
COUNTRY REPORT

Senegal
The Gambia
Mauritania

2nd quarter 1998

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The Economist Intelligence Unit

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June 6th 1998 Summary

2nd quarter 1998

Senegal Outlook for 1998-99: The ruling PS will have an absolute majority in parliament for another five years. However, the formidable breakthrough of Djibo Ka's party in the legislative election in May and the efficiency of the newly established election monitoring body are both likely to alter the rules of the political game in Senegal, with three candidates, Abdou Diouf, Abdoulaye Wade and now Mr Ka, likely to compete in the presidential race in 2000. Propped up by substantial financing, the government will continue to pursue economic reforms.

Review: Despite social unrest and renewed violence in Casamance during the campaign, the legislative election in May went off generally peacefully. The PS has won 93 seats in the National Assembly, the PDS 23 and Djibo Ka's URD 11. The electoral watchdog has been praised for its supervisory role, but results in six constituencies have been challenged by the opposition because of alleged malpractice. President Clinton received a warm welcome. Amnesty International has laid new charges against the government over operations in the troubled region of Casamance, and Guinea-Bissau has continued to crack down on rebel activities. New clashes on the Mauritanian border have taken place. The IMF has approved a \$144m three-year financial package, and donors have pledged \$2bn for 1998-2000. Water projects in the Vallées Fossiles have been suspended. Imports and food aid will cover the cereal deficit, but cheap Asian rice imports have caused hardship to local farmers. Groundnut production has declined in 1997/98. The construction of a 39-mw power station has begun, and a 50% stake in the state phosphate company, SSPT, has been sold to a Spanish firm. Import tariffs have been reduced in line with regional monetary arrangements,

The Gambia Outlook for 1998-99: President Jammeh will continue trying to create a role for himself as an international statesman. A three-year IMF ESAF agreement is expected to be signed soon, facilitating the return of aid flows to pre-coup levels. Meanwhile, suspicions remain over the government's respect for human rights and its use of public resources.

Review: A minor cabinet reshuffle has taken place. The president has paid a successful visit to France. The Gambia has assumed the presidency of the UN Security Council, where matters related to UN sanctions against Libya and Iraq have been discussed. New co-operation agreements have been signed in the Middle East and North Africa. Intimidation of the press has continued unabated. A letter of intent has been signed with the IMF. The World Bank has disbursed a new credit to the country for the first time in four years. Total external debt has increased.

Mauritania Outlook for 1998-99: The government could decide to settle the contentious issue of slavery in Mauritania by appointing Negro-Mauritanian politicians to key ministerial positions. The government will continue to please donors and press ahead with reforms, raising the possibility of a new IMF financial package.

Review: Partial elections to the Senate have confirmed the supremacy of the ruling party, while splits within the main opposition coalition have widened. Another cabinet reshuffle has taken place. The president has granted a pardon to anti-slavery activists. The Senegal River Development Organisation has made progress. Mauritanian refugees have clashed with Senegalese villagers. The referendum in Western Sahara has been deferred. The World Bank has praised Mauritania's performance and has granted two credits in the banking and health sectors. A new public investment programme has been submitted to donors, who have pledged \$700m. New details of the 1998 budget have been released. The telecommunications sector has been partly privatised. Rex Diamond Mining has been granted a third exploration permit.

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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 seat) system; all serve a five-year term	
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 March 1995	
Main political parties	Parti socialiste (PS) is the ruling party within a government of national unity; 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-jéf/Parti africain pour la démocratie et le socialisme (AJ/PADS); Union du renouveau démocratique (URD)	
Ministers of state	President	Abdou Diouf
	Prime minister	Habib Thiam
	Agriculture	Robert Sagna
Key ministers	Foreign affairs & Senegalese abroad	Moustapha Niasse
	Presidential affairs	Ousmane Tanor Dieng
	Armed forces	Cheikh Hamidou Kane
Governor of the BCEAO	Commerce, crafts & industry	Magued Diouf (acting)
	Communications	Serigne Diop
	Economy, finance & planning	Mamadou Lamine Loum
	Education	André Sonkho
	Energy, mines & industry	Magued Diouf
	Environment & protection of nature	Abdoulaye Bathily (LD-MPT)
	Fisheries & marine transport	Alassane Dialy Ndiaye
	Interior	Lamine Cissé
	Justice & keeper of seals	Jacques Baudin
	Labour & employment	Assane Diop
	Public health & social action	Assane Diop (acting)
	Tourism & air transport	Tidiane Sylla
	Urban planning & housing	Abdourahmane Sow
	Governor of the BCEAO	Charles Konan Banny

Economic structure

Latest available figures

Economic indicators	1993	1994	1995	1996	1997 ^a
GDP at market prices (CFAfr bn)	1,589	2,155	2,430	2,638	2,830
Real GDP growth (%)	-0.7	2.0	4.8 ^b	5.7	5.2
Consumer price inflation (%; av)	-0.5	32.3	7.8	2.8	1.8
Population (m)	7.9	8.1	8.3	8.6	8.8
Exports fob (\$ m)	737	819	993	986 ^a	947
Imports fob (\$ m)	1,087	1,022	1,243	1,267 ^a	1,190
Current-account balance (\$ m)	-279	3	-57	-184 ^a	-187
Reserves excl gold (\$ m)	3.4	179.6	271.8	288.3	302.5 ^c
Total external debt (\$ m)	3,766	3,659	3,845	3,920 ^a	3,945
External debt-service ratio (%)	8.9	16.3	17.6	15.5 ^a	13.7
Groundnut production ^d ('000 tonnes)	628	718	791	680	n/a
Exchange rate (av; CFAfr:\$)	283.2	555.2	499.2	511.6	584.0 ^e

June 5th 1998 CFAfr594.55:\$1

Origins of gross domestic product 1996	% of total	Components of gross domestic product 1996	% of total
Primary sector	21.4	Private consumption	79.1
Secondary sector	19.9	Government consumption	10.6
Tertiary sector	58.7	Gross domestic investment	15.2
GDP at factor cost	100.0	Exports of goods & services	31.2
		Imports of goods & services	-36.0
		GDP at market prices	100.0

Principal exports 1996	\$ m	Principal imports 1996	\$ m
Fish & fish products	248.0	Intermediate goods	407.6
Chemicals (ICS plant)	130.0	Food products	387.8
Groundnuts & products	85.4	Capital goods	189.0
Phosphates	36.3	Petroleum products	187.9

Main destinations of exports 1996 ^f	% of total	Main origins of imports 1996 ^f	% of total
France	20.3	France	35.5
India	18.5	Spain	5.6
Italy	8.6	Nigeria	5.1
Mali	6.6	Germany	4.7
Spain	4.1	US	3.6

^a EIU estimates. ^b Banque centrale des états de l'Afrique de l'ouest (BCEAO) estimate. ^c June actual. ^d Unshelled; crop years beginning October 1st. ^e Actual. ^f Derived from partners' trade returns, subject to a wide margin of error.

Outlook for 1998-99

A third political force is emerging—

Although the ruling Parti socialiste (PS) will have an absolute majority in the new 140-seat National Assembly for another five years, the victors of the legislative election on May 24th are without doubt the former interior minister, Djibo Ka, and his followers. Making sweeping gains in the election, Mr Ka—who formed his own grouping (Renouveau démocratique) within the PS in October, and then left the party in April to found a coalition alliance called the Union pour le renouveau démocratique (URD)—has evidently succeeded in attracting not only disgruntled PS voters but also sections of the electorate that would otherwise have supported the more established opposition parties.

With 11 seats in parliament, the URD is emerging as a third political force, thus breaking the “bipolarisation” between the PS and Abdoulaye Wade’s Parti démocratique sénégalais (PDS), which had characterised the Senegalese political landscape since the first multiparty legislative election in 1978. As for the next presidential contest slated for 2000, the president, Abdou Diouf, who is expected to stand for a second term under the amended constitution, will now face two adversaries who are both determined to reverse the dominance of the PS, in power since Senegal’s independence in 1960. Meanwhile, Mr Ka will have to establish himself as an outright opponent of the ruling PS. He has already announced that he will turn down any offer to join the PS-dominated coalition government. But the opposition stance of the URD has yet to be tested by the discipline of operating within the normal constitutional processes.

—while the election takes a step toward transparency—

In the long term, the greatest legacy of the 1998 legislative election, whatever the continued shortcomings of the process, may be that it marked a further step toward the institutionalisation of electoral transparency and genuine pluralism. Much of the credit for this goes to the new Observatoire national des élections (ONEL), the semi-autonomous election monitoring body, which was able to reduce some of the cruder forms of localised vote-rigging that so marred most previous elections—often provoking political conflict and even violence. The appointment of two retired generals, one to head the ONEL and the other as minister of the interior (responsible for organising elections), added further credibility to the process by associating with it the armed forces’ reputation for professionalism and by providing a counterweight to the administrative bureaucracy, so heavily dominated by the PS.

The ruling party’s barons still control the major sources of patronage, but the revised rules of the game expose them more openly to direct political competition and will probably impel them to pay greater attention to voters’ concerns. In a sense, the opposition too will have to adapt: it will be harder for those parties that perform badly in the polls simply to blame it on fraud, especially if their demand for a national independent electoral commission in charge of both organising and monitoring the election is eventually accepted.

—but sporadic violence persists

Although the legislative election went off peacefully, differences between different sections of Senegalese society continue to be marred by outbreaks of violence. In general these are not likely to threaten stability at the national level, but they are an unsettling reminder of the country’s social volatility, and

challenge the image of peace and dialogue the government tries to project internationally. The most persistent conflict remains in the southern region of Casamance, where an army offensive against separatist rebels has cost hundreds of lives over the past half year and brought disturbing reports of torture, kidnappings and arbitrary executions by the Senegalese armed forces, though the rebels too have resorted to terror tactics against civilians. Pressures are mounting to resume the peace process, but splits within the separatist movement will make this a protracted effort, and sporadic fighting is likely. Meanwhile, deadly clashes between Senegalese villagers and Mauritanian refugees in the north-east border region threaten to open a new area of conflict, while student protests in Dakar have once again led to street battles with the police, indicating the persistence of urban tensions.

The US hopes to expand trade and investment prospects

The two-day visit to Senegal at the start of April by the US president, Bill Clinton, capped a high-profile tour of the continent, the first extended visit by a US president to sub-Saharan Africa for 20 years. It also signalled a specific interest in Senegal, one of the very few francophone countries with which the US has any notable dealings. Since 1995 Senegal has become a bigger market for US goods, and on the last day of Mr Clinton's visit construction began on the largest single US investment in Senegal thus far, a new power plant being built by General Electric. In addition to the likelihood that the US will seek to expand such openings—and that Senegal will try to reverse the decline in its own exports to the US—the country's prominent role in African peacekeeping ventures will ensure continued US engagement, although this may very well cause some frictions with France, Senegal's traditional external patron.

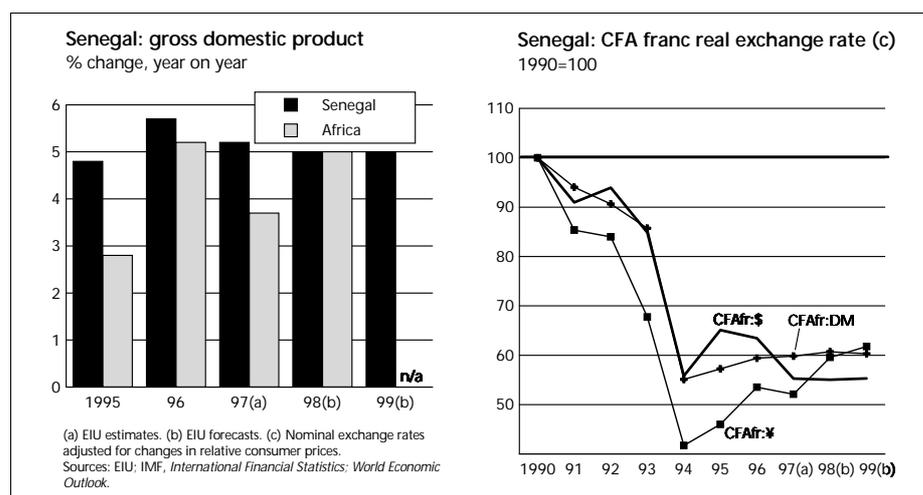
Substantial new financing should speed essential reforms

Within the space of just a month, the IMF, a Consultative Group of donors organised by the World Bank, and the World Bank itself agreed to provide Senegal with major new funding over the next three years. The IMF accord, a \$144m enhanced structural adjustment facility (ESAF), will support the government's economic programme for 1998-2000, while the World Bank's \$100m credit will finance major reforms in the energy sector. The donors' meeting in Paris pledged a much greater amount, some \$2bn, over the same period. Justifying these allocations, the funding agencies cited Senegal's improved GDP growth since 1995, which it attributed to greater budgetary discipline, market liberalisation, privatisation of state enterprises and other reforms. "The government has done an excellent job," remarked Mahmood Ayub, a World Bank official. Propped up by substantial new financing, the government will make further headway with economic reforms, with special emphasis on privatisation and the liberalisation of the energy sector. The EIU expects the Senegalese economy to grow by 5% in both 1998 and 1999. These estimates, which are less optimistic than recently released IMF figures, take into account the poor performances of agriculture in 1997-98 and the recent deferment of two major irrigation projects in the Vallées Fossiles.

Senegal: forecast summary
(\$ m unless otherwise indicated)

	1996 ^a	1997 ^b	1998 ^c	1999 ^c
Real GDP (% change)	5.7	5.2	5.0	5.0
Consumer price inflation (%)	2.8	1.8	2.0	2.0
Merchandise exports fob ^b	986	947	944	1,011
Merchandise imports fob ^b	1,267	1,190	1,174	1,223
Current-account balance	-184	-187	-144	-143
Average exchange rate (CFAfr:\$)	512	584 ^a	587	581

^a Actual. ^b EIU estimates. ^c EIU forecasts.



Review

The political scene

Student and labour unrest highlights the volatile social situation

Less preoccupied with the legislative election on May 24th than the political elites, a number of other groups in society have continued to assert their own particular concerns, and in ways that underscore Senegal's volatile social tensions. Once again in April, as they have repeatedly over the past couple years, university students in Dakar went on strike to demand higher government scholarships and other assistance. After days of burning barricades and the exchange of stones for tear-gas between the students and police, things turned particularly ugly on April 27th, when the students attempted to march into the centre of the city. The police moved in to block them and a dozen people, including seven policemen, were injured.

