COUNTRY REPORT

Cameroon

Central African Republic

Chad

3rd quarter 1996

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The Economist Intelligence Unit

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Summary

Cameroon, Central African Republic, Chad 3rd quarter 1996

August 12, 1996

Cameroon

Political and economic structures *pages 3-4*

Outlook: The political challenges to Paul Biya's continuing tenure of the presidency are mounting and he may feel that the best course is to go for snap presidential and legislative elections in late 1996. The opposition will continue to examine possible alliances in a bid to unseat the ruling RDPC, although widespread poll-rigging can be confidently expected. The economy will continue to expand weakly: political and regional tensions, depressed domestic demand and declining world commodity prices will combine to keep real GDP growth down to 3.5% in 1997/98. *pages 5-8*

Review: The OAU summit, at which Mr Biya took over the body's presidency, has diverted some attention from the president's domestic political difficulties, although opposition figures have tried to use the meeting to embarrass the president and the cost of the event has been criticised. Cameroon's dispute with Nigeria over the Bakassi peninsula has continued and diplomatic initiatives have failed. The opposition has again resorted to *ville morte* (ghost-town) protests, with varying degrees of success. Both teachers and students have gone on strike and some students have been expelled from university. A voter registration exercise has been decreed, leading to speculation that elections may be brought forward. The MDR may be moving into opposition. The independent media have continued to suffer harassment. IMF and World Bank conditionalities have again been missed and Cameroon's stand-by arrangement has been converted into a non-disbursing staff-monitored programme. The USA has rescheduled $13m in bilateral debts as relations have thawed slightly. The sale of Intelcam to France-Télécom has proved controversial, as has privatisation in general. The 1996/97 (July-June) budget has set expenditure at CFAfr1.11trn, but much of the increase can be explained in accounting terms. Business is still unhappy over taxes and revenue is still weak. Primary commodity exports have remained the backbone of the economy, although only cotton has expanded strongly. Environmental groups remain worried about developments in the timber sector. *pages 8-19*

Central African Republic

Political and economic structures *pages 20-21*

Outlook: Ange-Félix Patassé will struggle to rebuild his political credibility after the army mutiny of May. The opposition group, Codepo, expects to benefit from Mr Patassé's discomfort. Potential investors will be very cautious for the foreseeable future. *pages 22-23*

Review: Bangui has been rocked by a fresh army mutiny, which has resulted in major French intervention and the destruction of much of the city centre. Many expatriates have left the country. Mr Patassé has appointed a new prime minister, Jean-Paul Ngoupande, who has adopted a hard line over government spending and political standards, and has appointed a government of national unity. The government has appealed for weapons to be handed in. The economic effects of the mutiny have been grave and Mr Ngoupande is adamant that recourse to the IMF is necessary. There have been encouraging developments where debt and aid are concerned. ***pages 23-31***

Chad **Political and economic structures** ***pages 32-33***

Outlook: The election of the existing president, Idriss Déby, in a less-than-perfect poll, will give him greater legitimacy in his dealings with the domestic and external opposition, and the trade unions, although the politico-military groups on the country's borders will remain a problem and the impending Doba oil project will keep the domestic political temperature high. ***pages 34-36***

Review: Mr Déby has gained a second-round victory in the presidential race against Abdelkader Wadal Kamougué, after disqualifying and, in one case, imprisoning other opponents. French logistical support has been much in evidence throughout the electoral period, and opposition figures have declared themselves unhappy with the election. Mr Déby has benefited from a deal with an opposition southern politician, Saleh Kebzabo, who has been rewarded with the foreign ministry in the new government. Relations with the USA have been variable. The Ndjamena region has suffered a cholera epidemic. Planning has continued for the start-up of oil production in the Doba basin. Chad has accepted Article VIII of the IMF's Articles of Association. ***pages 36-42***

Franc Zone news The UEMDA is making further progress towards economic integration, and has accepted Guinea-Bissau as its eighth member. French exports to the zone remain healthy. ***pages 43-45***

Statistical appendices ***pages 46-50***

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Political structure: Cameroon

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

Last elections: March 1992 (legislative); October 1992 (presidential)

Next elections due: March 1997 (legislative); October 1997 (presidential)

Head of state: president, elected by universal suffrage, serves a five-year term and is re-electable

National government: a coalition government (RDPC and MDR), reshuffled in July 1994. It consists of the prime minister and his Council of Ministers

Main political parties: a law authorising multiparty politics was published in December 1990. There are currently more than 70 registered parties. The Rassemblement démocratique du peuple camerounais (RDPC)—English name, the Cameroon People's Democratic Movement (CPDM)—holds 88 seats in parliament. The Union nationale pour la démocratie et le progrès (UNDP) has 68 seats, the Union des populations du Cameroun has 18 and the Mouvement pour la défense de la république (MDR) six. Several parties, notably the Social Democratic Front (SDF), boycotted the legislative elections in March 1992

President	Paul Biya
Prime minister	Simon Achidi Achu
Deputy prime ministers, responsible for	
territorial administration	Gilbert Andzé Tsoungui
town planning & housing	Hamadou Moustapha
Key ministers	
agriculture	Augustin Frédéric Kodock
at the presidency in charge of defence	Edouard Akama Mfoumou
at the presidency in charge of relations with parliament	Saidou Maidadi
civil service & administrative reform	Dahirou Sali
communications	Augustin Kontchou Koumegni
economy & finance	Justin Ndioro
environment & forestry	Djingoer Bava
foreign affairs	Ferdinand Léopold Oyono
health	Joseph Owona
higher education	Agror Tari
justice	Douala Moutome
labour & social security	Simon M'bila
livestock, fisheries & animal husbandry	Hamadjoda Adjoudji
mines, water resources & energy	Melle Bello
trade & industrial development	Mani Pierre Mloundou
transport	Issa Tchiroma Bakary
Governor of the Banque des états de l'Afrique centrale (BEAC)	Jean-Félix Mamalepot

Economic structure: Cameroon

Latest available figures

Economic indicators	1991	1992	1993	1994	1995[a]
GDP at market prices[b] CFAfr bn	3,174	3,171	3,423	4,213	4,589
Real GDP growth[b] %	–4.8	–2.2	–5.5	1.7	3.2
Consumer price inflation[b] %	1.9	–3.7	12.7	27.0	7.0
Population m	11.9	12.2	12.6	12.9	13.2
Exports fob $ m	1,957	1,934	1,508	1,868	2,005
Imports fob $ m	1,173	983	1,005	1,114	1,350
Current account $ m	–404	–338	–565	–242	–385
Reserves excl gold $ m	43	20	2	2	4[c]
Total external debt $ m	6,167	6,707	6,818	7,275	7,900
External debt-service ratio %	15.6	15.4	19.9	16.5	15.0
Crude oil production '000 b/d	144	136	132	116	95
Coffee production[d] '000 tons	115.0	49.3	67.7	70.0	n/a
Cocoa production[e] '000 tons	109.0	96.0	103.9	110.3	108.5
Exchange rate (av) CFAfr:$	282.1	264.7	283.2	555.2	499.2[c]

August 8, 1996 CFAfr505.4:$1

Origins of gross domestic product 1994	% of total
Agriculture	28.6
Industry	24.9
Manufacturing	11.3
Services	46.5
GDP incl net indirect taxes	**100.0**

Components of gross domestic product 1994	% of total
Private consumption	71.8
Government consumption	7.7
Gross domestic investment	15.5
Exports of goods & services	27.8
Imports of goods & services	–22.8
GDP at market prices	**100.0**

Principal exports 1994	$ m
Crude oil	402
Timber	282
Cocoa	100
Coffee	64

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

Main destinations of exports 1994[f]	% of total
France	19
Spain	16
Italy	11
Netherlands	7

Main origins of imports 1994[f]	% of total
France	37
Belgium-Luxembourg	8
Japan	5
USA	5

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

Cameroon

Outlook

The challenges are mounting—

The president, Paul Biya, faces a period which will challenge his leadership more than ever before. He will be forced to occupy himself with Africa's pressing problems, Burundi and Liberia not the least among them, as chairman of the Organisation of African Unity (OAU), a time-consuming and demanding role involving an amount of shuttle diplomacy. At the same time he will face the toughest test from his domestic political opponents, who are reinvigorated by their strong showing in January's municipal elections and have as many as four upcoming elections in which to gain ground against the ruling Rassemblement démocratique du peuple camerounais (RDPC). In addition, Cameroon is involved in its own dispute with a much more powerful and mercurial neighbour, Nigeria, over the oil-rich Bakassi peninsula, at a time when Mr Biya is supposed to be the continent's chief advocate of "African unity".

