COUNTRY REPORT

Cameroon
Central African Republic
Chad

The full publishing schedule for Country Reports is now available on our website at http://www.eiu.com/schedule.

1st quarter 2000

The Economist Intelligence Unit
15 Regent St, London SW1Y 4LR
United Kingdom

The Economist Intelligence Unit

The Economist Intelligence Unit is a specialist publisher serving companies establishing and managing operations across national borders. For over 50 years it has been a source of information on business developments, economic and political trends, government regulations and corporate practice worldwide.

The EIU delivers its information in four ways: through subscription products ranging from newsletters to annual reference works; through specific research reports, whether for general release or for particular clients; through electronic publishing; and by organising conferences and roundtables. The firm is a member of The Economist Group.

London
The Economist Intelligence Unit
15 Regent St
London
SW1Y 4LR
United Kingdom
Tel: (44.20) 7830 1000
Fax: (44.20) 7499 9767
E-mail: london@eiu.com

New York
The Economist Intelligence Unit
The Economist Building
111 West 57th Street
New York
NY 10019, US
Tel: (1.212) 554 0600
Fax: (1.212) 586 1181/2
E-mail: newyork@eiu.com

Hong Kong
The Economist Intelligence Unit
25/F, Dah Sing Financial Centre
108 Gloucester Road
Wanchai
Hong Kong
Tel: (852) 2802 7288
Fax: (852) 2802 7638
E-mail: hongkong@eiu.com

Website: http://www.eiu.com

Electronic delivery

EIU Electronic
New York: Alexander Bateman Tel: (1.212) 554 0600 Fax: (1.212) 586 1181
London: Jan Frost Tel: (44.20) 7830 1183 Fax: (44.20) 7830 1023

This publication is available on the following electronic and other media:

Online databases

FT Profile (UK)
Tel: (44.20) 7825 8000

DIALOG (US)
Tel: (1.415) 254 7000

LEXIS-NEXIS (US)
Tel: (1.800) 227 4908

M.A.I.D/Profound (UK)
Tel: (44.20) 7930 6900

NewsEdge Corporation (US)
Tel: (1.718) 229 3000

CD-ROM

The Dialog Corporation (US)
SilverPlatter (US)

Microfilm

World Microfilms Publications (UK)
Tel: (44.20) 7266 2202

ISSN 0269-4336

Symbols for tables

“n/a” means not available; “–” means not applicable

Printed and distributed by Redhouse Press Ltd, Unit 151, Dartford Trade Park, Dartford, Kent DA1 1QB, UK

Contents

List of tables

List of figures

February 5th 2000

Summary

1st quarter 2000

Cameroon

Outlook for 2000-01

With President Biya firmly established in power, the prospects for political stability are good and the continuation of economic reform should attract additional donor support. Real GDP is forecast to rise by 5% in 1999/2000 and 5.2% in 2000/01. Stronger export markets will narrow the current-account deficit to 3% of GDP by 2000/01.

The political scene

The trial of Anglophone secessionists has ended with prison sentences for 33 of the accused. Two leading RDPC figures have been charged with embezzlement.

Economic policy

The latest IMF review judged progress to be broadly satisfactory, but expressed concern about delays in the budgeting of oil revenue and privatisation. The government has intervened to hold down domestic oil prices.

The domestic economy

- The Chad-Cameroon pipeline project has been thrown into doubt by Shell and Elf’s announcement that they are considering withdrawing from the consortium.
- The government is seeking a strategic partner for the electricity utility.
- The cocoa crop was up by one-fifth in 1998/99 but the liberalised sector still faces problems.
- Log exports of 23 species have been banned.

Foreign trade and payments

Improved relations with donors are yielding benefits in terms of concessional funding.

Central African Republic

Outlook for 2000-01

With a new, broader-based government now in place following September’s presidential election, the key to stability remains the long-promised reform of the armed forces. Economic growth will slacken this year because of depressed cotton and coffee prices.

The political scene

The re-elected president has re-appointed Mr Dologuélé as prime minister in a new *gouvernement d’ouverture*. Formation of the new government has put the opposition alliance under considerable strain, even though only two opposition figures haveaccepted ministerial portfolios. Minurca is being run down, and is to be replaced by a monitoring mission.

Economic policy and the economy

A cut in cotton producer prices is imminent. The World Bank has approved a credit to help pay wage arrears in the state sector. A second wave of privatisations is being planned.

Chad

Outlook for 2000-01

The future of the Chad-Cameroon oil pipeline project is uncertain following indications by Shell and Elf that they intend to pull out of the consortium. Any prolonged delay could have serious political and economic repercussions.

The political scene

The Toubou rebellion in the northern Tibesti region continues, and 13 anti-Déby groups have formed a new alliance whose leaders include the former president, Goukouni Oueddeye. A new cabinet was formed in December under Nagoum Yamassoum, with the return to government of the ex-foreign minister Saleh Kebzabo, a former opponent of President Déby.

Economic policy and the economy

Despite indications that Shell and Elf may withdraw from the Doba consortium, the project is expected to go ahead as Exxon seeks new partners. The IMF has approved a $50m facility to support the 1999-2002 programme

Editor: Pratibha Thaker
All queries: Tel: (44.20) 7830 1007 Fax: (44.20) 7830 1023
Next report: Our next Country Report will be published in May

Cameroon

Political structure

Official name	République du Cameroun	
Form of state	Unitary republic	
Legal system	Based on English common law and the Napoleonic Code	
National legislature	National Assemblée nationale with 180 members elected by universal suffrage, who sit twice yearly and serve a five-year term	
National elections	May 1997 (legislative) and October 1997 (presidential); next elections due in May 2002 (legislative) and October 2004 (presidential)	
Head of state	President, elected by universal suffrage, may serve a maximum of two seven-year terms	
National government	Consists of the prime minister and his Council of Ministers. Includes representatives of the ruling RDPC, the UPC and the UNDP. Last reshuffled December 1997	
Main political parties	The Rassemblement démocratique du peuple camerounais (RDPC) holds 109 seats in parliament; the Social Democratic Front (SDF) 43 seats; the Union nationale pour la démocratie et le progrès (UNDP) 13 seats; and the Union démocratique du Cameroun (UDC) 5 seats. Other parties include the Union des populations camerounaises (UPC) and the Mouvement pour la défense de la République (MDR)	
	President	Paul Biya
	Prime minister	Peter Mafany Musonge
Ministers of state	Culture	Ferdinand Léopold Oyono
	Defence	Amadou Ali
	Economy & finance	Edouard Akame Mfoumou
	External relations	Augustin Kontchou Koumegni
	Industrial & commercial development	Bello Bouba Maigari
	National education	Charles Etoundi
	Presidency	Hamidou Marafa Yaya
Key ministers	Environment & forestry	Sylvestre Naah Ondoua
	Higher education	Jean-Marie Atangana Mebara
	Livestock, fisheries & animal husbandry	Hamadjoda Adjoudji
	Mines, water resources & energy	Yves Mbele
	Posts & telecommunications	Isaac Njiemoun
	Public works	Jérôme Etah
	Transport	Joseph Tsanga Abanda
Governor of the regional central bank (BEAC)	Jean-Félix Mamalepot	

Economic structure

Annual indicators

	1995	1996	1997	1998	1999[a]
GDP at market prices[b] (CFAfr bn)	4,130	4,571	4,932	5,306	5,650
Real GDP growth[b] (%)	3.3	5.0	5.1	4.9	4.2
Consumer price inflation (av; %)	13.9	4.7	1.5	2.4	2.0
Population (m; mid-year)	13.3	13.6	14.0	14.4	14.6
Exports fob ($ m)	1,736	1,761	1,968	1,776	1,511
Imports fob ($ m)	1,109	1,238	1,195	1,267	1,292
Current-account balance ($ m)	90	–123	128	28	–58
Reserves excl gold ($ m)	3.8	2.8	0.9	1.3	2.8[c]
Total external debt ($ m)	9,346	9,542	9,293	9,763	10,274
External debt-service ratio, paid (%)	20.7	23.9	21.3	12.9	12.9
Crude oil production ('000 b/d)	103.4	103.7	110.1	117.7	109.0
Coffee production[d] ('000 tonnes)	73.7	74.0	104.1	99.7	110.0
Cocoa production[e] ('000 tonnes)	109.1	134.0	125.8	125.0	148.0
Exchange rate[b] (av; CFAfr:$)	518.6	501.8	541.1	602.1	615.7

January 28th 2000 CFAfr669.41:$1

Origins of gross domestic product 1997[b]	% of total
Agriculture	42.1
Industry	22.1
Petroleum	6.6
Services	35.8
GDP at factor cost	100.0

Components of gross domestic product 1997[b]	% of total
Private consumption	70.4
Government consumption	6.6
Gross domestic investment	17.0
Exports of goods & services	26.6
Imports of goods & services	–20.8
GDP at market prices	100.0

Principal exports 1997[b]	$ m
Crude oil	850
Timber	291
Cocoa	148
Cotton	132

Principal imports 1997[b]	$ m
Capital goods	315
Food	119
Fuel	26

Main destinations of exports 1997[f]	% of total
Italy	25.4
Spain	20.4
France	16.1
Netherlands	7.1

Main origins of imports 1997[f]	% of total
France	25.0
Nigeria	8.5
US	8.5
Germany	6.4

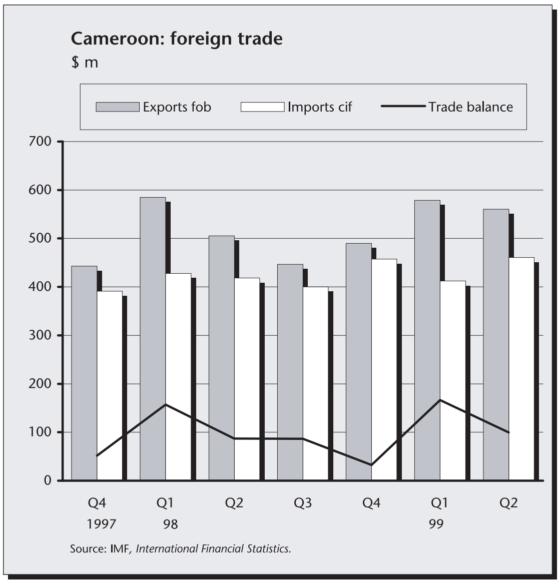
[a] EIU estimates. [b] Fiscal years ending June 30th. [c] October actual. [d] Crop years ending November 30th. [e] Crop years ending September 30th. [f] Drawn from partners' trade returns; subject to a wide margin of error.

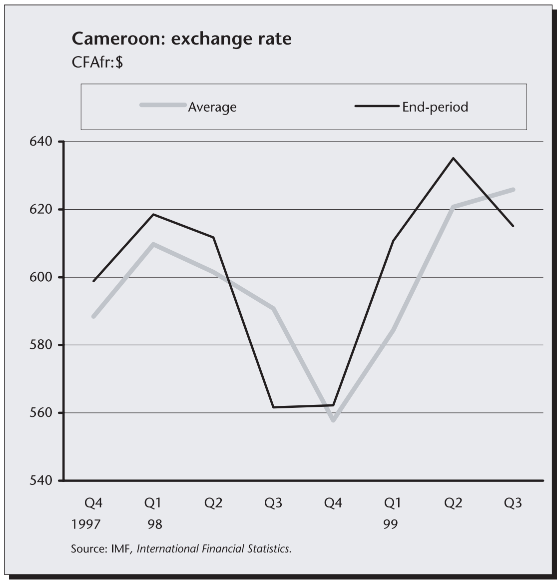
Quarterly indicators

	1997	1998				1999		
	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr
Prices								
Consumer prices (1995=100)	103.7	103.3	n/a	n/a	n/a	n/a	n/a	n/a
% change, year on year	–1.6	–3.3	n/a	n/a	n/a	n/a	n/a	n/a
Financial indicators								
Exchange rate								
CFAfr:$ (av)	588.4	609.7	601.5	590.8	557.8	584.4	620.7	625.8
CFAfr:$ (end-period)	598.8	618.5	611.7	561.6	562.2	610.7	635.1	615.1
Deposit rate (av; %)	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Discount rate (end-period; %)	7.5	7.5	7.5	7.5	7.0	7.0	7.6	7.6
Lending rate (av; %)	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0
M1 (end-period; CFAfr bn)	423.9	410.2	427.3	429.4	485.3	464.7	466.6	474.7
% change, year on year	34.9	17.7	16.6	10.5	14.5	13.3	9.2	10.5
Sectoral trends								
Crude petroleum production ('000 b/d)	100	100	100	100	100	100	100	100
Foreign trade[a] ($ m)								
Exports fob	442.8	584.8	505.6	446.7	490.0	578.8	560.2	n/a
Imports cif	390.9	427.8	418.6	400.4	457.4	412.3	460.6	n/a
Trade balance	51.9	157.0	87.0	46.3	32.6	166.5	99.6	n/a
Foreign reserves								
Reserves excl gold (end-period; $ m)	0.86	1.47	1.17	1.66	1.29	2.29	1.78	2.18

[a] *DOTS* estimates; figures are subject to revision.

Sources: *Oil & Gas Journal*; IMF, *International Financial Statistics*; *Direction of Trade Statistics*, quarterly.





Outlook for 2000-01

Cameroon: forecast summary
($ m unless otherwise indicated)

	1998[a]	1999[b]	2000[c]	2001[c]
Real GDP growth (%)[d]	4.9	4.2	5.0	5.2
Consumer price inflation (av; %)	2.4	2.0	2.9	2.6
Oil production ('000 b/d)	115	109[a]	100	90
Oil prices (Dated Brent, $/b)	12.76	17.86[a]	20.0	17.88
Merchandise exports fob	1,776[b]	1,511	1,665	1,718
Oil	465[b]	647	659	522
Non-oil products	1,311[b]	864	1,009	1,196
Merchandise imports fob	1,267[b]	1,292	1,376	1,445
Current-account balance	–28[b]	–58	–51	–45
Exchange rate (av; CFAfr:$)[d]	589.95	615.70[a]	599.98	553.60

[a] Actual. [b] EIU estimates. [c] EIU forecasts. [d] Fiscal years ending June 30th.

