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Sub-Saharan Africa Report

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SUB-SAHARAN AFRICA REPORT

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CONTENTS

INTER-AFRICAN AFFAIRS

NYERERE, AHIDJO VISIT MITTERRAND

Paris JEUNE AFRIQUE in French No 1082, 30 Sep 81 p 25

[Article: "Nyerere Reassured, Ahidjo Satisfied"]

[Text] The African ballet goes on at the Elysee (JA, No 1079). Julius Nyerere, Tanzanian head of state, who arrived in Paris on 14 September, met with President Francois Mitterrand the following day. The two men easily settled "as among socialists" the minor Franco-Tanzanian dispute which arose from the spirited visit to Dar es Salaam which Louis de Guiringaud, Valery Giscard d'Estaing's foreign affairs ministers paid in August 1977.

Nyerere, who is the first head of state of English-speaking Africa invited to visit Paris, is also the chairman of the Front Line states. Consequently, he tried to persuade his counterpart to play a more active role in the UN within the contact group for Namibia. He said that "Once that country becomes independent and will no longer be used by the South Africans as a base for aggression against Angola the Cuban troops will leave."

Another subject particularly close to the heart of the Tanzanian president is the North-South dialog. On the eve of the Cancun (Mexico) summit, planned for October, the new French views on this topic could sound only reassuring to one of the most persistent heads of state in the denunciation of neocolonialist relations , which are still ruling the world's economy. In turn, Francois Mitterrand precisely intends to decolonize relations between France and Africa. Hence his announced intention to develop cooperation with the former British colonies. He may have noticed, however, that Nyerere asked for no assistance whatever despite Tanzanian financial needs. However, Dar es Salaam is hoping for the support of France as member of the UN Security Council of the candidacy of Salim Ahmed Salim, Tanzanian foreign affairs ministers, for the position of UN secretary general. The succession of Kurt Waldheim by an African would be a victory for the Third World, which could only please socialist France.

Nyerere had barely left when the French officials assigned a choice seat to Ahmadou Ahidjo, the Cameroonian. In the course of a 4-day visit to Paris he held discussions with Francois Mitterrand, Prime Minister Pierre Mauroy and ministers Charles Hernu (defense), Claude Cheysson (foreign affairs) and Jean-Pierre Cot (cooperation and development).

Jean-Pierre Cot had spoken of "model" cooperation with Cameroon. If the statements made by the two parties following the talks are to be believed, such cooperation can only be strengthened. As the head of a stable country in a rather troubled part of Africa, President Ahidjo needed the assurance of support from Paris, whose interest is well served by helping this small island of calm. Was this why his first talk was with Charles Hernu? Whatever the case, military cooperation was one of the main topics discussed during the visit.

Yet it was not the only one. Not to mention the major political problems which are shaking up the African continent from Namibia to the Sahara, Chad and Central Africa in particular, bilateral problems were extensively discussed. The point is that Cameroon, which is in a state of full economic boom thanks to the exploitation of its petroleum deposits and, even more so of the prospects created by the discovery of huge natural gas deposits, has ambitious energy, agricultural and industrial plans. Consequently, it has asked for specific French help in their implementation, while underlining the urgency of rebalancing trade between the two countries, which is unfavorable to Cameroon. Despite his legendary circumspection, Ahamadou Ahidjo left Paris clearly pleased, describing his French counterpart as "a firm ally."

France's new policy in Chad, one of Cameroon's main concerns, having been strongly buffeted by the effects of the war, will assuredly contribute to the strengthening of the honeymoon. It is not the welcome reserved to the Chadian Goukouni Oueddei on 17 September that could tarnish such prospects.

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CSO: 4719/70

INTER-AFRICAN AFFAIRS

FRENCH TRADE WITH AFRICA IN 1980 SHOWS OVERALL SURPLUS

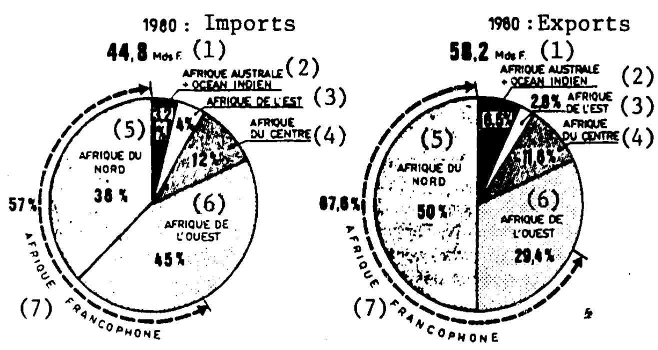
Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1870, 11 Sep 81 pp 2316-2319

[Text] Because of Africa's special place in France's overall foreign trade (nearly 11 percent) and the privileged relationship with some African countries, it appeared necessary not only to review trade between France and Africa, but also to make a distinction between so-called "French-speaking" Africa, countries which are former French colonies for the most part and which enjoy closer ties with France, and the rest of Africa. The other distinction to be made in this survey is the one used by the Organization of African Unity, dividing the continent into major geographical sectors.

The data available on French-African foreign trade were initially grouped on the basis of these two distinctions: on the one hand, by geographical zone; and on the other by singling out the position of French-speaking Africa. Oil imports were also separated out because of the increasing share of French purchases they represent.

French-African Trade

By geographical areas (excluding SA)



Key:

(1) Billion francs	(5) North Africa
(2) South Africa and Indian Ocean	(6) West Africa
(3) East Africa	(7) French-speaking Africa
(4) Central Africa	

Table 1. French Trade With Africa and the Indian Ocean
(in millions of French francs)

	Imports		Exports	
	1979	1980	1979	1980
North Africa	12,180.4	16,023.7	23,876.4	28,994.2
West Africa	13,538.6	20,220.7	13,302.3	17,096.0
Central Africa	4,419.1	5,482.8	5,407.1	6,739.5
East Africa	1,687.7	1,681.8	1,091.7	1,627.1
Southern Africa (excluding SA)	16.1	209.5	6.5	98
Indian Ocean	704.7	1,230.5	1,152.3	3,642.2
Total	32,546.6	44,839	44,836.3	58,197
French-speaking Africa	20,771.8	25,357.6	32,555.7	39,330.5
Oil (Africa)[1]	13,190	22,005.4	---	---
South Africa	4,043.5	5,087.1	2,247.4	4,071.1
General Total (including SA)	36,590.1	49,926.1	47,083.7	62,268.1

	1979	1980
Trade Balance:		
Excluding SA	+ 12,289.7	+ 13,358
Including SA	+ 10,493.6	+ 12,342
With French-speaking Africa	+ 11,783.9	+ 13,972.9
With French-speaking Africa (excluding SA)	+ 505.8	- 614.9
With South Africa	- 1,796.1	- 1,016

[1]In tonnage, oil amounted to 20.7 million tons in 1979 and 19.4 million tons in 1980.

A review of Table 1 and comparisons with previous years solicit the following comments:

French trade with Africa is in a largely surplus position. Although it does not compare with the 1978 surplus, in contrast with 1979, it increased from 12.3 billion francs to 13.4 billion in 1980 (excluding SA), or by 9 percent. This growth in the trade surplus between France and Africa is the result of an 18.6 percent increase in the surplus with French-speaking African countries.

It went up in fact from 11.8 billion in 1979 to 14 billion. On the other hand, France's trade balance with the other African countries continues to decline and is even showing a deficit (-0.6 billion) now, after a 1.1 billion drop. The trade deficit between France and South Africa has decreased slightly, from 1.8 billion in 1979 to 1.02 billion in 1980.

As for the overall trend of French sales and purchases with Africa, it can be seen that the considerable upswing observed in 1979 has continued in 1980. In fact, total French sales to Africa have increased from 44.8 billion francs in 1979 to 58.2 billion in 1980, or a 30 percent increase in value. This is substantially higher than French inflation, at about 13 percent in 1980, and thus implies an important growth of French sales to Africa in real terms.

French purchases from Africa also continue to rise sharply, from 32.5 billion francs in 1979 to 44.8 billion in 1980, or an increase in current value of 27.5 percent. If inflation in these countries--close to 20 percent--is factored in, then French purchases from this part of the world have increased very little in real terms.

France and African Countries in 1980

Total French imports	: 570.8 billion francs.
Imports from Africa (including SA)	: 49.9 billion.
Total French exports	: 469.7 billion francs.
Exports to Africa (including SA)	: 62.3 billion.
Overall trade balance	: -101.1 billion francs.
French-African trade balance (including SA)	: + 12.3 billion.
Africa's share of French Foreign Trade:	
Imports from Africa	: 8.7 percent of the total;
Exports to Africa	: 13.3 percent of the total.
Main African customer: Algeria	: 11.1 billion francs.
Main African supplier: Nigeria	: 12.7 billion francs.