—as elections loom—

Technically speaking, four elections may be held in 1997: for senators in the proposed upper house of parliament; for representatives to regional assemblies; for parliamentarians whose present term of office expires on March 1, 1997; and for the presidency, when Mr Biya's term expires on October 11, 1997. It is by no means certain, however, that any or all of these elections will take place on time, as evidenced by Mr Biya's three-year delay in holding the municipal vote. The Cameroonian president has shown himself quite capable of flouting the law when it suits his purposes. There is speculation that he may try to call early presidential elections to throw the opposition off balance and to take advantage of the OAU limelight; hence his announcement of a voter registration exercise in May-July this year.

—and opponents strive to unite

Mr Biya's opponents, who, because they are divided, are often their own worst enemies, would do well to be wary of that scenario. It is in their interests to agree on a common presidential candidate and to forge a strategy quickly and effectively to contest the other elections as well. There are reports of an alliance taking shape between John Fru Ndi's Social Democratic Front (SDF), Bello Bouba Maigari's Union nationale pour la démocratie et le progrès (UNDP) and the government's erstwhile coalition partner, the Mouvement pour la défense de la république (MDR). The alliance is said to have agreed to field Mr Fru Ndi as its presidential candidate (and the results of the municipal elections show that only the SDF comes close to having national appeal) and to contest elections only in those regions where there is no clear-cut front-runner. However, it remains to be seen to what extent Mr Maigari will fall in line behind Mr Fru Ndi in order to ensure that the RDPC is defeated: many among his northern followers do not relish the prospect of lining up behind a western anglophone-Bamiléké axis, which represents the core of the SDF's support. The municipal vote showed Mr Maigari's popularity has not extended beyond his northern stronghold: that should be enough to convince him not to offer himself as a candidate and further splinter the opposition vote.

The SDF must think strategically—

The SDF will nonetheless face some tricky manoeuvring. On the one hand, it will want to capitalise on its popularity as demonstrated in the January elections, and be seen to be challenging the government at every turn. On the other, it has to recognise that its supporters have suffered extraordinarily tough times over the past few years, and that they may be less easily mobilised to participate in acts of civil disobedience than was the case in the previous elections in 1992. The poor turnout for June's *ville morte* (ghost-town) campaign demonstrates this point. For Mr Fru Ndi there will also be the challenge of proving that his interests are truly national in scope, and not confined to defending the anglophone minority. He has been criticised in the past for failing to put forward a blueprint for the future around which Cameroon's ethnic and linguistic divisions could be transcended; it might be more useful for him to concentrate on projecting such a vision than continuing to harp on the irregularities of past elections. The opposition will also need to make common cause with the US and other donor governments which are pressing for the establishment of an independent electoral commission, the installation of which could be decisive in the coming elections, given the Biya government's propensity to cook the books.

—as the Bakassi troubles bubble along

The Bakassi dispute will continue to be a knotty problem for Mr Biya, who can ill afford a bellicose image in his role as OAU chairman. With bilateral and regional diplomacy seemingly going nowhere, Mr Biya may try to utilise the good offices of the OAU to garner support for Cameroon against the Nigerian leader, General Sani Abacha, who, like Mr Biya, suffers an image problem abroad. While useful as a diversion from domestic woes, the dispute has come narrowly near to escalating into full-scale war. Mr Biya would not be so unwise as to entertain thoughts of taking on his militarily superior neighbour, unless, of course, he has received assurances of French support under the terms of a longstanding defence pact. The French president, Jacques Chirac, on the other hand, does not seem ready to jump into these troubled waters, and his government has been quick to appeal to the OAU and UN to cool tempers down. However, with French oil interests in the area, it is certain Mr Chirac's government will be paying close attention to any sign of rising tensions.

The World Bank and the IMF are less than pleased—

The Biya government is yet again in the bad books of the Bretton Woods institutions, at a moment when its financial position is as precarious as ever. With an external debt burden as large as $9.2bn in early 1996, Cameroon desperately needs as much slack as possible from its major creditors. But any new initiatives in this area are unlikely as long as the country's Structural Adjustment Programme (SAP) remains off-track with the World Bank and the IMF. An Enhanced Structural Adjustment Facility (ESAF) loan, a prerequisite for further serious reschedulings from the Paris Club of the country's official bilateral creditors, will only come after Cameroon shows itself capable of meeting the fiscal and structural targets of the staff-monitored programme which has replaced its latest, failed, stand-by.

—as targets are missed—

The likelihood of the government meeting fiscal targets is questionable, in a year when elections loom and there is no doubt some significant, albeit disguised, expenditure going to the military because of the Bakassi crisis. Structural targets are another question: it is difficult to imagine the government finding the stomach to let large numbers of civil servants go in an election year. In the wake of the Intelcam affair, where the state telecommunications provider was handed over to its French equivalent in a rather unorthodox debt-equity swap, the continuing privatisation of the "family jewels" will arouse a storm of controversy. Nonetheless, when its back has been to the wall, the Biya government has shown itself capable of complying with enough of the IMF's conditionalities to stop the spigot from going permanently dry.

—and growth will stagnate

There is again little room for manoeuvre in an economy where growth is currently based almost completely on primary product exports, which, while maintaining a steady increase since the 1994 CFA franc devaluation, will soon reach something of a plateau. It takes more than a season to expand cocoa, coffee, rubber or timber acreage, and the oil sector continues to shrink in importance. International prices for Cameroon's major commodity exports are weakening. Taking all these factors into account, together with the ever-present possibility of civil unrest in the period leading up to elections, the EIU forecasts a GDP growth rate of 3.2% for 1995/96 and 3.4% for 1996/97.

Exports are stronger—

We have revised our projections for merchandise trade quite sharply upwards on the release by the government of more detailed figures than have previously been available for 1994. Although these should be treated with caution until confirmed on a balance-of-payments basis by the IMF in its monthly *International Financial Statistics*, existing IMF data from the Fund's *Direction of Trade Statistics Yearbook* tend to support the view that merchandise exports stood somewhere around $1.8bn in 1994, and not $1.25bn as had been implied by a previous provisional figure from the French Ministry of Cooperation. However, there are roughly half a dozen different estimates of merchandise trade in 1994 currently in circulation, ranging from $1.25bn to over $2bn. The confusion is largely a result of Cameroon's unique circumstances as a member of the Central African Franc Zone with a July-June fiscal year, and a historic lack of transparency in its recording of trade figures, especially for crude oil exports. Estimated figures for 1995 are currently even more fragmentary and the picture will remain unclear into 1997. We have therefore provisionally raised our forecasts for the trade-balance surplus to $700m in 1996 and $660m in 1997, reflecting on the one hand a continuing compression of imports because of flat domestic demand as the economic squeeze continues for urban Cameroonians and, on the other, a strong performance in commodity exports, with cotton and bananas coming to rival coffee and cocoa as traditional soft-commodity money-earners. The continuing major imbalances on the invisibles account, however, more than wipe this surplus out, even when inward transfers are taken into account. The current account will therefore remain in deficit, at $255m in 1996 and $285m in 1997.

