COUNTRY REPORT

Cameroon

Central African Republic

Chad

2nd quarter 1997

The Economist Intelligence Unit
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The Economist Intelligence Unit

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London	New York	Hong Kong
The Economist Intelligence Unit	The Economist Intelligence Unit	The Economist Intelligence Unit
15 Regent Street	The Economist Building	25/F, Dah Sing Financial Centre
London	111 West 57th Street	108 Gloucester Road
SW1Y 4LR	New York	Wanchai
United Kingdom	NY 10019, USA	Hong Kong
Tel: (44.171) 830 1000	Tel: (1.212) 554 0600	Tel: (852) 2802 7288
Fax: (44.171) 499 9767	Fax: (1.212) 586 1181/2	Fax: (852) 2802 7638
e-mail: london@eiu.com	e-mail: newyork@eiu.com	e-mail: hongkong@eiu.com

Website: http://www.eiu.com

Electronic delivery
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Summary

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Cameroon

Outlook for 1997-98: Support for the president, Paul Biya, is being weakened even within the ruling RDPC as rival candidates emerge. It is uncertain whether May's legislative elections will go ahead on time and election improprieties are likely. Relations with the IMF and World Bank will remain sticky in the short term and an Enhanced Structural Adjustment Facility is uncertain. The external position will improve only slowly, despite a marked upswing in soft commodity exports, and the current-account deficit is expected to total $400m in 1997/98.

Review: There have been armed attacks in the Bamenda area but it is unclear who is responsible, although the government blames anglophone separatists. Opposition parties have suffered retaliation as legislative elections approach. The SDF and the UNDP have been holding talks. Titus Edzoa has declared his candidacy for the presidential elections. Mr Biya has met his Nigerian counterpart, General Sani Abacha, but a solution to the Bakassi crisis is far off. The SDF has announced an economic programme. Discussions with the IMF on an ESAF agreement remain inconclusive. The fiscal outlook has improved but growth remains sluggish. Coffee exports are being retained as prices strengthen. Timber exports are booming. Oil production has revived. Donors' support has been forthcoming for transport sector projects.

Central African Republic

Outlook for 1997-98: The new prime minister, Michel Gbezera-Bria, faces a difficult situation, without much chance of cooperation from the president, Ange-Félix Patassé. Donors and investors will stay cautious until the army mutiny is clearly at an end.

Review: Mr Gbezera-Bria has succeeded in bringing Codepo into government, only to see the opposition representatives walk out again over the deaths of three mutineers in May. The disarmament process has begun, although the timetable remains uncertain. General François Bozize has been named chief of the defence staff. The prime minister has emphasised the state's lack of resources. The African peacekeeping force has been swiftly deployed, while France has distanced itself from Mr Patassé. The disruptive impact of the mutiny is being felt outside the capital. The EU has taken initiatives on transport and the environment.

Chad

Outlook for 1997-98: The MPS is now in a position to dictate political events and the president, Idriss Déby, can pick his collaborators as the start of oil production nears. There is no possibility of southern demands for a federal system being granted. The regional situation will remain a source of danger.

Review: The MPS has won a narrow parliamentary majority after opposition victories were overturned in several seats. Opposition leaders have complained of fraud and international observers have been circumspect. There has been further controversy over the summary execution of suspected thieves and other human rights abuses. A peace accord has been signed with southern federalist insurgents in the FARF. Exxon has increased its estimate of oil reserves in the

Doba Basin to 900bn barrels. The project has been criticised by the Environmental Defence Fund. Cotontchad has made encouraging cotton forecasts.

Franc Zone news

The incoherence in French policy towards sub-Saharan Africa may be resolved with the death of one of the key players, Jacques Foccart, but little will occur before the French legislative elections.

Editor: Andrew Manley
All queries: Tel: (44.171) 830 1007 Fax: (44.171) 830 1023

Cameroon

Political structure

Official name	République du Cameroun
Form of state	Unitary republic
Legal system	Based on English common law and the Code Napoléon
National legislature	Assemblée nationale; 180 members, elected by universal suffrage, sit twice yearly and serve a five-year term
National elections	March 1992 (legislative) and October 1992 (presidential); next elections due by May 1997 (legislative) and October 1997 (presidential)
Head of state	President, elected by universal suffrage, serves a five-year term and is re-electable
National government	Consists of the prime minister and his Council of Ministers. Includes representatives of the ruling RDPC, the UPC, the MDR and the ANDP. Last reshuffled September 1996
Main political parties	A law authorising multiparty politics was published in December 1990. There are more than 70 registered parties. The Rassemblement démocratique du peuple camerounais (RDPC) holds 88 seats in parliament; The Union nationale pour la démocratie et le progrès (UNDP) has 68 seats; the Union des populations du Cameroun (UPC) has 18; and the Mouvement pour la défense de la république (MDR) six

	President	Paul Biya
	Prime minister	Peter Mafany Musonge (RDPC)
	Vice-prime minister, minister of territorial administration	Gilbert Andzé Tsoungui (RDPC)
	Vice prime minister, minister of housing & town planning	Ahamadou Moustapha (ANDP)
Ministers of state	Agriculture	Augustin Frédéric Kodock (UPC)
	Communication	Augustin Kontchou Koumegni (RDPC)
	Economy & finance	Edouard Akame Mfoumou (RDPC)
	Telecommunications	Dakole Daïssala (MDR)
Key ministers	Foreign relations	Ferdinand Léopold Oyono (RDPC)
	Higher education	Peter Agbor Tabi (RDPC)
	Labour & social insurance	Simon Mbila (UPC)
	Livestock, fisheries & animal husbandry	Hamadjoda Adjoudji (RDPC)
	Mines, water resources & energy	André Mbele Bello (RDPC)
	National education	Robert Mbella Mbappe (RDPC)
	Public health	vacant
	Public service & administrative reforms	Sali Dahirou (RDPC)
	Scientific & technical research	Djingoer Bava (MDR)
	State audit	Joseph Owona (RDPC)
	Trade & industrial development	Justin Ndioro (RDPC)
	Transport	Joseph Tsanga Abanda (RDPC)
BEAC governor	Jean-Félix Mamalepot	

Economic structure

Latest available figures

Economic indicators	1992	1993	1994	1995	1996[a]
GDP at market prices[b] CFAfr bn	3,103	3,425	4,131	4,571	n/a
Real GDP growth[b] %	–3.2	–2.6	3.3	5.0[c]	3.5
Consumer price inflation[b] %	–3.7	12.7	26.9	6.4[c]	6.5
Population m	12.2	12.6	12.9	13.2	13.5
Exports fob[b] $ m	1,934	1,508	1,963[c]	1,932[c]	1,890
Imports fob[b] $ m	983	1,005	1,194[c]	1,296[c]	1,200
Current account[b] $ m	–338	–565	–390[c]	–568[c]	–400
Reserves excl gold $ m	20	2	2	4	2[d]
Total external debt $ m	7,349	7,452	8,254	9,350	n/a
External debt-service ratio %	16.4	21.2	17.0	13.3	n/a
Crude oil production ’000 b/d	136	132	116	95[a]	90
Coffee production[e] ’000 tons	47.9	75.9	56.7	64.9	n/a
Cocoa production[f] ’000 tons	96.0	110.9	109.0	132.0	n/a
Exchange rate (av) CFAfr:$	264.7	283.2	555.2	499.2	511.6

April 25, 1997 CFAfr582.7:$1

Origins of gross domestic product 1994[b]	% of total
Agriculture	28.6
Industry	24.9
Manufacturing	11.3
Services	46.5
GDP at factor cost	100.0

Components of gross domestic product 1994[b]	% of total
Private consumption	71.3
Government consumption	7.2
Gross domestic investment	16.8
Exports of goods & services	30.0
Imports of goods & services	–25.3
GDP at market prices	100.0

Principal exports 1994[bc]	$ m
Crude oil	565
Timber	296
Cocoa	118
Coffee	116

Principal imports cif 1994[bc]	$ m
Capital goods	190
Food	89
Fuel	7

Main destinations of exports 1995[g]	% of total
France	22
Italy	15
Spain	13
Netherlands	8

Main origins of imports 1995[g]	% of total
France	42
Belgium-Luxembourg	6
Italy	5
USA	4

[a] EIU estimates. [b] Fiscal years starting July 1. [c] Official estimates. [d] End-August actual. [e] Crop years starting December 1. [f] Crop years starting October 1. [g] Drawn from partners’ trade returns, subject to a wide margin of error.

Outlook for 1997-98

Mr Biya's support weakens—

As the already once-postponed legislative elections approach, the president, Paul Biya, is on ever shakier ground. The ruling Rassemblement démocratique du peuple camerounais (RDPC) is imploding with the defections of high-profile members. The announcement in April that Titus Edzoa, a long-time member of Mr Biya's inner circle, had become the third member of the RDPC to challenge him in the presidential elections scheduled for October is nothing short of a bombshell: the once-monolithic RDPC, whose loyalty to Mr Biya was unquestioned, is no more. This crumbling of the ruling edifice comes against a background of civil disturbance which—staged or not—could presage a tumultuous few months ahead.

—as Mr Edzoa enters the race—

It will be interesting to follow Mr Edzoa's candidacy for the highest office. Once the president's private doctor, Mr Edzoa resigned from his post as minister of health, to which he had been demoted from the all-powerful secretary-generalship at the presidency in last September's cabinet reshuffle, citing "underhanded acts" which prevented him from doing his job. Mr Edzoa himself is no stranger to intrigue: as secretary-general at the presidency, he became symbolic of the corruption and ineptitude of Mr Biya's administration, and he is likely to know more than most of its dirty linen. Among Mr Edzoa's better-known accomplishments at the presidency was the controversial sale of the state telecoms company Intelcam to France-Télécom on the eve of the Organisation of African Unity (OAU) summit in June 1996, a deal which came under considerable criticism and was later suspended. A few well-chosen revelations on Mr Edzoa's part could hasten Mr Biya's political demise.

—joining other RDPC defectors and opposition candidates

Mr Edzoa joins an increasingly crowded field of presidential aspirants, which includes the RDPC defectors Victor Ayissi Mvodo (a former cabinet minister under Ahmidou Ahidjo, Mr Biya's predecessor) and Albert Dzongang, a former member of the National Assembly. They join likely candidates John Fru Ndi of the extraparliamentary Social Democratic Front (SDF) and Bello Bouba Maigari of the leading parliamentary opposition party, the Union nationale pour la démocratie et le progrès (UNDP). Mr Biya, with support ebbing from within his own ranks, thus has more than his normal share of worries as the electoral season gets underway.

Legislatives are scheduled for May 17—

The legislative contest, scheduled for May 17, could begin to sort things out. If the leading opposition parties, the SDF and UNDP, win a parliamentary majority, they will write an electoral law for a two-round presidential election, which would obviate the need to agree on a single opposition presidential candidate. If they fall short of a majority, Mr Maigari might emerge as kingmaker: in this event he might choose to swallow his own aspirations and throw his weight behind Mr Fru Ndi, in a last-ditch effort to unseat Mr Biya. Alternatively he could be co-opted by the president, with, for example, an offer of the prime minister's job, currently held by the South-Western technocrat, Peter Mafany Musonge.

—although unrest may be a pretext

All this assumes that the legislative election occurs as promised, which is by no means a certainty in light of the serious disturbances in North-West Province in late March. The government has yet to pinpoint responsibility for an alleged wave of armed attacks against police and *gendarmerie* units in localities around the North-West's capital, Bamenda (the heartland of the SDF), fuelling speculation that the incidents could have been staged as a pretext to crack down hard on opponents or cancel elections in the region entirely. It seems unlikely that the SDF was involved in any official sense; Mr Fru Ndi's eyes are on capturing the big prize, the presidency itself, and he privately distances himself from insurrectionary moves.

Violence remains an option—

But if, as the government alleges, the attacks were the work of militants of the Southern Cameroons National Council (SCNC), the radical anglophone separatist movement has chosen an odd locale to express its anger, given that its base of operation is in South-West Province, the more southerly of the anglophone administrative areas. It is possible, though, given the thinly disguised manipulations of the polling process which habitually occur before, during and after elections in Cameroon, that the more radical anglophone elements have decided to resort to violence to achieve their political goals. This does not bode well for stability during the rest of this critical year.

—and electoral fraud is likely

Besides Mr Edzoa's defection, Mr Biya has suffered another blow with the death of Jean Fochivé, a previously all-powerful secretary of state for national security, from a heart attack in April. Although Mr Fochivé had been removed from his position in March 1996, he continued to advise the president in an unofficial capacity, no doubt contributing his store of knowledge on how best to assure a favourable electoral outcome. The president will, however, still benefit from the considerable experience of his trusted minister of territorial administration, Gilbert Andzé Tsoungui, who will run both elections. Mr Biya's refusal to have an electoral commission and of donor government offers to train observers and election officials is not a good omen for a transparent vote. As support dwindles from within the RDPC, Mr Biya is likely to become more desperate to hold on to power.

Relations cool (again) with the IMF—

Political instability, along with the likelihood of poll-related overspending, are unlikely to strengthen the government's hand in its quest for a medium-term Enhanced Structural Adjustment Facility (ESAF) arrangement with the IMF. After the failure of four consecutive stand-by agreements the Fund is understandably doubtful about the government's seriousness. Efforts led by Mr Musonge and the minister of finance and the economy, Edouard Akame Mfoumou, to present a new determination on economic and financial reform, while seemingly laudable, are not likely to be enough to change the Fund's mind for the time being, especially given the Biya administration's domestic preoccupations.

—although some progress is reported—

Two recent missions by IMF teams, in December and February, and the visit to Washington in April of a large Cameroonian government delegation, including representatives of the private sector, have failed to break the impasse, although some signs of progress on the fiscal and structural fronts were noted. In particular, the government has used a petroleum windfall due to unanticipated higher world oil prices to pay off some CFAfr100bn ($180m) in non-reschedulable arrears to official creditors, and has pledged to enter oil revenue into the national accounts, a key creditors' concern, and one where government fudging has been constant in recent years. It has also made progress on the privatisation of state-owned enterprises and civil service reforms.

—but an ESAF is unlikely

But the next IMF mission to Cameroon will wait until after the legislative elections, in late May or early June. In the meantime and after, much can occur to throw these fragile gains off course. It is hence unlikely in the EIU's view that an agreement will be concluded before the end of the year. This means that there will be no Paris Club rescheduling of official bilateral debt until at least early 1998, nor will World Bank structural adjustment lending resume swiftly.