Unrest among workers has been less violent, but more widespread, with the three months between February and April bringing a variety of disputes, including a teachers' strike and illegal protest march, a sit-in by health workers, a strike by bus workers protesting against salary arrears, and a go-slow by the militant electrical workers' union.

Violence in Casamance flares up on the eve of the election

Fresh incidents took place in the southern region of Casamance on the eve of the May 24th election, when suspected separatist rebels attacked a district of the regional capital, Ziguinchor, killing at least six people and wounding several. Troops and police were deployed in the capital the next day to allow voters to go safely to the polling centres, but rebels continued to fire shells on a village nearby. It is difficult to gauge to what extent the upsurge of violence in Casamance negatively influenced the local turnout to vote.

Government troops had launched a series of attacks against separatist rebels a couple of days before the election, in an attempt to ensure the smooth running of the election and thwart rebel attempts to disturb the voting. Armed clashes took place in Bignona, north of Casamance, where guerrillas from the Southern Front, the hard-line faction of the Mouvement des forces démocratiques de Casamance (MFDC), had infiltrated. Some 30 rebels were killed and three MFDC strongholds were destroyed, and an estimated 1,500 refugees crossed the border into The Gambia. The leader of And-jëf/Parti africain pour la démocratie et le socialisme (AJ/PADS), Landing Savané, claimed that the government had deliberately provoked the military action in Bignona to force his supporters to flee.

Thanks to its formidable advantages—

Though the rules of the game have shifted slightly, the ruling Parti socialiste (PS) still entered the election campaign with an enormous head start. Its extensive party machine and control over the administration at both national and local levels gave it not only numerous opportunities to inflate its vote—beyond the capacity of the newly established electoral watchdog, the Observatoire national des élections to monitor—but also the patronage resources to convince voters in the villages and urban neighbourhoods that the PS is best placed to reward its supporters with needed infrastructure, development projects and state services. The PS did not hesitate to use its majority in the last parliament to increase the size of the National Assembly from 120 seats to 140 and establish a new 60-seat Senate (1st quarter 1998, pages 12-13), against the loud protests of the opposition parties, which viewed the move as a way for the PS to satisfy some of its internal dissidents by creating more places on the candidate lists. In addition, the PS continues to dominate the state-controlled media, although the political impact has been undermined somewhat by the growing number of independent newspapers and radio stations. It also enjoys the tacit support of many *marabouts*, the leaders of Senegal's powerful Islamic brotherhoods, who in the past have helped ensure a solid rural vote in favour of the PS—even if this time they were less blatant in issuing commands to their followers (*ndigël* in Wolof) to vote for the PS. A few even switched their support to its long-time rival, the Parti démocratique sénégalais (PDS).

—the ruling PS wins a comfortable majority in parliament

After days of mounting speculation and growing tension between the opposition and the ruling PS, the Senegalese Appeal Court proclaimed the official, yet still provisional, results of the legislative election in the early hours of May 30th. Except for some disruption caused by separatist rebels in the southern region of Casamance and a few organisational problems, the voting went off smoothly. Figures revealed a disappointingly low turnout of 38.8%, with 1.2m out of 3.2m registered electors voting. General Lamine Cissé, the minister of the interior, had earlier announced an average turnout of 47% in most parts of the country, while expecting a lower 35-40% in Casamance. The provisional

results gave the PS 93 seats in the new 140-seat National Assembly, a comfortable majority. The party's spokesman, Abdourahim Agne, said he was satisfied with the outcome, although he had hoped for 100 seats.

Polling 50.1% of the national vote, compared with 56.6% in 1993, the PS may view its victory as disappointing. With two-thirds of the parliamentary seats, the PS, led by Ousmane Tanor Dieng, is no better off than when it had 84 seats in the old 120-seat National Assembly. For many observers, it was only as a result of the recent amendment to the electoral code that the ruling party was able to paper over its waning popularity and internal divisions. Indeed, the extra 20 parliamentary seats in this election were all contested under the first-past-the-post system (as opposed to the 70 seats allocated nationally on a proportional basis), and the simple majority-vote system tends to favour big parties rather than small ones.

Senegal: provisional legislative election results

	1993		1998	
	% of votes	Seats	% of votes	Seats
Parti socialiste (PS)	56.6	84	50.1	93
Parti démocratique sénégalais (PDS)	30.2	27	19.1	23
Jéf-Jël-Union pour le renouveau et la démocratie (URD)	–	–	13.2	11
And-jéf/Parti africain pour la démocratie et le socialisme (AJ-PADS)	–	1	5	4
Ligue démocratique-Mouvement pour le parti du travail (LD-MPT)	4.1	6	3.9	3
Total incl others	100.0	120	100.0	140

Source: Commission nationale de recensement de votes, press release.

The PDS loses ground—

The PDS, traditionally the strongest opposition party, obtained 23 seats, four seats less than in the outgoing National Assembly. The PDS in fact suffered a remarkable setback, with its share of the national vote dropping to 19% from 30% in 1993. More strikingly, it failed to keep its majority in the northern town of Saint-Louis and in its stronghold, Thiès; its only consolation being its victories in the ten district seats it held in Dakar and Pikine. The PDS had entered the election campaign from a weakened position, hoping to regain the ground it had lost in its urban strongholds during the November 1996 local government elections, or at least to prevent further erosion of its base. In March the PDS leader, Abdoulaye Wade, and four other PDS leaders resigned their cabinet positions, so as to strike a clearer opposition profile with voters disaffected with the PS government's policies. Mr Wade also sought to impose some discipline over bickering party officials, dropping 16 of the PDS's 27 sitting members of parliament from the party's candidate list and ordering the former ministers, Ousmane Ngom and Idrissa Seck, to stop publicly criticising each other. Despite throwing his party into a vigorous campaign, Mr Wade, failed to benefit from the general state of discontent that had led many Senegalese to vote for his party five years ago.

—while Mr Ka's party makes a formidable breakthrough

The PS faced an especially wide field of contenders going into the election: 18 registered parties and coalitions, fielding some 5,000 candidates. Few of the myriad challengers drew much attention or excitement nationally, however. The newest major entrant into the political arena—and the one that most directly vied for the PS's traditional base of support—was an electoral coalition led by a former interior minister, Djibo Ka. A long-time and once-powerful leader of the PS, Mr Ka publicly launched a group within the party in October, known as *Renouveau démocratique*, which claimed that the leadership had become undemocratic and out of touch. Sharply repudiated by the president, Abdou Diouf, and other PS leaders, suspended from all party activities, harassed by the state authorities and sometimes physically attacked by overzealous party militants, the group's members finally decided on April 1st to resign openly from the PS.

They did so just in time to register their own party for the election. Called the *Union pour le renouveau démocratique* (URD), it was the dominant partner in an electoral alliance, which included three much smaller parties—Samba Diouldé Thiam's *Mouvement de la gauche démocratique* (MGD), Doudou Sarr's *Union pour le socialisme et la démocratie* (USD), and Talla Sylla's *Alliance pour le progrès et la justice* (APJ-Jëf-Jël). Only formed seven months ago, Mr Ka's party put up a vigorous challenge to the PS and the PDS during the contest. With 11 seats in parliament, the new alliance has now clearly emerged as a third political force on the Senegalese political landscape. Mr Ka reacted to the verdict of the polls by saying "I am happy to note that the PS-PDS bipolarisation has been broken".

The "remarkable work" of the ONEL is praised—

Whatever the continuing flaws in Senegal's political system and electoral process, one of the most significant aspects of the May 24th poll was that it marked a further step toward transparency and fairness. Following repeated allegations of electoral fraud in most earlier polls—which sometimes set off violent protests—President Diouf responded to opposition demands for an independent electoral commission by setting up the *Observatoire national des élections* (ONEL) last year. Although falling short of the entirely independent monitoring body demanded by the opposition, the ONEL nevertheless had wide powers to observe all phases of the electoral process, with sizeable resources, including a budget of CFAfr800m (\$1.36m), 155 personnel to staff the 31 local *Observatoires départementaux des élections* (ODEL), and 4,000 poll-watchers on election day.

Opposition parties were unanimous in praising ONEL's remarkable work, from voter registration through polling to the announcement of the results. Neutral observers added that things were far better organised than in the chaotic municipal elections of November 1996. Even such a sharp critic of the PS government as Mamadou Diop Decroix, the deputy secretary-general of the left-wing AJ/PADS, was moved to declare: "This is the first time in 40 years that the whole political class is taking part in an election with equal chances."

—as ex-military officers add an air of non-partisan professionalism—

Adding further credibility to the electoral process was the appointment of a retired general, Mamadou Niang, to head the ONEL, followed by the naming of another former general, Lamine Cissé, as minister of the interior with responsibility for actually organising the election. In Senegal the armed forces (which do not vote) are seen as highly professional and untainted by the kind

of crude partisan considerations that mark much of the PS-dominated public administration. Initial concerns of the opposition that General Niang might be over deferential to his fellow officer at the Ministry of the Interior were dispelled in April when the ONEL complained of not having access, on its own computers, to the electoral registration lists. General Cissé minimised the dispute by claiming the problem was purely technical; the lists were eventually made available on the Internet and in various consultation centres.

Acting on opposition complaints, the ONEL also took on local-level bureaucrats: replacing ODEL nominees who were too partisan, restoring the names of thousands of voters arbitrarily removed from the registration lists in Mbacké and Kaolack, suspending the chairman of the registration review commission in Ngueniene, and having the administration remove a civil servant in charge of issuing voter cards in Matam after finding that he had distributed them “massively and irregularly”. General Niang also noted irregularities concerning the opening time of polling stations, the identification of voters, the presence of polling station personnel and difficulties encountered in collecting ballot papers.

—and the opposition stops short of rejecting the election outright

As soon as unofficial constituency results came out, giving the PS 58 out of the 70 parliamentary seats allocated on the simple majority-vote basis, Mr Wade announced his decision to reject the election, accusing the ruling party of massive rigging and calling on the disqualification of the PS electoral list. He was scathing in denouncing the government for distributing cash and property to attract voters. Meanwhile, protesters in Kolda, east of Casamance, ransacked the house of an ONEL official and destroyed his vehicle, accusing him of falsifying the results. Six other opposition parties, including Djibo Ka’s URD, rallied to the PDS on May 28th, issuing a joint statement at a news conference, which somewhat tempered Mr Wade’s initial claims.

The parties said that they would ask the Constitutional Court to rule on specific allegations of electoral malpractices in the districts of Thiès, Bignona, Rufisque, Saint-Louis, Matam and Bakel. They accused the ruling party of adding 110,000 fake identity cards to the electoral list in order to rig the polls. If such accusations were proved, the PS would, in effect, have garnered 502,000 votes instead of the 612,000 announced, thus reducing its share of the vote to 41%. Besides calling for by-elections in the six districts, the opposition parties demanded that “the organisation of elections be taken out of the hands of the civil service which is controlled by the PS”. They reiterated their pre-electoral demand for the creation of an independent national electoral commission which would have responsibility for organising all phases of the electoral process, from voter registration, through the actual organisation of the election and the counting of votes, to the announcement of the results (2nd quarter 1997, page 10). Meanwhile, the PS complained to the Constitutional Court about the voting in Dakar.

Mr Clinton’s visit raises Senegal’s peacekeeping profile

The decision by the US president, Bill Clinton, to conclude his six-nation tour of Africa in Senegal, the only francophone country he visited, was welcomed with much satisfaction by the authorities in Dakar. Beyond the evident US interest in Senegalese markets and investment prospects (see below), the visit, on April 1st-2nd, served to highlight Senegal’s role in African peacekeeping

ventures. In a speech at the Thiès military base, President Clinton emphasised his government's African Crisis Response Initiative (ACRI), which involves the training of select units from African armies for rapid deployment to peacekeeping missions within the continent.

One Senegalese battalion has already benefited from US training and supplies, and performed well during a multinational military exercise, Operation Guidimakha on February 20th-March 2nd, involving principally Senegalese, Malian and Mauritanian troops. The operation, however, was organised within the framework of France's own African peacekeeping initiative, Renforcement des capacités africaines de maintien de la paix (RECAMP). President Clinton sought to minimise earlier interpretations of his ACRI approach as a unilateral or rival scheme, stressing in his Thiès speech that the US intends to strengthen existing African peacekeeping ventures, in collaboration with the UN, the Organisation of African Unity and "even with countries such as France".

Amnesty International
condemns abuses in
Casamance—

An Amnesty International report, published on February 17th, is the group's most extensive yet on the conflict in Casamance. Entitled "Senegal: Terror in Casamance", it is a detailed and hard-hitting survey of abuses carried out in the region by both the Senegalese army and the separatist rebels of the Mouvement des forces démocratiques de Casamance (MFDC). Since the early 1990s hundreds of civilians have been arrested and tortured by the security forces, Amnesty International claims; numerous others have been victims of extrajudicial executions and dozens have "disappeared" since their detention and are presumed dead. The MFDC forces also have targeted civilians, assassinating villagers who resist the rebels' demands or who are suspected of collaborating with the army. Despite the report's apportioning of blame to both sides, its most extensive evidence and sharpest accusations are levelled against the army and gendarmerie.

Using the testimony of dozens of prisoners—some of it confirmed by independent observers and medical records—Amnesty International charges that torture has been used systematically by the Senegalese security forces against virtually anyone belonging to the Diola ethnic group (from which the MFDC draws its greatest support) regarded as a rebel supporter. An appendix gives the names and circumstances of 49 civilians who have "disappeared" since 1992. "Human rights violations in Casamance are essentially the work of the army and the gendarmerie, which have for years been acting with total impunity," the report claims. It notes that such violations cannot be explained away as "regrettable errors", since the Senegalese army is generally regarded as well-structured and well-disciplined. "The very serious acts attributed to Senegalese soldiers and gendarmes over past years therefore clearly imply the responsibility of the highest authorities of the State," the report concludes.

—which the government
dismisses as a pack of lies

As it has done with earlier charges by Amnesty International and Senegalese human rights activists, the government flatly denied the allegations, claiming that the report was a "web of untruths and lies". President Diouf himself commented that Amnesty had acted irresponsibly, while other officials accused it of serving the MFDC's goals. An editorial in the government-owned daily *Le Soleil* implied that Amnesty International was not objective because it is headed by a Senegalese national, its secretary-general Pierre Sané, who is a

Casamançais. In April the government issued its own “white book” on Casamance, laying the blame for any terror in the region solely on the MFDC, which it characterised as a “mafia” that had killed 233 troops and 281 civilians since beginning its armed struggle.