—but the future looks uncertain

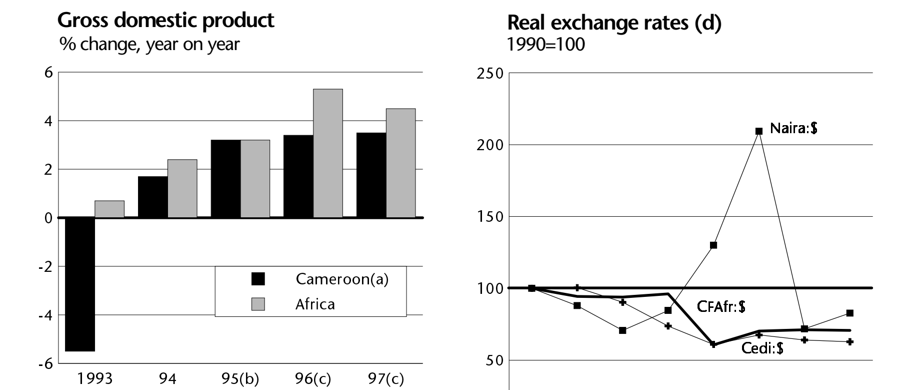
The Cameroonian government faces all the usual problems as well as some new ones over the coming months. Unless it finds the fortitude to begin a genuine dialogue with its opponents, an increasingly unstable and volatile political situation can be expected, which will have major implications for its ability to address in any meaningful way the restructuring of the economy. Mr Biya's year as Africa's "president", which should have been the crowning achievement of a long political career, is likely to be anything but smooth.

Forecast summary

($ m unless otherwise indicated)

	1994[a]	1995[b]	1996[c]	1997[c]
Real GDP growth[d] (%)	1.7	3.2	3.4	3.5
Consumer price inflation[d] (%)	27.0	7.0	6.0	3.0
Merchandise exports	1,868	2,005	2,100	2,150
of which:				
petroleum	402	380	370	350
timber	282	300	300	280
cocoa & coffee beans	164	180	180	180
Merchandise imports	–1,114	–1,350	–1,400	–1,490
Current-account balance	–242	–385	–255	–285
Average exchange rate (CFAfr:$)	555.2	499.2[a]	518.0	512.0

[a] Actual. [b] EIU estimates. [c] EIU forecasts. [d] Fiscal years starting July 1.



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

Review

The political scene

The OAU provides a respite—

The president, Paul Biya, may still be basking in the afterglow of his biggest public relations coup ever, namely hosting the 32nd Organisation of African Unity (OAU) summit in Yaoundé on July 8-10 and assuming its chairmanship. However, the respite from other headaches which the summit provided was shortlived: a tenuous détente with multilateral creditors is again foundering, the opposition is more restive than ever after the manipulation of municipal election results and the border dispute with Nigeria has heated up. These issues are likely to dog Mr Biya throughout his year as "president of Africa".

—but it is not without controversy

The Biya government's hosting of the OAU summit at a time of financial crisis and civil unrest did not fail to stir up its share of controversy. With the opposition Social Democratic Front (SDF) and Union nationale pour la démocratie et le progrès (UNDP) having called *ville morte* (ghost-town) operations in May and June, demanding that the government retract its appointees from the newly elected municipal councils, and a spate of violent crime targeted especially at the diplomatic community in Yaoundé (2nd quarter 1996, page 14), security around the summit was extremely tight, with Yaoundé literally cut in two. The routes travelled by delegates to the hotels and the conference site were blocked off from the rest of the city. The assassination attempt against the Egyptian president, Hosni Mubarak, at the previous year's summit in Addis Ababa no doubt also added to security worries.

Disruptions are threatened—

There were also fears of other disruptions. The main opposition parties had campaigned to dissuade heads of state from attending the summit on the grounds that the country could not afford to host such an event, and the Bamenda-based Cameroon Public Servants Union (CAPSU) issued an ultimatum that it might be forced "to wreck" the OAU summit if the government failed to pay two months' salary arrears owed to civil servants since June 1993. It planned to make its plight known to visiting heads of state, claiming that Mr Biya "squandered billions of francs to host the OAU for prestigious reasons at the expense of the Cameroonian workers". The government's response was to proscribe the activities of CAPSU in late June in order to forestall a strike during the summit.

—and the cost is questioned—

Just how many billions of CFA francs were "squandered" on the summit was not known, although no doubt more than the CFAfr9bn ($18m) budgeted by the National Organising Committee, headed by Titus Edzoa, the secretary-general at the presidency. He was reportedly at loggerheads with Justin Ndioro, the minister of finance and the economy, over Mr Edzoa's orders to state corporations to pay unspecified sums into the summit bank account. Mr Ndioro was said to have instructed the corporations in question to ignore orders from the presidency which, he said, were unlawful. The Paris-based weekly magazine, *Jeune Afrique*, reported that the date of the summit was pushed back from June to July to avoid adding to the existing budget deficit (the 1996/97 fiscal year began on July 1).

—as security is tightened

The price tag for the strengthened police presence could not be determined in advance, but, according to the new security chief, Luc Loé, security "has no price". The deputy secretary-general at the presidency, Ephraim Inoni, would no doubt agree: despite armed policemen guarding his home, he was assaulted and robbed in his bedroom by three armed bandits on June 20. The diplomatic community in Yaoundé remains preoccupied with instituting new security measures after a number of personnel have been targets of armed assaults.

The OAU focuses on conflicts, but not Bakassi—

Despite the threats of disruption, the summit went off smoothly, with more than 30 African heads of state in attendance (out of 53 currently holding office). While the continent's conflicts took up the major part of the discussions, the one issue of particular interest to the government of Cameroon, namely its worsening squabble with Nigeria over the oil-rich Bakassi peninsula, failed to command the leaders' attention, at least not during the formal debates. It was not even mentioned in the *tour d'horizon* of current African hot spots presented by the OAU secretary-general, Salim Salim. Distracted by the re-election campaign on behalf of the UN secretary-general, Boutros Boutros-Ghali, the summit devoted most of its deliberations to a plan for sending an intervention force from neighbouring states to Burundi and to measures to deal with the exasperating Liberia crisis.

—as tensions with Nigeria worsen—

The Nigerian head of state, General Sani Abacha, spurned an invitation to the summit delivered by Mr Biya's deputy prime minister, Hamadou Moustapha, putting an end to speculation that the two heads of state would finally meet face-to-face over the issue. (This may not have come entirely as a surprise: General Abacha rarely leaves his headquarters at Aso Rock.) New and more serious clashes between Nigerian and Cameroonian forces flared in late April and early May, with each country accusing the other of taking the offensive and using heavy weapons, including helicopters, gunboats and artillery, against the other's positions. The US State Department issued a statement on May 10 deploring the resumption of hostilities and demanding their immediate cessation. Some 80 Nigerian soldiers were taken prisoner during the clashes, and on the eve of the summit Nigeria accused Cameroon of massing troops on their common border.

—and diplomacy founders

Diplomatic efforts to bring the sides together nonetheless continued. The Togolese head of state, General Gnassingbé Eyadéma, continued to try and mediate, but the Nigerian government claimed that talks in Togo in June aimed at allowing Mr Biya and General Abacha to meet were abruptly cancelled at Cameroon's instigation. The Cameroonian government spokesman, Augustin Kontchou Koumegni, retorted that Cameroon had never been informed of the meeting and questioned how it could have considered participation given its preoccupation with summit preparations. The case remains before the International Court of Justice at The Hague, which in March ordered both countries to refrain from fighting while it considers the rival claims.

The UN's mission is awaited—

In late May Nigeria and Cameroon agreed to the dispatch of a UN fact-finding mission to the disputed peninsula after a visit by a special UN envoy, Lakhdar Brahimi, to Nigeria in mid-May. By mid-July the mission had not been sent and a projected second visit by Mr Brahimi was postponed.

—and France is accused

Nigeria, meanwhile, accused France of involvement in the dispute; in May, two Nigerian newspapers, *The Vanguard* and *Punch*, published accounts of the presence of French soldiers in the disputed zone, a report immediately denied by the French Ministry of Defence. Through the presence of its oil firms, France has considerable interests in the Gulf of Guinea and was nearly drawn into the dispute in 1994 under its defence pact with Cameroon. On the eve of a private visit to Paris by Mr Biya on May 7, the French government urged the OAU, in liaison with the UN, to "contribute to calming the tension that is developing dangerously".