Prospects for political stability are good—

President Paul Biya's coalition government, which includes his Rassemblement démocratique du peuple camerounais (RDPC), the northern-based Union nationale pour la démocratie et le progrès (UNDP) and the Union des populations camerounaises (UPC), is working smoothly, and the opposition parties are increasingly divided and demoralised. A cabinet reshuffle involving the dismissal of government ministers accused of corrupt practices is expected during the first quarter of 2000, as part of the anti-corruption campaign announced by President Biya in his New Year message. Edouard Akame Mfoumou, the powerful minister of economy and finance who is also suspected of nursing presidential ambitions and is related to President Biya, may be moved to a minor portfolio. President Biya is concerned about his legacy and keen to restore image of Cameroon, after the publication of a report by Transparency International in October 1999 which for the second time declared Cameroon the world's most corrupt country.

—as the north-south alliance is consolidated—

The basis of the government coalition, which controls four-fifths of the 180 seats in the National Assembly and nearly three-quarters of local councils, will remain largely unchanged. With the backing of the UNDP leader, Bello Bouba Maigari, and RDPC northern barons such as Hamidou Marafa Yaya, secretary-general in the presidency with the rank of minister and *de facto* number two in the government, Amadou Ali, the minister of defence, and Cavaye Yegue Djibril, president of the National Assembly, the coalition government consolidates the historic north-south alliance created in 1958 by Cameroon's first president, Ahmadou Ahidjo, to maintain political stability. The ruling coalition will continue to enjoy the support of at least seven of the country's ten provinces, including the English-speaking South-West province, the home of the prime minister, Peter Mafany Musonge. Even in the West province and the English-speaking North-West province, bastions of the radical opposition—the Social Democratic Front (SDF) and the Union démocratique du Cameroun (UDC)—some party leaders want the parties to join Mr Biya's coalition government and share the spoils of office.

The finances of the opposition parties are in a parlous state, and factional tensions in the SDF, the biggest opposition party in parliament with 43 seats, have worsened since its congress in April 1999. Members of the Bamileke ethnic group, the SDF's most important supporters after the Anglophones of North-West province, are abandoning the party in droves. The UDC leader Ndam Njoya, whose party has five parliamentary seats, all from West province, appears to have come to terms with the political impotence of the opposition and has indicated his willingness to join the coalition government, but it is unlikely that President Biya will agree.

—with a state burial for Ahidjo

The process of national reconciliation to heal the wounds inflicted by the attempted coup d'état of April 4th 1994 will probably be completed this year with the return to Cameroon for a state funeral of the remains of the country's first president, Ahmadou Ahidjo. President Ahidjo, who died in exile and was buried in Dakar, was born in Garoua, political capital of the northern provinces. Negotiations between the government and Ahidjo's eldest son, Mohammadou Ahidjo, have reached an advanced stage, and secret preparations for the state funeral are under way. Mohammadou Ahidjo is the mayor of Garoua and a senior UNDP figure. The state funeral will also help to consolidate President Biya's formidable north-south political alliance.

Relations with Nigeria will continue to improve—

In his efforts to re-establish his country's leading role in Sub-Saharan Africa, President Olusegun Obasanjo of Nigeria will try to find a negotiated and peaceful solution to the border conflict over the oil-rich Bakassi Peninsula, where Nigerian and Cameroonian troops have clashed repeatedly since 1994. Tensions along the border will fall. Despite Mr Obasanjo's overtures of good neighbourliness and peaceful co-existence, Mr Biya will continue to insist that both countries abide by the injunction of the International Court of Justice in The Hague and await its final ruling on the Bakassi border dispute.

—but the border dispute may strain relations with Equatorial Guinea

Cameroon's relations with Equatorial Guinea may become strained because of the developing dispute over oil resources in undemarcated areas of the Gulf of Guinea. Mr Biya is under considerable domestic pressure to grant licences for deep offshore oil exploration in the disputed maritime area which includes Equatorial Guinea's Zafiro oil field, from which Mobil produces around 100,000 barrels/day of crude oil.

Continuing economic reform will ensure donor backing

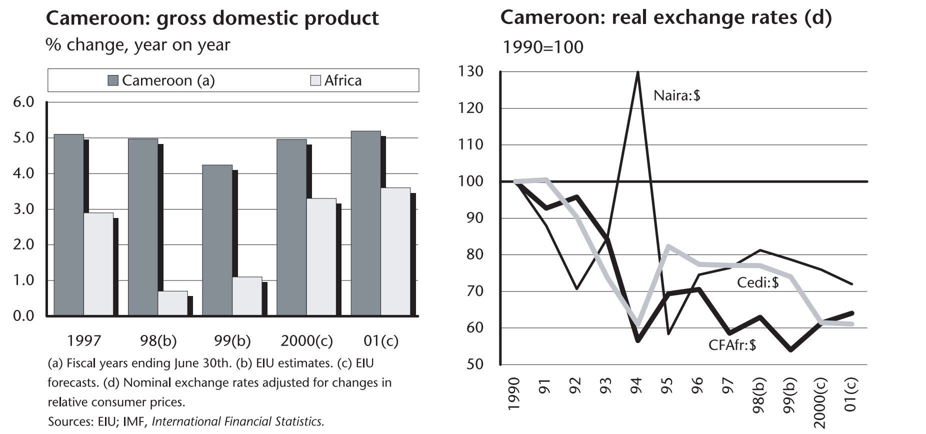
The three-year enhanced structural adjustment facility (ESAF) approved by the IMF in August 1997 will come to a successful end in September 2000. It is assumed that successful implementation of the current economic reform programme will pave the way for the next three-year ESAF to cover 2000-03. Cameroon is also expected to continue benefiting from the debt rescheduling of the Paris Club and non-Paris Club bilateral creditors, within the framework of the October 1997 Paris Club Agreement, and to reach an agreement on debt and debt-service reduction during 2000. On the basis of an updated assessment of its external debt sustainability, Cameroon may also become eligible for assistance under the Bretton Woods institutions' heavily indebted poor countries (HIPC) initiative.

Privatisation will accelerate

The privatisation of state assets is expected to speed up over the forecast period. The privatisation of most of the economically important state-owned enterprises, such as the national water and electricity companies, and the selection of successful bidders for the agro-industrial giant Cameroon Development Corporation and for Cameroon Telecommunications (CAMTEL) is likely to take place before the end of 2000. The overall fiscal deficit is scheduled to narrow from an estimated 3.5% of GDP in the 1998/99 financial year (July-June) to 2.9% in 1999/2000 and 2.6% in 2000/2001, largely as the result of the deepening of fiscal reforms, which focus on measures to broaden the tax base and increase the efficiency of tax administration.

Tight monetary policy will continue in 2000-01

The government is expected to pursue a tight money supply policy in 2000-01 as part of its efforts to meet the annual average inflation target agreed with the IMF of 2%. The regional central bank, the Banque des Etats de l'Afrique centrale (BEAC), has traditionally followed a cautious and conservative approach to interest rates which should support Cameroon's efforts. Indeed, in October the BEAC governor, Jean-Félix Mamalepot, expressed concern at the lack of monetary discipline in three of the bank's six member states—Gabon, Congo (Brazzaville) and Equatorial Guinea—and threatened to impose sanctions if remedial measures were not adopted. Nevertheless, Mr Mamalepot acknowledged that a difficult external environment would constrain growth across the region. In response to slowing growth, the BEAC cut interest rates in 1999 to 6.5%, and the EIU assumes there will be further small cuts in 2000-01. Cameroon will therefore benefit from cheaper domestic borrowing over the forecast period. As a result, increased domestic activity and higher import costs will help to push inflation towards 3% in 2000, before it falls back slightly to 2.6% in 2001.



(a) Fiscal years ending June 30th. (b) EIU estimates. (c) EIU forecasts. (d) Nominal exchange rates adjusted for changes in relative consumer prices.
Sources: EIU; IMF, *International Financial Statistics*.

GDP growth will strengthen—

We maintain our forecast for a steady improvement in the rate of real GDP growth, from 4.2% in 1998/99 (July-June) to 5% in 1999/2000 and 5.2% in 2000/01. In the primary sector, increased production is expected to compensate for generally weak prices for agricultural commodities. The recovery of the secondary sector (mining, manufacturing, housing, utilities and public works) will continue, driven by strong domestic demand, and sustained by increasing inflows from bilateral and multilateral donors. The privatisation of state enter-prises should bring additional investment while assisting government finances.

—and the external balance will improve

We continue to predict that the current-account deficit will narrow, from 0.9% of GDP in 1999 to 0.5% of GDP in 2000 and 0.3% in 2001. The strengthening of the country's external position will mainly be due to the recovery in exports, with the resurgence of Asian markets and still strong growth in the US. World oil prices will remain strong through the first part of the outlook period (we forecast a rise of 11.7% in the average price in 2000), and the weakening in the later part will be relatively mild (10.6% in 2001), leaving world prices at around their 1999 level. Meanwhile imports will be rise at a much slower pace; any upturn in investment stemming from the privatisation programme will offset by delays in the construction of the Chad-Cameroon pipeline. The capital account will benefit from higher inflows of both private capital and aid from bilateral and multilateral official sources.

The political scene

The secessionists' trial ends with long prison sentences—

On October 6th the trial of 65 members of the Southern Cameroons National Council (SCNC) ended; the Yaoundé military tribunal sentenced three of the accused to life imprisonment and 30 others to prison terms ranging from one to 20 years; 26 defendants were acquitted for lack of evidence. Those convicted had been charged with offences including murder, grievous bodily harm, illegal possession of firearms, arson and robbery, committed during armed attacks in the English-speaking North-West province in March 1997, when ten people were killed, including three gendarmes. Earlier, six of the accused had been sentenced *in absentia* and ten others acquitted for lack of evidence.

The SCNC and its radical youth wing, the Southern Cameroons Youth League, seek outright independence for Cameroon's two English-speaking provinces, North-West and South-West provinces, but are prepared to settle for the restoration of the two-state federation along linguistic lines which existed before the creation of a unitary state in 1972. The trial, which began in May, was witnessed by representatives of the French and American embassies and the British High Commission, and observers from several national and international human rights groups. Most of the accused claimed to be members of the Social Democratic Front (SDF) or the SCNC, or both. The defence lawyers lodged an appeal against the convictions and sentences with the court of appeal in Yaoundé on the grounds that the military tribunal was neither independent nor impartial. The London-based human rights group, Amnesty International, described the trial as "fundamentally flawed" and called for a retrial before a civilian court and "in accordance with international standards".

—while the SDF distances itself from the SCNC

Tazoacha Asonganyi, the secretary-general of the SDF, which has its headquarters in the North-West province, declared in early October that the SDF and SCNC were two separate and different organisations. This declaration was made in response to a local newspaper report that the youth wing of the SCNC was accusing the SDF of delaying the independence of Cameroon's two English-speaking provinces by refusing to force its Anglophone members of parliament to resign from the Francophone-dominated National Assembly. The SCNC has lost its political momentum since its charismatic leader, Senior Munzu, abandoned the movement for a full-time job with the United Nations in Rwanda. The rivalry between Henry Fossung and Prince Ndoki Mukete for the chairmanship of the SCNC has further weakened the movement by creating two rival factions within the executive.

Two leading RDPC figures are charged with embezzlement

In early September the government stepped up its anti-corruption drive by encouraging the prosecution of two leading members of the ruling Rassemblement démocratique du peuple camerounais (RDPC). Both had been thought to be above the law because of their position and the support they enjoyed from their ethnic group.

The minister of posts and telecommunications, Mounchipou Seidou, who was dismissed on September 1st, was arrested and remanded at the Yaoundé central prison charged with embezzlement of public funds. His arrest came as a surprise because Mr Mounchipou is believed to be a protégé of the highly respected Sultan of Bamoun, Mbombo Njoya, an adviser and close friend of the president, Paul Biya. Earlier, opposition parties led by the SDF had called for a parliamentary inquiry into ministry finances in the 1998/99 fiscal year (July-June), alleging that 479 contracts valued at over CFAfr10bn ($16m) had been issued in five weeks (4th quarter 1999, page 13). Some senior officials and close collaborators of the minister were also arrested and remanded in custody, charged with being Mr Mounchipou's accomplices in the embezzlement of public funds.

An even bigger fish was pulled in when the director-general of the state pension fund, the Caisse nationale de prévoyance sociale, Pierre Désiré Engo, was fired and subsequently arrested, charged with embezzling public funds and attempting to destroy criminal evidence. His prosecution was a bigger surprise because he is a member of the political bureau of the RDPC, a former minister, and a confidant of President Biya. He not only comes from the same Bulu sub-clan as Mr Biya, but is president of the Martin Paul Samba Foundation, an association of Bulu elites.

Cameroon helps Congolese refugees

In December the government authorised the Office of the United Nations High Commissioner for Refugees (UNHCR) to use Cameroonian territory for the transit or temporary stay of some 1,000 refugees fleeing the civil war in the Democratic Republic of Congo (DRC). The refugees are being accommodated at Langui, Bénoué division, in the Northern province. They are expected to stay in Cameroon for a few months and, although their final destination has not been made public, the EIU has learnt that they are learning English before being moved to the United States. According to the UNHCR office in Yaoundé, Cameroon officially has 50,000 refugees, most of them from Chad, DRC and Congo (Brazzaville). Refugees from Chad have no difficulty living beside the local population in northern Cameroon because of their common culture, but some of the refugees from the Great Lakes region are causing officials concern because of the insecurity they have created in Eastern province, which shares a border with the Central African Republic and Congo (Brazzaville).

