COUNTRY REPORT

Senegal

The Gambia

Mauritania

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3rd quarter 1999

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

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

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

Website: http://www.eiu.com

Electronic delivery

EIU Electronic
New York: Lou Celi or Lisa Hennessey   Tel: (1.212) 554 0600   Fax: (1.212) 586 0248
London: Jeremy Eagle   Tel: (44.20) 7830 1183   Fax: (44.20) 7830 1023

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Summary

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Senegal

Outlook for 1999-2000

The prospects for peace in Casamance have improved now that the rebel MFDC factions have agreed to enter into negotiations with the government. With the expulsion of a senior member of the ruling PS, the presidential election in 2000 is likely to be more lively. A general strike in June has shown that workers are becoming increasingly impatient over pay. Inflation will remain low, though the current-account deficit will widen slightly.

The political scene

At a conference in Banjul, the different MFDC factions have agreed to support their leader, Father Diamacoune, in peace talks with the government. Fears that the new leadership in Guinea-Bissau may support the MFDC have been partly dispelled. A PS stalwart, Moustapha Niasse, denounced the party leadership and was expelled, highlighting divisions within the ruling party. An opposition rally to demand the resignation of the head of the electoral body, ONEL, turned violent. The police have cracked down on crime, but the PS continues to be racked by corruption scandals.

Economic policy

The government has announced CFAfr210bn ($327m) in development funds for Casamance. The IMF has expressed its satisfaction with Senegal's economic performance, and the second ESAF tranche was disbursed in June.

The economy

- A general strike ended in disarray.
- Cotton output is expect to recover this year.
- ICS had a very good year and has secured financing to double production.
- The privatisation of Dakar-Marine has been finalised.
- A UNDP report has shown high levels of malnutrition and a deteriorating healthcare system.

Foreign trade and payments

Senegal's external debt remained stable in 1997, at $3.7bn, and the country may become eligible for HIPC debt relief following the G7 summit in Cologne.

The Gambia

Outlook for 1999-2000

President Jammeh will continue to harass the opposition, while seeking to play a bigger role in the region. The IMF will increase its pressure for further economic reform.

The political scene

The leader of the youth wing of the opposition UDP was arrested by the security forces, and was only released after protests from the EU. During his annual meet-the-people tour, President Jammeh denounced the opposition. The independent *Daily Observer* has been sold to a pro-government businessman. With the holding of the MFDC conference in Banjul, President Jammeh has strengthened his position as a regional peace-broker, and he has been courting the new leadership of Guinea-Bissau.

Economic policy Despite a good economic performance, the IMF has produced a lukewarm report, owing to delays in reforming government finances and the parastatals.

The economy The EU is putting $20m into a poverty alleviation programme. A cellular phone network will soon be operational.

Foreign trade and payments Fish exports may receive a boost from a donor programme. External debt fell to $430m in 1997.

Mauritania

Outlook for 1999-2000 Although domestic political tensions have eased, relations with France will suffer following the arrest there of a Mauritanian army officer. After the signing of a new three-year ESAF, privatisations are underway. Falling world iron ore prices may affect real GDP growth.

The political scene Talks have been held between the moderate opposition and the government, and the cabinet has been reshuffled. A diplomatic confrontation has been caused by the arrest in France of a Mauritanian army officer accused of torture. Slavery in Mauritania has again been denounced. Clashes along the border with Mali have claimed lives. Voter registration of Saharawi refugees has begun.

Economic policy A three-year ESAF has been agreed and new economic objectives have been set.

The economy

- Year-on-year inflation has increased slightly.
- Funding has been secured for a rice irrigation project, and food aid has been forthcoming. Senegal and Mauritania are to conduct a joint pest control operation and have signed a fisheries agreement. Russia’s fishing quota has been renewed.
- Falling world iron ore prices have affected the mining parastatal, SNIM. Diamond prospects are looking better, as are oil prospects.
- Flour production is to expand, as is cement production.
- The government has announced the privatisation of OPT with the help of the World Bank. New banks are to open.

Foreign trade and payments External debt remained stable in 1997, at $2.5bn. Mauritania may become eligible for debt relief under the HIPC initiative.

Editor: Markus Scheuermaier
All queries: Tel: (44.20) 7830 1007 Fax: (44.20) 7830 1023
Next report: Our next Country Report will be published in November

Senegal

Political structure

Official name	République du Sénégal
Form of state	Unitary republic
Legal system	Based on the Napoleonic Code and the 1963 constitution
National legislature	National Assembly, with 140 members elected by universal suffrage on a mixed first-past-the-post (70 seats) and proportional representation (70 seats) system; all serve a five-year term. A second chamber of parliament, the Senate, was established in 1998, with 48 seats selected by an electoral college and 12 seats allocated by the president
Head of state	President, elected by universal suffrage, serves a seven-year term and may stand for re-election
National elections	February 1993 (presidential), May 1998 (legislative); next elections due in February 2000 (presidential), May 2003 (legislative)
National government	The president and his Council of Ministers; last major reshuffle July 1998
Main political parties	Parti socialiste (PS, the ruling party); Parti démocratique sénégalais (PDS, the main opposition party); Parti de l'indépendance et du travail (PIT); Ligue démocratique-Mouvement pour le parti du travail (LD-MPT); And-jëff/Parti africain pour la démocratie et le socialisme (AJ/PADS); Convention des démocrates et des patriotes (CDP-Garab Gi); Parti libéral sénégalais (PLS); Union pour le renouveau démocratique (URD)

	President	Abdou Diouf
	Prime minister	Mamadou Lamine Loum
Ministers of state	Agriculture	Robert Sagna
	Presidential affairs	Ousmane Tanor Dieng
Key ministers	Armed forces	Cheikh Hamidou Kane
	Commerce & crafts	Khalifa Ababacar Sall
	Communications	Aïssata Tall Sall
	Economy, finance & planning	Mouhamed El Moustapha Diagne
	Education	André Sonkho
	Energy, mines & industry	Magued Diouf
	Environment & protection of nature	Souty Touré
	Foreign affairs & Senegalese abroad	Jacques Baudin
	Fisheries & marine transport	Alassane Dialy Ndiaye
	Interior	Lamine Cissé
	Justice & keeper of seals	Serigne Diop
	Labour & employment	Marie Louise Correa
	Public health	Assane Diop
	Tourism & air transport	Tidiane Sylla
	Urban planning & housing	Abdourahmane Sow
Governor of the BCEAO	Charles Konan Banny	

Economic structure

Latest available figures

Economic indicators	1994	1995	1996	1997	1998[a]
GDP at market prices (CFAfr bn)	2,005	2,215	2,459	2,651	2,833
Real GDP growth (%)	2.0	4.8	5.6	5.5	5.7[b]
Consumer price inflation (av; %)	32.3	7.8	2.8	1.7	1.1[b]
Population (m)	8.3	8.5	8.7	8.9	9.2
Exports fob ($ m)	819	993	988	933	976
Imports fob ($ m)	1,022	1,243	1,264	1,196	1,260
Current-account balance ($ m)	–188	–245	–200	–171	–140
Reserves excl gold ($ m)	180	272	288	387	431[b]
Total external debt ($ m)	3,658	3,841	3,664	3,671	3,376
External debt-service ratio (%)	17.1	16.7	18.5	15.3	14.8
Groundnut production[c] ('000 tonnes)	718	791	650	551	720
Exchange rate (av; CFAfr:$)	555.2	499.2	511.6	583.7	590.0[b]

July 16th 1999 CFAfr641.97:$1

Origins of gross domestic product 1997	% of total
Primary sector	19.0
Secondary sector	19.8
Tertiary sector	61.2
GDP at factor cost	100.0

Components of gross domestic product 1997	% of total
Private consumption	76.6
Government consumption	10.2
Gross domestic investment	18.7
Exports of goods & services	32.6
Imports of goods & services	–38.1
GDP at market prices	100.0

Principal exports 1997	% of total
Fish & fish products	30.7
Chemicals (ICS plant)	12.3
Groundnuts & products	5.4
Phosphates	3.4

Principal imports cif 1997	% of total
Intermediate goods	29.1
Food products	23.6
Petroleum products	14.0
Capital goods	13.5

Main destinations of exports 1997[d]	% of total
India	25.6
Mali	9.4
France	8.4
Côte d'Ivoire	4.6
Benin	4.1

Main origins of imports 1997[d]	% of total
France	30.6
Nigeria	7.3
US	4.8
Spain	4.5
India	3.9

[a] EIU estimates. [b] Actual. [c] Unshelled; crop years beginning October 1st. [d] Derived from partners' trade returns, subject to a wide margin of error.

Outlook for 1999-2000

Prospects for peace in Casamance improve

One of the main obstacles to the opening of formal peace talks in the southern region of Casamance—the divisions within the separatist movement itself—may soon be resolved. A conference held in late June in Banjul, the Gambian capital, brought together many of the disparate components of the Mouvement des forces démocratiques de Casamance (MFDC) and gave strong support to the peace option favoured by Father Augustine Diamacoune Senghor, its secretary-general. Father Diamacoune had been urging peace talks for several years before his meeting with President Abdou Diouf in January, but his authority over the MFDC's different factions has, in the past, been very much in doubt. The conference rallied most of the MFDC more clearly behind Father Diamacoune, and by granting him greater powers brought some cohesion to the movement. The final resolution made a series of demands of the Senegalese government, mainly that it reduce its military operations in Casamance and grant freedom of movement to Father Diamacoune and other MFDC political leaders who are currently under virtual house arrest. Such concrete proposals carry the marks of an initial negotiating gambit, and it is now up to the Senegalese government to respond. It already has done so indirectly, by allocating CFAfr210bn ($327m) in reconstruction and development funds to Casamance. However, a rapid and direct overture to the MFDC itself is less certain, at least before the February 2000 presidential election, since political attention in Dakar is now increasingly focused on the electoral campaign.

The presidential election will become more lively—

President Diouf remains in a very strong position to win yet another term in office, given the enormous patronage resources of the ruling Parti socialiste (PS) and its dominance over the administrative machinery, plus Mr Diouf's own public standing (he tends to be more popular than the PS itself). However, the open political challenge to the PS made in June by a former foreign minister, Moustapha Niasse, until then a respected party stalwart, has thrown an unpredictable element into the political equation. Coming less than two years after the defection to the opposition of Djibo Kâ, another senior party figure, Mr Niasse's denunciation of the PS leadership and his immediate expulsion from the party shows that the PS remains vulnerable to factional splits which could weaken President Diouf's re-election campaign. In addition, Mr Niasse's departure may alter the country's broader political landscape. For many years, the political competition was basically between the PS and the Parti démocratique sénégalais (PDS) of Abdoulaye Wade, sometimes supported by an alliance of smaller opposition parties. However, in the 1998 legislative election, Mr Kâ's party, the Union pour le renouveau démocratique (URD), established itself as a third force. If he and Mr Niasse were to join forces, the new combination might displace the PDS as the most credible alternative to the ruling party. However, it is unlikely that the opposition parties will agree on a common candidate against President Diouf. Both Mr Kâ and Mr Niasse have much to gain by raising their political profiles, while Mr Wade would be unwilling to step down in favour of someone who only recently left the ruling party. This division increases Mr Diouf's chances of a first-round victory but, should he fall short of a clear majority, a stronger, more united opposition challenge in the second round will be much more likely.

—but concerns will remain over the electoral machinery

In the light of the numerous built-in electoral advantages the PS has long enjoyed, and with the greater sense of urgency the party now feels over President Diouf's re-election bid, the opposition again is worried that the elections will not be entirely fair. There was some progress toward greater transparency with the establishment of the Observatoire national des élections (ONEL), a semi-autonomous election monitoring body, in 1997. However, this was undermined to some extent by the PS's amendments to the constitution, in particular removing the restriction on the number of presidential terms and removing the requirement that a candidate, to win on the first round, must have the support of at least one-quarter of the registered electorate, and not just an absolute majority of the votes actually cast. Suspicion deepened when President Diouf removed the outspoken head of the ONEL in March 1999 and appointed General Amadou Abdoulaye Dieng, previously a key figure on one of the president's numerous re-election committees. Although General Dieng resigned at the end of July, questions of electoral fairness and transparency are likely to remain major issues through the campaign, and an attack by the police in late June on an opposition demonstration also points to the potential for violence.

Confrontation over pay may lie ahead

The IMF again praised Senegal's economic performance, when it released the second tranche of a three-year enhanced structural adjustment facility (ESAF) in June. However, although Senegal's economy has been growing at 5-6% over the past few years, wages in both the public and private sectors have remained relatively flat, while inflation has gradually cut into workers' purchasing power. This is breeding considerable resentment, especially since the government has taken a hard line with demands for large salary increases, citing the need to contain public spending under its structural adjustment programme. A general strike on June 28th, even though it ended in disarray, nevertheless indicated that the unions are still capable of shutting down the economy if they are sufficiently united. The belief that the government may be more vulnerable to demands for salary increases in an election year has probably entered into the union leaders' calculations, and may lead to some hard bargaining in the months ahead, despite the partial agreement ending the strike.