The opposition reintroduces "ghost-town" protests—

While the sputtering on of the Bakassi dispute may be useful to both Mr Biya and General Abacha as a diversion from domestic troubles, the Cameroonian president faces a tough year in which political problems are only likely to intensify. Fallout from the placement by the ruling Rassemblement démocratique du peuple camerounais (RDPC) of its own delegates in councils won by the opposition in the January elections (2nd quarter 1996, page 10) continued, with the declaration of *villes mortes* for two days in May and three in June in an effort to force the government to rescind its decision. Alexandre Taku, a political adviser to the SDF leader, John Fru Ndi, maintained that 80% of Yaoundé, Douala, Garoua and Bafoussam were shut down in May and that the operation was 100% successful in the Northern and Western Provinces. Other reports suggested that popular participation in the May action was less widespread, with limited shut-downs in Yaoundé and Douala, perhaps due to intimidatory measures by the government.

—but popular response is lukewarm

The June protest efforts had even less of an impact, with only the western region responding to the strike call. A planned ghost-town exercise for the month of July was cancelled, according to the SDF, in order to allow party militants to register for next year's elections and to "give our allies in parliament a chance to resolve that contested issue during this parliamentary session". The lukewarm popular response and the SDF's backing off may indicate that a certain selectivity in the employment of this strategy will be necessary. Although *ville morte* protests were used to great effect in the period surrounding the 1992 elections, Cameroonians who felt the impact of that turbulent period in lost employment and income, and disrupted services, may be more reluctant to participate, particularly after the hardships of recent years. They may also fear what is likely to be an increasingly heavy-handed government response to such protests as 1997's presidential and legislative elections approach.

Teachers and students strike

Popular frustration with the deterioration in basic urban services was reflected in a series of strikes which shook the country's educational establishments in May and June. Students at the University of Yaoundé went on strike beginning in early May to protest over poor conditions and student fees. During May several demonstrations were broken up by police, and in mid-June 200 students were arrested after a strike over the "repressive" methods of the new university rector. Four students considered to be ringleaders of the strike were banned from the university for life, but protests continued at Yaoundé and other campuses in Douala and Tian. Secondary, primary and nursery school teachers also launched several strikes over deteriorating conditions in the education system and non-payment of salary arrears. Twenty teachers, including the deputy secretary-general of the National Union of Secondary School Teachers, were arrested in Bafoussam after boycotting exams in protest over working conditions and low wages. The situation remained tense, as school fees for government primary and secondary schools were introduced for the first time in the new 1996/97 budget.

As elections loom—

1997 looms as the year of elections, which, under the new constitution, are to be organised for senators for an upper house of parliament and/or representatives for regional assemblies. In addition, the present parliament's term of office expires on March 1, 1997, and that of Mr Biya on October 11, 1997. Mr Biya signed a decree earlier this year cancelling all electoral registers and setting a new registration period for May 1-July 31, 1996, leading to speculation that he might call early parliamentary or presidential elections, no doubt in an attempt to capitalise on the stature his leadership of the OAU for a year affords him.

—the opposition may be forming a new alliance—

The opposition, meanwhile, has its work cut out. According to a report in a Yaoundé-based weekly, *The Witness*, the SDF, the UNDP and the Mouvement pour la défense de la république (MDR, a coalition partner since 1992 with the ruling RDPC) have devised a plan to contest the forthcoming elections as an alliance. A document entitled *Strategies to Beat Biya in 1997* purports to suggest that the three parties put up the SDF's Mr Fru Ndi as their candidate for the presidential elections, and do not contest any constituencies in the parliamentary elections where one member of the alliance has a clear advantage.

—since the government's coalition partner wants out

The MDR, with six MPs, reportedly voted against the RDPC for the first time during the current session of parliament, which opened in June. It was quite vocal in its criticism of the government's presentation of the 1996/97 budget, perhaps auguring the demise of the coalition. While a strategy uniting the fractured opposition has long been regarded as critical if Mr Biya, who will stop at virtually nothing to win an election, is ever to be defeated, the coming year will tell whether the two leading opposition figures, Mr Fru Ndi and the UNDP's Bello Bouba Maigari, can put aside not only their political differences, but also their not insignificant egos, and make common cause. If that occurred and the USA were to succeed in its efforts to press for the formation of an independent electoral commission, the opposition might just find itself in the driver's seat in 1997.

The press crackdown continues—

However, the government continues to do all that it can to make conditions as difficult as possible for its opponents, targeting in particular the independent media. In mid-April it issued an order forbidding the press from reporting on the opposition's calls for civil disobedience. In late April Pius Njawe, the editor of an independent daily, *Le Messager*, and long a target of government harassment, was sentenced to five months in prison and a fine of CFAfr2m for having published a story linking the minister of territorial administration, Andzé Tsoungui, to the organisation of the fraudulent 1992 presidential elections. Mr Njawe was appealing the decision.

—and is brought to the OAU's attention

During the OAU summit the New York-based Committee to Protect Journalists sent a letter to the organisation's secretary-general, Salim Salim, condemning the "crisis facing the independent media" in several African countries, not least among them the OAU's host. Pre-publication censorship continues to be practised in Cameroon, "one of the last places on earth to do so", the letter stated. In 1995, it went on, there were at least ten instances in which independent newspapers were seized or banned. Vendors have been robbed and beaten by the police, citizens harassed for reading banned papers, and journalists arbitrarily detained without charge, interrogated and assaulted.

Rwandan war criminals will be transferred

In July Belgium dropped its request for the extradition of the Rwandan army colonel, Théoneste Bagosora, who has been held in Cameroon since his arrest in March, in deference to the UN International Criminal Tribunal. This seeks to put the colonel on trial as a key organiser of the 1994 Rwandan genocide. Belgium had sought his extradition for his alleged involvement in the murder of ten Belgian peacekeepers. An appeals court in Yaoundé ruled on May 31 that the UN tribunal outranked national courts in international law and that all 12 suspects currently being held in Cameroon should be turned over to the tribunal for trial. On June 3 the tribunal formally requested the prisoners' transfer, and representatives from the tribunal saw Mr Bagosora and three other suspects in July. It was not clear when the four would be remanded to Arusha, Tanzania, for trial.

The economy

Cameroon fails with the IMF—

The government has yet again failed to meet both fiscal and structural targets contained in its hard-won $101m stand-by agreement with the IMF, agreed in September 1995, thus causing it to be converted to a "staff-monitored programme" as of July 1. Having drawn down only two tranches under the stand-by, the most recent in February (2nd quarter 1996, page 15), the Cameroon government is no longer eligible for funds under that agreement. It will be required to meet a new set of criteria before further monies from the IMF, in the form of a medium-term Enhanced Structural Adjustment Facility (ESAF), granted on more concessional terms but with tougher conditionalities, can be released, presumably before the end of the year.

On the fiscal side, unsatisfactory customs and tax collection, failure to reduce arrears and overspending on the military (no doubt tied to the Bakassi border dispute) were among reasons cited for the failure of the programme. On the structural side, insufficient progress on privatisation and civil service reform were the major snags.

—and with the World Bank

Nor is the World Bank happy with Cameroon's recent performance: two out of the three tranches of its $150m Structural Adjustment Loan, agreed on February 8, have yet to be disbursed, due to "unsatisfactory macroeconomic performance" and failure to meet the specific conditionalities that accompany each tranche, according to a Bank source (2nd quarter 1996, page 16). The government yet again has its back to the wall, with little choice but to comply with the new conditions imposed if it hopes to win an ESAF, which should permit more generous Paris Club (official, bilateral) and London Club (commercial bank) debt reschedulings, urgently needed by the debt-distressed country.

The USA reschedules—

Meanwhile, relations with the USA, long frosty because of US criticisms of the Cameroon government's human rights and democratisation record, have experienced a slight thaw since Charles H Twining became ambassador in late February. A bilateral debt-rescheduling agreement was signed with the USA in May following the USA's commitment at the Paris Club meeting of Cameroon's official, bilateral, creditors last November to extend repayment of $13.2m in official loans to 25 years with a 16-year grace period. Thanks to the Paris Club rescheduling, Cameroon also benefited from the lifting of the

Brooke amendment, which prohibits new lending to countries in arrears to the US government.

