COUNTRY REPORT

Cameroon
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Chad

1st quarter 1999

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

The Economist Intelligence Unit

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New York: Lou Celi or Lisa Hennessey Tel: (1.212) 554 0600 Fax: (1.212) 586 0248
London: Jeremy Eagle Tel: (44.171) 830 1183 Fax: (44.171) 830 1023

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Microfilm

World Microfilms Publications (UK)
Tel: (44.171) 266 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

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Summary

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Cameroon

Outlook for 1999-2000: President Biya's position appears secure. However, the issue of the presidential succession in 2004 may generate some tension, and an unstable regional environment could also threaten political stability. Economic reforms are likely to continue, with major privatisations planned this year. GDP growth is expected to slacken to 3.3% in 1998/99, before a slight recovery to 4.4% in 1999/2000.

Review: New divisions have emerged within the once influential opposition Social Democratic Front. The powers of the presidency have been strengthened, while promises to increase regional autonomy were also made. An independent survey ranked Cameroon the world's most corrupt nation. Relations with Nigeria have deteriorated. The IMF has praised macroeconomic performance in the first year of the current adjustment programme. Agriculture has recorded mixed results. Privatisation has continued to provoke controversy. Cameroon has signed up to a revived regional economic body, CEMAC.

Central African Republic

Outlook for 1999-2000: Prospects for political stability are not encouraging, with campaigning for the presidential elections due by August 1999 likely to be tense. Political uncertainty will also impact on an economy already troubled by an unfavourable external environment, making IMF targets for GDP growth of 5% in 1999 and 5.2% in 2000 optimistic.

Review: Despite organisational problems, and security worries, the legislative elections in November and December 1998 passed off relatively peacefully. No single party emerged with a clear majority. New data indicate that the economy is in better shape than previously estimated, with the informal economy flourishing. Sudan Airways has opened a new route from Khartoum to Bangui.

Chad

Outlook for 1999-2000: The recently established political stability will be under challenge during the outlook period, owing to delays in developing the oil sector, fears over the president's health and an increasingly uncertain regional environment. The postponement of investment in the Doba oil project, an overvalued exchange rate and the volatility of the cotton sector will make it difficult to sustain growth of over 6% of recent years.

Review: Concerns have been expressed over the health of the president, Idriss Déby. The government has made moves to accommodate dissident groups based in the south, although fighting has now flared up in the north. More than 100 Chadian troops were killed in the Democratic Republic of Congo, fighting as part of the coalition supporting the Congolese president, Laurent Kabila. There has been a minor government reshuffle. The World Bank has postponed its decision on the Doba oil project until April. The 1999 budget envisages a lower deficit. A donors' conference pledged $1.1bn in aid.

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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 Assembly with 180 members elected by universal suffrage, who sit twice-yearly and serve for a five-year term	
National elections	May 1997 (legislative) and October 1997 (presidential); next elections due by 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, the MDR and the UNDP. Last reshuffled December 1997	
Main political parties	There are more than 100 registered 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
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	Mounchipou Seidou
	Public works	Jérôme Etah
	Transport	Joseph Tsanga Abanda
BEAC governor	Jean-Félix Mamalepot	

Economic structure

Latest available figures

Economic indicators	1994	1995	1996	1997	1998[a]
GDP at market prices[b] (CFAfrbn)	3,416	4,150	4,555	5,017	5,380
Real GDP growth[b] (%)	–2.4	3.5	5.0	5.2	5.0
Consumer price inflation [b] (av; %)	35.1	13.9	4.7	1.5	2.5
Population (m)	12.8	13.3	13.6	14.0	14.4
Exports fob[b] ($ m)	1,454	1,736	1,761	1,858	1,584
Imports fob[b] ($ m)	1,052	1,109	1,200	1,360	1,320
Current-account balance[b] ($ m)	–56	90	–219	–189	–162
Reserves excl gold ($ m)	2.3	3.8	2.8	0.9	5.0
Total external debt ($ m)	8,326	9,346	9,515	8,342[a]	8,692
External debt-service ratio (%)	21.5	20.4	23.6	14.6[a]	13.2
Crude oil production ('000 b/d)	114.5	103.4	103.7	110.1	117.7
Coffee production[c] ('000 tonnes)	75.9	73.7	74.0	104.1	99.7
Cocoa production[d] ('000 tonnes)	109.0	109.1	134.0	125.8	122.0
Exchange rate [b] (av; CFAfr:$)	435.0	518.6	501.8	541.1	583.7

January 15th 1999 CFAfr565.97:$1

Origins of gross domestic product 1997[b]	% of total
Agriculture	42.1
Industry	22.1
of which: 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	690
Cocoa	148
Cotton	132
Coffee	125

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

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

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

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

Outlook for 1999-2000

The prevailing political calm will continue—

With the opposition in disarray and the economy slowing improving, the position of the president, Paul Biya, and his government appears secure in the short to medium term. Since his controversial election victory in October 1997 (1st quarter 1998, page 8), Mr Biya has worked to consolidate his grip on power, not through the repressive policies that helped escalate tension in the early 1990s, but by seeking to rebuild political consensus and bring back into government the broader regional representation that helped guarantee stability in the first two decades of independence. This process has contributed to the marginalisation of radical opposition parties, which have been further undermined by discreet efforts by the administration to exacerbate existing splits and divisions within once powerful groups, like the Social Democratic Front. In the longer term, however, the dominance of the political scene now exercised by the ruling Rassemblement démocratique du peuple camerounais (RDPC) and its allies may actually work against political stability, as ambitious personalities begin to manoeuvre for the succession to Mr Biya, who, according to the constitution, must stand down in 2004 following the completion of his second term in office since the end of one-party rule. Already, prominent individuals have begun to position themselves for a possible contest. In the absence of a genuine threat from the opposition for the presidency, competition within the RDPC could prove fierce, and potentially destabilising. Speculation that Mr Biya may seek to amend the constitution to stay on in power will further add to the uncertainty towards the end of the outlook period.

—although the external environment may deteriorate

In the short term, the most serious problems facing the government are therefore more likely to come from an increasingly troubled regional environment than from domestic issues. The turmoil in the Democratic Republic of Congo (DRC) shows no early sign of abating, and has already drawn in a number of countries, including Cameroon's neighbour, Chad, which has despatched several hundred troops to support the DRC president, Laurent Kabila. Cameroon has tried to maintain a relatively low profile in the dispute, although it joined other members of the regional economic grouping, the six-nation Communauté économique et monétaire d'Afrique centrale (CEMAC) in unequivocally backing Mr Kabila. Nevertheless, the danger of creeping instability elsewhere in central Africa—the outlook for Congo (Brazzaville) and Central African Republic also appears turbulent—impacting on Cameroon is real, particularly with regard to the movement of people, flow of weapons and economic disruption. The potential risk will be further heightened by the uncertain prospects for Cameroon's huge but unpredictable western neighbour, Nigeria, where the military government has pledged to leave office in May. If an incoming civilian administration fails to promote political stability or economic growth, Cameroon is likely to suffer. The two countries also remain at odds over the sovereignty of the Bakassi peninsula, which may again prove a point of friction and even military confrontation—a number of minor skirmishes have taken place in the region since the dispute was submitted to the International Court of Justice in 1994—during the outlook period.

Economic reform will continue—

Despite the deterioration in Cameroon's external trade environment, with market prices for the country's principal exports, oil and timber, continuing to fall, donors appear confident that the government will meet economic performance targets and maintain its commitment to the process of economic reform. Specific macroeconomic objectives agreed with the IMF for 1998/99-2000/01 include an annual average GDP growth of at least 5%, inflation limited to 2%, and an external current-account deficit of below 2.5% of GDP. The IMF says that for Cameroon to achieve these targets, it will need to continue increasing its investment:GDP ratio (through domestic and foreign direct investment), raise the domestic tax revenue base, deepen structural reforms to strengthen external competitiveness and rebuild economic and social infrastructure.

The privatisation of major state-owned corporations is likely to dominate policy, with a series of high-profile offers expected in 1999, including the national airline, CAMAIR, and the politically sensitive, anglophone-based Cameroon Development Corporation. If handled transparently, these issues are likely to generate significant revenue for the government, and mitigate the impact of falling global market prices for some of Cameroon's main exports. The disposals should also reduce the opportunities for patronage within the public sector and increase the efficiency and resources of those companies privatised.

—as GDP growth slackens slightly—

While the IMF continues to praise the government for its management of the economy, the unfavourable external trading environment is nevertheless likely to push average real GDP growth below 5% for the first time in three years in 1998/99, followed by a recovery in 1999/2000 as exports improve and reforms begin to have an impact. Activity in the primary sector (food, cash crops and forestry) and secondary sector (mining, manufacturing, housing, utilities and public works), which helped sustain more rapid economic growth in 1996/97 and 1997/98, is expected to slow, both because of falling commodity prices and power supply problems. Domestic demand, particularly private consumption, is also likely to increase more slowly in 1998/99. Privatisation should generate increased economic activity in 1999 and 2000, with receipts from the disposal of state-owned corporations mitigating the impact of falling exports on government revenue.

—and the current-account deficit widens

World market prices for timber and crude oil, the country's principal export earners, are not expected to recover until 2000. Oil production is also expected to drop from a 1998 high of 118,000 barrels/day (b/d) to 109,000 b/d in 1999 and 92,000 b/d in 2000 as fields mature. As a result, the trade surplus is forecast to fall to just $30m in 1998/99 from nearly $400m in 1997/98. With imports set to rise in 1999/2000 as part of a major infrastructure project to build an oil pipeline from Chad to the coast, there is likely to be a trade deficit of $50m. The deterioration in the balance of trade will have a negative impact on the current account. The EIU is forecasting an external current-account deficit of 4% in 1998/99. With the capital account also deteriorating, the balance-of payments deficit is expected to rise. The budget deficit will widen to 3.2% of GDP, from 1.9% in 1997/98, mainly because of the expected shortfall in international trade taxes and the drop in oil revenues, although the impact will be mitigated by receipts from privatisation and continued donor support. Fiscal restraint will help keep inflation to around the IMF target of 2%. Increased private capital flows following the acceleration of the privatisation programme and growing private sector confidence in the economy, combined with higher levels of concessional aid from multilateral and bilateral donors, are forecast to lead to an improvement in the overall balance of payments in 1999/2000.

Cameroon: forecast summary

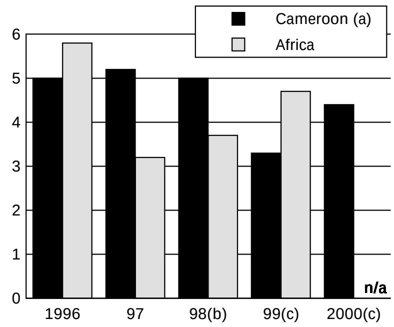
($ m unless otherwise indicated; fiscal years ending Jun 30th)

	1996/97[a]	1997/98[b]	1998/99[c]	1999/2000[c]
Real GDP growth (%)	5.2	5.0	3.3	4.4
Consumer price inflation (av; %)	1.5	2.5	2.3	1.9
Merchandise exports	1,858	1,584	1,350	1,398
Petroleum & petroleum products	788	458	276	262
Non-oil products	1,070	1,125	1,074	1,136
Merchandise imports	1,360	1,320	1,357	1,394
Current-account balance	–189	–162	–373	–350
Exchange rate (av; CFAfr:$)	541.1	583.7	574.0	547.0

[a] Actual. [b] EIU estimates. [c] EIU forecasts.

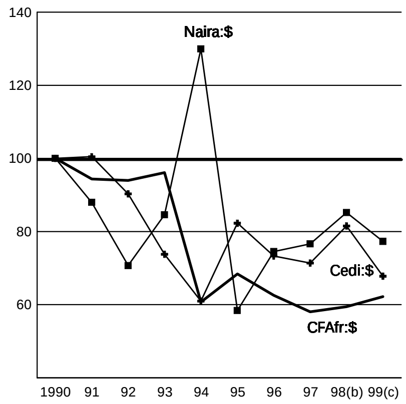
Cameroon: gross domestic product

% change, year on year



Cameroon: real exchange rates (a) (d)

1990=100



(a) Fiscal years beginning July 1st. (b) EIU estimates. (c) EIU forecasts. (d) Nominal exchange rates adjusted for changes in relative consumer prices.
Sources: EIU; IMF, *International Financial Statistics; World Economic Outlook.*

Review

The political scene

New divisions grip a once powerful opposition party—

Differences within a once influential opposition party, the Social Democratic Front (SDF), over how to revive its flagging fortunes took a bitter turn in October when a number of activists called for a special congress to challenge John Fru Ndi's increasingly authoritarian leadership. The SDF's first vice-president, Mahamat Souleymane, led the campaign, which gathered pace following the expulsion of some French-speaking militants from the anglophone-based party. Mr Mahamat said the party leadership was marked by dictatorial tendencies and corruption, pointing to Mr Fru Ndi's failure to call a party congress since 1996 and the absence of an audit of the SDF's finances since its creation in 1991. Mr Fru Ndi responded by ordering Mr Mahamat's expulsion from the party. The departure of Mr Mahamat, one of the few northerners in the SDF leadership, will further weaken the SDF in a part of the country where it has always struggled for support.