There are considerable differences between the various geographical sectors in Africa. It is possible to gain an initial idea of these differences from Table 2.

Although North Africa's share of French exports is still the largest, it shows a considerable drop nevertheless. In 1979, it accounted for 53.3 percent of French purchases (excluding SA), and only 49.8 percent in 1980.

The same comment holds true for France's purchases from that part of the continent. They accounted for 37.4 percent of French purchases from Africa (excluding SA) in 1979, and 35.7 percent in 1980, or a decrease of almost 2 points.

Table 2. Percentage Share of Each Region in French-African Trade

	Imports		Exports	
	1979	1980	1979	1980
1. Excluding South Africa:				
North	37.4	35.7	53.3	49.8
West	41.5	45.1	29.7	29.4
Central	13.6	12.2	12.1	11.6
East	5.2	3.8	2.4	2.8
South	0.05	0.5	0.01	0.2
Indian Ocean	2.2	2.7	2.6	6.3
of which				
French speaking countries	63.8	56.6	72.6	67.6
2. Including South Africa:				
North	33.3	32.1	50.7	40.6
West	37	40.5	28.2	27.5
Central	12.1	11.0	11.5	10.8
East	4.6	3.4	2.3	2.6
South	11.1	10.6	4.8	6.7
Indian Ocean	1.9	2.5	2.5	5.8
of which				
French-speaking countries	56.8	50.6	69.1	63.2

Not only is West Africa still France's privileged partner for imports in 1980, but the percentage of French purchases in these countries has even grown, from 41.5 percent to 45.1 percent, or by about 5 points for French purchases from West Africa. The percentage of French sales in this region remains unchanged and accounts for slightly more than 29 percent in both 1980 and 1979.

For the other main geographical areas of Africa, there are generally very few changes in either imports or exports. It should, however, be pointed out that French sales to the Indian Ocean area amount to 6.3 percent of total French sales in Africa in 1980, as compared with 2.6 percent in 1979. In other words, total French sales to this region more than doubled in value.

There is another important point to make before taking a closer look at France's trade with French-speaking Africa versus the rest of Africa. You will observe in fact that the percentage of both French purchases and sales with this area of the world have declined considerably in 1980 over the previous year. France's sales to French-speaking Africa amounted to 72.6 percent of total sales to Africa (excluding SA) in 1979, and only 67.6 percent in 1980. As for purchases from France, they went down from about 64 percent to 57 percent.

French Trade With French-Speaking Africa

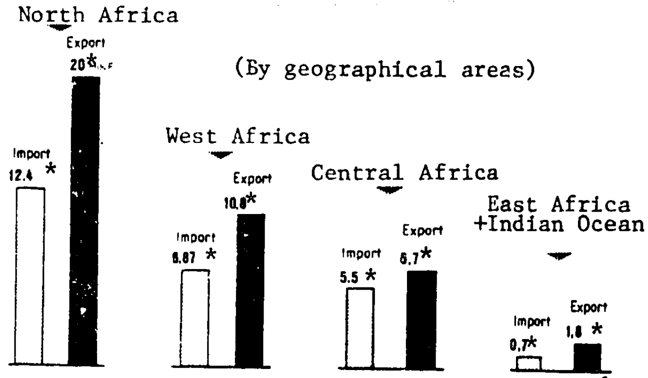
Despite the facts just cited, French-speaking Africa still constitutes a very important group of partners in France's total trade with Africa.

Table 3 makes it possible to study in detail French trade with this group of countries. This table groups France's trading partners by geographical zones following the system used by the OAU.

Table 3. Trade Between France and French-Speaking Africa
(in millions of French francs)

	Importations		Exportations		Balance	
	1979	1980	1979	1980	1979	1980
	–	–	–	–	–	–
Algeria	4 858	7 431,4	8 216	11 077,8	3 358	3 846,2
Morocco	2 827	3 252,1	5 085	5 011,2	2 258	1 759,1
Tunisia	1 338	1 677	3 249	3 928	1 911	2 251
North Africa Total	*9 023*	*12 380,5*	*16 550*	*20 016,8*	*7 527*	*7 656,3*
Cape Verde	0,1	0,1	54,7	89,4	54,6	89,3
Mauritania	255,1	321,4	333,4	419	78,3	97,6
Mali	164	163,8	447,6	578	283,6	414,2
Upper Volta	55,9	62,6	368	505,4	312,1	442,8
Niger	1 202,8	1 583	833	901,5	– 369,8	– 681,5
Chad	49,7	53,7	135,7	48,3	86	– 5,4
Senegal	1 031,8	791,8	1 853,2	1 746,2	821,4	954,4
Guinea	220,4	182,8	412,5	412,7	192,1	229,9
Ivory Coast	3 336,2	3 318,9	3 865,4	4 800,7	529,2	1 483,8
Togo	221,2	264,1	728,3	710,7	507,1	446,6
Benin	46,6	59	469,8	540,7	423,2	481,7
West Africa Total	*6 583,9*	*6 799,2*	*9 301,6*	*10 752,6*	*2 717,7*	*3 953,4*
Cameroon	1 331,2	1 706	2 350,3	3 008,9	1 019	1 302,9
CAR	151,2	173,1	190,1	241,2	38,9	68,1
Gabon	2 062,7	2 723,4	1 324,8	1 844,1	– 737,9	– 879,3
Congo	151,5	121,4	700,4	1 097,5	548,9	976,1
Zaire	703,1	734,6	625,1	527,6	– 77	– 207
Central Africa Total	*4 399,1*	*5 458,5*	*5 191,6*	*6 719,3*	*791,9*	*1 260,8*
Rwanda	29,6	15,6	112,5	102,3	82,9	86,7
Burundi	19,8	34,5	42,1	49,3	22,3	14,8
Djibouti	11,1	28,7	205,6	212,4	124,5	183,7
East Africa Total	*60,5*	*78,8*	*360,2*	*364*	*297,7*	*285,2*
Madagascar	373	415,8	867,4	1 124,1	494,1	708,3
Mauritius	270,8	224,1	186,6	229,5	84,2	5,4
Seychelles	0,6	0,7	39,9	29,6	39,3	28,9
Comoros	57,2	17,2	48	76,5	– 9,2	59,3
Mayotte	3,1	2,8	10,3	18,1	7,2	15,3
Indian Ocean Total	*704,7*	*660,6*	*1 152,3*	*1 477,8*	*447,5*	*817,2*
Oil	*4 549,8*	*7 442,1*	–	–	–	–

France/French Speaking Africa Trade Balance for 1980



*In billions of francs.

You can see from an initial glance at Tables 3 and 4 that the North African countries occupy an important place; the same is true for the West African countries. Attention is drawn more specifically to the dominant position of Algeria and Morocco in the first group and Ivory Coast in the second, as these three countries account for 53 percent of French sales to French-speaking African countries and 55 percent of French purchases from the same area.

Table 4. Trade Between France and French-Speaking Africa
(in percentages by country)

	Imports		Exports	
	1979	1980	1979	1980
Algeria	23.4	29.3	25.2	28.2
Morocco	13.6	12.8	15.6	12.7
Tunisia	6.4	6.6	10.0	10.0
Total--North Africa	43.4	48.7	50.8	50.9
Cape Verde	--	--	0.16	0.2
Mauritania	1.2	1.3	1.02	1.1
Mali	0.8	0.6	1.4	1.5
Upper Volta	0.3	0.2	1.1	1.3
Niger	5.8	6.2	2.6	2.3
Chad	0.2	0.2	0.4	0.1
Senegal	5.0	3.1	5.1	4.4
Guinea	1.1	0.7	1.3	1.0
Ivory Coast	16.1	13.1	11.9	12.2
Togo	1.1	1.04	2.2	1.8
Benin	0.2	0.2	1.4	1.4
Total--West Africa	31.8	26.6	28.6	27.1
Cameroon	6.4	6.7	7.2	7.7
CAR	0.7	0.7	0.6	0.6
Gabon	9.9	10.7	4.1	4.7
Congo	0.7	0.5	2.2	2.8
Zaire	3.4	2.8	1.9	1.3
Total--Central Africa	21.1	21.5	16.0	17.1
Rwanda	0.0	0.06	0.3	0.3
Burundi	0.1	0.1	0.1	0.1
Djibouti	0.05	0.1	0.6	0.5
Total--East Africa	0.25	0.3	1.0	0.9
Madagascar	1.8	1.6	2.7	2.9
Mauritius	1.3	0.9	0.6	0.5
Seychelles	--	--	0.2	0.08
Comoros	0.3	0.06	0.1	0.2
Mayotte	0.01	0.01	0.03	0.04
Total--Indian Ocean	3.41	2.6	3.53	3.7
Oil	21.9	29.3	--	--

French Imports From French-Speaking Africa

Table 4 already gives us a better idea of the role played by each country in this area in its trade with France.