Guinea-Bissau acts to shut
off an arms pipeline in
Casamance—

In January, the same month in which troops from neighbouring Guinea-Bissau destroyed several MFDC bases (1st quarter 1998, page 15), the government in Bissau arrested more than a dozen of its own military personnel—and subsequently suspended for negligence the army chief-of-staff—in connection with the smuggling of arms to the rebels. The Senegalese army had previously claimed that many of the arms and landmines it had captured may have come from Guinea-Bissau, and investigations by the Bissau government bore this out. It discovered that the stocks of up to 60,000 landmines left behind by Portugal when Guinea-Bissau gained its independence in 1975 were not well guarded, many subsequently being diverted not only to the Casamance rebels, but also to Guinea-Bissau’s own marketplaces. On February 7th the government destroyed more than 2,000 landmines at a ceremony launching a campaign to eliminate the country’s stocks, in line with last year’s international treaty against anti-personnel mines and also as a gesture of reassurance to Senegal.

—and pressure increases
on both sides for renewed
peace talks

With the MFDC’s military campaign now seeming more hopeless than ever, those within the movement who favour talks with the government have made renewed efforts to restart the peace process. A broad closed-door consultation was held in Ziguinchor on April 6th, involving Father Augustine Diomocousa Senghor, leader of the MFDC, and Sidy Badji, head of the MFDC’s Northern Front, with a variety of Casamançais religious figures, local dignitaries, national officials and political figures (among them the agriculture minister and mayor of Ziguinchor, Robert Sagna, and the AJ/PADS leader, Landing Savané). Aside from the participants, no details of the consultation were revealed, but a couple of days later the communications minister, Serigne Diop, stated that exploratory contacts were under way. Although the government holds the upper hand militarily, it too has come under pressure to talk, including from some of its international allies. To Mr Diouf’s embarrassment, the French president, Jacques Chirac, raised the issue of Casamance with him during a visit to Paris in February, reportedly in response to Amnesty International’s report of widespread human rights abuses. The UN secretary-general’s special envoy in Africa, Mohamed Sahnoun, also raised Casamance with Mr Diouf during a visit to Dakar at the end of February, though no details of the meeting were given.

Senegalese villagers and
Mauritanian refugees
clash—

In north-east Senegal, near the border with both Mauritania and Mali, cattle rustling by bandits of Mauritanian origin escalated in February into a series of mutual attacks and reprisals by local villagers and communities of Mauritanian refugees. By mid-April some dozen people, both Senegalese and Mauritians, were believed to have been killed in the department of Kidira, and scores of villages had formed unauthorised armed “self-defence” committees. The refugees, mostly black southern Mauritians expelled from their country following the rioting and border clashes of 1989, had for a number of years been housed in refugee camps, but after the office of the UN High Commissioner for Refugees ended assistance in 1995-96, many moved out in search of jobs, land

and pasturage, contributing to tensions with indigenous Senegalese. The situation has been worsened by bands of armed cattle rustlers who seem to operate freely across Senegal's borders with both Mauritania and Mali.

—as Dakar appeals for restraint

The fighting erupted at a difficult time in relations between Senegal and Mauritania. On the coast, incursions by Senegalese fishermen into waters claimed by Mauritania brought seizures of Senegalese boats, prompting the two governments, which broke off diplomatic relations in 1992, to initiate talks to resolve the conflict and renegotiate their lapsed fishing agreement. Meanwhile, Mauritania was concerned about some of Senegal's plans for water development along its side of the Senegal River (see Economic policy, below). And when the chairman of the Mauritanian Human Rights Association, Cheikh Sadou Camara, gave a press conference in Dakar in early April charging that slavery persisted in Mauritania, the Senegalese authorities arrested and expelled him, a move evidently designed to appease the government in Nouakchott, but condemned by Senegalese rights activists. In this context, the government has been especially fearful of the situation in Kidira. It promptly dispatched to the area several officials (including the environment minister, Abdoulaye Bathily, and the National Assembly president, Cheikh Cissokho) to urge restraint by local villagers and to promise more energetic action by the police and army in halting the bandit attacks.

Economic policy

The IMF approves a new ESAF—

In early April the governing board of the IMF approved a new enhanced structural adjustment facility (ESAF) for Senegal. The three-year facility, to support the government's economic programme for 1998-2000, is equivalent to SDR107m (about \$144m, or CFAfr86bn). The first annual loan of SDR35.7m will be disbursed in two equal semi-annual instalments, the first of which was made available on April 30th. The IMF noted with approval the government's goals for the three-year period: an annual real GDP growth rate of 5-6.5% (permitting income per head to increase by 2-3% annually), annual inflation at less than 3% and a reduction in the external current-account deficit (excluding official transfers) to under 7% of GDP by 2000. Specifically for 1998, the government aims for 5.3% growth in GDP, average inflation of 2.4% and containing the external current-account deficit to 7.3% of GDP (see table). To meet those objectives for 1998, fiscal policy will seek to limit the overall fiscal deficit (on a commitments basis, and excluding grants) to 2% of GDP.

Senegal: selected economic indicators

	1996	1997 ^a	1998 ^b	1999 ^b	2000 ^b
% change					
Real GDP	5.7	5.2	5.3	6.5	6.0
Consumer prices (annual average)	2.8	1.8	2.4	2.0	2.0
% of GDP					
Overall fiscal balance (before grants)	-2.2	-1.5	-2.0	-1.0	-0.6
External current-account balance (excl official transfers)	-7.7	-6.7	-7.3	-6.8	-6.7

^a Estimates. ^b Projections.

Source: Senegalese government and IMF staff.

—in exchange for a pledge to speed up reforms—

The ESAF financing is predicated on serious efforts by the Senegalese government to speed up the “unfinished reform agenda”, as the IMF put it, particularly in the areas of public enterprise and energy sector reforms. According to several reports, World Bank and IMF officials were upset by the government’s apparent volte-face on privatising the Société nationale sénégalaise d’électricité (Senelec), the public electricity utility, when it adopted a law in January retaining a majority government stake, contrary to the advice of the finance minister, Papa Ousmane Sakho (1st quarter 1998, page 16). Differences between the government and the World Bank also surfaced over how much time should be given the state oil refinery, the Société africaine de raffinage (SAR), to adjust to external competition. The government, supported by the accountants Coopers & Lybrand, said that five years would be needed, whereas the World Bank argued that three years were enough.

In addition, the government was urged to strengthen its programme to develop human resources, especially to improve the quality of education at all levels and to implement a national health development plan for the period 1998-2007. The Fund also called on the government to continue reducing non-priority expenditures. In February the independent Dakar daily *Wal Fadjri*, citing “reliable sources”, reported that IMF officials were critical of the large number of cabinet positions, the increase in the number of parliamentary deputies and the excessive use of Mr Diouf’s presidential jet.

—while donors pledge \$2bn over the next three years—

In the immediate wake of the ESAF, a World Bank-convened donors’ Consultative Group meeting in Paris on April 24th brought pledges of around \$2bn, to support the 1998-2000 priority investment programme. The pledges, by 11 bilateral and 27 multilateral donors, were largely in grant form, and focused around five main areas: macroeconomic growth and stability, private-sector development, administrative reform, education, and agricultural and rural development. Since not all participants in the meeting were ready to specify their level of aid commitment, it is possible that the overall total will climb still further.

—and the World Bank sponsors reforms in the energy sector

The World Bank announced on May 20th that it had finally agreed to finance the government’s second energy sector reform programme (the first programme was carried out in 1987-92), after more than two months of strenuous negotiation. The credit, worth \$100m, will be channelled through the World Bank’s concessionary lending branch, the International Development Association, on standard terms of a 40-year maturity, a ten-year grace period and a 0.75% interest rate. The programme aims at increasing competition and efficiency in the energy sector, resulting in improved electric power services, lower prices for petroleum products and the sustainable use of forestry resources (wood fuel accounts for 53% of the country’s energy consumption).

President Diouf shelves two ambitious water projects

Responding to criticism on a different front, President Diouf announced in February that he was suspending two high-profile water projects, one to build the Cayor Canal, intended to improve Dakar’s water supply, and the other to revitalise some 3,000 sq km of dried-up valley lands, known as the Vallées Fossiles project. Some CFAfr4bn had already been spent on technical studies for the Cayor Canal, and more were anticipated, for a project whose final costs

were expected to reach CFAfr150bn. Initial cost projections for the Vallées Fossiles project were around CFAfr30bn, and CFAfr465m was spent on technical studies in 1996, but last year the project took on a larger and faster momentum when Taiwan made a grant of CFAfr15bn to revitalise the upper Ferlo and lower Saloum valleys.

However, in 1997 officials of the World Bank and the Caisse française de développement (CFD) began warning that adequate studies had not been made of the projects' impact on existing water flows along the Senegal River. The fear was that farmers and livestock herders in the Senegal Valley might find their own water supply affected, bringing economic losses, increased social tensions and even regional conflict—since Mauritania also draws water from the Senegal River. At the donors' Consultative Group meeting in Paris, Senegal's economy and finance minister, reiterated the government's desire ultimately to pursue these projects, but in line with the river's capacity to support them.

The economy

Private investment is still low—

At a roundtable meeting with Senegal's business leaders on February 19th, President Diouf stressed that for the economy to develop private investment should reach levels equivalent to 20-30% of GDP. It currently stands at around 13-15% of GDP, he noted. Representatives of the Coordination patronale du Sénégal (CPDS), one of the main employers' organisations, placed it even lower, at around 10%. The CPDS president, Mansour Cama, said that both national and foreign investment remained far below what is necessary to ensure strong GDP growth. According to figures released by the government statistical office and quoted at the meeting, GDP grew by 5.2% in 1997, below the initial target of 6%. This was largely because of the poor agricultural season, which caused GDP in the primary sector to fall by 3.2%, compared with a rise of 6.7% in the secondary sector and a robust 9.2% in the tertiary.

—while households have piled up CFAfr47bn in debt

According to the results of a survey conducted in 1995 among 780,000 families in the country, but reported only in January 1998, total household debt is estimated at around CFAfr47bn (\$78m). The purchase of consumer goods was cited most often as the reason for taking out loans, while 21.5% of bank lending went toward housing. In Dakar 60% of loans were provided by banks and the majority of debtors were salaried employees. In other urban centres, however, bank lending accounted for only 18.2% of debt, and in rural areas for 5.8%; 60% of all loans in these areas were provided by friends and relatives.

Agriculture

Imports and food aid will cover the cereal deficit—

Because of the long dry spell in mid-year, total rainfed cereal production in 1997 is estimated at only 774,000 tonnes, according to figures released in March by the UN Food and Agriculture Organisation (FAO). This is below average and about 20% less than the previous year's level. The FAO projects a tight food-supply situation over the 1997/98 marketing year (November-October), the regions of Diourbel, Fatick, Louga, Thiès and Saint-Louis in the centre and north being most at risk of high food prices. Taking into account a

drawdown of 114,000 tonnes from existing food stocks, the FAO estimates that 780,000 tonnes of grain will need to be brought in to cover the country's production gap (which even in good years falls well short of consumption needs). Of this amount, the FAO expects that Senegal will be able to purchase 695,000 tonnes in commercial imports, but also will need 85,000 tonnes in food assistance. This corresponds closely to the government's appeal in January for 82,600 tonnes of international food relief to help meet the needs of about 2.5m people.

—but cheap Asian rice will hurt paddy farmers

Total national paddy rice production is estimated to reach 177,000 tonnes, of which about 120,000 tonnes will be produced in the development areas along the Senegal River valley, which benefit from extensive irrigation and government credits. Because of this support, and despite the disappointing rainfall in 1997, paddy production in the valley will be significantly above the previous year's level of 89,000 tonnes. Paradoxically, however, because the national grain deficit is prompting high levels of rice imports (probably exceeding what is actually required), rice farmers are finding it very hard to sell their crops at remunerative prices. Indian rice is generally imported at around CFAfr145-160 (24-27 US cents) per kg, and retails in Dakar for about CFAfr170/kg. But to reach their break-even point, Senegalese rice farmers must sell for CFAfr185/kg. Since the agricultural bank, the Caisse nationale de crédit agricole du Sénégal, requires that farmers repay the previous season's loans before obtaining credits for the next one, most of them cannot afford to wait for the market to improve and must sell quickly, even at a loss. In an effort to bolster the market—and to obtain cereals for distribution in food-deficit areas—the government's Commissariat à la sécurité alimentaire has allocated CFAfr3bn for the purchase of 31,000 tonnes of white (milled) rice from Senegalese farmers.

Groundnut production declines, as cotton recovers

Contrary to initial projections, and despite the disbursement of CFAfr9bn in producer credits, total groundnut production in the 1997/98 crop year (October-September) is expected to reach only 491,800 tonnes, some 16% below the previous year's output. With yields only slightly down, much of the decline can be explained by the reduction in land area devoted to the crop, which fell from 856,114 ha to 717,799 ha. In February the European Union announced a CFAfr3.5bn grant to support the recovery of the groundnut sector, which traditionally has been the mainstay of Senegal's agricultural exports. Meanwhile, cotton, a less important export crop, has continued to show a strong recovery, with seed cotton production in 1997/98 estimated at around 58,000 tonnes, a 53% increase over the previous year's 38,000 tonnes, and double the output for 1994/95.

Senegal: seed cotton production^a
('000 tonnes)

1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98
36	52	51	39	29	31	38	58

^a Crop years ending September 30th.

Source: Réseau Agriculture paysanne et modernisation Afrique; La Zone franc, *Rapport*.

Energy and mining

Construction starts on the Cap de Biches power station

On April 2nd, the day President Clinton boarded his plane to return to the US, the first stone was laid for the new Cap de Biches power station, marking the single largest US investment in the country. General Electric (GE) is investing \$68m in the plant, greatly adding to the total US investment in Senegal, which stood at \$141m in December 1997. The possibility for such investment in the electricity sector first opened up in 1995 when the government adopted a law permitting private companies to supply the state power utility, Senelec. The deal for the Cap de Biches plant was originally agreed in July 1996 with the US energy company, Greenwich Turbine, which has since been acquired by GE. It is expected that within six months the station will be operating at a capacity of 38.5 mw, and a year after that at its full capacity of 56 mw.

A Thiès mining company is fully privatised

On March 31st following an international offer and prolonged negotiations, the Spanish mining firm Tolsa acquired the Senegalese government's 50% holding in the Société sénégalaise des phosphates de Thiès (SSPT), paying CFAfr1.25bn (\$2m). The day before, it had bought out Rhone Poulenc, the company holding the other half of SSPT's shares, for a comparable price. Tolsa, the world's leading producer of attapulgit, plans to invest in SSPT mainly to develop its attapulgit output, which currently stands at around 80,000 tonnes annually. SSPT also is Senegal's primary producer of alumina phosphates.

