Karamojong, a tribal group of estimated 250,000 shepherds. In 3 months 15,000 of them have died, and their bovine livestock has shrunk from 400,000 to 40,000 head.

The United Nations, the Red Cross, EEC and diverse private organizations (such as Britain's Save the Children Fund or OXFAM, and America's CARE) are distributing hundreds of tons of food supplies in the region through missionaries, most of them Italian.

But, around hospitals and missions, in villages and along jungle trails, the same images abound: skeleton children with distended bellies--a sign of acute malnutrition--and prostrate adults.

The villagers live in the constant terror of raids by armed bands scouring the country, stealing cattle for resale in neighboring Kenya or Sudan, looting and killing along the way.

AFP gave following details on that situation:--Sole responsibility for that statement goes to AFP--Thousands of weapons had been stolen last year during the Tanzanian-Ugandan war, allowing the looters to equip themselves with sophisticated hardware: this past June, with mortars and automatic weapons they attacked Moroto, at the heart of Karamoja, and made off in full daylight with 320 head of cattle. Stories depicting their atrocities are countless. In two main hospitals in Matany and Abim 10 to 30 percent of beds are occupied by raid victims. Surgeons operate without interruption in more than precarious conditions.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

Not a day has passed without a village being surrounded and set afire by plunderers. In such an onslaught, 10 or so people including women and children left behind, would be burned alive.

In its attempt to restore order, the government has in Karamoja 1,250 soldiers, a few police posts and a militia. However, testimonies recorded from village to village unanimously accuse the military of being jittery about the plunderers, of avoiding combat and of levying continual exactions against the population.

In May at Abim hospital, five soldiers pulled six patients, either sick or wounded, from their beds and gunned them down, as well as four hospital employees for the simple reason that all of them were of Karamojong origin.

The soldiers have been transferred, but the militia essentially composed of Acholi and Lango, traditional enemies of the Karamojong, continues to hold the area under its thumb. Still recently, government troops stopped a bus between Moroto and Soroti, south of Karamoja, ordered eight passengers--all from Karamojong stock--and mowed down seven of them.

Some experts fear that the Karamoja tragedy may provoke irreversible traumas among the population. Their judgment is backed up by innumerable examples. Employees of government dispensaries, often unpaid since months, sell drugs and food supplies to survive.

In addition to the AFP dispatch it should be noted that the Karamojong, although familiar with cattle stealing and dearth have never known physical and moral distress of that magnitude. Each boy receives at his birth an ox as a gift, which must be sacrificed whenever the oponym dies. This tradition accentuates the disarray caused by the ongoing loss in cattle and human lives.

Thousand of starving people are camping out around missions, hospitals and dispensaries. The UN attempt to distribute food reliefs at village level with the help of missionaries and tribal chiefs has not prevented the emergence of a class of refugees, who undoubtedly will not be reaccepted in their own villages.

Embezzlement of Food Aid

Relief organizations sending food supplies to Karamoja announced on 5 July in Kampala suspension of food distribution in Moroto city because their supplies had been doled out there in the name of Uganda People's Congress (UPC) of Dr Milton Obote, formerly chief of state, who attempts to return to power.

According to these humanitarian organizations, more than 15 tons of corn flour and powdered milk donated by CARE and the World Food Program (WFP) and kept in a Red Cross warehouse in Moroto city, were snatched by Max

FOR OFFICIAL USE ONLY

Choudhry, Ugandan vice minister of education and one of UPC leaders, when his demand for food supplies was turned down by warehouse officials. Thus, over 5,000 sacks of food worth more than \$11,000 had been trucked away and distributed later under the "Obote's food" label.

In June, Choudhry was charged by the ruling Military Commission with the task of controlling food distribution in northern and eastern Uganda, two regions hardest hit by drought with already thousands of deaths.

A report on the food diversion affair has been sent to the Military Commission.

COPYRIGHT: Rene Moreux et Cie Paris 1980

9213
CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

ZAIRE

TRANSPORTATION STATISTICS REPORTED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 4 Jul 80 p 1693

[Text] Zaire's National Transportation Office (ONATRA) gives the figures for traffic in May 1980 on the main operating systems:

- A. Matadi Port: Imports, 62,323 tons; dry freighter exports, 41,236 tons; exports of edible oil in bulk, 3,103 tons; Bas-Fleuve traffic, 1,085 tons.
- B. Kinshasa Port: Loading, 28,679 tons; unloading, 32,522 tons.
- C. Matadi-Kinshasa Railroads: Imports, 38,222 tons; exports, 34,635 tons; local traffic, 32,306 tons.
- D. River routes: upstream, 29,213 tons; downstream, 41,719 tons.

On all systems May is characterized by a clear improvement in tonnage transported or handled. Although this improved total annual figure is explained by an overall economic recovery, it must also be seen as a recovery of confidence on the part of the clientele toward its traditional shipper, ONATRA, its president and general manager, Mr Paelinck, notes; he adds that at last there is a light at the end of the tunnel of difficulties and insecurity that had formerly presided over transportation.

The Office's efforts to increase the speed and security of the shipments entrusted to it are beginning to bear fruit, little by little.

The first experiment in special surveillance of the river convoys turns out to have payed off. It began on 10 May and by the end of the month six convoys on the Shaba axis had arrived in Llebo without any break-ins. The system is to be intensified and extended to the railroad trains for grouped shipments of merchandise subject to covetousness (farina, sugar, foods, textiles, etc.)

The six Series C-1000 barges, equipped with heavy panels covering the hold when they are used to transport conventional freight, are now operational. The C-1006 barge was loaded in early June with general merchandise destined

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

for Kisangani, and manipulation of the panels requires the use of a crane to open them; this, in addition to the usual fastenings, protects the freight from any attempted theft during navigation.

ONATRA also points out that the Kinshasa Container Terminal (TCK) has been in operation since 26 May. Entire trains of cars loaded with containers, when they arrive in Kinshasa are pushed into the protective confines of the terminal, and the containers are immediately unloaded. In the first days of trial operation of the terminal 66 containers were received and 34 were reshipped. Turnover time will be followed carefully.

Mr Paelinck notes lastly that ONATRA is ever more concerned with improving the transportation requested its customers and will contact them in the coming months to ascertain their concerns and the tonnage they might entrust to it.

COPYRIGHT: Rene Moreux et Cie Paris 1980

8946
CSO: 4400

FOR OFFICIAL USE ONLY

ZAIRE

BRIEFS

MINING STUDIES--The United Nations Development Program (UNDP) has granted Zaire new aid amounting to \$1,200,000 to make possible more precise evaluation of the phosphate deposits already inventoried in the Bas-Zaire region. These studies will be conducted jointly by the UNDP and Zaire's Presidential Studies Service and will last for four years. They should make it possible to determine the characteristics of the soil and the deposits, as well as the costs of exploiting, processing and shipping the product. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 4 Jul 80 p 1693] 8946

UNDP AID--The UNDP is also going to provide Zaire with \$87,864 in financing to provide training over a period of four years in the teledetection field for ten agents of ERTS-[Earth Resources Technological Satellites]Zaire, a specialized organization responsible to the presidency of the Republic. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 4 Jul 80 p 1693] 8946

CSO: 4400

END

FOR OFFICIAL USE ONLY