The economy will do well—

Senegal's exports will benefit from the recovery of agriculture in 1999/2000, following reasonable rains in most of the country and the government's plans to disburse some CFAfr60bn ($93m) to stimulate production. In particular, the cotton harvest will almost triple to 45,000 tonnes, while better harvests are expected for groundnuts, Senegal's main cash crop, and cereals. Exports will benefit from another good performance by Industries chimiques du Sénégal (ICS), which is to receive over €118m ($121m) in investment over the next few years. Although private domestic investment will remain constrained by low savings and limited access to credit, public investment will remain high, thanks in part to the government's pledges of CFAfr210bn in development funds for Casamance, to support the unfolding peace process in the region. In addition, the privatisation programme will continue to attract foreign direct investment (FDI). Private consumption, reflected in the good performance of the trade, retail and tourism sectors, should also underpin growth. As a result, real GDP growth is forecast to reach 6.5% in 1999, before falling slightly to 6% in 2000 as the growth of imports outstrips the growth of exports.

—but poverty will have to be tackled

A recent UN Development Programme report on human development in Senegal reported widespread poverty and malnutrition—in a country that once boasted a better standard of living than many of its neighbours. Nearly one-third of households fall below the official poverty level, and one-quarter of all Senegalese are suffering from chronic malnutrition. Urban unemployment, especially among young people, is very high, while health services have suffered from reduced public health spending. Probably because of the approach of the presidential election, the government appears to realise that it must reassure ordinary Senegalese that the benefits of economic growth will actually reach them. One gesture was a financing law passed in June, which amends the 1999 budget to ensure that a large part of the proceeds from the privatisation of the telephone utility will be invested in healthcare, agricultural production, rural electrification and other areas which have a direct impact on the living standards of the poorest sectors of society.

Inflation will remain low

Inflationary pressures are likely to be subdued in 1999-2000, owing to the government’s efforts to restrain spending and the tight monetary policy maintained by the Banque centrale des États de l’Afrique de l’ouest (BCEAO, the regional central bank), which will keep its interest rates in line with those of the European Central Bank. As a result, inflation in Senegal will average 2% in 1999-2000, lower than in the other Franc Zone countries. Although Senegal’s exports will benefit in the short term from the forecast depreciation of the CFA franc—which is pegged to the euro—to an average of CFAfr632:$1 in 1999, the expected appreciation of the CFA franc to CFAfr623:$1 in 2000, as economic growth recovers in the EU, may damage Senegal’s export competitiveness.

The current-account deficit will widen

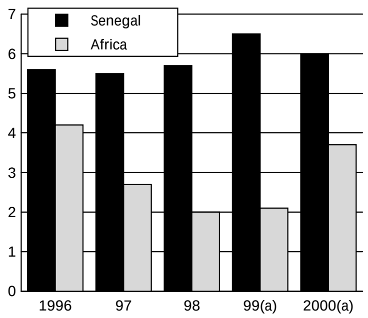
Although invisibles will continue to make a positive contribution to the current-account balance—thanks to moderate debt-service payments, increasing inflows from tourism, remittances from Senegalese abroad and sizeable public transfers—Senegal will remain constrained by the country’s limited export capacity. Although cotton, groundnuts and ICS products are expected to do well, exports of fish will suffer from the depletion of stocks. In addition, import growth, underpinned by rising demand for machinery, intermediate goods and consumer goods, will outpace the growth of exports. As a result, the rising trade deficit will increase the current-account deficit from $100m in 1999 to $150m in 2000.

Senegal: forecast summary
($ m unless otherwise indicated)

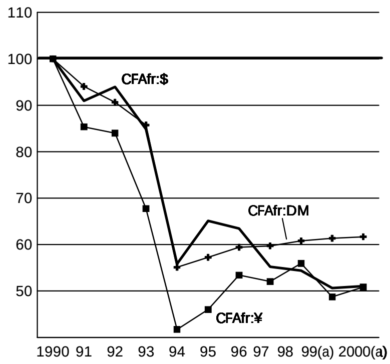
	1997[a]	1998[b]	1999[c]	2000[c]
Real GDP (% change)	5.5	5.7[a]	6.5	6.0
Consumer price inflation (%)	1.7	1.1[a]	2.0	2.0
Merchandise exports fob	933	976	1,050	1,100
Merchandise imports fob	1,196	1,260	1,300	1,400
Current-account balance	–171[b]	–140	–100	–150
Average exchange rate (CFAfr:$)	584	590[a]	632	623

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

Senegal: gross domestic product
% change, year on year



Senegal: CFA franc real exchange rate (b)
1990=100



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

The political scene

Father Diamacoune's peace option is supported—

At the close of a special conference held in the Gambian capital, Banjul, on June 21st-June 24th, a broad spectrum of the Casamance separatist movement agreed to pursue peace talks with the Senegalese government. It was the first significant step in that direction by the Mouvement des forces démocratiques de Casamance (MFDC) since President Abdou Diouf met the movement's main political leader, Father Augustine Diamacoune Senghor, in January (1st quarter 1999, pages 9-10). Father Diamacoune has for several years favoured peace talks, but the fractious nature of the MFDC and the continuing armed insurgency by hardliners have raised serious questions about the extent of his authority over the movement as a whole. That authority appears now to have been strengthened by the Banjul conference, which returned Father Diamacoune as secretary-general, and authorised him to make every effort to achieve peace in Casamance. The conference also gave him the power to appoint the heads of the movement's national and external wings, as part of a broad reorganisation plan to improve the MFDC's structure and discipline. Father Diamacoune's position was also bolstered by announcements from the government in May and June that it would be allocating significant new funds to the reconstruction and development of Casamance (see Economic policy).

—by most MFDC factions—

The breadth of participation in the Banjul conference has given much greater weight to the MFDC's peace declaration than it would have had coming from Father Diamacoune alone. The participants included most members of the MFDC's Comité de pilotage provisoire (set up in 1997 to unify the movement's various factions), representatives of the MFDC's civilian organisation in Casamance, leaders of the MFDC's external wing in France and other countries, representatives of Casamançais refugees in The Gambia and Guinea-Bissau, and leaders of the insurgent Northern Front. However, only a small delegation from the Southern Front, which has spearheaded most of the insurgent activity of the past two years, participated in the last days of the conference, and this did not include its main leaders, Salif Sadio and Léopold Sagna, ostensibly because their forces were facing a new offensive by the Senegalese army. Numerous observers also attended the conference. Theses included the Gambian president, Yahyah Jammeh, who is of the same Diola ethnic group as many Casamançais insurgents and has played an important mediating role; General Ansoumane Mane, the new strongman in Guinea-Bissau; General Lamine Cissé, Senegal's minister of the interior; and Robert Sagna, its minister of agriculture and the mayor of Ziguinchor, the largest city in Casamance.

—and a negotiating position is staked out—

Opening the conference, Father Diamacoune urged MFDC members not to lose sight of their main goal, the independence of "our dear Casamance". Since the Senegalese government has categorically rejected such an option, there would seem little room for negotiation. Gambian officials suggested, however, that Father Diamacoune's remark was intended mainly for internal MFDC consumption, to help win its approval for negotiations, as well as a bargaining gambit to demonstrate that the MFDC is not about to give up its fundamental principles before peace talks formally open. The conference's final resolution bore other elements of an initial negotiating stance: an end to restrictions on the freedom of movement of Father Diamacoune and other MFDC political leaders; the withdrawal of Senegalese military and paramilitary forces from Casamance; the closing of all military bases set up there after 1979; and a ceasefire. From the MFDC's perspective, the last two demands have a particular urgency, since Senegalese army operations in June appear to have inflicted heavy losses on the insurgents and succeeded in capturing several MFDC bases.

—but one MFDC leader denounces the conference

The one sour note of the proceedings was the decision by Mamadou "Nkrumah" Sané, the most prominent spokesman of the movement's external wing, to boycott the conference. From his base in Paris, he said that Father Diamacoune was being manipulated by the Senegalese government. Several weeks earlier, Mr Sané also claimed that the MFDC's goal is to create a "Federation of the Gabou"—comprising Casamance, The Gambia and Guinea-Bissau—a position never previously enunciated by any MFDC leader. The comments were largely ignored by most MFDC leaders in Banjul, and there was speculation that the authority given to Father Diamacoune to name the MFDC's external and internal representatives may well lead to Mr Sané's replacement as the movement's chief spokesman abroad.

The implications of a coup in Guinea-Bissau are unclear

From the perspective of the Senegalese government, the coup on May 6th in neighbouring Guinea-Bissau by General Ansoumane Mane (2nd quarter 1999, page 10) raises uncertainties for the Casamance peace process. Senegal sent in troops last year to support the president at the time, João Bernardo Vieira, in a civil war against General Mane, on the basis that the latter was involved in supplying arms to the MFDC. However, after the Senegalese troop withdrawal in March 1999, a Guinean parliamentary inquiry (before the coup) determined that in fact Mr Vieira himself was implicated in the arms-trafficking. More than just an embarrassing error of judgement on Senegal's part, the intervention created considerable ill-will among Guinea-Bissau's political elite and led to an alliance between the MFDC and General Mane's forces. The coup therefore caused consternation in Dakar, and both government officials and military commanders were worried that the new regime in Guinea-Bissau might seek revenge by channelling more support to the Casamance insurgents. However, General Mane's subsequent attendance at the MFDC's Banjul consultations, followed by assurances from Guinea-Bissau's interim president, Malang Bacai Sanha, that his government favoured peace in Casamance, gave some reassurance that the new government might play a constructive role in the peace process.

Mr Niasse denounces the PS leadership—

A senior figure in the ruling Parti socialiste (PS), Moustapha Niasse, published a stinging denunciation of the PS leadership in June in three independent Dakar newspapers. Mr Niasse claimed that the PS is now dominated by a small minority which "steals" from the state on a grand scale. He condemned the constitutional amendment of 1998 which removed the limit on the number of presidential terms, stating that he favoured a limit of two five-year terms, and he criticised the appointment in April 1999 of General Abdoulaye Dieng, an active supporter of Mr Diouf's re-election, as head of the election monitoring commission. He also criticised President Diouf for waiting until January of this year before meeting Father Diamacoune of the MFDC. The same day that Mr Niasse's statement appeared in the press, the secretary-general of the PS, Ousmane Dieng, announced that the party's Political Bureau had decided "unanimously" to expel him from the party. PS leaders then set about trying to minimise the political damage of the affair, with some denying Mr Niasse's allegations and others dismissing him as an "old apparatchik". Fearing that Mr Niasse might lead other disgruntled PS members out of the party, the national leadership ordered local PS officials to deny his claim that many local sections of the PS supported him.

This is the second time in less than two years that the PS has lost one of its senior members; the former interior minister, Djibo Kâ, left the party in late 1997 to form the opposition Union pour le renouveau démocratique (URD). A former political secretary of the PS, Mr Niasse served for about ten years (1978-84 and 1993-98) as Senegal's minister of foreign affairs. In March-April, there were widespread rumours that Mr Niasse might stand as a candidate in the February 2000 presidential election against President Diouf. The rumour was denied at the time by Mr Niasse. In his June declaration, Mr Niasse said that although he remained in the government until July 1998, his real political break with the PS came at the party's controversial March 1996 congress, which saw the sidelining of many long-time PS leaders and the elevation of Ousmane Tanor Dieng, a younger man and a self-styled technocrat, as the party's secretary-general. Mr Niasse subsequently refused to hold any national party leadership posts, although he remained the secretary-general of the PS departmental co-ordinating body in Nioro, his home area.

—highlighting the divisions within the ruling party—

Mr Niasse's open defiance of the PS leadership draws further attention to the party's persistent factionalism, which has occasionally erupted into violence. In recent months, the restructuring of local PS leadership bodies stirred such dissension that Oumar Khassimou Dia, who had served as a cabinet director to the former prime minister, Habib Thiam, spoke openly of taking his followers out of the party. In late May, Mbaye Jacques Diop, the deputy mayor of Rufisque (a major Dakar suburb) and a prominent PS parliamentarian, openly defied the party leadership over a reshuffling of parliamentary committee positions which Mr Diop viewed as a demotion. The affair calmed down when Mr Diop was allowed to remain in his old post. Mr Niasse's declaration prompted speculation over which other PS leaders might be sympathetic to him. Although most of them publicly affirmed their allegiance to President Diouf and the party leadership, some anonymously agreed with Mr Niasse and described his expulsion from the party as a serious error.

—and adding a new element to the presidential election

Mr Niasse did not state whether he intended to stand in the February 2000 presidential election as previously rumoured, but he did not rule out such a possibility. Most opposition leaders welcomed Mr Niasse's denunciation of the ruling party, seeing it as further vindication of their own criticisms. However, if he were to declare himself a candidate, the reaction might be less welcoming, since it would mean one more opposition candidate running against President Diouf. Some press commentators and opposition politicians have noted the close personal and political ties between Mr Niasse and Mr Kâ, viewing an alliance between the two as a strong challenge to the incumbent president. This would pose difficulties for the candidacy of Abdoulaye Wade, leader of the main opposition Parti démocratique sénégalais (PDS), who currently has the support of several other parties which think that he has the best chance of defeating President Diouf.

The opposition calls for the removal of General Dieng—

In early May, most opposition parties began calling loudly for the resignation of General Amadou Abdoulaye Dieng as head of the Observatoire national des élections (ONEL), the election monitoring body. President Diouf appointed General Dieng in April (2nd quarter 1999, page 13), replacing the previous head of ONEL, General Mamadou Niang, who was outspoken in his criticism of the government's electoral procedures. The opposition parties' initial uncertainty about General Dieng turned to outright rejection when they discovered that he had been personally involved in setting up a re-election support committee for President Diouf, called Horizon 2000. This, they argued, violated not only the spirit of non-partisanship required of ONEL officials, but also the electoral code itself, which specifically bars members of political support groups from ONEL. Fourteen opposition parties, including all those with parliamentary representation, formed the Front pour la régularité et la transparence des élections (FRTE) to fight for his resignation, along with other changes to the electoral system.