Algeria is far and away France's main trading partner: 29 percent of French imports from French-speaking African countries come from Algeria and 28 percent of French exports to that area go to that country.

French imports from Algeria amount to 7.3 billion francs, or an increase of 57 percent over the previous year. The bulk of Algerian exports to France are hydrocarbons. France buys 4 percent of its total oil tonnage from Algeria (4.5 million tons in 1980). Sales of Algerian natural gas to France amount to 1.5 billion cubic meters. They are expected to rise to 5 billion cubic meters in 1981.

France's total share in Algerian foreign trade amounted to 20 percent in 1980 (25 percent imports, 13 percent exports). France is Algeria's second largest trading partner after the United States, major buyers of crude oil.

Mauritania was France's main supplier of iron ore in 1979. It ranked third in 1980 with 2.9 million tons, behind Brazil, the main supplier (4.4 million tons) and Sweden (3.2 million tons). The total tonnage of this ore coming from Mauritania now amounts to only barely 16 percent, as compared to 18 percent in 1979.

The majority of French purchases from Morocco is composed of minerals: manganese, phosphate, lead, zinc, and cobalt. With 26,700 tons of lead, Morocco is France's second supplier (Ireland is first with 34,200 tons). It is the only cobalt supplier with 5,700 tons, on the decline. French imports of this mineral have dropped sharply since 1979 when they were at 7,700 tons--a drop of 26 percent in tons imported. Sales of Moroccan phosphates to France have risen slightly. They are at 2.4 million tons and account for 44 percent of total tons bought by France.

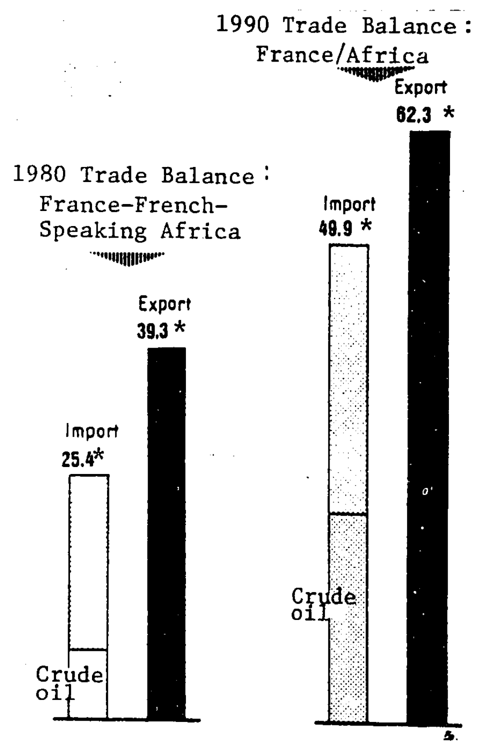
Morocco supplies France with some fruits, primarily citrus fruits, and fresh vegetables. However, Moroccan exports of fresh produce to France account for only 26 percent of that country's total sales to France.

Ivory coast is primarily a supplier of farm products to France. These include mainly unroasted coffee, cocoa, tropical wood and fruit (pineapple and bananas). Ivory Coast is way ahead of Brazil as the main supplier of French coffee, with total exports of 72,100 tons in 1980, or 23 percent of French purchases of unroasted coffee. France bought 25,900 tons of cocoa beans from Ivory Coast in 1980. It is France's main supplier with 46 percent of total sales of cocoa beans. We should, however, point out the substantial decrease in comparison with 1979, when France bought 32,600 tons of that product from Ivory Coast (-20.6 percent). Attention should also be drawn to the sharp decline in the value of these French purchases in comparison with 1979 (-34 percent), because of the drop in cocoa prices on the world market.

Tunisia, with 7 percent of French imports from French-speaking Africa and 10 percent of exports, is an important trading partner for France. Attention should be drawn to the item, clothing and clothing accessories in fabric: 339.3 million francs or 20 percent of Tunisian exports to France. They consist primarily of men's pants and shirts. Besides this item, Tunisia sells France crude oil, fertilizer (more specifically superphosphates), and some citrus fruits. Another rather important item sold is olive oil.

You will notice that Cameroon plays a relatively important role in France's trade with French-speaking Africa, with about 7 percent of French imports and 8 percent of French exports. This situation has remained relatively stable over the past 3 years.

Gabon's position as a French supplier in French-speaking Africa is gaining importance. Nearly 11 percent of French imports come from this country and consist mostly of tropical wood and especially crude oil (1.4 million tons in 1980).



*Billions of francs

The other countries belonging to this group have smaller percentages of the total value of trade between France and French-speaking African countries. We should point out, however, that Zaire, with 11,313 tons, is the main supplier of raw copper, although this amount is considerably less than the 1979 figure

Table 5. Principal French Imports From French-Speaking Africa
(Q = 1,000 tons; V = millions of French francs)
(Footnotes refer to main suppliers)

	1979		1980	
	Q	V	Q	V
Agricultural Products				
Ground-nuts with shells (1)	0.35	1.5	0.3	1.3
Shelled ground-nuts (2)	-	-	6.5	15.3
Fresh pineapple (3)	44.1	104.6	38.9	111.7
Canned pineapple	2.3	6.5	16.5	50.6
Cocoa beans (5)	43.8	683.4	35.8	492.5
Unroasted coffee (6)	158.2	2,240.6	1,156.1	2,205.5
Cotton in bulk (7)	54.6	355.3	57.6	400.7
Natural rubber (8)	24.3	134.4	26.2	159.7
Fresh bananas (9)	168.7	383.4	153.8	389.6
Crude palm oil (10)	13.3	38.8	16.3	43.7
Ground-nut oil (11)	113.2	511.1	63.4	240.7
Palm kernel (12)	8.7	18.1	5.8	9.4
Pepper (13)	0.8	6.8	1.3	11.2
Sisal (14)	8.3	22.3	4.4	14.6
Raw tobacco (15)	2.4	24.3	1.3	11.3
Tapioca (16)	0.96	2.8	1.4	4.5
Whole tuna (17)	5.2	26	5.7	36.9
Groundnut oilcakes (18)	96.1	95.6	42.8	42
Vanilla (19)	0.29	66.4	0.097	33.9
Mineral Products				
Ore (aluminum) (20)	1,481.9	198.0	979.9	159.5
Chromium (ore) (21)	37.9	14.9	63.7	24.8
Iron (ore) (22)	2,980.2	256.4	2,934.2	307.1
Manganese (ore) (23)	635.6	186	553.4	198.7
Crude oil (24)	6,840.8	4,549.8	6,322.5	7,442.1
Phosphates (25)	2,533.3	504.6	3,868.6	1,031.1
Uranium concentrate (26)	2.9	968.8	-	-
Zinc (ore) (27)	15.4	12.3	10.9	9.7
Lead (28)	28.1	86.1	28.7	73.9
Cobalt (ore) (29)	7.7	177.9	5.7	120.4
Copper for refining (30)	16.4	121.0	11.3	94.2
Aluminum metal (34)	20.5	88.2	8.0	54.2

(1) Senegal, Madagascar (1980:Madagascar only). (2) Senegal, Mali, Niger, Upper Volta (Guinea Bissau 1980). (3) Ivory Coast, Cameroon (Guinea 1980). (4) Ivory Coast. (5) Ivory Coast, Togo, Benin, Cameroon, Gabon, Congo, Zaire, Madagascar. (6) Ivory Coast, Togo, Benin, Cameroon, Gabon, Congo, Rwanda, Burundi, Zaire, Madagascar, CAR, Equatorial Guinea. (7) Chad, Mali, Upper Volta, Niger, Senegal, Ivory Coast, Togo, Benin, CAR, Cameroon, Congo. (8) Ivory Coast, Cameroon, Congo, Zaire, CAR. (9) Ivory Coast, Cameroon, Madagascar, Morocco (nothing in 1980). (10) Ivory Coast, Benin, Cameroon, +Zaire in 1980. (11) Mali, Niger (nothing in 1980), Senegal, Ivory Coast in 1980. (12) Ivory Coast (nothing in 1980), Cameroon, Congo, Zaire (nothing in 1980). (13) Madagascar. (14) Madagascar. (15) CAR, Cameroon, Congo, Tunisia, Madagascar. (16) Togo (nothing in 1980), Madagascar. (17) Ivory Coast, Morocco, Mauritania (in 1980). (18) Mali, Chad, Senegal. (19) Madagascar (Mayotte, Comoros in 1980). (20) Guinea. (21) Madagascar. (22) Mauritania. (23) Morocco, Gabon, Congo in 1980. (24) Algeria, Tunisia, Gabon (Congo, nothing in 1980) + Cameroon. (25) Morocco, Algeria, Tunisia, Senegal, Togo. (26) Niger, Gabon. (27) Tunisia, Morocco, Congo (nothing in 1980). (28) Morocco, Tunisia (nothing in 1980), Congo. (29) Morocco. (30) Zaire. (31) Cameroon.

of 16,431 tons of raw copper--a decrease of 31 percent. It is worth noting, nevertheless, that France's overall purchases of copper worldwide went down from 21,258 tons in 1979 to 17,896 tons in 1980, or by 16 percent.