—prompting the emergence of a new splinter group

In an effort to capitalise on grass-roots frustration with Mr Fru Ndi, Mr Mahamat joined another high-profile SDF dissident, Christophe Takoudjou, to form the Social Democratic Movement (SDM), which held its inaugural congress in the capital, Yaoundé, on December 18th. The meeting was disrupted by SDF supporters, apparently acting on the instructions of the party leadership, amid scenes of violence. While Mr Fru Ndi argued that he was legitimately opposing efforts by his enemies to usurp the SDF's mantle, the apparent sponsoring of political violence by a party that has always campaigned for the protection of human rights was greeted with glee by the ruling Rassemblement démocratique du peuple camerounais (RDPC). Lacking resources and organisation, the new party is unlikely to present a real threat either to the government or to the SDF. Indeed, its emergence may serve only to disappoint the potentially large constituency that remains lukewarm towards the government but has found little inspiration in an increasingly weak and demoralised opposition that is dominated by personality splits and petty tensions. The SDF's problems mounted with indications in October that supporters from one of the country's most influential ethnic groups, the Bamiléké, were also disillusioned with Mr Fru Ndi's leadership and his anglophone kinsmen's grip on the party.

The authorities release some detainees

In an indication of the government's new-found confidence in dealing with the once troublesome anglophone provinces that form the SDF's powerbase, and in an effort to enhance its human rights credentials, ten of the 56 Southern Cameroon National Council (SCNC) militants who were detained following armed attacks in the North-west province in March 1997 were released in late November. The SCNC is a radical anglophone movement campaigning for the return to a federal system of government in Cameroon or outright independence for the two predominantly English-speaking provinces. Also as a sign of the government's desire to ease domestic tensions and remove obstacles to better relations with donors, on October 9th the president, Paul Biya, pardoned Pius Njawe, the editor of the independent newspaper, *Le Messager*, who had been detained in January after suggesting that the head of state was suffering from a heart ailment. Following his release, Mr Njawe chose not to blame the president for his plight, saying instead that the judicial system in Cameroon was in a woeful condition and responsible for many instances of wrongful detention.

The presidency assumes more powers—

In contrast to the adoption of such liberal measures, in October Mr Biya issued a decree that reorganised the presidency, effectively placing the office of the secretary-general at the centre of all decision-making in Cameroon. Many important services and functions that previously fell under the ambit of the prime minister, such as the Direction général des grands travaux, which deals with major public works projects, have been moved to the presidency. The secretary-general not only chairs the National Security Committee, but now has the last word on economic matters. He has now replaced the prime minister as the main link between the president and government ministers, the judiciary and parliament. These changes are seen as a sign of Mr Biya's confidence in Marafa

Hamidou Yaya, the present secretary-general of the presidency, who with Edouard Akame Mfoumou, the minister of economy and finance, has been given credit for the successful implementation of the country's economic reform programme.

—despite moves towards decentralisation

At the same time as moves were being made to strengthen the presidency, the government announced plans to devolve powers from the centre to the regions, as provided by the January 1996 constitution. The minister for territorial administration, Samson Ename, said in December that the government hoped to move quickly towards regional elections and greater autonomy for Cameroon's ten provinces. This process of enhancing the powers of local government and the presidency will effectively squeeze existing national institutions, like parliament. This may appeal to Mr Biya's more authoritarian instincts, but if genuinely implemented it may promote grass-roots accountability and the prospects for political stability.

A powerful minister denies presidential ambitions

In an indication of the sensitivity surrounding the issue of a successor to Mr Biya, who according to the constitution must step down on completion of his present term in 2004, in September the highly-regarded finance minister, Mr Akame Mfoumou, issued a statement denying that he was behind posters carrying his photograph, entitled "the man we need to govern Cameroon in 1999". The posters appeared mainly in Yaoundé, Douala, and Bafoussam. "I would like to confirm my faith and loyalty to President Biya to whom I owe everything'', his statement said. The posters are believed to have been printed and distributed by Mr Akame Mfoumou's enemies with the intention of causing friction between the finance minister and the head of state.

Cameroon tops a list of the world's most corrupt countries

The 1998 corruption perception index published in September by Transparency International (TI), a Berlin-based non-governmental organisation, ranks Cameroon as the most corrupt of 85 countries included in its study. Cameroon scores only 1.4 out of a maximum of ten, followed by Paraguay (1.5), Honduras (1.7) and Tanzania (1.9). Nigeria, which was the most corrupt of 52 countries examined in the 1997 survey, is ranked fourth most corrupt nation with 1.9 points. TI stresses that the index relates to perceptions of businessmen, risk analysts, and the general public about levels of corruption in different countries. The index focuses on corruption in the public sector, which is defined as ''the abuse of public office for private gain''. Johann Graf Lamsdorff, an expert with TI, warned the media against characterising any country in the survey as ''the most corrupt", because data was not available for all countries. Cameroon's local independent press welcomed the international attention drawn to the high level of corruption in the country, but wondered how Cameroon could have beaten Nigeria for the ''prize'' of the most corrupt African country. A statement released by Cameroon's presidency on September 25th condemned TI for incompetence and bias designed to ''tarnish the image of Cameroon and discourage investors''. The government was particularly upset that the TI survey failed to take into account its recent anti-corruption campaign, although most independent observers would agree that graft and cronyism remain a factor in government in Cameroon.

Nigeria complains of territorial encroachment

In October, traditionally volatile relations between Cameroon and its powerful but chaotic western neighbour, Nigeria, worsened when a spokesman for the Nigerian defence ministry claimed that Cameroon had granted an oil-prospecting contract to a Canadian company in parts of the disputed Bakassi region. The Cameroon State oil company, the Societé nationale des hydrocarbures, (SNH) responded that rights had been granted to a Canadian joint venture of Euroil and Trophy (4th quarter 1998, page 13) in July 1998, but for an area far from Bakassi. Ownership of the Bakassi peninsula, a fish- and oil-rich region of some 1,000 sq km (400 square miles) in the Gulf of Guinea, is claimed by both Nigeria and Cameroon. Cameroon has not issued any oil exploration or drilling permits in the disputed area since a 1994 International Court of Justice (ICJ) injunction that both countries should not embark on new projects in the area pending the court's final ruling on ownership. Elf Serepca, which has had an exploration and drilling licence for oilfields in the Bakassi area since October 1980, suspended its activities there in 1990, when the border dispute escalated. The increase in tension undermined the new spirit of détente which had seemed to characterise the new Nigerian government's approach to relations with Cameroon, including an exchange of more than 150 prisoners following General Abdulsalami Abubakar's assumption of power last July. With a final ruling from the ICJ possibly years away, the dispute is likely to remain a point of friction for some time.

The economy

The IMF praises macroeconomic performance

In September the IMF approved the second annual arrangement of SDR54.04m ($74m) under its enhanced structural adjustment facility (ESAF) in support of the government's economic reform programme for 1998/99. The loan is in two equal semi-annual instalments, the first of which was disbursed in September. In the statement, the Fund confirmed that the first year of the adjustment programme supported by the three-year ESAF arrangement had been successfully implemented, with all quantitative and structural performance criteria and benchmarks for 1997/98 met. Real GDP growth was estimated at 5% and the rate of inflation fell to 1.6% in the 12 months to June 1998 from 9.6% in the year earlier. The primary budget surplus target was exceeded, allowing the clearing of non-reschedulable arrears to Paris Club creditors ahead of the target date. The strong growth in private-sector credit reflected the buoyant economic activity.

The IMF noted that the implementation of structural reforms, the depreciation of the CFA franc and the sharp drop in inflation led to an improvement in external competitiveness. Non-oil exports grew by 7%, driven by coffee, cotton, logs, and wood products. This generally positive picture was supported by new data from the Bank of France in its annual survey of the economies of the Franc Zone (see table below). Illustrating progress made in implementing structural reforms, the IMF statement cited the completion of an independent audit of the national oil company, liberalisation of the domestic market for refined petroleum products, adoption of a restructuring plan for the port of Douala, and the launching of competitive bids for the establishment of a second cellular telephone company.

Cameroon: balance of payments

(CFAfr bn)

	1993/94	1994/95	1995/96	1996/97[a]
Exports	623.4	863.4	879.6	1,072.2
of which:				
oil	273.4	351.6	319.8	459.8
wood	117.1	161.1	128.8	157.3
cocoa	36.7	66.9	84.4	80.1
cotton	32.4	38.7	65.1	71.5
coffee	43.3	59.1	69.4	67.9
aluminium	29.3	60.0	62.2	59.4
Imports	–442.8	–571.8	–633.1	–697.4
Trade balance	180.6	291.6	246.5	374.8
Services balance	–284.5	–226.2	–364.4	–376.4
Transfers balance	9.1	4.2	11.6	–13.0
Current-account balance	–94.2	69.6	–106.3	–14.6
Financial flows (net)	5.6	–379.2	–217.2	–305.3
Errors & omissions	–109.2	–186.6	–37.0	81.2
Overall balance	–197.8	–496.2	–360.5	–238.7

[a] Official estimates.

Source: Le Comité de la Zone franc, *La Zone franc, Rapport annuel.*

VAT comes into effect on January 1st

In December the government launched a media campaign to sensitise public opinion to the implementation from January 1st, 1999 of value-added tax (VAT) of 18.7% on a wide range of goods and services. Exemptions are limited to basic commodities such as fish, meat, milk, flour, books and pharmaceutical products, with officials warning that any price increases resulting from the introduction of the new tax will be due to overcharging by unscrupulous retailers. The introduction of VAT, the further strengthening of the tax administration, and the reduction of tax fraud are considered by the IMF to be critical for raising non-oil revenue collection and meeting the overall budgetary revenue target of CFAfr893bn ($1.6bn) in 1998/99.

Banks face a bumpy ride

Two ministerial orders aimed at strengthening competition in the banking sector were signed in late September. The first order allows bank commissions to be determined by the market, while the second liberalises foreign-exchange dealing so as to facilitate exchange operations and improve the quality of service to customers. Until now, only commercial banks were allowed to carry out foreign currency exchange operations in Cameroon. While entry into the foreign-exchange business has been made easier, officially recognised bureaux de change will still need a licence from the Ministry of Economy and Finance. This additional competition may put further pressure on commercial banks, which are already struggling to deal with a liquidity crisis owing to a deteriorating external payments position and capital flight. The capital outflow has been caused by persistent but unfounded rumours that the CFA franc would be devalued in January 1999, after the establishment of the common European currency, the Euro. The liquidity shortage has been exacerbated by the non-repatriation of export revenues of local companies. The net liquidity position of Cameroon banks fell from CFAfr113bn ($405m) in June 1997 to CFAfr56bn in December 1998. While the situation is critical, the picture is expected to improve quickly in 1999 as fears of a devaluation evaporate. Confidence in the sector has, however, been further undermined by a report from the regional central bank, Banque des états d'Afrique centrale (BEAC) indicating that local commercial banks have failed to bring down the traditionally high proportion of bad debts in their loan portfolios. Out of a total loan portfolio of CFAfr452bn, CFAfr92.4bn or 20.4% are considered non-performing assets. Over two-thirds of the bad debts are owed by companies, followed by individual entrepreneurs who owe about 15.2%.

The government pledges to restructure the ailing national insurance fund

Mismanagement, incompetence and corruption have prompted a crisis in Cameroon's ailing social insurance fund, the Caisse nationale de prévoyance social (CNPS). Given the relative youth of the population, cash inflows from pension contributions should exceed payments to pensioners, thus providing an easily predictable and valuable source of long-term investible funds. However, it has been so mismanaged that it has had difficulties meeting its obligations to pensioners. In September about a thousand retired workers organised a sit-in at the CNPS headquarters in Yaoundé, calling for the payment of their retirement benefits. The government owes the CNPS about CFAfr249bn ($900m) from borrowings in the 1980s to finance the budget deficit and for on-lending to the public enterprise sector. The Fund also suffered heavy financial losses when several banks collapsed. In response to public pressure, the government announced plans for the restructuring of the CNPS, but provided no details. Meanwhile, the World Bank is pressing for recovery of overdue subscriptions and updating of CNPS financial statements. Cameroon's association of entrepreneurs and industrialists, Groupement interpatronal du Cameroun (GICAM), has called on the government to privatise the CNPS.

CAMTEL privatisation attracts strong international interest

In October the commission for the privatisation and liquidation of public and parastatal enterprises held a meeting with local and foreign investors interested in the privatisation of the second cellular telephone licence, CAMTEL-mobile. The foreign companies which have expressed interest include France Télécom, MTN (South Africa), Deutsche Telecom, Vodafone, and Telecel. France Télécom has promised to invest CFAfr40bn ($75m) over a five-year period to upgrade Cameroon's telecommunications system and expand the mobile telephone network if it wins the CAMTEL and CAMTEL-mobile privatisation bids.

Breweries are good business

Beer consumption is estimated to have grown by 8% in 1997/98 (July/June). The three major breweries in Cameroon are: Guinness Cameroon, Castel group's Société anonyme des brasseries du Cameroun (SABC), and the locally-owned Union Camerounaise des brasseries. SABC reported a 12.3% increase in net profits from CFAfr5.7bn ($10.5m) in 1996/97 to CFAfr6.4bn in 1997/98. Guinness Cameroon announced in early November 1998 that it would invest about CFAfr20bn in new buildings, modern machinery and equipment over five years to renovate completely its 28-year-old brewery in Douala, Cameroon's commercial capital.