Cameroon remains on a knife-edge—

Overall, there is little reason to believe that significant improvements in the economy will occur in this pivotal election year. The most serious issue, Cameroon's overwhelming debt-servicing requirements, will not go away. Scheduled debt service for fiscal 1996/97 (July-June) stands at CFAfr540bn ($1.04bn), equivalent to 75% of budget revenue, and total external debt is expected to rise to $10.7bn by the end of 1998. Meanwhile, real GDP growth remains sluggish at 3.5%, fuelled largely by volatile primary commodity exports. With a recovery of domestic demand unlikely and external sources of funding virtually dried up, Cameroon remains on a knife-edge, teetering dangerously towards collapse.

—with few grounds for optimism

Were there any reasonable expectations that Mr Biya might take the high ground, holding transparent parliamentary and presidential elections and respecting the people's verdict on his long and troubled tenure, a more sanguine outlook for the future might be possible. A new broom to sweep out the corrupt and inept administration is probably the only long-term solution to the Cameroonian crisis. But there is scant evidence to support such a scenario. Rather, Mr Biya's determination to hold on to power, whatever the political and economic costs, seems to grow ever stronger as the odds against him mount. He will also come under pressure from the presidential entourage, which will wish to retain power, influence and access to the state's resources. Bleak days lie ahead.

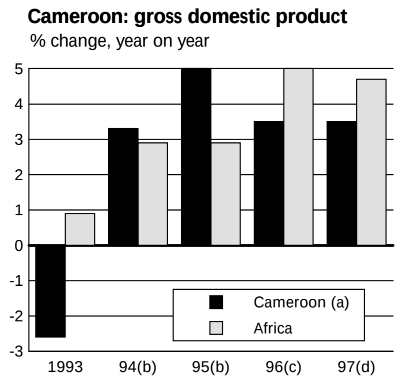
Our short-term forecasts remain broadly similar to those published last quarter, although there have been genuine gains in the soft commodities and petroleum sectors, the latter due to a slight recovery in production combined with better than expected prices in recent months for Cameroon's Kolé crude output. This has led us to raise our merchandise exports forecast for 1996/97 slightly, to $1.89bn. Given Cameroon's external debt-service situation, it would be optimistic to expect the current-account deficit to dip below $400m in 1996/97, however: indeed, one by-product of a mini-windfall from oil has been an unexpectedly high rate of interest payments which, paradoxically, may have weakened the invisibles account and thus contributed to a worsened current-account deficit. We calculate forecast export revenue, as well as debt and other invisibles payments, in dollars and so the pronounced softening of the French (and therefore CFA) franc against the dollar has relatively little impact on projected figures (although it will lead to a considerable rise in the CFA franc-denominated import bill and exert modest inflationary pressure). The picture for 1997/98 is still unclear and as yet there is little reason to alter our tentative forecasts, although the average inflation rate has been shaded up by 1 percentage point.

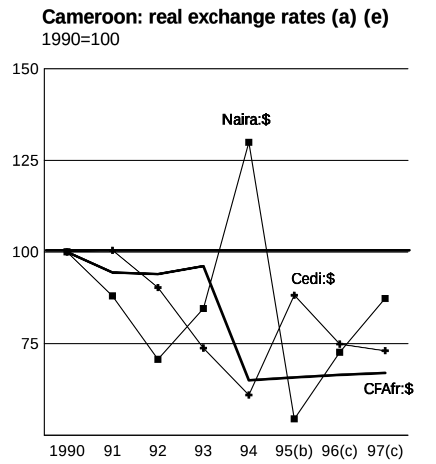
Cameroon: forecast summary

($ m unless otherwise indicated; fiscal years beginning July 1)

	1994/95[a]	1995/96[a]	1996/97[b]	1997/98[b]
Real GDP growth (%)	3.3[c]	5.0	3.5	3.5
Consumer price inflation(%)	26.9[c]	6.4	6.5	4.0
Merchandise exports	1,963	1,932	1,890	1,900
of which:				
timber	296	310[d]	340	350
petroleum	565	375[d]	380	270
cocoa & coffee beans	235	230[d]	220	190
Merchandise imports	1,194	1,296	1,200	1,250
Current-account balance	–390	–568	–400	–300
Average exchange rate (CFAfr:$)	518.6	501.8	538.9	564.0

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





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

Review

The political scene

Disturbances rock North-West Province—

Events during the past quarter have borne out predictions that this election year promises to be anything but tranquil. In what were said to be the most violent civil disturbances to have rocked Cameroon in recent years, ten people, including several *gendarmes*, were reported to have been killed in armed attacks between March 28-31 in and around Bamenda, the North-West Province anglophone stronghold of the leading opposition figure, John Fru Ndi of the Social Democratic Front (SDF). The attacks were followed by a security crackdown on members of the opposition, the declaration of a state of emergency, the imposition of a dusk-to-dawn curfew and a ban on public gatherings in the province.

—but who is to blame is unclear—

There is, however, an air of mystery surrounding the attacks, leading to two possible scenarios as pre-election tensions mount: either the incidents were orchestrated by the government, as the opposition contends, to tarnish the SDF's reputation and possibly prepare the ground for another postponement of the elections; or they were the work of anti-government anglophones who have opted out of the electoral game and are prepared to resort to violent means to achieve their ends. It is unlikely that the incidents would have been sanctioned by the SDF, as it sees itself in a fairly strong position against the ruling party as elections draw near. Advocating violence would not serve its end of winning at the polls.

—as *gendarmeries* are targeted

Police alleged that the attacks began on March 28 on a *gendarmerie* in Jakiri, some 50 km from Bamenda, in Kumbo, and in Oku where the sub-prefect and the commander of the *gendarmerie* brigade were taken hostage while the armoury was robbed. On March 29 Mbengui and Bamenda itself were attacked; in the latter locality, the offices of the national radio station, the judiciary police, the paramilitary forces and officials of the provincial governments were attacked. On March 31 the *gendarmerie* in Bafut was also hit.

Anglophone separatists are blamed—

The communications minister, Augustin Kontchou Koumegni, initially declined to speculate on the identity of the attackers, citing continuing investigations, but government sources alleged that the authorities had documents incriminating the anglophone separatist movement, the Southern Cameroons National Council (SCNC), and a "well-known opposition party". The agriculture minister, Augustin Frédéric Kodock, was quick to draw comparisons with the rebellion in Zaire and claimed that "foreign powers" and "certain political parties" were responsible. Mr Kodock may have been referring to Nigeria; the government has long harboured worries that its anglophone neighbour, with whom its dispute over the Bakassi peninsula has yet to be resolved, supports and arms the anglophone secessionists.

—but opposition parties are victimised

The SCNC, which maintains a stronger presence in South-West Province than around Bamenda, denied involvement in the attacks. But revealingly, it was the SDF and Bello Bouba Maigari's Union nationale pour la démocratie et le progrès (UNDP) which were targeted in the ensuing crackdown, in which hundreds of people were arrested and others were attacked. In one incident in Banekuma, 80 km south of Bamenda, three SDF officials attending a rally received bullet wounds in an attack which they claimed was led by a member of parliament belonging to the ruling Rassemblement démocratique du peuple camerounais (RDPC).

An excuse to delay elections?

While varying reports indicated that three *gendarmes* and seven attackers died in the incidents, and that 12 arrests were made, observers found it odd that the government failed to apprehend more attackers, or identify them, despite a strong police and military presence. The curious circumstances surrounding the events lent credence to theories that they were orchestrated by the government to cast disfavour on Mr Fru Ndi and colleagues. The opposition leader himself alleged that the government was trying to come up with a suitable excuse to postpone the polls. The legislative contest for 180 seats in the National Assembly had already been postponed from March. Only after the Bamenda incidents was the polling date of May 17 announced. The government cited hitches in the voter registration process as the reason for the delay, but based on the government's past proclivity to postpone elections, there are fears that the May 17 date may not materialise, or that voting may be banned altogether in the northwest.

The smaller parties go into alliance—

While questions remain as to the basis on which the fragmented opposition will contest the elections, a group of smaller parties, which launched a campaign last November to field a single presidential candidate on the election scheduled for October, appears to have been unsuccessful in wooing the most prominent opponents to its cause. The alliance issued a three-year transitional government platform in late January, calling for the restoration of the democratisation process, a revival of the economy and an improvement in the country's international credibility. The SDF was not a signatory. Mr Fru Ndi further angered the smaller opposition groups by telling a newspaper in February that he was not ready to sit down and discuss tactics with "just anybody who calls himself a political leader simply because he has created a party". Instead he urged the smaller parties to dissolve and join with the bigger ones "that really matter in the field".

—while the SDF and UNDP hold talks

Meanwhile the SDF and UNDP, with the largest followings, have been holding strategy talks. According to a member of the SDF's national executive committee, Alexandre Takou, should the UNDP and SDF win a majority in the legislative elections, an electoral law will be written specifying a two-round presidential election, replacing the single-round system used at present. The issue of the single opposition candidate would then become pointless, he said. Mr Maigari has also noted that the existing law does not authorise open alliances of parties on a single list. The idea of a two-round presidential poll is an attractive one to Mr Fru Ndi and others: given that several opposition figures will run against the president, Paul Biya, it would be a way of arriving at a single opponent to confront the embattled president in the second round—provided of course that Mr Biya does not win a simple majority (50% plus one vote) in the first.

Preparations are under way for the legislative vote—

As of April 8, 74 political parties had applied to field candidates in the legislative election, according to the director of political affairs at the interior ministry, Eban Eton, but only four leading parties were likely to field candidates in all constituencies. The opposition, however, complained about a government decision to redefine constituencies after the passing of a deadline to indicate where parties intend to field candidates. Mr Eton also stated that 3.5 million voters had been registered to vote at 16,000 polling stations and that campaigning would begin on May 2 and end at midnight on May 16.

—while parliament is recalled into special session—

The National Assembly's term of office expired on February 28 in preparation for the legislatives, but the government called it back into extraordinary session on March 5 to approve a modified electoral law which rejected opposition demands for an independent electoral commission and confirmed the role of the government administration in organising the vote. It also conferred responsibility for declaring the election results on the yet-to-be-created constitutional court: in the absence of such a body the task will fall to the Supreme Court. The law also provides for the possibility of disqualifying candidates, including those already elected, on the grounds of defamation.

—but is then dismissed

After approving the law on March 9, parliamentarians were dismissed without their term of office being extended. This opened the possibility of legislation by presidential decree, which, said Albert Dzongang, formerly of the ruling RDPC but now a declared anti-Biya presidential candidate, smacked of "political gangsterism".

Mr Edzoa is now a presidential candidate—

Mr Dzongang is one of three former members of Mr Biya's party to have declared himself a candidate for the presidency. By far the most spectacular presidential contender is the former health minister, Titus Edzoa. He announced in mid-April that he was resigning and challenging Mr Biya for the highest office, saying that he was giving Cameroonians "another possibility for change". With first-hand knowledge of the inner workings of Mr Biya's government as the former secretary-general at the presidency, Mr Edzoa, who joins Mr Dzongang and another RDPC defector, Victor Ayissi Mvodo, is no doubt causing some sleepless nights at the Etoudi Palace.

—as observer training is cancelled

Foreign governments which had been supporting opposition demands for an independent electoral commission were shocked to learn that the government had cancelled an election monitoring and education project on the eve of its kick-off on February 4. Some 2,000 election observers were to have been trained with the participation of Conscience africaine, an African non-governmental organisation (NGO), in a project sponsored by the USA, Japan, the UK, Germany, the Netherlands, Belgium and the EU. The government also rejected a UK offer to train municipal administrators in local government and democracy.

Washington is critical of the human rights record—

The dispatch of a team of election observers from US and other NGOs is likely, however. The director of the US Information Service in Yaoundé, Gerald McLoughlin, writing in the Yaoundé biweekly, the *Herald*, said that, while it is not his government's place to impose democracy, "nations around the world clearly understand that the warmth and depth of their relations with the USA are strongly influenced by their commitment to democratic government". Indeed, Cameroon came in for another round of critiques in the US Department of State's report on human rights practices for 1996, which characterised the country's record in this area as "poor".

—and weak legislative institutions

The report cites the fact that the amended constitution of December 1995, while providing for presidential term limits and new legislative institutions such as an independent judiciary, a partially elected senate and elected regional councils, has done little in practice to strengthen the independence of the judiciary, or "moderate the president's power to dominate legislation, or rule by decree". It also criticises the police and *gendarmes* for numerous human rights abuses. The ability of citizens to change their government remains limited, the report says, the judiciary is "corrupt, inefficient and subject to political influence", and journalists are subject to harassment, trial and conviction under criminal libel laws.

Demands grow for a journalist's release—

The government's continuing harassment of the independent press was catalogued during the quarter by Article 19, a London-based anti-censorship body, which noted that media freedom is being curtailed in the run-up to the legislative and presidential elections. The French organisation, Reporters sans frontières, launched a petition on the Internet in March demanding the release from prison of Eyoum Ngangué, a journalist with the weekly *Le Messager Populi*, who has been jailed since January for insulting the president and members of the National Assembly. The editor and publisher of the *Le Messager* group, Pius Njawe, was convicted along with Mr Ngangué in October, but released in November after having served 15 days in jail. Mr Ngangué's brother, Eyoum Ndoumbe, was suspended from the government daily newspaper, the *Cameroon Tribune*, after having made public a letter asking the president to release his brother from prison.

—while others prepare for the elections

More than 400 journalists participated in a seminar, "Media for Democracy", organised by the Union of Cameroonian Journalists (UCJ) in Douala in February, where they were asked to remain "reporters, not supporters" and to sign a written pledge of impartiality in the polls. Financed by the Germany's Freidrich Ebert Foundation and Canada, the seminar will be repeated in three other Cameroonian cities, with the goal of training a network of journalists to cover the elections in 400 different localities around the country. The programme is also aimed at ending the polarisation of the Cameroonian media between partisans of the opposition and the ruling party.

Mr Biya's OAU chairmanship nears its end—

Mr Biya's chairmanship of the Organisation of African Unity (OAU) draws to a close in a few months time, and he may be remembered as one of the more lacklustre leaders to take the helm of the continent-wide organisation. He has rarely travelled on behalf of the OAU, no doubt seeking to avoid situations which might put him in contact with his neighbour, the Nigerian head of state, General Sani Abacha. Mr Biya and General Abacha do not see eye to eye over the disputed territory of the Bakassi peninsula. Among Mr Biya's more notable absences were from the Franco-African summit in Ouagadougou in December, and the Commonwealth heads of state meeting on democracy in late February, to which he sent the prime minister, Peter Mafany Musonge, as the head of Cameroon's delegation.