French purchases of bauxite from Guinea account for 72 percent of France's foreign supplies. Guinea is the main supplier at 980,000 tons, but here too the volume sold has declined since 1979 (-34 percent), and, just as with copper, French imports of bauxite worldwide are considerably less in 1980 than in 1979 (-21 percent). The substantial reduction in Guinean bauxite has been taken up by Greece (209,000 tons in 1980 as compared to 104,000 tons in 1979).

Table 5 gives a breakdown of France's main imports from French-speaking Africa.

We should finally point to the continuous growth in French purchases of crude oil from these countries: 29.3 percent of the total value of purchases from this area, at 6,322,500 tons, slightly down from 1979 (6,840,200 tons).

French Exports to French-Speaking Africa

According to what might almost be called "a certain tradition," trade between France and developing countries, which include the French-speaking African countries, is based on French purchases of unprocessed or semiprocessed agricultural products from modern farms and minerals, and French sales made up primarily of manufactures and capital goods. Exports to these countries are therefore highly varied. But some products or groups of products are predominant, and these include essentially food products, beverages and tobacco, and also pharmaceutical products.

The desire of developing countries, however, to promote their industrialization implies a certain change in French sales. For instance, taking food products, sales increasingly involve unprocessed goods such as wheat, malt and dairy products, which are then processed into goods for final consumption in the importing country. This development also entails increased sales of capital goods.

A final important item is sales of transportation equipment, whatever the final use of the vehicle may be.

In conclusion, we should stress the fact that the French trade balance with these countries still registers a large surplus in spite of the desire of the suppliers to bring it into closer balance (graph 3).

Attention should finally be drawn to the predominant position of Algeria, France's main supplier and customer. But you should take note of Algeria's new policy which seems to be temporarily curbing large equipment contracts so that it can complete its own industrialization process. In response to a growing demand by its people, however, the share of consumer goods has sharply increased, including both foodstuffs and household appliances. Together they account for one-fourth of Algerian imports in 1980.

Moreover, a push to decentralize, allowing small local businesses to develop, and the position given the private sector open up interesting prospects for small and medium-sized French firms. The change of government in France, which was favorably received in Algeria, seems to have boosted trade between the two countries, favoring housing and the automobile industry especially.

9805
CSO: 4719/20

PEACE VIEWED AS NECESSITY FOR DEVELOPMENT OF RESOURCES

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1872, 25 Sep 81 p 2461

[Text] The invasion of Angola by South African military forces and the bombings inflicted on the southern provinces by Pretoria's planes must not mask the fact that the young independent nation has the means needed to emerge from the trap of underdevelopment, on the condition that it regains peace and has the time necessary to organize. A South African weekly, the FINANCIAL MAIL of Johannesburg, recently observed this.

The military operations in southern Angola, even before the attacks at the end of August and beginning of September, totally upset the economic life of this livestock-raising region. The difficulties encountered in the factories, at the ports and on the Benguela railroad line, difficulties to which the sabotage actions of the domestic opposition have contributed, have affected production and make any planning haphazard. Refugees have flowed toward the center of Angola, whose resources they are absorbing. They constitute a continuing political threat.

At the origin of this situation, if one takes the Angolan view, is South Africa, and behind South Africa is President Reagan's America. Pretoria, Luanda states, arms and trains the UNITA [National Union for the Total Independence of Angola] and Washington covers the operation. Consequently, despite the "hard line" followed by President Reagan, Angola is seeking contact with the West, which, for its part, hopes that the normalization of relations will go as far as possible because Angola is a commercial partner worthy of confidence and needs foreign investments for a certain number of nonstrategic industrial enterprises: cement, wood, breweries.

Naturally, it is oil that has guaranteed Angola of large reserves in foreign exchange and has brought it Western friendships. Over the next 10 years, operations will continue in the country's two major oil fields: the one located off the coast of Cabinda which now provides nearly three-fourths of production and the one located near Luanda. Since the 1978 law, discoveries are the property of the government and "the concessions are a thing of the past," as Minister Jorge Morais says.

Clearly, this means that the foreign companies must be in partnership with the government firm SONANGOL [Angolan National Fuel Company], using two types of agreements: either the joint venture type, according to which the Angolan Government holds a minimum of 51 percent of the shares; or agreements covering the sharing of production, according to which the government's percentage varies, based on a distribution of 60 percent (minimum) for the government and 40 percent for the foreign company. This strict policy nevertheless continues to attract foreign firms: Gulf Oil, PETROBAS [Brazilian Petroleum Corporation], Texaco, ELF-Aquitaine [Gasoline and Lubricants Company of France] and others. The situation will be modified as Angola acquires the technology and the know-how it still lacks.

The sixth-ranking producer on the African continent, the country has sizable reserves, but it is concerned about conserving its supply and is not hurrying their exploitation. Production, which was 160,000 barrels a day last year, is to rise slowly to 200,000 barrels a day in 1983.

Outside of oil, diamonds are a considerable source of foreign currency receipts for Angola. Production remains at 1.4 million carats in 1980. The best year was 1972, with a production of 2 million carats.

Angolan mining deposits include 34 mineral products, 14 of which are of strategic importance. Geological studies made during the colonial period have been reappraised with the aid of Soviet experts. Priorities have been established for their working.

In particular, Angola has iron ore deposits -- 500,000 tons were mined last year -- that constitute the basis making it possible to get a local steel industry going. There are actually three trump cards: the Cassinga deposits, the hydroelectric power supplied by the Cunene Dam and the Mocamedes mining port, served by the railroad. The problem for the immediate present is that these three assets are all near the region of the South African invasion.

The rest of Angola's resources are precarious. Income crops (including the most important one, coffee) are far from the levels they had reached during the colonial period. The industrial sector has not recovered from the exodus of the Portuguese at the time of independence and the war with South Africa in 1975-1976 (85 percent of the factories were paralyzed at that time). The main problem now is that of maintaining and replacing the equipment, which suffered a long period of disuse.

Concerning transport, the situation is not brilliant, not only because the infrastructures were little developed during the colonial period, but also because following the war with South Africa, 80 percent of the bridges and 90 percent of the transport capacity were destroyed. Out of 28,000 trucks, for example, no more than 2,500 were left.

As for the Benguela railroad, which serves the interior of Angola and which makes it possible ship mining products from Zaire and Zambia, its traffic is intermittent because of frequent sabotage. During the colonial period, it reached 100,000 tons a month. According to the South Africans, it has dropped by half.

The transport problem has important effects on the life of the Angolan people. Certain regions have enough food, while malnutrition reigns in others. In Luanda, food is rationed and the people spend hours lining up before the stores. Besides an improvement in transport, the solution to the problem would be to encourage the rural world to produce more. It has not been asked to do so because it would be difficult to offer consumer goods in exchange for the surplus in production. The burden of the huge bureaucracy undoubtedly has something to do with this situation, but even more important is undeniably the state of permanent conflict, masked or not, between Angola and its powerful neighbor to the south.

11,464
CSO: 4719/82

CHAD

GOUKOUNI OUEDDEI SAID TO BE CONSOLIDATING HIS POSITIONS

Paris JEUNE AFRIQUE in French No 1082, 30 Sep 81 p 36

[Article by S. D.: "A Prudent Match"]

[Text] There is no honeymoon yet, but following the visit of Goukouni Oueddei, president of the GUNT (Transitional National Union Government) to Paris (16-18 September), one may nevertheless speak of a commitment to a new prudent match between Chad and France.

This is in the interest of France, for in addition to Chad's mineral resources, said to be substantial and varied, France is aware of the strategic position of that country in the heart of the African continent. That is why, regardless of the vexations it has experienced over the past 15 years or so, it cannot back out of playing a role in Ndjamena.

Worn out by the endless quarrels and disagreements of the multiple clans fighting for power, and harassed by the OAU, President Valery Giscard d'Estaing had finally pulled the French troops out. However, this pullback looked more like a retreat than a pure and simple departure. In any case, after leaving Ndjamena, the troops of the former mother country had found a new base, not too far from the Chadian border, in Bouar, Central Africa. It was from there that they continued to observe the development of the Chadian situation, particularly after Colonel Qadhdhafi sent into the country a 10,000-men strong expeditionary corps in December 1980.

The new French leadership hesitated somewhat before stepping into the Chadian wasps' nest. However, President Mitterrand was given strong encouragements by many heads of French-speaking states. He also consulted with and secured the approval in advance of the Kenyan Arap Moi, the current OAU chairman, and of Tanzanian President Julius Nyerere. On the OAU level, most heads of state in fact favor the quick withdrawal of Libyan forces from Chad. They expect of France logistic and financial support for raising an African intervention force.