—who resigns

The FRTE held a public march in Dakar on June 30th to press its demand for the removal of General Dieng, despite the banning of the march by the prefect of Dakar. As the protesters were gathering, large numbers of police moved in to block the main body of demonstrators at the rally site. The police intervention quickly escalated into violence; running street battles spread through Dakar, including confrontations between the police and residents, many of whom were reportedly generally sympathetic to the demonstrators. Samir Abourisk, a leader of the Convention des démocrates et des patriotes/Garab gi, was taken to hospital after a police beating, and four prominent PDS figures were arrested. Defiantly, the parties belonging to the FRTE called for another public protest march, but this was pre-empted by General Dieng's resignation at the end of July and his replacement by the honorary president of the Conseil d'Etat, Louis Pereira de Carvalho.

Increasing lawlessness prompts a crackdown—

With rising unemployment and poverty, crime statistics are climbing in Senegal's main cities, especially Dakar, and also in rural areas, where there are frequent reports of armed banditry, especially in Casamance and along the borders with Mauritania and Mali. There has been an accompanying increase in vigilante action, as local communities seek to cope with the mounting lawlessness and lack of sufficient police protection. In an effort to regain public credibility, the police began a highly publicised crackdown in March, carrying out raids in areas of high crime. Many of the actions were in Dakar, but also in other cities, including the Islamic holy city of Touba. However, sometimes, as in Saint-Louis, the police interventions themselves have provoked outbreaks of violence, as sectors of the local population have sided with those being arrested. The minister of the interior, General Lamine Cissé, acknowledged the need to increase the size and training of the regular police force. Currently, there is just one policeman for every 1,703 inhabitants, whereas security experts estimate that effective policing requires one for every 1,000 people.

—but the government's anti-corruption credentials are tarnished

At a conference on transparency in public affairs organised in late April by the Civil Forum, a coalition of Senegalese civil society associations, the prime minister, Mamadou Lamine Loum, reaffirmed the government's commitment to fighting corruption and ensuring good governance. However, within two months of the conference, a number of new scandals drew further attention to the prevalence of corruption in the country. In late June French police and a Senegalese anti-narcotics unit swooped on the town of Louga to break up a network involved in laundering drug money. Two of those arrested were prominent local leaders of the PS. In a separate case, four gendarmes were arrested in connection with a scandal that erupted early in the year, involving the embezzlement of around CFAfr100m ($155,000) from a commercial firm which supplies policemen with low-priced essential commodities.

Peacekeeping troops get their bonuses

In mid-May the 129 Senegalese soldiers who served with the UN peacekeeping mission in the Central African Republic finally received their special duty bonuses. In April delays in processing the bonuses prompted the first public demonstrations by soldiers in Senegal's history (2nd quarter 1999, page 14). The bonuses, which came out of UN compensatory payments to the Senegalese government, ranged from CFAfr2m for ordinary soldiers to CFAfr3m for officers.

Economic policy

The government pledges development funds for Casamance—

In the wake of President Diouf's meeting with Father Diamacoune in January, the government has sought to demonstrate its commitment to peace and reconstruction in Casamance by pledging a total of CFAfr210bn ($327m) in development funds over five years for the war-torn south. Many inhabitants of Casamance have long felt neglected by the central government's development policies, contributing to the grievances that have fuelled the insurgency. With the war, conditions have become even more difficult. The fighting has displaced tens of thousands of people, causing a 50% decline in agricultural production; the transport system has been badly damaged; and the tourism industry has suffered. The prime minister, Mamadou Lamine Loum, explicitly linked the government's development programme in the two southern regions (Kolda and Ziguinchor) to the need to strengthen the "peace dynamic" now under way. Mr Loum announced a package of projects in Ziguinchor, which would receive CFAfr114bn in government funding. The amount pledged by the government does not include an additional CFAfr20bn expected from bilateral donors and non-governmental organisations, nor a peace and reconstruction fund currently being negotiated with the World Bank. Kolda, which has been less affected by the fighting than Ziguinchor would receiveCFAfr96bn.

Announced projects for Casamance

- CFAfr638m for clearing mines around Ziguinchor.
- The distribution of CFAfr660m food aid to displaced people in Ziguinchor and Kolda.
- Construction of a hospital in Ziguinchor, with CFAfr350m funding from Taiwan, CFAfr250m from France and CFAfr2m from the government.
- Water and sanitation projects in Ziguinchor costing CFAfr16.5bn, plus another CFAfr1.6bn for rehabilitating its marketplaces and administrative facilities.
- The construction of a new airport at Tobor, near Ziguinchor, at a projected cost of CFAfr17bn, and CFAfr895m to upgrade its port.
- The construction of 70 primary and 50 middle and secondary school classrooms in the Ziguinchor region by the end of 1999.
- The drilling of community boreholes throughout the Kolda region, at a cost of CFAfr11bn.
- The electrification of all villages in Kolda with 3,000 inhabitants or more.
- The construction of a regional hospital in Kolda, at a cost of CFAfr3bn, and a cultural complex in the regional capital, costing CFAfr250m.

—which will be partly funded by privatisation proceeds

Some of the funds for Casamance were authorised by an amendment to the budget presented to the National Assembly by the Minister of the Economy, Finance and Planning, Mouhamed El Moustapha Diagne, in mid-June, allocating two-thirds of the CFAfr90bn ($140m) received from the sale in 1997 of the telephone utility, the Société nationale des télécommunications (Sonatel). As a result, the total investment budget for 1999 has increased from CFAfr311bn to CFAfr351bn. When opposition deputies asked why some of the funds could not be used to increase the salaries of public-sector workers, as demanded by their unions (see The economy), Mr Diagne pointed out that the revenue from Sonatel's privatisation was exceptional income, whereas a salary increase would need to be sustainable over the long term.

The second ESAF tranche is disbursed

On July 12th the IMF disbursed the second tranche, worth SDR36m ($47.7m), of the three-year enhanced structural adjustment facility, signed in April 1998. The IMF expressed its satisfaction with Senegal's economic performance and progress made on government finances, but urged the government to improve the country's social indicators (see Health). Real average GDP growth is expected to increase to 6.4% in 1999, from 5.7% in 1998, while inflation is to remain low at an average of 2%.

Senegal: selected economic indicators[a]

	1997[b]	1998[b]	1999[c]	2000[c]	2001[c]
Real GDP growth (%; av)	5.0[c]	5.7	6.4	6.0	6.0
Consumer prices (%; av)	1.8[c]	1.1	2.0	2.0	2.0
Fiscal balance (including grants; % of GDP)	0.5	–0.3	–1.9	–1.3	–0.6
Current-account balance (% of GDP)	–1.6	–1.7	–2.7	2.6	–2.4
External public debt (after debt relief; % of GDP)	73.1	69.4	66.0	61.7	57.3

[a] Figures may differ from those given in *International Financial Statistics*. [b] Estimates. [c] Forecasts.

Source: IMF.

The economy

A general strike presses for wage increases—

For the first time since 1993, all the country's main trade union federations organised a successful national general strike on June 28th, to press for higher wages and other demands. The unions, led by the PS-affiliated Confédération nationale des travailleurs du Sénégal (CNTS), argue that there have been no significant pay increases since the devaluation of the CFA franc in 1994 and, in a series of pre-strike negotiations with the government and employers' organisations, demanded that wages in both the public and private sectors be raised by 30-40%. This was dismissed as unrealistic by government officials, who suggested an increase no higher than the real GDP growth rate, which is between 5% and 6%. Anything more, they argued, would stoke inflation and discourage foreign investment. Private employers agreed to negotiate wage increases, but only at the level of individual industrial sectors. Other demands included respect for trade union freedoms, particularly in the light of the government's reprisals against leaders of the Syndicat unique des travailleurs de l'électricité (Sutelec) after their strike against the electricity utility in 1998.

—and paralyses the country—

The two-day general strike was organised by eight union federations, including the two largest, the CNTS and the Union nationale des syndicats autonomes du Sénégal (UNSAS), which is headed by the Sutelec leader, Mandemba Sock. Although such strike action has long been advocated by UNSAS and other radical unions, the active involvement of the CNTS marked a departure from its normal emphasis on dialogue and negotiation. In fact, the steady erosion of workers' living standards over recent years, combined with widespread lay-offs resulting from the government's privatisation programme, has helped to discredit the CNTS's methods. Consequently, its secretary-general, Madia Diop, was among the most vocal in rejecting the government's initial offer of 5-6%. Both the organisers and the press estimated strike participation on June 28th at between 75% and 100% in Dakar, with comparable levels in most other major economic centres. Many administrative services operated with skeleton staff, and water and electricity services were maintained owing to a government decree prohibiting essential service workers from joining the strike. Initial estimates by employers' organisations placed the total cost of the strike at around CFAfr16bn ($25m).

—but ends in disarray—

At the end of the first day, the unions resumed negotiations with the government and employers, and on June 29th the CNTS and four other federations agreed to sign a new agreement and lift their strike call. Some workers went back to their jobs later that day, but full economic activity did not fully resume until June 30th. The decision of the CNTS and its allies to end the strike and break the unions' united front upset the leaders of UNSAS, and the Coordination des syndicats autonomes (CSA). They were also puzzled by the fact that the new agreement represented little advance on what the government and employers had been willing to offer before the strike began. On the unions' key wage demand, private employers maintained their earlier offer to negotiate pay increases on a sector-by-sector basis, while the government agreed only to seek other ways to improve workers' purchasing power, possibly by reducing tax rates and controlling the prices of essential commodities. Since UNSAS and CSA are strongest in the civil service and public enterprises, the government's hard line on public-sector wages was a major factor in their rejection of the overall accord.

—and it all may have been political manoeuvring by a PS trade union leader

Mr Diop of the CNTS tried to present the new agreement as an improvement over the pre-strike offer he had turned down just two days earlier. However, not only did the more radical unions, UNSAS and CAS, reject such a claim, but the two main employers' associations, the Conseil national du patronat and the Confédération nationale des employeurs du Sénégal, also saw little difference between the two offers and angrily asked what purpose the strike had served. Some suggested a political motive, related mainly to power struggles within the PS. Mr Diop, a member of the PS's Political Bureau, may have attempted to demonstrate that he still represents a powerful social constituency, to those within the party leadership who have been trying to sideline him. Mr Diop himself noted that the resumption of negotiations was at the explicit request of

Ousmane Tanor Dieng, the secretary-general of the PS, and his readiness publicly to credit Mr Dieng for the settlement may earn Mr Diop some political capital in the PS.

Agriculture

A recovery in cotton output is projected

According to the Société de développement des fibres textiles (Sodefitex), the cotton parastatal which is on the way to partial privatisation, enough seeds and credits are being made available to farmers to bring 50,000 ha under cultivation during the 1999/2000 season. With an expected yield of 900 kg per hectare (assuming adequate rains and only minimal pest attack), this should bring a harvest of 45,000 tonnes. If achieved, it will mark a significant improvement over the 1998/99 harvest, which reached just 15,000 tonnes, down from the previous season's 40,000 tonnes and providing only one-quarter of the textile industry's processing capacity.

Industry

ICS had a very good year—

Senegal's largest industrial enterprise, Industries chimiques du Sénégal (ICS), made a net profit of CFAfr20bn ($34m) in 1998, up one-third on the year before. More than 95% of its total income of CFAfr126bn was earned abroad, principally in exports to India (an Indian fertiliser producer, IFFCO, owns 26% of ICS, while the Senegalese government has a 47% controlling share). ICS produced 330,000 tonnes of phosphoric acid in 1998, a 10% increase on the 1997 level, although its output of phosphate rock grew by only 1% to 1.5m tonnes, while production of phosphate fertiliser rose by only 2% to 225,000 tonnes. ICS officials note that the enterprise not only accounts for 2% of Senegal's GDP, but is also a major source of tax revenue, gives employment to some 2,000 workers and provides CFAfr30bn in processing business to small and medium-sized enterprises in the Dakar region. There are plans to list ICS on the regional stock exchange, the Bourse régionale des valeurs mobilières (BRVM) in Abidjan.

—and secures financing to double production

In early July, three financing institutions agreed to lend €118m ($121m) to ICS to support its ambitious expansion plans. The 12-year loan comprises €55m from the Agence française de développement, €54m from the European Investment Bank, and CFAfr6bn from the Banque ouest-africaine de développement. In addition to ICS's own resources, a pool of local banks will complete the total package of CFAfr180bn ($280m) needed to fund the expansion, which will entail developing a mine at Senegal's Tobène phosphate deposits and doubling the capacity of the Darou Khoudoss processing plant from 330,000 tonnes of phosphoric acid to 660,000 tonnes. IFFCO, India's premier fertiliser producer and distributor, has agreed in advance to buy all of the additional production.

