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**COUNTRY REPORT**

**Cameroon**

**Central African  
Republic**

**Chad**

**2nd quarter 1998**

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

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## The Economist Intelligence Unit

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### Symbols for tables

"n/a" means not available; "-" means not applicable

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April 13th 1998 **Summary**

**2nd quarter 1998**

**Cameroon** Outlook for 1998-99: Divisions and low morale within the opposition should prevent the emergence of any serious threat to the new atmosphere of political stability in Cameroon in the short term. Tension along the Cameroon-Nigeria border will remain high while the International Court of Justice continues hearings over disputed fisheries and the oil-rich Bakassi peninsula. The approval by the IMF of the second annual arrangement under the ESAF augurs well for the economy. Real GDP is forecast to rise by 5% per year over the forecast period. The combined impact of South-east Asian economic difficulties and weaker oil prices will widen the overall current-account deficit in 1998-99.

Review: Several weeks of negotiations between the ruling RDPC and the main opposition SDF party collapsed acrimoniously. The IMF published a favourable report on progress with economic reform but expressed concerns also. President Biya outlined priorities for the forthcoming budget, which conform to the structural agenda agreed with international donors. Canada and Germany agreed new debt initiatives, and further steps towards privatising major parastatals have been made.

**Central African Republic** Outlook for 1998-99: The decision by the UN to dispatch a peacekeeping force to Bangui should help prevent renewed violence during the potentially tense period expected in the run-up to legislative elections scheduled for late 1998. Genuine reconciliation between competing factions remains some way off, however. Political uncertainty will cloud the prospects for economic growth, although the diamond sector is expected to perform well this year, compensating for a poor coffee crop.

Review: Continuing political tension complicated efforts to organise a national reconciliation conference. Timely concessions and foreign mediation, however, allowed the event to take place and prepared the way for the UN's decision to sanction a new peacekeeping operation. A joint IMF-World Bank mission urged the government to accelerate the reform process. A rise in official output and prices followed the reopening of the Bangui diamond exchange.

**Chad** Outlook for 1998-99: The Doba oil project is likely to transform Chad's economy in the medium term. Threats to political stability and security in the south, however, will dampen optimism unless the government can move quickly to defuse the situation.

Review: Human rights organisations and the government gave sharply differing accounts of the role played by the security forces in an escalation of violence in the far south. Fuel shortages spread from Nigeria. Environmental concerns continue to delay development work on the new oil project and the pipeline south to Cameroon.

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# Cameroon

## Political structure

|                        |  |                            |
|------------------------|--|----------------------------|
| Official name          | République du Cameroun   |                            |
| Form of state          | Unitary republic   |                            |
| Legal system           | Based on English common law and the Napoleonic Code  |                            |
| National legislature   | National Assembly with 180 members elected by universal suffrage, who sit twice yearly and serve a five-year term  |                            |
| National elections     | May 1997 (legislative) and October 1997 (presidential); next elections due by May 2002 (legislative) and October 2004 (presidential)   |                            |
| Head of state          | President, elected by universal suffrage, may serve a maximum of two seven-year terms  |                            |
| National government    | Consists of the prime minister and his Council of Ministers. Includes representatives of the ruling RDPC, the UPC, the MDR and the UNDP. Last reshuffled December 9th 1997   |                            |
| Main political parties | A law authorising multiparty politics was published in December 1990. There are more than 100 registered parties. The Rassemblement démocratique du peuple camerounais (RDPC) holds 109 seats in parliament; the Social Democratic Front (SDF) 43 seats; the Union nationale pour la démocratie et le progrès (UNDP) 13 seats; the Union démocratique du Cameroun (UDC) five seats. Other parties include the Union des populations camerounaises (UPC) and the Mouvement pour la défense de la république (MDR) |                            |
|                        | President  | Paul Biya                  |
|                        | Prime minister   | Peter Mafany Musonge       |
| Ministers of state     | Culture  | Ferdinand Léopold Oyono    |
|                        | Defence  | Amadou Ali                 |
|                        | External relations   | Augustin Kontchou Koumegni |
|                        | Industrial & commercial development  | Bello Bouba Maigari (UNDP) |
|                        | Economy & finance  | Edouard Akame Mfoumou      |
|                        | National education   | Charles Etoundi            |
| Key ministers          | Higher education   | Jean Marie Atangana Mebara |
|                        | Environment & forestry   | Sylvestre Naah Ondoua      |
|                        | Livestock, fisheries & animal husbandry  | Hamadjoda Adjoudji         |
|                        | Mines, water resources & energy  | Yves Mbele                 |
|                        | Posts & telecommunications   | Mouchipou Seidou           |
|                        | Public works   | Jérôme Etah                |
|                        | Transport  | Joseph Tsanga Abanda       |
| BEAC governor          | Jean-Félix Mamalepot   |                            |

## Economic structure

### Latest available figures

| Economic indicators                           | 1993  | 1994               | 1995               | 1996            | 1997 <sup>a</sup> |
|---|-------|--------------------|--------------------|-----------------|-------------------|
| GDP at market prices <sup>b</sup> (CFAfr bn)  | 3,155 | 3,416              | 4,130              | 4,540           | 4,940             |
| Real GDP growth <sup>b</sup> (%)              | -3.1  | -2.3               | 4.2                | 5.0             | 5.2 <sup>c</sup>  |
| Consumer price inflation <sup>b</sup> (av; %) | 22.3  | 26.9               | 6.4 <sup>c</sup>   | 4.7             | 3.5               |
| Population (m)                                | 12.5  | 12.9               | 13.3               | 13.7            | 14.1              |
| Exports fob <sup>b</sup> (\$ m)               | 1,578 | 1,454 <sup>c</sup> | 1,763 <sup>c</sup> | 2,041           | 2,091             |
| Imports fob <sup>b</sup> (\$ m)               | 1,005 | 1,052 <sup>c</sup> | 1,104 <sup>c</sup> | 1,395           | 1,525             |
| Current-account balance <sup>b</sup> (\$ m)   | -565  | -56                | -90                | -94             | -261              |
| Reserves excl gold (\$ m)                     | 2     | 2                  | 2                  | 3               | 1                 |
| Total external debt (\$ m)                    | 7,456 | 8,326              | 9,346              | 9,515           | 8,604             |
| External debt-service ratio (%)               | 23.9  | 20.9               | 20.6               | 21.6            | 13.7              |
| Crude oil production ('000 b/d)               | 124   | 116                | 95 <sup>a</sup>    | 90 <sup>a</sup> | 105               |
| Coffee production <sup>d</sup> ('000 tonnes)  | 75.9  | 56.7               | 64.9               | 60.0            | 72.0              |
| Cocoa production <sup>e</sup> ('000 tonnes)   | 110.9 | 109.0              | 132.0              | 100.1           | 126.0             |
| Exchange rate <sup>b</sup> (av; CFAfr:\$)     | 283.2 | 518.6              | 501.8              | 541.1           | 605.0             |

April 13th 1998 CFAfr610.97:\$1

| Origins of gross domestic product 1995 <sup>b</sup> | % of total | Components of gross domestic product 1995 <sup>b</sup> | % of total |
|---|------------|--|------------|
| Agriculture   | 30.5       | Private consumption                                    | 67.8       |
| Industry  | 18.1       | Government consumption                                 | 8.3        |
| Manufacturing                                       | 10.2       | Gross domestic investment                              | 17.9       |
| Services  | 41.2       | Exports of goods & services                            | 23.2       |
| GDP at factor cost                                  | 100.0      | Imports of goods & services                            | -17.2      |
|   |            | GDP at market prices                                   | 100.0      |

| Principal exports 1995 <sup>b</sup> | \$ m | Principal imports cif 1994 <sup>bc</sup> | \$ m |
|-------------------------------------|------|--|------|
| Crude oil                           | 457  | Capital goods                            | 190  |
| Timber                              | 239  | Food                                     | 89   |
| Cocoa                               | 95   | Fuel                                     | 7    |
| Coffee                              | 93   |  |      |

| Main destinations of exports 1996 <sup>f</sup> | % of total | Main origins of imports 1996 <sup>f</sup> | % of total |
|--|------------|---|------------|
| Italy  | 17.7       | France                                    | 36.7       |
| Spain  | 16.5       | Italy                                     | 7.5        |
| France   | 15.8       | Belgium-Luxembourg                        | 7.1        |
| Netherlands                                    | 6.7        | US  | 6.5        |
| Germany  | 5.5        | UK  | 4.8        |

<sup>a</sup> EIU estimates. <sup>b</sup> Fiscal years starting July 1st. <sup>c</sup> Official estimate. <sup>d</sup> Crop years ending November 30th. <sup>e</sup> Crop years ending September 30th. <sup>f</sup> Drawn from partners' trade returns, subject to a wide margin of error.

## Outlook for 1998-99

Despite opposition unease, prospects for stability are good

The indefinite postponement in March of talks between the ruling Rassemblement démocratique du peuple camerounais (RDPC) and the most uncompromising opposition party, the Social Democratic Front (SDF), is a clear indication that the government no longer regards the party as the serious challenge to an emerging national political consensus it had seemed only a few months ago. Officials will not, however, underestimate the threats of violence made by the SDF's leader, John Fru Ndi, although the prospect of major trouble outside his party's fiefdom in the North-West province appears slim, and there are indications that widespread enthusiasm for radical opposition campaigns has waned. Indeed, seven years of trenchant opposition to the president, Paul Biya, has brought the opposition few tangible results with which to inspire potential floating voters. As a consequence, in both the SDF and the Union démocratique du Cameroun (UDC), unease is likely to grow among party militants who feel that they have little to gain by staying out of government. External pressure is also likely to continue to favour Mr Biya. France lent its traditionally influential voice to the process of dialogue during the visit to Cameroon in March of the co-operation minister Charles Josselin, which should ensure that contacts, at least at the informal level, will continue between the RDPC and those opposition parties still outside government. President Biya is, however, likely to favour patronage over concessions as a means of building new alliances, and he already looks likely to succeed in luring some of his most vigorous critics into government—a process that will further weaken the SDF and UDC.

Indications on the economy are encouraging

The short- and medium-term prospects for the Cameroonian economy are looking increasingly good, as the threat of political violence from the radical opposition recedes and the new government team wins local and international credibility for its technical competence and determination to sustain reform efforts. In marked contrast to the gloom that prevailed until the legislative elections of April 1997, there is now a general feeling of optimism. This has become more apparent since the IMF board approved Cameroon's request for a three-year SDR162.2m (\$220m) enhanced structural adjustment facility (ESAF) in August 1997, opening the way to a Paris Club debt-relief deal reached last October. The World Bank has released the two remaining tranches of its second structural adjustment credit of \$150m and has programmed a third structural adjustment credit of \$200m to support Cameroon's privatisation programme for the last quarter of 1998. The ESAF programme is on track and in March 1998 the IMF board expressed satisfaction with the results of the ESAF mid-term review. The extent to which the prime minister succeeds in tackling the problem of corruption, rehabilitates economic infrastructure and accelerates structural reforms will determine Cameroon's likelihood of consolidating gains in external competitiveness, attracting much-needed direct foreign investment and achieving its growth potential.

The IMF mid-term review is positive—

The results of the IMF mid-term review of the first annual arrangement under the ESAF will encourage reformers in government. The mission expressed satisfaction with efforts by the prime minister, Peter Musonge, to deepen economic

reforms and change Cameroon's image as the IMF's *enfant terrible* in Francophone Africa. This should help secure the continuing and politically vital support of the president, Paul Biya, for the ESAF programme. Keeping the reform programme on track will provide an opportunity for the mobilisation of the substantial external financial support needed to finance the rehabilitation of the country's economic infrastructure and lay the foundations for sustained, accelerated economic growth.

—although tackling governance issues will be critical

However, unless the Musonge government makes significant inroads into reducing official corruption and improving the efficiency of the administration, efforts to improve the country's image among aid donors and non-oil-sector private investors will be profoundly undermined. External confidence is in any case proving difficult to establish fully, given Cameroon's recent history of broken commitments on politically awkward economic reforms. However, this is an argument well rehearsed in government, and senior officials are confident that this time they will prove the sceptics wrong.

The Chad-Cameroon pipeline will contribute

The prevailing optimism is also founded on a number of new private-sector initiatives set to gather pace when work begins on the construction of the huge Chad-Cameroon pipeline project. About 250 people are already working on tracing the pipeline route and a similar number are expected to be recruited shortly to work on the upgrading of some 400 km of earth road. There is already something of a property boom in Douala, the economic capital, and Yaoundé, the political capital, in anticipation of the new business opportunities that the project will generate. Although exact figures have not been released, the revenues from oil pipeline transit fees are expected to more than compensate for the projected decline in oil revenues over the medium term.