The Gulf of Guinea governments create border disputes committee

In mid-November the leaders of Angola, Cameroon, Congo (Brazzaville), DRC, Equatorial Guinea, Gabon, Nigeria and São Tomé and Principe met in Libreville, the capital of Gabon and agreed to establish the Gulf of Guinea Commission. The purpose of the new body is to foster co-operation between the members and help prevent and settle conflicts in the Gulf of Guinea. In recent years there has been a spate of border disputes over oil resources in undemarcated areas following the discovery of large deep-water oil deposits, and the commission may provide the forum for a peaceful resolution of Cameroon's border disputes with Nigeria and Equatorial Guinea. The dispute between Cameroon and Nigeria is currently before the International Court of Justice, which in October authorised Equatorial Guinea to intervene in the case. The court fixed the time-limit for the filing of a written statement by Equatorial Guinea at April 2001, while the deadline for Cameroon and Nigeria to file written observations on this statement was set for three months later.

Economic policy

The World Bank praises progress in economic reform—

Robert Lacey, the World Bank's resident representative, said in December that there had been a remarkable turnaround in the quality of economic management in Cameroon during the last three years. Progress had been made in the implementation of the three-year enhanced structural adjustment facility (ESAF) approved by the IMF in August 1997, with a sharp increase in non-petroleum sector tax revenue and progress on privatisation. Cameroon was also current on its obligations to bilateral and multilateral donors, although the country's heavy external debt might compromise the gains from economic reform.

Mr Lacey identified bureaucratic red tape as a major problem; for this reason the World Bank had only six current projects in Cameroon, compared with 25 in Côte d'Ivoire, and 40 in Ghana. The country also had the highest project failure rate in Central Africa. The authorities were aware of the problems hindering the smooth implementation of projects and had promised to improve the situation, he said.

—whereas the IMF's praise is more muted

The IMF mission, which visited Cameroon in November to review the third and last annual arrangement under the ESAF, judged that Cameroon's progress in implementing the economic and financial reform programme was on the whole satisfactory. However, it expressed concern about delays in the budgeting of oil revenue and in the privatisation of some state-owned enterprises, such as the national water company, Société nationale des eaux du Cameroun. The mission hinted that the programme might be declared off track if action is not taken to correct these failures before the next review mission, scheduled for February 2000. The mission also began work on Cameroon's external debt situation, in anticipation of the country becoming eligible for assistance under the Bretton Woods institutions' heavily indebted poor countries initiative.

The IMF pointed to the good macroeconomic record—the economy growing at around 4.8% and inflation contained at about 2%—and the stable banking system. The main problem was how to enhance growth and distribute its fruits.

The government intervenes to keep oil prices down

Despite rising world crude prices the state refiner, Société nationale de raffinage (Sonara), reduced the October indicative retail price for premium petrol by 3.5% to CFAfr409 ($0.67) per litre. The prices of the other petroleum products (diesel and kerosene) were unchanged. Sonara kept the prices below the market level at the behest of the government, which was keen to avoid a repetition of the four-day strike in September by taxi drivers in Yaoundé and Douala protesting at a 7% price increase. Distributors uniformly adjusted pump prices to reflect the reduction in Sonara's ex-refinery prices, even though distribution margins have been liberalised since July. The minister delegate in charge of the budget at the Ministry of Economy and Finance said that reducing the price of premium petrol and holding down the price of other petroleum products would cost CFAfr5bn in lost tax revenue.

The double taxation convention is amended

In November Edouard Akame Mfoumou, the minister of economy and finance, and the French ambassador to Cameroon signed an amendment to the 1976 convention on double taxation designed to put an end to disagreements over its interpretation and clarify how it is to be applied. The convention aims to avoid the imposition of similar taxes in France and Cameroon on the same taxpayer in respect of the same subject and for identical periods, particularly as regards retirement benefits and fees for studies, technical assistance, financial and accounting services.

The domestic economy

Oil and gas

The pipeline project is in trouble

The future of the Chad-Cameroon pipeline was cast into doubt in early November with the announcement that two members of the consortium, Royal Dutch/Shell and Elf Aquitaine, were considering pulling out of the $3bn oil development and pipeline project. The operator, Exxon, said it was looking for new partners, while the World Bank reaffirmed its support for the project and said that a final decision on its funding would be taken once the new make-up of the consortium was settled.

Some analysts in London suggested that Elf and Shell had decided to reconsider their involvement not only for economic reasons—as they claimed—but because of the environmental and political controversy surrounding the project, particularly in the light of Shell's experience in the Niger Delta. An official of Cameroon's Société nationale des hydrocarbures affirmed that until Exxon found new partners, Shell and Elf would meet their financial commitments to the planned 1,050-km pipeline to carry oil from the

Doba oilfields in southern Chad to a terminal at the Atlantic port of Kribi. The project is considerably more important to Chad's economic development than to that of Cameroon. Abderrahmane Dadi, Chad's deputy secretary-general of the presidency and project co-ordinator, said in December that a number of international oil companies might be interested in joining the project.

Industry

SONEL is up for privatisation

The government is looking for a strategic partner to buy 51% equity in the national electricity company, Société nationale d'électricité (Sonel). The state is expected to retain about 10%, with local investors taking 25-30% and workers a small stake. The government owns 97% of Sonel's share capital and the Agence française de développement (AFD) 3%. The deadline for submitting pre-qualification tenders is February 15th. Although several companies have expressed interest, Electricité de France, which already has close technical co-operation links with Sonel, and Canada's Hydro-Quebec are seen as front-runners. The World Bank's private-sector arm, the International Finance Corporation, will assist the government in launching the tender to pre-qualified investors and subsequently in negotiating technical and financial aspects of the agreement with the winning bidder (4th quarter 1999, page 16).

Water company privatisation is on track

In September the government launched a tender inviting pre-qualified companies to bid for 51% of Société nationale des eaux du Cameroun (SNEC). This parastatal has the monopoly on the production, treatment, distribution and marketing of drinking water. SNEC's share capital of CFAfr6.5bn is owned by the government (93.85%), Sonel (5.15%), AFD (0.85%), and local councils (0.15%). The four companies selected after the pre-qualification exercise in 1998 are International Water Utilities (a joint venture of Bechtel Overseas and United Utilities of the UK), France's Saur International (part of Bouygues), Suez Lyonnaise des Eaux and Vivendi-Générale des Eaux. A source in the Ministry of Economy and Finance said the government had been impressed by the offers made by Lyonnaise des Eaux and Vivendi, and hinted that both companies were well placed to win the bid. The successful bidder is expected to complete negotiations to take over the company by June 2000.

In 1997/98 the company sold 43m cu metres of potable water to 150,000 consumers and had a pre-tax turnover of CFAfr16.2bn ($26m). Only 41.7% of Cameroonian households have access to drinking water, 31.1% of which are SNEC customers.

Underlining the problems awaiting the buyer, Yaoundé saw its pipe-borne water supply restored in early October after three months of irregular supply and about a week of no running water at all. The problem started in July, when the 1.4-metre diameter (3,400 cu metres/hour) distribution pipe, which carries water from the treatment plant in Mbalmayo to Yaoundé, burst 15 km south of the city. The SNEC blamed the company that laid the pipe but made no immediate attempt to organise repairs, and so was forced to ration water. After an outbreak of diarrhoea and amoebic dysentery, President Biya ordered the company to restore the supply.

Socapalm announces rising profits—

The recently privatised palm oil company, Société camerounaise de palmeries (Socapalm), has reported a 24% leap in after-tax profit for the 1998/99 financial year, from CFAfr3.3bn ($5m) in 1997/98 to CFAfr4.1bn. In the same period turnover increased by a mere 1.5% to CFAfr20.2bn ($31.7m).

—but its privatisation has raised ethnic issues

The future of the privatised company is clouded, because the Douala and Bassa ethnic groups on whose land the plantations are situated, are hostile to Palmcam-Cogépar, the Franco-Cameroonian consortium which now owns 60% of Socapalm’s shares. Although Claude Juimo Monthe, a Bamileke, has only a minority interest in Palmcam-Cogépar, the Douala and Bassa leaders see the consortium as a Bamileke Trojan horse created to take over their lands. Some senior government officials are worried that through Mr Monthe’s stake in Socapalm, which produces 57,000 tonnes a year of palm oil (about 54% of total domestic production), the Bamilekes could set the price and control domestic marketing of a strategic commodity. The Douala and Bassa ethnic groups have traditionally had an uneasy relationship with the Bamilekes, whom they distrust. Mr Monthe has indicated, however, that Palmcam-Cogépar is exploring ways to give the local Douala and Bassa communities a stake in the management of Socapalm, by conceding 3% of its shareholding. The government has retained 10% of Socapalm’s share capital, while 3% has been allocated to employees and the remaining 27% has been offered to local investors.

Agriculture

Cocoa had a good year in 1998/99—

At the official launch of the 1999/2000 cocoa season last October, the minister for industrial and commercial development, Bello Bouba Maigari, reported good performance during the previous season. The crop reached 148,000 tonnes, up by some 23,000 tonnes on 1997/98 and well above the annual average of 120,000 tonnes since 1980. The quality of cocoa beans had improved, and producer prices were higher.

—but farmers still face difficulties

A government official at the ceremony in October said that the liberalisation of the sector allowed farmers to earn 60-70% of the free on board (fob) price, compared with 30% before liberalisation. However, some farmers complain that they are still the victims of fraudulent buyers who pay CFAfr200-250 per kilogram for cocoa, and resell at over CFAfr600/kg at Douala port. Industry experts say farmers are ill-prepared to handle the teething problems created by liberalisation and cite old plantations, shortage of high-yielding variety seeds, and lack of fungicides as the main problems of the sector.

The government bans the export of 23 wood species

The prime minister, Peter Mafany Musonge, signed a decree in October banning unprocessed log exports of 23 timber species, including bete, bubinga, doussie, ilombo, iroko, mahogany, maobi and sapele. These species can now only be exported after local processing. Log exports of 69 other species, divided into two categories, are permitted. The first category, comprising 12 species including ayous/obeche, azobe/bongossi, bilinga and okoumé, is subject to an export surtax of CFAfr3,000 per cubic metre. The second category, made up of

57 species which are relatively unknown in the international market, is subject to an export surtax of CFAfr500 per cu metre.

The decision to ban log exports of mahogany and sapele, which account for nearly 70% of wood exports, demonstrates the government's commitment to promoting the local wood processing industry. It will not be painless. The timber exporters' association, the Groupement de la filière bois au Cameroun, estimates that the log export ban will lead to an annual loss of CFAfr35bn ($60m) in budgetary receipts and CFAfr130bn in export earnings, while Cameroon Railways, which derived 60% of its turnover in 1998 from transporting logs and sawn-timber, is expected to be badly hit. With 3.5m cu metres of wood exported in 1998/99, the forestry sector was the second most important source of export earnings and accounted for 7% of GDP.

Good rainfall pushes down food prices in the north

Good rainfall during the third quarter of 1999 led to a bumper harvest of staple foodstuffs (maize, millet and sorghum) in the northern region. Consequently, cereal prices dropped sharply in the Adamaoua, North and Far-North provinces. In Maroua, capital of the Far-North province, a 90 kg bag of cereal was being sold for CFAfr8,000, compared with CFAfr30,000 during the same period last year. Supply outstripped local demand as traders rushed to reduce stocks in anticipation of the record harvest expected after a period of good rainfall, causing a sharp drop in market prices. The northern region, home to about one-third of Cameroon's 14.6m population, usually suffers from food shortages caused by drought and damage by locusts and elephants.

Infrastructure and services

Camrail plans to invest CFAfr42.5bn

Cameroon Railways plans to invest CFAfr42.5bn ($66.7m) over the next five years, including CFAfr25.8bn for infrastructure and CFAfr14.3bn for rolling stock, according to Patrick Claes, the company's executive general manager. The planned investments include new locomotives and the rehabilitation of track. Mr Claes indicated his company's interest in promoting a regional integration project which would improve access to Douala port from the Central African Republic and Chad.

ACCOR wants to take over the management of state-owned hotels

The French group, ACCOR, which gave up managing Cameroon's state-owned hotels in 1990-91 after a dispute over management fees, has offered the Cameroon government CFAfr16bn ($25m) for a concession to manage the hotels, according to the Paris-based newsletter *La Lettre Afrique Expansion*. Negotiations have reached an advanced stage and the concession agreement is expected to be signed by March 2000. Hotels of interest to ACCOR are the Hilton and Mont-Fébé in Yaoundé, the Sawa in Douala, the Ayaba in Bamenda and the Maroua Palace in Maroua (4th quarter 1999, page 15).

Satellite TV companies protest at piracy

French Canal+ Horizons and South African MultiChoice have protested to the government about piracy of their satellite TV programmes by Cameroonian operators, but civil suits and criminal proceedings initiated against the illegal operators have yielded no results. With the exception of authorised agents of Canal+ Horizons and MultiChoice, who sell decoders for satellite TV programmes, operators do not pay licensing fees for most of the programmes they rebroadcast. Moreover, the frequencies used for rebroadcasting are illegal because the culprits do not have official authorisation. One operator in Douala uses a locally created pirate movie channel to broadcast the latest movies. The government has expressed concern about the flagrant abuse of international copyright laws, but piracy continues with the support of vested interests in Douala and Yaoundé, discouraging foreign broadcasting companies from doing business in Cameroon and contributing to Cameroon's image as one of the world's most corrupt nations.

Private radio stations challenge the government's control of the airwaves

Three private radio stations are challenging the monopoly of Cameroon Radio-Television Corporation (CRTV). Radio Reine, run by the Catholic church, which has government authorisation to operate on an experimental basis, is the only legal private radio station. Radio Lumière, a private university campus station, has been broadcasting in Yaoundé since February without a licence, while Radio Soleil, a private radio station targeting the Muslim community in the capital, broadcasts from the Briqueterie quarter, also without a licence.