This is consistent with GUNT interests, for not only does such an operation make President Goukouni the only interlocutor on the Chadian political stage but consolidates his positions on the political, military and diplomatic levels. Henceforth, this son of the Derdei seems to have ensured Paris' comprehensive support. It is indeed true that, although lacking any kind of organized military force with which to oppose his rivals, he has remained patient and modest while acting with feline dexterity.

The purpose of the current diplomatic contacts maintained among the OAU, the various interested African capitals and Paris is to determine the countries which will be lending troops for Chad, the actual needs of such a force and the nature of French assistance. Paris has also agreed to provide substantial aid for the rebuilding of Ndjamena and the resumption of public services (see following report).

Will Libya allow itself to be ousted? Its expeditionary corps controls the terrain while the salaries of Chadian officials come from Tripoli. Finally, Colonel Qadhdhafi enjoys substantial support within the country. All of these are as many trumps he could play, if not to prevent at least to delay the withdrawal of his forces. It is true that, far from having vanished, the reasons for their presence in the country, namely the feeling of insecurity maintained by Hissein Habre's forces, seem to have accentuated. According to observers, the head of the FAN (Armed Forces of the North) has reorganized his troops and gained the firm support of Sudan, Egypt, some Persian Gulf states and undoubtedly the United States.

It is certain that Hissein Habre will keep annoying the GUNT. In any case, the entire eastern part of Chad, from the Sudanese border to Abeche, going through Guereda, appears to be on the verge of falling to under him. The threat is such that, at the very last moment Acyl Ahmat, GUNT foreign affairs minister, put on the sackcloth and went to fight in Guereda.

5157
CSO: 4719/74

CHAD

NATION DESCRIBED AS RESUMING NORMAL ACTIVITIES

Paris JEUNE AFRIQUE in French No 1082, 30 Sep 81 pp 37-39

[Article by Special Correspondent Sidi Mahamet: "Peaceful Days in Ndjamena"]

[Text] "Camair flight UY 784 to Yaounde, Ngaoundere and Maroua. Passengers will please go to gate No 3 for immediate embarcation." Brouhaha. Customary pushing in the small waiting hall for domestic flights at Douala airport in Cameroon. The time was 0900 and I was on my way to Ndjamena.

Ever since Chad's international airport has been closed to civilian flights it has been necessary to take the long way around to reach Chad. One can fly to Kano (Nigeria) and continue by road; go to Tripoli (Libya) and take the Tripoli-Ndjamena Libyan Airlines flight, as even Chadians living in Europe do; finally, one can go via Cameroon, on the paved Maroua-Kousseri road (about 270 km), or cross the Chari, which is the natural border between Cameroon and Chad.

The point is that Chad's link with the outside world by road is possible only by taking the Kousseri-Ndjamena ferry, which makes between 12 and 15 round trips daily between the banks of the Chari. The ferry consists of cross-pieces linking four crafts powered by two 35-horsepower engines, and the trip takes 15 minutes. It can acommodate one heavy truck, a small car and a few passengers with their scooters per crossing.

An endless line of trucks await their turn for the hypothetical crossing on either side of the river. Trucks sometimes have to wait as long as 2 weeks before crossing, for priority is given to medicines and foodstuffs and perishable goods, including Gala, the domestic beer, which is brewed in Moundou, south of the Chad, the Ndjamena plant having stopped production. Truckers in a hurry must unload their goods on the Cameroonian side of the river, from which they are moved to the other bank by a train of canoes, whose owners have struck gold, even though some big dealers enjoy a quasi-monopoly. Refugees and the unemployed from Kousseri and Ndjamena benefit as well.

In Ndjamena I was offered a choice between the Chari and La Tchadienne hotels. I tried both. The Chari was playing host to the members of an important mission of the African Development Bank; to Cameroonian teachers, headed by the dean of the department of literature in Yaounde, in charge of organizing the examinations for the baccalaureat which, having started on 26 August, were taking place for the first time after a 3-year interruption; ASECNA representatives, who had come to prepare the reopening of the Ndjamena airport, scheduled for the beginning of October; a Chadian minister and some officials; and several experts from the UN High Commission for Refugees (HCR). Staying at La Tchadienne were mostly three representatives from a development company, hoping to be able to resume work shortly; a transient CPA; Italian, German and Libyan pilots; and a few Chadian officials.

Neither hotel seemed to have suffered very much from the civil war, although most of the windows were broken and furniture and even utensils had found their way to Kousseri. However, the new town and above all the stores and buildings on De Gaulle Avenue had suffered heavy damage. Also heavily damaged were the old offices of Air Afrique, the shops of the NSCKN (Nouvelle societe commerciale du Konilou-Niari) and the International Bank of West Africa. All buildings along the street look as though suffering from a kind of small-pox. The cathedral has lost all its stained glass and roofing.

The damage on the way to the airport is equally heavy: the ASECNA cottages have been totally destroyed; all that remains of the airport terminal are partially burned walls; the ground telecommunications station was totally destroyed.

In the city, the thermoelectric power plant, which was slightly damaged, is more or less operational, and Ndjamena has a regular power supply, cut off daily between 1430 and 1730 hours. Virtually all water towers are inoperative, and whereas tap water reaches the cottages and ground floors of buildings, water is supplied to higher stories and even to the hotels in buckets.

The prevailing impression from a tour of the city is that initially the antagonists were equipped exclusively with light weapons (just enough for killing one another), and that the looting and wrecking which preceded the withdrawal of Hissein Habre's forces were carefully planned to paralyze the country's administration. The Libyans appear to have caused practically no damage, having found the area abandoned, as Hissein Habre and his men vanished, apparently warned by a French messenger from Kousseri.

The Libyans are very descrete, but their assistance remains substantial and varied: the exclusive air route between Tripoli and Ndjamena makes ait possible for the Ilyushin 74 of the Libyan Airlines to supply Chad with items of prime necessity and resupply Qadhdhafi's forces. On their return flight they fly in Chadians wishing to emigrate to Libya. Furthermore, the government is given a subsidy in order to pay the salaries of employees and rebuild and start some projects.

However, Tripoli's help alone would be insufficient to ensure economic development and resettle the refugees. The refugees, which the HCR is in the process of examining, have started arriving, in Ndjamena mainly, ever since the GUNT (Transitional National Union Government) decreed a general amnesty. More refugees are expected as a result of the agreement reached between Chad, Cameroon and the HCR, which confirms the amnesty and the freedom granted the refugees to choose between returning to Chad or settling in Cameroon. In addition to the census the HCR will distribute the aid in tools for rebuilding, cooking utensils, blankets, etc. Those who have opted to stay in Cameroon will be allowed to settle 80 km from Kousseri.

Other UN organizations are already working in Chad in helping the refugees and in the implementation of the emergency program drafted by the GUNT, specifically the PAM (World Food Program) and above all the PNUD, which was the first to answer the appeal of Chad and the OAU and which signed an agreement for the delivery of aerial navigation equipment in order to make possible the resumption of day-time traffic at Ndjamena airport. Other agreements dealing with repairs of water and electric power systems and the building of a ferry boat will be signed shortly. Other active agencies are the International Association Against Hunger (AICF) and the FED (European Development Fund), which will also deal with the water and electric power systems. France has agreed to help in the reconstruction. Perfectly aware of the "state of geographic isolation, to which is added the political isolation in which some would like to keep us," President Goukouni Oueddei is increasing the number of trips and good-will missions of his ministers, particularly those of Ngamgbet Kosnaye, minister of finance, and Naimbaye Lossimian, minister of state.

The government's action was defined in a general policy document, which was discussed at the special 20 August meeting and published by the Chad News Agency on 27 August. It includes two main ideas:

"Consolidate our previous gains;

"Get Chad out of its state of isolation by diversifying our relations with all countries which love peace, justice and independence."

The other key points are:

"The accords concluded between France and Chad will be revised shortly with a view to reinvigorating our cooperation with that country;

"Bearing in mind the historical, geographic and cultural ties which link us to Libya, dynamic cooperation between our peoples will be developed on the basis of reciprocal respect for national independence and territorial integrity....The GUNT will ask for the withdrawal of Libyan forces stationed in Chad."

The trips made by President Goukouni (to France in particular) and the missions sent abroad (to Senegal, for example) should make it possible to set up an "African force" which would replace the Libyan troops; to mobilize aid for the purpose of reconstruction (missions to the FED and the African Development Bank); give assurances regarding the country's independence and ask that all support of Hissein Habre be terminated. On this level, in the next few months the chief of state could take the initiative of meeting with President Ja'far Numayri (Sudan) and Anwar al-Sadat (Egypt).