Infrastructure and services

The privatisation of Dakar-Marine is finalised

In late June the minister of fisheries and maritime transport, Alassane Dialy Ndiaye, signed a concession contract with Lisnave International, Portugal's largest naval repair enterprise, granting its subsidiary, Dakarnave, the concession to operate the former Dakar-Marine repair yard at the port of Dakar. The step completes a privatisation process that has been marked by repeated delays ever since the facility was partly sold in January 1997. Although operations will now be under Dakarnave's management, the yard and its facilities will continue to be owned by a separate state enterprise, the Société des infrastructures de réparation navale (SIRN). Dakarnave is planning to retain only 240 of Dakar-Marine's 300 employees (down from an original workforce of 400), and the social costs of the redundancies were a major bone of contention. To solve the issue, the Agence française de développement has provided a CFAfr3.4bn grant for compensation packages for the workers not retained and to clear Dakar-Marine's arrears to the workers' social security and retirement funds. Dakarnave has said that it plans to invest $3m in the repair yard in the short term, and possibly another $10m if conditions are favourable for expanding operations.

Health

A UNDP report notes high levels of malnutrition—

A report on human development in Senegal, published in June by the UN Development Programme (UNDP), found that 23% of Senegalese suffer chronic malnutrition. In part, this reflects the country's deteriorating national food situation, with nearly two-thirds of all departments becoming non-self-supporting in food over the past five years. Currently, 30% of households fall below the official poverty level, defined as an average daily intake of 2,400 calories per person. Some 75% of these households are in rural areas. Despite annual economic growth rates ranging between 3% and 6%, unemployment and poverty have been worsening in many urban areas, and urban unemployment is around 23%; in Dakar alone, 41% of young people are unemployed.

Senegal: human development data

			Sub-Saharan Africa
	1995	1997	1995
HDI score	0.342	0.426	0.386
Real GDP per head ($; in PPP terms)	1,815	1,730	1,407
Life expectancy at birth (in years)	50.3	52.3	50.6
Adult literacy (%)	33.1	34.6	56.9
Gross enrolment ratio	33.0	35.0	42.0
Infant mortality rate (per 1,000 live births)	74.0	72.0	104.0
Population below income poverty line ($1 a day; 1989–94)	54.0	54.0	n/a
Education expenditure (% of GNP)	3.6	3.5	6.3
Health expenditure (% of GDP)	2.3	1.2	2.4
Daily calorie intake (calories)	2,365	2,394	2,237

Source: UNDP, *Human Development Report*, 1999, 1998.

—and deteriorating healthcare

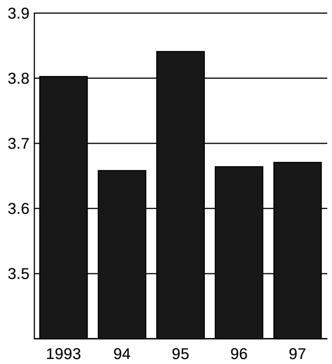
Low levels of public expenditure have brought a further deterioration in the healthcare system, according to the UNDP report. Public expenditure per head on health fell by more than 30% between 1978 and 1994, when health spending represented only 4% of the budget. Although by 1997, health spending had increased slightly to 4.7% of the budget, the number of health-care personnel has fallen by 20%, to 6,035, over the past five years. Very few work in rural areas, where health problems are the greatest—Dakar and Thiès alone account for 72% of health workers. In education, because of high fees and school expenses children from Senegal's poorest families simply cannot afford to go to school. In five out of the country's ten regions, the primary school enrolment rate is below 50%, although it is as high as 91% in Dakar.

Foreign trade and payments

External debt remains stable—

Newly released figures from the World Bank in its annual Global Development Finance report show that Senegal's stock of debt remained stable in 1997 at around $3.7bn. There were few changes in the sub-components, although external debt owed by private debtors and short-term debt increased in total by over 20% to $268m, reflecting the improved creditworthiness of Senegalese companies. Only $2m of short-term debt were interest arrears. Disbursements increased by 31% to $286m, while debt-service payments fell by 15% to $247m, reflecting better debt interest and maturity terms. This contributed to a fall in the debt-service ratio from 16.7% to 15.3%, although the ratio of debt to GNP increased slightly from 78% to 83%.

Senegal: external debt stock
$ bn



Source: World Bank, *Global Development Finance.*

Senegal: external debt
($ m unless otherwise indicated)

	1996	1997	% change
Public medium- & long-term	3,117	3,110	–0.2
of which:			
multilateral creditors	1,853	1,803	–2.7
bilateral creditors	1,250	1,297	3.8
Private medium- & long-term	39	55	41.0
IMF	326	292	–10.4
Short-term debt	182	213	17.0
Total	3,664	3,671	0.2
Disbursements	219	286	30.6
Debt-service (paid)	290	247	–14.8
Debt-service ratio	16.7	15.3	–
Debt/GNP (%)	78.3	82.9	–

Source: World Bank, *Global Development Finance*.

—and Senegal may again qualify for HIPC debt relief

As a result of the decision by the Group of Seven (plus Russia), meeting in Cologne on June 18th, to widen the heavily indebted poor countries (HIPC) initiative, Senegal may once again be considered for eligibility. Senegal was originally on the list of 41 developing countries potentially eligible for debt cancellation under the joint IMF-World Bank initiative; but in April 1998 a study by the IMF and the World Bank determined that Senegal's debt burden was "sustainable". This conclusion was based primarily on its ratio of debt (expressed in net present value terms) to exports, which averaged 148% over 1995-97, whereas HIPC rules at the time required that the ratio fall in the 200-250% range. The Cologne summit agreed to lower the threshold to 150%, which may possibly bring Senegal back into consideration. However, donors have yet to work out how an expansion of the HIPC initiative will be funded, while a favourable reconsideration of Senegal's case may depend on what baseline figures are used in the calculations.

Aid news

New aid agreements during the quarter included the following:

- a grant of €9m ($9m) from the EU to support regional sanitation projects in 1999-2003;
- a CFAfr3bn ($5m) grant from Japan to fund the construction of a fish market in Kaolack; CFAfr1.4bn for the rehabilitation of Thiès hospital; and CFAfr220m of equipment and material for a national theatre troupe.
- a total of $12m in grants from the US Agency for International Development to support private-sector development, decentralisation and governance programmes, and a variety of projects focusing on child survival, reproductive health and sexually transmitted diseases;
- a DM30m ($16m) grant from Germany to provide potable water in the Dakar region, and to support rural local administration in the Fatick and Kaolack regions and national family planning and HIV-AIDS programmes.

The Gambia

Political structure

Official name	The Republic of The Gambia
Form of state	Unitary republic
Legal system	Based on English Common Law and the 1996 constitution
National legislature	House of Assembly: installed on January 16th 1997 having been suspended since the military coup of July 1994; 49 members, 45 elected by universal suffrage, 4 nominated by the president; all serve a five-year term
National elections	September 1996 (presidential), January 1997 (legislative); next elections due September 2001 (presidential) and January 2002 (legislative)
Head of state	President, elected by universal suffrage for a five-year term
National government	The president and cabinet; last reshuffle January 1999
Main political parties	The ban on political activity was lifted in August 1996, but three pre-coup parties (the People's Progressive Party, the Gambia People's Party and the National Convention Party) remain proscribed. The ruling party is the Alliance for Patriotic Reorientation and Construction (APRC); the United Democratic Party (UDP) and the National Reconciliation Party (NRP) are the main opposition parties

	President & minister for defence	Yahyah Jammeh
	Vice-president & minister for health, social welfare & women's affairs	Isatou Njie Saidy
Key ministers	Agriculture	Fa Sainey Dumbya
	Civil service	Mustapha Wadda
	Culture & tourism	Susan Waffa-Ogoo
	Education	Thérèse Ndong Jatta
	External affairs	Lamine Sedat Jobe
	Finance & economic affairs	Famara Jatta
	Interior	Ousmane Badjie
	Justice & attorney-general	Fatou Bensouda
	Local government & lands	Lamin Kaba Bajo
	Presidential affairs, House of Assembly, civil service, fisheries & natural resources	Edward Singhateh
	Public works, communications & information	Sarjo Jallow
	Trade, industry & employment	Musa Sillah
	Youth & sports & religious affairs	Yankuba Touray
Central Bank governor	Clarke Bajo	

Economic structure

Latest available figures

Economic indicators	1994	1995	1996	1997	1998[a]
GDP at market prices (D m)	3,411[b]	3,439[b]	3,725[b]	3,922[b]	4,251
Real GDP growth (%)	1.3[b]	–3.4[b]	5.3[b]	4.9	4.7[c]
Consumer price inflation (%)	1.7	7.0	1.1	2.8	1.2[d]
Population (m)	1.08	1.11	1.14	1.17	1.20
Exports fob ($ m)	125[b]	123[b]	119[b]	120[b]	132[c]
Imports fob ($ m)	182[b]	163[b]	217[b]	207[b]	201[c]
Current-account balance ($ m)	8[b]	–8[b]	–48[b]	–24[b]	–16[c]
Reserves excl gold ($ m)	98	106	102	96	106[d]
Total external debt ($ m)	425	425	456	430	n/a
External debt-service ratio (%)	14.1	14.7	12.4	11.6	n/a
Groundnut production (‘000 tonnes)	65.4[b]	79.7[b]	78.8[b]	78.1[b]	83.7
Charter tourists (‘000)	90.0[b]	42.9[b]	72.1[b]	75.9[b]	92.4[d]
Exchange rate (av; D:$)	9.58	9.55	9.78	10.20	10.64[d]

July 16th 1999 D11.78:$1

Origins of gross domestic product 1997	% of total
Agriculture	23
Industry	13
Services	64
GDP at factor cost	100

Components of gross domestic product 1997	% of total
Private consumption	77
Government consumption	17
Gross domestic investment	20
Exports of goods & services	46
Imports of goods & services	–60
GDP at market prices	100

Principal exports 1997[b]	$ m
Groundnuts (shelled)	5.6
Fish & fish preparations	2.6

Principal imports 1997[b]	$ m
Food	57.2
Manufactures	47.8
Machinery & transport equipment	37.2
Minerals & fuel	28.3

Main destinations of exports 1997[e]	% of total
Belgium-Luxembourg	78.0
Japan	4.5
UK	3.2
France	1.9
China (incl Hong Kong)	1.9

Main origins of imports 1997[e]	% of total
China (incl Hong Kong)	25.1
UK	10.4
Netherlands	7.4
Côte d’Ivoire	7.0
France	5.8

[a] EIU estimates; calendar year. [b] Fiscal year ending June 30th. [c] IMF estimate. [d] Actual. [e] Derived from partners’ trade returns; subject to a wide margin of error.

Outlook for 1999-2000

President Jammeh will continue harassing the opposition—

President Yahyah Jammeh has hardened his attitude towards the opposition in the run-up to the presidential election, which is scheduled to take place in September 2001. The imprisonment of the youth leader of the opposition United Democratic Party (UDP), Shyngle Nyassi, in June suggests that the genuinely free political environment needed for a fair and transparent contest may not come about. However, President Jammeh knows that using strongarm tactics might bring the regime back into international disrepute. As a result, the harassment of the opposition is likely to remain low-key, while partisan posturing, invective and accusations are likely to become a daily occurrences, as the ruling Alliance for Patriotic Reorientation and Construction (APRC) and the main opposition parties, the UDP and the National Reconciliation Party gear up for the election. A crackdown on the press may, however, be unnecessary after the leading independent newspaper, *Daily Observer,* was bought by a pro-Jammeh businessman, Amadou Samba, in May.

—while seeking a bigger role in the region

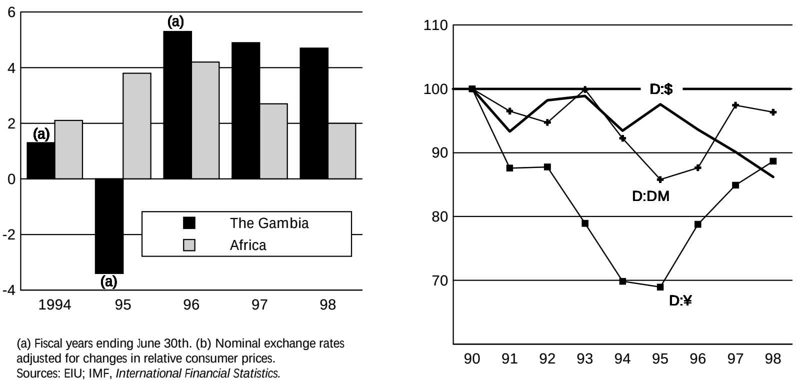
In the five years since he led a coup against the previous government, President Jammeh has not only successfully weathered international criticism, but also strengthened his role in the region. He gained some kudos in June when he hosted successful talks between factions of the separatist Mouvement des forces démocratiques de Casamance (MFDC) in the rebellious region of Casamance, in southern Senegal. With the participants agreeing to open negotiations with the Senegalese government, the conference in large part allayed Senegalese concerns over President Jammeh's ability to mediate in a conflict in which he has often been accused of supporting the rebel side. The president is also well placed to win the favour of Guinea-Bissau's new leader, General Ansumane Mane, who is of Gambian origin. Should the talks in Senegal be successful, President Jammeh's standing with Western governments will rise, although he will also maintain strong ties with Libya and Nigeria.

Pressure for economic reforms will mount—

The government will come under further pressure from the IMF to launch a programme of privatisation before the end of the year, or the Fund may withhold further disbursement under the three-year enhanced structural adjustment facility (ESAF) agreed in 1998. In addition to the sale of hotels, major companies such as the telecommunication utility, Gamtel, and the National Water and Electricity Company (NAWEC) will have to be opened to private participation. More immediately, however, the government will be urged to divest from the groundnut sector, and in particular from the country's largest enterprise, the privately-owned processing and marketing company, Gambian Groundnut Corporation (GGC), which it took over in January 1999 amid accusations of embezzlement.