Targets for GDP growth and inflation are likely to be met

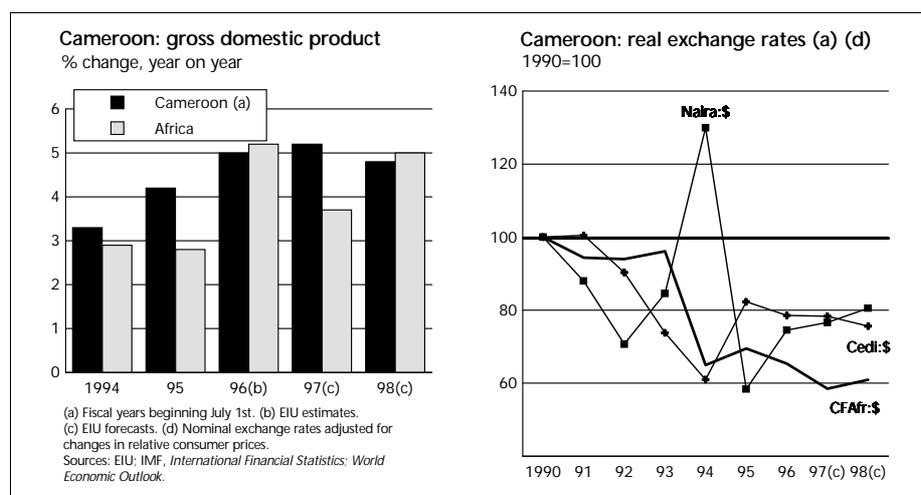
Despite the slump in oil and timber prices and fall-out from the financial crisis in East Asia, the government is still hoping to meet its GDP growth and inflation targets for the forecast period. Non-oil-sector exports are likely to hold up reasonably well, despite a weakening in demand for cotton and hardwood from Malaysia and Indonesia, as an increase in output is offsetting uncertain global commodity prices. As the economic recovery strengthens, domestic demand should increase, although the government will be keen to curb a rise in imports. Overall, real GDP is expected to rise by 5% per annum in 1998-99. On the inflation front, the pursuit of fairly tight fiscal and monetary policies will help to contain inflationary pressure and is expected to fall in line with IMF agreed targets of 3% in the 1998/99 fiscal year (July-June) and 2.5% in 1999/2000.

Although the current-account deficit is expected to widen, greater discipline within government should hold it to around \$200m for the current fiscal year. This reflects a fall in prices for Cameroon's major exports—oil, timber, coffee and cocoa—which will be only partially offset by rising output. Imports are likely to remain reasonably flat at around \$1.4bn annually, accompanied by a slow pick-up in consumer demand.

## Cameroon: forecast summary

(\$ m unless otherwise indicated; fiscal years beginning Jul 1st)

|                                  | 1995/96 <sup>a</sup> | 1996/97 <sup>b</sup> | 1997/98 <sup>c</sup> | 1998/99 <sup>c</sup> |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
| Real GDP growth (%)              | 4.2                  | 5.0                  | 5.2                  | 4.8                  |
| Consumer price inflation (av; %) | 6.4                  | 4.7                  | 3.5                  | 3.0                  |
| Merchandise exports              | 1,763                | 2,041                | 2,091                | 1,941                |
| of which:                        |                      |                      |                      |                      |
| timber                           | 239 <sup>d</sup>     | 340                  | 550                  | 570                  |
| petroleum                        | 457 <sup>d</sup>     | 380                  | 270                  | 260                  |
| cocoa & coffee beans             | 188 <sup>d</sup>     | 220                  | 190                  | 200                  |
| Merchandise imports              | 1,104                | 1,395                | 1,525                | 1,625                |
| Current-account balance          | -90                  | -94                  | -261                 | -539                 |
| Exchange rate (av; CFAfr:\$)     | 501.8                | 541.1 <sup>a</sup>   | 605.0                | 581.5                |

<sup>a</sup> Actual. <sup>b</sup> EIU estimates. <sup>c</sup> EIU forecasts. <sup>d</sup> Official estimates.

## Review

### The political scene

#### Military tension builds over Bakassi

Tension is building up in the Bakassi peninsula as the International Court of Justice (ICJ) in The Hague continues its hearings on the border dispute between Cameroon and Nigeria. In late February seven Cameroonian soldiers were killed during what Cameroon's foreign minister, Augustin Kontchou Koumegni, described as "a permanent and continued aggression and military escalation on the part of the Nigerian military". Since then, a statement by the defence ministry in Lagos has accused the Cameroonian government of massing over 5,000 soldiers with heavy weapons on the border with Nigeria at Bakassi. The Cameroonian authorities have rejected these accusations and claim that Nigeria is trying to manipulate international opinion to cover up its acts of aggression. Nigeria wants the border dispute resolved through bilateral and multilateral negotiations; the country's justice minister, Alhaji Abdullahi Ibrahim, has filed an eight-point preliminary objection challenging the ICJ's jurisdiction over the case and asking for it to be thrown out. However,

Cameroon's legal team at the ICJ, led by the justice minister, Laurent Easo, is confident that it will win the case. The team includes a former justice minister, Douala Moutome, and two former French ministers of co-operation, Michel Aurillac and Jean Pierre Cot. If Cameroon wins its case and starts exploiting the oil resources of Bakassi, the country's economy will receive a rapid boost. However, the present Nigerian government is unlikely to accept an unfavourable verdict from the ICJ, on the grounds that thousands of Nigerians, who have always been governed from Nigeria, will suddenly find themselves and their property under the jurisdiction of another country.

The SDF suspends talks with the ruling RDPC—

Negotiations between the Social Democratic Front (SDF), the main opposition party, and the ruling Rassemblement démocratique du peuple camerounais (RDPC), over means of easing the political tension that has marked recent years have been suspended. The SDF negotiating team, led by retired Justice Nyo Wakai, justified its walk-out by complaining that concessions offered in the creation of an independent electoral commission by the RDPC were insufficient. The SDF's leader, John Fru Ndi, had always been suspicious of the talks, fearing that the president, Paul Biya, would use the process as cover for a new attempt to stir divisions within the party and lure moderates into government. Other senior SDF officials were also unhappy over the generous sitting allowances that members of the Front's negotiating committee received from the government. However, with the SDF isolated in opposition, short on funds and uncertain of its popular standing, there remains a reasonable prospect of a reluctant return to dialogue in the near future. Indeed, all parties, including the SDF and the RDPC, have been participating in a series of public debates on democratisation, a process the French foreign-office minister, Charles Josselin, went out of his way to support during his visit in early April.

—which helps stir internal party divisions

Some influential members of the SDF's National Executive Committee (NEC) have challenged Mr Fru Ndi's decision to discontinue talks with the RDPC, angered also by his postponement of new elections to the Committee. A sizeable faction in the party, headed by one of the SDF's founding fathers and leader of the Bamenda-based Human Rights Defence Group, Albert Mukong, had hoped to hold NEC elections at the party's convention in Yaoundé later this year, and is angered also that Mr Fru Ndi has decided to postpone these. The delay is taken to reflect the leadership's concern that diehard loyalists would be voted out by grassroots supporters anxious to escape the politics of deadlock and confrontation.

The government launches an anti-corruption campaign

In March the prime minister, Peter Mafany Musonge, responded to concerns expressed by donors and the general public alike by launching a new campaign against corruption, which has risen sharply since civil-service salaries were cut in 1993 and the CFA franc was devalued by 50% in 1994. The SDF, however, refused to join the campaign, Mr Fru Ndi, anxious to avoid accusations of co-operation, reportedly turning down a direct appeal to participate from the communications minister, René Ze Nguele. A further unlikely blow to the campaign's prospects came from the National Assembly, where deputies from all parties would like to see their immunity from prosecution strengthened rather than diminished. Efforts to combat institutionalised corruption are

therefore unlikely swiftly to yield positive results. Meanwhile, however, Mr Musonge, by reputation an able technocrat now proving himself also to be an accomplished political operator, will be able to shift some of the blame for abuses away from the government to other sources apparently more reluctant to tackle the problem.

An oil tanker explosion  
kills 220

The explosion of an oil tanker in the Yaoundé suburb of Nsam in February, which claimed over 220 lives, brought into grim focus the problems of urban poverty and poor city planning. The explosion was apparently caused by a cigarette butt dropped into a pool of petrol spilling from two leaking oil tanker wagons, which had been damaged when a train was derailed. Many of the dead had been struggling to collect "free" petrol in buckets and jerrycans for personal use and resale. The report of the national commission of enquiry set up by the government is overdue, but its chairman, Cameroon's minister delegate at the presidency in charge of defence, said on state radio that the final report will be submitted to the prime minister, who will determine if the commission's findings should be made public.

The oil depot where the tragedy occurred is owned by a parastatal, Société camerounaise des dépôts pétroliers (SCDP). It had been an open secret for many months that the local poor were making ends meet from brisk business in spilt fuel from SCDP tankers. Emergency medical assistance for the victims was provided principally by the Cameroon and French governments, the latter providing six tonnes of medical equipment and supplies, as well as doctors and nurses to treat serious burn victims.

New security measures are  
introduced to tackle  
highway robbery

Armed robbery remains a serious impediment to the movement of goods and people in the northern part of Cameroon, with new concern that the contagion may spread further south. A senior French politician, Xavier de Villepin, who heads the Senate foreign affairs, defence and armed forces commission, raised the issue of the safety of foreign nationals with the prime minister in February. Following a series of meetings involving central government and senior administrators from the worst-affected regions, there are new proposals to improve communications facilities and organise vigilante groups in each village to help track down thieves. The security forces speak of a "war plan" to combat the crime wave. Earlier this year the National Assembly passed a bill expanding the jurisdiction of the country's military tribunals to cover highway-robbery crimes. Security measures alone, however, are unlikely to resolve a problem that is rooted in the easy availability of firearms from neighbouring countries, declining living standards and the decay of the state.

A special relationship is  
cemented

Visiting Cameroon on April 2nd-4th, Charles Josselin, the minister delegate at the French Ministry of Foreign Affairs responsible for relations with Francophone countries, restated France's determination further to consolidate its privileged relations with Cameroon. He noted that Cameroon had substantial human and economic resources and invited it to play a more active role in African affairs. Mr Josselin also held talks with the Anglophone Mr Fru Ndi, a substantial policy departure for both sides, given the linguistic and historical dimension to politics in Cameroon, in which, broadly, Anglophones from the former British-ruled colonial mandate oppose their counterparts from what

was once French Cameroon. Mr Josselin was careful, however, to support Mr Biya's initiative to open talks with the SDF to establish what he called a *démocratie apaisée*, a peaceful democracy.

The National Assembly moves on education reform

New legislation passed by the National Assembly early in the year will reduce the length of primary education from seven to six years in the Anglophone part of the country and eliminate the *probatoire* examination, replacing it with an examination to be taken at the end of five years of education. The bill also makes corporal punishment an offence. The bill was fiercely opposed by deputies from the SDF and the Union démocratique du Cameroun, who had wanted the legislation to have quite a different focus, namely to end the frequent changes of syllabus and textbooks and to deal with the shortage of qualified teachers in rural areas. Thanks to the government's strong majority in the National Assembly, however, the bill was passed.

The appeal court refuses bail to an independent newspaper publisher

The publisher of the independent newspaper *Le Messager*, Pius Njawe, remains in jail following an article which claimed that President Biya suffered a "heart malaise" while attending the final of the national football cup last year. Publication of false news is punishable by imprisonment under Cameroon's criminal code. During Mr Njawe's appeal hearings in early April, he refused to disclose the sources close to the president that corroborated the published information, on the grounds of journalistic ethics. Informed sources say President Biya considers the case embarrassing and would like the prisoner released, partly because this would help ease criticism of his own human-rights record at home and abroad. Hardliners, however, are apparently anxious to see that the judiciary is used to uncover the source of the leaks of sensitive information from the presidency.

## The economy

The IMF expresses encouragement and concern

In February an IMF team, completing a mid-term review of the country's progress of last August's enhanced structural adjustment facility (ESAF), concluded that the government had made significant progress in implementing its economic reform programme, meeting most of the performance targets agreed for the first half of the 1997/98 financial year (July-June). The IMF noted that significant progress was made in strengthening public finances, implementing structural reforms in the civil service, public enterprise and financial sectors, and reducing domestic and external payment arrears. However, the Fund warned that a number of areas of concern remained, especially weaknesses in both public-revenue generating capacity and expenditure management, and the slow pace of privatisation and liberalisation of the energy and transport sectors. In March the IMF board nevertheless authorised the drawing down of CFAfr21bn (\$35m), equivalent to the second instalment within the first annual arrangement under the ESAF.

Mr Biya outlines budget priorities

In a position paper released in March President Biya declared that the 1998/99 budget scheduled for June would be an important instrument in achieving the objectives set out in the 1997-2000 economic reform programme negotiated with the Bretton Woods institutions. These quantitative macroeconomic

targets include annual real GDP growth rate of at least 5%, annual average consumer price inflation of about 2% and an external current-account deficit stabilised at around 2% of GDP. The paper outlines the priorities for next year's budget as follows:

- strengthening domestic revenue mobilisation efforts to increase non-oil revenues, given the volatility of oil prices and modest national production;
- increasing public expenditure on the social sector, especially health and education, and on maintenance and rehabilitation of the economic and social infrastructure;
- honouring internal and external debt-service obligations;
- improving efficiency of the public administration by modernising equipment, continuing the reorganisation of ministries and providing better salary incentives to civil servants (within the budgetary constraint).

The strengthening of tax administration should yield an increase in domestic revenue of one percentage point from a projected 16% of GDP in the current fiscal year to 17% in 1998/99. Contributory factors include the phased replacement of the turnover tax with a value-added tax, improved collection procedures, more rigorous recovery of forestry and property tax arrears and the combating of tax fraud. The circular also specified that public investment will be based on the priorities outlined in the three-year rolling public investment programme agreed with donors.

Banking restructuring  
yields dividends

The days of financial distress appear to be over for the Cameroon banking sector. End-of-year accounts of the major commercial banks confirm that the sector is once more profitable. The main operators, Société générale de banques au Cameroun (SGBC), SCB-Crédit Lyonnais and Standard Chartered Bank (Cameroun), each recorded profits of between CFAfr5 and CFAfr6bn (\$8.3m-9.9m) in 1997. The Banque internationale du Cameroun pour l'épargne et le crédit (BICEC), which took over some of the assets and liabilities of the now-defunct BICIC, is expected to declare profits of about CFAfr300m. Bank deposits have grown sharply since late 1997, reversing the declines of the previous years. According to the regional central bank's supervisory authority, most commercial banks respect the key prudential ratios. Computerised interbank clearing is being introduced and SGBC and BICEC plan to introduce automatic teller machines (ATMs) in the near future. With a healthy banking sector and prospects of sustained growth boosted by the Chad-Cameroon oil pipeline activities, it is no surprise that the recently licensed Citibank will soon be opening its doors for business in Douala.