Economic development has first priority, however, and the GUNT has submitted to international organizations and governments of some countries, France included, a Memorandum on Emergency Aid to Chad. The amount of emergency aid needed is assessed at 65.5 billion CFA francs and could reach 68 billion if telecommunications and other needs are included. Specifically, aid is requested for national defense, information, public health and social affairs, public education, rural development, internal affairs and security, economy and finance and the city of Ndjamena.

Without waiting for such assistance, which is still hypothetical, the GUNT has begun to work with the help of Libya and the mentioned international organizations. Back salaries were paid through June 1981. This whipped up all kinds of activities: buildings are being repaired, roofs laid on, and administrative building repainted; traffic on the Chari has intensified. Goods are pouring in from Nigeria and Cameroon. radio-cassette players are clearly less expensive than those sold in the best duty-free shops of any airport. Even gasoline in bottles is sold everywhere at unbeatable prices (125 CFA francs per liter of high-octane). In turn Chad is exporting mainly cattle: early morning, on the road to Koussery, on the Nigerian border, herds of cattle stretch for kilometers on end. The rains, which were late in Ndjamena, were abundant in the south and the rice, millet and wheat crops will be bountiful. The millet marketplace is once again active until late at night. Hotel Chari has resumed its dance soirees: "It is like before the war," I was told by a student who had just passed (finally!) his baccalaureat tests. Abandoned works and projects have been restarted. Of the three banks in Ndjamena the BIAT (formerly BIAO) has reopened its doors in the former residence of the director general. All that remains for the GUNT to do in order to speed up the recovery is to annul the moratorium which had frozen bank accounts. Chad is not in debt, and the Central Bank escaped looting. Officials and personnel, who had ran away because of the war, are returning to the country. There is a resumption of life everywhere, even in the country side with the advent of the rainy season. Chad has definitely entered its post-war period, and all Chadians without exception hope for peace. "We shall deal with anyone who may try to lead us into another fratricidal struggle," the cadres to whom I mentioned such a possibility exclaimed.

5157
CSO: 4719/74

CONGO

PRIORITY SECTORS OF 1982-1986 DEVELOPMENT OUTLINED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1872, 25 Sep 81 p 2452

[Text] During President Denis Sassou Nguesso's working visit to Paris from 26 to 28 July, the decision was made to organize at the CNPF [National Council of French Employers] headquarters on Thursday, 24 September, a "Symposium on the Congo" chaired by Jean Dromer.

An important governmental delegation was due to present the priority sectors of the new 1982-1986 Development Plan during that meeting. The delegation consisted of top civil servants and was headed by Minister of Plan Pierre Moussa, Minister of Industry and Fishing Jean Itadi and Minister of Mines and Energy Rodolphe Adada.

The main priority sectors of the 1982-1986 Congolese plan which were submitted by the Congolese delegation as likely to be of particular interest for French companies were the following:

1) Primary Sector and Industries Connected with that Sector--Agriculture; agro-industry (cake manufacture, for example); timber industries: sawmills, carpentry shops, furniture factories); fishing industry (offshore fishing, inland fishing and fish farming); infrastructures connected with the fishing industry (expansion of the port of Pointe-Noire); refrigeration plants.

2) Energy--Transport and distribution lines to carry electrical power into the hinterland and to establish a genuine interconnection: three hydroelectric power stations (mini-stations) of between 1 and 2 megawatts in the far north (Ouesso, Itoumbi, Sembe); around 60 generating sets in isolated areas; finally, a power station (100 megawatts) on the Lefini River: the Iboulou Dam.

3) Water and Drainage Works--Two water plants in Brazzaville (a call for bids will be forthcoming); in Pointe-Noire, a partial solution is in progress. The problem of the sewage system (used water) will be tackled at a later date. However, there are plans to carry out urban projects involving drainage work (rain water, canalization and repair of gullies running through the capital city).

4) Health--Medical and surgical equipment; projects: in Pointe-Noire (three hospitals with 200 beds) and in Brazzaville (several hospitals with the same capacity to be built in the districts of the city).

5) Telecommunications--Expansion of the northern radio link; prolongation of the southwest radio link; an autonomous TV studio in Impfondo since the network does not reach that far; most likely another studio in Pointe-Noire (as a matching installation); projects for telephone exchanges and other telephone improvements.

Minister of the Plan Pierre Moussa is at the disposal of any company which may be interested in some of the aforesaid projects.

8796
CSO: 4719/67

GABON

PROSPECTS FOR AFTER-OIL ERA REVIEWED

London NEW AFRICAN in English No 169 Oct 81 pp 29-30

[Article by Guy Arnold]

[Excerpts]

GABON'S ECONOMIC growth and performance is directly related to the development of its rich natural resources. Its per capital income at $3,000 is one of the highest in Africa and has been for some time. The country's basic wealth is derived from oil, manganese, uranium and rich timber resources. There are major iron ore deposits. These have yet to be developed.

Increasingly, however, Gabon is looking to find replacements for its oil resources which from now on will be rapidly depleted. Oil production is currently at the rate of 10-million tons a year but by the mid-1980s this level will have declined substantially.

Large deposits

Uranium and manganese are already being mined in the south-east of the country. There are, however, large iron ore deposits in the north-east – and Gabon is investigating how soon these can profitably be exploited. The area has 500-million tons of reserves and the Mekambo Mining Company (Somifer), a state company which comes under the direction of Minister of Energy and Mines Edouard-Alexis M'Bouy-Boutzi, is to carry out feasibility studies at Belinga.

The company has been dormant for three years but the approaching depletion of the oil reserves makes a mineral export alternative a matter of growing urgency.

The iron ore exploitation at Belinga, however, will depend upon a northern extension of the Trans-Gabonese railway. During the mid-1970s there was much hesitation on the part of potential backers about the viability of the railway. Now, as oil runs down its completion becomes more urgent.

In July, the EDF provided a loan to extend the Ecole des Postes et Telecommunications in Libreville. And thirdly in terms of infrastructure, the government is now looking at the construction of a new international airport for Libreville to become operational by the beginning of the next decade as it is forecast that the present airport will be inadequate by then.

Gabon has always been firmly committed to the West.

...

Gabon has the reputation of being an African moderate, indeed a Right-wing country, a political position which is borne out by its economic policies. But prosperity can itself bring problems.

In April, for example, President Bongo announced new anti-crime methods including the establishment of a Public Security Ministry as the result of a growing crime wave.

Ironically, the causes were in part ascribed to resentment by unemployed Gabonais because there are large numbers of foreigners in the country who have jobs (they have flocked in to take advantage of the country's mineral based development) when local people often remain unemployed.

Gabon got on top of its economic problems during 1980 – a year which saw a growth rate of 17 per cent. Inflation was only 11 per cent. The government succeeded in reducing foreign debt from a ratio of 50 per cent of the GDP to 35 per cent.

This year, government revenues are expected to increase by 26 per cent while spending is expected to rise by only 22 per cent. The overall surplus should increase the GDP by 10 per cent.

In conventional terms Gabon represents an economic success story. But unlike many African countries it posseses the variety of resources to make this performance possible●

CSO: 4700/171

GABON

DECREASE IN MANGANESE PRODUCTION NOTED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1872, 25 Sep 81 p 2452

[Text] On 17 September in Libreville, COMILOG (Upper Ogooue Mining Company) General Director Hervouet met with the new Gabonese minister of state for mines, Etienne-Guy Mouvagha Tchioba, in order to review the activities of the company.

The general director of COMILOG told the daily newspaper L'UNION at the close of the meeting that the amount of manganese sold abroad dropped substantially in 1981.

In answer to a question on the way in which COMILOG intended to compensate for this decline in exports, Hervouet told our colleague that the negative effects would probably be offset by the increase in the dollar on the international financial market.

Our plant is operating up to two-thirds capacity, he said, and this concerns the different ores that we produce. Metal ore represents 90 percent of our sales abroad. It is used to make the ferroalloy needed to remove the sulfur from steel. It is in the area of this metal ore that "we are experiencing heavy drops in production." For bauxite (about 10 percent of all production), used to make batteries, the demand is up substantially. That is why, Hervouet said, "we are building a concentration plant capable ot handling 100 tons of ungraded ore per hour. This units will be operational in April 1982, at least on the experimental level."

The newspaper recalls that the production and exportation of manganese at the end of 1980 declined, both because of the reduction in world steel production and improved yield in the iron and steel industry, leading to a drop in the rate of use in the ferro-manganese sector. This trend continued during the first 6 months of 1981.

Total manganese production during the first 4 months of 1981, compared with the last 4 months of 1980, is down nearly 50 percent. The spectacular drop in February and March 1981 (down 80 percent) allegedly results from a halt caused by maintenance of operating equipment. Consequently, there was no reversal of the trend in April, the general director concluded, but rather, a resumption of operations at the previous level. As for exports, the situation is no different and their volume dropped in analogous proportions (down 53 percent).