In 1990 parliament passed a bill liberalising the audio-visual media, but President Biya has yet to promulgate it. So far, the government has turned a blind eye to the activities of the private radio stations, but there is speculation that the use of Côte d'Ivoire's private Radio Nostalgie by the country's new military leader, General Robert Guei, to announce the overthrow of President Bédié will prompt Mr Biya to tighten the state's grip over the broadcast media. Opposition parties accuse CRTV of being biased in favour of the ruling RDPC party and many Cameroonians consider its news to be unreliable.

Foreign trade and payments

Improved relations with donors are yielding benefits

Reflecting the improvement in relations with the international donor community as Cameroon sticks to its ESAF agreement, the government signed 70 concessional loan and grant agreements in 1998/99 for a record CFAfr350bn ($549m) to fund public investment projects. However, most international donors agree that the government would mobilise greater concessional resources if more progress were made in the areas of democracy, poverty reduction, good governance and the implementation of public-sector projects.

Other aid news

In late September the Agence française de développement (AFD) agreed two loans worth €14.7m. The first, for €13.5m, will fund the construction of a road from Ambam to the border with Equatorial Guinea. The second, for €1.2m, will finance feasibility studies for a dam at the convergence of the Loam and Pangar rivers in Adamaoua province.

- In October the European Union approved a grant of €52m under the Eighth European Development Fund to finance the second road maintenance programme (PERFED II).

- In November the European Development Fund approved a funding proposal of €20m for a programme to improve decentralised urban development. The project aims to enhance programming and management capacity in local urban councils in five middle-sized towns and strengthen civil society participation in local urban development.

- The AFD and the government have signed a loan agreement for €38m to support the third annual ESAF arrangement.

Central African Republic

Political structure

Official name	République centrafricaine
Form of state	Unitary republic
Legal system	Based on the 1995 constitution
National legislature	Assemblée nationale; 109 members elected by universal suffrage serve a five-year term
National elections	November-December 1998 (legislative) and September 1999 (presidential); next elections due in November 2003 (legislative) and August-September 2005 (presidential)
Head of state	President, elected by universal suffrage to serve a six-year term
National government	Prime minister (nominated by the president) and his nominated Council of Ministers. Last reshuffle November 1999. Some ministers have no affiliation, having been appointed as individuals, rather than as official representatives of civil society
Main political parties	The Mouvement pour la libération du peuple centrafricain (MLPC) is the largest party in parliament, but relies on smaller parties, notably the Parti libéral démocrate (PLD), for a majority. The main opposition parties include the Rassemblement démocratique centrafricain (RCD), Alliance pour la démocratie et le progrès (ADP), Front patriotique pour le progrès (FPP), Mouvement pour la démocratie et le développement (MDD), Parti de l'unité nationale (PUN) and Forum démocratique pour la modernité (Fodem)

	President	Ange-Félix Patassé
	Prime minister, minister of economics, finance, planning & international co-operation	Anicet Georges Dologuélé (independent)
	Minister of state: presidential affairs	Michel Gbezera-Bria (civil society)
Key ministers	Agriculture & livestock	Daniel Emery Dede (PLD)
	Commerce, industry, private sector	Jean-Baptiste Koyassambia (civil society)
	Communications	Francis Albert Ouakanga (MLPC)
	Defence	Jean-Jacques Demafouth (MLPC)
	Education	Eloi Anguimate
	Environment, water, forests, fisheries & hunting	Jean-Baptiste Nouganga (PSD)
	Foreign & Francophone affairs	Marcel Météfara (MLPC)
	Health, population	Richard Lakoué (civil society)
	Higher education & scientific research	Timoléon Mbaikoua (MLPC)
	Infrastructure, & development	Aristide Sokambi
	Interior	Maurice Regonessa (army)
	Justice	Denis Wangao Kizimale (army)
	Mining & energy	André Latou (MLPC)
	Post & telecommunications	Jean-Bruno Vickos (PUN)

Governor of the regional central bank (BEAC)	Jean-Félix Mamalepot

Economic structure

Annual indicators

	1995	1996	1997	1998	1999[a]
GDP at market prices (CFAfr bn)	569	557	595	642	690
Real GDP growth (%)	6.0	–1.5	5.1	5.5	5.6
Consumer price inflation (av; %)	19.2	4.4	0.6	2.6	2.8
Population (m)	3.4	3.5	3.6	3.7	3.8
Exports fob ($ m)	179	146	174	182	195
Imports fob ($ m)	179	119	127	155	170
Current-account balance ($ m)	–81.0	–63.1	–42.8	–66.3	–80.0
Reserves excl gold ($ m)	234	232	179	157	132[b]
Total external debt ($ m)	942	928	885	774	790
External debt-service ratio, paid (%)	6.8	6.7	6.1	5.2	5.3
Diamond production (‘000 carats)	484	487	487	490	n/a
Timber production (‘000 cu metres)	244	306	461	n/a	n/a
Exchange rate CFAfr:$ (av)	499.2	511.6	583.7	590.0	612.0

January 28th 2000 CFAfr669.41:$

Origins of gross domestic product 1997	% of total
Agriculture	53.4
Industry	20.5
Services	26.1
GDP at factor cost	100.0

Components of gross domestic product 1997	% of total
Private consumption	87.1
Government consumption	7.0
Gross domestic investment	7.8
Exports of goods & services	21.2
Imports of goods & services	–23.1
GDP at market prices	100.0

Principal exports 1997	$ m
Diamonds	67
Cotton	44
Coffee	18
Timber	15

Principal imports 1997	$ m
Capital goods	24
Fuel & energy	15

Main destinations of exports 1997[c]	% of total
Belgium-Luxembourg	36.2
Côte d’Ivoire	5.2
Spain	4.4
Egypt	2.6

Main origins of imports 1997[c]	% of total
France	30.5
Côte d’Ivoire	18.0
Cameroon	10.8
Germany	3.6

[a] EIU estimates. [b] October actual. [c] Drawn from partners’ trade returns, subject to a wide margin of error.

Quarterly indicators

	1997	1998				1999		
	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr
Prices								
Consumer prices								
African households, Bangui								
(1995=100)	104.7	102.5	103.9	104.7	102.4	101.9	101.1	n/a
% change, year on year	0.5	–0.9	–2.3	–0.4	–2.2	–0.6	–2.7	n/a
Financial indicators								
Exchange rate								
CFAfr:$ (av)	588.4	609.7	601.5	590.8	557.8	584.4	620.7	625.8
CFAfr:$ (end-period)	587.8	593.3	598.8	618.5	611.7	561.6	562.2	610.7
Deposit rate (av; %)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Discount rate (end-period)	7.50	7.50	7.50	7.50	7.50	7.00	7.60	7.60
Lending rate (av; %)	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00
M1 (end-period; CFAfr bn)	107.19	109.08	101.51	92.82	87.58	93.69	88.47	90.94
% change, year on year	–8.1	–7.0	–8.3	–12.7	–18.3	–14.1	–12.8	–2.0
Foreign trade[a] ($ m)								
Exports fob	24.5	58.3	42.0	51.5	69.2	66.4	50.8	n/a
Imports cif	40.6	34.4	38.3	34.7	48.2	39.9	38.4	n/a
Trade balance	–16.1	23.9	3.7	16.8	21.0	26.5	12.4	n/a
Foreign reserves								
Reserves excl gold								
(end-period; $ m)	178.56	170.57	156.86	163.17	145.70	142.34	131.80	139.77

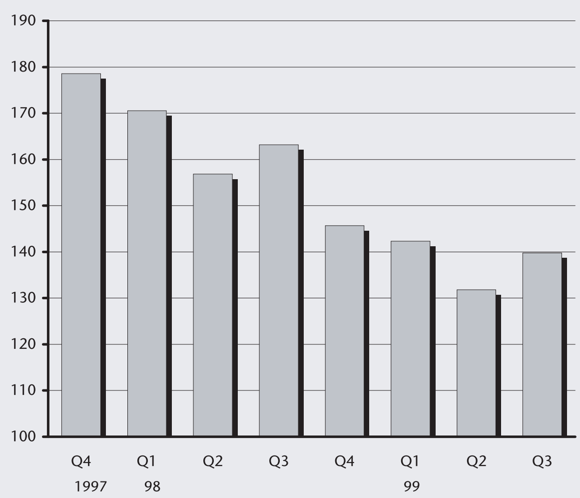
[a] *DOTS* estimates, figures are subject to revision.

Sources: IMF, *International Financial Statistics; Direction of Trade Statistics*, quarterly.

CAR: foreign trade
$ m

Source: IMF, *International Financial Statistics*.

CAR: foreign reserves (a)
$ m



(a) Excluding gold.
Source: IMF, *International Financial Statistics*.

Outlook for 2000-01

Military reform remains the objective—

President Ange-Félix Patassé has stressed the need to implement the long-promised reform of the armed forces, designed to render them thoroughly non-political and ensure that all units are treated fairly, regardless of their ethnic origin. The reform is also meant to reduce the armed forces to an affordable size, principally by trimming the former presidential guard.

—but its prospects are uncertain

It is far from certain, however, that this reform programme will be implemented effectively, especially given Mr Patassé's heavy reliance in the past on the presidential guard, which has been largely—although not exclusively—recruited from his home region in the north-west. Indeed, the record of the guard in recent months is not an encouraging omen; during the days before Mr Patassé's inauguration in October it prevented opposition party leaders and trade unionists from leaving the country. Moreover, there is little in the track record of the new defence minister, Jean-Jacques Demafouth, to suggest a willingness to compromise or tolerate opposition groups. Although he seems to be improving the morale, operational capacity and discipline of the armed forces, it is not yet clear whether he wants to create a non-partisan military committed to the fair and principled defence of democratic constitutional rights.

The opposition alliance is under strain from the appeal of office—

The offer of the prime minister, Anicet Georges Dologuélé, of a seat in government to the opposition parties has placed the fragile opposition alliance, the Union des forces acquises à la paix (UFAP), under considerable pressure. Only two opposition figures have actually joined the new cabinet—Jean-Bruno Vickos of Jean-Paul Ngoupande's Parti de l'unité nationale (PUN) at the post and telecommunications ministry, and Jean-Baptiste Nouganga of the Parti social démocrate (PSD) at environment and forests—and Mr Vickos has been accused of a serious breach of discipline by his party leadership for doing so. Nevertheless, these appointments, and perhaps even more the strong non-partisan element in the cabinet, have put the UFAP under strain. It may well disintegrate altogether in coming months. Already the PSD and the Front patriotique pour le progrès (FPP) of Abel Goumba, runner-up to President Patassé in 1993, have left the alliance.

—and the threat of dominance by Mr Kolingba

The rival ambitions of the various opposition party leaders remain, as always, a barrier to successful joint campaigning. But equally significant may be the considerable success of the former president, André Kolingba, in coming an easy second in the presidential election. He fell well short of the votes needed to challenge Mr Patassé for the presidency but outstripped all his fellow UFAP leaders by a wide margin. Many of them now appear to fear that the UFAP will develop into nothing more than a support rump of minor allies for Mr Kolingba's Rassemblement démocratique centrafricain (RDC), which would then become the dominant force of opposition, accounting for the largest share of southern votes in the CAR, just as Mr Patassé's Mouvement pour la libération du peuple centrafricain (MLPC) is overwhelmingly the dominant force in the presidential majority. Party leaders such as Mr Goumba and

Mr Ngoupande, who have national ambitions of their own, would find this difficult to accept, but how they react may depend on the view they take of their own prospects: will they adopt a hardline opposition stance or will they leave that to Mr Kolingba and the RDC? There are personal and policy reasons why they may take a softer line towards the government—for example, the new interior minister is the son-in-law of Mr Goumba, while Mr Ngoupande broadly supports the reform policies of the government. On the other hand, Mr Goumba at least has been a long-standing opponent of Mr Patassé.

The proposed stock exchange will benefit the CAR

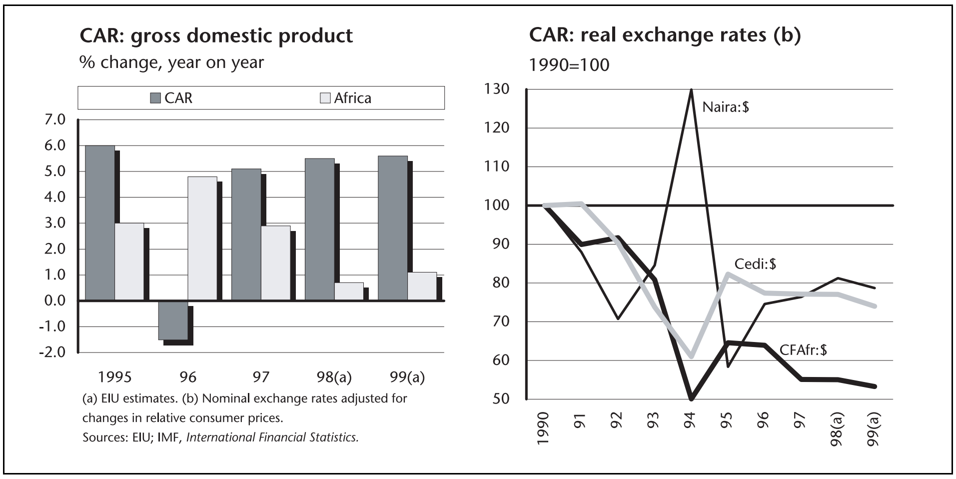
Increased activity within the new Central African Franc Zone economic union, the Communauté économique et monétaire de l'Afrique centrale (CEMAC), offers encouraging prospects for the CAR. Trade deregulation and the reduction of regional trade barriers should help to lower the cost of manufactured imports, particularly from Cameroon; and regional projects such as the proposed electronic stock market will offer the country facilities that it could not realistically develop on its own. A feasibility assessment by experts from the Mauritius bourse concluded that of the six zone countries—Cameroon, CAR, Chad, Congo (Brazzaville), Equatorial Guinea and Gabon—only Cameroon had a sufficiently large economy and range of potentially tradeable stocks to sustain a viable market. The CAR will have the chance to offer shares in its companies in a market which will attract far more interest than a purely national bourse could ever have done, but successful operation will also depend on the regulatory and administrative systems. The regional bourse for the western Franc Zone has been criticised for excessive bureaucracy and cumbersome procedures, which have discouraged some investors. Given its more difficult political history and its later entry into the investment arena, with no national bourse on which to build, the new CEMAC exchange cannot afford to repeat these mistakes.