The French government  
shows interest in  
Cameroon's privatisation—

Unlike elsewhere in Francophone Africa, French commercial interests have failed to dominate the privatisation process in Cameroon. The former colonial power has lost out on bids for the state rubber company, Hévécam, the transit company, Socamac, and the shipping company, Camship. During his visit to Yaoundé in April, the French foreign office minister, Charles Josselin, said that he would like to see French firms win in the competitive bidding for companies to be privatised in the transport, water production and distribution, electricity and telecommunications sectors. The companies that are due to be sold off

between now and the end of the 1998/99 financial year include Sonel (electricity), SNEC (water), Régifercam (railways), Camair (air transport) and Intelcam (telecommunications). The French government is also backing French firms bidding to take control of the Société de développement du coton (Sodécoton), in which the French cotton house CFDT already has a 30% holding.

—telecommunications  
being a choice prize

Privatisation of telecommunications forms a key element of the economic reform programme and is expected to draw considerable foreign private-sector investor interest. The government is preparing legislation to separate postal and domestic telecoms services, merging the latter with the Société des télécommunications internationales du Cameroun (Intelcam), which has a monopoly over international communications services. Four consulting firms—Gowling, Strathy and Henderson (Ottawa); Booz, Allen and Hamilton (Paris); DTI (Montreal); and McCarthy Tetrault (Toronto)—have been shortlisted to bid to provide technical assistance in the allocation of a second cellular-telephone network licence. As in Côte d'Ivoire, France is determined to dominate Cameroon's telecommunications industry. For instance, in a deal financed by the Caisse française de développement, Alcatel-Cables has been selected to supply material to the Ministry of Posts and Telecommunications for the extension of the cable network in Douala and Yaoundé.

Local investors appeal for  
the creation of a stock  
exchange

Local investors have appealed for the creation of a national stock exchange to ease the problem of equity finance shortage for business activities. They would like to see the excess liquidity from short-term deposits in the banks channelled into long-term investments. Business groups favour effective regional economic integration on the lines of the West African Economic and Monetary Union, but doubt that leaders of the Communauté économique et monétaire d'Afrique centrale (CEMAC, a regional grouping of six Francophone countries—Cameroon, Central African Republic, Chad, Congo (Brazzaville), Equatorial Guinea and Gabon) can overcome personal and political differences to speed up the process. To the disappointment of many local investors, plans by the finance minister, Edouard Akame Mfoumou, to establish a stock exchange in Douala by floating all the companies in the portfolio of the state holding company, the Société nationale d'investissements, has been shelved. This follows CEMAC's preference for a regional bourse, for which a feasibility study has already been tendered. This latter proposal enjoys the support of the regional central bank, the Banque des états de l'Afrique centrale (BEAC), the World Bank and the Caisse française de développement, although there is widespread suspicion of the political obstacles in the way of such co-operation.

## Agriculture and forestry

Cocoa farmers neglect  
quality

Efforts by the government to improve the reputation of the cocoa sector have yet to yield results, as output is stagnant and quality still mixed. This reflects poorer post-harvest drying and fermentation procedures on the farms, the proliferation of undercapitalised and inexperienced companies in internal buying and export marketing of cocoa and the loss of the effective quality control that used to be provided by the defunct Office national des produits de base. Cameroonian cocoa beans, which in pre-liberalisation days sold at a premium,

now sell at a discount. However, according to a new study by Professor Christopher Gilbert for the Cocoa Association of London, real producer prices in Cameroon are significantly higher than in Côte d'Ivoire, the world's largest producer-exporter. While in the short term this represents good news for farmers, the longer-term implications for the sector will be uncertain if external confidence in quality control drops still further.

Non-traditional agricultural exports are growing fast

Producers of non-traditional agricultural exports are expanding operations, according to new figures released by the industry association, although storage, transport and marketing problems have acted as constraints on growth. Recent output data have been promising: vegetable and fresh fruit exports in 1996/97 increased to 10,680 tonnes, up 11.4% on 1995/96. Of the total, 70% were exported to Europe and the remaining 30%, mainly food crops, to Central African countries. The sharp decline in African food exports in 1996/97 was largely due to the civil war in the Democratic Republic of Congo, which traditionally takes over 50% of Cameroon's food exports.

Cameroon: vegetable and fruit exports  
(tonnes)

|                    | 1995/96 | 1996/97 |
|--------------------|---------|---------|
| Pineapples         | 2,799   | 3,341   |
| Gum arabic         | 1,771   | 2,658   |
| Green beans        | 1,910   | 2,032   |
| Dried beans        | n/a     | 701     |
| Flowers            | 101     | 117     |
| Groundnuts         | 97      | 61      |
| Sesame             | n/a     | 52      |
| Onions             | n/a     | 31      |
| Ginger             | n/a     | 14      |
| African food crops | 2,926   | 1,699   |

Source: Agrocom.

The president of the Vegetable and Fruit Exporters Association (Agrocom), Colonel Etonde Ekotto, claimed that Cameroon could export at least 20,000 tonnes of pineapples, 25,000 tonnes of onions and 10,000 tonnes of potatoes within two years if the government provides appropriate extension services for farmers, improves transport infrastructure and cuts down bureaucratic red tape for exports of agricultural products in containers. At the moment, an exporter needs 13 different documents from 13 different administrative services spread across Douala, the commercial capital, to export a container. This process takes days to complete. Colonel Ekotto blamed police checks and roadblocks for causing delays to the transport of perishable crops and increasing costs. Until recently, the banking system neglected agriculture. Standard Chartered Bank (Cameroon) now has in place a line of credit for the import of chemical fertilisers, and in February the Banque internationale du Cameroun pour l'épargne et le crédit established a CFAfr720m (\$1.2m) fund for the financing of non-traditional agricultural crops, particularly horticulture.

The forestry sector is buoyant

According to a newsletter produced by the French embassy in Cameroon, *La Lettre de Yaoundé*, timber exports increased by 80% in value and 72% in volume

during the first five months of 1997/98 compared with the same period in 1996/97, while exports of processed wood virtually doubled. The increase in logging activities was driven mainly by strong demand from Asia (particularly Japan and South Korea, which received some 38% of total timber exports). Although the financial crisis in East Asia may cause a slowing in demand, the sector is likely to continue to grow as foreign companies expand local saw-milling capacity to meet the new Forestry Code requirement that 70% of timber production must be locally processed. According to the Paris-based journal *Marchés tropicaux*, several new projects are already under way. The rapid expansion of the sector in recent years prompted the World Bank to express concern about environmental sustainability in its country assistance strategy paper released in March 1998. The government hopes to introduce legislation to raise logging taxes before June, which it believes will help deal with the problem.

## Energy and transport

Environmental concerns hold up the oil pipeline project

The World Bank continues to take its time in deciding whether or not to approve a financially modest but symbolically critical loan for the proposed pipeline to bring oil from new fields in southern Chad to the Atlantic coast port of Kribi in Cameroon. This has provoked impatience on the part of both governments, anxious to see development work begin as soon as possible. The economic impact would be immediate, as construction of the railway, road and pipeline would employ more than 1,000 people. In the medium term, the Treasury in Cameroon can also expect to receive a healthy revenue from transit fees once the oil starts flowing. The Exxon-Shell-Elf consortium behind the project has already spent \$700m and plans soon to begin upgrading Cameroon's single-track railway as far as Belabo, to the north of Yaoundé, from where a road will be built to the Doba oilfield in Chad. The new route will facilitate the transport of nearly 1m tonnes of material needed to complete the pipeline and oil facilities. However, the Bank cannot begin appraisal of the project until it is satisfied with the conclusions of an environmental management plan and arrangements for compensation and resettlement for the communities in Chad that will be directly affected. The Bank also has under review an environmental impact assessment of the pipeline project for Cameroon. The green lobby, particularly Friends of the Earth and the German group Die Grünen, is watching closely to ensure that environmental protection guarantees are given and the local population is treated fairly. The proposed World Bank loan is for only \$110m, about 3% of the \$3.4bn total estimated cost, which includes \$1.8bn for the pipeline. However, the Western consortium behind the project sees the World Bank's participation as an important guarantee against political risk, and little major work can be expected to begin without its approval. However, according to industry sources, the project operator, Exxon, has already signed a letter of intent with a joint venture comprising Willbros of Tulsa (Oklahoma) and the French company Spie-Capag (Schneider Group) for the construction of nearly 1,100 km of pipeline.

Plan are revealed for the privatisation of road maintenance

The donor community has expressed its concern over deficiencies in road maintenance. On February 23rd the German technical co-operation agency GTZ presented a study on the privatisation of the agencies responsible for

maintaining Cameroon's 4,000 km of roads to the public works minister, Jérôme Etah. It argues that the first phase of the project should focus on the organisation and training of personnel already involved in road maintenance, with a view to transferring human and material resources to new, commercially based parastatals. In the second phase, from October 1998 to October 1999, the new parastatals would be established and begin to execute contracts. In the third and final phase, to be completed by February 2000, these parastatals would be privatised. At least 560 employees of the Ministry of Public Works would lose their jobs under the proposed restructuring, only some of whom could expect to be re-employed by the new, privatised companies at the end of the project. While the government considers GTZ's study, road maintenance will remain the responsibility of the public works ministry.

The national ports authority has a new boss

Three years after a government report made scathing criticisms of the management of the national ports authority, the Office national des ports du Cameroun, its director-general, Tchouta Moussa, has resigned to take up a seat in parliament. Mr Moussa's performance had helped sour relations between the government and donors, for whom the port management had practical and symbolic implications for wider issues of transparency and accountability in the public sector. The new director-general, Alphonse Siyam Siewe, is considered more acceptable to the donor community. Like his predecessor, he is an RDPC deputy, but he has also trained as an engineer at the Ecole Polytechnique de Montréal. He is expected to use his considerable technical and managerial experience to guide the ports authority towards the radical restructuring that would yield urgently needed efficiencies. In the meantime, restructuring of the national shipping council, the Conseil national des chargeurs du Cameroun (CNCC), will be completed before June 30th, according to Tsanga Abanda, the transport minister, who is also chairman of the CNCC. The parastatal recorded a profit of CFAfr606m (\$1m) in 1996/97.

Camship looks for cash

The former national shipping company, Camship (privatised in 1997), is seeking to diversify its activities with equity financing. New shares are being offered for public subscription. Minimum subscription has been set at CFAfr5m (\$8,300) for private local investors, CFAfr50m for companies registered in Cameroon and CFAfr100m for foreign interests. The current principal shareholders are: Unimar (Germany), 19.96%; DEG (Germany), 15.4%; the Cameroon government, 15.21%; Camship personnel, 13%. Since the liberalisation of the maritime sector, Camship has been facing stiff competition from foreign rivals, and unless it can diversify its activities, the company's prospects will remain uncertain.

## Foreign trade and payments

Donors back economic reforms—

Donors appear confident that Cameroon will be able to meet its balance-of-payments targets for 1997/98 and beyond, so long as it remains committed to agreements reached with the Bretton Woods institutions and builds on the new debt-relief initiative reached with Paris Club creditors in October 1997. Cameroon has cleared all the remaining stock of arrears on previously deferred debt to Paris Club creditors and is current on non-reschedulable debt. Donors

- have indicated that they will disburse more than CFAfr250bn (\$420m) to support the economic reform programme during fiscal year 1997/98. Some CFAfr43bn will come from the IMF, CFAfr112bn from the International Development Association (IDA), CFAfr6.6bn from the African Development Fund (the concessional-lending window of the African Development Bank), CFAfr80bn from France and CFAfr16bn from the European Union.
- and sign up on debt relief
- On February 18th Canada agreed to cancel CFAfr30bn (\$50m) of Cameroonian debt, the remaining CFAfr30bn to be rescheduled over 17 years with a six-year grace period at a lower interest rate. The deal was reached within the framework of the October Paris Club initiative, granting Cameroon debt relief on Naples terms. The cancelled and rescheduled debts are part of loans granted by the Canadian export-promotion agency, Société pour l'expansion des exportations du Canada (SEE). Total SEE commitments in Cameroon, estimated at CFAfr400bn, are used mainly for supporting the structural adjustment programme and financing water supply, electricity network extension and technical school construction and equipment projects. Debt relief by the Paris Club creditors will reduce payments on arrears and principal due by 50% between 1997 and 2000, saving the government as much as \$2bn. Also as a consequence of the October Paris Club deal, the German finance ministry announced that a debt-rescheduling agreement was reached with Cameroon covering DM664m (\$370m). The debt relief, the fifth of its kind, was also granted within the framework of the October 1997 Paris Club agreement.
- Japan gives a grant for building schools
- A grant agreement for the construction of 31 primary schools in Douala and Yaoundé was signed in February between the Japanese and Cameroonian governments. The total cost of the project is CFAfr4.5bn (\$7.5m).
- A US trade mission sees investment opportunities
- A delegation from the US state of Illinois visited Cameroon in late January to assess the local business environment. The delegation, made up of members of Congress and the business community, held meetings with Mr Musonge, the secretary-general at the presidency, Marafa Yaya, and several members of the government. According to the leader of the delegation, Prince Asiel Ben Isard, Cameroon offered good investment opportunities in all sectors. The visit is expected to be followed shortly by a meeting in Washington, during which specific opportunities will be analysed.