—and applauds reforms—

Apparently anxious to establish a good rapport with his Cameroonian counterparts, Mr Twining, after signing the rescheduling agreement with Cameroon's minister of finance and the economy, Justin Ndioro, applauded what he called "the strenuous economic reform measures that have already been undertaken" by Cameroon, including customs reform, privatisation of state enterprises, repayment of debt arrears and reductions in the size of the public service.

—but the World Bank and the IFM are unimpressed—

While the USA may be pleased with the efforts the Cameroonian government is making in these areas, the Bretton Woods institutions certainly are not. Since the beginning of the civil service retrenchment exercise in 1995, only 4,319 workers have left the public service from seven government ministries, out of a total 20,000 to be cut from the employment rolls by 1999; this is not up to the pace required by the IMF and World Bank. The minister for the civil service and administrative reform, Dahirou Sali, announced in late June that there would be a salary increase for the public service in 1997, claiming the funds would come from savings generated by cutting personnel to 156,000 by the end of 1996. The government has also pledged to pay two months' worth of salary arrears from September and October 1993, worth CFAfr37.5bn ($75m), during the 1996/97 budget year, a not-too-veiled attempt to gain votes for Mr Biya in 1997. Neither is likely to be possible, however, given the current economic crisis.

—as privatisation remains controversial

Privatisation remains another sticky area. As the government attempts to divest itself of unprofitable parastatals under circumstances which are frequently less than transparent, it has found itself embroiled in another controversy, this time over the state-owned telephone company. Intelcam, one of the "family jewels", as *Jeune Afrique* put it, was the subject of a debt-for-equity deal with the French telecommunications provider, France-Télécom, in mid-June, giving the French the controlling share in the enterprise. The hurried deal, under which the French company will contribute finance to modernise Cameroon's increasingly decrepit telecommunications network, was devised to resolve a cash crisis, caused in part by debts of CFAfr72bn owed by Intelcam's biggest client, the Cameroonian government and its agencies. Intelcam in turn owed CFAfr40bn to France-Télécom, which resulted in international service disruptions and a threat to cut Cameroon's telecommunications links with the rest of the world as it prepared to host the Organisation of African Unity (OAU) summit in July.

The French take over Intelcam—

Not on the government's original list for privatisation, Intelcam was acquired by France radio et câbles, a subsidiary of France-Télécom, by presidential decree. In a communiqué, the secretary-general to the presidency, Titus Edzoa, said the negotiations had been carried out with the participation of the Ministry of Posts and Telecommunications, whose minister, in a subsequent communiqué, denied any knowledge of the deal. This exchange prompted the independent weekly newspaper, *Le Messager*, to ask whether there was still a pilot in the plane called Cameroon. Parliament called upon the president, Paul Biya, to annul the deal, and the leader of the Mouvement pour la défense de la république (MDR), Dakolé Daïssala, characterised the sale as "the auctioning off of our country".

To compound the government's embarrassment, at the start of August the World Bank reportedly blocked a public-relations contract which the government was on the point of signing with a major European company, when it was discovered that the deal provided for a 10% commission to unknown parties. According to the London-based fortnightly newsletter, *Africa Analysis*, the contract was for PR work advocating the virtues of divestment.

—and Hevecam is on the block—

The government stated on June 5 that Cameroon is to sell 90% of the state rubber firm, Hévéa-Cameroon (Hevecam). The government will keep a 10% share, 23% will be reserved for Cameroonian investors and 3% for company employees. Hevecam produced more than 26,000 tons of rubber in 1994/95, at a profit of CFAfr3.9bn, making it one of the few state enterprises that might actually be attractive to foreign investors.

—while the IDA provides a privatisation credit

The slow pace of privatisation has been criticised repeatedly by the Bretton Woods institutions and the World Bank has decided to do something about it. Its International Development Association (IDA, the Bank's soft-loan arm) announced a $12.6m credit on June 13 to help the government implement the privatisation programme and improve the environment for private-sector investment. The project, to which it is expected the government of Cameroon, the EU and the Caisse française de développement (CFD, the French state development bank) will contribute financing, bringing its total cost to $16.7m, has four components:

- providing consultant services to complete selected privatisations and continuing liquidations; implementing procedures to allow quick removal of non-performing assets; and launching a public campaign;
- restructuring two banks and a loan recovery agency to improve the repayment of loans;
- preliminary support to improve the private-sector environment; and
- strengthening the judiciary by providing limited support to the Ministry of Justice to enable the regular publication of judgements, and strengthening the Inspection Directorate.

A new, "magic" budget is introduced—

The prime minister, Simon Achidi Achu, presented a new CFAfr1.11trn budget for the fiscal year 1996-97 (July-June) to parliament on June 17, showing a huge 60% increase over the previous year's budgeted expenditure of CFAfr682bn. Parliamentarians were prevented by the speaker, Cavaye Djibril, from asking where the revenue to support such a large increase in the budget would come from. However, the increase is somewhat illusory, stemming from the inclusion for the first time of foreign aid, external borrowing and oil revenue. Foreign aid is budgeted to bring in CFAfr57bn, and loans CFAfr257bn, with foreign debt repayments scheduled to stand at CFAfr548bn, or 49% of the total budget. If all the additional items were subtracted, the new budget would fall closely in line with the previous year's target, which the government failed to meet.

—but critics question its targets—

The budget was greeted with scepticism. *Le Messager*'s headline on June 24 characterised it as "magic", and described the headline expenditure figure of CFAfr1.11trn as "fictitious". A former lecturer at the University of Yaoundé, Nguidjol Nguidjol, commented that one could talk only with difficulty of an economic performance warranting this significant expenditure increase, given that previous budgets, including that of 1995/96, have had revenue realisation rates of 65% and lower. Speculation was rife that only higher taxes would enable the government to meet its targets, although Mr Ndioro has promised no new taxes will be imposed.

—business asks for a tax break—

Excessively high taxes have prevented the private sector from recovering from the decade-long recession. The Groupement interprofessional pour l'étude et la coordination des intérêts économiques au Cameroun (GICAM, which groups the country's principal economic operators) called for a fiscal pause to allow for a "strengthening of the economic recovery, the return of investment and the creation of jobs". In a speech in Douala in late May, GICAM's president, André Siaka, urged the government to keep taxes at their current level or lower, to widen the tax base by including the informal sector, and to improve tax and duty collection. He said that viable and durable growth had to be based on the following preconditions: seeing to it that Cameroon's commercial affairs are governed by the rule of law; starting a true dialogue between various interest groups; obtaining a consensus around industrial and commercial policies; and mobilising economic players to promote the image of Cameroon abroad. Mr Siaka's observations chime with those of many Franc Zone businessmen in the years since the 50% devaluation of the shared currency, the CFA franc, in January 1994.

—and revenue collection is feeble

However, Cameroon has a long way to go to clean up its image. Transparency International, a Berlin-based, corruption-monitoring, non-governmental organisation, recently ranked Cameroon sixth worst out of 54 countries surveyed in its second annual corruption index. Revenue collection remains a weak area, with Cameroon's public-debt recovery rate estimated at just 10% and fraud rampant. Meanwhile, members of parliament criticised the fall in the collection of customs duties since the job was handed over to a Swiss firm, the Société générale de surveillance (SGS), said to have high-level government connections, in February 1996. SGS has been collecting CFAfr2bn less per month than the customs service previously did, according to the Paris-based fortnightly magazine, *Jeune Afrique économie*.

The government remains upbeat—

Delivering the budget, the prime minister said that the government's objective is to attain a real GDP growth rate of 5% in 1996/97, up from 3.2% in 1995/96, through the judicious management of public spending, job creation, payment of salary arrears to public-sector employees and the continuation of the privatisation exercise. He also stated that the government would give priority to health, education, infrastructure and agriculture. Average inflation had decreased from 30% in 1994/95 to 13% in 1995/96, and would fall to less than 8% this fiscal year, Mr Achu claimed. He attributed higher growth to increased agricultural production: cocoa output went up from 109,000 tons in 1994/95 to 130,000 tons as forecast in 1995/96 (October-September), and the production of coffee, bananas and cotton expanded by 35%, 34% and 18% respectively. While acknowledging that there had been a drop in the quality of Cameroon's cocoa and coffee output, Mr Achu said production increases, plus higher sales of wood and palm oil, led to a trade surplus of $390m in the 1995/96 fiscal year.