Foreign trade, aid and payments

The trade deficit with the US widens

Set against President Clinton's promises of greater access to US markets for African goods, in Senegal's case the past five years have shown a dramatic improvement in the trade balance in favour of the US. Provisional figures released by the Senegalese Ministry of Finance's Direction de la prévision et de la statistique (DPA) reveal that Senegalese exports to the US have declined steadily from CFAfr3bn (\$5m) in 1993 to just CFAfr624m in 1997. Imports from the US, meanwhile, rose from around CFAfr17bn in 1993 to CFAfr34bn in 1995, a level they maintained the subsequent two years. As a result, Senegal's trade deficit with the US more than doubled over the five-year period. By 1997 more than half of Senegal's exports to the US were chemicals (mainly glycerol, a fertiliser input), but hardly any of Senegal's other main exports (fish, phosphates, groundnut oil or cotton) appeared on the list. About 70% of US sales to Senegal consisted of machinery, transport equipment and other industrial goods, with chemicals, medicines and food items accounting for most of the remainder.

Tariffs are reduced well in advance of the UEMOA deadline

Following approval by the National Assembly earlier in the month, Senegal's import and transit tariffs on a wide variety of products were reduced sharply on April 20th, bringing the country generally into line with targets set by franco-phone West Africa's monetary union, the Union économique monétaire ouest africaine (UEMOA), for a common regional external tariff by the year 2000. Officials indicated the move was made more than a year and a half in advance of the UEMOA deadline because importers in Senegal were tending to postpone or hold off new imports in anticipation of the lower rates, some of them even failing to claim shipments piling up at Senegal's docks and airport. A substantial

portion of the country's fiscal receipts have come from tariffs, and the new rates will mean an estimated annual loss of more than CFAfr100bn. The World Bank and other donors have pledged to help with compensatory financing.

New aid agreements not previously mentioned include the following.

- Under the eighth European Development Fund (EDF), Senegal is to receive CFAfr250bn (\$418m) over the next five years, of which CFAfr100bn will be in grant form. As part of this assistance, the EU announced on March 26th that it will provide CFAfr18bn in budgetary support for 1998. This compares with CFAfr10bn in 1994, CFAfr12.5bn in 1995, CFAfr2.5bn in 1996, and nothing in 1997 (owing to the gap between the seventh and eighth EDFs).
- The Saudi Development Fund granted \$6m (CFAfr3.5bn) in March for live-stock watering and feed projects.
- Taiwan announced in April that it is providing CFAfr600m (\$1m) to establish a line of credit to small farmers engaged in rice cultivation, fish farming and market gardening.

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 following its suspension after the military coup of July 1994; 49 members, 45 elected by universal suffrage, four 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 in March 1998	
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	
Key ministers	President & minister for defence	Yahyah Jammeh
	Vice-president & minister for health, social welfare & women's affairs	Isatou Njie Saidy
	Agriculture	Musa Mbenga
	Civil service	Mustapha Wadda
	Culture & tourism	Susan Waffa-Ogoo
	Education	Satang Jow
	External affairs	Lamine Sedat Jobe
	Finance & economic affairs	Famara Jatta
	Interior	Momodou Bojang
	Justice & attorney general	Hawa Sisay Sabally
	Local government & lands	Lamin Kaba Bajo
	Presidential affairs, national assembly, civil service, fisheries & natural resources	Edward Singhateh
	Public works, communications & information	Ebrihima Ceesay
	Trade, industry & employment	Dominic Mendy
Youth & sports & religious affairs	Yankuba Touray	
Central Bank governor	Clarke Bajo	

Economic structure

Latest available figures

Economic indicators	1993	1994	1995	1996	1997 ^a
GDP at market prices ^b (D m)	3,229	3,411	3,439	3,725	3,922
Real GDP growth ^b (%)	1.8	1.3	-4.0	3.1	2.1
Consumer price inflation (%)	6.5	1.7	7.0	1.1	2.9 ^c
Population ('000)	1,026	1,080	1,120	1,211 ^c	1,309 ^c
Exports fob ^b (\$ m)	157.0	125.0	123.0	118.8	111.3
Imports fob ^b (\$ m)	214.5	181.6	162.5	217.1	185.3
Current-account balance ^b (\$ m)	-5.3	8.2	-8.2	-47.7	-28.8
Reserves excl gold (\$ m)	102.2 ^d	98.0	106.2	102.1	96.0 ^e
Total external debt (\$ m)	426.1	424.7	424.9	451.9	n/a
External debt-service ratio (%)	11.5	14.1	14.7	12.7	n/a
Groundnut production ^b ('000 tonnes)	67.0	65.4	79.7	78.8	68.1
Charter tourists ^b ('000)	63.9	90.0	42.9	72.1	75.9
Exchange rate (av; D:\$)	9.13	9.58	9.55	9.78	10.2

June 5th 1998 D10.16:\$1

Origins of gross domestic product 1997 ^{ab}	% of total	Components of gross domestic product 1997 ^{ab}	% of total
Agriculture	23	Private consumption	77
Industry	13	Government consumption	17
Services	64	Gross domestic investment	20
GDP at factor cost	100	Exports of goods & services	46
		Imports of goods & services	-60
		GDP at market prices	100

Principal exports 1997 ^{ab}	\$ m	Principal imports 1997 ^{ab}	\$ m
Groundnuts (shelled)	5.6	Food	57.2
Fish & fish preparations	2.6	Manufactures	47.8
		Machinery & transport equipment	37.2
		Minerals & fuel	28.3

Main destinations of exports 1996 ^f	% of total	Main origins of imports 1996 ^f	% of total
France	36.4	UK	14.3
UK	22.7	France	10.7
Belgium-Luxembourg	4.5	Germany	8.8
Japan	4.5	Côte d'Ivoire	7.7
China	4.5	US	6.6
Netherlands	4.5	Netherlands	6.3

^a IMF estimates. ^b Fiscal year ending June 30th. ^c EIU estimate. ^d End-September. ^e Actual. ^f Derived from partners' trade returns, subject to a wide margin of error.

Outlook for 1998-99

The Gambia begins to emerge from post-coup isolation—

The Gambia's president, Colonel Yahyah Jammeh, can boast of having made a convincing arrival on the international scene after four years of being snubbed by Western governments and international donors. The president was indeed extremely busy during the early months of 1998, paying official visits to France and Italy in February, chairing the UN Security Council in March, and holding talks with Saudi Arabia, Iraq and Nigeria in April and May. Holding a non-permanent seat at the UN Security Council for two years will give this small state a prominence, and its leader a self-confidence, which will help in the important process of restoring links with old partners, such as Japan, the US, the UK and Germany, which were all formerly important aid donors to The Gambia before Colonel Jammeh ousted Sir Dawda Jawara in July 1994.

The Gambian president will also make a point of cultivating a special relationship with countries from the Middle East, Libya in particular, as well as with countries such as Taiwan and Cuba. Speaking in their favour at the UN Security Council offers the perfect opportunity for the president to show his gratitude for their increasing financial assistance when funds from the West had dwindled away. Colonel Jammeh will meanwhile continue to be particularly pro-active in African affairs by ensuring that his country participates in peacekeeping operations on the continent, while holding his chair at the nine-member Permanent Interstate Committee on Drought Control in the Sahel (Comité inter-Etats de lutte contre la sécheresse au Sahel, CILSS)

—and aid gradually returns to pre-coup levels

The government is also looking further to improve relations with donors following the decision in April by the World Bank to resume credit after a gap of nearly four years. The IMF, which has not conceded any loan to the country since 1991, is also on the brink of agreeing a three-year enhanced structural adjustment facility (ESAF), a resounding success for Colonel Jammeh's administration. As well as providing a politically helpful vote of confidence, a new IMF financial package is also likely to help persuade other donors that The Gambia may once more be considered a suitable recipient of support. France, indeed, has already been quick to show its approval of the president in practical terms. The ESAF agreement is expected to prompt an increase in total aid flows by 1999 to around \$100m annually, their level before the 1994 coup.

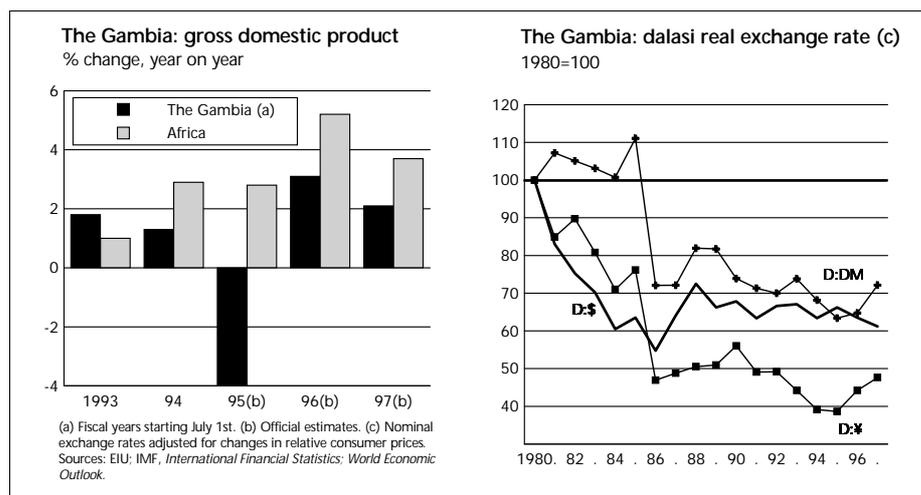
But its position remains precarious—

President Jammeh's position nevertheless remains less than secure, the vital support of donors being dependent on a more genuine display of commitment to the principles of good governance. Questions still hang over the conduct of the January 1997 election, with which he sought to legitimise the power he had seized from an elected civilian government two and a half years earlier. Even though there is new evidence that the government's human rights record has improved, non-governmental foreign organisations are still regularly releasing reports condemning the government for its continued harassment of the opposition and intimidation of the press.

—and worrying signs remain

As for the country's economic situation, a substantial financing gap may be expected throughout 1998. There are fears that a lack of official planning and

management expertise could cause spending to get out of control during the year. A report in late 1997 quoted local economists as saying that the authorities simply lacked the skill to implement the budget or the accompanying austerity measures. There is anecdotal evidence suggesting that corruption may be having a serious effect on some sectors. In addition, poor performance in the groundnut industry, the country's main export, and crossborder smuggling with Senegal are likely to continue, as long as the government fails to provide incentives for Gambian farmers to produce and sell in the country. The impending signing of a three-year ESAF with the IMF should, however, add momentum to much-needed macroeconomic and structural reforms, and the EIU believes that the government's GDP growth target of 3.2% should be attainable in 1998.



Review

The political scene

The president reshuffles
his cabinet—

The president, Colonel Yahyah Jammeh, named the former finance and economic affairs minister, Dominic Mendy, as minister for trade, industry and employment, in a cabinet reshuffle announced on March 3rd. Mr Mendy's former ministry was taken over, in a straight swap, by Famara Jatta, the outgoing trade, industry and employment minister. At the same time, Yankuba Touray, formerly minister for local government and lands, was appointed to the youth, sports, and religious affairs ministry, replacing Lamin Kaba Bajo who, in turn, replaced him at the local government and lands ministry. The replacement of Mr Mendy with Mr Jatta was thought to be directly linked to the unfolding negotiations with the Bretton-Woods institutions (see The economy).

—on his return home
from a successful visit to
France—

The president's unprecedented series of visits around Europe, North Africa and the Middle East dominated the political landscape of the country in the early months of 1998. Colonel Jammeh began his first official tour by spending four days in Paris at the end of February (1st quarter 1998, page 27), followed by visits to Italy and Morocco. The French secretary of state for co-operation,

Charles Josselin, described Colonel Jammeh's visit as "marking the recognition by France of the important institutional reforms that President Jammeh has launched and carried through since 1996, leading to the restoration of democratic values in the country, and thereby, the resumption of the relationships with the international community". Cultural, scientific, technical and economic co-operation agreements were signed, Colonel Jammeh favouring telecommunications, energy, fisheries, tourism and agriculture as the key areas. A further outcome of the president's visit to Paris was an invitation to attend the next Franco-African summit, due to take place in Paris on November 26th-28th.

The president took the opportunity during his visits to France and Italy to thank the two European governments for their continued support during "the period of transition", taken to refer to the period following his overthrow of Sir Dawda Jawara's elected democratic regime in July 1994, when his government was widely ostracised by Commonwealth governments, the United States and the main multilateral donors, and found itself desperately seeking friends elsewhere.

—where international and regional issues were discussed

With The Gambia taking up its seat as a non-permanent member of the UN Security Council in January 1998 (1st quarter 1998, page 27), Colonel Jammeh and the French president, Jacques Chirac, discussed matters of international concern likely to be on the Council's agenda. Concerning Iraq, the two countries greeted the successful visit of the UN secretary-general, Kofi Annan, to Baghdad on February 22nd, when the Iraqi leader, Saddam Hussein, agreed to co-operate fully with the UN Special Commission (UNSCOM) for weapons inspection.

They also conferred on the situation in Casamance, the rebellious southern province of neighbouring French-speaking Senegal, where Colonel Jammeh recently offered to mediate (1st quarter 1998, pages 24-25). "France is following with attention the efforts of countries in the region to co-operate in the search for a solution," said a statement from the presidential palace. President Abdou Diouf of Senegal was in Paris at the same time as Colonel Jammeh, by coincidence according to the Gambian president, as was President Bernardo Vieira of Portuguese-speaking Guinea-Bissau, which also has a border with Casamance.

Mr Jammeh gives assurance to Taiwan—

Meanwhile, President Jammeh was busy using his new influence at the UN to speak in favour of The Gambia's friends. In mid-February, during a visit to The Gambia's capital, Banjul, by Jason Hu, the Taiwanese foreign affairs minister, the president reaffirmed his firm commitment to Taiwan and promised to support its bid for acceptance as a member of the UN during his country's membership of the UN Security Council. Diplomatic relations with Taiwan were established in July 1995, prompting China to sever its connections with the Gambian government. Taiwan has since become an important donor to the country (3rd quarter 1995, page 20; 4th quarter 1995, page 23; 2nd quarter 1997, page 24).

—and argues Libya's case at the UN Security Council—

By virtue of the monthly rotating system of the Security Council's presidency, Colonel Jammeh took his turn as chairman of the Council in March. During his chairmanship, Colonel Jammeh gave his full support to the Libyan leader,

Muammar Qaddafi, during a debate on the validity of UN sanctions against Libya. The sanctions, imposed in 1992, were instigated by the UK and the US after Libya refused to surrender two of its nationals accused of being involved in the bombing of a Pan American aircraft over Lockerbie (Scotland) in 1988. Although it was said that the US and the UK received little support for their position during the session, the Council did not take any resolution regarding the affair. The Libyan foreign minister, Omar Mustafa al-Muntasir, commended The Gambia for giving Tripoli its full backing, when he met his Gambian counterpart, Lamine Sedat Jobe, in May. The Gambia has maintained a special relationship with Libya, a major donor to the country since Colonel Jammeh seized power in July 1994.