# Central African Republic

## Political structure

|                                    |  |                                 |
|------------------------------------|--|---------------------------------|
| Official name                      | République centrafricaine  |                                 |
| Form of state                      | Unitary republic   |                                 |
| Legal system                       | Based on 1995 constitution   |                                 |
| National legislature               | National Assembly, 85 members elected by universal suffrage serve a five-year term   |                                 |
| National elections                 | August-September 1993 (presidential and legislative); next elections due by August-September 1998 (legislative) and 1999 (presidential)  |                                 |
| Head of state                      | President, elected by universal suffrage to serve a six-year term  |                                 |
| National government                | The prime minister (nominated by the president) and his nominated Council of Ministers; the coalition government is dominated by the MLPC. Last cabinet reshuffle February 18th 1997   |                                 |
| Main political parties             | The Mouvement pour la libération du peuple centrafricain (MLPC) is supported usually by the two small liberal parties, the Parti libéral démocrate (PLD) and the Convention nationale (CN), and recently by the Mouvement d'évolution sociale de l'Afrique noire (MESAN), the Mouvement démocratique pour la renaissance et l'évolution de la République centrafricaine (MDRERC) and the Rassemblement démocratique centrafricain (RDC). Members of the coalition government include constituents of the grouping of 11 opposition parties, known as G11, principally: Alliance pour la démocratie et le progrès (ADP); Front patriotique pour le progrès (FPP); Mouvement pour la démocratie et le développement (MDD, formerly Mouvance David Dacko) |                                 |
| Key ministers                      | President  | Ange-Félix Patassé (MLPC)       |
|                                    | Prime minister   | Michel Gbezera-Bria             |
|                                    | Minister of state for foreign affairs  | Jean Mette Yapende (MLPC)       |
|                                    | Defence, army reform & veterans  | Pascal Kado (MLPC)              |
|                                    | Economic reform, planning & co-operation   | Christophe Bremaïdou (CN)       |
|                                    | Environment, water, forestry, fisheries & hunting  | Joseph Gnomba (MDRERC)          |
|                                    | Family & social affairs  | Eliane Mokodopo (MESAN)         |
|                                    | Finance & budget   | Anicet Georges Dologuélé (MLPC) |
|                                    | Human rights & democratic culture  | Laurent Gomina Pampali (RDC)    |
|                                    | Justice  | Marcel Metefara (MLPC)          |
|                                    | Mining & energy  | Joseph Agbo (MLPC)              |
| Post & telecommunications          | Michel Bindho (RDC)  |                                 |
| Public works & infrastructure      | Jackson Mazette (MLPC)   |                                 |
| Security & regional administration | General François N'Djadder Bedaya (MLPC)   |                                 |
| BEAC governor                      | Jean-Félix Mamalepot   |                                 |

## Economic structure

### Latest available figures

| Economic indicators                               | 1993  | 1994  | 1995  | 1996  | 1997  |
|---|-------|-------|-------|-------|-------|
| GDP at market prices (CFAfr bn)                   | 349   | 475   | 551   | 545   | 571   |
| Real GDP growth (%)                               | -2.6  | 7.3   | 2.9   | -2.0  | 4.6   |
| Consumer price inflation (%)                      | -2.9  | 24.6  | 19.2  | 3.4   | 0.1   |
| Population (m)                                    | 3.16  | 3.30  | 3.40  | 3.40  | 3.47  |
| Exports fob (\$ m)                                | 133   | 146   | 181   | 159   | 190   |
| Imports fob (\$ m)                                | 158   | 131   | 176   | 158   | 170   |
| Current-account balance (\$ m)                    | -13   | -33   | -16   | -37   | -12   |
| Reserves excl gold (\$ m)                         | 112   | 210   | 234   | 232   | 187   |
| Total external debt (\$ m)                        | 873   | 885   | 942   | 927   | 950   |
| External debt-service ratio (%)                   | 5.0   | 12.6  | 6.4   | 6.3   | 6.6   |
| Diamond production ('000 carats)                  | 495   | 529   | 484   | 490   | 540   |
| Seed cotton production <sup>a</sup> ('000 tonnes) | 15.9  | 27.5  | 32.0  | 42.0  | n/a   |
| Timber production ('000 cu metres)                | 311   | 299   | 326   | n/a   | n/a   |
| Exchange rate (av; CFAfr:\$)                      | 283.2 | 555.2 | 499.2 | 511.6 | 584.1 |

April 13th 1998 CFAfr610.97:\$1

| Origins of gross domestic product 1995 | % of total | Components of gross domestic product 1995 | % of total |
|--|------------|---|------------|
| Agriculture                            | 46.5       | Private consumption                       | 80.4       |
| Industry                               | 13.3       | Government consumption                    | 12.0       |
| Services                               | 40.2       | Gross domestic investment                 | 14.6       |
| GDP at factor cost                     | 100.0      | Exports of goods & services               | 20.4       |
|  |            | Imports of goods & services               | -27.4      |
|  |            | GDP at market prices                      | 100.0      |

| Principal exports 1996 | \$ m | Principal imports 1995 <sup>b</sup> | \$ m |
|------------------------|------|-------------------------------------|------|
| Diamonds               | 64   | Capital goods                       | 31   |
| Coffee                 | 56   | Fuel & energy                       | 16   |
| Timber                 | 23   |                                     |      |
| Cotton                 | 13   |                                     |      |

| Main destinations of exports 1996 <sup>c</sup> | % of total | Main origins of imports 1996 <sup>c</sup> | % of total |
|--|------------|---|------------|
| Belgium-Luxembourg                             | 40.6       | France                                    | 31.0       |
| Côte d'Ivoire                                  | 5.3        | Côte d'Ivoire                             | 16.1       |
| Spain  | 2.9        | Cameroon                                  | 8.6        |
| Taiwan   | 2.9        | Japan                                     | 3.4        |

<sup>a</sup> Crop years ending November 30th. <sup>b</sup> Official estimates. <sup>c</sup> Drawn from partners' trade returns, subject to a wide margin of error.

## Outlook for 1998-99

A fragile calm may survive in the short term—

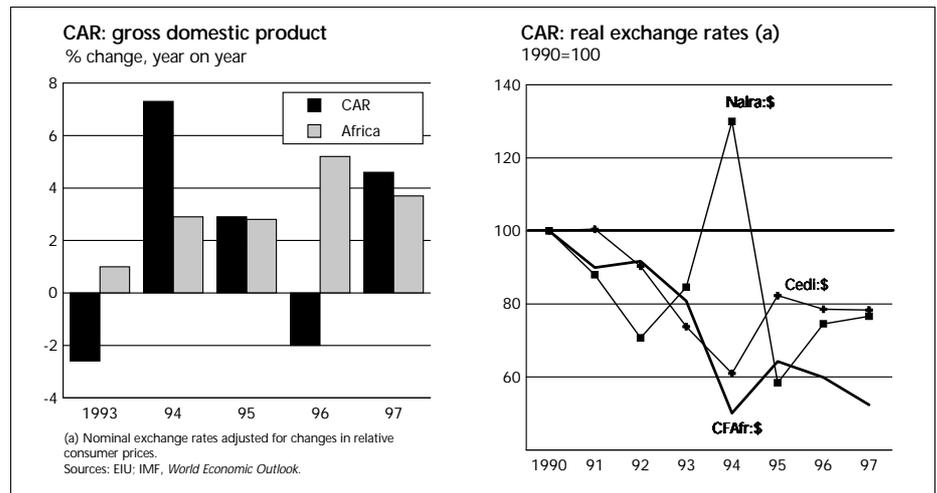
The presence of international peacekeepers and recent signs that both the president, Ange-Félix Patassé, and the opposition are willing to make certain minimal compromises may be enough to keep the peace in the CAR for the next few months. The president's apparent enthusiasm for reconciliation is deceptive, however, and stems from a need to appease not so much his opponents as disaffected elements from within his own Mouvement pour la libération du peuple centrafricain (MLPC), who resent favours shown to his own Sara ethnic kinsmen, at the expense of other northerners. The coalition of opposition parties, known as the G11, has shown a similar lack of commitment to the reconciliation process but has—at least for the time being—eschewed the politics of confrontation. This political uncertainty is further heightened by the fragile state of the economy, adding to the significance of efforts to secure an agreement between CAR and the Bretton Woods institutions. Such a deal would lead to an injection of new money that might calm discontent among public-sector workers and help maintain stability.

—although profound challenges lie ahead

The mutual suspicion and mistrust that continue to characterise the political environment in the CAR could, however, push the country back into violence. On past form, Mr Patassé is likely to prove reluctant to implement the reforms he has announced. Moreover, there is no sign that he is yet really committed to the reform or dissolution of the armed groups at his disposal: Saras dominate the 600-strong presidential guard, and Mr Patassé is also able to call on a number of unofficial militias—a personal security unit commanded by Colonel Charles Mazzi, a militia led by his legal adviser, Jean-Jacques Demafouth Mafoutapa, and another band from his home area headed by Commandant Jérôme Allam. These are backed up Sara former rebels from southern Chad. Meanwhile, there is every chance that the G11 leader, Abel Goumba, will persist with the temporary boycotts and walk-outs that have sapped the credibility of his alliance's commitment to reconciliation and the national unity government. Moreover, there is speculation that the former president and leader of the Rassemblement démocratique centrafricain (RDC), General André Kolingba, has links with soldiers of the former Zairean army ousted in 1997 in a possible military challenge for the presidency. Such plotting will have been facilitated by the near total absence of international censure of the former military ruler of neighbouring Congo (Brazzaville), Denis Sassou-Nguesso, who shot his way back to power in late 1997.

Improved diamond output will offset a poor coffee crop

Poor rains are expected to lead to a big drop in coffee output this year to around 8,000 tonnes, compared with 14,000 tonnes in 1997. The producer price for 1998 has been set at CFAfr180 (\$0.30) per kg. However, the sharp fall in output will not necessarily lead to a worsening of the trade balance; the diamond sector has shown signs of recovery as political stability has returned, with a greater share of exports passing through official—and therefore taxable—channels. Coffee crop projections are, nevertheless, a painful reminder of the degree to which the performance of the CAR's largely agricultural economy depends on the weather. While gem exports will help improve the balance of payments overall, most people living in rural areas rely on cotton and coffee and will have their incomes significantly reduced by the expected lower yields this year.



## Review

### The political scene

Suspicion greets proposals  
for reconciliation—

Proposals in January by the president, Ange-Félix Patassé, for a national reconciliation conference (1st quarter 1998, page 27) made slow progress. Neither the president nor the opposition has demonstrated a genuine appetite for a new initiative. Indeed, each side in private sought to prevent the conference from taking place, while publicly blaming the other for the failure. Opposition groups suspected that the president might use the conference to rebuild his own personal standing and foment divisions within their ranks. The coalition of opposition parties known as the G11, led by Professor Abel Goumba of the Front patriotique pour le progrès (FPP), had threatened to boycott the meeting. This prompted criticism from the Patassé camp, although in practice little was done to accommodate opposition grievances. The security minister, General François N'Djadder Bedaya, for example, had insisted on pursuing a libel action against opposition leaders, which, if successful, would have prevented them from taking seats in parliament. While General Bedaya's supporters initially argued that the allegations of defamation were a private matter, the case was ultimately dropped for overtly political reasons when it became clear that a failure to do so would result in a G11 boycott of the reconciliation conference.

—and the church offers to  
mediate

The CAR's influential Catholic bishops also felt the president could do more to engender a genuine atmosphere of reconciliation and on January 17th, after talks with Mr Patassé, they offered to mediate between the opposing groups. "Reconciliation which does not bring together all the children of the country would not be reconciliation," said Monsignor Paulin Pomodimo, bishop of the western town of Bossangoa and new president of the bishops' conference. The bishops read out a statement on national radio, which implicitly laid at least some of the blame for the impasse at Mr Patassé's door: "We have listened to the opposition and to the presidential majority and we think that the conditions

put forward by the opposition for attending the national conference merit a hearing.”

The opposition demands concessions

Pressure from the church and the CAR's foreign donors, anxious to prevent a slide back to violence, gradually succeeded in pushing all sides towards a reluctant compromise. By late January the opposition had retreated from a position of total boycott of the forthcoming conference to a stance where it began to set conditions for participation. Mr Goumba, for example, told the Libreville-based radio station *Africa No. 1* that the opposition would not attend unless the conference was preceded by a review of the way the January 1997 Bangui peace agreement had been implemented.

The UN looks to support the peace process—

The UN secretary-general, Kofi Annan, has added his voice to those urging restraint in CAR. The UN and other donors are concerned that, without a successful initiative that draws in all the potential protagonists, tensions in the run-up to parliamentary elections scheduled for September could degenerate into violence. Mr Annan has championed calls for the replacement of the regional peacekeeping force, the Mission interafricaine de surveillance des accords de Bangui (MISAB), whose mandate had been due to expire in February, with a UN operation to last at least until the legislative elections. In discussions in late January, the UN Security Council accepted the secretary-general's arguments that the preservation of peace in the CAR was critical, not only for that country, but also for the region, which was belatedly and hesitantly emerging from a period of extreme instability and uncertainty. During the recent conflict French forces based in CAR had played an active role in the repatriation of foreigners and offered logistic support to MISAB. Their impending withdrawal added urgency to the debate. Given the relative success with which the regional force has carried out its mandate, there is pressure within the UN merely to rebadge MISAB formally as blue helmets and to maintain operating structures that have already proved effective, while spreading costs which until now have been largely shouldered by the former colonial power, France. As an interim measure, on February 6th the UN Security Council formally extended MISAB's mandate until March 16th, in line with a proposal submitted by Gabon's president, Omar Bongo, and endorsed by Mr Patassé. It also asked Mr Annan to prepare a report on the situation in the CAR, with recommendations for the establishment of a peacekeeping force.