—as he finally meets his Nigerian nemesis—

However, the inevitable finally occurred on March 26-27, during the summit meeting of the OAU Mechanism for Conflict Prevention, Management and Resolution, in Lomé, Togo, which was tackling the crisis in Zaire. Mr Biya and General Abacha held a long-awaited meeting in the presence of the Togolese head of state, General Gnassingbé Eyadéma, who since 1994 has attempted to mediate in the Bakassi conflict, and the UN's secretary-general, Kofi Annan.

Mr Annan stated that “issues relating to the Bakassi dispute” were discussed, but no concrete progress was reported. Little has occurred since to suggest that an easy solution to this territorial spat is at hand.

—and Guinean mediation proves a non-starter

Meanwhile, the foreign minister, Ferdinand Léopold Oyono, denied reports that the Yaoundé government had agreed to mediation in the dispute by the Guinean government, after an announcement by the UN on January 27 that apparently took Yaoundé by surprise. This may have been due to misinformation supplied to Mr Annan by a Guinean ex-assistant secretary-general, Lansana Kouyaté, who met General Abacha in January.

Rwandans are released

On February 21 the Yaoundé court of appeal released, on grounds of insufficient evidence, six Rwandans whose extradition had been demanded by the Rwandan government and the International Criminal Tribunal in Arusha on suspicion of having participated in genocide. The men—Félicien Muberuka, commander of the Kanombe military camp; Pasteur Musabe, a banker suspected of financing Hutu militias; Augustin Ruzindana, a former governor of the Banque nationale du Rwanda; Jean Baptiste Butera, sub-prefect of Kigali; Michel Bakuzakundi, member of a Hutu militia; and Telesphore Bizimungu, a suspected militia leader—had been held in detention since March 1996. Two others, Jean Bosco Barayagwiza, leader and spokesman of a Hutu extremist movement, and Laurent Semanza, a member of the ruling party central committee, were still in custody as the Criminal Tribunal submitted additional evidence.

The economy

The SDF announces an economic programme—

While the government’s efforts at economic reform continue to merit a lukewarm response from Washington, the opposition SDF acting on longstanding urgings by interested observers, issued an economic programme of its own on March 20. It stated that Mr Biya’s administration—“the principal brake on development”—had paralysed the economy by its “fraudulent, prebendary and corrupt behaviour” as well as by its huge size, which represented an insupportable strain on ever-diminishing budgetary receipts. The SDF programme recommended “drastic” cuts in the size of the government and the public service, as well as reforms in public finance and the tax and banking systems. Cameroon has been in a “tax revolt” since 1990, the programme claimed, with taxpayers refusing to provide the government with the financial resources needed to perpetuate its hold on the population.

—calling for major changes

If it wins the presidential election scheduled for October (see The political scene), the SDF pledges to promote “good governance”, to act against fraud and corruption, and to foster private-sector growth by accelerating the privatisation process and creating a stock market. It has also promised to raise salaries in order to promote an economic recovery fuelled by domestic consumption, and to impose a value-added tax to replace the turnover tax on businesses, which it calls “repressive”.

The new finance minister makes efforts with the multilaterals—

The realisation may finally be dawning on Mr Biya's government, in its tightest financial corner ever, that it can ill afford to ignore any longer the advice of the Bretton Woods institutions. For their part, the World Bank and IMF have little incentive to reach a fresh round of agreements with Cameroon before the outcome of the parliamentary and presidential elections (although politics is not officially a consideration to the multilaterals). Relations with the Fund and the Bank remain extremely delicate, although the minister of the economy and finance, Edouard Akame Mfoumou, appears to be making a serious effort to close the credibility gap which has widened to a gulf over his government's commitment to reform. Supposedly enjoying close relations within the ruling circle—unlike his predecessor, Justin Ndioro—Mr Mfoumou may carry more weight: when he commits himself, according to Yaoundé-watchers, it is on behalf of the president.

—while the situation remains delicate—

But Cameroon's situation has deteriorated badly, with a freeze on external financing for more than nine months, and there are few choices left but to come to terms with the Fund after four failed programmes. It is also in the government's domestic interests in an election year to show that it has broken the Bretton Woods impasse and gained a fresh infusion of funds. A 30% pre-electoral salary increase for civil servants announced in March—scant compensation for wage cuts of up to 70% in 1993-94 that rendered remuneration an irrelevance for most low- and middle-ranking civil servants—will neither arouse dormant domestic demand nor help ease a constricted budgetary position.

—and a delegation goes to Washington—

Out of this desperate situation have come some slightly more hopeful signs. Mr Mfoumou led a large delegation to Washington for two weeks in April, in the hope of securing a three-year Enhanced Structural Adjustment Facility (ESAF) from the IMF. Such a package would be the key to unlocking a suspended $150m World Bank structural adjustment loan as well as a rescheduling of bilateral debt from the Paris Club of Cameroon's official creditors. An ESAF would replace the Fund's current non-disbursing staff-monitored programme, which started as a one-year stand-by agreement that, like its predecessors, went swiftly wrong (3rd quarter 1996, page 13). Including university professors as well as private-sector representatives of the Groupement interprofessionel pour l'étude et la coordination de intérêts économiques du Cameroun (GICAM), the 20-person delegation was intended to present a new face to the multilaterals and to demonstrate that a broad consensus exists behind the government's efforts at structural reform.

—but returns without an ESAF

While the delegation returned to Cameroon with no new agreement in hand, the government was given credit for satisfying the Fund's "prior conditions" to enable negotiations to begin on a medium-term programme. Among the positive measures cited was the successful divestment of Hévéa-Cameroun (Hevecam), the state rubber firm, sold to Asian interests in November 1996 in an unusually transparent manner (1st quarter 1997, page 15). This significant privatisation, it is hoped, may attract the interest of other foreign investors. In January the government sold 51.4% of the shares it held in Camship, the state shipping line, to French, German and Cameroonian interests, and has also set up a new privatisation commission. "Reasonable progress" has been reported on civil service reform.

The fiscal outlook improves—

The fiscal picture has also improved slightly, with a longstanding Fund complaint resolved over the non-transfer of oil receipts to the national budget. The payment of oil revenue into the national accounts may be due to the fact that Cameroon enjoyed an unexpected petroleum windfall for the first half of the current budget year (July 1996-June 1997), with world prices for Cameroon's Kolé crude having risen to $20-24/barrel, well above the government estimate for budgetary purposes of $15/b. With this cash surplus, the government was able to pay CFAfr100bn ($176m) in non-reschedulable arrears to official creditors, plus debt service. But Yaoundé's external arrears remain a major problem, and the external debt situation has been privately described as "terrifying" by French financial officials: without a new injection of funds and desperately needed debt-reduction measures, the danger of collapse or default is a real one.

—and there is agreement on the next budget—

While the Washington talks were considered "tough" by the Cameroonians, agreement was reportedly reached on budget targets for 1997/98, and on key structural and sectoral policies. The government believes it has taken the necessary measures to prove that it is serious, and expects it will conclude an ESAF after the parliamentary elections in May, when the next IMF mission is due to visit. That is a rather optimistic assumption, precisely because this is an election year: many variables, both political and economic, could further derail the reform process at any moment.

—but growth is anaemic—

According to the IMF, there is an improved picture in the real economy: real GDP growth is forecast at 5% for the current July-June fiscal year, led primarily by a 14% increase in the volume of non-oil exports including cocoa, timber, manufactured goods, and cotton products, in the first eight months. We retain a less optimistic forecast of 3.5%, based primarily upon the negative effects of an election year on financial management, and the fact that growth remains fuelled by volatile primary commodity exports. For growth to deepen, more significant political and economic reforms are required, including incentives to what should be a fairly vibrant private sector, to help stimulate domestic demand.

—and needs a private-sector boost

The government may at last be recognising this need for reforms. In late January Mr Musonge and 14 other ministers met business leaders in Douala. The government delegation presented a 30-page memorandum pledging to ease administrative controls, crack down on crime, restore business confidence, and reform commercial law and the financial system. The document also promised fair company taxation and greater security for investment. The two sides agreed to set up a permanent secretariat to maintain the dialogue, the first fruits of which were the private sector's participation in the delegation to Washington in April (see above). External investors are also being wooed: a Cameroon Investors' Forum, organised by the UN Industrial Development Organisation (UNIDO), will be held in Yaoundé on June 10-13. Promotional materials list among Cameroon's "attractions" specific proposals for industrial cooperation in the agro-food, wood, chemicals and tourism sectors, as well as commercial dockyards.

Bank insolvencies are still a problem—

The restructuring of the banking sector, a key World Bank conditionality since 1989, is critical to improving the business atmosphere. According to a study by the Caisse française de développement (CFD, the French state development bank) and the World Bank, of a total of CFAfr565.4bn ($1.13bn) in outstanding debts to Cameroon's banks as of October 1, 1995, about one-third are considered unrecoverable. Last September, the state made a partial repayment of CFAfr4bn, but still owes more than CFAfr180bn. A forum entitled Bank Expo '97 was held in Yaoundé in February, at which Mr Mfoumou acknowledged that the good health of the banks was "a vital element for the prosperity of the country". GICAM's president, André Siaka, spoke of the "suspicion" in relations between the banks and private business, due to bank failures and the non-payment of credits to enterprises, which, for their part, often forget that debts must be repaid.

—as closures continue—

In mid-March Mr Mfoumou announced the closure of Cameroon's leading commercial bank, the Banque internationale pour le commerce et l'industrie du Cameroun (BICIC). Its assets and clients' deposits will be taken over by the new Banque international du Cameroun pour l'épargne et le crédit (BICEC), whose capital is 100%-held by the state, and the state-owned Crédit foncier du Cameroun. The former BICIC's management will be handled by the Association des banques populaires de France pour la coopération et le développement. After two to three years, BICEC will be totally privatised.

—and a new bank is born

A new bank, the Commercial Bank of Cameroon (CBC), formed out of the ashes of the liquidated Crédit agricole du Cameroun (CAC) and Meridien BIAO-Cameroun, was scheduled to open in April, with a start-up capital of CFAfr3bn. The bank is aiming for a business clientele, including public-sector exporters, businesses with an annual turnover of at least CFAfr100m ($176,000) and individuals with CFAfr1m or more to invest, and was created at the initiative of Fotso, a Cameroonian company involved in agro-industry, hotels and real estate. Its shareholders are mainly Cameroonian with minority French and Dutch interests. According to a report in the Paris-based specialist weekly magazine, *Jeune Afrique*, the Ministry of the Economy and Finance (Minefi) is hoping that the existence of the new bank will assuage the thousands of disgruntled CAC and Meridien customers who may be able to recoup some of their losses, which cannot hurt the administration in an election year.

Agriculture and forestry

Coffee exports are cut as prices strengthen—

African coffee ministers met in Côte d'Ivoire in early March to implement robusta export cuts, as agreed in January at a worldwide producers' meeting in Brazil, in order to maintain current upward price movements. Some 850,000 bags of African coffee are being withheld from the export market for the first six months of 1997, with Cameroon withholding 59,925 bags (7%) of the total. The price of robusta has increased from low levels in December to recent highs in early March, but longer-term trends indicate market surpluses which will put downward pressure on prices, especially for robusta, where Indonesia is expected to post a good harvest and Côte d'Ivoire a bumper one. Hence the benefits to Cameroon of the currently high prices are of a short-term and transitory nature. In addition, Cameroon's coffee exports are often of poor quality and regularly discounted. Our *World Commodity Forecasts* anticipates that robusta will average 78 cents/lb in 1997 on the International Coffee Organisation (ICO)'s indicator measure.

—and cocoa prices rise

Cocoa prices should rise, however, as the world stock to consumption ratio falls to its lowest level since 1985/86. Good soil moisture in Cameroon for the second consecutive year should increase production, currently estimated at 120,000 tons for 1996/97. We expect the world price to average 75 cents/lb in 1997, an increase of nearly 14% on the 1996 average. Meanwhile, Cameroon's cotton output, which had been steadily increasing, is expected to decline slightly from 88,000 tons in 1996/97 to 84,000 tons in 1997/98. After falling sharply back from previous highs, world cotton prices are expected to edge up marginally as 1997 continues.

Timber exports are booming

An Australian company, Overseas and General, has acquired three forestry concessions in liquidation for $800,000, covering a total of 67,320 ha. The company, which will launch its business in June, plans to build a sawmill in the coming year. Cameroon has become the second largest African exporter of tropical wood to Asia, after Gabon, with 36% of exports by volume destined for Asian markets, or 334,000 cu metres of a total of 980,886 cu metres for the first nine months of 1996. The exploitation of Cameroon's forests is causing growing alarm in environmental circles, however.

Energy and industry

Oil production increases in the short term—

Cameroon's decline in oil output, from over 160,000 barrels/day (b/d) in 1990 to under 100,000 b/d currently, may be temporarily halted by two new small field developments: Elf's Kolé complémentaire, which is producing 8,000b/d (1st quarter 1997, page 18); and the Ebome (formerly known as KF) field, producing 12,000 b/d, bringing a total increase in production of 10-15%. However, output will fall again after 1998. A survey by the industry specialists Wood Mackenzie has estimated that at the end of 1996, Cameroon's total recoverable oil reserves equalled 298m barrels, or 7.4 years of production.

—as a new field comes on stream

Mr Biya inaugurated the Ebome offshore platform on February 21, near the southern tourist resort of Kribi. The Ebome field, which has reserves of roughly 20m barrels, came on stream in January with three functional wells, reaching its full rate of production in March. According to Mr Biya, it is the tenth largest petroleum producing centre in the country. The operators include the French company, Perinco (30%), Mobil (45%) and the state National Hydrocarbon Corporation (SNH) (15%). Calling Cameroon "a modest oil producer", Mr Biya said studies were under way in four other sectors, three near Kribi and one in Moundi, and that potential natural gas reserves in the Douala, Kribi and Campo areas were estimated at 100bn cu metres.

Foreign trade and payments

The EU provides project support—

The EU signed an Indicative National Programme (PIN) with Cameroon on March 7, worth CFAfr86bn ($151m), for projects up to 2000, under the second financial protocol of the Lomé IV convention between the EU and African, Caribbean and Pacific countries. The funds will be disbursed in two tranches: the first, 70% of the total, once the agreement has been ratified, and the second to be linked to government performance in the execution of the first tranche and required reforms. Sectoral transport (50-55% of total funding) and decentralised development of local communities (25-30%) are to be the prime beneficiaries of the resources. Two additional conventions were also signed, worth a total of CFAfr3.25bn.