—before being directly solicited by Iraq

On May 14th the Iraqi foreign minister, Mohamed Said al-Sahhaf, visited The Gambia to seek its help in fighting the UN sanctions imposed on his country since 1990. The visit was part of an African tour, including Gabon and Kenya, which are also non-permanent members of the UN Security Council. A month before, on his return from a pilgrimage to Mecca, Colonel Jammeh had welcomed to Banjul the president of the Kuwait National Assembly, Ahmed al-Saadoun, who announced his intention of asking the Gambian president to insist on Iraq's full implementation of UN resolutions. During his visit to Paris, President Jammeh had called for a solution through "dialogue" of the current dispute with Iraq over UN weapons inspections.

New co-operation agreements are signed with the Arab world

Since seizing power in July 1994, Mr Jammeh has sought to proclaim his country's attachment to Islamic values by maintaining close relationships with the Arab world. In mid-March the president, accompanied by Susan Waffa-Ogoo, the minister of culture and tourism, and his finance minister Famara Jatta, paid a three-day visit to Libya, at the end of which a joint statement was released expressing "satisfaction at the development of the existing relationships of co-operation between the two countries". Two months later, a Libya-Gambia joint committee, led by the foreign ministers of the two countries, held sessions in Tripoli, where new co-operation agreements in the cultural, educational and scientific research fields were signed. The committee also discussed the establishment of an Arab Libya-Gambian bank, a project initiated by the two governments in March.

Meanwhile, Mr Jobe's visit to Algeria and Tunisia in early May marked the onset of new bilateral co-operation agreements between The Gambia and these two countries. In Algeria the Gambian delegation agreed to seek ways of promoting trade exchanges, encouraging technical co-operation and guaranteeing the follow-up of common projects; in Tunisia an agreement on economic, scientific, cultural and technical co-operation was signed. A business delegation from Iran arrived in The Gambia on May 13th to organise a ten-day trade fair in Banjul and prepare the ground for setting up footwear and plastics factories.

Security is discussed in Nigeria

In the first week of May, President Jammeh paid a two-day visit to Nigeria, where he met Nigeria's military ruler, General Soni Abacha, Ibrahim Baré Maïnassara, the president of Niger, and Ahmed Tejan Kabbah, the president of Sierra Leone who had been reinstated on March 10th nine months after being overthrown by the military. The leaders reaffirmed their commitment to the

Economic Community of West African States (ECOWAS) and held talks on issues affecting their countries and the subregion. As well as seeking ways of strengthening the relations between their two countries, General Abacha and Colonel Jammeh appealed to the members of ECOWAS for continued support for the Nigerian-dominated regional military force, the ECOWAS monitoring group (ECOMOG), by contributing troops to the organisation in its peacekeeping efforts in West Africa. In a demonstration of the close personal ties between the two men, the Gambian president congratulated General Abacha for his commitment to Nigeria's controversial programme of transition to democracy, which has been widely criticised inside the country and abroad.

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| Reports of intimidation continue | Officials from the Gambian immigration department, the National Intelligence Agency and members of the police broke into the premises of the independent <i>Daily Observer</i> on April 26th, arresting seven members of the newspaper's technical staff, including two Senegalese. The raid was said to be a reaction to the newspaper's coverage of the trial of Baboucar Gaye, the proprietor of the local radio station, <i>Citizen FM</i> . Mr Gaye was gaoled in February for having failed to pay his company's licence fees (1st quarter 1998, page 26). The immigration authorities, who have been keeping a constant watch on the newspaper since the incident, were said to have ordered some of the foreign staff, mainly from Sierra Leone and Liberia, not to return to work, even though, according to the <i>Daily Observer</i> , their official papers were in order. The seven detained were released without charge after four days but did not return to work, fearing further harassment. |
| Plans for a university are revived | The idea of a national university for The Gambia, mooted during the presidency of Sir Dawda Jawara, came closer to realisation, with the announcement on April 29th of the setting-up of a ten-member working group to be in charge of drawing up recommendations. The education minister, Satang Jow, said the group would begin work in January 1999 and had nine months to complete its task. |
| The police claim a major drugs seizure | The Gambian police were reported on March 30th to have seized seven lorries and five cross-country vehicles loaded with cannabis, after a raid on Jinak Island, 25 km upriver from Banjul. Police reported that suspects among the 25 people arrested at the scene—the island's entire male population—said that they expected to earn \$90 per kg for the cannabis which was to be sold to Senegalese dealers. The quantity of the drug seized was not revealed. |
| President Clinton names a new ambassador | The US President, Bill Clinton, announced on April 22nd his intention to nominate George Williford Boyce Haley, a brother of Alex Haley, the author of the best-selling novel <i>Roots</i> , as US ambassador to The Gambia. Mr Haley, a lawyer by profession, is currently vice-chairman of the US Postal Rate Commission. |

The economy

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| A new IMF programme is on the horizon— | Following an IMF staff mission to Banjul from March 14th to April 2nd, the government announced on April 23rd that a letter of intent had been drafted during the visit, the two sides agreeing a three-year enhanced structural adjustment facility (ESAF) to cover the period 1998-2000. Although the government |
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expected the agreement to be finalised in Washington in the first week of May, IMF officials told the EIU that the details of the package still needed fleshing out and that discussions were still under way. This will be the first package the IMF has granted Colonel Jammeh's government. The Bretton-Woods institutions, together with most of The Gambia's bilateral donors, halted their aid in 1994, in protest at the coup led by the then Lieutenant Jammeh (3rd quarter 1994, pages 20-24; 4th quarter 1994, pages 17-23). Although most donors subsequently resumed assistance, especially after the elections in 1996-97, the World Bank and IMF kept their distance. The last Fund agreement, a three year SDR20.52m (\$28m) ESAF, expired in November 1991.

—as the World Bank resumes aid—

In what all observers agreed was an event of great importance for The Gambia, the World Bank announced on April 1st that it had approved an \$18m credit to The Gambia, its first financial assistance package for the country in four years. The loan represents the bulk of the cost of a \$19.9m participatory health, population and nutrition project, the remaining \$1.9m to be met by the government. It is to be channelled through the World Bank's concessionary lending branch, the International Development Association (IDA), on the standard terms of a 40-year maturity, a ten-year grace period and a 0.75% interest rate.

—targeted on a family health programme

The project, which has been prepared in consultation with non-governmental organisations, community members and other donors, aims at improving health services in the country and is expected to have "far-reaching beneficial impacts on the health of The Gambia's most vulnerable populations, in particular infants, children, and women of reproductive age", according to the World Bank. As well as an education programme for involving local communities in grassroots policies aimed at improving basic health and nutrition, the project includes plans for upgrading and maintaining the existing health infrastructure, training healthcare workers, expanding family planning services, and an HIV/AIDS prevention programme.

The president seeks French investment

President Jammeh's visit to Paris (see The political scene) was the occasion for raising The Gambia's profile in Africa-centred sections of the French press, where opportunities for investors under the government's medium- and long-term economic plan, "Vision 2020", were highlighted. The presidential visit was expected to lead to contacts with such potential French investors as the telecommunication companies, Alcatel and France-Télécom, the textile organisation, Compagnie française pour le développement textile, the employers' organisation, the Conseil national du patronat français, as well as with French hotel chains. The electricity company, Electricité de France, and the oil company, Elf, are already well represented in The Gambia. France's main export credit finance organisation, the Compagnie française d'assurances pour le commerce extérieur, was, however, reported still to consider The Gambia in 1998 a "high" to "very high" commercial risk.

The Gambia has diversified its trading partners

According to the weekly Paris-based *Jeune Afrique*, The Gambia's total imports decreased by 31.6% to D1.62bn (\$158m) in 1997, with food accounting for a third of purchases. Total exports also decreased, though to a lesser degree, by 25% to D1.16bn mainly because of mounting difficulties in the groundnut

sector, the country's main export. Though trade exchanges with the UK, the former colonial power in The Gambia, have not fully recovered from the fall-out of Colonel Jammeh's coup in 1994, the country has strengthened its links with other European countries, notably France and Spain, and also with the US and Japan. New trading partners in South-east Asia have also emerged, including Indonesia, the Philippines and Thailand. Within the region, the country mostly imports from Senegal and Côte d'Ivoire, while Senegal together with Guinea-Bissau and Mali provide the main regional outlets for the country's exports and re-exports.

Foreign debt continues to rise

In its annual debt report, *Global Development Finance*, released in late March, the World Bank notes that The Gambia's total external debt in 1996 rose to \$452m, up from \$425m the year before. However, because of stronger export earnings in 1996 (\$226m compared with \$181m in 1995, according to the World Bank), the ratio of total debt to export earnings decreased from 235% to 200%. And with total debt servicing increasing slightly from \$19m to \$20m, the debt servicing/exports ratio similarly declined, from 14.7% to 12.7%. Even though the Gambia's total external debt, which amounted to roughly 115% of GDP in 1996, remains extremely burdensome, the country has never benefited from debt-relief or rescheduling arrangements. With financial assistance from multilateral institutions accounting for more than three-quarters of the country's total external debt, there is hope that the resumption of credit from the IMF could help the country qualify for the World Bank's heavily indebted poor country (HIPC) initiative, the first multilateral debt-relief programme launched by the Bretton-Woods institutions.

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; currently Maaouya Ould Sid'Ahmed Taya, re-elected in December 1997	
National government	The president and his appointed Council of Ministers; last reshuffle March 1998	
Main political parties	21 political parties are registered, the foremost of which are: Parti républicain démocratique et social (PRDS, ruling party); Action pour le changement (AC); Rassemblement pour la démocratie et l'unité (RDU); Union des forces démocratiques (UFD); Union pour la démocratie et le progrès (UDP)	
Key ministers	President	Maaouya Ould Sid'Ahmed Taya
	Prime minister	Mohamed Lemine Ould Guig
	Civil service, labour, youth & sports	Baba Ould Sidi
	Culture & Islamic affairs	Khattry Ould Jiddou
	Defence	Kaba Ould Elewa
	Education	Ahmedou Ould Moustapha Ould Senhoury
	Equipment & transport	Sghair Ould M'Bareck
	Finance	Camara Aly Gueladio
	Fisheries & maritime economy	Mohamed El Moctar Ould Zamel
	Foreign affairs & co-operation	Mohamed El Hacem Ould Lebatt
	Health & social affairs	Ba Diyé
	Information & relations with parliament	Rachid Ould Saleh
	Justice	Mohamed Lemine Ould Ahmed
	Interior, posts & telecommunications	Colonel Ahmed Ould Minnih
	Mines & industry	N'Gaidé Lamine Kayo
	Planning	Sid'El Moctar Ould Nagi
Rural development & environment	Abderahmane Ould Hamma Vezzaz	
Trade, crafts & tourism	Sidi Mohamed Ould Mohamed Vall	
Water & energy	Mohamed Salem Ould Merzoug	
Central Bank governor	Mahfoud Ould Mohamed Ali	

Economic structure

Latest available figures

Economic indicators	1993	1994	1995	1996 ^a	1997 ^a
GDP at market prices (UM bn)	116.2	124.9	138.6	151.8	166.1
Real GDP growth (%)	5.5	4.6	4.6 ^b	4.9	4.9
Consumer price inflation (%)	9.3	4.1 ^b	6.5 ^b	4.6	5.5
Population (m)	2.16	2.21	2.28	2.35	2.42
Exports fob (\$ m) ^a	392	401	473	472	460
Imports fob (\$ m) ^a	440	430	494	453	440
Current-account balance (\$ m) ^a	-89	-50	12	27	29
Reserves excl gold (\$ m)	44.6	39.7	85.5	141.2 ^c	200.8 ^c
Total external debt (\$ m)	2,174	2,329	2,467	2,351	2,410 ^d
External debt-service ratio (%)	30.1	24.4	21.5	19.6	17.5 ^d
Iron-ore exports ('000 tonnes)	9,737	10,342	11,514	11,158	11,145
Fisheries output ('000 tonnes)	313	196	287	366	220
Exchange rate (av; UM:\$)	120.8	123.6	129.8	137.3 ^c	151.7 ^c

June 5th 1998 UM177.40:\$1

Origins of gross domestic product 1996	% of total	Components of gross domestic product 1996	% of total
Agriculture & fishing	29.1	Private consumption	78.4
Mining	12.3	Public consumption	9.5
Manufacturing	3.8	Gross fixed investment	16.3
Services	33.5	Exports of goods & services	42.0
GDP at factor cost incl others	100.0	Imports of goods & services	-46.2
		GDP at market prices	100.0

Principal exports 1996	\$ m	Principal imports 1996	\$ m
Fish & fish products	267.0	Energy & mineral products	129.0
Iron ore	216.0	Food & agricultural products	116.0
Gold & gypsum	2.0	Machinery & equipment	67.0
		Consumer goods	22.0

Main destinations of exports 1996	% of total	Main origins of imports 1996	% of total
Japan	21.8	France	29.2
Italy	16.1	Algeria	9.9
France	13.9	Spain	6.9
Spain	9.1	China	6.5

^a Central Bank estimates. ^b IMF estimate. ^c Actual. ^d EIU estimate.

Outlook for 1998-99

The slavery row could
make new waves

Although President Maaouya Ould Sid'Ahmed Taya emerged from a new slavery incident in February with his image enhanced, the issue is nevertheless likely to remain high on the national agenda in the short to medium term.

One possible fallout from the slavery issue is the possibility of a government reshuffle. The Nouakchott rumour mill is operating at full steam with talk of the likely appointment of a Negro-Mauritanian to the post of prime minister. The president of the Senate, Deng Bouba Farba, has been mentioned as a likely candidate for the job. Mohamed Lemine Ould Guig, the incumbent prime minister appointed in December after President Ould Taya won the presidential election for another six-year term, has failed to put his stamp on the current administration, which has already undergone three reshuffles in less than six months. Now that the international donor community has expressed satisfaction with Mauritania's economic management, a more overtly political appointment would not be amiss and would reinforce the improving relations between the ruling Parti républicain démocratique et social (PRDS) and the populations of southern Mauritania. This reconciliation is being accelerated, in part, by the former main opposition party, the Union des forces démocratiques (UFD). By welcoming Arab nationalists recently sacked from the ruling party, the UFD leader, Ahmed Ould Daddah, risks further splitting the party and alienating its main sources of support, traditionally found in the riverine areas of the south.