Economic reform will be a priority for Mr Dologuélé—

With his new government in place and his programme approved by parliament, Mr Dologuélé will now have to concentrate on showing the Bretton Woods institutions that he has the economic reform programme back on track, despite the delays and distractions inevitably provoked by the election. This will mean a strong focus on revenue collection, to ensure that tax and customs income targets under the IMF's enhanced structural adjustment facility are met. Mr Dologuélé will also need to clarify the details of parastatal reform and farm sector pricing strategy—key issues for the World Bank which, even before the election, had earmarked a major structural adjustment credit for the CAR. Cotton marketing and pricing will be a particularly sensitive issue, made all the more difficult by the recent weakening of the world cotton market. The recent experiment with private-sector marketing in some areas will be closely watched, to see whether this can deliver better value for money to growers while ensuring continued extension support and supplies of fertiliser and pesticide at affordable prices.

—but short-term growth prospects are not very bright

With political continuity now secured and the re-appointment of a prime minister with good reform credentials, the domestic climate is propitious for GDP growth. But over the next two years it is unlikely to match the rate of over 5% rate seen in 1997-99. The main depressant will be the continuing fall in international coffee prices (the EIU forecasts a decline in the robusta price by 19% in 2000 and 12% in 2001) and the only slight recovery in the cotton price this year (by 2%) after two years of very steep decline. The marked recovery in cotton prices forecast for 2001 will merely bring prices back to their 1998 level. Meanwhile the economy of the CAR remains vulnerable to the conflicts in the Democratic Republic of Congo and Congo (Brazzaville), through the disruption of trade and transport links. But with the strengthening in the cotton price in 2001, the benefits of the structural reforms becoming apparent, and the hope of greater political stability in the region, the pace of GDP growth should pick up to nearer 5%.



(a) EIU estimates. (b) Nominal exchange rates adjusted for changes in relative consumer prices.
Sources: EIU; IMF, *International Financial Statistics*.

The political scene

Mr Patassé's re-election is seen as credible and legitimate—

President Ange-Félix Patassé won an outright victory in the first round of voting in last September's presidential election, with 51.63% support (4th quarter 1999, page 30). The result reflected voters' lack of faith in a divided and often negativist opposition as much as any satisfaction with the modest but undoubted improvement in the economy of the Central African Republic over the past two years. The victory was also an implicit endorsement of the two men most responsible for the delivery of that recovery, the outgoing prime minister, Anicet Georges Dologuélé, and his predecessor, Michel Gbezera-Bria.

Several factors may explain why, despite initial claims of fraud, the opposition parties have accepted Mr Patassé's re-election. First, the president's margin of victory was so great that he probably would have won even if there had been no errors or abuses of any kind—although perhaps not on the first ballot. Second, international observers and the diplomatic community gave no encouragement to those who questioned the validity of the poll. The general consensus among neutral foreign observers and UN officials was that, despite small-scale abuses, the election was generally fair.

—and he re-appoints a reformist prime minister

Mr Patassé was sworn in for a second six-year term on October 22nd. Four days later he re-appointed Mr Dologuélé, who had formally resigned his post in line with procedure. Mr Patassé had become rather wary of the reform-minded Mr Dologuélé and had hopes of promoting the mining minister, Jean-Serge Wafio, to the premiership. Mr Wafio was highly regarded for having—in a post traditionally linked to corruption—firmly rejected offers of bribes. At the same time he has been a committed Patassé loyalist and a prominent member of Mr Patassé's party, the Mouvement pour la libération du peuple centrafricain (MLPC). He had campaigned vigorously on the president's behalf in Bossangoa, where the traditionally dominant Patassé-MLPC vote had shown signs of erosion; the final result was a solid vote for the president, helping to ensure he clinched victory in the first round. In the event, Mr Patassé heeded the pressure from the UN and aid donors to reappoint Mr Dologuélé.

As the parliamentary deputy for Bossangoa, Mr Wafio stayed outside the cabinet, the president having insisted bluntly that he would no longer appoint members of parliament to ministerial posts.

Mr Gbezera-Bria holds a key role as chef de cabinet—

The new cabinet announced on November 1st had two striking features. First was the appointment of a former prime minister, Michel Gbezera-Bria, as directeur de cabinet at the presidency with the rank of minister of state. This makes him the third most powerful man in the country, with a pivotal position as the bridge between Mr Patassé and Mr Dologuélé; at the presidency he has oversight of all the advisers and technical experts. The appointment should strengthen the hand of the prime minister in his efforts to control state finances and revenue collection and break down the corrupt patronage networks that underpinned the presidency during Mr Patassé's early years in power. As Mr Dologuélé's predecessor in the premiership, it was Mr Gbezera-Bria who first began to persuade the president of the benefits of economic reform and political consensus. The outgoing directeur de cabinet at the presidency, Martial Beti Marace, had become caught up in allegations of cronyism and corruption.

—in a new *gouvernement d'ouverture*

Highly respected for his integrity and competence, Mr Gbezera-Bria is one of several non-partisan appointees from civil society or the military. This is the second notable feature of the new government. In sharp contrast to his early years in power, the president allocated just under half the posts in his new *gouvernement d'ouverture* to members of civil society, the opposition or the armed forces. The cabinet's 22 ministers include only six from the MLPC. Civil society nominees hold five full ministerial posts—including the crucial public service portfolio—and all three junior posts (including the key posts as economics and finance deputies to Mr Dologuélé, who retains the overall finance portfolio himself). The appointment of a junior minister for relations with the Arab world may reflect Mr Patassé's interest in developing stronger ties with Sudan and Libya. He visited Libya in early December for a summit with the leaders of Togo and Niger, and he stressed his keenness to strengthen links with Khartoum and his support for the latest peace initiative there in an interview with Sudanese television, in terms that implicitly supported the Beshir government.

Soldiers have been appointed to the interior and justice portfolios, while the defence ministry goes to Jean-Jacques Demafouth, a controversial occasional legal trouble-shooter for Mr Patassé. There are two recruits from opposition parties, the Parti de l'unité nationale (PUN) and the Social Democrats, although Jean-Bruno Vickos of the PUN has not joined the government with the blessing of his party leader, Jean-Paul Ngoupande. But although the choice of ministers is accepted as a clear move towards consensus and *ouverture*, there has been criticism of the uneven calibre of its members. The new interior minister, Maurice Regonessa, a member of the majority Banda ethnic group, was army chief of staff at the time of the first mutiny in 1996; the rebellion was attributed largely to soldiers' discontent at their poor conditions of service and pay arrears. And questions have been raised about the system for allocating scholarships in Europe to students during the period when André Latou, the new mines minister, was secretary-general of Bangui University. There has also been criticism of the appointment of Jean-Baptiste Koyassambia , who was the chief treasury payments official under the régime of General Kolingba. On the other hand, the justice minister, Denis Wangao Kizimale, is well regarded for his success in his previous post as public service minister in recruiting extra teachers, medical personnel and road engineers. In ethnic terms, the government is dominated by members of savannah ethnic groups from the centre, north and west, notably the Banda, Kaba, Mandja and Gbaya. But there are some representatives from the southern Oubangui valley groups which tend to support the Rassemblement démocratique centrafricain (RDC) and other opposition parties.

Major regional figures attend the president's swearing-in

Among those attending the presidential inauguration were Sudan's president, Omar Beshir, and a delegation from Uganda—indications, respectively, of Sudan's keenness to develop its relations with the CAR, which is home to 35,000 Sudanese refugees, and of Uganda's important role in the neighbouring Democratic Republic of Congo. But perhaps the most important guest was President Omar Bongo of Gabon, who played a key role in defusing the mutiny crises and in sending the peacekeeping force to the CAR. Mr Patassé paid tribute to his role and had visited Gabon earlier in the month on his first trip abroad after his re-election. As has the UN, the Gabonese leader has been discreetly pressing the CAR president to bring opposition politicians into the government and has himself begun building bridges with some of them, notably savannah northerners such as Enoch Derant Lakoué, Mr Ngoupande and Henri Pouzère.

Minurca is to be replaced by a monitoring mission

There has been considerable apprehension over whether the CAR will remain peaceful when the 1,350 UN soldiers of the Mission des Nations unies en République centrafricaine (Minurca) have gone home—a concern reflected in the request in mid-October by the UN secretary general, Kofi Annan, for a further extension of the peacekeepers' mandate. Mr Annan proposed a phased reduction in Minurca's strength, with the departure of the final contingent of troops on February 15th 2000. At that stage, the mission would be succeeded by a peace-building support office in Bangui. This proposal was approved by the UN Security Council, and the first, 400-strong contingent of Minurca troops left Bangui on December 15th; the second was scheduled to follow a month later.

The security climate remains delicate

The fragility of security conditions in the CAR has been highlighted by a number of incidents over the weeks since the election. In early October there were clashes between supporters of Mr Patassé and of Mr Kolingba, at Dimbi in Basse Kotto, Mr Kolingba's home region, and in Mbomou, where his wife is the member of parliament. At least one man was killed and a house was burnt down. In mid-November almost 300 mainly Yakoma opposition supporters led by Serge Kolingba, the son of the former president, were reported to have seized control of the eastern town of Kembe—where Serge has been living at the family coffee plantation house since he left the army in 1993. Two soldiers were among seven RDC supporters reported killed. And in late November, Minurca troops defused two bombs found in sewers near the foreign ministry in Bangui. Eventually, government forces were able to re-establish control of the troubled eastern areas, apparently without great bloodshed, and on December 21st an agreement was reached settling the dispute. President Patassé agreed that Serge Kolingba and his followers could be reintegrated back into the army.

The president's readiness to opt for generosity rather than a crackdown may have been inspired by previous experience. The leader of the 1996-97 mutineers, Captain Anicet Saulet, was allowed back into the army, and this has helped to consolidate peace. In fact he recently won a scholarship to attend a military training course in France.

The new defence minister focuses on core issues—

The new defence minister, Jean-Jacques Demafouth—despite his controversial reputation as a henchman of the president and as the head of a tough special security unit, the Compagnie nationale de recherches et d'investigation—has so far proved effective. He has concentrated on basic issues crucial to morale, such as soldiers' pay and conditions of service, and has created a military police force, which patrols Bangui looking for soldiers who are drunk or undisciplined. The ban on wearing uniform or carrying weapons while on leave outside barracks is now enforced more rigorously. Moreover, on December 21st Mr Patassé publicly reaffirmed the need to press ahead with military reform, although the continued prominence of the former presidential guard, now renamed the Forces spéciales pour la défense des institutions républicaines, casts some doubt over the genuineness of this commitment.

—although the attitude to press comment remains hostile

Press coverage of the Kembe incident suggesting thatthe presidential guard was involved led Mr Patassé to warn that measures could be taken against journalists for "showing an inclination to rebellion, tribal war and hatred". The French-based press freedom organisation Reporters sans frontières wrote to Mr Patassé to express concern after four editors of private newspapers, Faustin Bambou of the *Collines de Ba-Ubangui*, Cordoso Meillot of *Le Démocrate*, Jude Zosse of *L'Hirondelle* and Maka Gpossokoto of *Le Citoyen*, were questioned by the defence ministry's permanent military tribunal.

A deal over Congo refugees undermines the opposition

Mr Patassé's re-election prospects were helped by his success last year in negotiating deals with the government in the Democratic Republic of Congo (DRC) and with the rebel leader, Jean-Pierre Bemba, to secure the return home of refugees from the civil war there. The influx of fleeing government soldiers and of civilian refugees has created security problems and economic strains in southern CAR, particularly in communities along the northern bank of the Oubangui River which forms the border. This is a region where there is normally strong political support for opposition leaders, particularly Mr Kolingba and, to a lesser extent, Abel Goumba.

Mr Patassé made arrangements with the government of President Laurent Kabila for the repatriation of Congolese army soldiers who had fled into the CAR to escape advancing rebel forces; these were flown home with Libyan help. He also negotiated terms with Jean-Pierre Bemba, the leader of the Mouvement pour la libération du Congo (MLC), whose forces control the river border with the CAR, to allow civilian Congolese to return home. Mr Patassé's meetings with Mr Bemba were not solely motivated by a desire to secure the return of refugees. He also wanted to ensure that the MLC remained neutral towards all parties in the CAR election and did not allow its fighters to intervene in support of Oubangui valley Central Africans who traditionally vote for opposition parties such as Mr Kolingba's RDC.

Floods leave 10,000 homeless

Serious flooding in October and November caused a marked rise in the waters of the Oubangui River and its tributaries, driving an estimated 10,000 people from their homes in Bangui and other river valley towns. Many houses were destroyed and the crisis also posed serious health problems, because of the disruption to the drinking water supply.

Economic policy and the economy

A cut in cotton producer prices is imminent

With the election out of the way, the government has been preparing to announce a cut in producer prices for cotton, to CFAfr150/kg in the season beginning December 1999, from CFAfr170/kg in the previous year. The cotton parastatal, Société cotonnière centrafricaine (Sococa), has been stuck in deficit for some time, and a way has to be found to restore it to commercial viability, despite the relatively weak state of world markets. A cut in the producer price to bring it more in line with world conditions has become unavoidable, though it could depress output if some farmers conclude that the price is too low to justify cultivating the crop. In theory, some might be able to switch to other crops, but in practice this will be difficult. The CAR is a large country, with high transport costs and a limited domestic market because of the small size of the urban population. During 1999 a working group was looking at ways of making the sector more responsive to market conditions and reducing subsidies. The authorities have introduced a French private-sector company, Cosecot, to replace Sococa in some areas, but there are no easy answers.