—while growth will remain fragile

Real GDP is expected to grow by 4% a year in 1999-2000. Good harvests are forecast for cereal crops throughout the Sahel in the 1999/2000 crop year (October-September), thanks to favourable rains. With abundant food supplies—food accounts for a major part of the consumer price index—inflation will remain subdued, at less than 3% a year. Exports may perform badly, however, especially if the government fails to resume groundnut processing at the GGC, as the next groundnut harvest might be smuggled to Senegal, which would have a dramatic effect on the balance of payments.



The Gambia: gross domestic product
% change, year on year

The Gambia: dalasi real exchange rate (b)
1980=100

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

The political scene

The UDP youth leader is detained—

In an indication that the harassment of the opposition has continued unabated despite President Yahyah Jammeh's proclaimed commitment to democracy and human rights, the leader of the youth wing of the opposition United Democratic Party (UDP), Shyngle Nyassi, disappeared from his home in late May. The Gambia's secret service, the National Intelligence Agency (NIA), together with members of the pro-Jammeh youth group, July 22nd Movement, and the police, were suspected of being involved in the arrest, and it was thought that Mr Nyassi was being detained at the NIA headquarters in the capital, Banjul. After the UDP's call for an explanation was ignored by the government, Mr Niassy's family launched its own complaint, finally prompting the High Court to order the NIA to free Mr Nyassi in mid-June.

—prompting a condemnation from the EU

As the NIA continued to deny holding Mr Nyassi, the EU strongly condemned the illegal detention, urging the government to take immediate action to secure his release. Mr Nyassi was finally released on June 21st, after more than three weeks of detention. The affair came just a year after senior UDP members, most notably the party spokesman, Lamin Waa Jawara, were arrested, detained for several weeks and allegedly tortured (4th quarter 1998, page 24). The detention caused general outrage within the ranks of the opposition and the international community and eventually forced President Jammeh to adopt a softer approach towards the opposition.

President Jammeh presses the flesh

President Jammeh, accompanied by his wife and several ministers, began his annual "meet the people" tour on June 5th. Since the ruling Alliance for Patriotic Reorientation and Construction (APRC) draws most of its support from rural areas, where most of the population lives—whereas Banjul is the main opposition stronghold—there was a distinctly partisan atmosphere to the tour. On some occasions and amid great publicity, alleged UDP members defected to the APRC, and virulent invective was levelled at the opposition leadership, who were reportedly referred to as “a gang of alcoholics”. Rumours that local government elections—the first under the 1996 constitution—might soon take place were denied by the minister of local government and lands, Lamin Kaba Bajo, although a draft legislative framework for holding them has now been completed.

The independent *Daily Observer* is sold—

A frequent target of official harassment, The Gambia’s leading independent newspaper, *Daily Observer*, was bought by a Gambian lawyer and businessman, Amadou Samba, on May 23rd. Mr Samba replaces the previous owner, Kenneth Best, a Liberian who launched the *Daily Observer* in Banjul in 1992 and was deported in 1994 shortly after Colonel Jammeh took power. Given Mr Samba’s links with President Jammeh’s regime, assurances that the paper would maintain its editorial independence met with considerable scepticism. This was reinforced by the sacking of the deputy managing director, Theophilous George, and the news editor, Demba Jawo, which prompted the resignation of the editor-in-chief, Baba Galleh Jallow. Other editors were expected to follow suit. The former director-general of the customs and excise ministerial department, Sariang Ceesay, was appointed as the new head of the company.

—while the lack of press freedom is criticised

Although rumours that Mr Samba had bought the newspaper at the government’s request are unsubstantiated, the takeover by a pro-Jammeh management team has undoubtedly dealt a blow to press freedom in the country. In June a London-based human rights organisation, Article 19, published a report expressing concern about the sale and restructuring of the *Daily Observer*, and also strongly criticising the continued closure of the popular privately owned local radio station, *Citizen FM*, suspended since February 1998 when the station’s owner and its news editor were temporarily arrested.

Casamance rebels come together in Banjul—

President Jammeh’s repeated offer of mediation in the Casamance conflict in southern Senegal yielded results for the first time in late June, when the different factions of the rebel Mouvement des forces démocratiques de Casamance (MFDC) held a congress in Banjul. The Casamance rebels were urged to overcome their differences, reflecting the widespread view in the region that divisions within the movement are the main impediment to peace. Fears that the MFDC was planning to create a state comprising The Gambia, Casamance and Guinea-Bissau were dispelled, as the MFDC delegates rallied around their secretary-general, Father Augustine Diamacoune Senghor, to establish a common position for negotiations with the Senegalese government.

—strengthening the regional position of President Jammeh—

Father Diamacoune warmly thanked the Gambian government for its contribution to the peace process in Casamance. During the conference, however, the Gambian opposition alleged that behind the appearance of mediation, the Gambian government was in fact supporting the Casamance rebellion. Echoing deeply-rooted Senegalese suspicions, such claims partly arise from the fact that Colonel Jammeh is from the Diola tribe, a minority community in The Gambia, but numerous in Casamance, where it forms the backbone of the MFDC. Even though the Banjul conference may not have erased all those doubts, it has firmly established President Jammeh as a key mediator in the Casamance conflict.

—who is also courting the new leadership in Guinea-Bissau

President Jammeh is also well placed to win the favour of the new regime in Guinea-Bissau, after the former chief-of-staff, General Ansumane Mane—who is of Gambian origin—ousted President Bernardo João Vieira in May. However, relations threatened to turn sour when President Jammeh urged the military junta to allow Mr Vieira to leave the country. Guinea-Bissau's new leadership wanted the deposed president to stand trial in a local court for failing to stop arms smuggling to Casamance and for calling Guinean and Senegalese troops to support his government against the military rebellion in 1998. Eventually yielding to international pressure, the Guinea-Bissau government allowed the ousted president to be transferred to The Gambia, from where he flew to his final destination, Portugal, where he was granted political asylum. Guinea-Bissau's interim president, Malam Baci Sanha, paid his first visit to The Gambia in June, during which co-operation between the two countries was reviewed.

Economic policy

The IMF is lukewarm about the financial reforms—

In June the IMF released its first assessment of The Gambia's economic reforms since an enhanced structural adjustment facility (ESAF) of $27m was approved in 1998 (3rd quarter 1998, page 28). Despite a stable macroeconomic performance in 1998 (see The economy), the IMF is dissatisfied with the government's programme of reforms. Although it welcomed efforts made to improve the banking system, the share of non-performing loans continues to be worryingly high, with high interest rates restricting credit to the private sector. The IMF also expressed concern about fiscal slippage, noting that the budget deficit (excluding grants) in 1998 had overshot its target of 4% of GDP by 0.5 percentage points. The IMF welcomed the additional measures that the government has adopted to tighten its 1999 budget and limit its borrowing on the domestic market, which is deemed excessive. Although the Fund also welcomed the recent implementation of a simplified structure of external tariffs, it emphasised the need to strengthen tax administration and reduce customs exemptions. The Fund's lukewarm assessment revived fears that it may decide to withhold its next payment (2nd quarter 1999, page 26).

The Gambia: government budget, 1998
(% of GDP)

	Target	Outturn[a]
Total revenue	19.6	18.8
Total expenditure	22.3	21.3
Balance (incl grants)	–2.7	–2.5
Balance (excl grants)	–4.0	–4.5
Primary balance	7.0	5.7

[a] Preliminary estimates.

Source: IMF.

—and changes in state-owned enterprises

The IMF also urged the government to produce details for a privatisation programme for the public sector. The importance of implementing a new investment incentive scheme and a procurement code was similarly stressed. The Fund viewed with particular concern the government's decision to take over the groundnut processing and marketing company, the Gambia Groundnut Corporation (GGC) in early 1999, which may impede the smooth marketing of future groundnut harvests while running counter to the continuing liberalisation and rehabilitation of the groundnut sector (1st quarter 1999, page 34). Together with the EU, it urged the authorities to settle their differences with Alimenta, a Swiss company which has owned the GGC since 1993.

As part of ongoing efforts to regularise financial relations between the government and public enterprises, the Gambia Ports Authority (GPA) handed over D18m ($1.5m) to the government at the beginning of July. This was done under an agreement signed in mid-1998 between the government and six key public enterprises, regularising their financial relations. The six parastatals are the GPA, the National Water and Electricity Company (Nawec), the Gambia Civil Aviation Authority (GCAA), the Social Security and Housing Finance Corporation (SSHFC), the Gambia Public Transport Corporation (GPTC) and Gambia Telecommunications (Gamtel).

The economy

Real GDP growth reached 4.7% in 1998

In its June ESAF report, the IMF estimated that real GDP grew by 4.7% in 1998, which is significantly higher than the initial target of 3.8%, although it remains below the government's own estimate of 5.4% (1st quarter 1999, page 23). The government was praised for pursuing a conservative monetary policy while maintaining a liberal exchange-rate system. Combined with a good 1997/98 agricultural season, this helped to contain inflationary pressures, with average consumer prices increasing by 1.1% in 1998, compared with 2.8% in 1997. At the same time the exchange rate was deemed appropriate, with gross official reserves covering 5.2 months of imports. Real GDP growth is expected to fall slightly to 4.2% in 1999, while inflation should climb back to an average of 2.5%.

The Gambia: selected economic indicators[a]

	1995/96[b]	1996/97[b]	1997	1998	1999[c]
Real GDP growth (av; %)	5.3	0.8	4.9	4.7	4.2
Consumer prices (av; % change)	4.8	2.1	2.8	1.1	2.5
Groundnut production ('000 tonnes)	75.2	45.8	78.1	83.7	87.9
Gross fixed investment (% of GDP)	23.4	19.3	17.2	18.4	17.8

[a] Figures may differ from those in *International Financial Statistics*. [b] Fiscal years July-June. [c] Forecasts.

Source: IMF.

The EU offers over $20m in grants

The EU, announced in June that it would disburse €22m ($22m) for three major poverty eradication projects over a period of 4-5 years.

- €15m of the grant will go towards community-based rural development projects, aimed at boosting agricultural production, upgrading social infrastructure, improving water supply, diversifying income generation and strengthening the institutional capacity of local authorities.
- Education is to receive a further €5m, with emphasis on improving access to education in rural areas, particularly for girls.
- €2m has been earmarked for building the institutional capacity of the Ministry of Finance, in particular to improve co-ordination between the government and donors.

A cellphone network is to be established

Following the signing of an agreement between Gamtel Cellular Network (Cellnet) and a French company, Nortel Matra Cellular, on June 24th, a GSM cellular network is be launched in The Gambia before the end of the year. Cellnet was created in February as a joint venture between Gamtel and the Gambian affiliate of a US company, Africa Wireless.

Foreign trade and payments

Fish exports may receive a boost

Total exports in 1998 increased by 22% year on year to $132m, according to estimates in the IMF's ESAF document, owing to buoyant exports of groundnuts—The Gambia's main export commodity—and re-export activities. However, cotton and fish exports continued to decline, mostly because of outdated facilities and equipment. In mid-June the government announced a D11m ($1m) rehabilitation project in the fisheries sector, to be finalised before the end of the year. D10m of the total is expected from the African Development Bank. The project will focus mostly on developing infrastructure and services for both artisanal and industrial fishermen over the next five years. This will include the rehabilitation of wharves, the improvement of processing and storage facilities, and the establishment of new markets, which should help to boost fish exports over the next years.

The Gambia: external indicators
($ m)

	1995/96	1996/97	1997	1998	1999[a]
Exports	119	110	108	132	134
Imports	206	185	175	201	205
Trade balance	–87	–75	–66	–69	–71
Net services & income	8	23	23	23	25
Net official transfers	26	24	28	30	27
Current-account balance	–53	–27	–15	–16	–18
% of GDP	–13.4	–6.7	–3.7	–3.9	–4.3

[a] Forecasts; figures may differ from those in *International Financial Statistics*

Sources: IMF; EIU.

External debt fell back to $430m in 1997

The Gambia's stock of external debt at year-end 1997 decreased by about 6% year on year to $430m, according to recent figures from the World Bank's *Global Development Finance*. The fall was largely due to a drop in disbursements on public long-term debt to previously average levels—from $63m at the end of 1996 to $26m at the end of 1997. At the same time, total debt service remained stable, reaching $27m at the end of 1997, with the debt-service ratio falling slightly from 12.4% in 1996 to 11.6% in 1997. Multilateral debt accounted for 76% of The Gambia's total debt stock in 1997. Despite having a stock of external debt of 107.6% of GNP, The Gambia is not classified as a heavily indebted poor country (HIPC) under the debt-relief initiative of the Bretton Woods institutions .

The Gambia: external debt
($ m; year-end)

	1996	1997	% change
Public & publicly guaranteed long-term debt	416	407	–2.2
Multilateral	328	326	–0.4
Bilateral	89	81	–8.3
Use of IMF credit	18	10	–42.0
Short-term debt	22	13	–41.5
Total debt stock	456	430	–5.6
Disbursements	63	26	–58.5
Total debt service paid	28	27	–3.9
Debt/GNP ratio (%)	118.2	107.6	–
Debt-service ratio (%)	12.4	11.6	–

Source: World Bank, *Global Development Finance*, 1999.

Aid news

• The UN Population Fund is giving $4.5m for projects related to women's empowerment and reproductive health.

• The Kuwait Arab Fund for Economic Development is to lend $10m for improvements to Banjul international airport.

• The finance minister, Famara Jatta, has announced a $5m grant from Libya, which includes $3m for a health centre in the east of the country.