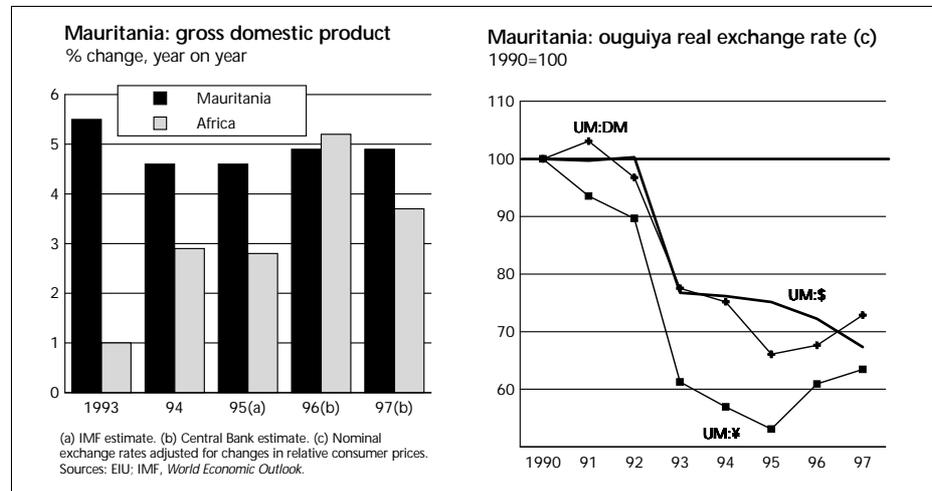
The government will
continue to please
donors—

The planning minister, Sid'El Moctar Ould Nagi, has high hopes of securing a fresh enhanced structural adjustment facility (ESAF) from the IMF in the near future. His new economic programme was discussed with Fund representatives in March, before it was presented to a group of donor institutions later that month. Already the World Bank and other potential lenders have approved much of the plan and, more important, committed several hundred million dollars to projects contained in the 1998-2001 public investment programme. This second-generation programme of reforms and projects is designed to consolidate achievements made up to now, and to boost economic growth to an average of 5.5% in each of the next three years. One major drawback facing the country is the size of the external debt, which accounted for 214% of GDP in 1996. Discussions with the Paris Club, due to take place in September, are, however, likely to lead to further debt forgiveness or rescheduling, and the Mauritanian authorities will surely seize the opportunity to argue their case for being included in the World Bank's heavily indebted poor countries (HIPC) initiative for multilateral debt relief.

—and press ahead with
essential reforms

One of the main planks of the new development strategy is the promotion of private-sector enterprises. Already the state mining company, Société nationale industrielle et minière (SNIM), is diversifying its activities, and other potential private investors are eyeing Mauritania in a favourable light. Telecommunications have been put on a commercial footing, prior to full privatisation, and structural reforms are in the pipeline to improve the legal framework for doing business. One possible source of doubt, however comes from the country's high dependence on two primary export commodities, fish and iron ore. Fish

stocks are declining, and the annual catch recorded in 1997 was significantly lower than in previous years (although fish export earnings for 1997 have been largely maintained owing to price movements). The government is attempting, with donor assistance, to reorganise the fisheries sector to increase its value-added. The task will not be easy—the sector has been a sacred cow for political reasons—but several of the less scrupulous operators have been encouraged to leave the sector, and financial controls have been strengthened.



Review

The political scene

Partial election confirms the supremacy of the PRDS—

The ruling Parti républicain démocratique et social (PRDS) confirmed its political domination of Mauritania in mid-April, winning 17 out of the 18 Senate seats up for re-election. Senators are elected for a six-year term of office, with one third of the Senate being renewed every two years by an electoral college comprising the local councillors of the regions concerned. Following their boycott of the presidential election of December 1997, most opposition parties refused to put forward any candidates, with the exception of the moderate wing of the Union pour la démocratie et le progrès (UDP), which is now allied to the PRDS, its party leader, Hamdi Ould Moukness, serving as presidential adviser within the government (3rd quarter 1997, page 33; 1st quarter 1998, page 36). Independent candidates contested six of the senatorial seats and won that of Djiguéni in south-eastern Mauritania. A senator to represent the interests of Mauritians living in Europe was selected by his peers.

—and President Ould Taya thanks his electorate

Mauritania's president, Maaouya Ould Sid'Ahmed Taya, travelled to the eastern Hodh el Charghi province in mid-May to thank those who voted for him in the presidential election (the region scored one of the highest pro-Taya votes in the country). Speaking to a crowd in Néma, the provincial capital, he outlined the achievements of his government to date and explained the main aims of economic strategy for the next four years, the broad aim of which is to

reduce unemployment and improve the living standards of every Mauritanian. Commenting on the donor community's decision to grant sizeable funds to Mauritania (see Economic policy), he said that \$300m would be earmarked for anti-poverty projects; \$107m will be spent on improving basic social services, literacy, water and aiding those less fortunate; \$79m on food sufficiency programmes and improving the environment; \$47m on combating unemployment; \$17m on economic projects favouring women; \$9m on aid to non-governmental development agencies; \$1.6m on encouraging the development of credit and saving funds; and \$17m on implementing and overseeing the plan.

Meanwhile, rifts within the opposition UFD deepen—

The Union des forces démocratiques (UFD) continues to lose influence in Mauritania. Once the main party opposition to the PRDS, the coalition party has witnessed a steady erosion of its influence and support over the past five years. Members dissatisfied with the leadership of the party and their systematic boycott of elections (with consequently no chance of even minor participation in constitutional political institutions) drifted away to form the Union pour la démocratie et le progrès (UDP) in 1993 and the Action pour le changement (AC) in 1995. The Mouvement national démocratique (MND), which is the principal component of the coalition, is now reconsidering its role in the UFD. Moustapha Ould Bedreddine, leader of the MND and deputy secretary-general of the UFD, was displeased with the unilateral decision taken by Ahmed Ould Dada, the UFD leader, in mid-March, to accept into the party Arab nationalists who had been excluded from the PRDS (4th quarter 1997, page 33). Mr Bedreddine called on Mr Ould Dada to resign from the UFD, saying that his faction "will not be part of an executive bureau that will admit a group that is opposed to our party's orientations". The MND had already threatened to quit the UFD in mid-1997 (2nd quarter 1997, page 31).

—and the newly created Front populaire establishes itself

Ch'bih Ould Cheikh Melainine, the runner-up in the presidential election in December 1997 (1st quarter 1998, page 34), was sworn in as president of the newly-created Front populaire (FP) in early April. The party, created by Mr Melainine during the election, claims to be "socio-liberal" in its orientation and says it will form part of the opposition to the PRDS. Mr Melainine said he favoured loose co-operation between the opposition parties. The FP called for the immediate dissolution of parliament, saying it was ready to contest fresh elections.

Mr Melainine, a former minister of planning, won a low 7% of the overall national vote in the presidential ballot. In urban areas, he scored much better, however, receiving a respectable 36.2% of the vote in Mauritania's capital, Nouakchott, and 47.7% in Mauritania's second city, Nouadhibou. He is the spiritual leader of the prominent Qadriya Islamic brotherhood.

Army bandsmen killed in aircrash

Three senior officers and 26 members of the army band accompanying the president on his trip to eastern Mauritania in mid-May were killed when their aircraft crashed. Seven civilians also died in the accident; there were two survivors. The Buffalo military transport aircraft lost all power less than one minute after take-off from Néma airport and burst into flames when it hit the ground.

The ageing aircraft was of the same type as that which crashed in 1979 carrying the then prime minister and strong man of Mauritania, Colonel Ould Bouceif.

Another cabinet reshuffle takes place

President Ould Taya named a new minister for the key portfolio of fisheries and maritime economy in mid-March. An official statement quoting a presidential decree, said that Mohamed El Moctar Ould Zamel was taking over the job from Abdesselam Ould Mohamed Saleh. Mr Zamel, who served as minister under different military regimes between 1978 and 1981, was head of the National Social Security Fund in 1989-92 before becoming head of the national statistical office in 1996. Mr Saleh's removal (rumours say he resigned his job) followed the government's refusal to accept his recommendation that the share of foreign owners' fishing proceeds going to Mauritians should be increased from 20% to 33% and to change some senior officials at the fishing ministry. Fisheries are Mauritania's top foreign currency earner ahead of iron ore exports. At the same time, Aichetou Mint M'Heiham was dismissed as secretary of state for women's affairs. She was replaced by Mintate Mint Hadeid. The reason for the change was not immediately clear, although the two are members of different factions within the PRDS's women's movement. This brings to four the number of cabinet members appointed last December who have lost their posts for unspecified reasons.

Also nominated to a key post is Memed Ould Ahmed, a former presidential adviser, who takes over as commissioner for food security following the death of Ahmed Ould Zein, a former governor of the Central Bank who suffered a heart attack in late February. Mr Ahmed is thus fully rehabilitated after a two-year period in political limbo following his arrest and imprisonment for activities within the Baathist movement.

The president again denies the existence of slavery in Mauritania—

President Ould Taya travelled to France on a private visit in early March. Interviewed on French television, he denied the existence of slavery in his country, adding that the practice had been outlawed since 1980. He said that those arrested and tried in connection with the French television programme about slavery in Mauritania, broadcast in January, had been treated in accordance with Mauritanian law and had enjoyed the right to defence as in all law-based countries. He said they had been convicted of belonging to unauthorised organisations and of telling lies about the country. While in France, Mr Ould Taya met his French counterpart, Jacques Chirac, for discussions about bilateral relations.

—while granting a pardon to human rights activists

The four human rights activists, who received 13-month jail sentences in late February following the broadcasting of the slavery documentary (1st quarter 1998, page 37), launched an appeal against their sentence in mid-March. Cheikh Saad Bouh Kamara, the chairman of the Mauritanian Human Rights Association (AMDH), and Boubacar Ould Messaoud, the president of SOS-Esclavage, had both been convicted of belonging to, as well as establishing, unauthorised associations and of propagating false allegations. Mr Messaoud had also been convicted of illegal publication abroad of a documentary on slavery in Mauritania. Two lawyers, Brahim Ould Ebeti and Matimata Mbaye, had also been found guilty, and a fifth activist, Jamal Abdelnasser Ould Othman, had been sentenced *in absentia*. The Nouakchott

Appeal Court refused to overturn the earlier verdict and confirmed the imposition of prison sentences and fines of UM30,000 (\$169).

Nevertheless, a few hours after the Court of Appeal confirmed the sentences, President Ould Taya granted a total remission of sentence for the five convicted activists. This was no big surprise as presidential pardons have become common in political cases in Mauritania. All those convicted and sentenced for participating in alleged coup plots in the past few years have had their sentences reduced or waived after appeals were turned down. One further reason was the coincident visit of the US president, Bill Clinton, to the Senegalese island of Gorée, the final departure point for thousands of slaves transported to the West Indies and southern United States, and discreet hints from the US Embassy in Nouakchott that some suitable gesture might be well received.

Press censorship continues

Two independent newspapers that regularly fall foul of the Ministry of the Interior for breaching Article 11 of the law on press freedom have once again suffered censorship and seizure of their publication. *La Tribune* and *Le Calame* both lost print runs in early May. As usual the ministry gave no reason for its actions, but it was thought to be connected to coverage of the trial and appeals of the human rights activists. In the face of continued harassment by the authorities, Bah Ould Saleck, editor of the daily *Mauritanie nouvelles*, suspended publication in January for an indefinite period (1st quarter 1998, page 36).

The OMVS holds its 12th summit—

The thorny subject of re-organising the Senegal River Development Organisation, better known under its French acronym, Organisation de la mise en valeur du fleuve Sénégal (OMVS), was finally settled in late April, when the Mauritanian president and his Malian and Senegalese counterparts, Alpha Oumar Konaré and Abdou Diouf, met in Bamako, the Malian capital, to attend the 12th OMVS summit. Although Mauritania has lost the top job of High Commissioner (now held by Cheikhna Seidi Diawara of Mali), two of the six Mauritians who were laid-off in January have been reinstated and responsibility for the OMVS Technical Directorate has been given to a Mauritanian. The 45th session of the OMVS Council of Ministers held in late February, following the sacking (and arrest) of the Mauritanian High Commissioner, Baba Ould Sidi Abdalla (1st quarter 1998, page 38), had failed to reach agreement, because of differences between Dakar and Nouakchott over the abolition of the OMVS directorate for development and co-ordination, headed by a Mauritanian.

—where encouraging progress is reported

Three particular matters were raised during the summit.

- The energy programme is well under way, with the installation of hydro-electric turbines at the Manantali dam in Mali and a distribution network to supply electricity to the three member states (the project is due to come on stream by 2000 in Bamako and by 2001 in Dakar and Nouakchott).
- The navigation programme should from now on top the OMVS agenda. It was agreed that, in order to increase goods and passengers traffic on the river, transport legislation should first be harmonised between the three countries. The completion of the Diama dam in Senegal should make sections of the river navigable throughout the year.

- Progress has been made in establishing two holding companies for the Manantali and Diama dams, Sogem and Soged (Société de gestion de Manantali and Société de gestion de Diama).

The OMVS faces a serious funding problem and the World Bank and IMF have repeatedly called for a rationalisation of the organisation. An OMVS budget discussion, held just before the ministerial meeting, appealed to the three states to fulfil their financial obligations, failing which the High Commission and the project management authorities would be unable to function as intended.

Mauritanian refugees
clash with locals in
Senegal

Disputes between local residents and Mauritanian refugees camped in the Senegalese Kidira district, south of the Mauritanian town, Sélibaby, turned violent in early April. In one incident, villagers attacked refugees whom they accused of raiding their settlements in search of food. Three Mauritians died in the incident, which provoked reprisals as refugees attacked a bus, killing the driver and wounding several passengers. The Mauritanian authorities deny the existence of refugees at the border, saying that all Mauritanian citizens living in Senegal are free to come and go at will. What is at question, for those living on the Senegalese side of the frontier, is the restitution of their rights and property. One significant difficulty facing many, who have no valid papers, is their inability to prove their nationality to the satisfaction of the Mauritanian authorities. Thousands of Negro-Mauritians fled their country in 1989, fearing reprisals for attacks on Moorish traders in Senegal.

In early May the interior ministers of Mauritania, Mali and Senegal met in Nouakchott to review progress in settling regional differences. They approved various recommendations aimed at strengthening trilateral ties and praised the atmosphere of security and stability enjoyed by the nationals of their three states. Senegal and Mauritania have been trying to resolve the situation at their border as quietly as possible since the renewal of full diplomatic relations in 1992. In 1995-96 the UN High Commissioner for Refugees ceased all supplies of food and assistance to the refugee camps, the existence of which is more or less overlooked by the Senegalese authorities. There are allegedly still some 13,000 "forgotten" people living in makeshift camps in Senegal and Mali.