—and the World Bank is to support the transport sector

The World Bank has approved a transport sector credit of $60.7m to support road maintenance, the preservation of road assets and road safety. The project, scheduled to get under way in April, will promote the participation of small and medium enterprises and will involve some restructuring of the public works and transport ministries. Road and bridge rehabilitation and maintenance programmes on 915 km of priority networks will be undertaken. Another 1,500 km of rural roads will also be rehabilitated.

Central African Republic

Political structure

Official name	République centrafricaine
Form of state	Unitary republic
Legal system	Based on 1986 constitution
National legislature	Assemblée nationale, 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 government is dominated by the MLPC. Last cabinet reshuffle: February 1, 1997
Main political parties	The presidential majority includes: Mouvement pour la libération du peuple centrafricain (MLPC); Parti libéral démocrate (PLD); Convention nationale (CN); Mouvement d'évolution sociale de l'Afrique noire (MESAN) and the Rassemblement démocratique centrafricain (RDC). The seven member parties of the opposition Conseil démocratique de l'opposition centrafricaine (Codepo) alliance include: 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)

	President	Ange-Félix Patassé (MLPC)
	Prime minister	Michel Gbezera-Bria
	Minister of state foreign affairs	Jean Mette Yapende (MLPC)
Key ministers	Civil service, labour & training	Jean-Claude Gouandja (FPP)
	Commerce, industry & small business	Simon Bongolakpe (MDD)
	Defence, army reform & veterans	Dr Pascal Kado (MLPC)
	Economic reform, planning & cooperation	Christophe M'Breemaïdou (CN)
	Education	Albert Mberio (MLPC)
	Environment, water, forestry, fisheries & hunting	Joseph Gnomba (MDREC)
	Family & social affairs	Eliane Mokodopo (Mesan)
	Finance & budget	Anicet Georges Dologuele (MLPC)
	Health & population	Dr Fernande Djengbo (ind centrist)
	Higher education & research	Théophile Touba (RDC)
	Housing & urban affairs	Clément Belibanga (ADP)
	Human rights & democratic culture	Laurent Gomina Pampali (RDC)
	Justice	Marcel Metefara (MLPC)
	Mining & energy	Joseph Agbo (MLPC)
	Post & telecommunications	Michel Bindo (RDC)
	Public works & infrastructure	Jacquesson Mazette (MLPC)
	Security & regional administration	General François N'Djadder Bedaya (MLPC)
	Transport & civil aviation	André Gombako (FPP)

Economic structure

Latest available figures

Economic indicators	1992	1993	1994	1995	1996
GDP at market prices CFAfr bn	365	354	483	582	n/a
Real GDP growth %	–2.6	2.6	3.9	4.7	n/a
Consumer price inflation %	–1.4	–2.9	24.6	19.4	n/a
Population m	3.08	3.16	3.30	3.40	3.5
Exports fob $ m	116	133	146	181	n/a
Imports fob $ m	189	158	131	176	n/a
Current account $ m	–83	–13	–25	–9	n/a
Reserves excl gold $ m	100	112	210	234	236[a]
Total external debt $ m	814	873	824	944	n/a
External debt-service ratio %	9.3	5.0	13.0	6.8	n/a
Diamond production ’000 carats	414	495	529	484	n/a
Seed cotton production[b] ’000 tons	12.0	15.9	27.5	32.0[c]	n/a
Timber production ’000 cu metres	211	311	299	326	n/a
Exchange rate (av) CFAfr:$	264.7	283.2	555.2	499.2	511.6

April 25, 1997 CFAfr582.7:$1

Origins of gross domestic product 1994	% of total
Agriculture	43.7
Industry	13.4
Services	42.9
GDP at factor cost	100.0

Components of gross domestic product 1995	% of total
Private consumption	83.8
Government consumption	9.9
Gross domestic investment	11.7
Exports of goods & services	20.8
Imports of goods & services	–26.3
GDP at market prices	100.0

Principal exports 1995	$ m
Diamonds	90
Coffee	28
Timber	27
Cotton	22

Principal imports 1995[c]	$ m
Miscellaneous	129
Capital goods	31
Fuel & energy	16

Main destinations of exports 1995[d]	% of total
Belgium-Luxembourg	40
France	16
Zaire	1
Congo	1

Main origins of imports 1995[d]	% of total
France	37
Japan	24
Cameroon	6
Germany	4

[a] End-November. [b] Crop years starting December 1. [c] Official estimates. [d] Drawn from partners’ trade returns, subject to a wide margin of error.

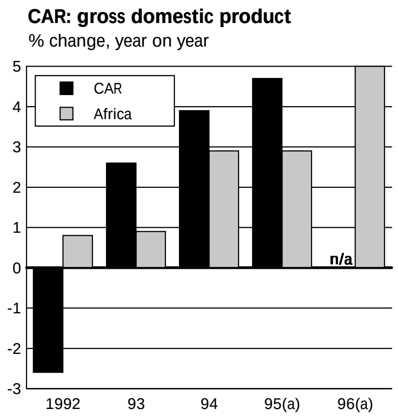
Outlook for 1997-98

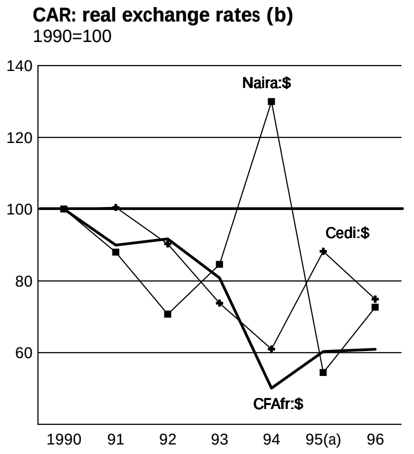
Mr Gbezera-Bria faces a harsh credibility test—

Progress towards national reconciliation in recent months has been intermittently encouraging but the outlook remains tough. The reform programme begun in mid-1996 under the then prime minister, Jean-Paul Ngoupandé, was halted by months of violent confrontation and the obstructionism of the president, Ange-Félix Patassé. This highlights the degree to which Mr Patassé continues to see politics in factional or ethnic terms: it is unclear whether Mr Ngoupandé's successor, Michel Gbezera-Bria, has the political skill to build consensus support for reconciliation and economic reform under the prickly head of state. Mr Ngoupandé's high-profile campaign against corruption and cronyism won plaudits from France, the USA and international financial institutions; but in the end it proved politically unworkable because Mr Patassé was not prepared to cooperate and appeared ready to reduce Bangui to ethnic war and economic ruin rather than see his power curbed. This time the president is under heavy international pressure, with his African peers watching events closely and pan-African peacekeeping troops acting as sole guarantors against a return to violence. African leaders, France and the CAR's own politicians know the stakes are high: the alternative to this compromise could be civil war. Difficulties may come once the government attacks economic and public finance issues: the tight management sought by the IMF and key donors may prove inimical to powerful interest groups around the presidency, as happened last year.

—and donors and business will stay wary

The manner in which Mr Ngoupandé was dumped will make donors and the business community careful: they will wait to see if Mr Gbezera-Bria can deliver the reform deal his predecessor aimed for. Without this the CAR's chances of securing debt relief and large-scale budget aid are not good. Mr Gbezera-Bria will be judged by donors not on his promises or even solely on the economic measures that he actually delivers, but also on his ability to secure the continuing assent of Mr Patassé to a reform programme. There is little in Mr Patassé's record to suggest he will provide such support. In addition, incidents such as the deaths of three ex-mutineers at the start of May, underline the critical nature of the situation in Bangui: the capital may well prove to be ungovernable in the conventional sense for some time to come.





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

Review

The political scene

The new prime minister has experience and contacts—

Michel Gbezera-Bria, nominated as prime minister-designate on January 30 in succession to Jean-Paul Ngoupandé, took on the job in deeply discouraging circumstances. Although a peace accord, signed on January 25 (1st quarter 1997, page 27), held out the hope of a genuine end to the long-running mutiny by some army units, the underlying problems behind the revolt appeared far from resolution. Given this, Mr Gbezera-Bria's main asset appeared to be his broad range of political contacts and government experience. Aged 51, he has held senior posts under both the Dacko and Bokassa regimes—Mr Patassé was prime minister under the latter—but was also foreign minister both in the outgoing union government headed by Mr Ngoupandé and under the former president, André Kolingba; this may give some confidence to the mutinous soldiers, who are largely from General Kolingba's Yakoma ethnic group.

—but faces a daunting challenge

The premier is regarded as close to Mr Patassé, having served as the head of the president's private office in 1995; moreover, he is a Gbaya—the same ethnic group as the president's first wife, Lucienne—from the town of Bossangoa in the north-west, the president's home region. However, Mr Gbezera-Bria is not a member of the president's political party, the Mouvement pour la libération du peuple centrafricain (MLPC). Without an obvious counterweight to Mr Patassé's populist roots, he will have difficulty delivering any meaningful reforms.

Lengthy negotiations finally bring Codepo aboard—

After being nominated by Mr Patassé, Mr Gbezera-Bria embarked on a round of talks with leaders of all the main parties; the latter, including Mr Patassé's hardline opponents in the umbrella body, the Conseil démocratique de l'opposition centrafricaine (Codepo), had signed the accord. Although this raised hopes that a genuinely national union government might be formed—Codepo stayed out of Mr Ngoupandé's cabinet, although according it informal support—negotiating the make-up of the new team proved a lengthy task. It was only on February 18 that Mr Gbezera-Bria was finally able to announce his cabinet, which was dubbed the Gouvernement d'action pour la défense de la démocratie (government of action for the defence of democracy). The new premier was nominally designated as a representative of civil society, rather than any particular party; but both the Yakoma rebels and General Kolingba's party, the Rassemblement démocratique centrafricain (RDC), were concerned that in fact he might really prove to be a puppet of Mr Patassé. Indeed, in mid-February, with the composition of the cabinet still unresolved, the RDC and a number of Codepo member parties were among 11 groups which publicly complained they had been offered too few posts.

—as key opposition groups accept cabinet posts—

Eventually Mr Gbezera-Bria upped the offer of cabinet posts for the 11 opposition parties to nine, which proved enough to persuade the key opposition groups to join the government: the RDC, three leading Codepo parties, the Mouvement pour la démocratie et le développement (MDD, founded by former president David Dacko), the Front patriotique pour le progrès (FPP) and the

Alliance pour la démocratie et le progrès (ADP) all accepted portfolios. This marked a crucial breakthrough: while generally avoiding statements overtly supporting violent mutiny, Codepo and the RDC had indicated clear sympathies towards the army rebels, and their arrival in government improved chances that the latest peace agreement might bring the wave of mutinies to an end. The FPP's leader, Abel Goumba, who is the standard-bearer for Codepo, was Mr Patassé's leading rival in the presidential election of 1993; now Codepo members had, for the first time, accepted cabinet posts in a government under Mr Patassé's presidency. Gabon's president, Omar Bongo, who gambled his personal prestige in endorsing the CAR peace accord, played a key role in persuading Mr Goumba to bring the FPP and its Codepo allies into government. Moreover, Mr Bongo is a crucial African ally of France and he may have pointed out that participation in the new government could win Mr Goumba gratitude from Paris, which would prove useful at the time of the next CAR presidential election.

—but the MLPC retains the crucial portfolios—

The major portfolios went largely to members of Mr Patassé's MLPC, with Jean Mette Yapende at foreign affairs (with minister of state rank), Pascal Kado at defence, and the former head of the controversial presidential guard, General François N'djadder Bedaya, taking on security and regional administration. The two key economic posts both went to MLPC nominees, Anicet Georges Dologuele (finance and budget) and Christophe M'Bremaïdou (economic reform, planning and international cooperation). This is a move which may not reassure donors (see The economy). The trade unionist Jacquesson Mazette is public works minister. The RDC and Codepo had to be content with second rank posts: human rights, higher education, and posts and telecommunications went to the RDC; the FPP took the civil service and transport ministries; the MDD received trade and industry, and youth and sports; and the ADP took parliamentary relations and housing.

—and Codepo ministers may regret their jobs

Some of these are spending ministries which could prove to be poisoned chalices for their holders: as long as donors are suspicious of the government's intentions, the CAR will remain short of aid and ministers could find themselves the targets of public resentment and even street protests or strikes if the government runs out of money for salaries or student grants, or is pushed by donors into cutting public-sector jobs. Those most at risk are Théophile Touba (RDC, at higher education) and Jean-Claude Gouandja (FPP, civil service, labour and training). This scenario is especially dangerous for the FPP, which has hitherto depended heavily on support from students and public-sector employees in Bangui. Mr Goumba appeared to recognise the risks, conceding in an interview with Radio France-internationale that his party had entered cabinet only because it did not want to be seen as a stumbling block to national reconciliation. The ADP's Mr Pehoua conceded, in an interview with the Libreville-based radio station Africa No 1, that the opposition had hoped for more important portfolios than it was given. Besides the opposition, a number of small parties allied to the MLPC and independent centrist groups were all represented in the government. In April two army officers nominated by the mutineers were also brought into government (see below).

Mr Gbezera-Bria makes no secret of his weakness—

The new prime minister, doubtless drawing lessons from his predecessor's failed drive for reform, has explicitly and publicly recognised the constraints on his freedom of action. Presenting his programme to parliament on March 18, and attempting to preempt critics, he stated baldly that he was lacking in any of the resources required to deal with the problems facing the country, and that there was no money to pay the five months of salary arrears owed to public servants. His speech set out four main goals for the government: top of the list was ensuring security and promoting a democratic culture, which presumably means persuading all camps that disputes are better settled through the constitutional framework than by mutiny or violent repression. The other priorities were relaunching the economy and restructuring public finances, sharpening up the performance of the administration and diplomatic service, and "stabilising institutions" (presumably restoring a cohesive and loyal army).

—as General Bozize is named chief of defence staff

The appointment of the new government, on February 18, was followed immediately by the announcement of a new chief of the defence staff. Mr Patassé's choice was General François Bozize: this represented a conciliatory gesture, because the general played a key role into the enquiry into military conditions and army reform package drafted last year, and had been largely ignored since by the president (4th quarter 1996, page 29). But the appointment also had a note of reassurance for Patassé loyalists: in the 1980s General Bozize was reportedly linked to a failed putsch against the Kolingba regime, so he seems unlikely to show excessive favour towards the mutineers (who are largely pro-Kolingba).