—citing the continuing potential for violence—

In his analysis of conditions in the CAR, Mr Annan went far beyond a basic assessment of military and security issues. He told the Security Council that almost all heavy weapons taken by mutineers in 1996-97 had been handed over, together with two-thirds of the light weapons. But other concerns remained. Several key elements in the Bangui peace accord of January 1997 had yet to be implemented—the national reconciliation conference, the reform of the army and the judicial enforcement of an audit of embezzlement of public money. The UN secretary-general also expressed concern that the plight of 20,000 civil servants, many of whom have not been paid for six months, posed another potential threat to stability. The seeds of renewed military discontent could still grow, Mr Annan's report implied. He pointed out that the command structure of the armed forces had been undermined by the mutinies and that

the army was short of vehicles, communications equipment and other basic assets. Only the highly partisan presidential guard—several hundred strong and well-equipped—was properly operational, fuelling suspicion and resentment among ordinary soldiers in particular and wider society in general. The 1,500-strong paramilitary gendarmerie has remained more intact and properly organised. The 1,900-strong police force is also still a coherent organisation, though short of resources; it is unarmed and therefore poorly equipped to deal with the banditry endemic in some rural areas. Mr Annan pointed out that the CAR was host to 45,000 refugees from neighbouring conflict countries.

—and demanding concessions

Mr Annan's firm public line came as no real surprise: his officials had been making it clear for some time that the secretary-general would not recommend the sending of an official UN force unless certain conditions were met. In late January Mr Annan's representative in Bangui, a Beninois diplomat, René Valéry Mongbé, outlined the minimum measures required:

- the holding of the national reconciliation conference;
- the introduction of a new electoral code and creation of an independent electoral commission;
- implementation of the reform of the armed forces along the consensus lines agreed by senior army officers; and
- the scrapping of the parliamentary audit of the Kolingba regime, seen by elements in the opposition as a vindictive pretext for a more widespread crackdown.

Mr Mongbé said the UN also wanted to see progress in economic reform and privatisation, so that the country could secure an agreement with the international financial institutions. The broad range of conditions set by Mr Annan and the inclusion of governance and finance issues strikingly illustrates how—in the CAR at least—the UN is prepared to go beyond the narrow confines of “peacekeeping” and co-ordinate its efforts with the conditionality imposed by the aid-donor system.

Mr Patassé attempts to build political confidence—

Meanwhile, President Patassé was gradually acceding to measures designed to build cross-party confidence and allay opposition fears over his perceived partiality towards factionalist and quasi-authoritarian tactics. A new electoral code was drafted and elections will henceforth be overseen by an independent commission; the president has invited the UN and the international community to monitor the forthcoming legislative and municipal elections. In addition, the commission on restructuring the military, chaired by the defence minister and MLPC loyalist, Pascal Kado, recommended the dissolution of intelligence agencies, which the opposition had come to regard as a “parallel” police and security service under the personal control of Mr Patassé. The two units in question—the presidential security service, the Section d'enquête, de recherche et de documentation (SERD) and the Centre national de recherche et d'information (Ceneri)—will be replaced by a new documentation bureau. The commission also ordered a stricter definition of the functions of the much-feared and resented Presidential Guard and set limits on its size. In a further effort to remove the potential for a return to fighting, the UN Development

Programme began funding a scheme to rebuild the army's cohesion and help provide for demobilised soldiers and militiamen.

—and establishes a forum to hear opposition grievances

The government eventually agreed to the holding of a forum to evaluate progress in implementing last year's peace accords, which took place on February 19th under the chairmanship of the Malian general and co-ordinator of the peace process, Ahmed Toumani Touré. There were about 100 delegates, representing most shades of political opinion and civil society, including churches and trade unions. The opposition G11 coalition led by Abel Goumba continued to argue that there had been little progress in implementing the reconciliation and reform programmes stipulated under the January 1997 Bangui accords. The parties demanded that General N'Djadder drop his libel action against their leaders. They also urged the authorities to substantiate allegations of corruption made against the dismissed agriculture minister Charles Massi (1st quarter 1998, page 27). General Touré tried to placate Mr Goumba by promising to prepare a report on these issues in time for the reconciliation conference. Meanwhile, the trade unions threatened to boycott the process of dialogue unless the government paid public-sector salary arrears covering at least three months (in some instances payments were nine months in arrears).

The opposition attends the reconciliation conference—

It was, however, only at the last moment that the hardline opposition was finally persuaded to attend the full national reconciliation conference, which opened in Bangui on February 26th. Indeed, the G11's participation remained in doubt until the morning of the first session, when heavy pressure from donors and the African governments that had provided peacekeepers for MISAB proved decisive. The trade unions were also represented, but ex-presidents André Kolingba and David Dacko chose to stay away. However, before the meeting could move on to concrete discussions, the G11 decided to pull out, unhappy over procedural methods. Mr Goumba seemed to be torn between fear that a boycott would cost him future international goodwill at election time and the temptation to relapse into inveterate oppositionism. The latter would win him few friends among donors, who have shown little sympathy for African opposition movements that opt for open confrontation rather than engagement. The pressure on the G11 parties piled up as the reconciliation conference proceedings pressed on anyway and African heads of state, invited to Bangui for the signing ceremony scheduled for March 5th, stuck to their plans to fly in. Eventually, the G11 was coaxed back into the conference, on March 2nd, apparently by the decision of General N'Djadder to abandon his defamation action against the alliance. Its confidence may also have been bolstered by Mr Patassé's surprise decision to accept the recommendations of the Kado committee on reform of the security services, replacing the SERD and Ceneri with a new Direction nationale de la documentation de l'état and creating a Force spéciale de défense des institutions de la République to back up the presidential security service (Sécurité présidentielle).

—but responds ambiguously to its conclusion—

The 400 conference delegates unanimously endorsed a reconciliation pact, which set out terms for the reintegration of former mutineers into the armed forces, complemented by new rules for good governance. These included redefining the role of prime minister to exclude military personnel and giving a

- higher profile to churches and professional interest groups. The presence of several regional heads of state and other high-ranking delegations added further weight to the proceedings. Mr Goumba, together with former presidents David Dacko and André Kolingba, were also present for the final session of the conference, embracing Mr Patassé at the closing ceremony, a gesture at the time regarded as of some symbolic importance. However, in a subsequent interview for Radio France Internationale, Mr Goumba dismissed the reconciliation accord as “artificial” and Mr Patassé’s embrace as “cosmetic”. He then went on to describe the conference as merely one step in the long-term process of reconciliation, claiming that only 13% of the provisions of the 1997 Bangui peace accords had really been implemented.
- as the region pushes for more rapid progress Gabon’s defence minister, General Idriss Ngari, appeared to offer some substance to Dr Goumba’s complaints when he warned that most of the proposed reforms of the CAR army had yet to be implemented. However, the international community and African states whose soldiers have had to risk their lives as Bangui peacekeepers are anxious to concentrate on the progress that has been made. They seem increasingly impatient with what they regard as the unnecessarily awkward attitude displayed by some CAR opposition leaders and have instead shown a new willingness to acknowledge reforms adopted by President Patassé. In a fresh report to the Security Council in late February, Mr Annan said there had been sufficient progress to recommend that the Council plan should set up an official UN force. However, a final decision was delayed for consideration some weeks later.
- France completes second stage of pull-out On March 7th France pulled out from the Beal camp in Bangui—the second stage of its military withdrawal from the CAR. Mr Patassé told French radio that he had asked Paris to leave 200-250 troops in the CAR, as part of the UN force, in view of the sophisticated equipment remaining at Beal and Mpoko, the French base at Bangui airport.
- The UN Security Council backs a new peacekeeping mission The UN Security Council finally decided on March 27th to dispatch a peacekeeping force to the CAR, the Mission Nations Unies République Centrafricaine (Minurca). Its initial three-month mandate, which runs from April 15th, is a compromise: France and Kenya had been pushing for a longer initial operation but the US was unwilling to countenance a first commitment for longer than three months. However, it is widely accepted that, barring an unexpected disaster, the mission will probably be extended for a further six months to cover the potentially tense period around and after legislative elections due in August-September. The total budget for Minurca is \$70m. The force is to have 1,350 troops, more than double the size of the existing MISAB force. France has already promised 200 soldiers for logistical support, Canada has offered 45 and the rest are expected to come from Africa. For the UN, the decision to set up Minurca is an important breakthrough, representing the first time in five years that the organisation has agreed a new peacekeeping operation in sub-Saharan Africa. UN officials believe member states have now begun to overcome their wariness of the continent, induced by the failure of the mission in Somalia and ineffectiveness in Rwanda in the early 1990s. The success or otherwise of Minurca

could therefore have consequences well beyond the CAR's borders for international engagement with Africa's security problems.

Renegade groups stir tensions in the east

However, as progress towards reconciliation gathered pace in Bangui, tensions elsewhere in the country continued to threaten the security situation. There were reports in March in the London-based newsletter *Africa Confidential* that several hundred fighters formerly loyal to the former ruler of Zaire, Mobutu Sese Seko, are now gathered in eastern CAR. Members of Mobutu's Division spéciale présidentielle (DSP), they are now allied to remnants of the Hutu extremist forces expelled from Rwanda in 1994. Mr Patassé's entourage regards them as a serious security threat, fearing that ethnic factors make them natural supporters for any bid by the former president, André Kolingba, to return forcibly to power. Mr Mobutu and Mr Kolingba share ethnic and family ties, and it was Mr Kolingba's tribe, the Yakoma, that was the driving force behind the recent mutinies in the CAR.

Bangui switches diplomatic allegiance to Beijing

The CAR made a rare appearance in the Asian diplomatic news, when the government decided to re-establish diplomatic relations with mainland communist China and drop its former recognition of Taiwan. This move reduced the number of countries that officially recognise the Taipei regime as the Republic of China to just 28. In a joint communiqué released on January 29th, the CAR agreed that there was only one Chinese state (the People's Republic) and that Taiwan was merely a province of the mainland. Formal ambassadorial-level ties have now been restored between Beijing and Bangui. Although the news was received with consternation in Taipei, from the CAR perspective it is would not be sensible to view the change of policy as of deep significance: the CAR has now switched allegiance between Beijing and Taipei three times since 1964, the last occasion being former President Kolingba's decision to establish ties with Taiwan in 1991. The moves are invariably related to efforts to secure aid. Taiwan generally finds itself having to pay over the odds to secure the loyalty of impecunious African countries. The government apparently decided on the policy change after Taiwan turned down its request for emergency budget aid to help meet the public-sector salary bill (following the practice of other donors, Taiwan was waiting for a deal between the CAR and the IMF). The Chinese embassy in Bangui, empty since 1991, is to be reopened. Taiwan has suspended its aid programmes in the CAR, but now that the immediate row has quietened down it may quietly try to maintain friendly informal contact, as the CAR could still be of interest to Taiwanese business, particularly timber companies.

## The economy

Prices receive a boost from the diamond exchange

Hopes that the reopening of the diamond exchange in Bangui would help to lift gem prices—and thus attract some of the stones that have been illegally smuggled out of the country back into the official, taxable sector—appear to have been borne out. The state diamond committee (Cocadiam) announced in January that the average price achieved in the final auction of 1997 held on December 16th-19th reached CFAfr287,715 (\$480) per carat. This was more than double the CFAfr120,059 average price in November. The higher prices reflected the improved grade of stones that were being traded in December. The

actual volume of stones traded—364.25 carats—was only fractionally above November's total, although the volume of stones on offer (1,078.76 carats) more than doubled. Cocodiam's managing director, Olivier Malingbar, was reported to have been optimistic about prospects for the first half of 1998, saying continued peace and the advent of the dry season would facilitate trade. Meanwhile, the government has been pursuing court action against four diamond trading houses—Sadior, Sodiam, La Couronne and Socadior—that have allegedly failed to pay diamond taxes. The state is claiming damages and interest on lost revenue totalling CFAfr9.8bn (\$16m).

The IMF and World Bank  
assess prospects

The political developments of recent weeks have distracted attention from important moves on the economic front in Bangui. A joint mission from the IMF and the World Bank arrived in February to begin a detailed assessment of progress in rebuilding national finances and preparing major economic reforms, including the possible privatisation of the state fuel company, Petroca. After progress in improving tax revenues during a trial period since October, the Fund and the Bank now want to see evidence of more wide-ranging progress in liberalising the economy, including the freeing of parastatals from presidential control and creating a solid revenue base (which the Fund believes would be able to meet much of the current spending commitment, even at present public-sector staffing levels).

Regional leaders  
encourage efforts to  
launch a stockmarket

On February 5th President Patassé was among leaders from across the Central African Franc (CFA) zone who gathered in Libreville to relaunch efforts to transform the present customs union and monetary area into a fully integrated single market and economic union. Preoccupied with internal upheavals and political issues, the Central African states have lagged far behind their counterparts in the West African Franc zone which, immediately after the 1994 CFA franc devaluation, began work on creating an economic union. Final preparations are now being made for the launch of a screen-based single stockmarket for the western zone. The Central Africans now want to follow suit, creating a six-country regional electronic bourse and lowering trade barriers. In mid-March the governor of the regional central bank, Félix Mamalepot, announced plans to tender for a feasibility study for such a stockmarket, saying excess liquidity in the commercial banking sector was adding urgency to the project. However, relations between the biggest regional economy, Cameroon, and its neighbours are uneasy, and many local firms are wary of crossborder competition. The region's economies are much less integrated than those of West Africa, and communications links are weak. The real test will be securing the promised rapid ratification of the basic constitutional texts of the new regional body, the Communauté économique et monétaire d'Afrique centrale (CEMAC) and then moving on to routine decision-making on trade integration and other co-operation measures.