A human rights activist is
expelled from Senegal

Cheikh Saad Bouh Kamara, arrested in mid-January, convicted of anti-slavery activism and subsequently amnestied (see above), was detained in Dakar in early April and expelled from Senegal. His arrest occurred shortly after a news conference on the persistence of slavery in his country. According to the chairman of the Senegalese human rights defence organisation, Sidiki Kaba, the authoritarian display by the Senegalese government was part of a strategy of "normalising" relations between the two countries. In his view, the decision was arbitrary, as Mr Kamara had committed no offence on Senegalese territory. Had this been the case, the judicial authorities would have been involved. He stated that Mr Kamara in particular and Mauritanian refugees in Senegal in general have become victims of realpolitik as the Senegalese authorities strive to improve relations with Mauritania. "They [the Senegalese government] do not want to offend their Mauritanian counterparts while more important problems need to be resolved," Mr Kaba said, citing the growing row about water

resources, threatened by Senegalese plans to divert river water into the Vallées Fossiles (see Senegal, pages 17-18).

The referendum in Western Sahara is delayed

Mauritania is growing more and more concerned about events along its northern border. Charles Dunbar, the UN special envoy for Western Sahara, met President Ould Taya in early March to brief him about the evolution of the UN settlement plan for Western Sahara. He said that the referendum on self-determination, originally scheduled for December 7th 1998, would not take place before early 1999 because of delays in the process of registering eligible voters. The Western Saharan nationalist front, the Frente Popular para la Liberación de Saguia el-Hamra y Río d'Oro (Polisario), has been seeking independence from Morocco since 1975, when Spain ceded the territory to joint Mauritanian-Moroccan administration. Mauritania renounced its claims in 1979. The Sahrawi Arab Democratic Republic (SADR), which was self-proclaimed in 1976, has been recognised by some 71 countries.

The opposing sides differ in their explanations for the delay. According to the Moroccan authorities, registration centres in Tindouf and other refugee camps have been flooded with "bogus" applications from people unqualified to participate in the referendum, with "mercenaries" from Mali, Niger and Mauritania "queuing at the registration centres to cheat the vigilance of the Moroccan observers". Meanwhile, the Polisario Front has expressed deep concern about the worsening situation of the Sahrawi people in the "occupied territory", claiming that Morocco is deliberately obstructing the voter identification process "to tire the UN and the Sahrawi people and to cause them despair".

Mauritania and Tunisia forge closer ties

The Mauritanian prime minister, Mohamed Lemine Ould Guig, signed a number of bilateral co-operation agreements with his Tunisian counterpart, Hamed Karoui, at the seventh session of the Tunisian-Mauritanian higher joint committee in late March. The agreements include a protocol on technical and scientific co-operation in the areas of agriculture and conservation of natural resources, a medical education exchange accord (with Tunisian lecturers to visit Mauritania), and a trade package. Both government leaders stressed the strong ties and excellent relations between Mauritania and Tunisia, saying they would help to build the Arab Maghreb Union (AMU, the economic union between Algeria, Libya, Mauritania, Morocco and Tunisia), which has been dogged by political disagreements almost since its creation in 1989.

Arab-African business conference held in Nouakchott

The second Arab-African Partnership Conference took place in Mauritania in mid-May. The conference was attended by more than 300 Arab, African, European and international businessmen who exchanged ideas about economic development and co-operation.

Economic policy

The World Bank praises Mauritania's performance—

The international donor community, meeting at the Paris offices of the World Bank in late March, gave Mauritania a resounding vote of confidence. Hassan Tuluy, leading the World Bank delegation, said that the sustained efforts by Mauritania merited continuing support by the international community. He

noted that reforms undertaken under the IMF's enhanced structural adjustment facility (ESAF) programme adopted in 1995 were starting to bear fruit, bringing significant improvements to Mauritania's overall macroeconomic situation. Average real GDP growth was estimated at roughly 5% per year since 1996, while budget deficits had been eradicated and inflation kept under control. At the same time the general business climate was vastly improved, new regulations having boosted investor confidence as witnessed by a number of recent expressions of interest.

—and a new public investment programme is submitted to donors—

The minister for planning, Sid'El Moctar Ould Nagi, presented to the meeting Mauritania's recent economic performance and the medium-term public investment programme for 1998-2001. He stressed the need for continued international support of Mauritania's reform programmes, which he described as second-generation in view of the successes achieved in earlier periods. Four primary objectives were identified:

- administrative improvement, including the modernisation of public administration, better policy analysis, greater administrative efficiency, more efficient use of public resources and an increase in the resource base (broadening, diversifying and simplification of the tax net);
- improving the general economic, judicial and legal climate in order to promote private-sector activity—measures include the revision of the investment code (due in 1998, notably to promote exports), the promulgation of new arbitration and civil codes (currently before parliament) and the modernisation of the judicial system (with World Bank assistance);
- reducing poverty in Mauritania, by continuing the strategy adopted in 1994 (with better targeting of programmes), increasing incentives to direct investment in employment-creating activities (notably micro-projects) and improving statistical techniques in order better to identify target social groups (notably stressing the role of women in society); and
- healthy and sustainable development of the country's natural resources, with improved fisheries surveillance and the promotion of artisanal activities (to boost local employment and value-added onshore by the fishing sector), the development of rural activities (product diversification, institutional reform, improved farm credits, reform of the system of land tenure and better management of water resources and the environment).

—who concede an extra \$430m

The 12 bilateral donors and 14 multilateral institutions gathered in Paris promised concessional funds to back the three-year investment programme, estimated by the Mauritians to cost some \$780m. According to the minister for planning, \$350m of the amount required for the public investment programme was already committed (\$80m of it by the Mauritanian government) and the whole of the remainder (\$430m) had been promised. The World Bank is a major source of support for Mauritania. Various loans and credits amounting to \$621m had been approved as at the date of the meeting, of which \$174m was allocated to current programmes.

Mauritania: current World Bank projects
(\$ m)

Project	Credits
Public-sector enterprise development	10.0
Population & health	15.7
Small-scale building industry development	12.0
Professional education & technical training	12.5
Agricultural services	18.2
Private-sector capacity building programme	7.2
Decentralisation of urban infrastructure	14.0
Management of public resources	20.4
Management of natural resources in the riverine area	18.0
Regional hydroelectricity scheme	11.1

Source: World Bank.

New details for the 1998 budget are released

The 1998 consolidated budget (central government resources plus external grants and loans) amounts to UM67bn (\$378m) in revenue and UM67.1bn in expenditure. It maintains the rigorous attitude adopted towards public finances over the past few years and is likely to result in a slight surplus, given the strong possibility of further debt relief from the Paris Club, on which discussions are due in September. Furthermore, as part of the funds resulting from the EU fisheries agreement are effectively sterilised (not included in the budget) the true picture is remarkably healthy. Nevertheless, external assistance in the form of grants and credits still accounts for the bulk of the amount devoted to investment (38.7% of the consolidated budget). The budget makes some changes to the tax system, modifying the methods of value-added tax recovery and repayment, and raising import duties on a range of luxury goods, notably that on tobacco products which rises from 30% to 45%. Other changes affect capital goods amortisation rates and vehicle taxes (annual licences and driving permits).

The telecommunications sector is partly privatised

The American telecommunications company, Harris, took a 33% stake in the telephone branch of the Mauritanian Office des Postes et Télécommunications (OPT), which was partly privatised in early April with support from the World Bank and the IMF. Harris, which undertook the installation of the Domsat satellite earth stations in Mauritania, is the major foreign shareholder in the new venture. The remaining shares remain in state hands pending full privatisation. The OPT has been reorganised in three distinct units: one dealing with postal services (retained by the state); one handling basic telephone services (now "commercialised" with a view to eventual privatisation); and a private company (due to be floated in the near future) dealing in added-value services, such as cellular telephones.

Mauritania: central government budget

	1997		1998		% change 1997-98
	UM m	% of total	UM m	% of total	
Total expenditure	40,950	100	45,479	100	11.0
Government expenditure	22,506	54.9	25,100	55.2	11.5
Public debt servicing	13,539	33.0	15,394	33.8	13.3
of which:					
external debt	12,379	30.2	13,972	30.7	12.8
Investment	3,700	9.0	3,430	7.5	-7.0
Total revenue	41,862	100	45,296	100	8.2
Fiscal receipts	26,058	62.2	29,218	64.0	12.1
of which:					
taxes on incomes & profits	8,250	19.7	9,337	20.6	13.1
taxes on goods & services	11,655	27.8	13,869	30.6	20.0
customs receipts	5,600	13.3	5,375	11.8	-4.0
Non-tax receipts	14,140	33.7	14,044	31.0	-1.0
of which:					
fishing licences	10,510	25.0	10,910	24.0	4.0
debt conversion	1,550	3.7	1,276	2.8	-18.0
public-sector royalties	500	1.2	570	1.2	14.0

Source: Poste d'expansion économique, French Embassy, Nouakchott.

Mining and water

Granite mining project is given the go-ahead

One of the best projects presented to the West African regional mining forum held in Accra in early April was that of the Mauritanian iron ore mining and processing company, Société nationale industrielle et minière (SNIM), which is seeking partners to develop a granite quarry close to Choum, 70 km north of Atar on the rail line from Zouérate to Nouadhibou. The EU's Centre for the Development of Industry is backing the scheme, which needs \$2m to get off the ground and is being looked at by several potential European backers, including the European Investment Bank and Italian quarrying companies. SNIM's contribution to the venture would be primarily logistic, as it has no intention of diversifying from its iron-ore business. All other ventures started by SNIM, such as hotels and tour operators, road construction, gypsum quarrying and plaster manufacturing, have all been spun-off as discrete ventures, even though SNIM retains a financial interest.

Nouadhibou port to receive larger bulk carriers

SNIM has secured \$7.7m from the EU's Sysmin fund, which under the Lomé Convention helps African, Caribbean and Pacific (ACP) countries maintain mining production levels, to start a major dredging operation at the port of Nouadhibou. Officials announced in early May that a Dutch company, Ballast Nedam, had won the contract to increase the depth of water alongside quays and in the turning basin to 17 m, thereby allowing larger bulk ore carriers to use the port. The project will ease congestion at Nouadhibou and, with improved on-shore handling facilities, allow a slight expansion of SNIM's export capacity.

Rex is confident of a major diamond find

After being granted a third diamond prospecting concession in the Tenoumer region in February, the Canadian-based Rex Diamond Mining Corporation announced that it had subsequently been granted a permit for exploration in April. Rex has high expectations of installing a drilling rig or hydraulic excavator by mid-1998. According to the trade paper, *International Diamond Publication*,

Rex Diamond continues to announce ever better prospects for its three sites, which together cover 72,000 sq km of the Mauritanian desert. One large area contains numerous pyrope garnets and several magnetic anomalies indicating the likely presence of a kimberlite (diamond-bearing) ore body (1st quarter 1998, page 41). The Canadians will soon be joined by prospectors from Australia and France: Ashton Mining and La Source have been granted franchises to seek for diamonds in different parts of northern Mauritania.

A regional water management body is to be formed

Thirteen West African countries met in Burkina Faso's capital, Ouagadougou, in mid-March to discuss the sensitive question of water resource management in the region. Most members of the Economic Community of West African States (ECOWAS)—Cape Verde, Côte d'Ivoire and Sierra Leone were missing—were represented, and agreed to set up an interministerial committee to co-ordinate national water management policies, and to study ways of implementing various conference recommendations. These include the creation of a regional framework for co-operation and harmonisation of national regulations, the establishment of protocols for neighbouring states jointly to manage shared water basins, the elaboration of regional and national strategies to mobilise investment in water production and purification in order to meet increasing demand, and the provision of effective management tools and capacities. The West African meeting preceded a UN-sponsored meeting on global water resource management, held in Paris, and allowed the African countries to present a united front.

Banking

The World Bank supports a private Mauritanian bank

The soft-loan private-sector lending arm of the World Bank, the International Finance Corporation (IFC), has agreed to invest \$4.2m in the Générale de Banque de Mauritanie (GBM), the first private commercial bank in the country, established in 1995. The IFC will take a 5% stake amounting to \$200,000 in GBM's share capital and provide a medium-term credit for up to \$4m. A 30% stake is held by Banque Belgoise, a Belgian bank with extensive interests in Africa, and the remaining 65% is held by a consortium of local investors. GBM supplies full banking services, with a strong focus on trade and project finance. This is the second investment the IFC has made in the Mauritanian banking sector over the past nine months. A loan of \$14m agreed last August has already been fully disbursed to the banking sector. The IFC funds are complementary to the World Bank programme designed to broaden and deepen the financial network in Mauritania.

Foreign trade and payments

Balance of payments strengthens in 1996

Mauritania's overall balance of payments recorded a surplus of \$56m in 1996, according to figures recently published by the Central Bank. This represents an improvement on the \$40m surplus achieved in 1995 and is due to strong export growth, outstripping the rate of growth of imports, and despite increased payments to service the national debt.

Mauritania: balance of payments
(US\$ m at current exchange rates unless otherwise indicated)

	1995	1996	% change
Exports of goods & services ^a	502.0	588.6	17.3
Imports of goods & services	-496.0	-558.7	12.6
Balance	6.0	29.9	398.3
Debt service paid	-115.9	-124.7	7.6
Principal	-68.7	-79.8	16.2
Interest	-47.2	-44.9	-4.9
Balance excl grants	-109.9	-94.8	-13.7
Public grants	60.5	117.5	94.2
Balance incl grants	-49.4	22.8	-
Borrowing	109.0	114.7	5.2
Other net capital	-19.9	-81.9	311.6
Overall balance	39.7	55.6	40.0
Memorandum items			
Gross official reserves	118.8	249.4	109.9
Import cover (months)	4.1	5.7	39.0

^a Including fishing licences.

Source: Poste d'expansion économique, French embassy, Nouakchott, .

The World Bank announces a new loan in the health sector

The International Development Association (IDA), the World Bank's concessional lending branch, has approved a credit worth \$24m to finance a health sector investment project in Mauritania. The project, part of the Mauritania health sector programme (MHSP) for 1998-2002, aims to boost preventive healthcare practices and expand the population's use of health facilities by providing more mobile clinics and local health centres. The IDA credit will also finance a demographic census to assess the current health status and needs of Mauritians. It will be on the standard terms of a 40-year maturity, a ten-year grace period and a 0.75% interest rate. The MHSP, at a total cost of \$191.6m, is also to be financed by the Mauritanian government (\$75.8m), the beneficiaries (\$19.4m), and by other donors (\$72.4m) including the African Development Bank, the European Union and French and German development agencies. It aims at providing better, more accessible and affordable health care to Mauritians. According to the World Bank's latest African development indicators, 30% of children under five years of age suffer malnutrition in Mauritania, and nearly one in ten children born will not live to see its first birthday.