Cotton is politically important in the CAR: the crop is cultivated in the savannah areas which are the heartland of support for the president, Ange-Félix Patassé. It is therefore not surprising that the price cut was delayed until after the election. Perhaps the scale of the president's victory, and the feeble showing of those candidates who were supposedly challenging his dominance of the savannah vote, such as Jean-Paul Ngoupande and Charles Massi, have given the government the confidence to take tough pricing decisions now. It may feel strong enough to ride out the inevitable wave of local resentment among its own electors in the north-western cotton-growing areas.

Mr Dologuélé gets parliament's backing for his programme

Resentment among members of the Mouvement pour la libération du peuple centrafricain (MLPC) at the limited number of ministerial portfolios awarded the party in the new government cast doubt over the prime minister's chances of securing endorsement in the National Assembly of his new programme for government. In the event, despite much grumbling among MLPC deputies, the confidence vote was won, by 59 votes to 49 with one abstention. The opposition—except for the Social Democrats, who now have one minister in the government—opposed the programme, but in an interesting indication of the way in which politicians at the national level are beginning to pick up the language of the international donor community, their main concerns were over "human development and the battle against poverty". This may just be rhetoric but, if the opposition parties begin to elaborate some detailed ideas, the CAR may for the first time in many years start to see a serious government versus opposition debate about economic policy alternatives, with Mr Dologuélé posing as the apostle of financial rigour and business-friendly policy, and the opposition pressing for a more social democratic approach that adjusts economic measures to cushion their impact on the poor. Mr Dologuélé himself appears aware of this dimension and is already moving to counter such criticisms, stressing in his policy speech that "human development" was at the centre of his agenda, together with political measures to strengthen democracy and reform the security forces.

Public-sector arrears threaten stability—

Rapid action is needed to bring in budget revenue and reduce public-sector pay arrears, which amount to as much as 13 months' salary in some cases. This issue is not only a human and economic problem—each wage earner supports many without formal sector jobs, and the lack of pay depresses the Bangui urban economy and local business—but also a threat to political and military stability. Pay was a key grievance in the army mutinies of 1996-97 and it appears that even the pay of guards at the presidential palace is in arrears.

—and the World Bank steps in

In this situation an announcement by the World Bank on December 17th was welcome: approval of a fiscal consolidation credit of $20m to help pay wage arrears. "A growing consensus appears to have emerged across the political spectrum in CAR that fiscal consolidation, economic reform, improved governance and civil peace are all needed to put the country back on the development path and that they must go hand in hand," the Bank said. "The credit seeks to support this consensus and the new government's commitment to fiscal discipline, improved governance and economic reform."

A second wave of privatisation is planned

The new government has affirmed its commitment to the privatisation programme drawn up with the Bretton Woods institutions. The banking sector has already attracted private investment (3rd quarter 1999, page 34), and private operators have been granted licences to operate cellular telephone networks. Power distribution activities at Energie centrafricaine are being put out to tender, and the petroleum products market has been liberalised.

Among the second wave of companies identified for privatisation are:

- Bangui's Hôtel Sofitel ;
- Bangui's Hôtel du Centre;
- Office centrafricain de tourisme, the state tourist office;
- Manovo, a tourism company;
- Centre national de protection et de l'aménagement de la faune, the state wildlife office;
- Société centrafricaine des transports fluviaux, a river transport company;
- Bureau d'affrêtement routier centrafricain, handling road freight;
- Conseil central des chargeurs, a shipping organisation;
- Société de gestion des sucreries centrafricaines, sugar;
- Centrafricaine de palmier, palm oil;
- Société centrafricaine des tabacs, tobacco;
- Office national des forêts, forestry;
- Caisse de stabilisation, agricultural marketing;
- SEGA, a refrigerated abattoir;
- Comptoir national du diamant, diamond mining;
- Imprimerie centrafricaine, publishing;
- Organisation nationale interprofessionelle de formation et de placement, training and employment;
- Office centrafricaine de sécurité sociale;
- the state pharmacy;
- Office national de l'informatique.

The government is also seeking investors for a national electrification programme to harness the country's hydroelectric potential for domestic use and export to neighbouring countries. At present, 80% of national energy needs are supplied by wood, and the high cost and limited supply of electricity have hindered the development of modern industries.

Chad

Political structure

Official name	République du Tchad
Form of state	Unitary republic
Legal system	Based on the Napoleonic Code. The 1989 constitution was suspended in December 1990. A new constitution was adopted by referendum in April 1996
National legislature	Assemblée nationale, with 125 members elected by universal suffrage
National elections	June 1996 (presidential) and January-February (legislative); next elections due in 2001 (presidential and legislative)
Head of state	President, elected by universal suffrage and sworn in on August 8th 1996
National government	The prime minister and his Council of Ministers. Last reshuffle December 1999
Main political parties	Mouvement patriotique du salut (MPS, with 65 seats in the National Assembly); Union pour le renouveau et la démocratie (URD, 29 seats); Union nationale pour le développement et le renouveau (UNDR, 15 seats); Union pour la démocratie et la République (UDR, 4 seats); Parti pour la liberté et la démocratie (PLD, 3 seats); Rassemblement pour la démocratie et le progrès (RDP, 3 seats)

	President	Idriss Déby
	Prime minister	Nagoum Yamassoum
Key ministers	Agriculture	Saleh Kebzabo
	Civil service & labour	Abba Koi Djouassab
	Communications & government spokesman	Mahamat Ahmat Choukou
	Defence & reintegration	Weiding Assi-Assoue
	Economic promotion, development & co-operation	Mahamat Ali Hassane
	Education	Abderahim Breme Hamid
	Environment & water	Nadjo Abdelkerim
	Finance	Bichara Cherif Daoussa
	Foreign affairs	Mahamat Saleh Annadif
	Health	Abdoulaye Lamana
	Industry, trade & craft	Assana Dingamadji
	Interior, security & decentralisation	Abderrahmane Moussa
	Justice	Routouang Yoma Golom
	Mines, energy & petroleum	Moctar Moussa
	Post & telecommunications	Oumar Kadjallami Boukar
	Public works, housing, transport & towns	Ahmat Lamine
	Social action & family	Fatime Kimto
	Tourism	Salibou Garba
Governor of the regional central bank (BEAC)	Jean-Félix Mamalepot	

Economic structure

Annual indicators

	1995	1996	1997	1998	1999[a]
GDP at market prices (CFAfr bn)	718.0	830.2	888.2	999.3	931.2
Real GDP growth (%)	1.0	3.5	4.1	8.1	–1.1
Consumer price inflation (av; %)	9.1	11.8	5.9	4.4	–8.4
Population (m)	6.3	6.5	6.7	6.8	6.9
Exports fob ($ m)	247	221	211	246	288
Imports fob ($ m)	282	289	283	297	359
Current-account balance ($ m)	62.5	–14.1	–46.7	–65.1	–392.0
Reserves excl gold ($ m)	150	165	136	120	119[b]
Total external debt ($ m)	902	997	1,027	946	1,030
External debt-service ratio, paid (%)	9.6	11.3	13.4	13.2	12.5
Seed cotton production[c] ('000 tonnes)	157	158	204	270	161
Exchange rate (av; CFAfr:$)	499.2	511.6	583.7	590.0	612.0

January 28th 2000 CFAfr669.41:$

Origins of gross domestic product 1998	% of total
Agriculture, livestock & fisheries	38.3
Manufacturing, utilities & construction	14.1
Services	47.6
GDP at factor cost	100.0

Components of gross domestic product 1998	% of total
Private consumption	93.9
Government consumption	5.9
Gross domestic investment	15.2
Exports of goods & services	18.3
Imports of goods & services	–33.3
GDP at market prices	100.0

Principal exports 1998	$ m
Cotton	146
Livestock & meat	44

Principal imports 1998	$ m
Public sector	293
Private sector	4

Main destinations of exports 1997[d]	% of total
Portugal	29.8
Germany	14.2
Thailand	7.5
Costa Rica	6.0

Main origins of imports 1997[d]	% of total
France	41.3
Nigeria	10.1
Cameroon	7.2
India	5.8

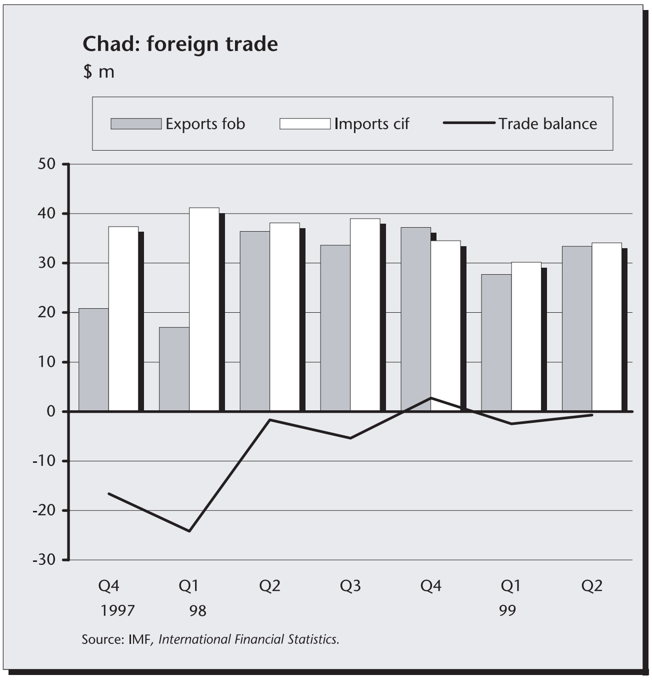
[a] EIU estimates. [b] October actual. [c] Crop years ending November 30th. [d] Drawn from partners' trade returns, subject to a wide margin of error.

Quarterly indicators

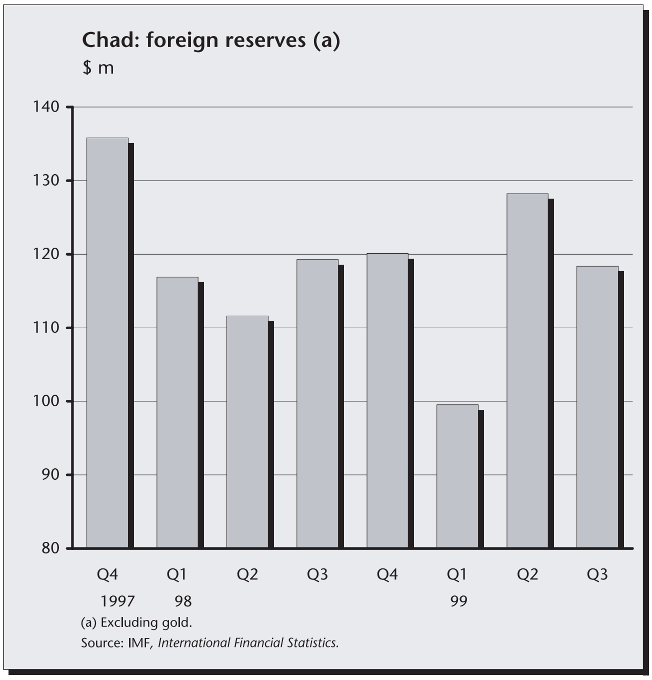
	1997	1998				1999		
	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr
Prices								
Consumer prices (1995=100)	117.7	119.7	134.4	145.5	132.8	121.0	123.3	128.0
% change, year on year	1.5	5.2	11.7	18.3	12.8	1.1	–8.3	–12.0
Financial indicators								
Exchange rate								
CFAfr:$ (av)	588.4	609.7	601.5	590.8	557.8	584.4	620.7	625.8
CFAfr:$ (end-period)	598.8	618.5	611.7	561.6	562.2	610.7	635.1	615.1
Deposit rate (av; %)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Discount rate (end-period)	7.50	7.50	7.50	7.50	7.00	7.00	7.60	7.60
Lending rate (av; %)	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00
M1 (end-period; CFAfr bn)	108.47	103.60	100.05	92.68	98.99	103.75	102.26	97.51
% change, year on year	–4.8	–10.1	–4.7	–4.3	–8.7	0.1	2.2	5.2
Foreign trade[a] ($ m)								
Exports fob	20.8	17.0	36.4	33.6	37.2	27.7	33.4	n/a
Imports cif	37.4	41.2	38.1	39.0	34.5	30.2	34.1	n/a
Trade balance	–16.6	–24.2	–1.7	–5.4	2.7	–2.5	–0.7	n/a
Foreign reserves								
Reserves excl gold								
(end-period; $ m)	135.82	116.87	111.62	119.26	120.09	99.55	128.23	118.36

[a] *DOTS* estimates; figures are subject to revision.

Sources: IMF, *International Financial Statistics*; *Direction of Trade Statistics*, quarterly.



Source: IMF, *International Financial Statistics.*



(a) Excluding gold.
Source: IMF, *International Financial Statistics.*

Outlook for 2000-01

Uncertainty over the Doba oil project may threaten political stability—

The political stability of Chad will be under threat throughout the outlook period. In the short term this will be because of the Toubou rebellion in the Tibesti area, which shows no sign of abating or of achieving a political solution. But of greater concern is the future of the Chad-Cameroon oil pipeline since the recent announcement by Shell and Elf that they were reviewing their participation in the consortium exploiting the Doba oilfields, which was generally interpreted, certainly by the Chad government, to mean they intended to pull out. The operator, Exxon, will urgently need to find new partners. The World Bank has also continued to delay approving its contribution to the financing of the pipeline—the decision on which other funding depended. Its decision is not now expected until after a new consortium has been settled.

—and jeopardise relations with France—

The irritation of the Chadian government with both the World Bank and the oil companies will continue as long as the project is subject to such delays. The oil project has been elevated into an issue of national importance and of patriotism, in which the reputation of the president Idriss Déby is wholly engaged. In November anti-French demonstrations took place in the capital, N'djamena, triggered by Elf's decision to review its commitment. The perceptions in Chad and elsewhere in Africa of Elf's motives, in so far as they reflect France's changed assessment of its role and interests in Africa, are likely to continue to have repercussions through 2000 and beyond.