—but industry is less sanguine

While industrial production showed an improvement in the first three quarters of 1995/96 over the same period the previous year, with a rise in capacity utilisation from 60% in 1994/95 to 68% in 1995/96, 80% of enterprises reported no real change in output over the previous year, because of several obstacles to expansion: primary material supply difficulties for 99% of respondents; deterioration of equipment for 86%; financing difficulties for 82%; and transport problems for 77%.

GDP growth will be slight

Although the IMF concurs with the government's projection of 5% real GDP growth in 1996/97, this is overoptimistic in the EIU's view, as the economy remains frail, domestic demand remains constrained and prices for most of Cameroon's primary commodity exports, including oil, are on a downward slide. These factors, coupled with sizeable domestic debt of an estimated CFAfr1.65trn, the current suspension of Bretton Woods financing, and the threat of major civil unrest, will all combine to have a dampening effect on growth. For these reasons, our estimate of real GDP growth remains at 3.2% for the 1995/96 fiscal year, with a forecast of 3.4% in 1996/97.

Agriculture and forestry

Primary exports remain the motor—

Cameroon's current growth continues to be fuelled mostly by its primary-sector commodity exports. Production of virtually all of Cameroon's commodities showed an increase for the first three quarters of 1995/96 over the comparable period the previous year, although the total volume of exports was only 0.9% higher. Within that total, however, primary-product exports expanded by 4.1% in volume, compared with industrial product exports, which contracted by 19.4%.

—but not as strongly as believed—

Even the increases are deceptive: cocoa exports increased from 91,962 tons to 108,657 tons, but real returns suffered because Cameroon's crop was heavily discounted due to inferior quality. Robusta coffee exports increased from 21,166 tons to 31,339 tons over the three quarters, but international prices have continued to decline, from an average of 126 cents/lb in 1995 to an average of 93 cents/lb in the second quarter of 1996. According to the EIU's *World Commodity Forecasts*, in 1997 the average robusta price will hover at just over 82 cents/lb.

—with the exception of cotton

Cotton had a record year, according to a report from Reuters, which quoted figures from the state cotton marketing company, the Société de développement de coton (Sodecoton). Cameroon produced 195,000 tons of raw cotton in 1995/96, compared with 165,000 tons the previous year. In 1995/96, 158,000 ha were planted, producing an average of 1.23 tons/ha. Farmers were paid CFAfr160/kg (31 US cents/kg) in 1995/96, plus a CFAfr20/kg bonus from a profit-sharing scheme, compared with CFAfr 154/kg in 1994/95 and CFAfr128/kg in 1993/94.

Merchandise exports
(quantity, tons; value, CFAfr m)

	Jul 1994-Mar 1995		Jul 1995-Mar 1996		% change	
	Tons	CFAfr m	Tons[a]	CFAfr m	Quantity	Value
Cocoa (beans)	91,962	53,613	108,657	69,430	18.2	29.5
Coffee (arabica)	6,715	7,159	6,282	7,186	–6.4	0.4
Coffee (robusta)	21,166	18,314	31,339	28,909	48.1	57.9
Raw timber	583,758	56,088	596,432	47,716	2.2	–14.9
Natural rubber	25,433	18,346	23,679	15,584	–6.9	–15.1
Cotton (raw, bulk)	25,578	16,824	28,336	23,053	10.8	37.0
Bananas	107,279	21,995	102,302	20,633	–4.6	–6.2
Total primary products	**861,891**	**192,339**	**897,027**	**212,511**	**4.1**	**10.5**
Cocoa butter	2,433	4,276	2,588	3,952	6.4	–7.6
Cocoa (en masse)	7,512	5,299	8,169	5,217	8.7	–1.5
Cotton products	1,454	3,654	1,225	3,414	–15.7	–6.6
Raw aluminium	44,500	38,343	46,732	40,959	5.0	6.8
Aluminium products	3,702	4,135	3,386	4,213	–8.6	1.9
Timber products	182,561	56,005	133,116	30,322	–27.1	–45.9
Total industrial products	**242,162**	**111,712**	**195,216**	**88,077**	**–19.4**	**–21.2**
Crude oil	3,720,026	225,513	3,648,281	206,718	–1.0	–8.3
Other products	55,011	43,676	145,794	61,380	165.0	40.5
Total	**4,879,090**	**573,240**	**4,922,318**	**568,686**	**0.9**	**–0.8**

[a] Components do not sum in original.

Source: Customs statistics, as reported in the 1996/97 budget presentation.

Timber faces difficulties—

According to the France-based weekly magazine, *Marchés tropicaux et mediterranéens*, timber production is weakening because of transport problems and the industry's financial difficulties. World timber consumption is down as well, particularly in Europe, one of Cameroon's main outlets. The Belgian and UK sections of the World Wildlife Fund (WWF) have chosen Cameroon as the pilot country to encourage European consumption of tropical timber from sustainably managed forests, according to the London-based monthly publication, *African Business*. Since 1990 the EU has funded a programme in central Africa focusing on the conservation of endangered tropical forests, and has committed Ecu200m ($256m) under the Timber Protocol of the revised Lomé IV convention to protect forests in African, Caribbean and Pacific (ACP) countries in 1996-2000. Through the WWF scheme, the use of timber which has been certified as produced in an environmentally sustainable manner will be promoted; this could be a boon to Cameroon's timber exporters, who will be able to benefit from the support of companies which are concerned with conservation.

—as environmentalists worry about the effects of logging

The tropical timber industry has increasingly become a target of environmentalists. A lobbying organisation, the Environmental Defence Fund (EDF), has written to the World Bank's vice-president for environmentally sustainable development, Ismael Serageldin, to protest against a transport-sector credit to Cameroon approved on June 3 (see below). The credit will support the rehabilitation of a priority network of rural roads, including the Abong Mbang-Lomie road, in the rainforest areas in south-eastern Cameroon. The EDF says construction of the road will lead to greatly accelerated logging activities and damage to wildlife populations, and could damage the way of life of the indigenous Baka pygmies.

Foreign trade and payments

The IDA is to rehabilitate roads—

An International Development Association (IDA, the World Bank's soft-loan arm) credit of $60.7m was approved in late May for a transport-sector project which will support the government's public investment programme. The credit will aid the rehabilitation and maintenance of some 915 km of primary roads, as well as the maintenance of bridges. It will also rehabilitate some 1,500 km of rural roads and will involve local beneficiaries in the management of rural transport infrastructure. Another element of the project involves restructuring the ministries of public works and of transport, and increasing the participation of users and the private sector in road maintenance and transport management.

—Japan makes a grant for water supply—

The Japanese government gave a grant of ¥416m ($4.3m) on June 20 for rural water supply purposes. The project will be implemented in four localities in Ma'an in the South Province, in Nkeng in the Western Province, and in Mom Dibang and Tangben in the Centre. These areas have been seriously affected in recent years by illnesses linked to the absence of clean water. The Japanese ambassador to Cameroon, Takeru Sasaguchi, also revealed that a CFAfr30bn ($60m) credit would soon be provided to the National Ports Office to assist in the modernisation of the container terminal at Douala port.

—and France aids health and education

A French grant of CFAfr1.5bn was signed over on May 28 to finance small projects in health and education in needy areas. The minister of finance and the economy, Justin Ndioro, said that the grant would go towards mitigating the impact on these sectors of the devaluation of the CFA franc in January 1994.