Other aid agreements

Recently announced aid agreements not covered elsewhere in the report include the following.

- The Islamic Development Bank (IDB) has provided \$7.5m for road development, taking the total IDB portfolio in Mauritania to \$147m.
- Germany is providing \$2.2m towards an integrated natural resource management programme in eastern Mauritania.

Quarterly indicators and trade data

Senegal: quarterly indicators of economic activity

		1995		1996				1997			
		3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr
Prices: Dakar	Monthly av										
Consumer prices:	1990=100	143.0	144.3	139.5	140.4	146.3	146.0	144.2	143.0	146.3	148.7 ^a
change year on year	%	5.7	4.3	4.1	3.5	2.3	1.2	3.4	1.9	0.0	n/a
Money & banking	End-Qtr										
M1, seasonally adj:	CFAfr bn	314.2	308.4	312.1	307.3	326.8	334.3	329.7	321.5	319.2	332.5
change year on year	%	n/a	3.2	5.5	9.0	4.0	8.4	5.6	4.6	-2.3	-0.5
Discount rate	% per year	8.50	7.50	7.50	7.50	7.00	6.50	6.25	6.25	6.25 ^b	n/a
Foreign trade ^c	Qtrly totals										
Exports fob	CFAfr bn	83.26	52.09	81.46	80.50	91.85	81.02	95.74	95.78	103.87	95.14
Imports cif	"	127.90	177.57	205.74	202.40	216.03	224.05	242.69	220.31	240.03	236.50
Exchange holdings	End-Qtr										
Central bank:											
gold ^d	\$ m	8.4	8.4	8.7	8.5	8.4	8.2	7.6	7.5	7.0	6.9 ^e
foreign exchange	"	277.4	266.2	287.1	233.9	277.6	284.8	347.2	297.7	394.1	384.0
Exchange rate											
Official rate	CFAfr:\$	491.5	490.0	503.2	515.3	517.2	523.7	564.4	587.8	593.3	598.8 ^f

Note. Annual figures for most of the series shown above will be found in the Country Profile.

^a Average for October-November. ^b End-August. ^c DOTS estimate, figures are subject to revision. ^d End-quarter holdings at quarter's average of London daily price less 25%. ^e End-November. ^f End 1-Qtr 1998, 618.5.

Source: IMF, *International Financial Statistics*.

The Gambia: quarterly indicators of economic activity

		1995	1996				1997				1998
		4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr
Prices	Monthly av										
Consumer prices:	1990=100	139.2	138.9	136.4	140.5	141.4	141.7	143.7	145.0	142.3	n/a
change year on year	%	5.1	3.2	0.1	-0.4	1.6	2.0	5.4	3.2	0.6	n/a
Money	End-Qtr										
M1, seasonally adj:	D m	473.4	491.3	454.1	474.1	456.2	449.9	549.3	521.6	633.2	585.1 ^a
change year on year	%	16.0	22.0	2.0	5.4	-3.6	-8.4	21.0	10.0	38.8	n/a
Foreign trade	Qtrly totals										
Exports fob	D m	18.90	n/a	97.08	28.69	9.47	15.28	17.47	n/a	n/a	n/a
Imports cif	"	358.66	n/a	875.40	583.83	387.36	413.81	347.77	n/a	n/a	n/a
Exchange holdings	End-Qtr										
Monetary authorities:											
foreign exchange	\$ m	103.81	110.73	102.07	100.27	99.71	93.25	96.54	81.29	93.92	94.49 ^b
Exchange rate											
Market rate	D:\$	9.640	9.700	9.790	9.810	9.892	10.015	10.300	10.452	10.530	10.553 ^b

Note. Annual figures for most of the series shown above will be found in the Country Profile.

^a End-January. ^b End-February.

Source: IMF, *International Financial Statistics*.

Mauritania: quarterly indicators of economic activity

		1995	1996				1997				1998
		4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr
Prices	Monthly av										
Consumer prices ^a :	1990=100	144.0	145.2	146.1	149.0	150.8	152.2	152.9	155.2	n/a	n/a
change year on year	%	6.4	4.9	4.3	4.7	4.7	4.8	4.7	4.2	n/a	n/a
Money	End-Qtr										
M1, seasonally adj:	UM m	18,707	18,591	17,646	17,571	16,763	16,754	17,058	17,598	18,235	18,022 ^b
change year on year	%	-7.9	-4.9	-10.4	-10.7	-10.4	-9.9	-3.3	0.2	8.8	n/a
Foreign trade ^c	Annual totals										
Exports fob	\$ m	575	(573)	(n/a)	n/a	n/a	
Imports cif	"	638	(636)	(n/a)	n/a	n/a	
Exchange holdings	End-Qtr										
Foreign exchange	\$ m	85.4	87.3	110.8	108.3	139.8	153.6	162.5	225.8	200.4	202.4 ^b
Exchange rate											
Market rate	UM:\$	137.11	136.21	139.80	138.16	142.45	144.59	149.27	160.22	168.35	173.46 ^b

Note. Annual figures for most of the series shown above will be found in the Country Profile.

^a Mauritanian households. ^b End-February. ^c DOTS estimate.

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

Senegal: foreign trade

	\$ '000			
	Jan-Dec 1990	Jan-Dec 1991	Jan-Dec 1992	Jan-Dec 1993
Imports				
Dairy products	46,490	41,737	60,605	70,375
Cereals & products	180,544	115,011	112,710	126,051
Fruit & vegetables & preparations	30,040	24,753	23,127	24,352
Beverages, tobacco & manufactures	29,334	15,303	13,060	14,120
Mineral fuels	258,680	120,418	103,415	103,893
of which:				
crude petroleum	248,628	91,437	79,441	84,129
Animal & vegetable oils & fats	33,186	50,056	52,132	63,915
Chemicals	157,626	155,127	151,023	134,104
Manufactured goods	259,763	168,130	190,318	175,537
of which:				
textile yarn, cloth & manufactures	45,534	28,620	34,258	24,320
iron & steel	64,911	39,688	49,180	51,948
metal manufactures	51,875	34,161	31,904	30,856
Machinery incl electric	235,195	177,720	185,730	168,970
Transport equipment	109,294	71,311	85,368	83,415
of which:				
road vehicles	102,329	66,659	80,890	79,924
Total incl others	1,620,419	1,096,951	1,172,453	1,139,203
Exports fob				
Fish & products	216,041	215,256	186,875	143,623
Oilseed cake	35,366	17,451	18,889	11,889
Cotton, raw	9,533	20,248	27,409	27,210
Phosphates, mineral	56,962	43,926	66,434	51,166
Salt	7,820	7,625	10,337	9,193
Mineral fuels	96,768	104,390	80,284	87,445
Groundnut oil	129,980	69,534	55,040	33,722
Chemicals	116,680	95,110	127,506	103,819
Machinery & transport equipment	18,470	13,695	21,805	9,328
Total incl others	782,600	652,208	683,031	605,102

continued

	\$ m					\$ m			
	Jan-Dec 1993	Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996 ^a		Jan-Dec 1993	Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996 ^a
Exports fob					Imports cif				
France	206	80	59	164	France	374	300	387	594
India	68	67	136	149	Spain	34	47	42	93
Italy	31	22	38	69	Nigeria	65	39	78	86
Mali	27	41	45	53	Germany	37	28	60	80
Spain	14	12	2	33	US	59	44	70	61
Côte d'Ivoire	13	8	8	20	Italy	43	55	43	60
UK	3	10	5	19	UK	14	20	22	60
Japan	8	4	2	17	Côte d'Ivoire	49	34	32	59
Benin	10	3	13	16	India	3	3	44	54
Brazil	1	n/a	2	15	Belgium-Luxembourg	28	33	38	49
Morocco	15	7	12	14	Thailand	44	33	60	44
Total incl others	671	484	530	806	Total incl others	1,053	884	1,223	1,675

^a DOTS estimate.

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

The Gambia: foreign trade

	D '000				
	Jan-Dec 1990	Jan-Dec 1991	Jan-Dec 1992	Jan-Sep 1992	Jan-Sep 1993
Imports cif					
Food	522,882	566,846	690,667	457,405	412,552
Beverages & tobacco	77,554	72,048	87,493	63,746	88,856
Crude materials	14,617	21,369	20,974	13,881	48,947
Mineral fuels	136,827	195,582	167,364	135,002	96,805
Animal & vegetable oils	22,701	36,661	74,083	45,438	58,690
Chemicals	95,590	149,831	120,733	85,744	83,205
Manufactured goods	310,363	358,011	363,327	245,914	285,120
Machinery & transport equipment	237,797	310,445	413,348	297,749	413,349
Total incl others	1,932,744	1,932,744	2,081,387	1,483,760	1,617,061
Exports fob					
Fish & preparations	32,809	36,019	19,429	26,515	10,218
Groundnuts, shelled	63,483	40,433	n/a	40,433	n/a
Groundnut oil	38,637	18,197	n/a	10,288	n/a
Groundnut meal	7,788	9,978	n/a	9,226	n/a
Total incl others	320,066	371,358	565,734	280,422	311,449

continued

	\$ m					\$ m			
	Jan-Dec 1993 ^a	Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996		Jan-Dec 1993 ^a	Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996
Exports fob					Imports cif				
France	1	3	6	8	UK	39	22	20	39
UK	8	8	7	5	France	30	25	11	29
Belgium-Luxembourg	2	n/a	1	1	Germany	15	13	9	24
Japan	35	n/a	n/a	1	Côte d'Ivoire	14	36	19	21
China	n/a	2	1	1	US	11	7	7	18
Netherlands	n/a	1	1	1	Netherlands	22	13	7	17
Senegal	1	6	6	n/a	Brazil	3	3	2	15
Spain	2	2	1	n/a	China	77	11	9	14
Hong Kong	4	n/a	1	n/a	Spain	4	5	4	14
Indonesia	n/a	3	n/a	n/a	Belgium-Luxembourg	24	13	10	10
Total incl others	97	35	28	22	Total incl others	375	209	140	272

^a DOTS estimate.

Sources: Central Bank of the Gambia, *Quarterly bulletin*; IMF, *Direction of Trade Statistics*, yearbook.

Mauritania: foreign trade

	UM m			
	Jan-Dec 1991	Jan-Dec 1992	Jan-Dec 1993	Jan-Dec 1994
Imports fob				
Food	8,838	13,801	11,358	12,500
Other consumer goods	1,881	2,785	1,603	1,574
Fuels	2,972	3,735	4,212	4,142
Machinery & transport equipment	2,304	3,054	6,429	3,823

	Jan-Dec 1991	Jan-Dec 1992	Jan-Dec 1993	Jan-Dec 1994	Jan-Dec 1995
	Exports fob				
Fish & products	18,044	27,522	26,945	28,073	17,169
Iron ore	17,287	17,377	19,442	22,282	26,353
Gold	n/a	775	1,893	2,605	1,869

	\$ m					\$ m			
	Jan-Dec 1993	Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996		Jan-Dec 1993	Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996
Exports fob ^a					Imports cif ^a				
Japan	107	129	161	172	France	149	137	152	198
Italy	75	69	108	88	Spain	48	30	51	46
France	63	63	73	62	Belgium-Luxembourg	26	44	54	44
Spain	46	53	65	57	Thailand	9	13	16	33
Belgium-Luxembourg	21	35	37	35	Germany	24	36	32	31
Cameroon	18	22	27	31	Italy	27	22	14	24
Total incl others	423	450	575	573	Total incl others	572	562	638	636

^a DOTS estimate.

Sources: National statistics; IMF, *Direction of Trade Statistics*, yearbook.

Senegal and Mauritania: French trade
(\$ '000)

	Senegal				Mauritania			
	Jan-Dec 1993	Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996	Jan-Dec 1993	Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996
Exports fob								
Food, drink & tobacco	83,766	63,857	63,944	72,871	45,255	29,759	38,371	60,165
of which:								
dairy products	37,177	21,861	13,998	21,651	4,262	3,470	2,358	6,100
cereals & preparations	25,611	27,130	26,921	16,863	21,068	15,682	22,147	34,815
sugar & products	5,913	1,201	4,954	14,216	15,775	4,064	9,995	12,551
Mineral fuels	12,181	16,434	24,758	48,918	17,291	6,090	7,580	18,361
Chemicals	79,154	63,796	70,853	78,410	16,694	15,547	16,025	11,333
Rubber manufactures	4,971	5,069	5,721	5,263	2,486	4,426	2,914	3,710
Paper & manufactures	8,980	7,038	12,508	11,534	1,178	1,033	1,193	1,596
Textile fibres, yarn & manufactures, incl clothing	9,021	6,382	7,373	11,326	2,162	2,262	1,762	1,774
Non-metallic								
mineral manufactures	6,808	6,615	8,119	9,357	1,482	1,415	1,271	1,855
Iron & steel	14,927	6,982	8,813	9,019	1,355	1,995	5,994	4,556
Metal manufactures	12,124	9,874	16,718	21,994	5,874	5,761	5,638	4,084
Machinery incl electric	100,224	86,770	117,832	159,996	33,041	37,944	35,185	30,041
Transport equipment	33,593	27,867	41,037	52,996	9,394	23,276	12,473	35,569
Scientific instruments etc	9,548	9,667	11,645	11,249	2,568	3,506	2,013	2,452
Total incl others	421,460	363,374	461,599	542,641	142,516	138,215	138,033	180,216
Imports cif								
Fish & products	97,476	94,836	108,657	97,575	4,221	4,841	7,236	5,933
Crude fertilisers & minerals	6,397	6,392	3,853	4,781	1	1	0	6
Metalliferous ores & scrap	477	538	1,738	1,902	65,979	66,069	71,961	71,045
Petroleum & products	0	0	0	0	1,570	0	0	0
Animal & vegetable oils & fats	29,969	47,380	46,136	42,516	0	0	0	0
Total incl others	161,822	183,113	194,095	181,390	72,873	72,673	80,723	77,968

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

Mauritania: Japan's imports
(\$ '000)

	Jan-Dec 1993	Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1996	Jan-Dec 1997
Imports cif					
Fish & products	113,569	138,414	176,323	188,500	142,616
Total incl others	117,550	140,861	178,749	189,493	143,194

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