—creating an opportunity for Libya

At talks in Tripoli in November, President Déby won a pledge from the Libyan president to meet the financing gap created by Elf and Shell's withdrawal. Although the visit was designed to put out a warning rather than indicate a change of allegiance on Chad's part, if the pipeline project were to collapse a full return to the Libyan sphere of influence, as in 1980, would clearly become a possibility. However, because of US sanctions Exxon, the remaining consortium member, could not work with the Libyans, nor could it run a pipeline to join up with existing infrastructure running from southern Sudan to the Red Sea.

One possibility is that the consortium will simply become much more dominated by the United States, whose influence in Chad has been muted since the fall of Hissein Habré in 1990. However, US companies will have taken note of protests against the project such as those at the annual meeting of the IMF and World Bank in September, and will be wary of attracting any more headline-grabbing attention from grass-roots activists concerned at the project's environmental impact and at how the oil revenue will be spent.

There are risks, too, in upsetting the delicate tripartite balance of France-Libya-Sudan, whose collective support has helped ensure a measure of stability in Chad over the past ten years. Apparently keen to keep dialogue open, the French government has invited both Colonel Qadhafi and the Sudanese leader, Omar Beshir, to the Franco-African summit next autumn.

Progress on Doba is vital for the survival of the Déby regime—

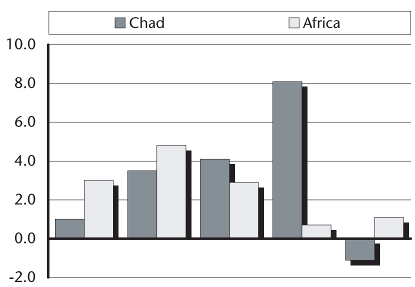
The apparent waning of French support, however non-political Elf's decision may prove to be, is one warning sign: the resurgence of rebel groups in northern Chad, although apparently without support from either Libya or Sudan, is another. There are indications that more groups are getting ready to join the fray, making Mr Déby's situation infinitely more complicated, although so far the oil-rich far south, the zone of potentially greatest hostility to his northern-dominated government, remains quiescent. The south, in fact, is increasingly keen to see the oil project take off, and appears for the moment likely to co-operate with the central government after several years of destructive dissent. A positive decision on pipeline financing is still going to be crucial for Mr Déby's political survival in the centre and the south, whatever happens in the far north.

—and for short- and medium-term economic prospects

In the absence of any immediate prospect of oil revenue, and with the possibility that the pipeline will be delayed, Chad's economic situation is becoming more and more fragile, despite continuing praise for its performance from the IMF and World Bank. The main export earner, cotton, is currently suffering from the double blow of a very poor harvest in 1998/99 (December-November) and very depressed world prices, which the EIU does not expect to improve much this year. Meanwhile, the energy crisis arising from the fuel shortage of 1998 is still taking its toll. This may lead to greater industrial unrest in urban centres which have been quiet for three or four years. In addition, the lack of any sign, in initial budget figures, of a public service cutback (in fact quite the contrary) is disturbing. Yet without progress on the oil project the government will be under pressure to loosen the reins on spending. In this situation IMF expectations of a rebound in GDP growth to 3.8% in 2000, after the 1.1% contraction estimated for 1999, seem optimistic. Much stronger cotton prices in 2001, however—the EIU forecasts a 20% rise in the average price—should boost the economy, at the same time as the work on the Doba project gathers momentum. Thus the IMF's projection of 4.4% real growth in GDP next year may be feasible.

Chad: gross domestic product

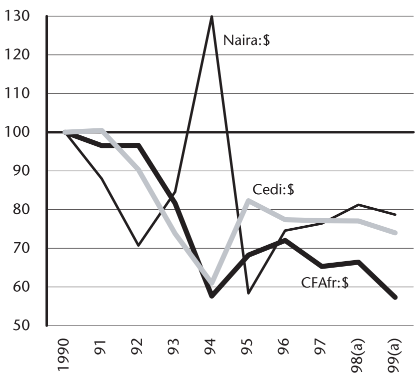
% change, year on year



(a) EIU estimates. (b) Nominal exchange rates adjusted for changes in relative consumer prices.
Sources: EIU; IMF, *International Financial Statistics*.

Chad: real exchange rates (b)

1990=100



The political scene

The Tibesti war of words continues—

After a rash of incidents in the northern Tibesti plateau in mid-year, the rainy season saw a respite, with both the government and the rebel Mouvement pour la démocratie et la justice au Tchad (MDJT) led by Youssouf Togoimi engaged in a war of declarations and communiqués. Whereas President Idriss Déby continued to play down the significance of the MJDT, rejecting its claims to control any part of the Tibesti region, the MJDT continued to maintain that it was ready to meet representatives of the government.

Mr Togoimi, a former defence and interior minister who left the government in 1997 and formed the MJDT a year later, claimed at the end of October that the government delegation had been going backwards and forwards from Zouar to Bardai in the far north-west, but apparently did not want to meet the MDJT. He said the Zouar garrison was encircled by his own soldiers, and the envoys could have met them easily had they wanted to. He said he was ready to meet them, although whether a dialogue would be opened was a different issue. (The idea of talking to the rebels had sprung from pressure to do so from a number of political quarters, including Mr Déby's own colleagues, earlier in the year.) Nevertheless there continued to be unconfirmed reports of discreet unofficial contacts between government and rebels.

—and other rebel groups speak out

The MDJT conflict appears to have encouraged other "politico-military groups" to become more vocal. The Mouvement pour la démocratie et le développement (MDD), in spite of the defection in June of its leader, Moussa Medella (4th quarter 1999, page 39), continued to claim activity. At the end of September it asserted that a joint force from Niger, Nigeria and Chad had launched a terror campaign in the Lake Chad region. Supposedly designed to fight rural banditry, it was in fact aimed, through massacres and looting, at terrorising peasants, shepherds and fishermen suspected of sympathising with the opposition. Later, the MDD, with the MDJT and the Conseil démocratique révolutionnaire (CDR) of the former foreign minister, Acheikh Ibn Oumar, issued a statement in the Gabonese capital claiming that the government had bought booby traps and chemical products from a number of ex-communist states including Russia and Ukraine, to target civilians in the Tibesti area. The chemicals, it alleged, were for the purpose of poisoning wells.

Battles are fought at Oumou and Aouzou

At the beginning of November the MDJT claimed to have killed more than 200 soldiers of the Chad army, including 50 officers, in fighting in the northern district of Oumou. In mid-November the MDJT claimed that it had captured the garrison town of Aouzou, in the Aouzou Strip along the Libyan border; some 80 people had been killed in the fighting and 47 others taken prisoner. This was denied on November 24th by the communications minister, Moussa Dago, who said that Aouzou was firmly under the control of the government. He admitted, however, that there had been two important recent battles—at Oumou on November 2nd and in Aouzou on November 16th. He said that eight people had been killed and 28 wounded at Oumou, but the situation was "completely under control" and rebel attempts to infiltrate the two localities had been repulsed.

A new anti-Déby alliance is formed

On December 21st 13 rebel movements meeting in Paris announced the formation of a new alliance against Mr Déby. Leaders of the Coordination des mouvements armés et politiques de l'opposition (CMAP) include Goukouni Oueddeye, a Toubou from Tibesti who was one of the original founders of the Frolinat rebellion in the 1970s before serving as president of Chad from 1979 to 1982, and Antoine Bangui, a southerner who served as a minister in the Tombalbaye government in the early 1970s and had earlier been reported to be setting up a new southern-based rebel movement (4th quarter 1999, page 40). No representatives of Mr Togoimi's MJDT attended the Paris meeting, indicating that the two main Toubou leaders are still divided.

Oil companies announce a pull-out from Doba—

Shell and Elf, which have 40% and 20% respectively in the consortium planning to exploit the Doba oil deposits, indicated in early November that they were reconsidering their participation in the project, which has been under development since the early 1990s.

Although the companies cited economic reasons, the move was immediately interpreted as a betrayal in N'djamena. After a cabinet meeting on November 10th, the communications minister said: "The abrupt nature of the decision makes us think it is not dictated by economic reasons or technical considerations." He charged that the "desertion" was aimed at jeopardising the project, and "placing the government in difficulty vis-à-vis the people". The withdrawal was "an improper breach of contract compromising the higher interests of the Chadian people". President Déby was equally outspoken, affirming: "This is not the end of the story. We have signed some legally binding documents with both Elf and Shell. Discussions are still going on. We do not know whether the decision to withdraw is final. Perhaps this is just some kind of gesture. Perhaps our partners have some hidden objectives. We will have to settle all this legally."

On November 16th, an anti-French demonstration in N'djamena ended in violence, with one person reported killed and nine injured in clashes with security forces. Demonstrators shouting slogans denouncing "the hostile attitude of France to the development of Chad" and carrying anti-French banners tried to march on the French embassy, but were prevented by police. The demonstrators, according to the independent weekly newspaper *N'djamena-Hebdo*, were mainly youths and students from Arabic schools, who burned or cut to pieces French flags while applauding an American flag. Other observers said that there was some evidence that the demonstration had received government encouragement, and was only barred when it appeared to get out of hand and vehicles and buildings, as well as Shell and Elf service stations, were attacked.

—but the World Bank's attitude is positive

Until the Shell and Elf announcements, the main concern of the government had been the apparent indecision of the World Bank, especially after demonstrations against the pipeline during the World Bank-IMF meetings in Washington in September. Although the scheme now appears to meet its environmental criteria, the Bank remains keen to avoid criticism that it supports controversial projects or countries.

Plans for the 1,050-km pipeline from Doba to a lifting terminal at Kribi on Cameroon's Atlantic coast have run into strong criticism from pressure groups which say there are insufficient environmental safeguards for virgin rainforest and wildlife sanctuaries and too little benefit for local populations. Chadian human rights campaigners have expressed fears that oil revenue will be spent on weapons to put down the rebellion in Tibesti rather than on developing the south, especially as the region poses a potential political threat to Mr Déby. However, when campaigners called in September for a two-year moratorium on the project, the president of the World Bank, James Wolfensohn, dismissed the "hysteria" that had built up about the pipeline, contending that there would be no catastrophic environmental effects. Comments from the World Bank since the September meetings have in fact been increasingly positive, and both the Bank and Exxon say their view of the project itself has not been affected by the defection of Shell and Elf.

Meanwhile, domestic and regional support has been vocal. Some 30 Chadian political parties, including some from the opposition, lent their support to the pipeline in September (even if three rebel groups—the MDJT, MDD and CDR—had earlier called for the project to be suspended), and on October 8th the capital saw a march of 8,000 people calling for it to be immediately implemented. Central African leaders meeting at the end of September also publicly lent their support to the project as beneficial to the whole of Central Africa.

Military co-operation between France and Chad proceeds apace

Although these developments caused Franco-Chadian relations to take a turn for the worse, they followed efforts to keep military relations, at least, on an even keel. In mid-September President Déby received the chief of staff of the French armed forces, General Jean-Pierre Kelche, sent at the request of President Jacques Chirac to discuss the state of Franco-Chadian military relations with a view to "revitalising" them. While he was in Chad, General Kelche visited troops of Operation Epervier (France's 13-year old military operation in the country), who currently number over 1,000 men stationed in N'djamena and Abéché. A month later a financing convention was signed between France and Chad for CFAfr275m ($430,000) for the development of a factory to produce military uniforms and other equipment. The French embassy in Chad described the project, which will be completed in 2003, as an ambitious one designed to cover completely the uniform needs of all Chad's security forces. At the beginning of November it was announced in the French National Assembly in Paris that by 2000 the number of military advisers in Chad would be reduced from 55 to 35 as part of an overall reduction by one-quarter in the number of French military advisers in Africa.

President Déby visits his Libyan "brother leader"

It was apparently the shock of the Shell-Elf pull-out that triggered a surprise visit by Mr Déby to Libya on November 13th, where he met a sympathetic welcome from the Libyan president, Muammar Qadhafi. "We can buy the drills and the machinery, and we can get the oil from Chad and make Chad rich in spite of its enemies," Mr Qadhafi told reporters. Since Mr Déby attended the OAU mini-summit in Libya in September, there have been a series of bilateral contacts, including a visit to Chad in October by a Libyan military delegation.

Security accord signed with Sudan

A co-operation agreement in security matters was signed in Khartoum at the end of September by Oumarou Djibrilla, Chad's interior minister, and Ahmed Mohammed al-Aas, Sudan's deputy interior minister. The two countries agreed to reactivate their joint frontier commissions and begin the demarcation of their common frontier before the end of the year. Although the stated aim of the accord was to combat smuggling and banditry, there was an underlying political agenda, as the border has always been used by political dissidents on both sides, and Chad's current concerns with rebel groups have led to renewed interest in the security of the borders with both Sudan and Libya. A committee was established to encourage the return of some 20,000 Sudanese refugees from the Chadian town of Adre, 100 km east of Abéché, who fled ethnic conflict in Darfur province in 1998.

A major cabinet reshuffle

Faced with serious economic and security concerns, Mr Déby appointed a new government on December 14th, replacing Nassour Guelendouksia, the prime minister since May 1997, with Nagoum Yamassoum. The president's legal adviser and campaign director during the 1996 presidential election, Mr Yamassoum was promoted from the culture, youth and sports ministry. The new cabinet also saw the return of a former Déby opponent, Saleh Kebzabo, leader of the Union national pour le développement et le renouveau (UNDR), who joined the government as foreign minister after the 1996 election. He resigned in May 1998 but his party expressed an interest in returning to government in January last year. He now takes the agriculture portfolio with the rank of minister of state. The foreign minister, Mahamat Saleh Annadif, and the finance minister, Bichara Cherif Daoussa, retain their posts, while the sensitive interior portfolio goes to Abderrahmane Moussa, who set up the Agence nationale pour la sécurité, the Chadian intelligence service.