# Chad

## Political structure

|                        |  |                               |
|------------------------|--|-------------------------------|
| Official name          | République du Tchad  |                               |
| Form of state          | Unitary republic   |                               |
| Legal system           | Based on the Napoleonic Code. The 1989 constitution was suspended in December 1990. The national conference, held from January to April 1993, approved the transition charter, which was extended until April 1996, when a new constitution was adopted by referendum  |                               |
| National legislature   | National Assembly, with 125 members elected by universal suffrage  |                               |
| National elections     | June 1996 (presidential) and January-February 1997 (legislative); next elections due 2001 (presidential and legislative)   |                               |
| Head of state          | President, elected by universal suffrage and sworn in on August 8th 1996   |                               |
| National government    | The prime minister and his appointed Council of Ministers, sworn in on January 1st 1998  |                               |
| Main political parties | Mouvement patriotique du salut (MPS, with 65 seats in the National Assembly); Union pour le renouveau et la démocratie (URD, 29 seats); Union nationale pour la démocratie et le renouveau (UNDR, 15 seats); Union pour la démocratie et la république (UDR, four seats); Parti pour la liberté et la démocratie (PLD, three seats); Rassemblement pour la démocratie et le progrès (RDP, three seats) |                               |
|                        | President  | Idriss Déby                   |
|                        | Prime minister   | Nassour Guelendouksia Ouaidou |
| Key ministers          | Agriculture  | Moctar Moussa                 |
|                        | Civil service & labour   | Salibou Garba                 |
|                        | Communications   | Haroun Kabadi                 |
|                        | Culture, youth & sports  | Nassingar Massoungaral        |
|                        | Defence & reintegration  | Oumar Kadjallami              |
|                        | Education  | Abdelrahim Breme Hamit        |
|                        | Environment & water  | Mariam Mahamat Nour           |
|                        | Finance, economy & territorial development   | Bichara Cherif Daoussa        |
|                        | Foreign affairs & co-operation   | Mahamat Saleh Annadif         |
|                        | Health   | Younouss Kedellah             |
|                        | Industrial development & trade   | Djitangar Djibangar           |
|                        | Interior & decentralisation  | Abderrahman Sallah            |
|                        | Justice  | Limane Mahamat                |
|                        | Mines, energy & petroleum  | Saleh Kebzabo                 |
|                        | Planning   | Ahmat Hamid                   |
|                        | Post & telecommunications  | Mahamat Ahmat Karambal        |
|                        | Public works, habitat & transport  | Ahmat Lamine                  |
|                        | Social affairs   | Agnes Alafi                   |
|                        | Tourism  | Pascal Yoadimadji             |
| BEAC governor          | Jean-Félix Mamalepot   |                               |

## Economic structure

### Latest available figures

| Economic indicators                               | 1993  | 1994  | 1995 <sup>a</sup>  | 1996 <sup>b</sup>   | 1997 <sup>b</sup>  |
|---|-------|-------|--------------------|---------------------|--------------------|
| GDP at market prices (CFAfr bn)                   | 292.0 | 461.0 | 525.4              | 599.5               | 666.9              |
| Real GDP growth (%)                               | -15.9 | 10.2  | 3.6                | 2.7                 | 6.5                |
| Consumer price inflation (%)                      | -1.4  | 40.4  | 9.3                | 11.9 <sup>a</sup>   | 6.0                |
| Population (m)                                    | 6.3   | 6.4   | 6.6                | 6.8                 | 6.9                |
| Exports fob (\$ m)                                | 152   | 138   | 249                | 229 <sup>a</sup>    | 248                |
| Imports fob (\$ m)                                | 205   | 212   | 231                | 255 <sup>a</sup>    | 245                |
| Current-account balance (\$ m)                    | -41.8 | -35.1 | -9.0               | -126.3 <sup>a</sup> | -97.0              |
| Reserves excl gold (\$ m)                         | 39    | 76    | 150                | 165                 | 123                |
| Total external debt (\$ m)                        | 768   | 828   | 902                | 997                 | 1,045              |
| External debt-service ratio (%)                   | 8.4   | 9.2   | 5.0                | 9.5                 | 9.4                |
| Seed cotton production <sup>c</sup> ('000 tonnes) | 95    | 156   | 180                | 157 <sup>a</sup>    | n/a                |
| Exchange rate (av; CFAfr:\$)                      | 283.2 | 555.2 | 499.2 <sup>d</sup> | 511.6 <sup>d</sup>  | 584.1 <sup>d</sup> |

April 13th 1998 CFAfr610.97:\$1

| Origins of gross domestic product 1995 | % of total | Components of gross domestic product 1995 | % of total |
|--|------------|---|------------|
| Agriculture                            | 41.8       | Private consumption                       | 92.6       |
| Industry                               | 15.2       | Government consumption                    | 11.3       |
| Manufacturing                          | 14.2       | Gross domestic investment                 | 10.6       |
| Services                               | 28.8       | Exports of goods & services               | 28.5       |
| GDP at factor cost                     | 100.0      | Imports of goods & services               | -43.0      |
|  |            | GDP at market prices                      | 100.0      |

| Principal exports 1995 <sup>a</sup> | \$ m | Principal imports cif 1991 | \$ m |
|-------------------------------------|------|----------------------------|------|
| Cotton                              | 109  | Manufactures               | 262  |
| Livestock & meat                    | 58   | Non-fuel primary products  | 85   |

| Main destinations of exports 1996 <sup>e</sup> | % of total | Main origins of imports 1996 <sup>e</sup> | % of total |
|--|------------|---|------------|
| Portugal                                       | 34.7       | France                                    | 34.7       |
| Germany  | 11.3       | Cameroon                                  | 24.1       |
| Costa Rica                                     | 6.5        | Belgium-Luxembourg                        | 7.4        |
| France   | 5.6        | Nigeria                                   | 6.5        |

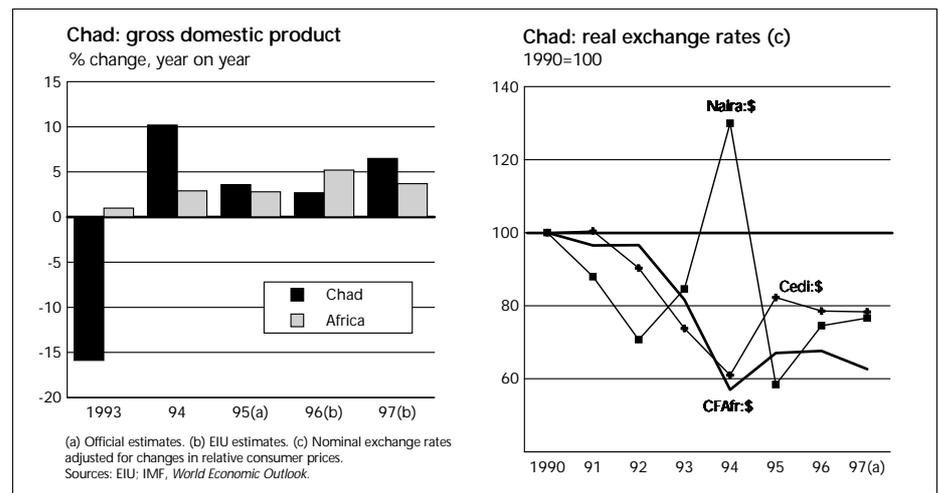
<sup>a</sup> Official estimates. <sup>b</sup> EIU estimates. <sup>c</sup> Crop years ending November 30th. <sup>d</sup> Actual. <sup>e</sup> Drawn from partners' trade returns, subject to a wide margin of error.

## Outlook for 1998-99

- Regional tensions cloud economic optimism—
- Ambiguity and uncertainty are likely to dominate Chad's political economy in the short to medium term. The economy and indeed the whole Chadian state could be transformed by oil money after 2001, but these swelling prospects will be constantly overshadowed by the threat of violence in the far south, particularly in the very area where the oilfields are located. The failure of the democratic transition completed in 1997 to accommodate the dissident southern-based Forum des alliances pour la république fédérale (FARF), led by Laokein "Frisson" Barde, has already led to a fracturing of the fragile national consensus. Last October the northern-dominated Garde républicaine attacked the movement's Moundou base. The limited effectiveness of this operation and Mr Barde's escape to the bush have further exacerbated existing south-north antagonism and led to a series of violent incidents in the area.
- and hostage-taking threatens to return—
- An outbreak of hostage-taking, in both the far south and Tibesti in the north, has led to fears that this old Chadian practice may be undergoing a recrudescence and give new life to the so-called "politico-military groups", whose activities have been reduced in the past two years after the completion of the democratic transition process. However, the friendship between Mr Déby and both Libya and Sudan is likely to hinder such groups from making rear-bases in the two countries, which will hamper their potential for effective action.
- although tensions in the south constitute the real danger—
- It is the south, however, that contains the most serious political and security risk for President Déby and his regime. This accounts for his pressure on southern colleagues, especially the oil minister, Saleh Kebzabo, and the president of the National Assembly, Wadal Kamougue, to continue talking to Mr Barde, in the hope of finding a way out of the present impasse. Mr Déby is well aware that the longer FARF attacks continue, the more likelihood there is of continuing reprisals by northerners, especially ethnic Zaghawa, in the army, which could further damage national unity. Despite the recent increase in tension, oil companies are likely to continue to feel their interests are best served by the Déby regime, and appear determined to go ahead with development proposals for the oil sector. However, the World Bank is still deliberating on the political implications of a financing deal critical to the project's success and lobby groups are increasingly active. Against this background, evidence of anarchy in the south, exacerbated by northern brutalities, will make public relations more difficult for the oil companies to manage. A defusing of current tensions is therefore becoming increasingly important for the government and its new friends in the oil sector.
- but Mr Déby will remain the international community's only choice
- This is where the attitude of the French once again becomes crucial, especially in the light of policy changes in Paris, which suggest that France has dropped its interventionist policies in Africa. Set against this is the fact that France still maintains 800 troops in Chad and indeed has made Ndjamena its main Central African military base, now that it has withdrawn from the neighbouring Central African Republic. There has also been up to now a bipartisan attitude in France over its policy in Chad, a legacy of the Mitterrand era, when the former president launched France's biggest ever intervention in Africa in 1983, to stop

the Libyans. Every time there is a publicised human rights violation in Chad, however, the present Socialist government in Paris suffers, being more susceptible to such pressures than the Gaullists. The public debate on the Chad oil pipeline in the European Parliament must also have caused apprehension in French government circles, especially as the Germans have reportedly now indicated that they may oppose the project at the World Bank. Although the independent local journal *N'djamena-Hebdo*, after the hostage-taking of early February (see The political scene), wrote frankly of a deterioration in Franco-Chadian relations, the Chirac-Jospin bipartisan view seems to be that, for better or worse, they are stuck with Mr Déby. Since the Chadian leader agreed to include Elf in the consortium with Esso and Shell, the French also have a more material vested interest in the success of the oil project, especially as it also links in Cameroon, which is of much more vital interest for France, at least until Chad's oil starts to flow.

The medium-term prospects for the Chadian economy, therefore, remain highly positive, assuming that further delays to the pipeline project can be avoided. In the meantime, the government is likely cautiously to follow recommended structural reforms and maintain a strong rate of GDP growth of around 5%, driven principally by higher volumes of cotton exports. Growth, however, is from a very low base, and will remain vulnerable both to global commodity prices and to a potentially volatile domestic political environment.



## Review

### The political scene

#### More killings in the Logone prefectures

Towards the end of March the government publicly admitted that there had been a serious deterioration in security in the far south. At a press briefing on March 19th the communications minister, Haroun Kabadi, acknowledged that about 50 people, including 30 government troops, had been killed in the Logone area at the beginning of the month. The forces would remain in the region until peace was restored in the two Logone prefectures. He said the

government would take the necessary measures to initiate legal proceedings against those detained in connection with the violence, without revealing how many were actually in custody. By releasing the casualty figures, the government may have been trying to reduce the impact of allegations made also on March 19th by the human rights organisation Amnesty International that about 100 people in the area had been summarily executed.

Accusations of grave human rights violations are made—

Amnesty had claimed that the killings were reprisals for operations by the rebel Forum des alliances pour la république fédérale (FARF), saying that there had been a massacre on March 14th in the village of Talade in which Chadian troops “tied up 25 people and killed them in cold blood”. Traditional chiefs in the Logone area had also been targeted by the military, which held them collectively responsible for the acts of the armed opposition, according to Amnesty. Similar charges were made by the Paris-based International Human Rights Federation, which claimed that the government administrator at Benoye had summoned local village heads to a meeting on March 11th, ostensibly to distribute official documents, as a pretext for the execution of 16 people by soldiers in Nama on the banks of the Logone River.

—but the government blames FARF

For its part, the government chose to blame FARF for the violence. Recent events, according to Mr Kabadi, had created “an unhealthy social atmosphere among the various communities in Moundou” and in view of the serious situation instigated by FARF’s “killings and atrocities”, the government had “assumed its responsibilities” and sent security forces to the region. Three days later, the government issued a warrant for the arrest of the leader of the FARF, Laokein Barde.