Political structure: Central African Republic

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

Last elections: August-September 1993 (presidential and legislative)

Next elections due: August-September 1998 (legislative); 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: June 1996

Main political parties: the presidential majority includes: Mouvement pour la libération du peuple centrafricain (MLPC); Parti libéral démocrate (PLD); Convention nationale (CN); Mouvement d'evolution sociale de l'Afrique noire (MESAN). Although nominally opposed to the MLPC, the Rassemblement démocratique centrafricain (RDC) has entered government. 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); Parti sociale démocrate (PSD).

President	Ange-Félix Patassé
Prime minister, minister of economy, finance & planning	Jean-Paul Ngoupande (independent)
Key ministers	
civil service, labour, social security & training	Eloi Anguimate (CN)
commerce & industry	Joseph Agbo (MLPC)
communications	Maurice Amaye (MESAN)
defence	Jean Mette Yapende (MLPC)
education	Albert Mberio (MLPC)
energy & mines	Renaldy Sioket (RDC)
foreign affairs	Michel Gbezera-Bria (MLPC)
health & population	Cécile Fara Frond (RDC)
information & culture	Maurice Saragba (MLPC)
justice	Aristide Sokambi (independent)
parliamentary relations	Michel Docko (independent)
post & telecommunications	Théophile Touba (RDC)
public service & employment	David Dofara (independent)
public works	Dieudonné Beket (MLPC)
social affairs	Emmanuel Djada (PLD)
rural development	Marie-Noëlle Ande Koyara (MLPC)
territorial administration & national security	Jean Wilbiro Sacko (independent)
tourism & the environment	Daniel Emery Dede
transport	Eloi Anguimate (CN)
water, forests & the environment	Pierre Lakouetene (RDC)
Governor of the Banque des états de l'Afrique centrale (BEAC)	Jean-Félix Mamalepot

Economic structure: Central African Republic

Latest available figures

Economic indicators	**1991**	**1992**	**1993**	**1994**	**1995**[a]
GDP at market prices CFAfr bn	397	389	376	544	570
Real GDP growth %	–1.0	–2.5	–2.2	7.4	4.7
Consumer price inflation %	–2.9	–0.8	–2.9	27.0	15.0
Population m	3.00	3.08	3.16	3.30	3.40
Exports fob $ m	126	116	133	146	182[b]
Imports fob $ m	179	189	158	131	176[b]
Current account $ m	–62	–83	–13	–25	–20
Reserves excl gold $ m	103	100	112	210	234[c]
Total external debt $ m	805	826	885	891	n/a
External debt-service ratio %	8.4	8.4	4.9	12.5	n/a
Diamond production '000 carats	430	451	495	532	500
Seed cotton production[d] '000 tons	21.6	12.1	16.0	27.5	32.0
Timber production '000 cu metres	274	378	273	348	n/a
Exchange rate (av) CFAfr:$	282.1	264.7	283.2	555.2	499.2[c]

August 8, 1996 CFAfr505.4:$1

Origins of gross domestic product 1993	**% of total**
Agriculture	49.9
Industry	14.1
Services	36.0
GDP at factor cost	**100.0**

Components of gross domestic product 1994	**% of total**
Private consumption	89.0
Government consumption	6.6
Gross domestic investment	12.8
Exports of goods & services	22.4
Imports of goods & services	–30.8
GDP at market prices	**100.0**

Principal exports 1995[b]	**$ m**
Diamonds	90
Timber	29
Coffee	27
Cotton	22

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

Main destinations of exports 1994[e]	**% of total**
Belgium-Luxembourg	61
Spain	9
France	6
Iran	6

Main origins of imports 1994[e]	**% of total**
France	12
Cameroon	4
Namibia	2
Japan	1

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

Central African Republic

Outlook

Mr Patassé will struggle to rebuild his credibility—

June's army mutiny and its aftermath have dealt a crushing blow to the credibility of the president, Ange-Félix Patassé. For the remainder of his term of office he may well be seen as a lame-duck leader, unable to translate electoral support into real governing power. He has been doubly humiliated: by his need to rely on French military strength to remain in office; and by the craven way in which he conceded to the tough demands set by Jean-Paul Ngoupande, his new prime minister. All this makes for a complex and potentially unstable political environment, and there are already reports of disagreements between president and prime minister. Among the Bangui political class, and even within his own Mouvement pour la libération du peuple centrafricain (MLPC), Mr Patassé may now find his influence much weakened.

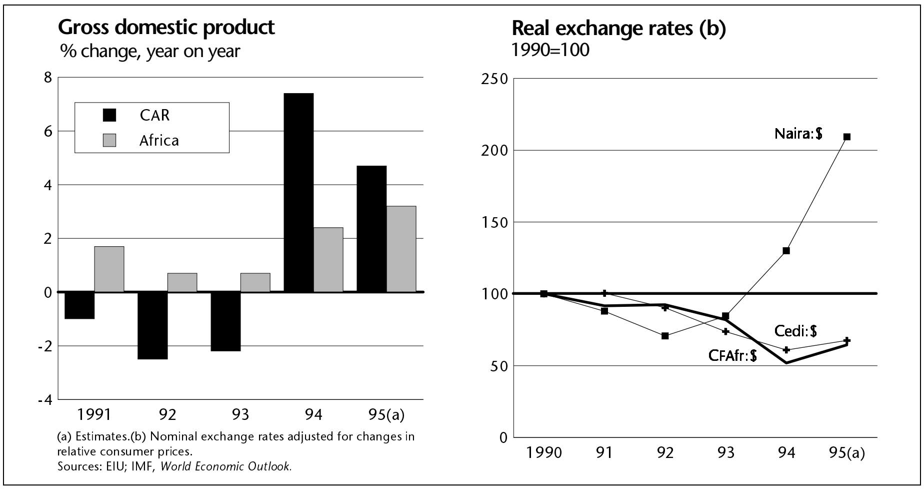
Meanwhile, the opposition Coordination démocratique de l'opposition centrafricaine (Codepo) alliance will probably feel able to insist that its views are taken into account. This must put a question mark over the implementation of regional decentralisation, a pet project of Mr Patassé's, of which the opposition has been highly critical. Among the wider urban electorate in Bangui, Mr Patassé will also find it hard to retain support; Codepo is particularly strong in the city. But he may well remain popular in the countryside, especially in his home area in the north-west. The majority of the population live in rural areas and they have done well out of the recovery in farm prices and output. Should the government become unpopular in Bangui, as Mr Ngoupande presses ahead with the public-sector reforms and spending curbs needed to secure an Enhanced Structural Adjustment Facility (ESAF) from the IMF, Mr Patassé, buoyed by continuing rural support, may try to dissociate himself from unpopular measures and leave Mr Ngoupande to carry the blame. There is little in his past track record to suggest that he will back up his prime minister, or emulate the likes of Congo's president, Pascal Lissouba, and Mali's Alpha Oumar Konaré, in taking on the difficult task of selling structural adjustment to the voters.

—and questions will be asked in Paris

The scale of the French military intervention in the mutiny crisis, and the way that it developed into direct support to keep Mr Patassé in power, has already raised questions in France. The action was in defence of a legitimate democratically elected government, even if largely motivated by a desire to protect France's own defence interests. France was also anxious that the string of recent mutinies over pay could develop into a full-scale threat to young democracies across Africa. Even so, some commentators in France have begun to wonder aloud whether the era of French military intervention in the internal affairs of African states should now be ended. In the short term, policy is unlikely to change, but many senior French officials recognise the need for thought and the Bangui affair is likely to hasten it.

Investors will be very cautious

Restoring the confidence of investors will be a tough task. The animosity shown towards foreigners by mutineers and other looters during the recent upheavals has done serious damage to the image of the Central African Republic (CAR) as a safe, if small, business market. Many French residents were deeply shaken by the experience, and by the complete inability or unwillingness of even loyalist Central African security forces to protect them. A number have seen their businesses in Bangui completely destroyed. Confidence among the Lebanese (who now have a peaceful capital city of their own to return to, should they choose not to remain in Bangui) has also been weakened. Therefore, the new government cannot expect its planned economic reforms to be rewarded with a rush of foreign business interest: investors have richer, safer, pastures to graze, even within the Franc Zone. This is a depressing outlook at a time when, as the looting by young Banguissois showed, jobs and spending power are badly needed in poor shanty areas. Recent figures from the monetary committee of the Banque des états de l'Afrique centrale (BEAC, the regional central bank) indicate that the CAR's GDP grew by 4.7% in real terms in 1995, thanks to rises of 72.2% in cotton output and 58% in coffee. Further growth at that pace seems unlikely this year.