Agriculture and forestry

Assets of the state tobacco company are put up for sale

The assets of the defunct Société camerounaise des tabacs (SCT) have been put up for sale by Cameroon's Technical Committee for Privatisation and Liquidation. The assets include 17 tobacco-curing centres located mainly at the heart of cigar-producing areas in the eastern province. Before SCT's liquidation in 1998, its operations involved providing technical assistance for the production and sale of the output of some 10,000 smallholders cultivating wrapper and filler tobacco. Cameroon's wrapper tobacco is used for premium brands made by well-known cigar manufacturers in Latin America. There is a shortage of high quality Cameroon wrappers on the international market and the government expects the sale of the assets to boost production in Cameroon. The EIU understands that preference will be given to tobacco companies and planters' associations.

The outlook for cocoa is promising—

The International Cocoa Organisation (ICCO) forecasts that the average world market price in 1998/99 will be 9.5% up on 1997/98; the EIU predicts a rise of just under 7%. Another production deficit is expected in 1998/99, despite gloomy consumption prospects in Russia and the Far East, particularly Japan. The Cameroon government continues to forecast a cocoa crop of 128,000 tonnes in 1998/99, compared to an estimated 122,000 tonnes in 1997/98, with the expected growth in production to come from better weather, improved support services and encouraging prices. Other sources argue that the government's forecast is overly optimistic, predicting production during the current season at 125,000 tonnes. Even this more modest outlook will exceed Cameroon's agreed quota with the ICCO, fixed in September at 122,000 tonnes for 1998/99.

—and prospects for coffee are good—

Industry sources and officials in the Ministry of Agriculture are optimistic that coffee production will reach 1.66m bags (99.6m kg) during the present season (October-September), up from 1.53m in 1997/98. The main reason for the optimism is the likelihood that last year's record prices will be sustained, as a result of the damage caused by Hurricane Mitch in Central America. The favourable impact of higher prices on coffee plantation rehabilitation and replanting, and good climatic conditions are expected to lead to the increase in coffee production. In 1996/97 Cameroon exported 1.375m bags of coffee, earning CFAfr67.89bn. Coffee exports went principally to Italy (31.8%), Germany (21.2%) and France (18.7%).

—but cotton performs poorly

New data from the Compagnie française pour le développement des fibres textiles (CFDT), which has a stake in most cotton companies in francophone Africa, indicate a decline in cotton production in Cameroon. The CFDT provides technical assistance to the Cameroon state cotton monopoly, Sodecoton, and controls 30% of its shares. According to a CFDT report released in October, Cameroon is estimated to have produced 180,000 tonnes of cotton seed in 1997/98, compared to 223,000 tonnes the previous year. The amount of cotton seed smuggled to Nigeria was estimated at 5.5% of total production in 1997/98, compared to 2.5% in the previous season. Cameroon is the sixth largest producer of cotton seed in the Franc Zone. The CFDT has warned that prospects for the forthcoming season are also somewhat discouraging, with a rainfall shortage in 1998 likely to adversely affect the new crop.

The government sells its main sugar interests

The sale of the government's majority shares in the Cameroon Sugar Company (CAMSUCO) to the French agro-industrial group, Somdiaa, for CFAfr11bn ($20m) was concluded in December 1998, with the signing of a sale convention and an agreement on salary arrears and redundancy payments for CAMSUCO workers. CAMSUCO has 12,000 ha of sugar plantations and a sugar mill with an annual capacity of 80,000 tonnes. In the 1980s it produced around 70,000 tonnes, but in recent years mismanagement contributed to a fall in production to just 5,000 tonnes. Somdiaa already owns CAMSUCO's rival, the Société sucrière du Cameroun (SOSUCAM), and will now enjoy a monopoly position on the domestic market (4th quarter 1998, page 13). It also consolidates Somdiaa's dominant position in the sub-regional sugar market. The company has sugar interests in Congo (Brazzaville), Chad and the Central African Republic.

Energy and transport

Public utility privatisations provoke controversy

Cameroonian businessmen have expressed concern at the reported plans to sell the national water supply company, the Société national des eaux du Cameroun (SNEC), and the national electricity company, the Société national de l'electricité (SONEL) to French interests. Many complained that qualifying conditions for the tenders effectively discriminated against local business, and the national business forum, the Groupement interpatronal du Cameroun, called for a delay in the privatisation of SONEL and SNEC so that more companies from countries other than France could take part in the bidding in order to ensure fair competition and the best deal for Cameroon. Reflecting public opinion, the independent press carried an anti-privatisation campaign during the November/December session of the National Assembly to put pressure on members of parliament across the political divide to reject the bills paving the way for the privatisation of SNEC and SONEL. The government's majority nevertheless ensured the enabling legislation was passed comfortably. The opposition Union des populations camerounaises (UPC) issued a press communiqué on December 14th accusing the government of throwing away the nation's economic sovereignty in its zeal to please the IMF and the World Bank by privatising SNEC, SONEL, the national railways and airline, and the politically sensitive, anglophone-based Cameroon Development Corporation. Garga Haman Adji, the former minister of public service and administrative reforms and leader of the Alliance pour la démocratie et le développement (ADD), questioned why the French, for example, oppose the privatisation of nationalised industries in France but were so enthusiastic about the process in Cameroon.

Officials say an invitation for international tender bids for the airline will be made in June 1999, with the aim of completing the process a year later. CAMAIR, which operates an ageing fleet of six aircraft and enjoys a dubious reputation for reliability and efficiency, has suffered bad management and underinvestment for many years, and is now effectively bankrupt. The company's debt as at January 1998 was estimated at CFAfr48.5bn ($81m), with overstaffing contributing to its lack of competitiveness. Despite union objections, the airline management has promised a radical restructuring in the months ahead and argues that CAMAIR, which enjoys rights to several potentially lucrative routes, will represent an attractive purchase. Indeed, there are some indications of preliminary interest from Air France and South African Airways.

Despite the populist rhetoric, the government is unlikely to be moved from its commitment to move ahead with electricity privatisation, and has already enlisted the services of the International Finance Corporation (IFC) to advise on the issue. There are indications that SONEL will be restructured to create two companies, an electricity production and transportation company and a distribution company, to be privatised separately. The invitation to bid for SONEL is expected to be issued during the first quarter of 1999.

Environmental concerns help delay the Chad-Cameroon pipeline

Pre-investment construction work on the Chad-Cameroon pipeline, which will run from the Doba oil project in southern Chad to the Atlantic ocean port of Kribi in Cameroon, has been stopped by Cameroon Oil Transportation Company (COTCO) in the Deng Deng forest, where it is said a significant number of black African rhinoceros, considered an endangered species, have their habitat, and in an area close to a traditional pygmy settlement. Both areas are located in the East province of Cameroon. Work has also been stopped in an area in Adamoua province occupied by traditional cattle rearers.

COTCO's decision to stop the work in the three localities followed pressures from environmental activists. But it also suited the interests of the World Bank, which has delayed a critical funding decision for the project until at least March 1999, and the interests of the consortium of western oil companies behind the development, who are increasingly concerned that the fall in global oil prices will make the project uneconomic in the short term. Nevertheless, to appease the local population whose land and property will be destroyed during the construction of the pipeline, a COTCO official said in December that compensation would be paid at a level far higher than that provided for by Cameroon's present land expropriation legislation. For example, COTCO will pay CFAfr50,000 ($90) for each mango tree destroyed, instead of the meagre CFAfr3,500 required by the law. Officials have also sought to reassure local communities that there is no chance of an incident similar to the explosion in Nigeria in October that left several hundred dead, pointing out that unlike the surface pipeline in Nigeria, the Cameroonian pipeline will be laid 1.5m underground. Although the $3.5bn project is now certain to be delayed, it is nevertheless most unlikely that it will be cancelled. Once the Doba field enters production, Cameroon can expect to earn a handsome profit in transit fees.

Ocelot's gas project awaits agreement on power rates

Ocelot Energy, a Canadian company, signed a memorandum of understanding with the Société nationale des hydrocarbures (SNH) in August 1998 to undertake a feasibility study for the exploitation of the Sanaga Sud offshore field to fuel a 75-150 mw power plant for the national grid. The project is meant to contribute to efforts to reduce the country's dependence on hydroelectricity. The technical studies and mobilisation of project financing for the gas development and build-operate-transfer (BOT) electricity plant have been delayed, however, pending agreement with the state electricity corporation, SONEL, on the purchase price of electricity. Although Cameroon's main oil fields are increasingly mature, most have substantial unexploited gas reserves, officially estimated at more than 200bn cu metres. If successful, the Ocelot project could pave the way for similar projects to utilise such resources to provide a new, clean, reliable and cheap source of energy.

Efforts to improve the competitiveness of Douala port are made

The port of Douala has an unenviable reputation as the most expensive in west Africa, with tariffs three times those of Abidjan in Côte d'Ivoire and port clearance taking 20-25 days longer than elsewhere in the region. However, since October 1st, a *guichet unique* (one-stop shop) has been established at the Douala port by the Office nationale des ports du Cameroun (ONPC) to reduce the average time required to move goods through the port. The clearance time of goods is expected to be reduced to two days for exports and seven days for imports. The ONPC has also announced that port charges for goods have been reduced by 20% while tariffs for ships were reduced by 10%. These reforms, which are part of the government's strategy to improve the competitiveness of the port, are sponsored by the World Bank and the African Development Bank.

Railways record a heavy loss

The national railway company, the Régie nationale de chemin de fer du Cameroun (Regifercam) made a loss of CFAfr11.8bn ($19.6m) during the 1997/98 financial year, it was announced after its board meeting in October. The operating deficit was attributed mainly to the sharp fall in timber transported by rail and misappropriation, which amounted to nearly CFAfr1bn. The board meeting was the last before the new owners, the Franco-South African consortium SAGA-COMAZAR, take over railway operations under a concession agreement. While privatisation is likely to bring in new investment in technology and infrastructure and an improvement in management efficiency, the decline in timber exports will affect freight transport in the short term.

Foreign trade and payments

Mr Biya ratifies the CEMAC treaty

On October 27th, President Biya signed five decrees ratifying the treaty setting up the Communauté économique et monétaire de l'Afrique centrale (CEMAC), which also includes Chad, Gabon, Central African Republic, Equatorial Guinea, and Congo (Brazzaville). The first decree ratifies the constitutive instruments of the treaty, while the other four ratify the protocols annexed to the treaty concerning CEMAC's institutional and legal framework, the convention establishing the Central African Monetary Union, and the convention setting up the CEMAC Court of Justice. The treaty was signed by all the members of CEMAC in the Chadian capital, N'djamena, in 1994, but it was not until July last year that Cameroon's National Assembly authorised Mr Biya to ratify the treaty. CEMAC will replace the looser and largely ineffectual Union douanière et économique d'Afrique centrale (UDEAC) as soon as all its members ratify the constitutive treaty. While Cameroon shares with other countries in the region the rhetoric of closer economic co-operation and integration, it remains suspicious of its partners, with whom formal trade is relatively limited, and will be reluctant to make the concessions on sovereignty implicit in the CEMAC project.

Foreign business delegations make their pitch

In October a French business delegation led by a former cooperation minister, Michel Roussin, visited Cameroon. In an indication of the intimate links that still exist between France and its former colony, President Biya praised the commitment of the French government and industry to Cameroon. He said that France provided 40% of total international development assistance, and that French firms employed some 25,000 Cameroonians and had invested CFAfr260bn ($450m) in the country since 1996. Mr Biya assured the delegation that the government was fully committed to ''economic liberalisation, deregulation, economic restructuring and privatisation''. The delegation included representatives of companies which have submitted bids or expressed an interest in companies to be privatised during the 1998/99 fiscal year. Vivendi (formerly Société générale des eaux) is interested in the national water supply company, SONEC; France Télécom would like to take over CAMTEL; Electricité de France has an eye on the national electricity company, SONEC; and the Bollore group is well placed to buy SOCAPALM, the state oil palm company.

Shortly after the French mission, a British delegation, headed by the junior trade minister Sir Martin Laing, also visited Cameroon. The team held talks with the prime minister, Peter Musonge, and other senior government officials. Before leaving, Mr Laing expressed regret that ''the [Cameroon] government was not doing enough to promote the country's investment opportunities'' and said that Cameroon suffered from a negative image in Britain. His delegation nevertheless showed strong interest in Cameroon's privatisation programme, especially the companies up for sale in the water, electricity, and telecommunications sectors.

Other aid news

- A CFAfr2.8bn ($5m) grant agreement for the provision of a rural telephone network to link 64 small towns was signed in December between the Belgian ambassador to Cameroon and the government.

- The governments of Japan and Cameroon signed a CFAfrbn grant agreement in October for the construction and equipping of 15 primary schools. The grant is for the second phase of the Japanese programme for the building of 31 schools in Yaoundé and Douala.

- The EU and Cameroon signed an Ecu98m ($118m) grant agreement in October for the construction of the Bertoua-Garoua Boulai highway. The road project, which links Bertoua, the main town of the East province, to the Cameroon-Central African Republic border, is designed to promote regional integration by facilitating the movement of goods and services.

- In November the International Fund for Agricultural Development (IFAD) disbursed a $10.5m loan to finance an agricultural research project. The total cost of the project is $46m, and is being co-financed by the International Development Association (the World Bank's soft loan affiliate) and the African Development Fund. The main objective of the project is to improve productivity and raise revenue of smallholders and vulnerable groups in rural areas. Donors estimate that the project will directly benefit 30% of farmers in Cameroon.