Mauritania

Political structure

Official name	République Islamique de Mauritanie
Form of state	Arab and African Islamic republic
Legal system	Strongly influenced by the sharia (Islamic law), based on the 1991 constitution
National legislature	Bicameral National Assembly, consists of an upper house with 56 senators and a lower house with 79 deputies
National elections	October 1996 (legislative); December 1997 (presidential); next elections due in October 2001 (legislative) and December 2003 (presidential)
Head of state	President, elected for a renewable six-year term; Maaouya Ould Sid'Ahmed Taya, was re-elected president in December 1997
National government	The president and his appointed Council of Ministers; last reshuffle November 1998
Main political parties	22 political parties are registered, the main ones are: Parti républicain démocratique et social (PRDS, the ruling party); Action pour le changement (AC); Rassemblement pour la démocratie et l'unité (RDU); Union des forces démocratiques (UFD—now split into factions); Union pour la démocratie et le progrès (UDP)

	President	MaaouyaOuld Sid'Ahmed Taya
	Prime minister	Cheikh El Avia Ould Mohamed Kouna
Key ministers	Civil service, labour, youth & sports	Baba Ould Sidi
	Culture & Islamic affairs	Isselmou Ould Sid'El Moustaph
	Defence	Kaba Ould Elewa
	Education	Sghair Ould M'Bareck
	Equipment & transport	N'Gaïde Lamine Kayou
	Finance	Camara Aly Gueludio
	Fisheries & maritime economy	Mohamed El Moctar Ould Zamel
	Foreign affairs & co-operation	Ahmed Ould Sid'Ahmed
	Information & relations with parliament	Rachid Ould Saleh
	Interior, posts & telecommunications	Dah Ould Abdel Jalil
	Justice	Mohamed Salem Ould Merzoug
	Mines & industry	Isagh Ould Rajel
	Planning	Mohamed Ould Nani
	Rural development & environment	Colonel Mohamed Ould Sid'Ahmed Lekhal
	Trade, crafts & tourism	Ahamdi Ould Hamady
	Water & energy	Cheikh Ahmed Ould Zahaf
Central Bank governor	Mahfoud Ould Mohamed Ali	

Economic structure

Latest available figures

Economic indicators	1994	1995	1996	1997	1998[a]
GDP at market prices (UM bn)	124.2	137.3	150.1	166.7	174.1[b]
Real GDP growth (%)	4.6	4.6	4.7	4.9	6.8[b]
Consumer price inflation (av; %)	4.1	6.6	4.7	4.6	9.8[b]
Population (m)	2.21	2.28	2.35	2.39	2.42
Exports fob ($ m)	398	476	448	425[b]	n/a
Imports fob ($ m)	352	293	433	444[a]	n/a
Current-account balance ($ m)	–70	22	–62	–24[b]	n/a
Reserves excl gold ($ m)	40	86	141	201	203[c]
Total external debt ($ m)	2,223	2,350	2,412	2,453	n/a
External debt-service ratio (%)	24.4	22.9	22.2	25.6	n/a
Iron-ore exports (‘000 tonnes)	10,342	11,514	11,158	11,689	n/a
Fisheries exports (‘000 tonnes)	196	287	366	198	183[b]
Exchange rate (av; UM:$)	123.6	129.8	137.2	151.7	189.0[c]

July 16th 1999 UM209.01:$1

Origins of gross domestic product 1997	% of total
Agriculture & fishing	24.7
Manufacturing	10.9
Mining	10.7
Construction	9.5
Services & others	44.1
GDP at factor cost	100.0

Components of gross domestic product 1997	% of total
Private consumption	78.0
Public consumption	13.4
Gross fixed investment	17.5
Exports of goods & services	39.6
Imports of goods & services	–48.6
GDP at market prices	100.0

Exports 1997	% of total
Iron ore	52.4
Fish & fish products	47.6

Principal imports 1996	$ m
Energy & mineral products	129
Food & agricultural products	116
Machinery & equipment	67
Consumer goods	22

Main destinations of exports 1997	% of total
Japan	23.9
Italy	17.0
France	14.3
Spain	8.5

Main origins of imports 1997	% of total
France	25.9
Spain	7.7
Germany	6.8
Belgium-Luxembourg	6.7

[a] Official estimates. [b] EIU estimate. [c] Actual.

Outlook for 1999-2000

Relations with France will suffer

Although domestic tensions are easing, as highlighted by recent talks between the government and the moderate opposition, relations with France, will remain difficult. In the past, the government has shown that criticism is at best taken as an affront, and is normally vigorously suppressed, as the independent press has been well aware. It came as no surprise, therefore, that the arrest by the French of a Mauritanian military officer on torture charges has resulted in a serious diplomatic row between the two countries. Coinciding with a tour in the United States by a Mauritanian anti-slavery campaigner, Boubacar Ould Messaoud, the arrest has again highlighted the image of a country that practices slavery and racial discrimination (the officer is accused of torturing two black Mauritanians, in the aftermath of an alleged coup plot in 1990). The government has made important efforts in recent years to overcome that image, and will take a firm line on the incident, at the risk of considerably straining relations with France, Mauritania's most important economic and political partner.

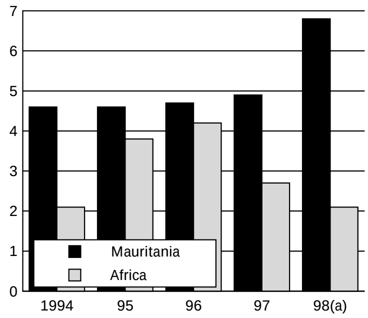
There will be privatisations—

The country has, however, won praise from international donors for its implementation of economic reforms. A joint World Bank-IMF mission in May resulted in the signing of another three-year $57m enhanced structural adjustment facility (ESAF) between the government and the Fund. Several economic objectives have now been set for 1999-2002, which include some difficult issues, such as the privatisation of public utilities. The electricity and water utility, the Société nationale d'eau et d'électricité (Sonelec) is to be broken up into two companies. For the time being, water supply will remain under state control, but private-sector participation will be encouraged in electricity generation and supply. At the same time, the post and telecommunications utility, the Office des postes et télécommunications (OPT), is also to be split, with the state retaining control over postal services and a private operator invited to purchase one-third of the shares in a new telecommunications enterprise. This should attract much-needed foreign direct investment (FDI) in the coming years.

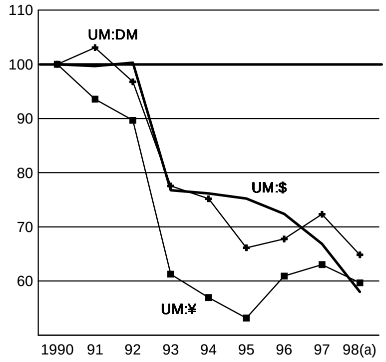
—but growth may be disappointing

FDI will also boost real GDP growth objectives, but Mauritania will be hard-pressed to reach the ESAF's annual real GDP growth objectives of 4-5%. Not only has there been a sharp decline in the world price of iron ore, Mauritania's main export commodity, but fish export revenues are also likely to decline, while a below average harvest will increase agricultural imports. Low world iron ore prices will not only reduce export earnings, but will also cut tax revenue from the state-owned mining company, the Société nationale industrielle et minière (SNIM). Although donor funding will partly fill the gap, the shortfall in tax revenue may squeeze budgetary spending, especially in social sectors. In addition, Mauritania's external position will also suffer, as lower exports widen the current-account deficit. This will place downward pressure on the currency, the ouguiya. As many goods are imported, this is likely to fuel inflation.

Mauritania: gross domestic product
% change, year on year



Mauritania: ouguiya real exchange rate (b)
1990=100



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

The political scene

The moderate opposition edges closer to the government—

Tensions between the government and the opposition have eased after the leaders of the Union des forces démocratiques faction (UFD-B) led by Moustapha Ould Bedrédine and the Union nationale pour la démocratie et le développement (UNDD) met President Maaouya Ould Sid'Ahmed Taya in May-June to discuss the basis for greater co-operation between their parties and the ruling Parti républicain démocratique et social (PRDS). Tidjane Koita, the chairman of the UNDD and the only opposition member of parliament, welcomed the initiative which, he said, was a bridge for dialogue. These two parties have a small following, however; the extra-parliamentary opposition, in particular the UFD-A led by Ahmed Ould Daddah, remains outside mainstream politics, and refuses to negotiate with the government.

—and the cabinet is reshuffled

A minor cabinet reshuffle in mid-May brought changes at the ministries of justice, planning, and water and energy. Mohamed Ould Nani, a senior aide at the presidency and former governor of the Banque centrale de Mauritanie (the Central Bank), returns to the Ministry of Planning after nine years of absence. Mohamed Salem Ould Merzoug, previously minister in charge of water and energy, took over the justice portfolio and his former post was taken by a newcomer, Cheikh Ahmed Ould Zahaf. As usual, no reason was given for the changes. The dismissal of the minister of planning, Sid'El Moctar Ould Naji and the minister of justice, Mohamed Lemine Ould Ahmed, surprised a number of observers, who interpreted the changes as due variously to personality clashes, inter-clan rivalries, pressure from the donor community, or a sort of "musical chairs" which allows close supporters of the president a period within the cabinet. Both Mr Ould Nani and Mr Ould Zahaf headed regional campaigns for his re-election in late 1997.

A Pinochet-style arrest is ordered in France—

In early July a French court ordered the detention of a Mauritanian army officer, Captain Ely Ould Dah, on charges of having tortured two black Mauritanians in the aftermath of an alleged coup plot in 1990. The captain, accused by two political refugees and human rights organisations, was arrested while on a military training course in Montpellier in southern France. Thousands of black Mauritanian civil servants and army officers were rounded up in 1990, and some killed, following the alleged coup plot. French human rights associations attempted to bring similar charges in 1993 against another Mauritanian officer, but the case was quietly dropped. Shortly afterwards, the Mauritanian parliament voted a general amnesty pardoning all crimes committed in 1990. Ironically, the Mauritanian government approved a series of measures in early June, including the ratification of an international treaty on human rights, which forbids the use of torture or inhuman treatment.

—and relations deteriorate

The arrest of Captain Ould Dah triggered a diplomatic storm between Nouakchott and Paris. The government spokesman, Rachid Ould Saleh, claimed that France was setting a “dangerous precedent” and stressed that the military agreement between France and Mauritania gave “clear protection” to officers undergoing training. He called on the French government to “act accordingly”, but the latter said it could not intervene in the judicial process. As a result, the Mauritanian authorities retaliated by recalling the 15 Mauritanian military personnel undergoing training in France, imposing entry visas on French nationals and expelling 41 French military advisers attached to the Army College at Atar and the military hospital in Nouakchott (France maintains another 140 civilian advisers in the country). The incident caused President Ould Taya to cut short a private visit to France.

Slavery is again in the news

During a recent visit to the United States, the head of a Mauritanian organisation, SOS-Esclavage, Boubacar Ould Messaoud, claimed that slavery continues in Mauritania. Mr Messaoud, who was born into slavery, rose to become an architect and head of the national planning agency before founding his movement in 1980 to campaign against slavery, then carried out openly. Almost 20 years later his message has hardly changed, despite the formal abolition of slavery by the government. Although Mr Ould Messaoud admitted that the practice was no longer officially sanctioned and that open trading in slaves had been eradicated, he said that the practice had simply moved underground, and that that hundreds of thousands of black Mauritanians still provided unpaid labour in households. The Mauritanian embassy in the United States vigorously denied the claims, saying that the government had sharply increased school enrolment and literacy programmes to ensure that all Mauritanians were informed about their rights.

Saharawi refugees register to vote

The UN mission in Western Sahara (Minurso) has requested all Saharawi residents in Mauritania, who wish to participate in the referendum on self-determination for Western Sahara, to register themselves to vote. The appeal follows a request by Morocco, which currently administers the territory, for voting registers to be verified. The registration centres will be open from July to September. According to the UN plan, the referendum will be held at the end of July 2000. Mauritania briefly administered the southern portion of Western Sahara after Spain’s withdrawal in 1975, but handed over its part of the territory to Morocco in 1979, following repeated attacks by Saharawi guerrillas on Mauritanian territory.

Border clashes claim several victims

Although Mali and Mauritania have agreed joint security measures along their common frontier, this has not prevented a spate of violent incidents between communities on either side of the border in recent months. A dozen people were killed in mid-June following a dispute between Mauritanian cattle herders seeking water for their animals, and Malian villagers seeking to protect their reserves. Mauritanian and Malian troops were sent to the region to calm tensions. Clashes are frequent in the region, especially during the dry season when nomadic herders from both countries roam widely in search of pasture and water for their herds of goats and camels.

Economic policy

An ESAF is agreed—

On July 21st, the IMF approved a $57m, three-year enhanced structural adjustment facility (ESAF) for Mauritania to support the government's economic programme for 1999-2002. A first instalment of $8m, was disbursed immediately. According to the economic policy framework document drawn up by the IMF and the government, the economic objectives under the ESAF are to increase real GDP growth from 4.1% in 1999 to 5% in 2002, while bringing average inflation down from 4% in 1999 to 2.5% at the end of the programme. To achieve these objectives, the government is to undertake structural reforms, which include liberalising the exchange-rate system, restructuring the public sector and changing the tax system. At the same time, more resources are to be directed towards social sectors, such as health, education, and the supply of water and electricity to rural areas. One means of achieving these objectives will be to increase capital investment—resulting in a gradual reduction in the budget surplus from 2.2% of GDP in 1999 to 0.4% in 2002—another will be to improve the quality of public investment projects. Provided the ESAF objectives are met, Mauritania should be able to count on roughly $450m of aid over the next three years.