The peace force is quickly on the ground—

The countries participating in the peacekeeping force in Bangui, known as the Mission intérafricaine de surveillance des accords de Bangui (MISAB), have given a useful practical demonstration of Africa's capabilities in this area. Belying international clichés about the helplessness of a continent forever reliant on outsiders to resolve its problems, the MISAB-contributing countries had their troops on the ground in Bangui less than three weeks after the agreement was signed: six francophone African states each got the promised minimum of 75 troops to Bangui, backed up by a 50-strong French army logistics unit flown in from Nantes. France also provided personnel carriers and light tanks for the African troops: these were soon patrolling the streets of Bangui. The force commander was General Edouard N'Kili, from Gabon, reflecting his government's important role in backing the peace agreement: Gabon has little peacekeeping experience, but General N'Kili had the support of a deputy commander from Senegal, Colonel Talla Niang, whose country has been involved in multinational military actions in the Gulf War and in Liberia.

—national contingents are allocated different districts—

Each MISAB contingent was assigned to a different district of the capital: the troops from Burkina Faso were based at the Rock Hotel, on the banks of the Oubangui river and less than 1 km from the Kasai barracks where the mutineers' leader, Captain Anicet Saulet, had his headquarters. The Gabonese were based at the Palace Hotel, in the city centre and 200 metres from the presidential palace, which left them well-placed to defend it should mutineers attempt a repeat of last year's assault on it and the nearby national radio station. The Malians, whose government is not France's warmest friend in francophone Africa, were based at the Kolongo training centre in Petevo, an area under rebel control. The

Chadians manned Avenue Boganda, the confrontation line between rebels and pro-Patassé loyalist troops: this was a particularly sensitive assignment, made more so by the fact that Bangui has a substantial Chadian migrant community, which has sometimes been the victim of violent attacks by local thugs and even government forces. The situation is further complicated by the fact that Mr Patassé is from a region close to the Chadian border and has been accused of recruiting partisan militia fighters from Chad. The Togolese were kept in reserve at Mpoko military airbase, the main French base in Bangui, while the Senegalese were in Kouanga, the district where two French soldiers were killed in January, provoking a fierce and controversial riposte by Paris (1st quarter 1997, page 26).

—while the French distance themselves from Mr Patassé—

France was struggling to restore its battered image in the CAR, where it is deeply unpopular among ordinary people, by cutting its ties with the most partisan element in the president's forces, the presidential guard. Guard members have been directly associated with a string of abuses, but the final straw seems to have been the guard's harsh treatment of Mr Ngoupandé, who was banned from leaving the country and whose *chef de cabinet*, Karim Meckassoua, was beaten by guard members in January (1st quarter 1997, page 27). The French government has come under fierce domestic criticism for appearing to confuse genuine peacekeeping in the CAR with active military action to prop up Mr Patassé. Although he was freely elected, Mr Patassé's readiness to resort to factional politics and random violence by his most loyal troops has undermined his claim on French support.

—and scale down their cooperation efforts

On February 22 Mr Patassé was visited by two emissaries from the French president, Jacques Chirac: the head of the "Africa cell" at the Elysée, Michel Dupuch, and Mr Chirac's military chief-of-staff, Vice-Admiral Jean-Luc Delauney. They informed Mr Patassé that, from midday that day, France had ordered its military contingent in Bangui to halt all aid and training programmes for the CAR presidential guard. Cooperation with the *gendarmerie*, not associated with Mr Patassé's factionalised politics, would continue. The envoys gave four reasons for the change: the murder by guard members on December 5 of the former interior minister, Christophe Grelombe (1st quarter 1997, page 25); the guard's attempt to kill a French aid worker; the beating of Mr Meckassoua; and the guard's refusal to let Mr Ngoupandé leave the country.

Shortly after the French policy change, young activists of Mr Patassé's MLPC threw stones at passing French military and civilian vehicles; party secretary-general Joseph Vermond-Tchendo disowned the youths and called for the attacks to stop. It is not impossible that the attacks were the work of pro-Patassé elements in the MLPC (rather than the more compromising wing of the party led by the parliamentary speaker, Hugues Dobozendi).

Mr Patassé comes under pressure to reintegrate rebels

Mr Patassé has come under intense pressure from both African peacekeepers and France to make the compromises that might end the armed stand-off with the rebels and secure durable peace. General Idriss N'Gari, Gabon's defence minister, doubtless speaking on behalf of his president, who is the doyen of the francophone African president's club, presented the Central African leader with a timetable for action: this proposed a period from March 5 to May 15 for disarmament of the mutineers and a reconciliation conference. The French president's Africa office said this was Mr Patassé's "last chance"; according to the usually well-informed *La Lettre du Continent*, Paris warned that if Mr Patassé failed to make these key compromises within six weeks "we'll cut him off". Given the strategic interests it has at stake in the CAR, it seems unlikely that Paris actually would go that far, although direct military support has been geared down, with the French military presence in the CAR reduced to normal peacetime levels (1,200 men in Bangui and 600 at Bouar).

Violent incidents continue—

The presence of the MISAB force did not bring all violence to an end: Bangui is still a city where weapons are widely available and a potential cause of clashes or accidents. On February 18 two people were killed when the pin fell out of a grenade a soldier was carrying as he sat down on a bus. On March 22-24 there were clashes between mutineers and Chadian MISAB units; shells were fired and the rebels set up heavy machine-gun positions. The main cause seems to have been intervention by the Chadians to stop the rebels robbing petrol stations to get fuel. At least 11 people, and possibly 20 or more, were killed and around 30 wounded.

—but all sides inch towards compromise—

However, the process of translating the formal peace accord into a real compromise inched forward. Almost immediately after the accord had been signed in late January (1st quarter 1997, page 27) the authorities released seven rebel soldiers and 36 civilians who had been detained by French forces during their counterattack on January 5. The process then stagnated for several weeks while the MISAB force was organised and a new government formed; indeed in late February, Mr Saulet complained that Mr Patassé and Mr Gbezera-Bria were impeding matters. Fresh impetus came when General N'Gari broadcast the peacekeepers' programme for disarming the rebels, scheduled for March 20-29, after the passing of an amnesty law (see below). This was to be followed by the annulment of the harshly critical findings of a commission of enquiry into the Kolingba regime. The effective house arrest of General Kolingba had been a significant grievance for the rebels, many of whom are from the former president's Yakoma tribe. A national reconciliation conference was to follow on 10-15 May.

—as amnesty and reintegration laws are passed—

The amnesty law was passed by the Assemblée nationale on schedule, on March 15, by 72 votes to nil with four abstentions. Two days later, eight mutineers and 13 civilians captured in January were released. Some prisoners remained in detention because they had committed offences after the January 25 peace accord. Shooting incidents in late March (see above) provoked new tensions and talks were held to reassure the mutineers that the peace process remained on track. On April 7 Mr Patassé met rebel representatives, who set out their demands: they wanted to see their own nominees included in government, clarification of their future rank and treatment in the army career structure, and help for those rebels who wished to leave military life and become civilians.

—rebel nominees enter government—

As a result Mr Patassé appointed as junior ministers two prominent officers who had given public support to the rebels. Brigadier Didace N'Dayen, a former junior defence minister and, coincidentally, brother of the archbishop of

Bangui, was given the portfolio of army restructuring and care for victims of conflict and former soldiers. Lieutenant-Colonel Evariste-Martial Konzale, once a minister under General Kolingba, was given the disarmament and public security portfolio. Mr Patassé also nominated a number of officers close to General Kolingba to senior army and administrative posts. Many of these officers had previously been sidelined and supported the mutiny, while not participating directly. Key rebel leaders, such as Captain Saulet and Lieutenant Parfait Mbaye, were tipped to be sent on courses abroad at their own request.

—reintegration begins at last—

On April 9 the MISAB commander, General Nkili, said a tripartite commission of MISAB, the army and rebel representatives would look at the practicalities of reintegrating mutineers into the army. However, the mutiny leaders remained unconvinced until finally, on April 16, another rebel nominee, Colonel Maurice Djambaye, was appointed deputy chief of defence staff. Mutineers finally started returning to barracks on April 18: the chief international mediator, General Amadou Toumani Touré of Mali, attended a ceremony at which 200-300 rebels were formally reintegrated. However, General Touré also noted that the difficult practical details of weapons collection remained to be sorted out.

—but yet more incidents blow up

Barricades went up again on May 3 after three mutineers were killed in unclear circumstances after going to demand the release from police custody of a fourth. It was unclear how serious the impact of this incident would be on the remainder of the integration timetable. The opposition parties immediately walked out of government, blaming Mr Patassé personally for the deaths, and an atmosphere of crisis returned.

The economy

Fleeing Banguissois strain the rural economy—

The upheavals in Bangui (see The political scene) have led thousands of the city's inhabitants, particularly the more affluent, to seek refuge in the countryside or provincial towns. Small by African standards, the exodus has still imposed serious strains on local infrastructure and resources. In mid-January the mayor of Sibut, 200 km north-west of Bangui, told visiting journalists that the arrival of 5,000 people had led to a doubling or trebling of local food prices, while many families found themselves hosting 20-30 Banguissois each.

—while in the capital itself, the damage is widespread—

In Bangui itself, businesses that were already struggling to get back on their feet after the looting of last year (3rd quarter 1996, page 24) have been driven back into crisis by the resurgence of violence, with robbery and battle damage the main problems. Moreover, the conflict has disrupted normal trading activity and discouraged investors. Local people try to keep shopping to a minimum and avoid leaving the relative safety of home for unstable downtown streets; traders have found themselves carrying stocks they cannot sell; and the construction industry, which has in the past depended heavily on public-sector contracts, has found itself squeezed. Meanwhile, government departments have either run out of money or are opting for austerity: either way, the service sector is in trouble. Of 140 firms surveyed by the employers' organisation, the Union nationale du patronat centrafricain, only about 50 were still operating at the beginning of 1997. In January 1996 the formal private sector had

9,000 salaried staff; by mid-January 1997 only 2,500 of these were still in work, the others having been laid off.

—with knock-on effects on rural production

The unrest in Bangui has also hampered agriculture, mining and forestry, despite their rural emphasis. Vehicle and machinery operators have been hit by fuel shortages: most fuel is imported through Bangui river port and only businesses based near frontiers have avoided this problem, which has been especially serious for logging firms. Disruption of trading and transport links has also set back a promising agricultural recovery: cotton and coffee farmers have had difficulty getting crops sold at any price, while the cotton parastatal, Société cotonnière centrafricaine (Sococa), suffered from looting last year.

Foreign trade, aid and payments

The EU stresses transport and environment priorities

The CAR is among eight Central African states which signed a framework accord with the EU on March 7, covering trade and aid programmes under the Lomé Convention and the European Development Fund (EDF). The EU has set out improvement of transport links and protection of forest areas as key priorities, warning that forest cover is threatened by “uncontrolled exploitation” (although this is much less of a problem in the CAR than in Cameroon). Reconciling these two issues could prove difficult: road development may help trade but it also opens up virgin forest to poachers, slash-and-burn farmers and illegal loggers. The EU also plans to provide aid for the development of the Communauté économique et monétaire de l’Afrique centrale (CEMAC, the economic and monetary union of the Central African subregion of the Franc Zone), which has so far advanced much more slowly than its West African counterpart. Unlike Gabon and Cameroon, the CAR is not yet in a position to sign a detailed bilateral accord with the EU, hardly surprising in view of the recent unrest.

Chad

Political structure

Official name	République du Tchad	
Form of state	Unitary republic	
Legal system	Based on the Code Napoléon. 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	The 57-member Conseil supérieur de la transition is the interim legislature, elected by the national conference	
National elections	June 1996 (presidential); January-February 1997 (legislative)	
Head of state	President, elected by universal suffrage and sworn in on August 8, 1996	
National government	The prime minister and his appointed Council of Ministers, sworn in on August 12, 1996	
Main political parties	Mouvement patriotique du salut (MPS); Convention pour la démocratie sociale (CDS); Mouvement pour la démocratie et le socialisme au Tchad (MDST); Rassemblement pour la démocratie et le progrès (RDP); Union démocratique pour le progrès du Tchad (UDPT); Union pour le renouveau et la démocratie (URD)	
	President	Idriss Déby
	Prime minister	Djimasta Koïbla
Key ministers	Armed forces	Youssouf Togoimi
	Civil service & labour	Ousmane Djidda
	Commerce & industry	Salifou Garba
	Communications	Youssouf Mboudou Mbami
	Culture, youth & sports	Abderamane Koulamallah
	Education	Nagoum Yamassoum
	Environment & tourism	Odering Goulaye Kelo
	Finance	Bichara Cherif Daoussa
	Foreign affairs	Saleh Kebzabo
	Interior	Mahamat Nimir Hamata
	Justice	Abdelkerim Nadjo
	Livestock	Mahamat Nouri
	Mines, energy & petroleum	Ngargos Mosnda
	Planning & cooperation	Yamtebaye Nadjitangar
	Post & telecommunications	Ngarbaye Tombalbaye
	Public health	Younouss Kedallah
	Public works & habitat	Mamout Hissein Mamout
	Rural development	Ali Mahamat Zene Fadel
	Women, children & social affairs	Azia Ahmat Senoussi
BEAC governor	Jean-Félix Mamalepot	

Economic structure

Latest available figures

Economic indicators	1992	1993	1994	1995[a]	1996[b]
GDP at market prices CFAfr bn	351	291	425	463	n/a
Real GDP growth %	8.0	–15.9	7.1	2.6	5.3
Consumer price inflation %	–3.2	–6.9	40.4	9.0	6.0
Population m	6.0	6.1	6.2	6.4	6.5
Exports fob $ m	182	152	150	226	250
Imports fob $ m	243	215	176	225	250
Current account $ m	–86	–113	–28	–34	–57
Reserves excl gold $ m	80	39	76	150	165[c]
Total external debt $ m	728	771	825	908	n/a
External debt-service ratio %	4.8	8.4	9.3	5.9	n/a
Seed cotton production[d] '000 tons	122	95	156	180	n/a
Exchange rate (av) CFAfr:$	264.7	283.2	555.2	499.2	511.6[e]

April 25, 1997 CFAfr582.7:$1

Origins of gross domestic product 1995	% of total
Agriculture	48.8
Industry	17.7
Manufacturing	16.5
Services	33.5
GDP at factor cost	100.0

Components of gross domestic product 1995	% of total
Private consumption	92.6
Government consumption	11.3
Gross domestic investment	10.6
Exports of goods & services	28.5
Imports of goods & services	–43.0
GDP at market prices	100.0

Principal exports 1995[a]	$ m
Cotton	109
Livestock & carcassing	58

Principal imports cif 1991	$ m
Manufactures	262
Non-fuel primary products	85

Main destinations of exports 1995[f]	% of total
Portugal	30
Germany	18
South Africa	16
France	7

Main origins of imports 1995[f]	% of total
France	34
Cameroon	24
Nigeria	7
USA	6

[a] Official estimates. [b] EIU estimates. [c] November actual. [d] Crop years starting December 1. [e] Actual. [f] Drawn from partners' trade returns, subject to a wide margin of error.