Economic policy and the economy

The oil consortium breaks up—

Although on November 10th the Chad government announced categorically that Shell and Elf were both giving up their shares in the consortium to develop the oil deposits at Doba in the far south of Chad, the oil companies themselves were more guarded in their pronouncements. Shell simply said that it was "reviewing" its participation, while Elf said that it had not yet made a decision on whether to pull out of the project. Exxon announced, however, that it was "considering changes" in the consortium, and it rapidly became clear that the two companies wanted to ease themselves out of the project.

Elf said it was reassessing its priorities in the light of its forthcoming merger with TotalFina. The kind of political pressures to which Elf was susceptible even seven years ago when it joined the consortium, apparently at the insistence of the French government, no longer prevail. The government of Lionel Jospin in Paris has re-ordered many of its African priorities, and the continuing revelations of Elf's past involvement in African bribery and corruption have brought major changes. Shell is also keeping a tight rein on exploration and production spending, and concentrating its African activities on Nigeria and Angola, although the Anglo-Dutch company's recent experiences with environmental and political controversy in Nigeria and Colombia may also have acted as a deterrent.

—but the project is expected to go ahead

Both companies insist that contrary to the Chad government's allegations there were no political factors in the decision, and Exxon says it is confident that the project will go ahead and will obtain World Bank funding. At the end of October a high-level World Bank team led by the vice-president, Shengman Zhang, visited both Cameroon and Chad to discuss the final arrangements for the pipeline the Exxon-Shell-Elf consortium had been planning. In both countries the team held meetings with non-governmental organisations, and in Chad it met farmers' organisations, human rights bodies and other NGOs for further discussions, on such subjects as representation of producing regions on oil revenue bodies, compensation for destroyedmango trees and the allocation of oil-project related scholarships. "The World Bank is not only interested in seeing the project realised, but will also ensure its proper execution," Mr Zhang said in Cameroon. The World Bank would fund only $90m of the $3bn total project cost, but its approval would release $400m in direct and syndicated loans by its private-sector arm, the International Finance Corporation, and by export credit agencies and private companies.

Exxon has indicated that it considers the restructuring of the consortium an urgent matter, and expects it to be completed within a few months. Among companies reported to have shown interest in joining the project are Chevron, Agip, BP Amoco, Conoco and Malaysia's Petronas, which is expanding its African portfolio since its acquisition of a stake in South Africa's Engen.

The IMF approves a $50m loan facility

On January 7th the IMF approved a three-year arrangement of SDR36.4m ($49.9m) under its poverty reduction and growth facility (PRGF) to support the government's economic programme for 1999-2002. The first annual loan of about $14.3m will be available in two equal instalments, with $7.1m available immediately.

The IMF praised the country's performance under its enhanced structural adjustment facility programme, which was completed in April last year. It highlighted the improvement in public finances, with firmer control over current spending and better tax administration moving the primary current fiscal balance (excluding interest payments) from a deficit of 1.7% of GDP in 1995 to surpluses of around 1% in both 1998 and 1999. Although public-sector restructuring was slower and more fitful than scheduled, the majority of public enterprises were either privatised or liquidated. The Fund commended "progress made in recent months in the formulation of the authorities' medium-term strategy for the reform and liberalisation of the cotton sector", and urged the government to "complete the public enterprise privatisation programme, strengthen the judicial and regulatory framework, and enhance the transparency and accountability of the management of public resources".

The 2000 budget introduces VAT and unfreezes salaries

One of the major tax changes envisaged in the 1995-99 programme was the introduction of value-added tax (at a single rate of 18%), replacing the 15% turnover tax. This was implemented at the beginning of 2000, under the budget adopted by the Council of Ministers last September. This forecast revenue of CFAfr221.5bn ($347m) and expenditure of CFAfr245.9bn ($385.7m)—producing a deficit of about CFAfr23bn. There were also plans to unfreeze civil servants' salaries, and integrate 158 rural development workers into state structures, following a similar move for workers in education, health and other social sectors, as well as make provision for replacing dead or retired workers.

The 1999 budget had originally estimated revenue of about CFAfr240bn, but the result was expected to be less because of the continuing energy shortfall and the fall in world cotton prices.

A mixed outlook for agriculture in 2000

In its December bulletin the US Famine Early Warning System (FEWS) predicted higher crops after two good rainy seasons. In 1999/2000 Chad was expected to produce 136,000 tonnes of sorghum, up from 133,000 tonnes in 1998/99. However, FEWS said the rains had also encouraged the proliferation of flies along the Chari and Logone rivers and the southern shores of Lake Chad. The Office of Livestock Husbandry and Animal Resources has reported heavy losses of sheep and goats in these areas—up to 90% in some villages around Djermaya, 40 km north of N'djamena. Livestock owners were losing income normally generated by the sale of milk and other animal products, but the situation had started to improve as conditions became drier.

The presses for a go-ahead at Sedigui

A recent article in the weekly newspaper *N'djamena-Hebdo* by the minister of mines revealed that the government is linking plans for a refinery in N'djamena, to process oil from the Sedigui fields near Lake Chad for domestic use, to the Doba project. Sedigui is not in itself a commercially viable project, but, faced with the continuing fuel crisis, the government was pressing for a mini-refinery and urging Exxon's collaboration.

Trade data

Cameroon: foreign trade

Imports cif[a]	$ '000 Jan-Dec 1995	Jan-Dec 1996
Food	174,039	153,054
Beverages & tobacco	11,579	11,449
Crude materials	77,839	67,822
Petroleum & prods	27,260	188,249
Chemicals	175,080	173,937
Paper etc & manufactures	51,353	45,861
Textile yarn, cloth & manufactures	17,628	15,639
Non-metallic mineral manufactures	36,623	34,082
Iron & steel	40,918	41,749
Metal manufactures	46,797	42,840
Machinery incl electric	207,973	206,856
Transport equipment	120,527	124,215
Total incl others	1,078,541	1,204,343

Exports fob	$ '000 Jan-Dec 1995	Jan-Dec 1996
Coffee	142,487	127,043
Cocoa & products	160,652	182,099
Wood	285,684	248,916
Cotton, raw	78,224	109,776
Petroleum, crude	445,279	627,958
Aluminium	127,524	110,755
Total incl others	1,538,719	1,757,869

Exports fob	$ m Jan-Dec 1995[b]	Jan-Dec 1996[b]	Jan-Dec 1997	Jan-Dec 1998
Italy	330	393	500	447
France	466	352	273	319
Spain	277	367	330	309
Netherlands	163	148	130	167
Portugal	53	38	33	83
UK	45	61	32	64
Belgium-Luxembourg	42	48	44	64
Germany	102	123	40	58
Total incl others	2,019	2,188	1,858	2,153

Imports cif	$ m Jan-Dec 1995[b]	Jan-Dec 1996[b]	Jan-Dec 1997	Jan-Dec 1998
France	476	443	332	560
Belgium-Luxembourg	82	82	64	119
Nigeria	1	1	97	97
US	50	78	113	83
Germany	65	90	94	77
Italy	57	63	56	75
Côte d'Ivoire	n/a	n/a	52	37
Japan	48	35	74	29
Total incl others	1,165	1,228	1,360	1,703

[a] Source: UN. [b] *DOTS* estimates.

Sources: UN, *International Trade Statistics*, yearbook; IMF, *Direction of Trade Statistics*, yearbook, quarterly.

Central African Republic: foreign trade

Imports cif	$ '000 Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996
Food	24,635	27,587	12,585
of which:			
cereals & products	17,183	15,010	5,915
Beverages	2,022	2,885	2,268
Tobacco & manufactures	12,216	9,244	6,709
Petroleum & products	11,374	22,755	14,550
Chemicals	25,037	20,721	14,056
Rubber manufactures	2,425	3,775	2,927
Paper & manufactures	3,483	4,169	3,970
Textile fibres & manufactures, incl clothing	10,993	25,531	20,829
Miscellaneous non-metallic minerals mnfrs	2,102	2,835	2,625
Iron & steel	1,469	1,796	1,367
Non-ferrous metals	4,685	3,548	1,812
Metal manufactures	5,406	10,126	4,743
Machinery incl electric	19,655	60,386	28,475
Transport equipment	17,013	51,733	38,814
of which:			
road vehicles	16,456	49,770	33,043
Total incl others	154,162	265,499	179,942

Exports fob	$ '000 Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996
Coffee	2,049	3,103	872
Wood & cork	1,299	2,790	4,756
Cotton, raw	7,528	20,309	22,379
Road vehicles	2,008	9,259	7,119
Diamonds	63,422	75,810	69,098
Total incl others	81,451	119,522	115,128

Exports fob	$ m Jan-Dec 1995	Jan-Dec 1996[a]	Jan-Dec 1997[a]	Jan-Dec 1998[a]
Belgium-Luxembourg	75	102	98	147
Côte d'Ivoire	n/a	13	14	n/a
Spain	n/a	7	12	11
France	30	5	8	8
Taiwan	n/a	7	7	n/a
Total incl others	187	252	276	209

Imports cif	$ m Jan-Dec 1995	Jan-Dec 1996[a]	Jan-Dec 1997[a]	Jan-Dec 1998[a]
France	70	54	51	55
Côte d'Ivoire	1	28	30	n/a
Cameroon	12	15	19	19
Belgium-Luxembourg	6	5	6	8
Japan	46	6	2	6
Total incl others	189	173	167	153

[a] *DOTS* estimates.

Sources: National sources; UN, *International Trade Statistics*, yearbook, quarterly.

Cameroon, Central African Republic and Chad: French trade

($ '000)

	Cameroon			CAR			Chad		
	Jan-Dec 1996	Jan-Dec 1997	Jan-Dec 1998	Jan-Dec 1996	Jan-Dec 1997	Jan-Dec 1998	Jan-Dec 1996	Jan-Dec 1997	Jan-Dec 1998
French exports fob									
Cereals & preparations	38,416	34,954	43,131	8,607	8,041	8,373	8,247	6,223	5,326
Sugar & preparations	7,841	5,748	10,251	1	682	2,557	4,199	1,326	285
Beverages	6,204	10,879	11,889	817	799	453	306	266	1,480
Chemicals	82,298	91,175[a]	105,451[a]	8,393	11,010[a]	12,708[a]	10,863	10,122[a]	14,987[a]
Rubber manufactures	5,798	8,521	6,661	564	501	681	1,179	920	587
Paper, etc & manufactures	13,312	15,806	14,259	1,045	853	861	1,576	1,455	1,061
Textile fibres & manufactures, incl clothing	11,476	13,570	14,807	1,240	600	475	627	598	1,022
Non-metallic mineral mnfrs	9,003	8,799[b]	9,930[b]	246	217[b]	249[b]	471	946[b]	534[b]
Iron & steel	6,930	11,140[c]	13,158[c]	224	985[c]	658[c]	931	1,175[c]	2,159[c]
Non-ferrous metals	4,881	6,447[c]	8,626	58	62[c]	83[c]	142	197[c]	251[c]
Metal manufactures	16,033	10,855[d]	12,166[d]	1,544	672[d]	755[d]	2,702	425[d]	555[d]
Machinery incl electric	103,352	97,091	123,024	13,212	10,512	10,092	23,856	16,318	15,690
Road vehicles	30,336	47,488[e]	53,513[e]	5,846	7,290[e]	7,852[e]	5,604	4,145[e]	7,976[e]
Other transport equipment	4,496	3,989	4,678	143	324	98	271	266	69
Scientific instruments etc	10,341	10,490	11,538	920	1,122	1,371	1,417	1,537	3,182
Total incl others	407,331	437,412	509,946	49,332	47,217	50,350	68,590	51,655	60,950
French imports cif									
Fruit & vegetables	99,413	93,982	87,029	0	47	215	23	31	0
Coffee, cocoa, tea & spices	74,511	47,095	45,216	3,811	5,215	4,819	0	0	0
Rubber, crude	15,806	16,743[f]	14,121[f]	0	49[f]	14[f]	0	0	0
Wood & cork & manufactures	81,832	75,739	79,205	460	1,845	3,120	0	1	0
Petroleum & products	21,413	11,737[g]	40,619[g]	0	0	0	0	0	0
Textile fibres, yarn & manufactures	3,081	4,758	4,611	203	429	151	54	1,250	1,357
Non-ferrous metals	102,569	78,644[c]	69,532[c]	0	2[c]	49[c]	0	0	0
Total incl others	405,508	335,213	351,143	5,007	8,406	9,187	7,240	5,395	5,949

Note. Before 1997, SITC basis. From 1997, Harmonised System. Figures are not strictly comparable.
[a] Including crude fertilisers and manufactures of plastics. [b] Including precious metals and jewellery. [c] Including scrap and manufactures. [d] Tools etc and miscellaneous metal manufactures. [e] Including tractors. [f] Including manufactures. [g] Total mineral fuels.

Source: UN, *External Trade Statistics*, series D.

Chad: direction of trade[a]

($ m)

Exports fob	Jan-Dec 1995	Jan-Dec 1996	Jan-Dec 1997	Jan-Dec 1998	Imports cif	Jan-Dec 1995	Jan-Dec 1996	Jan-Dec 1997	Jan-Dec 1998
Portugal	41	43	40	40	France	64	75	57	67
Germany	25	14	19	25	Cameroon	8	9	13	15
Thailand	3	6	10	n/a	Nigeria	11	12	14	15
Costa Rica	6	8	8	n/a	Belgium-Luxembourg	21	12	7	14
Spain	5	6	6	6	India	2	4	6	6
Belgium-Luxembourg	7	3	8	3	Netherlands	2	4	6	5
Taiwan	2	4	6	n/a	Italy	10	3	6	3
Total incl others	124	125	96	130	Total incl others	161	173	136	152

[a] *DOTS* estimates.

Source: IMF, *Direction of Trade Statistics*, yearbook, quarterly.