Mauritania: key ESAF objectives, 1999-2003

	1999	2000	2001	2002	2003
Real GDP growth (%)	4.1	4.4	4.6	5.0	5.2
Inflation (%; av)	4.0	3.5	3.0	2.5	2.5
Budget balance (% of GDP)	2.2	1.3	0.5	0.4	0.3
Exports ($ m)	375	385	396	407	420
Imports ($ m)	398	409	421	433	446
Current-account balance (% of GDP)	0.9	0.4	–0.1	–0.6	–0.8

Source: IMF.

—as donors express their satisfaction

The ESAF was agreed following a joint World Bank-IMF mission to Mauritania in early May, which commended the government for its success with development projects in recent years. About 80% of the projects launched in Mauritania with World Bank assistance over the past three years have performed satisfactorily, a level of achievement not attained in any other country in Africa. This success is partly due to the creation of a special unit within the Ministry of Planning for managing projects and monitoring their implementation. Another mission from the African Development Bank in early June also declared itself satisfied with the progress made on its projects in the country.

The economy

Inflation edges upwards

Figures published by the Office national des statistiques (ONS) show that consumer price inflation remains relatively low in Mauritania. However, in May there were indications of rising inflation, although food prices actually declined that month. Year-on-year inflation rose to 5.3% in May, compared with 5.1% in April and 4.9% in March; the bulk of the increase was attributed to rises in housing costs.

Agriculture and fishing

Funding is secured for an irrigation project—

Shortly after taking office, the new minister of planning, Mohamed Ould Nani, announced that the World Bank would provide $37m towards the first phase of a $102m three-year integrated agricultural development project. The scheme will rehabilitate and upgrade some 11,000 ha of rice paddy fields and bring a further 2,000 ha into cultivation. The project will also provide technical assistance to the Ministry of Rural Development and establish an institutional framework for promoting private-sector initiatives in the rice sector. Other aspects of the programme include help for professional bodies, and environmental impact studies. According to official statistics, some 111,000 tonnes of rice were produced in 1998, equivalent to 60% of national demand, but 40% of the output was lost owing to poor storage.

—while food aid is forthcoming

The UN World Food Programme (WFP) has granted Mauritania $11m to purchase emergency food aid, including almost 15,000 tonnes of wheat. The WFP grant follows an appeal by Mauritania for help to meet its food deficit, aggravated this year by uneven rainfall in land-locked parts of the country. France has announced that it will supply 3,000 tonnes of food aid to areas not covered by the WFP programme. The food will be sold at subsidised prices and the proceeds used to finance employment-generating micro-projects.

Senegal and Mauritania join forces to defend rice fields—

Senegal and Mauritania are planning a second joint operation at the end of July to fight the menace of *queleas-queleas* (the local name for grain-eating birds) in the region of the Senegal River. Announcing the operation, the Senegalese government said that the birds were a serious threat to cereal production in the region, and especially to rice paddy fields. A recent operation against *queleas-queleas* killed an estimated 2m birds. A Dakar-based newspaper, *Le Soleil*, claimed that the birds posed a serious threat to the rice crop, and there was urgent need to treat an additional 6,000 hectares (five times the area already treated).

—and to manage fish reserves

A visit to Senegal by the Mauritanian minister of fisheries, Mohamed El Moctar Ould Zamel, in late May resulted in a fisheries accord between the two governments. Both countries undertake to co-operate in the exploitation and management of fish stocks, and agree to reciprocal surveillance and maritime security arrangements. The agreement should put an end to the perennial difficulties experienced by fishermen from both countries operating close to the border, and calls for the restitution of material recently seized from Senegalese fishermen by Mauritanian maritime surveillance patrols.

Mauritania renews a fisheries agreement with Russia

Mauritania has granted Russia a fishing quota of 250,000 tonnes in 2000, according to an agreement signed in June. The current agreement for a similar quota was signed in 1997 and expires at the end of 1999. The agreement allows Russia again to land 20% of Mauritania's annual catch quota, while Mauritania will repair Russian trawlers and supply them with food and fuel. The first fishing agreement between the Soviet Union and Mauritania was signed in 1973.

Mining

The iron ore price fall hits SNIM

Mauritania's receipts from iron ore exports are set to fall by 12% this year, according to the Société nationale industrielle et minière (SNIM). World iron ore prices have dropped from an average of $18.2/tonne in 1998 to $15.9/t in mid-1999, owing to lower demand in Europe, provoked in part by the Asian crisis. This is the largest fall in prices experienced since the creation of the company in 1973 and has prompted SNIM to suspend all self-funded development plans and to defer all non-essential expenditure. In addition, the company has decentralised purchasing arrangements for its seven subsidiaries. The declining iron ore price will also hit the state, which receives some UM8bn ($38m) from the company each year, half in the form of dividends and the remainder in taxes. SNIM is Mauritania's largest employer, with a workforce of 4,000 (excluding the seven subsidiaries), and its most important exporter, with export revenues of about $60m per year.

Mauritania: SNIM exports, Jan-Jun
('000 tonnes)

	1997	1998	% share	% change
France	1,870	1,771	32.3	–5.3
Italy	1,980	1,573	28.7	–20.6
Belgium	830	891	16.3	7.3
Germany	370	397	7.2	7.3
Spain	86	263	4.8	205.8
UK	461	255	4.7	–44.7
Pakistan	108	160	2.9	48.1
Sweden	33	115	2.1	248.5
Total incl others	5,884	5,476	100.0	–6.9

Source: SNIM.

Rex confirms good diamond survey results—

In late May Canada's Rex Diamond Mining Corporation announced further positive results from samples taken in the Tenoumer region. Rex's chief executive, Serge Muller, said that the results of the diamond exploration programme in Mauritania had far exceeded expectations. More detailed airborne surveys will be carried out during August. Rex also recently completed a $13m fundraising campaign, to fund further exploration activities.

—and more exploration is under way—

Australia's Ashton Mining and Canada's Dia Met Minerals have concluded an agreement to explore for diamonds on the former's concession in the Reguibat region in northern Mauritania. Ashton Mining, which has been present in Mauritania since 1995, has sold 49% of its 140,000-sq-km concession to Dia Met in exchange for $13m of fresh funds to cover exploration until 2003. Early prospecting in Reguibat had encouraged further investigation and an extension of the concession to 214,000 sq km, covering around one-fifth of the country. The two companies have joint operating agreements elsewhere.

—but there is less luck in gold

General Gold may be on the verge of leaving Mauritania. The company has failed to find a financial partner to develop the Guelb Moghrein gold-copper project in north-central Mauritania, initially planned to start production this year, and to fund exploration of its concessions in southern Mauritania. The company has already handed over its concessions in the north and has failed to find promise in its 20,000-sq-km concession in the regions of Kadier and Oudelemguil in southern Mauritania.

Oil remains promising

Hardman Petroleum has secured three new production sharing contracts (PSCs) to add to the five it already holds offshore in Mauritania. The new PSCs cover an area of approximately 34,000 sq km, increasing the total offshore area held by Hardman to approximately 74,000 sq km, ranging from Senegal to Western Sahara. Hardman is in partnership with Dana Petroleum in the new concessions. Dana will hold 80% of equity in the venture and will be the operator of the joint venture. Hardman is exploring the other five concession in partnership with Woodside Petroleum and British Borneo Oil & Gas.

Industry

A flour mill wins funding—

The French private-sector development organisation, Proparco, and the World Bank's International Finance Corporation will fund a $25m project to build a flour mill near Nouakchott, with a capacity of 70,000 tonnes per year. An Italian company, Golfetto, is providing equipment for the new venture. It is hoped that the mill will reduce direct imports of flour and add value to local production.

—and a cement plant is to be built

Les Ciments français, which operates a small cement bagging plant at Nouakchott port, has decided to build a grinding facility near the capital. Once complete, the 150,000-tonnes/year capacity plant will satisfy 60% of the national demand for cement. This is the second such plant to be built in Mauritania. Ciments de Mauritanie operates a 250,000-t/y facility, using imported cement, but operates well below capacity.

Infrastructure and services

OPT is to be privatised—

The minister of the interior and communications, Dah Ould Abdel Jalil, announced in June the partial privatisation of the telecommunications operation of the Office des postes et télécommunications (OPT). The postal service will become a separate entity and remain under state control. Mr Ould Abdel Jalil said that the state would sell 33% of the capital of the new telecommunications company to a private operator, with the aim of improving the technical performance of the sector. The new company, to be launched in 2000, will be further opened to private capital in 2004 in a second wave of privatisation. Parliament ratified the decision in late June and an official call for tenders is expected shortly. A call for tenders is also expected later this year to provide cellular telephone services to Nouakchott and Nouadhibou.

—supported by the World Bank

To facilitate the restructuring of the posts and telecommunications sector, which has been a recurrent demand made by the Bretton Woods institutions since 1992, the World Bank has recently approved a $10.8m loan, with the government providing $1.2m in co-financing. The loan will be used to design a privatisation strategy for OPT, to develop a new institutional framework, notably with the creation of a regulatory agency, and to improve postal services by drafting a new postal law. The loan will also be used to prepare a strategy for improving access to communications services in rural areas.

New banks are to be launched

As part of the reform of the banking sector, the Banque pour le commerce et l'industrie (BCI) was launched in Nouakchott in early July, and applications for a further three licences have been received by the Banque centrale de Mauritanie (the Central Bank). The banking sector currently comprises five established institutions, some of which suffer from a chronic lack of liquidity owing to the small number of potential customers, and the new competition is causing some consternation, as it may make the sector more fragile. Three new insurance companies have also been created to compete with the national company, Nasr, which had a monopoly until the sector was liberalised in 1998.

Foreign trade and payments

Further balance-of-payments support will be provided

In June the Arab Monetary Fund provided $25m in balance-of-payments support to Mauritania under its 1996-99 economic programme. At the same time, the EU agreed to provide a loan of €9m ($9m) in balance-of-payments support to bolster Mauritania's foreign-currency reserves. Part of the loan will support development projects, notably in road maintenance and healthcare.

External debt remains stable

According to new figures released by the World Bank in its annual *Global Development Finance*, Mauritania's stock of debt remained stable in 1997 at around $2.5bn. There were few changes in the public medium- and long-term debt, although short-term debt increased by almost 70% to $304m owing to an increase in export credits, and probably also because of a substantial fall of 40% in medium- and long-term disbursements to $105m. Principal and interest arrears remained high, increasing by almost 10% to $279m, while the ratio of debt/GNP remained large, at 235%, and the debt-service ratio increased from 22.2% to 25.6%, owing to lower exports of goods and services. Following the G7 summit in Cologne in June, Mauritania is now likely to benefit from debt relief under the heavily indebted poor countries (HIPC) initiative. With the signing of the ESAF in July (see Economic policy), Mauritania has already entered the first phase under the initiative, which may reduce its debt-service payments by between a third and a half, according to a UK-based debt forgiveness campaign group, Jubilee 2000.

Mauritania: external debt
($ m unless otherwise indicated)

	1996	1997	% change
Public medium & long-term	2,125	2,037	–4.1
of which:			
multilateral creditors	950	938	–1.3
bilateral creditors	1,150	1,075	–6.5
IMF	107	113	5.6
Short-term	180	304	68.9
of which:			
interest arrears	81	86	6.2
Total	2,412	2,453	1.7
Disbursements	176	105	–40.3
Debt-service	116	114	–1.7
Debt-service ratio	22.2	25.6	–
Debt/GNP (%)	232.4	234.5	–

Source: World Bank, *Global Development Finance*.

Aid news

• A UM2.4bn ($11.4m) project to provide clean drinking water to nine towns has received backing from the Arab Economic and Social Development Fund. The first phase will see the drilling of supply wells and boreholes to monitor salinity and water levels. The second phase will see the building of a distribution network, reservoirs and filter stations. The government will meet 10% of the cost of the project, to be undertaken by three local companies. Jordan and Tunisia are providing technical advice. The EU has agreed to a €2.6m ($2.7m) loan for a piped water project in southern Mauritania.

• The minister of foreign affairs and co-operation, Ahmed Ould Sid'Ahmed, signed two new co-operation agreements in China in late June, worth an estimated UM377m ($2m), covering political, economic and technical co-operation between the two countries.

• In late May Mauritania signed a financing agreement with the European Development Fund for €3m to revise the population register and complete, before the end of 1999, the statistical analysis of data collected during the 1998 population census.

• A French bank, Société Générale, has syndicated a subsidised loan of $2.1m for the refurbishment of the regional hospital in Nouadhibou. The loan complements one of $4.7m from Spain also for the hospital.