Outlook for 1997-98

A defining moment for Mr Déby—

Although the full transition to democratic constitutional rule will only be complete when senatorial and municipal elections are held later in 1997, the holding of parliamentary elections in two rounds (on January 5 and February 23) seems to have been a defining moment in the consolidation of the six-year-old regime of the president, Idriss Déby. Contrary to some expectations, his ruling Mouvement patriotique du salut (MPS), using inadequacies in the electoral code and the vulnerability of the Court of Appeal, scrambled its way from a minority situation to an absolute majority. Whatever the affront to democratic niceties in the manoeuvre, it has worked, provoking only token protests from an opposition confounded by its own divisions and cheated of its prospects of being in a position to negotiate a coalition government. The MPS will benefit throughout 1997-98 from this sleight of hand.

—who can now pick and choose his collaborators—

Now Mr Déby is the master of the game, and can pick and choose who he wishes to include in his government: this is likely to aspire to a broader regional and political base than previously, in the spirit of his appeal to the new Assemblée nationale (parliament) on April 4 to "work for national cohesion and consolidate national unity". Even the long-term southern federalist opposition figurehead (and currently foreign minister), Saleh Kebzabo, whose support helped Mr Déby secure the presidency in July 1996 and who, with 15 members, has the third largest group in the assembly, has lost much of his bargaining power.

—while reassuring the oilmen

For the moment, therefore, the Déby bandwagon seems to be at full throttle, with further successes to come. The victories in both presidential and parliamentary elections, whatever the flaws in the process, appear to have provided the necessary political stability to reassure the oil companies involved in Chad's main economic project, the development of the Doba oilfields in the southern Logone area. A further political consolidation will play a role here: this is the peace agreement with the south's remaining troublesome "politico-military group", the Front d'action pour une république fédérale (FARF).

Patronage is possible, federalism is not—

Although the accord with the FARF appears to make every allowance for southern sensitivities, even to the point of opening up the possibility of what is being referred to as a "truth and justice commission", the key element is the offer of job security and opportunities to FARF personnel, which in turn means giving them the necessary funds for patronage at local level. There is little chance of Mr Déby and the MPS agreeing to any federal arrangement, which is not only the platform of the FARF, but was included by most of the southern-based political parties in their election programmes. The most the president will agree to is more decentralisation, but certainly not any division of the central revenue raising and expenditure implied by the federation idea. Whatever the deals done with FARF and other figureheads, the issue is likely to be ever more contentious in the run-up to the first revenue from oil, expected in 2000 or 2001.

—as rosy oil forecasts are challenged—

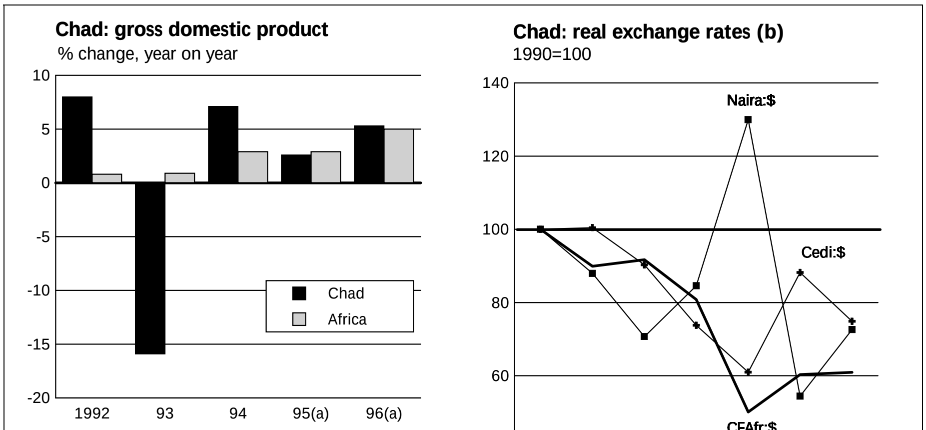
The risks to southern reconciliation from the Doba oil project are highlighted in a somewhat doom-laden report warning against World Bank finance for the Cameroon pipeline: by overstating the case, the Washington-based environment group, the Environment Defence Fund (EDF), may be skewing the same "fragile balance" of Chadian politics that it identifies in its critique of Bank involvement. If anything, Ndjamena's heightened need to propitiate the south may encourage greater allocation of development funds to the area, however dubiously these are distributed at local level. But the EDF's intervention is a useful counterbalance to some of the rosier reports on prospects arising from the impending arrival of oil money. Chad remains one of the poorest countries in the world, facing appalling problems of reconstruction after 30 years of civil conflict. Although the continuing cotton boom has helped replenish revenue, and the influx of aid money since the CFA franc devaluation in 1994 has helped improve public finances to the satisfaction of the Bretton Woods institutions, Chad is a long way from economic health, and every recurrence of drought, as affected some regions last year, immediately sets alarm bells ringing.

—political headaches remain unresolved—

Moreover, if the south is really to be bought, it will have to go on being bought. While disaffected members of the political class in Ndjamena itself can be ignored by Mr Déby and his associates, there are still politico-military groups over both eastern and western borders, although they are currently quiet and of uncertain strength. One former president, Hissène Habré (in office from 1982 to 1990), is still in exile, rich and discontented in Dakar (Senegal), while his predecessor Goukouni Oueddei (1975-82) was recently reported to be preparing to go back to the *maquis* (rural guerrilla resistance) in the northern region of Tibesti.

—and the regional context causes concern

There is also the prospect of a continuing military-political explosion in the wider region: each of Chad's six African neighbours (Libya, Sudan, the Central African Republic, Cameroon, Niger and Nigeria) has a difficult internal political situation and all are capable, wittingly or not, of harbouring Chadian dissidents. As underlined in a message in February from the Sudanese head of state, Omar Hassan Ahmed al-Bashir, the political crisis centring on the Great Lakes and Zaire has many regional ripples, all of which could affect Chad's domestic situation. Although Chad has resisted Khartoum's blandishments to play a more active Islamist role in the region, it is still susceptible to pressures, witnessed among other developments by the cordial visit in March of Chad's prime minister, Djimasta Koïbla, to Iran.



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

Review

The political scene

The MPS wins a narrow parliamentary majority—

Provisional, but fairly firm, results of the first multiparty parliamentary elections since Chad's independence were announced on March 23 by the Appeal Court in the capital, Ndjamena, giving the ruling Mouvement patriotique du salut (MPS) 63 of 125 seats. This will give the party a narrow overall majority in the new Assemblée nationale (parliament), which was installed by the same court on April 4. The only results outstanding were two seats, Faya Largeau in the far north, and Goz-Beida in the east, which were annulled after the first round of voting on January 4, and for which by-elections were held on March 27. These two seats were almost certain to go to the MPS.

—although earlier results suggest a coalition

Even though second-round voting took place on February 23 the first provisional figures were announced on March 3, and suggested that the MPS had only 55 seats and would have to depend for its assembly majority on an alliance with one of the other parties. The Union nationale pour la démocratie et le renouveau (UNDR) of the foreign minister, Saleh Kebzabo, obtained 15 seats, mainly in Mr Kebzabo's political fief, Mayo-Kebbi *préfecture* in the far south-west. The UNDR/MPS coalition is therefore likely to continue.

The Appeal Court reassigns eight seats to the MPS—

The "rearrangement" of the figures by the Ndjamena Appeal Court followed a protest by the MPS to the Commission électorale nationale indépendante (CENI, the electoral commission) headed by Pascal Yoadimnadji, over results in a number of constituencies. The ruling party claimed irregularities and fraud, alleging that the CENI had "scandalously manipulated" the result. This affected in particular the four seats at Kelo in the southern *préfecture* of Tandjile, which were initially declared for the Rassemblement nationale pour la démocratie et le progrès (RNDP) of the former prime minister, Delwa Kassiré Koumakoye; the two seats at Bousso in Chari Baguirmi originally attributed to the Union nationale (UN) of a former minister, Abdoulaye Lamana; and two seats at Kyabe in Moyen-Chari, originally attributed to the Union pour le renouveau démocratique (URD) of Wadal Abdelkader Kamougué, President Idriss Déby's principal (and unsuccessful) opponent in the presidential election of June-July 1996.

—and two more to the *mouvance presidentielle*

A further two seats at Benoye in Logone Occidentale were taken from the Action tchadienne pour l'unité et le socialisme (Actus) of another former prime minister, Fidel Moungar, and attributed to the Action nationale pour la démocratie et le développement (ANDD), led by the commerce minister, Salifou Garba. The ANDD is one of the parties in the *mouvance presidentielle.* This is the loose alliance behind Mr Déby and the MPS, which generally acts according to their wishes. Although not linked to the MPS by a formal alliance (as is the UNDR), the ANDD would not have obtained any seats but for this connection. Also in the *mouvance presidentielle* were the Parti pour la liberté et la démocratie (PLD) of Ibni Oumar Mahamat Saleh, which obtained three seats in Ouaddai and in Ndjamena, and the Union nationale pour le renouveau du Tchad (UNRT) of Ouchar Tourgoudi, who was himself elected as an assembly member in Ouaddai. With these results the MPS and allies hold 68 seats.

Chad: election results declared on Mar 27, 1997

MPS	63
URD	29
UNDR	15
Union pour la démocratie et la république	4
PLD	3
Rassemblement pour la démocratie et le progrès	3
ANDD	2
Union Nationale pour le renouveau du Tchad	1
ACTUS	1
Fédération action pour la république	1
Convention nationale pour la démocratie et le socialisme	1
Unconfirmed	2
Total	125

Source: Chadian press.

Opposition leaders complain of fraud

Some of the leaders of opposition parties whose victories were overturned were vocal in their protests. Mr Koumakoye said that the appeal court had been "stolen by the MPS", alleging that Mr Déby wanted to prove to international opinion that he had support in the south. Mr Lamana expressed concern that institutions were not being respected. Others including Lol Mahamat Choua, leader of the Rassemblement pour la démocratie et le progrès (RDP), who was returned with over 50% of the first-round vote in his constituency of Mao in Kanem *préfecture*, and Jean Bawoyeu Alingue, who was returned in the one Ndjamena constituency which voted for opposition candidates, complained of falsified voters' lists and that their party candidates had been subjected to harassment. Two RDP candidates in Ndjamena were reported to have been arrested on polling day.

"Back to square one", says *Ndjamena Hebdo*

The independent weekly newspaper, *Ndjamena-Hebdo* (which was founded by Mr Kebzabo), observed pessimistically that this result brought Chadian democracy "back to square one". In approving electoral laws which offered limited recourse in cases of fraud the MPS had obtained what it wanted, an absolute majority: the opposition, despite its divisions, had obtained a majority in the elections, which had been "too much for the MPS", so control had to be re-established.

International observers speak with care—

After the second round of February 23, a team of 144 Chadian national observers and international observers from the EU, France, La francophonie (the French-speaking international body) and non-governmental organisations (NGOs) said cautiously that since the constitutional referendum in April 1996 "there has been a net progression in the organisation and the mastering of electoral operations by the CENI, electoral agents and voters". The observers, who visited more than 1,000 polling stations, concluded that there was full provision of electoral material but some of the ballot boxes were deficient, with poorly situated booths posing "problems of security and voting secrecy". Most polling stations opened on time, in the presence of electoral personnel, reflecting the electoral law. The only exception to the general calm was in the fourth *arrondissement* of Ndjamena itself, where the security forces had to intervene to restore order. There had also been an absence of advertised voters lists, low participation and "insufficient security for the results after counting". Given the diplomatic language such multilateral observer groups feel obliged to adopt on such occasions, this was hardly a ringing endorsement of the vote's conduct.

—but French observers find the poll "exemplary"

Two French parliamentarians, Jean Pierre Kucheidaes (PS) and Henri Cuq (RPR), were more upbeat, saying that the two rounds of the legislative elections were of an "exemplary character for Africa" and had taken place in "peace and regularity". The CENI had been totally committed in organising the electoral process to its conclusion and, at the 70 polling stations they observed, the electoral process was carried out correctly. Their only qualification was that the polling stations could have been closed an hour or two earlier to facilitate counting. *Ndjamena-Hebdo* carried a caustic article on the exercise of observing elections titled "Blind as an international observer".

Mr Koïbla defends the human rights record in Strasbourg—

Following an international outcry over the increase in summary executions in Chad (1st quarter 1997, page 37), the prime minister, Djimasta Koïbla, paid two visits to the European Parliament in Strasbourg, which had passed a critical resolution on the subject. The first, in February, appeared poorly organised and inconclusive, but when he returned in April he was able to meet officially with the EU's Development and Cooperation Committee chairman, Michel Rocard. Between these dates the Ndjamena government had revoked the controversial "shoot-on-sight" instruction issued in November 1996 and ordered the security forces to stay within the law. Mr Koïbla's defence of the security forces was that they had to maintain order and public security to prevent the disintegration of the state, and had to act in "legitimate defence". He told Mr Rocard that only the judiciary were now entitled to investigate crimes or offences and appealed to the EU to assist in the restoration of Chad's judicial machinery; Chad has already asked for UN assistance in recovering weapons dispersed through the country. Earlier the government had claimed that a series of summary public executions in Ndjamena and the south had eased the problem of "banditry".

—and Mr Mbami hits out in Geneva at NGOs—

The government deplored "the attitude of non-governmental ... and human rights organisations which blow up in an unbalanced fashion the phenomenon of insecurity" at the beginning of April. This followed a session in Geneva of the UN Human Rights Commission, at which several NGOs called on the commission to "bring the file on Chad out of the shadows", citing not just summary executions (by then officially recognised) but also torture and arbitrary arrest. The minister of communications and government spokesman, Youssouf Mboudou Mbami, was despatched to Geneva to denounce those organisations which were trying to "tarnish the image of the rule of law which the authorities have been seeking to establish", as he put it.

—as Amnesty slams the government again

Amnesty International, the London-based human rights organisation, has long been highly critical of the Chadian government's record on human rights abuses. As the furore over summary executions continued, it released *Chad: Hope*

Betrayed, a report detailing not only the killing of suspected thieves but also "disappearances", torture and ill-treatment of detainees, and the government's failure to bring any of the perpetrators of these abuses to justice.

A peace accord with the FARF is signed in Moundou—

A significant move in the direction of peace and reconciliation in southern Chad came with the signing of a peace accord in Moundou on April 18 between the government and the Forces armées pour une république fédérale (FARF), the principal dissident group in the region, composed in part of defecting soldiers from the national army. The FARF is led by Laokeïn Frisson Barde, who refused to join his former leader in the Comité nationale de sursaut pour la paix et la démocratie (CNSPD), Lieutenant Moïse Kette, when the latter made peace with Ndjamena in 1994: Mr Barde claimed at the time that he did not wish to be involved in a sell-out. Amnesty arrangements for FARF partisans were in course as the quarter ended.