The French development agency, the Agence française de développement, signed loan agreements with the government for a total amount of CFAfr26.6bn in December. The first loan for CFAfr25bn is to support the economic reform programme. The second loan, of CFAfr1.6bn, is to promote small and medium-sized enterprises in urban areas.

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, 85 members elected by universal suffrage serve a five-year term
National elections	August-September 1993 (presidential) and November-December 1998 (legislative); next elections due by August 1999 (presidential) and November 2003 (legislative)
Head of state	President, elected by universal suffrage to serve a six-year term
National government	The prime minister (nominated by the president) and his nominated Council of Ministers; the coalition government is dominated by the MLPC. Last cabinet reshuffle February 18th 1997
Main political parties	The Mouvement pour la libération du peuple centrafricain (MLPC) is the largest party in the Assemblée nationale but requires the support of smaller parties for a majority. The main opposition parties include the Rassemblement démocratique centrafricain (RDC), the Alliance pour la démocratie et le progrès (ADP), the Front patriotique pour le progrès (FPP); and the Mouvement pour la démocratie et le développement (MDD). A number of new groups, including the Parti de l'unité nationale (PUN) have been formed in recent months.

	President	Ange-Félix Patassé
	Prime minister	Michel Gbezera-Bria
	Minister of state for foreign affairs	Jean Mette Yapende
Key ministers	Agriculture	Timothé Augéné
	Defence, army reform & veterans	Pascal Kado
	Environment, water, forestry, fisheries & hunting	Joseph Gnomba
	Family & social affairs	Eliane Mokodopo
	Finance & budget	Anicet Georges Dologuélé
	Human rights & democratic culture	Laurent Gomina Pampali
	Justice	Marcel Metefara
	Mining & energy	Desiré Pendemou
	Post & telecommunications	Michel Bindo
	Public works & infrastructure	Jackson Mazette
	Territorial administration & public security	General François N'Djadder Bedaya
BEAC governor	Jean-Félix Mamalepot	

Economic structure

Latest available figures

Economic indicators	1994	1995	1996	1997[a]	1998[a]
GDP at market prices (CFAfr bn)	472	573	549	587	635
Real GDP growth (%)	4.9	6.3	–1.8	5.2	5.5
Consumer price inflation (av; %)	24.6	19.2	3.7	1.6	2.6
Population (m)	3.22	3.28	3.36	3.43	3.50
Exports fob ($ m)	162	179	146	174	182
Imports fob ($ m)	151	179	119	127	155
Current-account balance ($ m)	30	–9	–11	6	15
Reserves excl gold ($ m)	210	234	232	179[b]	157[b]
Total external debt ($ m)	885	942	928	930	n/a
External debt-service ratio (%)	12.6	6.4	6.3	6.6	n/a
Diamond production ('000 carats)	532	484	487	487	490
Seed cotton production[c] ('000 tonnes)	27.5	32.3	42.4	n/a	n/a
Timber production ('000 cu metres)	231	244	306	461	n/a
Exchange rate (av; CFAfr:$)	555.2	499.2	511.6	583.7[b]	595.0

January 15th 1999 CFAfr565.97:$1

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[d]	% of total
Belgium-Luxembourg	36.2
Côte d'Ivoire	5.2
Spain	4.4
Egypt	2.6

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

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

Outlook for 1999-2000

Prospects for political stability are not encouraging

After a period of relative stability, political tensions are likely to increase in the run-up to presidential elections due to take place before October 1999. Under a constitution that allocates substantial executive powers to the head of state, the outcome of the contest will have a far greater impact on policy-making than the legislative elections held at the end of 1998, which may produce a new government but are unlikely to herald a substantial change in direction on political, economic or security matters. As the elections approach, there are few indications that the president, Ange-Félix Patassé, will moderate a political style based around factionalism, ethnicity and intimidation that has alienated many in the Central African Republic's (CAR) political establishment. Mr Patassé has yet to clarify whether or not he intends to stand for another term in office, and there has been speculation over his health. However, if he does choose to seek a new mandate, he is likely to use all available means—including a highly politicised, well-equipped presidential guard and his own private militia—to secure his position. This could prove highly destabilising in a country still awash with weapons following the army mutinies of 1996-97. The CAR is also vulnerable to a spill-over from conflicts in neighbouring states, particularly those in the Democratic Republic of Congo (DRC). Mr Patassé signed a security pact with the DRC president, Laurent Kabila, in 1997, while one of his potential opponents in the 1999 elections, the former military ruler, André Kolingba, has connections with Congolese rebel forces.

Anticipating a possible deterioration in the security situation, the government has urged the UN to extend the mandate of the peacekeeping operation in the country, which is presently due to expire in February 1999. President Patassé has pointed to the stabilising influence of the 1,350-man Mission des Nations Unies en République centrafricaine (Minurca) on the political environment in the run-up to the legislative elections. Opposition figures share his conviction that the force should stay on until after the presidential election later in the year. The UN secretary-general, Kofi Annan, regards Minurca as one of the more successful international initiatives in Africa in recent times, and, given the fragility of the current peace in Bangui, is likely to support an extension of the mission. The attitude of the Security Council is, however, less clear. Funding for Minurca has already proved problematic, with only France and Denmark meeting their scheduled contributions on time. If the international community withdraws support for the UN mission, prospects for instability in 1999 and 2000 will increase significantly.

The political class may fragment—

The fragmentation of the political class, driven by the personal ambitions of those seeking the presidency, will contribute to the uncertain environment likely to prevail in 1999. Not only are the two most prominent southern politicians—Professor Abel Goumba and General André Kolingba—set to stand, but the traditionally coherent vote from the savannah region in the north may also splinter. Mr Patassé and the ruling Mouvement pour la libération du peuple centrafricain (MLPC) were able to count on the undivided support of the region in elections in 1993. The outcome of the legislative elections held in November and December 1998 suggests that the savannah vote may have begun to fragment, not on a large scale but still sufficient to undermine Mr Patassé's previous position as favourite for the presidential election. Two rival high-profile political aspirants from the region, the former government minister, Charles Massi, and the former prime minister, Jean-Paul Ngoupande, both secured election to the Assemblée nationale and are now likely to stand in the first round of the presidential race. The two-round voting system gives them a strong incentive to do so, even if they do not believe they can ultimately win—a good first round score allows a minor candidate to pledge his support for the final run-off, in return for a promise of office or other patronage. The strong performance of the opposition in the legislative poll suggests that leading opposition players such as Mr Goumba and General Kolingba will present a stronger challenge in this presidential race than they did in 1993. While it is too early to predict with confidence who might win the presidency, the competition is likely to be fierce.

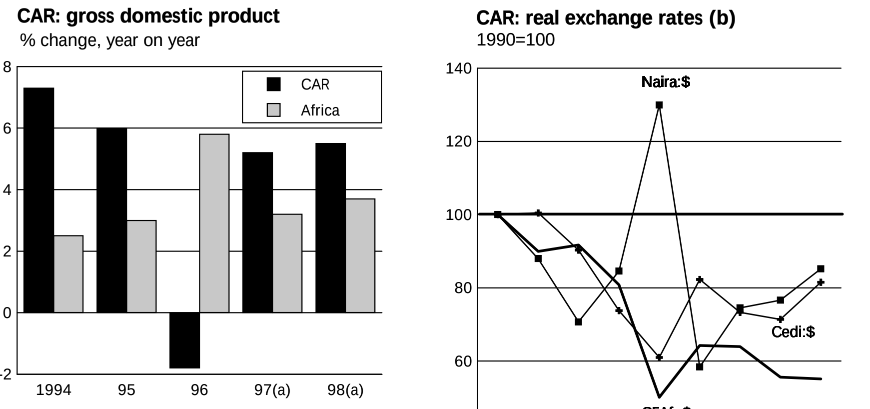
—hampering prospects for stability and growth—

If the UN force remains in the CAR, the prospects for a peaceful presidential election will improve considerably. Nevertheless, a closely fought contest for the presidency is likely to leave a gloomy political and economic legacy, with little to indicate that the bruising skills and broad party and ethnic base a victorious candidate might require can thereafter be reconciled with the need for compromise, national reconciliation and economic reconstruction. Mr Patassé has a dismal track record and there is little to suggest that Mr Massi has any better understanding of the need for consistent reform and consensus politics. Mr Ngoupande would be the donors' preferred candidate but might lack the political muscle and patronage base to be effective. General Kolingba understands the rhetoric of economic reform, but during his period in office proved over-reliant on his own minority ethnic group. The ageing Mr Goumba used to be seen as the foreign powers' favourite, but all too often he has indulged in partisan walk-outs and gesture politics, putting a fragile peace process at risk.

—as external conditions worsen

Political uncertainties will also impact on an economy that is likely to face an increasingly unfavourable external environment in 1999. The government has agreed a target with the IMF for real GDP growth of 5.0% in 1999 and 5.2% in 2000 (4th quarter 1998, page 23). This may prove optimistic, however, in the context of a worsening macroeconomic environment. Fiscal discipline is likely to be relaxed in the run-up to elections, while potential investors will wait on the outcome of the process before making a final decision. The EIU forecasts prices for coffee, one of the CAR's main exports, to fall by more than 20% in 1999 to 65 cents/lb and again in 2000 to just 45 cents/lb. Low demand, especially from Asia, will also depress the timber market. By contrast, prices for another main export, cotton, are expected to pick up from 68.6 cents/lb in 1999 to 75.8 cents/lb in 2000. The cost of some imports, most notably petroleum products, should also fall, with oil prices forecast by the EIU to slip from $13.1/barrel in 1998 to $10.1/b in 1999 and $11.9/b in 2000. Nevertheless, the target of reducing the current-account deficit as a proportion of GDP from 6.1% in 1998 to 5.4% in 1999 and 5.1% in 2000 may also prove overly optimistic.

The success of the economic reform programme agreed with the IMF in July 1998 will also depend on the continuing support of donors. Aspiring candidates for the presidency may seek to gain support by espousing a populist line sceptical over the benefits of reform and in particular over proposals to restructure the public sector. Ultimately, however, most are natural supporters of change, with the possible exception of Mr Patassé, who fears the erosion of the state may limit his opportunities for patronage. This means that if the election process is peaceful, the prospects for a new government continuing to pursue donor-friendly policies are good.



(a) EIU and official estimates. (b) Nominal exchange rates adjusted for changes in relative consumer prices.
Sources: EIU; IMF, *World Economic Outlook*.

Review

The political scene

Opposition parties protested over the postponement of elections

Opposition parties expressed dismay at the government's decision in September 1998 to postpone the two-round legislative elections—originally scheduled for August and later put back to September—to November 22nd and December 13th (4th quarter 1998, page 21). While some of the newer groups might have benefited from the additional campaigning to raise their profile, they feared that the president, Ange-Félix Patassé, had deliberately sought to delay the ballot to give his Mouvement pour la libération du peuple centrafricain (MLPC) more time to make use of its well-funded campaign network. Although the authorities ignored calls to bring voting forward, the opposition's protests may have helped influence Mr Patassé's last minute decision to abandon legislation that might have weakened the capacity of judges of the constitutional court to adjudicate on any disputed election results.

Campaigning is marked by organisational problems—

The campaign was declared officially open on November 7th, although in practice it had been underway for some time already. Some 846 candidates from 29 parties were registered to contest elections for the 109-seat Assemblée nationale (parliament). The voters' roll rose to 1.4 million from 885,000 in 1993, a much larger increase than for the population as a whole over that period. There are few indications to suggest that the inflation of the electoral list reflected a deliberate effort to manipulate the process, however. Indeed, four days before polling, it was Mr Patassé who complained that in some areas

40% of eligible voters had still not been registered and pointed out mistakes on printed poll cards. “Am I a hermaphrodite?” he asked a meeting of donors and election officials, pointing to his own poll card, on which the letters M and F (in the box for ”sex”) were indistinguishable. It is more likely, therefore, that the 1993 register was an underestimate, reflecting the unease and inexperience associated with the CAR’s shift from one-party rule to multiparty politics.

—and security worries

The run-up to polling was marked by insecurity and political tension. Teachers began an indefinite strike in October over non-payment of salaries, an issue that has also generated anger elsewhere in the public sector. Any form of confrontation, even on labour issues, is potentially explosive, given the large number of weapons still in circulation in the capital, Bangui, following the army mutinies of 1996-97. Disarmament initiatives have yielded some positive results. The UN peacekeeping force, the Mission des Nations Unies en République centrafricaine (Minurca), believes it has recovered most heavy weaponry, while in October the UN Development Programme offered to pay CFAfr10,000 ($17.80) each for small arms and collected 7 tonnes of munitions. Nevertheless, on the eve of elections, Minurca officials claimed that at least 2,000 light weapons—40% of the army’s supply before the mutinies—were still at large. The presence of Minurca did, however, ensure a relatively violence-free campaign, with just five deaths reported in local ethnic clashes in the eastern towns of Rafai and Bangassou in mid-November.

Old allegiances come under pressure

Under the CAR’s constitution, the Assemblée nationale has only a limited role in decision-making. Given the instability of 1996-97, the real significance of the legislative elections therefore related to three issues: the authorities’ ability to organise the poll effectively and without controversy, the extent to which violence became a factor in the political process, and indications as to how political forces may be shifting in the run-up to the far more important presidential elections due in late 1999. On the first two issues, conclusions were mixed. While the process passed off far better than the most gloomy sceptics had predicted, there nevertheless remains much room for improvement.