A former prime minister raises the alarm

The government reaction followed concerns expressed publicly by a former prime minister, Jean Bawoyeu Alingue, now a National Assembly member, who spoke up on his return from a visit to the affected region around the two Logones and Tandjile prefecture. Mr Alingue said that intercommunal conflict and ethnic strife were rife, few of the belligerents knew why they were fighting and that the area suffered from “a total absence of authority of the state”. The problem was compounded by the army, which killed and looted with impunity. He warned that the situation was fuelling tribalist sentiment and threatened to undermine the integrity of the state. Local human rights organisations put the dead in two weeks of conflict at nearly 150 and planned “ghost town” operations throughout the south in protest, although the Chadian Human Rights Federation also criticised the behaviour of the FARF.

Contacts with Mr Barde are taking place

Despite such tensions, there were indications that the speaker of the National Assembly and one of the most prominent southern leaders associated with the regime, General Wadal Abdelkader Kamougue, had been holding discreet talks with the FARF leader, Mr Barde, for some weeks. The contacts are said to have begun in January, apparently with the blessing of both Mr Barde’s camp and President Déby. According to some reports, the president had even urged the speaker to accelerate the process. Mr Barde had apparently laid down a number of conditions, most notably guarantees for his personal security. The Logone region, where Mr Barde’s forces are based, is the stronghold of General

- Kamougue's Union pour le renouveau et la démocratie (URD), the largest opposition group in the National Assembly. The special emissaries dispatched to the area to make contact with the FARF were said to be mainly URD deputies.
- France keeps a low profile on a hostage incident
- Four French nationals—an aid worker and three friends—were kidnapped on February 3rd in the Manda National Park in southern Chad. They were released four days later following a military operation in which 11 people were killed and 19 captured. They had reportedly been kept in caves near the village of Mont Djilim, near the town of Sarh. Among those detained was Youssouf Kabo, deputy to the leader of a hitherto little-known movement, the Union des forces démocratiques (UDF). The French government was clearly nervous about the kidnap and appeared relieved that it ended as quickly as it did. Officials, anxious to bury the affair with a minimum of fuss and publicity, stressed that it would have no impact on Franco-Chadian relations. Several weeks later, a warrant for the arrest of the UDF leader, Mahmut Nahor, was issued, at the same time as that for Mr Barde. Dr Nahor is a physician at the general hospital in Sarh, and is currently said to be "on vacation". However, there were reports at the end of March that eight European hostages (including one French citizen) had been seized in Tibesti in the north; seven were released almost immediately, while the French citizen was still being held.
- The defence minister plays down the threat from armed groups
- Notwithstanding the kidnap affair and the continuing activities of the FARF in the south, the defence minister, Oumar Kadjallami, said at the end of February that Chad knew of no "politico-military groups" on its national territory "to disturb the institutions of the republic". His statement may have been intended to counter rumours coming from the far north that such groups were planning to threaten peace and order in the Borkou-Ennedi-Tibesti region. Mr Kadjallami also took the opportunity to say that most elements of the different tendencies of the Mouvement pour la démocratie et le développement in the Lake Chad area had rallied to the government. There remained only "several small groups of racketeers 80 km over the Nigerian border". He dismissed even the FARF as no more than several dozen people who cross over the border from the Central African Republic. The most important elements of FARF, he argued, including Barde's closest collaborators, had "rejoined legality" after the violation by the FARF of their accords with the government.
- N'djamena Hebdo* is penalised
- The director and editor of the independent weekly *N'djamena Hebdo*, Oulatar Begoto and Dieudonné Djonadaye, were given suspended sentences of two years and fined CFAfr100,000 (about \$166), plus payment of a symbolic one franc, for libelling Mr Déby. The paper had described the president as partisan, arguing that he was the president only of a part of Chad, the "northern Muslims".
- Chad seeks the extradition of ex-president Habré from Senegal
- Chad is to request the extradition of the former president, Hisséné Habré, from Senegal, where he has lived since his overthrow in December 1990. The justice minister, Limane Mahamat, said that the cabinet had decided to pursue the matter through a legal co-operation agreement dating from 1961. Sources in Ndjamená recalled that an inquiry set up by the Déby regime had found that the former president left Chad with CFAfr7bn (\$28m), and that in his eight years in power 40,000 people had been killed by his secret police. In 1993 the

National Conference had, however, recommended an amnesty for all collaborators of the former president.

Mr Déby visits Tripoli and Libreville

Two summits in early February confirmed Chad's emerging status as a regional player. On February 5th it was one of eight countries attending the signing in Libya of the treaty establishing the Community of Sahelian and Sahara States (Comessa), a grouping set up on the initiative of the Libyan president, Muammar Qadhafi. President Déby was joined by the presidents of Mali, Niger and Sudan and representatives of Egypt, Tunisia and Burkina Faso. The grouping is intended to reinforce multilateral co-operation. Adoum Togoï, a former close associate of President Déby, who left the government in June 1997 and was rumoured to be linked to opposition movements, was named as the new organisation's deputy secretary-general. President Déby went from Tripoli to Libreville, Gabon, for the summit of the six-nation regional customs grouping, the Union douanière et économique de l'Afrique centrale (UDEAC), at which principal texts for the establishment of the ten-member vehicle for economic and monetary union in Central Africa, the Communauté économique et monétaire d'Afrique Centrale were approved. Among decisions taken were the nomination of a Chadian, Ngata Ngoulou, to head the community's new central bank.

## The economy

The fuel crisis spreads from Nigeria—

The fuel crisis that has gripped neighbouring Nigeria since February has been having serious repercussions in Chad, revealing the extent to which the Chadian economy had become dependent on Nigerian petroleum products, both officially imported and smuggled. There have been prolonged electricity blackouts in Ndjamena, which have also affected water distribution. Petrol pumps in the capital have been without supplies for weeks, leading to a thriving black market and long queues of all kinds of vehicles at filling stations. Many motorists and transporters have simply parked their vehicles. The cost of transport has soared throughout the country, as retailers have more than doubled the cost of petrol from CFAfr390 (\$0.65) to CFAfr800 or even CFAfr1,000 per litre.

—and is aggravated by Cameroonian factors

The minister for trade and industry, Djitangar Djibangar, said in mid-March that the fuel crisis was also due to problems in Cameroon. But by far the biggest problem was supply disruptions from Nigeria which, he said, accounted for 60% of Chad's imports of refined petroleum products. The poor state of Nigeria's refineries meant that it was importing massively for its own use, in spite of its high crude oil production. The problem was compounded by breakdowns on the railway between Yaoundé and Ngaoundere and logistical problems for Chadian transporters trying to reach the Limbe refinery in south-west Cameroon. Road tankers largely owned by Cameroonians were too busy transporting products to the extreme north of Cameroon, to the detriment of Chad, Mr Djibangar added. Other sources said that the problem had been further complicated by a new quality control and taxation system put into place by Chad's 1998 budget.

Oil pipeline construction due to start in April

Work on the 1,050-km pipeline from Doba in Chad to Kribi on Cameroon's Atlantic coast, the all-important element in the development of Chad's oilfields,

is now confidently expected to start in April, in line with a revised timetable established in mid-1997. The convention establishing the Cameroon Oil Transport Company (Cotco) was signed in March and the negotiations for the Chad Oil Transport Company (Totco) are almost complete; thus the two companies charged with constructing the pipeline are now virtually in place. Work is to begin at Kribi on the coast and at Belabo in east Cameroon, progressing from there towards Chad.

The World Bank president is confronted in the European Parliament

According to the oil minister, Saleh Kebzabo, speaking in January, the discussions on the financing of the pipeline are at an advanced stage, although the final decision on the crucial World Bank participation is still scheduled for June. This was confirmed a few days later by the Bank's president, James Wolfensohn, before the Development Committee of the European Parliament. It is now understood that the Bank has decided that it would be better to finance the project through its main lending body, the International Bank for Reconstruction and Development (IBRD) rather than through its concessional lending arm, the International Development Association (IDA), because of the nature of the project, especially the involvement in it of multinationals. Responding to the German Green MEP Wilfried Telkamper, Mr Wolfensohn said that the Bank would sign up only if the project fulfilled all the conditions to ensure protection of the environment and had the full support of the local population.

The Greens begin to articulate southern fears

The European Green parties, in co-operation with Friends of the Earth, are now pressing ahead with a campaign against the project, saying they are sending strong signals to EU member states as voters at the World Bank. The switch from the IDA is thought to have been partly in response to Green pressure. Of the total \$3bn cost of the project, the World Bank is expected to lend \$115m and its financing subsidiary, the International Finance Corporation, a further \$250m. International financing put together by a banking syndicate headed by ABN-Amro and Indosuez, with backing from export-credit guarantee agencies (such as US Eximbank and the French Coface), would provide the rest, once World Bank approval is given. Although the Chad government has consulted extensively at local level, environmental lobbyists have been articulating some of the fears expressed in the south that the benefits may not come to them and may not be handled transparently, in spite of a number of assurances given by the Chad government and by the consortium.

More details of compensation plans are revealed

Some more details of the Export Project Compensation and Resettlement Plan prepared by consultants for the consortium (Esso-Shell-Elf) were released early in 1998. The document considers resettlement to be the least desirable outcome to project-driven changes in land use. It also calls for fair, adequate and monitored compensation for adversely affected individuals, households and communities. About 2,000 ha of land will be needed, mostly only temporarily during construction, of which about 10% has already been acquired. Of this area about 367 ha will be permanently closed to public use during the operations phase. When economically and technically feasible, land used temporarily during construction will afterwards be reclaimed and made available to communities.

A specialist studies the project's socio-economic background

Socio-economic studies in support of the environmental assessment were conducted by Dr Ellen Brown, who has 30 years' experience of research in Chad. With her team of Chadian sociologist assistants, she completed over 13 work-months on the ground, in research and extensive public consultation, in 61 communities. She also studied increasing pressure on land in the local slash-and-burn/mulch farming system, which has led to decreased soil fertility. As a result of her work, the project was redesigned significantly to reduce land needs. Dr Brown's report referred to community concern not to create haves and have-nots but concluded that some individuals would inevitably "perceive partiality and favouritism". It also stressed that land acquisition and compensation must meet Chadian law and World Bank compensation principles, and must recognise customary rights. It is estimated that a maximum of 50 households will no longer be economically viable because of project land needs and will be eligible for resettlement.

An EU aid report is released

According to the latest report on financial co-operation (1996) from the European Commission, Chad received Ecu89m (\$99m) under the sixth European Development Fund (EDF) and Ecu110.3m under the seventh EDF. In 1996, a total of Ecu24.4m was approved for new operations, the largest of which were the Ere-Kelo road project (Ecu13.5m) and a general import programme (Ecu10.2m) as part of support for structural adjustment. The report also lists possible financing decisions in 1997, and notes a framework of mutual obligations signed, which cover Ecu11.2m of transfers under the Stabex (stabilisation of export earnings) scheme for cotton in 1993 and 1994, and are intended to improve cotton production infrastructure. The report notes that the contract for the project to rehabilitate rural tracks was awarded after being blocked for a long time by the national administration and that the project for the support and revitalisation of education was started after considerable delays. In spite of the elections, project implementation has otherwise been normal. Chad has not yet deposited instruments for the ratification of the Mauritius Agreement (Lomé IV mid-term) and negotiations on the national indicative programme for the eighth EDF have not yet begun, owing to the prolonged electoral period in 1996-97.

## Quarterly indicators and trade data

### Cameroon: 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              |
| Mining production          | Prodn/day    |       |       |       |       |       |       |       |       |       |                    |
| Crude petroleum            | '000 barrels | 100   | 100   | 90    | 90    | 90    | 100   | 100   | 100   | 100   | 100                |
| Prices                     | Monthly av   |       |       |       |       |       |       |       |       |       |                    |
| Consumer prices:           | 1990=100     | 148.4 | 152.7 | 155.5 | 154.9 | 156.4 | 157.1 | 159.2 | 165.4 | n/a   | n/a                |
| change year on year        | %            | 8.6   | 6.7   | 5.1   | 5.3   | 5.4   | 2.9   | 2.4   | 6.8   | n/a   | n/a                |
| Money                      | End-Qtr      |       |       |       |       |       |       |       |       |       |                    |
| M1, seasonally adj:        | CFAfr bn     | 294.2 | 318.0 | 327.7 | 306.9 | 322.0 | 312.6 | 335.1 | 357.3 | 395.2 | 422.9 <sup>a</sup> |
| change year on year        | %            | -11.0 | -11.6 | -2.9  | -5.7  | 9.4   | -1.7  | 2.3   | 16.4  | 22.7  | n/a                |
| Foreign trade <sup>b</sup> | Qtrly totals |       |       |       |       |       |       |       |       |       |                    |
| Exports fob                | \$ m         | 579   | 506   | 534   | 586   | 589   | 552   | 601   | 795   | n/a   | n/a                |
| Imports cif                | "            | 280   | 316   | 269   | 291   | 302   | 319   | 290   | 310   | n/a   | n/a                |
| Foreign exchange           | End-Qtr      |       |       |       |       |       |       |       |       |       |                    |
| Central Bank               | \$ m         | 0.2   | 3.2   | 1.9   | 1.2   | 0.9   | 2.1   | 1.0   | 0.8   | 0.7   | 0.5 <sup>a</sup>   |
| Exchange rate              |              |       |       |       |       |       |       |       |       |       |                    |
| Market rate                | CFAfr:\$     | 491.5 | 490.0 | 503.2 | 515.3 | 517.2 | 523.7 | 564.4 | 587.8 | 593.3 | 598.8 <sup>c</sup> |

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

<sup>a</sup> End-October. <sup>b</sup> DOTS estimate; figures are subject to revision. <sup>c</sup> End-February 1998, 607.9.