—providing for full reintegration

The accord provided for: the cessation of hostilities between the army and the FARF; the renunciation of the armed struggle by the FARF and the transformation of its armed forces into a political movement; a general amnesty; participation of the FARF in state affairs, including the civil service; the regrouping of the FARF's several hundred members in the two *preféctures* (Est and Centrale) of the Logone region; the training of FARF troops at the Doyaba military training school; the possible setting up of a "truth and justice commission"; the acceptance of a political debate on whether to have a decentralised unitary state or a federal one, and on the free choice of a second official language (French and Arabic are the two official languages under the 1996 constitution); and the payment of a one-off reintegration and settlement allowance for FARF partisans.

Opération Epervier shows its usefulness—

The 800 or so French troops stationed in Chad under the Opération Epervier mission were in the news this quarter when two paratroop companies were redeployed to the neighbouring Central African Republic, which has suffered a series of army mutinies in the past year: the troops were replaced by another two companies from Carcassonne in south-west France. Although reports continue to circulate of the imminent reduction of Epervier's numbers, the usefulness of Chad as a transit point did not escape observers. According to the French daily newspaper *Le Figaro* this "detachment of hardened professionals" constituted the most important anchoring point of French troops in Africa, and the French defence ministry noted with satisfaction that the troops replacement was all the more necessary because Chad was engaged in an electoral process in which French troops were deployed for logistic support.

—as Bangui clashes cause concern in Ndjamena

The continuing crisis in the CAR had other repercussions in Chad, after the clashes of the weekend of March 23 between mutineers and Chadian elements of the Mission intérafricaine de surveillance des accords de Bangui (MISAB, the international monitoring force; see Central African Republic, page 26). These incidents were followed by attacks on the Chadian community in the CAR capital, Bangui. A number of political groups in Chad protested, and the government sent two ministers to Bangui, including the defence minister, Youssouf Togoimi. The incidents compound an already tense relationship between the two governments, which has arisen in part because the Déby government is suspicious of what it views as the “Sara alliance”; the Sara being the ethnic group which spans southern Chad and the north-western CAR. The CAR’s president, Ange-Félix Patassé, who has close Sara links, has done his best to ease the problem by assisting in peace-making between the Ndjamena government and southern Chadian dissidents (see above).

Libya distributes a controversial diary

There was a hiccup in Chad’s normally cordial relations with Libya when the Ministry of Foreign Affairs in Ndjamena protested to Tripoli against the publication in January of a 1997 official diary in which the 100-km Aouzou strip, which lies in the north of Chad on the Libyan border, is presented as part of Libyan territory. The ministry pointed out that this runs contrary to the decision in 1994 of the International Court of Justice at The Hague that the Aouzou strip belongs to Chad. The diaries, which were distributed in Ndjamena, were all returned to the Libyan embassy. Mr Kebzabo described the diary as an “inimical and hostile act”. However, in February Mr Koïbla delivered a note on the subject from Mr Déby to the Libyan president, Muammar Qadhafi, and this was followed almost immediately by a visit to Tripoli by the interior minister, Mahamat Nimir Hamata, delivering a further soothing message expressing Mr Déby’s desire to “develop bilateral relations at all levels”.

The economy

Exxon raises its Doba oil estimates—

More details have been released of the memorandum of understanding covering financial, legal and operating terms, signed in January between the Chadian government and the Exxon-Shell-Elf-Aquitaine consortium, in an illustration of the greater credibility now being attached to Chad’s future oil prospects. The memorandum covers both the exploitation of the Doba and Sedigui deposits, and the 1,050-km pipeline between Doba and the Cameroonian port of Kribi, through which the crude oil will be exported. According to the industry newsletter, *Petroleum Economist*, Exxon has raised its estimate of recoverable reserves in the Doba basin from 500bn to 900bn barrels. The company also expects that the Kribi pipeline will be 30 inches in diameter rather than 24 inches. Peak production is now expected to be 200,000-250,000 barrels/day (b/d) rather than the 150,000-200,000 b/d previously estimated.

—as a model for Africa’s “deep interior” emerges—

Final government ratification of the terms will be needed before the whole project can be confirmed, but Exxon is inviting tenders from companies interested in the engineering procurement and construction contracts. Approximately 300 wells will be drilled in three zones, Kome, Miandoum and Bolobo, and a processing facility constructed to treat the oil before it is piped for export. The paper noted that two of the projects, Miandoum and Kome, had been discovered by the USA’s Conoco as long ago as the mid-1970s, but could not be developed while Chad was involved in civil conflict. The project is said to open up the possibility for further oil development in other parts of “Africa’s deep interior” such as northern Cameroon, and even Sudan, where projects have similarly been blocked by civil conflict.

—while environmentalists criticise the pipeline—

However, the Washington-based Environment Defence Fund (EDF) has circulated a document criticising proposed World Bank involvement in the funding of the project's downstream facilities. The Bank is offering $120m in soft loans from the International Development Association (IDA, the Bank's concessional lending window), as well as credits from the International Finance Corporation (IFC) for the private-sector companies being established by the consortium. Initiatives are also said to have been taken to secure a high interest loan from the African Development Bank: the total cost of downstream facilities is put at $1.8bn. The EDF's concern is that World Bank funding will be essential for the project's take-off, and that this gives unwarranted comfort to the oil companies and commercial banks which will be "taking cover behind publicly funded or guaranteed institutions".

—and worry over poverty alleviation

The EDF report asserts that even those players who claim that governmental reform in Chad and Cameroon will wipe away longstanding problems overnight, and make a trickledown effect from the oil and pipeline investments possible, cannot argue that the project provides the best option for poverty alleviation. It also suggests that funds will be diverted away from the social and environmental sectors with potential to reduce poverty, and that neither Chad's nor Cameroon's governments have shown concern for poverty alleviation in the past. The report also lists environmental disadvantages from both oil and pipeline projects, claiming that compensation for villagers displaced in the course of prospecting work was already a problem. Given the post-colonial political and administrative history of both Chad and Cameroon, it is easy to understand the EDF concerns.

Before the decision of the World Bank governing board, due later this year, there will be an environmental impact assessment on the social and ecological implications of the project, but the EDF report expresses doubts on the effectiveness of such a procedure. Specifically on the pipeline, it raises the question of the risk of oil leakages, as well as the social and environmental impact on undisturbed rainforest areas, even though the World Bank indicates that the pipeline will move alongside existing road and railway lines. On a more overtly political level, the report warns that the project could "reignite" civil conflict in Chad, if the southern secessionist movement were to be fuelled by resentment of northern control of oil revenue.

Cotontchad is cautious on expansion—

In an interview with the international news organisation, Reuters, Mahamet Tahi Kherallah, the administrative director of the 75% state-owned cotton company, the Société cotonnière tchadienne (Cotontchad), has claimed that, despite forecast rises in output and processing capacity in 1996-97, the industry remained a hostage to external factors beyond its control, although new markets were being sought out in China and Russia. He added that future performance depended on problems of world cotton price fluctuation, rain levels and the exchange rate for sales in dollars. The threat of drought had been overcome by enlarging the area under cultivation, and rains in the cotton-producing areas were largely sufficient between May and September 1996, he said. Processing capacity at Cotontchad's eight factories, which handle the annual crop in entirety, has been increased to deal with increased output, notably at Pala, where the current crop was particularly good in terms both of quantity and quality. During the 1995/96 season Cotontchad produced 61,808 tons of cotton fibre: this was expected to increase to 83,991 tons in 1996/97.

—but makes encouraging forecasts

Cotontchad has forecast that seed cotton purchases for the 1996/97 season would rise to a record 204,600 tons (and not 305,000 tons as erroneously stated in 1st quarter 1997, page 39), compared with 157,476 tons in 1995/96. The area under cultivation is projected to rise to 264,557 ha from 209,750 ha in 1995/96. The producer price has been increased by CFAfr30 per kilo to CFAfr70 for the 1996/97 season, to reflect increases in the world cotton price. He claimed that this follows a CFAfr20 increase in 1995/96 which had already encouraged farmers to plant more cotton and use insecticides and fertilisers.

Foreign trade, aid and payments

Donors suspect food aid pleas—

Following an appeal for food aid at the start of 1997 by Mr Déby after the impact of drought in 1996, donors have been studying a detailed request for 50,000 tons of food from Ndjamena government officials, and have reportedly rejected the estimated requirement, suggesting that buffer stocks were emptied for political reasons during the elections. They point instead to an estimated needs figure of 17,000 tons from a European early warning system in the Sahel. According to Joseph-Alain Charriere of the UN World Food Programme this does not mean there will not be extreme hardship during 1997: the situation is "very bad, but not catastrophic", as he put it. Chadian officials maintain that urgent action is required, as shortages could last until October.

—but the EU stumps up cereal assistance

At the end of February the EU provided funding of CFAFr215m to purchase 1,800 tons of cereals locally in surplus zones, for resale in deficit zones, to ease the local deficit and limit price rises. A further CFAFr500m of rice purchased in Europe was also to be provided for resale on the local market.

Franc Zone news

Zone leaders worry over chaos in French policy circles—

Recent months have seen an apparent disintegration in French policy towards both the Franc Zone and the wider African scene, despite the public commitment of the French president, Jacques Chirac, to the continent. The fortnightly Paris-based magazine, *Jeune Afrique*, has referred to the situation as "incomprehensible". At the heart of the confusion, until the recent death of Jacques Fouccart, was the existence of two separate "Africa cells" at the Elysée Palace: one official, headed by Michel Dupuch; the other less so, but with arguably greater influence, comprising the elderly Africa veteran Mr Foccart and his lieutenant, Fernand Wibaux. Policy divergences between the two were aggravated by personal dislikes, which fed into the wider policy-making structure, which is divided into a bewildering array of different institutions. Matignon (the prime minister's office); the African and Malagasy affairs unit at the Quai d'Orsay (foreign ministry); the Ministry of Cooperation itself; the Treasury directorate at the Ministry of the Economy and Finance; the defence ministry and the Direction générale de la sécurité extérieure (DGSE, the secret service); and the Caisse française de développement (CFD, the state development bank). All have daily involvement in Franco-African relations, with little sign of coordination at the top of the pyramid (or, according to some commentators, within individual ministries). Beyond these official channels of influence the infamous *réseaux* (networks) of parallel diplomacy appear to have taken on a new lease of life, especially in the petro-economies of the central African subregion of the zone.

—as Mr Foccart dies—

The death during the past quarter of Mr Foccart will alter this situation, but not by much in the short term. Mr Foccart's death leaves Mr Dupuch with the president's ear, but Dominique de Villepin, Mr Chirac's secretary-general at the Elysée, is reportedly against any swift alterations to the current system, presumably regarding European and Middle Eastern affairs as more important. The forthcoming French legislative elections also guarantee that Africa will be neglected in public debate: the vast majority of French electors are indifferent to sub-Saharan affairs.

—and the drift is set to continue in the short term

Although such a situation provides plenty of potential for politicking by veteran zone leaders such as Abdou Diouf (Senegal), Omar Bongo (Gabon) and Paul Biya (Cameroon), it is understood that at least the first two have expressed worries that the incoherence may in fact be harming their interests in Paris, especially now that the zone is firmly implicated in France's probable move to the European single currency (the euro, scheduled to come into being in 1999). Continuing worries about a second devaluation of the CFA franc, or even a partial abandonment of the French Treasury's backing for the currency, are at the top of the agenda in Dakar and Libreville. The alterations to France's armed presence in Africa, outlined in late 1996 by the French defence minister, Charles Millon, will also be causing anxiety in Côte d'Ivoire and Gabon. Yet it seems unlikely that a rationalisation of French power in Africa will occur in the coming months.

The Prouteau report minces few words—

The eighth edition of the annual report of the Conseil des investisseurs en Afrique (CIAN), *Les Entreprises françaises et l'Afrique*, commonly known as the "Prouteau report" after CIAN's president, Jean-Pierre Prouteau, also has a notably critical outlook on French policy towards business in the zone and elsewhere in Africa. Mr Prouteau is sceptical about regional integration, citing poor transport links and the "economic nationalism" of individual governments as key obstacles to the widening of markets. The report also describes the idea of using South Africa as a trampoline to conquer other, non-zone, markets as a "myth", and bemoans a declining level of French back-up for business in Africa: commercial posts in France's African embassies are being cut by a fifth, in favour of expanded services in Asia. Despite the repeated public commitments Mr Chirac to back up French investors, Paris is concentrating only on South Africa and the Maghreb, according to Mr Prouteau. This is in spite of the fact that France's trade balance with Africa (including Egypt and Libya) totalled FFr23.7bn ($4.75bn) in 1995.

—amid decidedly mixed business feeling in the zone—

The detailed survey of French business opinion in Africa which is at the heart of the Prouteau report throws up relatively few surprises, confirming that, although two-thirds of them are in profit, French enterprises remain wary of the economic and social situation in the zone, and are critical of both French and multilateral cooperation efforts.

Franc Zone: French business opinion: the impact of the devaluation
(% of respondents to questionnaire)

	Positive	Negative	Too soon to tell
UEMOA[a]			
Côte d'Ivoire	100	–	–
Burkina Faso	73	13	14
Mali	71	29	–
Senegal	50	33	17
Benin	–	35	65
Togo	–	60	40
UDEAC[b]			
Gabon	80	–	20
Cameroon	64	27	9
Chad	42	28	30
Congo	33	35	32
CAR	25	75	–

[a] Union économique et monétaire ouest-africaine: the West African subregion of the Franc Zone.
[b] Union douanière des états de l'Afrique centrale: the Central African subregion of the Franc Zone.

Source: Conseil des investisseurs en Afrique, *Les Entreprises françaises et l'Afrique* (The "Prouteau report").

Questioned specifically about the effects of the devaluation, 58% of respondents viewed the macroeconomic impact in 1996 as "rather positive", although only 26% were sufficiently bullish to describe it as "positive". Nevertheless, this represents a more favourable opinion than in 1995. Similarly the political impact of the exchange-rate change throughout the zone was viewed as "rather positive" by 55% of respondents but as "positive" by only 11%. The impact on public finance was viewed as "positive" by 22%, compared with 33% who were merely "rather positive". This represents a sharp upswing of sentiment: the previous year's figures were 4% and 60% respectively. These answers, which suggest that many respondents have upgraded their assessment over the past 12 months, also point to a divergence between countries. It is unlikely that a single reply from Côte d'Ivoire was less than positive, whereas in Cameroon it is hard to imagine anyone answering positively, given the government's financial problems. It is worth noting that in the survey by country of the overall impact of devaluation, Côte d'Ivoire-based respondents unanimously described it as positive.