The pattern of political alignment pointed to an increasingly complex and fragmented electorate, a development that may encourage more aspiring politicians to try to carve out a constituency for themselves. Since the restoration of multiparty politics in 1992-93, ethnic and geographical factors, rather than ideological considerations, have been the dominant influence, notably the distinction between the savannah regions of the north and west and the forested river valley regions of the south. In the 1970s and 1980s southerners had dominated the then one-party government; however, the return to competitive politics fostered a split in the southern vote, principally between Abel Goumba’s Front patriotique pour le progrès (FPP) and ex-president André Kolingba’s Rassemblement démocratique centrafricain (RDC). For its part, the MLPC was able to sweep the relatively populous savannah belt in 1993, making it the largest party in the assembly and helping Mr Patassé to the presidency.

However, as the November 1998 legislative election approached, a number of prominent local politicians and former MLPC ministers set up their own parties to compete for the savannah vote. This reflected dissatisfaction within the political elite, and to some extent at the grass-roots also, with Mr Patassé's style of government, which has been characterised by patronage, incompetence, factionalism, ethnicity and intimidation. Most prominent amongst this group is the former prime minister, Jean-Paul Ngoupande, who was dismissed in 1996 after energetically pursuing economic reform. It also reflects the continuing ambition of some of Mr Patassé's less successful appointments, including his first prime minister, Jean-Luc Mandaba, who had been forced to resign in a corruption scandal, and now stood as an independent.

Voting is peaceful and the turn-out is good—

Polling passed off relatively smoothly on November 22nd, with enthusiastic voters queuing to cast their ballots. Provisional estimates put turnout among the 294,021 registered voters in Bangui at 70%, compared with a national average of 68% in 1993; in rural areas, the figure may have been even higher, despite rainy season disruption of local transport. Although problems were reported at ten of the 309 polling stations in Bangui, there was little evidence of systematic rigging or disruption that favoured any particular party or ethnic group. The Commission électorale mixte indépendante (CEMI) complimented the electorate on the mature manner in which it had gone to vote, while the UN observed that "the people have shown greater maturity than the political class". There were 116 international monitors from Minurca, the EU and the international secretariat of the organisation of French-speaking countries, La Francophonie. They reported favourably on voting conditions in the capital, but visited few areas outside Bangui, allowing little international scrutiny of voting in the rural fiefdoms of the MLPC and RDC.

—as the MLPC shrugs off opposition challenges in the first round—

Results for the first round suggested that the MLPC was shrugging off the challenge of its new rivals for the savannah vote, even though some of the leaders of the new parties looked well-placed for second-round election in their own constituencies. Results for 96 of the 109 seats saw the outright victory of 22 candidates from the MLPC, five from General Kolingba's RDC, four from the Mouvement pour la démocratie et le développement (MDD), three from the social democrats, one from the Alliance pour la démocratie (ADP) and three independents; four more, including two from the MLPC, were assured of second-round victory, being unopposed for the second ballot. The MLPC also looked to be in a good position for the second round, with 20 candidates likely to win. Mr Goumba and Mr Massi each secured 46% of the vote in their constituencies on the first ballot; Mireille Kolingba, wife of the RDC leader, also did well. But Mr Ngoupande failed to translate his professional reputation into grass-roots enthusiasm, securing a relatively poor first-round score of only 32.8% in the Dékoa constituency, in the central region of Kemo-Gribingui.

—only to face a closer contest at the second round

However, when it came to the decisive second round of the election, the MLPC failed to make further decisive headway, while the opposition did well. The MLPC remains the largest party, but with 47 seats in the assembly it fell eight short of an overall majority. The fractious opposition alliance secured 53 seats, prompting a furious competition for the support of smaller parties and independents that remained unresolved by early January. A decisive factor in the final results seems to have been a sufficient fragmentation of the savannah vote to see the likes of Mr Ngoupande and Mr Massi elected to parliament, at the expense of some MLPC candidates. This was not a massive switch, but it was nevertheless significant given the fact that the northern economy has prospered over the past few years. The vote may reflect some rural discontent with poor security conditions which have made travel an extremely dangerous affair and disrupted the collection of crops and diamonds from village producers. The closeness of the result will further weaken the prospects for a stable government in the short term, and add to tensions in the run-up to the presidential contest. However, with President Patassé enjoying executive powers, the political initiative is likely to remain with him, even if the opposition's morale has received a substantial boost.

CAR: legislative election results, 1st round 1998

Party	Seats
MLPC	24
RDC	5
MDD	4
PSD	3
ADP	1
Independents	3
Undecided	56
Undeclared	13
Total	109

Source: Commission électorale mixte indépendante (CEMI).

France confirms a shift in policy

In August the French foreign ministry named Gildas le Lidec as ambassador designate in Bangui, in succession to Jean-Marc Simon. Mr Simon, who has close links with the reformers trying to overhaul French Africa policy, has been closely associated with international peacekeeping efforts in Bangui. The choice of his successor is further confirmation of the enhanced influence in Paris of modernisers anxious to move relations with Africa on to a more normal diplomatic footing and to break with the neo-colonial traditions typified by the old Paris-Bangui axis. Mr le Lidec has ample experience of developing countries relevant to his new post in the CAR, but this has been gained in Asia (Cambodia, India, Vietnam, Philippines) rather than Africa.

Relations between Mr Patassé and Paris remain prickly. The president has claimed that French and Belgian mercenaries have been recruited to overthrow him and he clearly mistrusts the French defence establishment; in October a French army officer attached to the embassy in Bangui was expelled for a supposed "attack on internal state security".

The economy

New data indicate a relatively healthy picture

There has been a significant revision of data included on the Economic structure page to reflect the conclusions of new reports from a range of sources, which suggest that the economic impact of the 1996-97 mutinies may have been much more specific and limited than previously estimated. A report released by the IMF in September concludes that average GDP fell, in real terms, by only 1.5% in 1996, the year of the three army mutinies, while in 1997, despite a number of clashes between rebels and peacekeepers, the economy actually grew by a healthy 5.1%. These figures reflect the relative lack of importance to the economy as a whole of the formal sector in Bangui, where many businesses were destroyed and many jobs lost as a result of the fighting. The EIU's estimates are slightly more positive still, reflecting detailed assessments of the economy produced by the Banque de France (see below). According to the Fund, in 1996, manufacturing output fell by 10% and construction by 25.3%. Commerce, it estimates, stagnated, while the main factor behind a 22.4% slide in non-merchant service activity was the near total halt to technical assistance, as most aid workers fled from Bangui. In 1997 manufacturing declined by 10.1%, while there was a sharp recovery in construction, up 11.5% as repairs began in the battered capital.

CAR: gross domestic product by sector
(CFAfr bn; current prices)

	1993	1994	1995[a]	1996[a]	1997[a]
Primary	158.8	202.3	257.6	277.8	303.7
Agriculture	97.4	122.1	162.0	180.9	194.5
of which:					
subsistence	93.8	112.4	148.1	168.0	180.7
cash crops	3.6	9.7	13.8	12.8	13.8
Livestock	34.9	40.8	50.5	54.3	56.6
Hunting/fishing	16.6	20.9	25.5	27.8	29.4
Forestry	9.9	18.4	19.6	14.8	23.1
Secondary	74.9	99.1	113.5	103.7	101.1
Manufacturing	38.4	45.0	55.4	53.1	48.0
Mining	20.5	25.8	23.0	21.9	21.6
Public utilities	3.0	4.1	5.0	5.0	4.8
Construction	13.1	24.2	30.1	23.8	26.6
Tertiary	114.1	148.8	159.7	150.3	156.2
Commerce	41.2	58.9	72.2	77.5	79.9
Central government	38.5	55.8	35.0	30.0	32.0
Total GDP	367.8	473.6	569.4	556.6	594.6

[a] Official estimates.

Source: IMF, *Central African Republic - Statistical annex.*

The report also confirms the relative importance of subsistence farming and livestock to the rural economy and overall GDP, despite the prevailing interest on the part of donors and the government in cash crops, which in 1997 contributed a significant proportion of total exports, but just CFAfr13.8bn ($23.6m) of a total of CFAfr303bn for the primary sector as a whole.

The Bank of France shares the IMF's optimism

The latest overview of the regional economy by the Bank of France, *La Zone franc, Rapport annuel*, which was released in September, broadly reflects the IMF's assessment of the CAR economy. It estimates that GDP contracted by 1.8% in real terms in 1996, with the strong performance of the agricultural sector pushing growth back to 5.2% in 1997. According to the report, agricultural recovery extended to both cash crops and food production in the 1996-97 season, encouraged both by favourable price trends and good weather. Cotton production reached record levels, while the previously run-down tobacco sector enjoyed a spectacular renaissance, with output rising 136%; cassava output, which had been in decline since 1994, grew by 7%. Rural crop collection and trading patterns, which had been badly disrupted during 1996, also began to recover. Nevertheless, recovery remains fragile. In 1996/97 coffee production slipped by 21%, because of declining world prices, poor yields, the high cost of credit for farmers and bandit attacks on rural roads, which disrupted transportation and marketing. Similar problems affected cotton, although rising market prices made the impact more modest. Rising livestock prices led to a 4% boost in the national herd, but the state abattoir company lost ground to informal slaughtering operations, largely because security conditions in Bangui forced a halt to operations at a major abattoir in the city.

CAR: balance of payments
(CFAfr bn)

	1994	1995	1996	1997[a]
Exports	89.8	89.3	74.5	101.2
of which:				
diamonds	44.6	37.6	36.0	39.1
wood	23.1	14.5	10.3	25.8
cotton	5.7	11.1	13.2	16.3
coffee	5.6	16.0	3.6	10.4
gold	0.4	0.1	0.1	0.1
tobacco	0.0	0.2	1.3	0.5
Imports	–83.8	–89.2	–60.6	–74.2
of which:				
capital goods for public projects	20.1	28.6	6.6	13.8
petroleum	6.1	8.6	6.9	9.0
Trade balance	6.0	0.1	13.9	27.0
Services balance	–43.8	–51.3	–39.6	–47.0
Transfers balance	54.4	46.5	20.1	23.6
Current-account balance	16.6	–4.7	–5.6	3.6
Financial flows	19.9	8.4	2.4	–17.6
Errors & omissions	1.8	–8.4	–4.7	–8.9
Overall balance	34.7	–4.7	–7.9	–22.9

[a] Official estimates.

Source: Le Comité de la Zone franc, *La Zone franc, Rapport annuel.*

Timber was another rural sector to perform well, and prospects for further output growth were enhanced by the award of new concessions and the opening of three new processing operations—Thanry, Sefca-Mbaéré and Sesam—that should generate extra local value added and help the government achieve its aim of reducing the proportion of wood exported as raw logs. This should help offset the slump in prices and demand for tropical timber, particularly in Asia. However, the important formal-sector diamond trade had a troubled year, partly thanks to the closure in November 1997 of four buying houses (La Couronne, Sodiam, Sadior and Socadior) for allegedly evading export taxes.

While total exports picked up sharply in 1997 to CFAfr101.2bn ($173m) from CFAfr74.5bn in 1996, imports also increased rapidly, leaving a modest rise in the trade balance from CFAfr13.9bn in 1996 to CFAfr27bn in 1997. With transfers and services balances slipping into deficit in 1996 and 1997, the overall current account moved from a deficit of CFAfr5.6bn to a surplus of CFAfr3.6bn.

There was also a significant recovery in construction, with the EU financing tarmac surfacing for major routes out of Bangui to Sibiut, Mbaiki and Bossembélé, while Germany funded repairs to dirt roads in the cotton-producing region of Ouham Pendé and Canada provided aid for repairs to the Mbéko hydroelectric plant. In line with the resurgence of economic activity, the government saw revenue increase by 18% in 1997 to CFAfr67.7bn ($116m), although spending rose even more quickly, prompting the accumulation of a further CFAfr22.1bn in arrears, including CFAfr17.5bn to external creditors.

The informal sector flourishes—

It is the strength of the informal sector that underlies the enduring resilience of the CAR economy, despite the turbulence of 1996-97. Recent research by the Paris-based *Marchés Tropicaux et Méditéranéens* suggests that the informal sector may account for as much as 35-40% of wealth creation in the CAR economy—equivalent to $400-500m in 1998. Its role is especially important in the diamond mining sector, which is a major source of cash income for many rural communities. Some estimates suggest that total diamond output is now running at 1.5m carats, of which less than a third is officially registered (425,333 carats in 1997). Cattle trading is another major economic activity that largely escapes official control and taxation because much of it takes place in remote northern areas. While the informal sector does not contribute to government revenues, it provides a livelihood for many and represents a large proportion of activity in many areas of the economy, generating substantial cash income and, for a few people, considerable wealth.

—but Bouar struggles following the closure of the French military base

However, conditions have worsened in recent months around the quiet western town of Bouar, which for many years hosted a major French military training camp and rapid reaction base. These have now withdrawn, leaving local traders desperately short of customers. The French have also pulled out of Bangui, but the impact of their withdrawal, in terms of local consumer spending, has been partly cushioned by the presence of international peacekeepers and a major UN operation.