11,464
CSO: 4719/82

IVORY COAST

BRIEFS

WORLD BANK TRANSPORTATION LOAN--The World Bank has approved a $651-million loan to the Ivory Coast to aid development of an urban transport system in Abidjan. Assistance will also be provided to two new municipalities in an effort to shift urban growth away from the capital. [Text] [London NEW AFRICAN in English No 169 Oct 81 p 70]

CSO: 4700/171

OPPOSITION TO MALI'S MEMBERSHIP IN UMOA DISCUSSED

Paris JEUNE AFRIQUE in French No 1081, 23 Sep 81 pp 26-27

[Article by Sennen Andriamirado: "What Is To Be Done With Mali?"]

[Text] "If Upper Volta dares to engage in that sort of blackmail with us, then Mali may just give up all negotiations. We shall not return to the CFA franc." The Malian diplomat making the threat is disgusted: At a technical meeting in Dakar on 31 August, an Upper Voltan representative (privately) whispered that Mali's entry into UMOA (West African Monetary Union, which includes Benin, the Ivory Coast, Upper Volta, Niger, Senegal and Togo) should be accompanied by a final border agreement between the two countries. Although it is the petitioner, Mali would be willing, under such conditions, to give up its membership in UMOA, whose Council of Ministers meeting scheduled for 24 September in Paris (separately from that of the franc zone ministers) should draw up the terms.

France immediately reassured Mali and expressed regret over the remark made by the Upper Voltan representative. Mali bitterly replies: "Discussions with France turn out to be easier than with some of our partners." This position was confirmed on 10 September in Bamako by Minister of Foreign Affairs Alioune Blondin Beye: "France's position regarding us is excellent." In other words, Paris will do its utmost to help Mali enter UMOA and therefore, the BCEAO (Central Bank of the West African States), for the monetary "rediscoveries," if one can call them that, between the former French West African territories were intended by France.

To be blunt, France has grown tired, over the past 2 years, of being the sole supporters of the perpetually failing Malian economy. Living off of subsidies and foreign credits (70 percent of all budget receipts), Mali faces multiple problems: its landlocked geographic position and the nearly chronic drought, naturally, but in addition, the lack of productivity of government companies and enterprises.

To make it worse, the political climate has long paralyzed any attempt at economic reform. There can be no question of abandoning the famous national companies, now considered a "gain of the people," for even if they did not produce, they provided jobs. One had but to pay the wages!

The BCM (Central Bank of Mali, jointly managed with France) advanced the loans to the government, which subsidized the companies. In addition, Mali enjoyed an annual budgetary grant of 1 billion Malian francs, until the end of 1979 when, without previous warning, France turned off the water.

This attitude was immediately considered in Bamako as an attempt to destabilize the regime of President Moussa Traore, who had to face his most serious crisis in 1980: irregular wages for government employees, no scholarships for students, a worsening monetary disorder resulting in a kind of swindle turning against the government, the BCM and government companies and enterprises. But despite every possible accounting maneuver, the enterprises, one just as insolvent as the other, could not go on loaning themselves fictitious sums indefinitely.

OPAM (Malian Agricultural Products Office) alone registered a deficit of 30 billion Malian francs in 1980 (1 Malian franc = .50 CFA francs). The government's 1981 budget (85.2 billion Malian francs) was drawn up with a deficit of 6.6 billion Malian francs which this time, the BCM could not make up: Its advances to the government already amount to 100 billion Malian francs, in addition to what is owed from secondary banks and government enterprises (some 47 billion francs). A "milk cow," the BCM itself owes over 100 billion Malian francs to the Bank of France, whence the French pressure to bring Mali into UMOA and thereby share the Malian burden with the BCEAO.

But joining UMOA (and therefore, the BCEAO) presumes certain conditions, first of all, the rehabilitation of the BCM books, which the BCEAO does not want to inherit: excessively heavy debts to France, fictitious debts to the Malian Government and national enterprises.

The recommended solution: Since France, the main creditor and co-manager of the BCM, wants to push Mali into UMOA, let it then assume certain debts, even wipe the Malian "slate" clean. That is the hope which the latest discussions with the Mitterrand government created in the minds of the Malians.

The second technical condition which Mali should meet within UMOA: the monetary discipline requiring that every member state receive advances from the common Central Bank only in the amount of 30 percent of their regular fiscal receipts. This is a rather disturbing prospect for the Malian Government, which already owes its own bank more than the total amount of its annual budget (including debts and deficits).

The third conditions which some of its future partners erect as an obstacle to Mali's membership: There can be no question of simply replacing Malian bills with CFA bills, for that would be the same thing as revaluing the Malian franc, which since the 1967 devaluation (return to the franc zone) has been worth only half of the CFA franc. For Mali, however, it is a double question of principle: On the one hand, the 1967 devaluation, imposed by France, is still viewed in Bamako as a political humiliation.

Furthermore, and above all, the Malians know very well that the weakness of their currency has always helped their neighbors, some of which organize veritable government trafficking on the borders in order to use CFA francs to buy Malian dried fish, Malian herds, Malian grains, whose deficit (62,000 tons in 1980) would not be so great if the millet were not diverted elsewhere. As early as 1968, the drain represented 50 percent of total exports. The proportion has steadily increased since that time.

In addition, the monetary orthodoxy wielded by certain interlocutors is not always exempt from ulterior motives, it is rumored in Mali. Upper Volta in particular, according to one Malian diplomat, "has been concocting that high-level blackmail for a year in order to force us to sign an agreement to resolve the border conflict" which, at the end of 1974, engendered a "war of the poor" between the two countries in the Sikasso region (southeast Mali). In Bamako, it is maintained that "this conflict has nothing to do with UMOA. We shall settle it bilaterally, but that does not mean that we shall ratify the Upper Voltan position."

Another partner, Togo, also feels some rancor toward Mali, which (alone with Guinea-Bissau and Cape Verde) has refused to sign the ECOWAS (Economic Community of West African States, which includes the 16 West African nations) pact proposed by President Gnassingbe Eyadema. But the Togolese do not prone financial orthodoxy too loudly: In order to pay their foreign debts, they themselves have long sought (unsuccessfully) advances from the BCEAO, the amount of which is between 40 and 60 percent of their own receipts. If Mali, once admitted to UMOA, should obtain a waiver of the 30-percent ceiling, Togo would view it as a precedent from which it would in turn benefit.

Another country favorable to Mali's candidacy is also secretly waiting -- according to the Malians -- to take advantage of the contagion: Senegal, which cannot reproach Bamako for the bankruptcy of its national enterprises when it is itself having difficulty straightening out the finances of its own organizations. For this reason, Senegal appears to be one of the firm defenders of the "Malian brother."

But Mali's main advocate is the Ivory Coast. For political reasons this time, President Felix Houphouet-Boigny wants to avoid throwing Mali into the arms of the Soviet Union and its progressive allies in the region once and for all. Enclosed within their borders, the Malians might be tempted to strengthen relations with the USSR, which has already strongly equipped their army. This is a prospect which the Ivorian president, an inveterate anti-Soviet, could not accept on his borders.

Consequently, for a year, Mali has been tightening its bonds with its big neighbor in the north, Algeria, whence the minister of finance and commerce returned to Bamako on 5 September, saying: "Algeria and Mali must do everything to raise the level of their (commercial) trade, which is currently very modest, to that of the exemplary political cooperation that exists between the two countries."

Mali's financial fate must therefore be decided during this month of September with its partners in French-speaking West Africa and France. It is believed in Bamako that this statement sounds like a warning: If our immediate brothers do not want us, then we will find other brothers.

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CSO: 4719/35

NIGER

BRIEFS

UPPER VOLTAN PRESIDENT'S VISIT--Col Saye Zerbo, president of the Military Committee of Reform for National Progress (CMRPN) in Upper Volta, visited Niamey on 19 and 20 September. At the end of this visit, Col Saye Zerbo announced the forthcoming creation of a joint Nigerien-Upper Voltan Cooperation Commission. These two countries, he said, "are both working hard to achieve their priority objective of producing enough food to satisfy their needs." [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1872, 25 Sep 81 p 2441] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 8796

CSO: 4719/67

IMF AGREES TO SUPPORT STATE'S STABILIZATION PLAN

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1872, 25 Sep 81 pp 2437, 2438

[Text] On 16 September, the International Monetary Fund approved a stand-by agreement authorizing Senegal to purchase up to 63 million special drawing rights [SDR] until June 1982 to support the stabilization program of the Senegalese Government. This cancels the agreement signed in August 1980 with the IMF. Senegalese drawings under this new agreement will be partially financed by the IMF's ordinary resources (29.4 million SDRs) and partially by remaining funds (33.6 million) out of the outstanding balance of the August 1980 agreement.

Added to this, the IMF has authorized Senegal to draw an additional 42 million SDRs as part of compansatory financing for the decline of Senegalese exports over a 12-month period ending in June 1981. This decline is due to a drop of almost 60 percent in the country's earnings from its peanut crop as a result of the drought.