Quarterly indicators and trade data

Senegal: quarterly indicators of economic activity

		1997				1998				1999
		1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr
Prices: Dakar	Monthly av									
Consumer prices:	1995=100	104.3	103.1	105.3	105.5	105.1	103.8	107.3	106.8	106.0
change year on year	%	4.1	2.2	0.2	0.6	0.8	0.7	1.9	1.2	0.9
Money & banking	End-Qtr									
M1, seasonally adj:	CFAfr bn	350.9	303.6	285.1	354.2	351.7	329.2	321.8	410.4	n/a
change year on year	%	7.0	4.0	–3.3	–0.6	0.2	8.4	12.9	15.9	n/a
Discount rate	% per year	6.25	6.25	6.00	6.00	6.00	6.00	6.25	6.25	5.75[a]
Foreign trade[b]	Qtrly totals									
Exports fob	CFAfr bn	49.91	53.69	57.15	69.17	100.92	98.31	99.09	90.27	n/a
Imports cif	"	170.95	178.13	175.67	177.31	246.58	239.74	236.75	221.27	n/a
Exchange holdings	End-Qtr									
Central bank:										
gold[c]	$ m	7.6	7.5	7.0	6.7	6.4	6.5	6.4[d]	n/a	n/a
foreign exchange	"	347.2	297.7	394.1	383.9	386.0	368.3	408.0	428.4	n/a
Exchange rate										
Official rate	CFAfr:$	564.4	587.8	593.3	598.8	618.5	611.7	561.6	562.6	610.7[e]

Note. Annual figures for most of the series shown above will be found in the Country Profile.
[a] End-May, 5.75. [b] *DOTS* estimate, figures are subject to revision. [c] End-quarter holdings at quarter's average of London daily price less 25%.
[d] End-July. [e] End-May, 617.3.

Source: IMF, *International Financial Statistics*.

The Gambia: quarterly indicators of economic activity

		1997			1998				1999	
		2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr
Prices	Monthly av									
Consumer prices:	1995=100	104.3	105.2	103.3	100.8	103.9	107.4	108.1	108.2[a]	n/a
change year on year	%	5.4	3.1	0.7	–2.0	–0.4	2.1	4.6	n/a	n/a
Money	End-Qtr									
M1, seasonally adj:	D m	541.9	522.8	633.9	565.3	596.3	640.5	631.6	711.1	n/a
change year on year	%	20.6	9.8	38.9	25.1	10.0	22.5	–0.4	25.8	n/a
Foreign trade	Qtrly totals									
Exports fob	D m	55.22	23.23	7.54	100.42	98.32	60.13	27.10	n/a	n/a
Imports cif	"	695.55	782.52	527.29	744.51	619.62	537.52	703.71	n/a	n/a
Exchange holdings	End-Qtr									
Monetary authorities:										
foreign exchange	$ m	96.54	81.29	93.92	93.85	91.25	100.03	103.85	113.62	114.86[b]
Exchange rate										
Market rate	D:$	10.300	10.452	10.530	10.536	10.583	10.679	10.991	11.072	11.249[b]

Note. Annual figures for most of the series shown above will be found in the Country Profile.
[a] January only. [b] End-May.

Source: IMF, *International Financial Statistics*.

Mauritania: quarterly indicators of economic activity

		1997			1998				1999	
		2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr
Prices	Monthly av									
Consumer prices[a]:	1995=100	108.3	110.0	112.0	115.0	115.6[b]	n/a	n/a	n/a	n/a
change year on year	%	4.6	4.2	4.9	6.7	n/a	n/a	n/a	n/a	n/a
Money	End-Qtr									
M1, seasonally adj:	UM m	17,058	17,580	18,198	17,777	17,750	23,257	19,195	24,615[c]	n/a
change year on year	%	–3.4	0.1	8.8	5.7	4.1	32.3	5.5	n/a	n/a
Foreign trade[d]	Qtrly totals									
Exports fob	$ m	165.8	123.0	135.6	110.4	127.5	117.7	137.0	n/a	n/a
Imports cif	"	162.4	129.0	168.1	135.8	153.0	130.9	180.5	n/a	n/a
Exchange holdings	End-Qtr									
Foreign exchange	$ m	162.5	225.8	200.4	201.2	195.3	232.7	202.8	189.7	182.7[e]
Exchange rate										
Market rate	UM:$	149.27	160.22	168.35	177.04	179.11	205.52	205.78	207.22	208.56[e]

Note. Annual figures for most of the series shown above will be found in the Country Profile.
[a] Mauritanian households. [b] Average for April-May. [c] End-January. [d] *DOTS* estimates, figures are subject to revision. [e] End-May.

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

Senegal: foreign trade

	$ '000					
	Jan-Dec 1990	Jan-Dec 1991	Jan-Dec 1992	Jan-Dec 1993	Jan-Dec 1994	Jan-Dec 1995
Imports						
Dairy products	46,490	41,737	60,605	70,375	39,649	34,430
Cereals & products	180,544	115,011	112,710	126,051	76,631	195,868
Fruit & vegetables & preparations	30,040	24,753	23,127	24,352	11,880	19,458
Beverages, tobacco & manufactures	29,334	15,303	13,060	14,120	10,418	13,251
Mineral fuels	258,680	120,418	103,415	103,893	168,788	122,389
of which:						
crude petroleum	248,628	91,437	79,441	84,129	35,845	88,646
Animal & vegetable oils & fats	33,186	50,056	52,132	63,915	34,461	67,395
Chemicals	157,626	155,127	151,023	134,104	114,688	170,298
Manufactured goods	259,763	168,130	190,318	175,537	132,682	212,593
of which:						
textile yarn, cloth & manufactures	45,534	28,620	34,258	24,320	16,299	35,600
iron & steel	64,911	39,688	49,180	51,948	42,727	58,692
metal manufactures	51,875	34,161	31,904	30,856	18,553	32,174
Machinery incl electric	235,195	177,720	185,730	168,970	114,186	150,521
Transport equipment	109,294	71,311	85,368	83,415	47,647	70,796
of which:						
road vehicles	102,329	66,659	80,890	79,924	42,617	66,927
Total incl others	1,620,419	1,096,951	1,172,453	1,139,203	876,754	1,224,422
Exports fob						
Fish & products	216,041	215,256	186,875	143,623	42,854	9,842
Oilseed cake	35,366	17,451	18,889	11,889	12,515	5,088
Cotton, raw	9,533	20,248	27,409	27,210	19,011	33,522
Phosphates, mineral	56,962	43,926	66,434	51,166	16,716	43,268
Salt	7,820	7,625	10,337	9,193	7,316	5,226
Mineral fuels	96,768	104,390	80,284	87,445	73,014	79,969
Groundnut oil	129,980	69,534	55,040	33,722	73,780	53,842
Chemicals	116,680	95,110	127,506	103,819	109,373	209,730
Machinery & transport equipment	18,470	13,695	21,805	39,328	25,514	13,461
Total incl others	782,600	652,208	683,031	605,102	444,402	530,759

	$ m					$ 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
India	67	136	111	101	France	300	387	379	370
Mali	41	45	48	37	Nigeria	39	78	77	88
France	80	59	76	33	US	44	70	67	58
Côte d'Ivoire	8	8	15	18	Spain	47	42	56	54
Benin	3	13	17	16	India	3	44	90	47
Mauritania	6	n/a	15	14	Belgium-Luxembourg	33	38	37	46
The Gambia	7	9	13	12	Germany	28	60	90	45
Italy	22	38	28	8	Italy	55	43	46	40
Netherlands	22	8	12	6	Japan	35	46	40	36
Cameroon	4	9	10	5	Thailand	33	60	44	35
Taiwan	9	22	3	4	Netherlands	34	34	42	33
Total incl others	484	530	531	394	Total incl others	884	1,223	1,308	1,206

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

The Gambia: foreign trade

($ m)

	Jan-Dec 1994	Jan-Dec 1995
Imports cif		
Food	61.19	37.33
Beverages & tobacco	20.53	6.48
Crude materials	2.05	1.82
Mineral fuels	36.87	20.21
Animal & vegetable oils	3.70	3.87
Chemicals	12.28	7.82
Manufactured goods	32.66	20.96
of which:		
textile yarn, cloth & manufactures	14.74	8.62
metals & manufactures	9.31	5.58
Machinery & transport equipment	39.92	28.45
Total incl others	226.64	140.32
Exports fob		
Food	6.10	4.80
of which:		
fish & preparations	2.71	2.53
Groundnuts, green	8.14	9.98
Textile fibres	5.52	1.74
Total incl others	38.41	27.79

Exports fob	Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996	Jan-Dec 1997[a]	Imports cif	Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996	Jan-Dec 1997[a]
Belgium-Luxembourg	n/a	1	1	124	China	11	9	14	46
Japan	n/a	n/a	1	7	Hong Kong	9	5	8	36
UK	8	7	5	5	UK	22	20	39	34
France	3	6	8	3	Netherlands	13	7	17	24
Spain	2	1	n/a	3	Côte d'Ivoire	36	19	21	23
Hong Kong	n/a	1	n/a	3	France	25	11	29	19
US	2	1	n/a	3	Belgium-Luxembourg	13	10	10	19
China	2	1	1	n/a	Senegal	3	4	8	13
Netherlands	1	1	1	0	Brazil	3	2	15	12
Senegal	6	6	n/a	0	US	7	7	18	11
Total incl others	35	28	22	158	Total incl others	209	140	272	331

[a] *DOTS* estimates.

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

Mauritania: foreign trade

	(UM m)				
	Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996	Jan-Dec 1997	Jan-Dec 1998
Imports fob					
Food	13,224	10,700	11,666	9,913	10,735
Other consumer goods	2,640	2,710	1,358	1,270	1,619
Fuels	4,511	3,704	5,366	4,818	7,048
Machinery & transport equipment	5,201	5,642	4,045	2,186	4,069
Exports fob					
Fish & products	28,073	36,016	38,651	32,237	27,124
Iron ore	22,282	25,572	28,207	32,743	40,470
Gold	2,605	1,869	n/a	n/a	n/a

	$ m					$ m			
Exports fob[a]	Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996	Jan-Dec 1997	Imports cif[a]	Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996	Jan-Dec 1997
Japan	129	161	172	129	France	137	152	198	159
Italy	69	108	88	92	Spain	30	51	46	47
France	63	73	62	77	Germany	36	32	31	42
Spain	53	65	57	46	Belgium-Luxembourg	44	54	40	41
Belgium-Luxembourg	35	37	36	40	Thailand	13	16	33	30
UK	15	21	20	24	Japan	33	32	15	29
Germany	12	22	20	23	Italy	22	14	24	16
Total incl others	436	557	551	526	Total incl others	561	642	638	602

[a] *DOTS* estimates.

Sources: Banque centrale de Mauritanie; IMF, *Direction of Trade Statistics*, yearbook, quarterly.

Senegal and Mauritania: French trade
($ '000)

	Senegal				Mauritania			
	Jan-Dec 1995	Jan-Dec 1996	Jan-Dec 1997	Jan-Dec 1998	Jan-Dec 1995	Jan-Dec 1996	Jan-Dec 1997	Jan-Dec 1998
Exports fob								
Food, drink & tobacco	63,944	72,871	97,904	85,775	38,371	60,165	63,785	72,600
of which:								
dairy products	13,998	21,651	23,049	21,053	2,358	6,100	7,394	5,619
cereals & preparations	26,921	16,863	32,437	35,414	22,147	34,815	38,256	40,425
sugar & products	4,954	14,216	17,695	6,790	9,995	12,551	11,703	19,411
Mineral fuels	24,758	48,918	27,769	38,599	7,580	18,361	8,028	3,239
Chemicals	70,853	78,410	77,784[a]	80,296[a]	16,025	11,333	11,542[a]	12,017[a]
Rubber manufactures	5,721	5,263	5,443	6,933	2,914	3,710	2,658	2,099
Paper & manufactures	12,508	11,534	9,014	8,680	1,193	1,596	1,080	1,088
Textile fibres, yarn & manufactures, incl clothing	7,373	11,326	9,210	10,223	1,762	1,774	1,689	1,354
Non-metallic mineral manufactures	8,119	9,357	7,542[b]	7,220[b]	1,271	1,855	1,876[b]	1,402[b]
Iron & steel	8,813	9,019	17,266[c]	12,192[c]	5,994	4,556	4,385[c]	4,891[c]
Metal manufactures	16,718	21,994	4,074[d]	5,532[d]	5,638	4,084	1,629[d]	1,666[d]
Machinery incl electric	117,832	159,996	116,077	144,130	35,185	30,041	27,378	23,570
Transport equipment	41,037	52,996	33,997	32,092	12,473	35,569	13,073	8,823
Scientific instruments etc	11,645	11,249	11,913	12,431	2,013	2,452	1,892	1,988
Total incl others	461,599	542,641	470,397	533,161	138,033	180,216	144,377	141,815
Imports cif								
Fish & products	108,657	97,575	92,285	104,431	7,236	5,933	6,717	10,344
Crude fertilisers & minerals	3,853	4,781	4,388[e]	3,839[e]	0	6	0	36[e]
Metalliferous ores & scrap	1,738	1,902	0[f]	3[f]	71,961	71,045	78,139[f]	81,821[f]
Animal & vegetable oils & fats	46,136	42,516	25,795	28,603	0	0	0	0
Total incl others	194,095	181,390	150,231	162,601	80,723	77,968	86,243	93,824

[a] Including crude fertilisers and manufactures of plastics. [b] Including precious metals and jewellery. [c] Including manufactures and scrap. [d] Tools etc and miscellaneous metal manufactures. [e] Excluding crude fertilisers. [f] Ores, slag and ash.

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

Mauritania: Japan's imports
($ '000)

Imports cif	Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996	Jan-Dec 1997	Jan-Dec 1998	Jan-Apr 1998	Jan-Apr 1999
Fish	138,414	176,323	188,500	142,616	99,848	21,365	34,325
Total incl others	140,861	178,749	189,493	143,194	100,591	21,471	34,680

Source: Japan Tariff Association, *Japan Exports & Imports*.