Sudan Airways opens Khartoum-Bangui route

In October Sudan Airways began operating scheduled flights between Khartoum and Bangui, via the western Sudanese town of Nyala, in Darfur. For now, the significance is as much political as economic: the Bashir regime in Khartoum has been making efforts to strengthen ties with the CAR over the past few years, partly as a means of ensuring that the Bangui government does not allow its territory to be used as a rear base by Sudan People's Liberation Army rebels. The new air route resurrects a historic connection between southern Sudan and the territory of today's CAR, which used to be an important source of slaves for the Arab world.

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	National Assembly, with 125 members elected by universal suffrage
National elections	June 1996 (presidential) and January-February 1997 (legislative); next elections due 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 appointed Council of Ministers. Last reshuffle in October 1998
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 la démocratie 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	Nassour Guelendouksia Ouaidou
Key ministers	Agriculture	Moctar Moussa
	Civil service & labour	Mahamout Hissène Mahamout
	Communications & government spokesman	Moussa Dago
	Culture, youth & sports	Nagoum Yamassoum
	Defence & reintegration	Oumar Kadjallami
	Environment & water	Pascal Yoadimadji
	Finance & economy	Bichara Cherif Daoussa
	Foreign affairs	Mahamat Saleh Annadif
	Health	Younouss Kedellah
	Industrial & trade development & craft	Djitangar Djibangar
	Internal security & decentralisation	Oumarou Djibrilla
	Justice	Limane Mahamat
	Mines, energy & petroleum	Abdoulaye Lamana
	Planning & regional development	Ahmat Ali Hasten
	Post & telecommunications	Salibou Garba
	Public works, housing, transport & towns	Ahmat Lamine
	Social action & family	Agnes Alafi
	Tourism	Sekimbaye Bassane
BEAC governor	Jean-Félix Mamalepot	

Economic structure

Latest available figures

Economic indicators	1994	1995	1996	1997[a]	1998[a]
GDP at market prices (CFAfr bn)	654.7	719.0	837.8	935.9	1,040.5
Real GDP growth (%)	5.9	0.9	3.5	6.5	6.0
Consumer price inflation (av; %)	40.4	9.5	10.5	0.6	3.3
Population (m)	6.4	6.6	6.7	6.9	7.1
Exports fob ($ m)	138	237	193	202	220
Imports fob ($ m)	212	229	229	240	252
Current-account balance ($ m)	–34.9	62.5	–14.1	–46.7	–60.0
Reserves excl gold ($ m)	76	150	165	123	140
Total external debt ($ m)	828	902	997	1,045	n/a
External debt-service ratio (%)	9.2	5.0	9.5	9.4	n/a
Seed cotton production[b] ('000 tonnes)	95	157	158	204	270
Exchange rate (av; CFAfr:$)	555.2	499.2	511.6	583.7[c]	595.0

January 15th 1999 CFAfr565.97:$1

Origins of gross domestic product 1997	% of total
Agriculture	42.8
Industry	17.3
Services	39.9
GDP at factor cost	100.0

Components of gross domestic product 1997	% of total
Private consumption	92.1
Government consumption	6.5
Gross domestic investment	11.6
Exports of goods & services	17.0
Imports of goods & services	–27.2
GDP at market prices	100.0

Principal exports 1997	$ m
Cotton	132
Livestock & meat	35

Principal imports 1995	$ m
Machinery & transportation equipment	88
Industrial goods	45

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

Outlook for 1999-2000

New gloom gathers over the prospects for political stability—

An already uncertain political environment may be complicated over the outlook period by gathering instability in the region and new gloom over the economy, with indications of further delays to the development of the oil sector. There are also concerns over the health of the president, Idriss Déby, the dominant political force in Chad and one of the principal factors behind the relative constitutional stability and improved security in the 1990s.

—as a critical oil project is delayed

The government has confidently been expecting that the emergence of the oil sector would transform Chad's economic fortunes, and in the process increase political stability and the strength of hitherto weak government institutions. When originally mooted in the early 1990s, production from the Doba oil project was confidently predicted to begin in 2000. In the course of the last 18 months the deadline has gently slipped to 2001, but it now seems unlikely that start-up will be before 2003 at the earliest. The postponement will also hold up investment in infrastructure, which had been expected to help boost the economy in 1999. The main reason for the delay has been the sharp fall in world market prices for oil, which slipped below $10/barrel in the last quarter of 1998 as a result of weak demand and continuing over-supply. With unofficial estimates for production costs from Doba of around $8/b, under the currently gloomy outlook for oil prices, the western oil companies behind the project appear ready to sanction a slippage in development until the market strengthens and profit margins improve.

Oil companies are already easing their campaign against environmental groups and human rights lobbyists that have urged the World Bank not to support the project. The Bank had been due to make a decision in December on a $115m loan to Cameroon and Chad as part of funding for the pipeline that will pump oil from Doba to a terminal on the Atlantic coast. The decision, on which other funding pledges depend, has now been postponed until later in 1999. There is also speculation that the Bank is waiting to see if the previously volatile situation in the far south in the vicinity of the projected oilfields had really settled down, as appeared to be the case after the apparent death in April of the remaining charismatic rebel leader Laokein "Frisson" Barde (4th quarter 1998, page 31). The oil companies are still confident that the project will eventually go ahead. However, while the delay may suit an unlikely coalition of oil companies, cautious creditors and radical activists, it will provoke anger and impatience on the part of the Chad government, for whom the Doba oil project holds such political and economic importance.

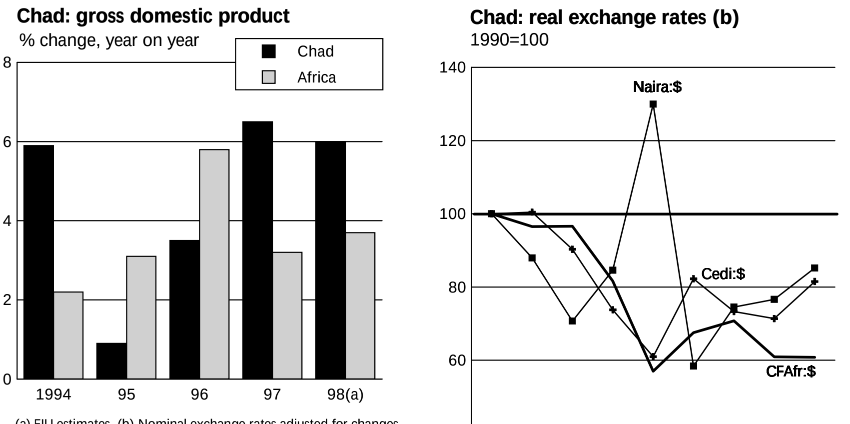
Chad's regional adventure holds many risks

Delays in the oil project mean that Mr Déby is likely to be more dependent than he might wish or have expected to be on donors, who link critical financial support with demands for greater respect for human rights and a more open, democratic culture in government. In response to such pressure, Chad may look to improve still further relations with Libya, in an effort to concentrate the minds of his western critics. The president may also seek to counter dissatisfaction in Europe and the US to his domestic record by raising the country's profile in an increasingly troubled region. Chad already has troops in Democratic

Republic of Congo (DRC), helping to prop up the government of Laurent Kabila against Ugandan and Rwandan-backed rebels. By making himself a strategic player in an environment in which western powers are reluctant to become involved directly, President Déby may hope to undermine hostility in Washington and Paris towards the more authoritarian aspects of his administration. It will also bond him more closely to some of the most powerful countries in central Africa, including Angola and Sudan, which also back Mr Kabila. However, intervention in Congo has already cost the lives of many Chadian soldiers and imposes a heavy financial burden. With little prospect of an early settlement of the conflict in Congo, Chad's involvement may therefore begin to prove counterproductive over the outlook period, imposing strains on the economy and once more increasing the political power of the armed forces.

Prospects for sustained, strong economic growth diminish

Delays in developing the oil sector are likely to make a significant impact on economic growth in 1999. Forecasts by the IMF and the Bank of France of an increase in GDP for 1999 of at least 5% were based on the assumption of substantial investment in the Doba project and the pipeline from Chad to the Cameroonian coast. The absence of momentum in the oil sector will be compounded by the uncertain outlook for Chad's main export, cotton. While global prices are forecast to grow steadily in 1999 and 2000, poor weather may adversely affect production. The export sector may also suffer the consequence of an increasingly overvalued CFA franc in 1999, as the regional currency strengthens not because of domestic factors but because of its fixed link to the new single European currency. If the economy is to remain buoyant, Chad will therefore need the continuing support of the donor community at a high level. This will require a commitment to the kind of discipline of which the government appears increasingly tired. Already, the government has indicated its intention to raise public-sector salaries after a six-year freeze. If the administration increases spending in anticipation of new oil wealth, there are likely to be immediate negative consequences for both inflation and the current-account balance, which will further discourage donors. Privatisation, particularly that of the politically sensitive cotton sector that is due to take place in 1999, will provide an indication of the extent of the government's commitment to reform.



(a) EIU estimates. (b) Nominal exchange rates adjusted for changes in relative consumer prices.
Sources: EIU; IMF, *World Economic Outlook*.

Review

The political scene

Mr Déby is hospitalised in Saudi Arabia—

Since he seized power in 1990, Idriss Déby has dominated the political scene in Chad, fostering an unprecedented period of political stability in one of Africa's hitherto most chaotic nations. There was, therefore, a certain flurry in political circles when it was learnt at the end of November that the president had flown to Riyadh in Saudi Arabia for colonopathy. Medical details of the exact nature of the complaint were not made available, beyond reports that he had caught a chill while attending the African fashion show in Agadès, Niger, in mid-November. However, he was out of the country for only eight days, from November 20-29th, and rapidly resumed his duties, travelling to the southern town of Doba to make a speech on December 1st.

—but speculation surrounds the seriousness of his ailment

Some suspicions were even expressed that the timing for the medical expedition was too close to the Franco-African summit, which took place in Paris on November 26-28th, to be entirely a coincidence, and that he had deliberately engineered an excuse not to be present at a time when relations with France were going through a difficult period. It was also observed that in the past Mr Déby has usually received medical treatment at Val de Grace in Paris.

The president asserts his authority

Mr Déby's speech in Doba was politically charged, not simply because the president was commemorating the eighth anniversary of his coming to power in the heartland of former dissidents, but also because he chose to make a pledge that Chad's oil wealth would soon flow, appealing to domestic and foreign protesters not to block the project. "We are determined to produce the oil of Doba", he said. "The oil is the property of all Chadians and the revenue from the Doba oil will be used to improve the living conditions of all Chadians. I ask the people of Doba to denounce all those who plot against the production of oil, above all those who from near or afar incite the population to oppose the production of the oil." However, as the government has proved unenthusiastic on providing details of its proposed revenue management plan, donors suspect that impatience over the slow pace of development in the oil sector may at least in part stem from the more personal aspirations of members of the ruling elite.

In his Doba speech, Mr Déby also referred indirectly to the agreement that had been signed on November 30th with elements from the rump of the Forum des alliances pour une république fédérale—Victimes d'agression (FARF-VA), pledging to deal with problems of banditry. The agreement with FARF-VA was signed with Dienembaye Barde, the current chief of staff of the FARF-VA and brother of the late Laokein "Frisson" Barde, the movement's founder and leader who, according to the independent weekly, *N'Djamena-Hebdo,* was killed last April. While details of his death remain unclear, in October the opposition paper, *Le Temps*, indicated that the FARF leader had been killed on April 8th by his own lieutenants. Observers noted there had been no sign of any rebel activity in the far south area where Barde's group had been operating since that time.

The MDD is further weakened

There have been reports of defections by supporters of the already much-fragmented Mouvement pour la démocratie et le dévéloppement (MDD), which is led by a veteran dissident, Moussa Medella. The reported defections follow a new effort by the governments of Niger and Nigeria to clamp down on the activity of Chadian politico-military groups in the Lake Chad area, which both countries border. Mr Medella, speaking from Paris, dismissed claims that he had been deposed, which were made by a faction led by Issa Moussa Tamboulé after a meeting in September in the northern Nigerian city of Kano. Mr Medella said the splinter group had no legitimacy, and reflected the manoeuvring of a government reluctant to build a true framework for dialogue. The MDD also denounced the arrest and extradition of some of its members from Niger and Nigeria.

Fighting is reported in Tibesti

According to Radio France Internationale, there was an outbreak of fighting in November between an unidentified rebel movement and government forces in the Zouar region of north-east Chad. Sources indicated that this movement was led by a former defence minister, Youssouf Togoimi, a Toubou from the Tibesti region of the far north and formerly a close associate of President Déby, who resigned from the government in still unexplained circumstances in 1997. The independent weekly, *N'Djamena-Hebdo*, also reported that Mr Togoimi had opened a "new armed front" in the north, despite firm denials from the government of a military confrontation. The government has in recent months privately expressed concern over the potentially negative impact of a Toubou revolt in neighbouring Niger at the beginning of 1998. Further potential for unrest in the region was stirred by the exiled former president (1979-82) of Chad, Goukouni Oueddeye, who called for a general mobilisation against the Déby regime in November, saying that civil war in Tibesti had intensified, and the time had come to "save Chad". Mr Goukouni was one of the original founders of the Front National pour la Liberation du Tchad (Frolinat), the major rebel movement of the 1970s, and retains some lingering influence in the north. While in isolation his support for insurrection may prove little more than an irritant to the government, it could exacerbate an already tense situation.