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

### Central African Republic: 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                         | Monthly av   |        |        |        |        |        |        |        |        |        |                     |
| Consumer prices <sup>a</sup> : | 1990=100     | 137.9  | 140.0  | 142.1  | 142.6  | 147.4  | 145.0  | 143.8  | 148.0  | n/a    | n/a                 |
| change year on year            | %            | 10.3   | 8.2    | 1.7    | 2.8    | 6.9    | 3.6    | 1.2    | 3.8    | n/a    | n/a                 |
| Money                          | End-Qtr      |        |        |        |        |        |        |        |        |        |                     |
| M1, seasonally adj:            | CFAfr bn     | 115.07 | 113.86 | 101.99 | 111.78 | 116.54 | 119.15 | 117.04 | 109.54 | 107.56 | 107.08 <sup>b</sup> |
| change year on year            | %            | 19.9   | 7.4    | -14.1  | -2.5   | 1.3    | 4.6    | 14.8   | -2.0   | -7.7   | n/a                 |
| Foreign trade <sup>c</sup>     | Qtrly totals |        |        |        |        |        |        |        |        |        |                     |
| Exports fob                    | \$ m         | 60.9   | 45.5   | 52.0   | 68.2   | 70.5   | 58.0   | 56.1   | 72.2   | n/a    | n/a                 |
| Imports cif                    | "            | 37.2   | 38.0   | 49.5   | 42.6   | 41.5   | 40.7   | 38.9   | 43.4   | n/a    | n/a                 |
| Foreign exchange               | End-Qtr      |        |        |        |        |        |        |        |        |        |                     |
| Central Bank                   | \$ m         | 244.90 | 233.48 | 210.32 | 230.76 | 237.25 | 232.09 | 211.40 | 196.70 | 184.53 | 187.00 <sup>b</sup> |
| Exchange rate                  |              |        |        |        |        |        |        |        |        |        |                     |
| Market rate                    | CFAfr:\$     | 491.5  | 490.0  | 503.2  | 515.3  | 517.2  | 523.7  | 564.4  | 587.8  | 593.3  | 598.8 <sup>d</sup>  |

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

<sup>a</sup> "African" households, Bangui. <sup>b</sup> End-October. <sup>c</sup> DOTS estimate, figures are subject to revision. <sup>d</sup> End-February 1998, 607.9.

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

## Chad: 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                     | Monthly av   |        |        |        |        |        |        |        |        |        |                     |
| Consumer prices:           | 1990=100     | 146.9  | 149.0  | 148.2  | 161.2  | 169.8  | 166.7  | 163.5  | 172.8  | 176.7  | 170.7 <sup>a</sup>  |
| change year on year        | %            | 3.0    | 8.3    | 6.6    | 15.4   | 15.6   | 11.9   | 10.3   | 7.2    | 4.1    | n/a                 |
| Money                      | End-Qtr      |        |        |        |        |        |        |        |        |        |                     |
| M1, seasonally adj:        | CFAfr bn     | 71.79  | 87.61  | 102.21 | 107.15 | 103.03 | 116.68 | 110.27 | 102.46 | 95.01  | 95.41 <sup>b</sup>  |
| change year on year        | %            | -6.4   | 42.3   | 99.7   | 100.1  | 43.5   | 33.2   | 7.9    | -4.4   | -7.8   | n/a                 |
| Foreign trade <sup>c</sup> | Qtrly totals |        |        |        |        |        |        |        |        |        |                     |
| Exports fob                | \$ m         | 28.8   | 47.8   | 28.9   | 41.7   | 30.8   | 23.9   | 19.6   | 33.3   | n/a    | n/a                 |
| Imports cif                | "            | 59.2   | 54.5   | 59.3   | 45.2   | 61.4   | 50.7   | 43.5   | 43.9   | n/a    | n/a                 |
| Exchange holdings          | End-Qtr      |        |        |        |        |        |        |        |        |        |                     |
| Foreign exchange           | \$ m         | 101.58 | 142.07 | 189.10 | 180.72 | 175.96 | 163.84 | 121.42 | 103.76 | 119.85 | 127.09 <sup>b</sup> |
| Exchange rate              |              |        |        |        |        |        |        |        |        |        |                     |
| Market rate                | CFAfr:\$     | 491.5  | 490.0  | 503.2  | 515.3  | 517.2  | 523.7  | 564.4  | 587.8  | 593.3  | 598.8 <sup>d</sup>  |

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

<sup>a</sup> October only. <sup>b</sup> End-October. <sup>c</sup> DOTS estimate; figures are subject to revision. <sup>d</sup> End-February 1998, 607.9.

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

Chad: direction of trade<sup>a</sup>

(\$ m)

|                   | Jan-Dec<br>1993 | Jan-Dec<br>1994 | Jan-Dec<br>1995 | Jan-Dec<br>1996 |                    | Jan-Dec<br>1993 | Jan-Dec<br>1994 | Jan-Dec<br>1995 | Jan-Dec<br>1996 |
|-------------------|-----------------|-----------------|-----------------|-----------------|--------------------|-----------------|-----------------|-----------------|-----------------|
| Exports fob       |                 |                 |                 |                 | Imports cif        |                 |                 |                 |                 |
| Portugal          | 18              | 18              | 41              | 43              | France             | 61              | 56              | 64              | 75              |
| Germany           | 13              | 13              | 25              | 14              | Cameroon           | 29              | 37              | 44              | 52              |
| Costa Rica        | 4               | 5               | 6               | 8               | Belgium-Luxembourg | 5               | 5               | 21              | 16              |
| France            | 7               | 8               | 10              | 7               | Nigeria            | 11              | 11              | 13              | 14              |
| US                | n/a             | 2               | 3               | 7               | Portugal           | n/a             | n/a             | n/a             | 12              |
| Spain             | 1               | 2               | 5               | 6               | UK                 | 3               | 3               | 3               | 6               |
| Total incl others | 67              | 83              | 124             | 124             | Total incl others  | 138             | 139             | 197             | 216             |

<sup>a</sup> DOTS estimate.

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

## Cameroon: foreign trade

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

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

|                          | \$ m            |                 |                 |                 |                          | \$ m            |                 |                 |                 |
|--------------------------|-----------------|-----------------|-----------------|-----------------|--------------------------|-----------------|-----------------|-----------------|-----------------|
|                          | Jan-Dec<br>1993 | Jan-Dec<br>1994 | Jan-Dec<br>1995 | Jan-Dec<br>1996 |                          | Jan-Dec<br>1993 | Jan-Dec<br>1994 | Jan-Dec<br>1995 | Jan-Dec<br>1996 |
| Exports fob <sup>c</sup> |                 |                 |                 |                 | Imports cif <sup>c</sup> |                 |                 |                 |                 |
| Italy                    | 200             | 286             | 330             | 393             | France                   | 378             | 338             | 476             | 443             |
| Spain                    | 288             | 285             | 277             | 366             | Germany                  | 48              | 54              | 65              | 90              |
| France                   | 342             | 383             | 466             | 352             | Belgium-Luxembourg       | 55              | 50              | 82              | 86              |
| Netherlands              | 129             | 119             | 163             | 148             | US                       | 50              | 59              | 50              | 78              |
| Germany                  | 98              | 106             | 102             | 123             | Italy                    | 39              | 37              | 57              | 63              |
| Nigeria                  | 62              | 75              | 89              | 102             | UK                       | 27              | 38              | 44              | 58              |
| US                       | 101             | 55              | 48              | 64              | Japan                    | 54              | 38              | 48              | 35              |
| Total incl others        | 1,612           | 1,823           | 2,117           | 2,222           | Total incl others        | 951             | 851             | 1,140           | 1,207           |

<sup>a</sup> Source: UN. <sup>b</sup> Figures for 1990 are not available. <sup>c</sup> DOTS estimate.

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

## Central African Republic: foreign trade

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

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

|                    | \$ m            |                 |                 |                              |                    | \$ m            |                 |                 |                              |
|--------------------|-----------------|-----------------|-----------------|------------------------------|--------------------|-----------------|-----------------|-----------------|------------------------------|
|                    | Jan-Dec<br>1993 | Jan-Dec<br>1994 | Jan-Dec<br>1995 | Jan-Dec<br>1996 <sup>a</sup> |                    | Jan-Dec<br>1993 | Jan-Dec<br>1994 | Jan-Dec<br>1995 | Jan-Dec<br>1996 <sup>a</sup> |
| Exports fob        |                 |                 |                 |                              | Imports cif        |                 |                 |                 |                              |
| Belgium-Luxembourg | 73              | 65              | 75              | 99                           | France             | 68              | 55              | 70              | 54                           |
| Côte d'Ivoire      | n/a             | n/a             | n/a             | 13                           | Côte d'Ivoire      | 1               | n/a             | 1               | 28                           |
| Spain              | n/a             | 1               | n/a             | 7                            | Cameroon           | 6               | 8               | 12              | 15                           |
| Taiwan             | n/a             | n/a             | n/a             | 7                            | Japan              | 11              | 10              | 46              | 6                            |
| Italy              | n/a             | n/a             | n/a             | 6                            | Belgium-Luxembourg | 3               | 2               | 6               | 5                            |
| Total incl others  | 110             | 143             | 187             | 244                          | US                 | 2               | 2               | 5               | 4                            |
|                    |                 |                 |                 |                              | Total incl others  | 126             | 132             | 189             | 174                          |

<sup>a</sup> DOTS estimate.

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

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

|   | Cameroon        |                 |                 | CAR             |                 |                 | Chad            |                 |                 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | Jan-Dec<br>1994 | Jan-Dec<br>1995 | Jan-Dec<br>1996 | Jan-Dec<br>1994 | Jan-Dec<br>1995 | Jan-Dec<br>1996 | Jan-Dec<br>1994 | Jan-Dec<br>1995 | Jan-Dec<br>1996 |
| French exports fob                              |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Cereals & preparations                          | 22,725          | 33,646          | 38,416          | 5,797           | 7,544           | 8,607           | 5,072           | 5,188           | 8,247           |
| Sugar & preparations                            | 7,336           | 4,255           | 7,841           | 15              | 32              | 1               | 621             | 1,575           | 4,199           |
| Beverages                                       | 3,748           | 5,841           | 6,204           | 554             | 590             | 817             | 239             | 392             | 306             |
| Chemicals                                       | 66,889          | 85,137          | 82,298          | 12,189          | 10,859          | 8,393           | 9,720           | 6,222           | 10,863          |
| Rubber manufactures                             | 5,075           | 5,242           | 5,798           | 685             | 741             | 564             | 818             | 1,171           | 1,179           |
| Paper, etc & manufactures                       | 7,852           | 13,424          | 13,312          | 1,322           | 1,263           | 1,045           | 1,363           | 1,626           | 1,576           |
| Textile fibres & manufactures,<br>incl clothing | 8,845           | 11,585          | 11,476          | 981             | 1,358           | 1,240           | 486             | 692             | 627             |
| Non-metallic minerals manufactures              | 6,983           | 9,122           | 9,003           | 163             | 407             | 246             | 466             | 471             | 471             |
| Iron & steel                                    | 2,025           | 5,060           | 6,930           | 308             | 224             | 224             | 932             | 601             | 931             |
| Non-ferrous metals                              | 2,690           | 7,160           | 4,881           | 138             | 544             | 58              | 110             | 153             | 142             |
| Metal manufactures                              | 15,002          | 20,189          | 16,033          | 1,976           | 2,134           | 1,544           | 1,984           | 2,241           | 2,702           |
| Machinery incl electric                         | 80,406          | 123,718         | 103,352         | 14,928          | 17,000          | 13,212          | 14,919          | 22,378          | 23,856          |
| Road vehicles                                   | 26,883          | 30,462          | 30,336          | 6,561           | 7,805           | 5,846           | 8,806           | 6,966           | 5,604           |
| Other transport equipment                       | 8,820           | 7,247           | 4,496           | 717             | 119             | 143             | 163             | 309             | 271             |
| Scientific instruments, etc                     | 5,484           | 8,273           | 10,341          | 1,232           | 1,203           | 920             | 1,840           | 1,557           | 1,417           |
| Total incl others                               | 305,143         | 431,713         | 407,331         | 52,546          | 59,649          | 49,332          | 51,829          | 57,521          | 68,590          |
| French imports cif                              |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Fruit & vegetables                              | 106,490         | 114,071         | 99,413          | 10              | 0               | 0               | 0               | 52              | 23              |
| Coffee, cocoa, tea & spices                     | 45,694          | 62,029          | 74,511          | 5,241           | 13,824          | 3,811           | 0               | 0               | 0               |
| Tobacco, unmanufactured                         | 0               | 0               | 73              | 608             | 138             | 70              | 0               | 0               | 0               |
| Rubber, crude                                   | 16,097          | 16,944          | 15,806          | 21              | 41              | 0               | 0               | 0               | 0               |
| Wood & cork & manufactures                      | 107,144         | 103,162         | 81,832          | 312             | 276             | 460             | 0               | 1               | 0               |
| Textile fibres & waste                          | 1,164           | 0               | 80              | 109             | 616             | 203             | 196             | 1,200           | 54              |
| Petroleum & products                            | 73,930          | 113,231         | 21,413          | 0               | 0               | 0               | 0               | 0               | 0               |
| Textile yarn & manufactures                     | 4,933           | 4,527           | 3,001           | 0               | 0               | 0               | 0               | 0               | 0               |
| Non-ferrous metals                              | 68,309          | 105,418         | 102,569         | 0               | 0               | 0               | 0               | 0               | 0               |
| Total incl others                               | 431,252         | 526,164         | 405,508         | 8,457           | 15,276          | 5,007           | 9,236           | 10,462          | 7,240           |

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