Where the social impact of devaluation was concerned, the mood was predictably much gloomier. It was seem as rather or completely negative by 53% and only 5%, the same proportion as in 1995, saw it as positive. Overall, sentiment was most buoyant in Côte d'Ivoire, Burkina Faso, Mali, Gabon and, surprisingly, Cameroon, where French niche-oriented business may be riding out the continuing political drift and deep economic recession rather more successfully than the rest of the population. Business is unsure but not optimistic in Togo, Benin and Congo, while the events of 1996 in Niger and the Central African Republic have clearly affected sentiment badly.

—and disinterest in privatisation—

The other point the report made strongly was that, considering French and multilateral pressure on zone governments to speed up the privatisation process, French businesses, which would be perfectly placed to benefit from selloffs, are rather unenthusiastic at the prospect. Although a number of previously negative respondents evidently adopted a "wait-and-see" attitude in 1996, two-fifths of those surveyed still had no interest in privatisation opportunities and the proportion of positive replies actually dropped from 30% to 27%. Detailed responses cited several reasons for this:

- fiscal uncertainty due to the impact of IMF programmes;
- absence of protection for enterprises, demonstrated graphically in the mutiny and rioting which destroyed much French business in Bangui during 1996;
- a post-devaluation decline in real profits; and
- the lack of economic viability of most divested concerns.

This will come as sobering news to the Bretton Woods institutions and the EU, which have been among the most vocal proponents of privatisation since devaluation. However, this negative attitude to privatisation opportunities may simply reflect the traditional behaviour of many zone-based French businesses: find a rent-generating niche, often by mobilising political connections, and stay there.

Franc Zone: French business opinion: privatisation[a]
(% of respondents to questionnaire)

	1995	1996
Yes	30	27
No	57	41
Awaiting developments in 1996	8	23
Awaiting medium-term developments	5	9

[a] Answers to question: "Do you expect to take an interest in privatisation opportunities in the Franc Zone?"

Source: Conseil des investisseurs en Afrique, *Les Entreprises françaises et l'Afrique.*

The days of the *chasse gardée* recede into history—

The CIAN is in any case reported to be losing influence in policy-making circles, although the French minister-delegate for finance and foreign trade, Yves Galland, has gone on record to deny rumours of an end to tied-aid contracts: this would hurt many CIAN members, which have traditionally benefited from project-related contracts from the CFD and other French aid outlets. Early in 1997 the Paris-based fortnightly newsletter, *La Lettre du continent,* observed that French business is increasingly on the defensive in Africa, in the face of deepening US and, especially, Malaysian competition. (Malaysia has shown a particular interest in the high-potential telecoms sectors where, among other moves, it has given France-Télécom stiff competition for a stake in Côte d'Zvoire's CI-Telecom). The three major trading houses of the colonial era are no longer the force they were: Optorg has been bought by Moroccan interests; Compagnie française de l'Afrique occidentale (CFAO) is still active but is no longer independent on the continent; while the Société commerciale ouest-africaine (SCOA) is a mere shadow of its former self.

—and the competition hots up

The only two major French conglomerates which still have the kind of power wielded by Lonrho or Unilever at its height are Bouygues, the construction-to-media giant; and the omnipresent Bolloré group, whose core strategy is the control of port, shipping and railway operations all the way from Dakar (Senegal) to Pointe Noire (Congo). Elsewhere, although Electricité de France and partners are still near-dominant in the world of build-operate-transfer (BOT) contracts, French companies have increasingly been losing out in the battle for lucrative contracts, including at the Manantali dam project on the Senegal river and in the Cameroonian rubber sector.

Guinea-Bissau joins the zone

Guinea-Bissau's entry into the Franc Zone, long a subject of speculation, is confirmed. The country will officially become the eighth member of the Union économique et monétaire ouest-africaine (UEMOA, the West African subregion of the Franc Zone) on March 31, although the CFA franc will not physically replace the peso until May 2, at a rate of P65:CFAfr1. According to the Paris-based newsletter, *Télex confidentiel,* the only publication which has attempted to put a price on the operation, the total costs to Bissau will be FFr1bn ($175m), more than half of which will be provided by Bissau's foreign donors. As with many other African issues (see above), Bissau's wish to join has provoked sharp differences of opinion among Paris policy-makers. While the Elysée, the political departments and the leadership of *la francophonie* (the worldwide grouping of countries using the French language) were in favour, staff at the Treasury and the Banque de France were against, largely due to the highly fragile nature of the Guinean economy and administration. In the end, the Elysée overrode the Treasury after Senegal, which has much to gain from its neighbour joining the UEMOA, applied considerable political pressure. Guinea-Bissau's accession to full membership could be long and difficult even if these points are addressed: once it has introduced the CFA franc, Guinea-Bissau will then have to catch up with the other UEMOA members' drive to full economic and monetary union, which is being steadily pursued by the regional central bank, the Banque des états de l'Afrique occidentale.

Quarterly indicators and trade data

Cameroon: quarterly indicators of economic activity

		1994		1995				1996			
		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	110	110	100	100	100	100	90	90	90	100[a]
Prices	Monthly av										
Consumer prices:	1990=100	136.6	143.1	148.0	147.1	148.4	152.7	154.6	154.0	155.6	n/a
change year on year	%	39.4	46.8	26.7	16.0	8.6	6.7	4.5	4.7	4.9	n/a
Money	End-Qtr										
M1, seasonally adj:	CFAfr bn	331.6	359.1	337.8	326.9	295.4	317.0	328.9	308.7	323.0	298.0[b]
change year on year	%	n/a	34.8	16.1	4.5	–10.9	–11.7	–2.4	–5.6	9.3	n/a
Foreign trade[c]	Annual totals										
Exports fob	$ m	(2,062)		(2,245)				(n/a)			
Imports cif	"	(956)		(1,141)				(n/a)			
Foreign exchange	End-Qtr										
Central Bank	$ m	0.5	1.7	1.5	0.5	0.2	3.2	1.9	1.2	0.9	2.2[b]
Exchange rate											
Market rate	CFAfr:$	528.2	534.6	484.9	485.3	491.5	490.0	503.2	515.3	517.2	523.7[d]

Note. Annual figures of most of the series shown above will be found in the Country Profile.
[a] Figure for January 1997, 100. [b] End-November. [c] *DOTS* estimate. [d] End-1 Qtr 1997, 564.4.

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

Central African Republic: quarterly indicators of economic activity

		1994		1995				1996			
		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[a]:	1990=100	125.0	129.4	139.7	138.7	137.9	140.0	n/a	n/a	n/a	n/a
change year on year	%	34.6	40.0	41.7	22.0	10.3	8.2	n/a	n/a	n/a	n/a
Money	End-Qtr										
M1, seasonally adj:	CFAfr bn	95.91	107.03	118.84	113.88	114.95	115.39	102.20	110.90	116.43	119.64[b]
change year on year	%	65.2	74.7	66.9	31.0	19.9	7.8	–14.0	–2.6	1.2	n/a
Foreign trade[c]	Annual totals										
Exports fob	$ m	(140)		(187)				(n/a)			
Imports cif	"	(472)		(189)				(n/a)			
Foreign exchange	End-Qtr										
Central Bank	$ m	208.92	209.86	248.00	252.29	244.90	233.48	210.32	230.76	237.25	236.19[b]
Exchange rate											
Market rate	CFAfr:$	528.2	534.6	484.9	485.3	491.5	490.0	503.2	515.3	517.2	523.7[d]

Note. Annual figures of most of the series shown above will be found in the Country Profile.
[a] "African" households, Bangui. [b] End-November. [c] *DOTS* estimate. [d] End-1 Qtr 1997, 564.4.

Source: IMF, *International Financial Statistics*.

Chad: quarterly indicators of economic activity

		1994		1995				1996			
		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	142.6	137.6	139.0	139.7	146.9	149.0	148.2	161.2	169.8	168.5[a]
change year on year	%	50.7	46.4	26.7	2.0	3.0	8.3	6.6	15.4	15.6	n/a
Money	End-Qtr										
M1, seasonally adj:	CFAfr bn	76.58	61.90	51.80	52.87	71.50	88.33	103.61	105.40	99.91	106.26[b]
change year on year	%	n/a	31.1	–23.7	–31.4	–6.7	42.7	100.0	99.4	39.7	n/a
Foreign trade[c]	Annual totals										
Exports fob	$ m	(82)		(99)				(n/a)			
Imports cif		(143)		(184)				(n/a)			
Exchange holdings	End-Qtr										
Foreign exchange	$ m	126.51	75.60	40.94	61.31	101.58	142.07	189.10	180.72	175.96	164.07[b]
Exchange rate											
Market rate	CFAfr:$	528.2	534.6	484.9	485.3	491.5	490.0	503.2	515.3	517.2	523.7[d]

Note. Annual figures of most of the series shown above will be found in the Country Profile.
[a] October only. [b] End-November. [c] *DOTS* estimate. [d] End-1 Qtr 1997, 564.4.

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

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

Exports fob	Jan-Dec 1992	Jan-Dec 1993	Jan-Dec 1994	Jan-Dec 1995	Imports cif	Jan-Dec 1992	Jan-Dec 1993	Jan-Dec 1994	Jan-Dec 1995
Portugal	23	18	18	42	France	94	61	56	64
Germany	16	13	13	25	Cameroon	22	29	37	44
South Africa	n/a	6	19	23	USA	6	9	8	12
France	4	7	8	10	Nigeria	10	11	11	11
Costa Rica	n/a	4	5	6	Belgium-Luxembourg	2	6	6	8
UK	3	2	2	5	Japan	4	4	4	5
Total incl others	74	67	83	140	Total incl others	164	141	143	186

[a] *DOTS* estimate.

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

Cameroon: foreign trade

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

Exports fob	Jul/Jun 1991/92 (CFAfr bn)	Jul/Jun 1992/93 (CFAfr bn)	Jul/Jun 1993/94 (CFAfr bn)	Jul/Jun 1994/95 (CFAfr bn)
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

Exports fob[c]	Jan-Dec 1992 ($)	Jan-Dec 1993 ($)	Jan-Dec 1994 ($)	Jan-Dec 1995 ($)
France	464	342	383	466
Italy	203	200	286	330
Spain	302	288	285	277
Netherlands	153	129	119	163
Germany	94	98	106	102
Nigeria	49	62	75	89
USA	82	101	55	48
Total incl others	1,730	1,683	1,826	2,138

Imports cif[c]	Jan-Dec 1992 ($)	Jan-Dec 1993 ($)	Jan-Dec 1994 ($)	Jan-Dec 1995 ($)
France	517	378	338	476
Belgium-Luxembourg	69	59	63	67
Germany	108	48	54	65
Italy	52	39	37	57
USA	63	50	59	50
Japan	56	54	38	48
UK	37	27	38	44
Total incl others	1,304	987	893	1,144

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

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

Central African Republic: foreign trade

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

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

Exports fob[a]	$ m Jan-Dec 1992	Jan-Dec 1993	Jan-Dec 1994	Jan-Dec 1995
Belgium-Luxembourg	69	77	86	75
France	3	4	8	30
Spain	12	7	12	0
Iran	8	8	8	n/a
Germany	2	2	4	0
Taiwan	4	22	1	n/a
Total incl others	200	132	140	187

Imports cif[a]	$ m Jan-Dec 1992	Jan-Dec 1993	Jan-Dec 1994	Jan-Dec 1995
France	67	48	58	70
Japan	8	6	7	46
Cameroon	21	21	21	12
Namibia	7	8	10	n/a
Germany	6	5	5	7
Belgium-Luxembourg	6	5	5	6
USA	1	6	5	5
Total incl others	392	422	472	189

[a] *DOTS* estimate.

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

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

	Cameroon			CAR			Chad		
	Jan-Dec 1993	Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1993	Jan-Dec 1994	Jan-Dec 1995	Jan-Dec 1993	Jan-Dec 1994	Jan-Dec 1995
French exports fob									
Cereals & preparations	22,728	22,725	33,646	7,292	5,797	7,544	5,549	5,072	5,188
Sugar & preparations	3,237	7,336	4,255	0	15	32	0	621	1,575
Beverages	4,265	3,748	5,841	553	554	590	266	239	392
Chemicals	94,413	66,889	85,137	11,998	12,189	10,859	11,654	9,720	6,222
Rubber manufactures	4,460	5,075	5,242	451	685	741	546	818	1,171
Paper etc & manufactures	10,608	7,852	13,424	1,023	1,322	1,263	1,250	1,363	1,626
Textile fibres & manufactures, incl clothing	11,100	8,845	11,585	954	981	1,358	628	486	692
Non-metallic mineral manufactures	8,235	6,983	9,122	285	163	407	788	466	471
Iron & steel	3,794	2,025	5,060	273	308	224	433	932	601
Non-ferrous metals	4,704	2,690	7,160	0	138	544	341	110	153
Metal manufactures	18,417	15,002	20,189	1,237	1,976	2,134	2,255	1,984	2,241
Machinery incl electric	87,647	80,406	123,718	11,029	14,928	17,000	18,789	14,919	22,378
Road vehicles	20,068	26,883	30,462	3,248	6,561	7,805	5,449	8,806	6,966
Other transport equipment	6,527	8,820	7,247	0	717	119	0	163	309
Scientific instruments etc	7,921	5,484	8,273	1,262	1,232	1,203	1,002	1,840	1,557
Total incl others	360,418	305,143	431,713	46,277	52,546	59,649	58,503	51,829	57,521
French imports cif									
Fruit & vegetables	97,407	106,490	114,071	0	10	0	0	0	52
Coffee, cocoa, tea & spices	41,827	45,694	62,029	1,938	5,241	13,824	0	0	0
Tobacco, unmanufactured	0	0	0	1,895	608	138	0	0	0
Rubber, crude	20,292	16,097	16,944	0	21	41	0	0	0
Wood & cork & manufactures	53,144	107,144	103,162	110	312	276	0	0	1
Textile fibres & waste	956	1,164	0	138	109	616	318	196	1,200
Petroleum & products	135,731	73,930	113,231	0	0	0	0	0	0
Textile yarn & manufactures	1,258	4,933	4,527	0	0	0	0	0	0
Non-ferrous metals	37,889	68,309	105,418	0	0	0	0	0	0
Total incl others	394,676	431,252	526,164	4,660	8,457	15,276	8,148	9,236	10,462

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