Relations with Libya improve

Despite the reported disturbances in Tibesti, there have been several indications of a warming of relations between Mr Goukouni's former backers in Libya (from whom he broke in the late 1980s) and the Déby government. In mid-November two border posts on each side of the Libya-Chad frontier at Sarra and Ounianga-Kébir were inaugurated by the Chad interior minister, Oumarou Djibrillah, and the Libyan public security minister, Mahmud al-Hijazi. The ceremony also saw the official opening of the frontier. It was followed by the signing of an agreement to curb illegal immigration between the two countries, under which a Libyan consulate is to be opened at Faya-Largeau in northern Chad, and a Chadian consulate at Shebba in southern Libya. The agreement also envisages a census of all Chadians living in Libya, to ensure that they complete immigration formalities by the end of 1999. Both sides undertook to make their people aware of the need to respect the other's immigration laws.

President Déby also made a point of arriving by air in Tripoli for the 30th anniversary celebrations of the coup that brought Colonel Gaddafi to power, in defiance of the internationally imposed sanctions against the Libyan regime.

On December 6th, Libyan radio reported that Mr Gaddafi had telephoned Mr Déby to ask about his health, and received an assurance that it was "continuously improving" and thanks for his ongoing solicitude. According to the radio report, the Chadian leader confirmed that ties between the two countries were tangibly improving, and reiterated his support for Libya in the so-called Lockerbie case in which the US and Britain are seeking to bring to trial two Libyan nationals in connection with the bombing of a Pan-Am aeroplane over Scotland in 1988.

A French minister ruffles feathers—

Despite some diplomatic efforts from Paris, relations with France have remained strained. A serious problem had arisen in June, when President Déby insisted on the withdrawal of French security personnel, and his visit to Paris in July did not appear to improve matters. Reports indicated that Chad was also unhappy that the 915-man Operation Epervier—the French military garrison based in Chad—had not been involved in helping the security situation earlier in the year in the south of the country, and there were rumours that Mr Déby had requested the withdrawal of Epervier.

General Jean-Pierre Kelche, the chief-of-staff of the French armed forces, paid a two-day visit to N'Djamena to try to smooth relations at the beginning of September. He made important new commitments on training and reorganising the Chad army (4th quarter 1998, page 34), at the request of the defence minister, Oumar Kadjallami, and the chief of staff of the armed forces, General Gouara Lassou. The restructuring plan includes a reduction in the size of the armed forces from 25,000 to 15,000, with a new programme of resettlement and rehabilitation for retrenched troops.

Efforts to repair relations received a setback, however, when during his visit to N'Djamena in mid-September—the first such visit since he assumed the post of cooperation minister in May 1997—Charles Josselin made public reference to human rights questions. He declared that as far as the oil pipeline was concerned, France was ready to help Chad, and work at its side with the donors, but "the Chad authorities must help us to defend their case in ensuring respect for human rights on which the international community and [French public] opinion are particularly sensitive". The minister added that the detention of the southern deputy, Yorongar Ngarlejy, had been a "factor of tension", because of the severity of the sentence of three years' imprisonment (4th quarter 1998, pages 31-32). At the end of October the London-based human rights organisation, Amnesty International, said that there was serious concern for the health of Mr Yorongar, who had contracted both malaria and typhoid fever in detention; his appeal against sentence has twice been postponed.

—but the French military reaffirms Chad's central role

Following Mr Josselin's visit, and reflecting the importance of Chad to the French military, a number of senior army officers spoke out in favour of closer ties. Then, at the beginning of December, the defence minister, Alain Richard, told the defence committee of the French Assemblée Nationale that a formal defence agreement could soon be concluded with Chad, saying that Operation Epervier, when it was first sent in 1986, had been provisional, to "fill a security gap". At the moment French forces in Chad were "pre-positioned" as if in the framework of a defence accord. However, the minister made clear that while a defence accord would help formalise the role of the French military in Chad, outstanding issues at the political level, including sensitive issues relating to human rights and democratisation, must first be resolved if relations are to be fully normalised.

Mr Déby sends troops to the Democratic Republic of Congo—

The Chad army was put to the test at the end of September, when it was made known in N'Ddjaména that 1,000 troops had been sent to support the government of Laurent Kabila in the Democratic Republic of Congo (DRC), who faced rebellion in the eastern part of the country. Reports of the intervention were originally published in the independent newspaper, *L'Observateur*, and then confirmed by the government, which said that Chad was supporting President Kabila to safeguard peace in his country, as well as to defend the principle of the inviolability of frontiers.

—and many are killed in a mix-up—

The intervention took a serious turn when a representative of the International Red Cross in Congo reported that 122 Chadian soldiers had been killed in the region of Dulia in the north-east. Confirmation of the incident appeared to come from an army officer from Uganda, which supports the rebels, who claimed that the killing of the Chadians had been perpetrated by Mr Kabila's own troops in a quarrel over pay and who should fight in the frontline. He gave a figure nearer 200 as having been killed. A Chadian officer in the Congolese capital, Kinshasa, however, claimed a different version of events, saying that a Chadian unit had been ambushed between Dulia and Aketi and had tried to return the way it had come, only to be mistaken for Rwandan Tutsis by its own side. There were reports of a negative impact of the killings on public opinion back in Chad, fuelled by rumours that the government would only send southerners to Congo to avoid any further confusion.

—prompting speculation over Chad's motives

Chad shares no common border with DRC and can ill afford the human and financial cost of its support for a government that has accorded it few favours in the past. While Mr Déby has a legitimate interest in promoting regional security and defending the principle of the inviolability of borders, other factors are likely to lie behind such a politically risky adventure. Opposition groups have hinted at financial inducements; the externally based Conseil Démocratique Révolutionnaire (CDR) of Acheikh Ibn Oumar declared that the Déby regime was acquiring the reputation of "international bounty hunter". The decision to intervene in support of Mr Kabila probably also reflected the influence of Sudan, which had helped Mr Déby in his bid for power in 1990. Sudan is currently involved in a deep quarrel with Uganda, which is supporting southern rebels in Sudan, while Sudan has been supporting rebels in Uganda. Uganda was one of the original sponsors of the Congolese rebels, while Sudan backs Mr Kabila. This complex regional dynamic took an even stranger turn in October when Sudanese opposition elements alleged that Chadians were fighting with Sudanese forces in southern Sudan, a charge vehemently denied by the Ministry of Defence in N'Djamena.

A minor reshuffle heralds no significant changes

In a minor government reshuffle in October, described privately by one official as "more technical than political", several ministers exchanged portfolios, while three were replaced. Sekimbaye Bessane moved from communications to tourism development, replacing Pascal Yaodimadji, a veteran southern politician, who stays on in government at environment and water; the former incumbent, Mariam Mahamat Nour, was dropped altogether. Also leaving the cabinet was Mahamat Ahmat Karambal, whose job at the Ministry of Post and Telecommunications was taken by Salibou Garba, whose portfolio at the Ministry of Civil Service and Labour went to a new face, Mahamout Hissène Mahamout. Another newcomer, Nagoum Yamassoum, a former legal adviser to the head of state, was named minister of culture, youth and sports, replacing Mansoungaral Nassingar, who left the government. Moussa Dago moved up to communications minister, leaving his former post as secretary of state for the civil service to the president's former education adviser, Mbailou Djimalde. There were no changes at the more important finance, defence and foreign affairs portfolios. There is therefore unlikely to be a significant shift in policy following the reshuffle, although the elevation of Déby loyalists in the cabinet will strengthen the president's already dominant role in decision-making.

The economy

The World Bank delays a critical decision

Reports in December indicated that governors of the World Bank had decided to postpone until April 1st this year a final decision on whether to help the governments of Chad and Cameroon with the financing of the Doba-Kribi pipeline project, which will pump crude oil from southern Chad to the Atlantic coast. Political, economic and environmental factors will influence the Bank's decision on the loan, which, although only $115m as against total development costs of $3.5bn, would provide the formal seal of approval without which the major financing that oil companies need may not be forthcoming. The political and economic aspects of the decision are linked to a proposed revenue management plan for the new oil wealth, which some reports suggest that the Déby government has still not finally accepted. Environmental officials at the Bank, meanwhile, have subjected the project to rigorous scrutiny, in part because of the strength of the green lobbyists. Ironically for Chad, most of the environmental aspects concern Cameroon, such as the Bakola pygmies, and the protected vegetation in the Deng Deng area and the Mbere valley. The consortium running the project, which consists of Exxon (40%), Shell (40%) and Elf (20%), say it has now made 60 adjustments to the route of the pipeline. Nevertheless, officials at the Bank have formulated a long list of reservations about the reports so far prepared by the consortium, seeking additional information to provide an adequate basis for Bank project appraisal. Officials also reportedly brought the Sedigi project—a small refinery to cater for domestic fuel needs using oil from Lake Chad deposits—into the equation, and said that it needs to see a study of the environmental impact of that development, too.

A lower budget deficit is envisaged

The government is aiming at a budget deficit of CFAfr10bn ($18m) in 1999, down slightly from an estimated CFAfr12bn in 1998. Announcing draft proposals for the 1999 budget in December, the finance minister, Bichara Cherif Daoussa, estimated revenue at CFAfr230bn and expenditure at CFAfr240bn, against CFAfr215bn and CFAfr227bn in 1998. Mr Daoussa said Chad would be appealing to the IMF and traditional donors such as France and Germany to meet the 1999 financing gap.

Chad: budget finances
(CFAfr bn)

	1998[a]	1999[b]	% change
Revenue	215	230	7.0
Expenditure	227	240	5.7
Deficit	12	10	–16.7

[a] Estimates. [b] Forecasts.

Source: Ministry of Finance.

He added that the government was adopting a number of measures to control expenditure, including reducing the size of the official car pool, bringing down official telephone, water and electricity bills, and demobilising military personnel. The finance minister said that the rise in expenditure in 1999 reflected the recruitment of staff to certain ministries—education, public health, public works and the environment—after civil service recruitment had been frozen since 1992. However, the independent weekly, *N'Djamena-Hebdo*, described the projected budget, which has yet to be approved by the Assemblée nationale and the Council of Ministers, as "unrealistic", arguing that estimates for revenue are highly ambitious.

New data reveal a larger economy

With new data released in September in the Bank of France's annual survey of the economies of the Franc Zone, the EIU has substantially revised its historical series for GDP and the current-account balance, and made more minor changes to import and export figures. The new data indicate that the Chad economy is much larger than previously estimated, and that the current-account deficit has been much narrower.

Chad: balance of payments
(CFAfr bn)

	1994	1995	1996	1997[a]
Exports	76.6	118.1	98.9	117.7
of which:				
cotton	26.3	63.7	57.4	77.1
livestock	17.7	24.8	21.7	20.4
gum	5.0	3.3	2.5	2.0
Imports	–117.7	–114.1	–117.0	–139.8
Trade balance	–41.1	4.0	–18.0	–22.2
Services balance	–84.4	–55.2	–65.5	–81.2
Transfers balance	106.0	82.4	76.3	76.1
Current-account balance	–19.4	31.2	–7.2	–27.3
Financial flows	31.1	5.3	26.5	23.8
Errors & omissions	–8.0	–12.3	–8.1	–6.5
Overall balance	3.7	24.3	11.2	–10.0

[a] Official estimates.

Source: Le Comité de la Zone franc, *La Zone franc, Rapport annuel.*

In the latest year for which data are available, 1997, the current-account deficit increased principally because of a sharp rise in the services deficit. The trade gap also widened slightly, despite a very good year for cotton, Chad's main export earner, which brought exports back to their 1995 level. Imports, however, rose sharply, reflecting investment in inputs for the cotton and sugar sectors. While the financing requirement, after substantial grant transfers, was largely met through concessional loans, capital inflows still left an overall deficit of CFAfr10bn ($17.1m), against a surplus of CFAfr11.2bn in 1996.

Donors pledge $1.1bn in Geneva

A donors' round table in Geneva in October, under the sponsorship of the UN Development Programme (UNDP), produced pledges of $1.1bn. Of the total, over half will come from three donors—the World Bank ($220m), the EU ($191m.) and France ($220m)—implying the continuing need for Chad to maintain at least the rhetoric of reform. On his return from Geneva, Mr Déby said that other countries present at the meeting had also shown significant interest, including some oil-producing Arab states. While in the past pledges of funds have sometimes been slow to materialise, the Geneva meeting was something of a success for the president and an endorsement of the policies of the government, which had expected to raise only $500m.

Privatisation of Cotontchad is opposed by French partner

In the wake of the highest ever cotton crop in 1997/98 (4th quarter 1998, page 36), there were new indications the Compagnie française pour le développement des fibres textiles (CFDT), which owns the monopoly Cotontchad with the government, will try to prevent the proposed privatisation and liberalisation of the sector. The CFDT is under fire from the World Bank, which has been encouraging all the francophone cotton-producing countries to privatise their cotton production, and has already lost the battle in Côte d'Ivoire. In the CFDT's quarterly magazine, *Coton et Développement*, two articles have appeared denouncing the World Bank for trying to destroy a successful operation. While the cotton sector is politically sensitive in Chad, President Déby needs the continuing support of donors, and is unlikely to remove Cotontchad from the official list of companies to be privatised.