Over the last 20 years, the IMF points out, the Senegalese economy has known a slow and uneven growth. Since 1978, this trend became more marked due to adverse climatic conditions affecting agricultural exports, to the deteriorating terms of exchange and to a policy of credit expansion. All these factors have created negative rates of growth, a bigger balance of payments deficit and accelerated inflation. To face this situation, the authorities adopted in mid-1980 a mid-term program of structural adjustment based on using resources from the IMF which were expected to bring the balance of payments back to an acceptable level and to restart economic growth. However, the results obtained during the first year of that program fell far below its expectations, mainly as a result of having a bad farming year.

This is why the Senegalese Government has decided, as a first step, to launch with the assistance of the IMF a new program, a short-term program this time, which is expected to noticeably reduce the balance of payments' deficit. In the context of this program, the government will adopt measures which are likely to improve and increase its basic revenues, to restrict the growth of ordinary expenditures in nominal terms, to reduce the budget deficit and to channel investments toward immediately productive sectors. The measures adopted include a higher value added tax and an increase in the prices of oil products and electricity. The government also plans to set out consolidated accounts for all its transactions and to control the outstanding debts of public and quasi-public sectors so as to reduce these debts.

It should be noted that the quota allowed to Senegal by the IMF is 63 million SDRs and that this country's financial obligations with the Fund stand today at 72.6 million SDRs.

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SENEGAL

INTERMINISTERIAL MEETING DEVOTED TO FARMING, STOCKRAISING

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1872, 25 Sep 81 p 2438

[Text] An interministerial meeting, held on 17 September, adopted a number of measures in connection with the farming season, stockraising and truck farming.

Farming Season--The monopoly held by SONACOS [National Marketing Company of Senegal], SEIB [the Baol Electrical and Industrial Company] and SONAR [National Company for the Supply of Oil Mills] in the marketing of the peanut crop was confirmed and will be protected. This monopoly was broken in the preceeding farming year when the amount of peanuts harvested fell below what was expected. The head of state has asked that credit disruptions be avoided in the future. To this end, the advance credits given at the beginning of the farming season should amount to 35 percent in all areas and 50 percent in the frontier areas of Sine-Saloum, Eastern Senegal and Casamance.

The meeting asked that the marketing of grains and beans be started on 1 October and the marketing of peanuts on 2 November. It also set the following prices for seeds, per kilo, in CFA francs and at the weighing time: 76.5 and 73.5 for peanuts; 55 for millet; 53 for sorghum; 80 for hybrid corn; 53 for ordinary corn; 80 for beans; 59.5 for rainy-season rice and 61.5 for irrigated rice.

Truck Farming--The aim is to make sure that the country is self-sufficient in onion production, by using varieties which keep longer, and in potatoes, thus reducing imports by 1.5 billion CFA francs. To this end, the minister of economy and finances will unfreeze crop credits after consultation with the National Development Bank of Senegal (BNDS) and will make these credits available to SONAR and for the trained personnel of irrigated areas. The required priority will then be given to expanding the Baobad area by 150 hectares and to making full use of the existing 600 hectares of developed area.

The prime minister will also adopt all the necessary measures, in cooperation with the ministers concerned, to encourage without wasting any time the expansion of truck farming devoted to cash crops wherever this is possible and to immediately start a project to settle young farmers in the Niayes region.

Stockraising--To encourage cattlemen to make hay, the minister of rural development will give them assistance in that sphere. The grazing areas are in good condition and are expected to provide good food for the stock which looks good and healthy.

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Furthermore, the Ministry of Rural Development and the Ministry of Trade will carefully reassess the distribution of cattle feed among approved merchants, supervised stockbreeders, cattle feed manufacturers and stockbreeders.

8796
CSO: 4719/66

SENEGAL

CEMENT PRICE INCREASES, CEMENT PLANT EXPANSION PLANNED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1872, 25 Sep 81 pp 2438, 2439

[Text] Cement prices have registered a noticeable increase in Senegal since 8 September and the price of cement leaving the SOCOCIM [West African Cement Company] plant rose from 22,543 CFA francs a ton to 29.722 CFA francs, with taxes included. This price is broken down as follows: 23,935 CFA francs represents the sale price before taxes to which are added 4,787 francs for value added tax (VAT) and 1,000 francs of special tax. This increase followed the publication of the Decree No 81.879 of 1 September 1981 giving approval to an agreement between the Government of the Republic of Senegal and SOCOCIM Industries signed on 11 August 1981.

This agreement, which SOCOCIM had been waiting to sign for months, allows the company, among other things, to pass on to their sale price the higher costs incurred over the last 18 months.

Since January this year, the company was losing money heavily by selling cement at prices below the production cost. As a result of this, and during the last few months, SOCOCIM merely kept its plants in good order. The cement price adjustment should enable the company to start work on important expansion projects which are scheduled to be carried out over the next 30 months.

The project to expand the cement plant is one of the items included in the agreement signed between the Senegalese Government and the SOCOCIM Industries. Based on the results of studies conducted on the subject, the expansion project is intended to use the method of precalcination. To do this, it will be necessary to make changes in the largest furnace of the SOCOCIM plant, a move which will result in considerably lower eneryyconsumption and much higher production. Production is expected to increase from 360,000 tons a year to 825,000 tons.

The cost of this expansion project is 18 billion CFA francs. It will be financed by international agencies (Central Fund for Economic Cooperation, European Investment Bank), by local banks and others. Therefore, in 30 months from now, SOCOCIM--a company which has been entirely Senegalese since 1978--will have more than doubled its production capacity and will considerably increase its productivity.

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CSO: 4719/66

SENEGAL

BRIEFS

JOINT IVORIAN COMMISSION SESSION--The Sixth Session of the Joint Senegalese-Ivorian Great Commission for Cooperation was held in Yamoussoukrou, Ivory Coast, from 14 to 17 September. [Excerpt] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1872, 25 Sep 81 p 2439] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 8796

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TANZANIA

BRIEFS

PRESIDENT'S FRENCH VISIT--President Nyerere has just been to Paris where he met with President Mitterrand and with the first secretary of the Socialist Party, Lionel Jospin. At a press conference given in Paris, on 15 September, President Nyerere said that he was convinced that the new French Government will not try to establish "neocolonialist relations" with some African countries as he claims that previous regimes did. Speaking about his talks with President Mitterrand, he declared: "We had useful and direct talks" and he noted that theirs was a meeting between "two socialists." On the subject of the situation in southern Africa and, more particularly, the South African operation in Angola, Nyerere said that he was pleased with France's attitude. The Tanzanian president, who mentioned that Cuban troops came to Angola to counteract "the South African intervention carried out with external connivance," thinks that those troops will no longer be needed when Namibia becomes independent. Asked about the United Nations Conference on LDC's (Less Developed Countries), recently held in Paris, Nyerere considers that it represents a first step which can be described as being "a success" even if the parties concerned would have liked to see more firm commitments. On the subject of the forthcoming summit in Cancun, the Tanzanian president said that "France's stance will be very useful for the Third World." [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1872, 25 Sep 81 p 2455] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 8796

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ZAMBIA

MINISTER FORECASTS EXCELLENT CROP YEAR

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1872, 25 Sep 81 p 2455

[Text] The Zambian minister of agriculture and water development, Unia Mwila, recently predicted that this year's corn crop will register a 100 percent increase and will amount to about 11 million bags.

The minister also announced that Zambia's production of wheat should amount to 11,818 tons this year, an increase of 2,137 tons or 22 percent over the previous farming season. By next year, the farmers' selling price will go up to 32 kwachas for a bag of 91 kilos as opposed to 26 kwachas which is the price this year.

The Zambian Government has also taken steps to encourage tobacco growing. In the 1981-1982 crop year, the price paid to the farmers will go up to 2.40 kwachas as opposed to 1.65 kwachas in the 1980-1981 season. This represents a 45 percent increase. Tobacco growers will be given foreign currency allowances equivalent to 5 percent of their gross earnings without including the first 5 tons of tobacco. The government wants farmers who have abandoned tobacco growing to go back to planting that crop. It has decided to encourage these farmers because tobacco crops require a large labor force.

But the prospects of good crops should not raise false hopes. In the case of corn, in particular, one needs canvas covers and trucks to protect the crops and bring them to the consumer. Zambia's lack of foreign currency threatens to have serious effects on the agriculture and the government is currently trying to get some action from its friends abroad to save the crops. According to Zambian Prime Minister Mundia, between 5 and 6 million bags of corn, or half of the expected crop, are in danger of being ruined by the rain for lack of adequate storage facilities. By 28 August, before the rainy season started, the NAMBOARD [expansion unknown] had purchased 5.3 million bags from the farmers but only 3.5 million bags had been transported to the storage facilities.

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