Another plea is made to Nigeria for fuel

The minister of mines, energy and petroleum, Abdoulaye Lamana, paid a visit to the Nigerian capital, Abuja, at the end of October, ostensibly to deliver a special message from President Déby to Nigeria's head of state, General Abdulsalami Abubakar. Although various civilities were exchanged and mutual thanks expressed for cooperation, the main burden of the mission was an urgent request from the Chad authorities for an increased supply of petroleum products. Historically, Chad has relied on its oil-rich southern neighbour for fuel. However, the collapse of Nigeria's poorly maintained refineries and inadequate imports mean that there has been severe shortage of petroleum products in Nigeria itself for nearly two years. This has curbed both official and black market sales to neighbouring countries, prompting a crisis in Chad. With few indications of an early resolution of the problem in Nigeria, shortages could persist in Chad for some time, impacting negatively on the economy by pushing up transport and other energy-associated costs. Mr Lamana has also approached Cameroon for help, although the more modest refining and distribution industry there will not easily be able to meet Chad's needs.

Quarterly indicators and trade data

Cameroon: quarterly indicators of economic activity

		1996			1997				1998		
		2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr
Mining production	Prodn/day										
Crude petroleum	’000 barrels	90	90	100	100	100	100	100	100	100	100
Prices	Monthly av										
Consumer prices:	1990=100	154.9	156.4	157.1	159.2	162.8	157.1	154.5	153.9	n/a	n/a
change year on year	%	5.3	5.4	2.9	2.4	5.1	0.4	–1.7	–3.3	n/a	n/a
Money	End-Qtr										
M1, seasonally adj:	CFAfr bn	307.8	321.0	311.0	333.8	358.3	393.6	419.7	391.8	417.7	444.6[a]
change year on year	%	–5.6	9.3	–1.8	2.0	16.4	22.6	34.9	17.4	16.6	n/a
Foreign trade[b]	Qtrly totals										
Exports fob	$ m	586	595	529	555	603	638	546	649	n/a	n/a
Imports cif	“	291	345	331	316	343	325	380	338	n/a	n/a
Foreign exchange	End-Qtr										
Central bank	$ m	1.2	0.9	2.1	1.0	0.8	0.7	0.3	0.9	0.6	1.8[a]
Exchange rate											
Market rate	CFAfr:$	515.3	517.2	523.7	564.4	587.8	593.3	598.8	618.5	611.7	561.6[c]

Note. Annual figures for most of the series shown above will be found in the Country Profile.
[a] End-August. [b] *DOTS* estimate; figures are subject to revision. [c] End-November, 570.2.

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

Central African Republic: quarterly indicators of economic activity

		1996			1997				1998		
		2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr
Prices	Monthly av										
Consumer prices[a]:	1990=100	142.6	147.4	145.0	143.8	148.0	146.1	145.6	142.5	150.0	147.8[b]
change year on year	%	2.8	6.9	3.6	1.2	3.8	–0.9	0.4	–0.9	1.4	n/a
Money	End-Qtr										
M1, seasonally adj:	CFAfr bn	112.33	116.66	118.30	116.69	110.08	107.77	108.49	108.54	101.1	95.0[c]
change year on year	%	–2.3	1.3	4.3	14.8	–2.0	–7.6	–8.3	–7.0	–8.2	n/a
Foreign trade[d]	Qtrly totals										
Exports fob	$ m	68.1	70.6	58.8	69.1	67.5	63.0	178.7	82.1	n/a	n/a
Imports cif	“	42.6	41.0	40.3	36.5	41.2	41.0	48.2	40.9	n/a	n/a
Foreign exchange	End-Qtr										
Central bank	$ m	230.76	237.25	232.09	211.40	196.70	184.53	178.43	170.43	156.72	152.32[c]
Exchange rate											
Market rate	CFAfr:$	515.3	517.2	523.7	564.4	587.8	593.3	598.8	618.5	611.7	561.6[e]

Note. Annual figures for most of the series shown above will be found in the Country Profile.
[a] “African” households, Bangui. [b] July only. [c] End-August. [d] *DOTS* estimate, figures are subject to revision. [e] End-November, 570.2.

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

Chad: quarterly indicators of economic activity

		1996			1997				1998		
		2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr
Prices	Monthly av										
Consumer prices:	1990=100	161.2	169.8	166.7	163.5	172.8	176.7	169.1	166.9	176.6	192.6
change year on year	%	15.4	15.6	11.9	10.3	7.2	4.1	1.4	2.1	2.2	9.0
Money	End-Qtr										
M1, seasonally adj:	CFAfr bn	107.36	105.40	113.31	110.59	102.66	97.40	107.40	100.48	97.90	99.82[a]
change year on year	%	100.5	43.8	32.1	8.1	–4.4	–7.6	–5.2	–9.1	–4.6	n/a
Foreign trade[b]	Qtrly totals										
Exports fob	$ m	41.1	20.0	15.1	19.1	30.2	24.4	20.2	24.6	n/a	n/a
Imports cif	“	44.8	58.5	37.6	33.3	30.8	31.3	38.3	39.0	n/a	n/a
Exchange holdings	End-Qtr										
Foreign exchange	$ m	180.72	175.96	163.84	121.42	103.76	119.85	135.44	116.48	111.24	110.77[a]
Exchange rate											
Market rate	CFAfr:$	515.3	517.2	523.7	564.4	587.8	593.3	598.8	618.5	611.7	561.6[c]

Note. Annual figures for most of the series shown above will be found in the Country Profile.
[a] End-August. [b] *DOTS* estimate; figures are subject to revision. [c] End-November, 570.2.

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

Chad: direction of trade[a]
($ m)

Exports fob	Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996	Jan-Dec 1997	Imports cif	Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996	Jan-Dec 1997
Portugal	18	41	43	40	France	56	64	75	57
Germany	13	25	14	19	Nigeria	10	11	12	14
Thailand	2	3	6	10	Cameroon	6	8	9	10
Costa Rica	5	6	8	8	India	1	2	4	8
Belgium-Luxembourg	2	7	3	8	Belgium-Luxembourg	5	21	12	7
Spain	2	5	6	6	Netherlands	2	2	4	6
Taiwan	1	2	4	6	Italy	1	10	3	6
Total incl others	83	124	125	134	Total incl others	109	161	173	138

[a] *DOTS* estimate.

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

Cameroon: foreign trade

	$ m			
	Jan-Dec	Jan-Mar	Jan-Dec	Jan-Dec
Imports cif[ab]	1987	1988	1989	1991
Food	202.68	54.80	179.57	314.29
Beverages & tobacco	47.42	9.08	21.03	27.45
Crude materials	42.65	12.20	47.88	162.63
Chemicals	258.91	47.16	193.89	339.62
Paper etc & manufactures	43.96	7.75	36.27	81.50
Textile yarn, cloth & manufactures	94.16	19.87	41.03	80.42
Non-metallic mineral manufactures	70.59	11.37	49.04	69.67
Iron & steel	36.57	8.91	41.87	105.97
Metal manufactures	89.87	17.78	78.42	163.97
Machinery incl electric	362.62	70.99	233.42	469.03
Transport equipment	263.90	45.94	158.52	156.81
Total incl others	1,749.02	352.36	1,273.33	2,306.23

	CFAfr bn			
	Jul-Jun	Jul-Jun	Jul-Jun	Jul-Jun
Exports fob	1991/92	1992/93	1993/94	1994/95
Coffee	31.5	13.1	38.0	60.5
Cocoa & products	34.1	25.9	55.8	61.5
Wood	37.5	49.9	104.7	153.5
Cotton, raw	19.8	20.2	27.0	37.9
Petroleum, crude	262.1	195.6	253.4	293.2
Total incl others	543.0	444.0	825.2	1,018.2

	$ m					$ m			
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec		Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Exports fob	1994	1995[c]	1996[c]	1997[c]	Imports cif	1994	1995[c]	1996[c]	1997[c]
Italy	211	330	393	488	France	241	476	443	474
Spain	210	277	367	368	US	58	50	78	134
France	338	466	352	306	Germany	48	65	90	87
Netherlands	126	163	148	123	Belgium-Luxembourg	34	82	82	69
Germany	30	102	123	119	Italy	26	57	63	65
China	10	25	32	89	UK	20	44	58	55
UK	29	45	61	63	Netherlands	22	37	48	50
US	23	48	64	58	Guinea	28	32	36	41
Total incl others	1,360	2,019	2,188	2,336	Total incl others	717	1,165	1,228	1,362

[a] Source: UN. [b] Figures for 1990 are not available. [c] *DOTS* estimates.

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

Central African Republic: foreign trade

Imports cif	$ '000 Jan-Dec 1980	Jan-Dec 1989
Meat & products	758	1,156
Dairy products	2,005	2,788
Fish & products	718	1,423
Cereals & products	5,400	8,192
Fruit, vegetables & products	820	1,105
Sugar & products	901	6,232
Beverages	4,396	1,991
Tobacco & manufactures	739	3,715
Petroleum & products	1,184	10,390
Chemicals	9,490	22,239
Rubber manufactures	1,525	2,412
Paper & manufactures	1,813	3,325
Textile fibres & manufactures, incl clothing	4,589	7,118
Miscellaneous non-metallic minerals manufactures	3,418	6,780
Iron & steel	1,187	1,852
Metal manufactures	4,764	5,939
Machinery incl electric	14,090	28,491
Transport equipment	13,153	24,385
of which:		
road vehicles	13,120	23,638
Total incl others	80,461	159,124

Exports fob	CFAfr bn Jan-Dec 1989	Jan-Dec 1990
Coffee	8.5	2.7
Wood & cork & manufactures	6.3	9.2
Cotton, raw	3.9	4.5
Diamonds	22.6	19.7
Total incl others	47.2	41.2

Exports fob	$ m Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996[a]	Jan-Dec 1997[a]
Belgium-Luxembourg	65	75	102	98
Côte d'Ivoire	n/a	n/a	13	14
Spain	1	n/a	7	12
France	10	30	5	8
Taiwan	n/a	n/a	7	7
Total incl others	143	187	252	271

Imports cif	$ m Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996[a]	Jan-Dec 1997[a]
France	55	70	54	51
Côte d'Ivoire	n/a	1	28	30
Cameroon	8	12	15	18
Germany	3	7	4	6
Belgium-Luxembourg	2	6	5	6
Total incl others	132	189	173	167

[a] *DOTS* estimates.

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

Cameroon, Central African Republic and Chad: French trade
($ '000)

	Cameroon			CAR			Chad		
	Jan-Dec 1995	Jan-Dec 1996	Jan-Dec 1997	Jan-Dec 1995	Jan-Dec 1996	Jan-Dec 1997	Jan-Dec 1995	Jan-Dec 1996	Jan-Dec 1997
French exports fob									
Cereals & preparations	33,646	38,416	34,954	7,544	8,607	8,041	5,188	8,247	6,223
Sugar & preparations	4,255	7,841	5,748	32	1	682	1,575	4,199	1,326
Beverages	5,841	6,204	10,879	590	817	799	392	306	266
Chemicals	85,137	82,298	91,175	10,859	8,393	11,010	6,222	10,863	10,122
Rubber manufactures	5,242	5,798	8,521	741	564	501	1,171	1,179	920
Paper, etc & manufactures	13,424	13,312	15,806	1,263	1,045	853	1,626	1,576	1,455
Textile fibres & manufactures, incl clothing	11,585	11,476	13,570	1,358	1,240	600	692	627	598
Non-metallic mineral mnfrs	9,122	9,003	8,799[a]	407	246	217[a]	471	471	946[a]
Iron & steel	5,060	6,930	2,570	224	224	147	601	931	62
Non-ferrous metals	7,160	4,881	6,447[b]	544	58	62[b]	153	142	197[b]
Metal manufactures	20,189	16,033	19,425	2,134	1,544	1,510	2,241	2,702	1,538
Machinery incl electric	123,718	103,352	97,091	17,000	13,212	10,512	22,378	23,856	16,318
Road vehicles	30,462	30,336	47,488[c]	7,805	5,846	7,290[c]	6,966	5,604	4,145[c]
Other transport equipment	7,247	4,496	3,989	119	143	324	309	271	266
Scientific instruments etc	8,273	10,341	10,490	1,203	920	1,122	1,557	1,417	1,537
Total incl others	431,713	407,331	437,412	59,649	49,332	47,217	57,521	68,590	51,655
French imports cif									
Fruit & vegetables	114,071	99,413	93,982	0	0	47	52	23	31
Coffee, cocoa, tea & spices	62,029	74,511	47,095	13,824	3,811	5,215	0	0	0
Rubber, crude	16,944	15,806	16,743[d]	41	0	49[d]	0	0	0
Wood & cork & manufactures	103,162	81,832	75,739	276	460	1,845	1	0	1
Petroleum & products	113,231	21,413	11,737[e]	0	0	0	0	0	0
Textile fibres, yarn & manufactures	4,527	3,081	4,758	616	203	429	1,200	54	1,250
Non-ferrous metals	105,418	102,569	78,644[b]	0	0	2[b]	0	0	0
Total incl others	526,164	405,508	335,213	15,276	5,007	8,406	10,462	7,240	5,395

Note. Prior to 1997, SITC basis. From 1997, Harmonised System. Figures are not strictly comparable.
[a] Including precious metals and jewellery. [b] Including scrap and manufactures. [c] Including tractors. [d] Including manufactures. [e] Total mineral fuels.

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