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

Review

The political scene

The atmosphere remains febrile—

Just weeks after April's mutiny by around 800 soldiers, angry about pay arrears (2nd quarter 1996, pages 27-28), Bangui was shaken by a fresh revolt. The political mood in the capital was already volatile, with public-sector employees staging strikes in protest at pay arrears of up to 12 months. The poor relations between the authorities and public-sector employees were epitomised when police fired on a group of 200 pensioners who were barricading the then prime minister, Gabriel Koyambounou, in his office to protest at arrears of 1-3 years in pension payments. At least ten of the mainly elderly men were wounded as troops forced a way through for Mr Koyambounou.

—and an attempted disarmament sparks a new mutiny

Matters finally came to a head on May 18, when members of the presidential guard, which had remained loyal to the president, Ange-Félix Patassé, went to disarm other military units in the capital and take control of the armoury at the Kasai army barracks, where April's revolt had broken out. Some 200 soldiers at Kasai refused to surrender their weapons, setting out instead for the centre of Bangui, where they hijacked vehicles, fired shots in the air and surrounded the national radio station next to the presidential palace. The radio went off the air for several hours, streets rapidly emptied and shops closed. The then energy minister, Charles Massi, and the armed forces chief of staff, Colonel Maurice Regonessa, who went to negotiate with the rebels, were taken hostage. However, the presidential guard managed to keep the mutineers back from the presidential quarters and the radio station. The mutineers' main demands were for an end to the disarmament, which Mr Patassé's office soon claimed it had never ordered anyway, and for the passing of a law to give effect to Mr Patassé's earlier promise of an amnesty for the April mutineers.

Looting spreads, expatriates flee—

Unrest became widespread as mutinous soldiers were joined by gangs of youths from the poorer *quartiers* in looting homes and businesses (see The economy). Many foreigners found their homes surrounded and were forced to hand over money and possessions. Others were caught between rebel and government factions as bullets flew overhead. France, which has a major military base in Bangui, deployed 1,000 troops in the city, who helped to guard the presidential palace and travelled out in armed convoys to rescue trapped French and other expatriates. (There were about 2,500 French civilians in the Central African Republic—CAR—at the time.) By May 20 more than 600 foreign nationals (Westerners and members of the Lebanese business community) were at the French airbase at M'Poko, next to Bangui's commercial airport, waiting to be evacuated. France and the USA advised all citizens whose presence in the CAR was not essential to leave the country. The USA sent in 32 marines to reinforce its embassy guard and evacuate some of its 250 nationals. French troops collected foreigners from across the city and brought them to M'Poko. Many expatriates had lost their businesses and most of their possessions.

—and Mr Patassé appeals for French help

The situation remained tense: the speaker of the Assemblée nationale (parliament), Hugues Dobozendi, a key member of Mr Patassé's Mouvement pour la libération du peuple centrafricain (MLPC), tried to start new talks on May 19 but was also taken hostage. Mr Patassé's self-confidence seemed to have deserted him; he appeared unsure of how to handle the mutiny or give domestic leadership to a population which twice in a few weeks had seen government and commercial life in the capital paralysed by soldiers out of control. He told Radio France internationale (RFI) that he had asked France to intervene: early on May 20 French troops were deployed on key roads in Bangui.

The French dig in—

A fresh round of talks between government representatives and the rebels began late on May 21, while France reinforced its military position. The French operation, codenamed “Almandin 2" (Almandin 1 was the intervention to deal with the April mutiny) was now evolving beyond the initial role of protecting European civilians into a full-scale effort to secure Mr Patassé’s position. The French authorities had flown in paratroop and foreign legion reinforcements from Chad and France, taking total French military strength in Bangui from 700 men to 1,500, backed up with armoured vehicles, and Mirage jets flying low to intimidate rebel positions. According to the usually well informed Paris-based newsletter, *La Lettre du continent*, the French president, Jacques Chirac, decided to step up the level of involvement after mutineers intercepted a French convoy rescuing civilians and held it hostage for several hours.

—as the mutiny turns into a coup attempt—

On May 22 the talks between the government and the mutineers broke down. The rebel leaders did not trust Mr Patassé to keep his promise to accept their demands for an amnesty, the right to retain their weapons and the removal of several unpopular senior officers. Their leaders retreated, with the hostages, to the Kasai barracks, as reports circulated that army garrisons in other parts of the CAR had also mutinied. The rebel leaders now moved from staging a protest to attempting a full-scale coup. Their spokesman, Sergeant Cyriaque Souké, told RFI that Mr Patassé had to resign. The mutineers then began mortar bombardment of the national radio station. To assist the loyalist defenders, the French sent 200 heavily armed troops who played a key role in fighting off the attack. A French helicopter gunship fired on a van near the radio station, killing nine rebels. The radio station was badly damaged and some civilians died, apparently in crossfire. Mr Patassé’s spokesman, Raphael Nambele, claimed a decisive victory but readily conceded that the French had played a key role.

—and anti-French sentiment rises

This prominent intervention by French forces in the CAR’s internal affairs, namely by defending the radio station, provoked widespread resentment in Bangui. Demonstrators set fire to the French cultural centre, before being dispersed by French soldiers firing warning shots, who also kept them back from the French embassy. Thousands marched through the streets shouting “Death to the French”. Later that week, even choirboys outside Bangui cathedral were telling a reporter from *Le Monde*: “You don’t have the right to intervene militarily in our country. Look what happened to you in Algeria.” Supporters of the Coordination démocratique de l’opposition centrafricaine (Codepo) opposition alliance demanded early elections and a transitional government. However, feelings were not universally anti-French: in one *quartier*, where the mutiny had been widely supported, inhabitants lined the road on May 24 to cheer passing convoys of French troops. There was also relief in the districts housing most of the CAR’s 100,000 Chadian residents, many of whom are small traders who had seen their businesses looted and were now fearful about their long-term prospects in Bangui. On June 1 a large crowd of Mr Patassé’s supporters demonstrated in Bangui to support both the president and the French intervention.

A truce is brokered

The Roman Catholic archbishop of Bangui, Mgr Joachim N’Dayen, and General Bernard Thorette, the commander of the French intervention force, pursued negotiations with the rebels over the subsequent few days. General Thorette seems to have played the dominant role and on May 26 he finally reached an agreement with the rebel leaders, which was subsequently initialled by

Mr Patassé. It provided for the rebels to keep their weapons while they were inside Kasai camp; French troops would be posted nearby to deter attacks by other government forces. Mr Patassé was not directly involved in the negotiations over the deal. However, he issued a separate statement promising to grant an amnesty to the mutineers, who may have eventually numbered as many as 400 in Bangui alone. He also committed himself to the formation of a government of national unity, with members drawn from across the party spectrum and from civil society. At a small public ceremony the rebel leaders, Sergeant Souké and Adjutant Isidore Dokodo, released their four remaining hostages: Mr Massi, Mr Dobozendi, a judge and a parliamentary deputy. In Bangui normal life had begun to resume, with traders reappearing on the streets. By this stage, 1,600 foreigners had been evacuated, and only 150-200 were still waiting to be flown out. The French military forces committed had grown in number to 2,300.

General Kolingba denies involvement

Some supporters of Mr Patassé accused his predecessor, General André Kolingba, of involvement in the uprising. The government took the precaution of cutting off the phone and fax lines to the riverside villa where the general lives in comfortable retirement in Bangui, and of posting loyalist troops to watch the entrances to the house to ensure he and his wife did not go out. However, General Kolingba did manage to speak to *Le Monde*, denying any links with the rebels or the army. “Central Africans know that power can only be taken through elections and not arms,” said the man who himself seized power in a coup in 1980 and who for so long held out against demands for democracy in the CAR. An even more bizarre intervention had come earlier in the week when the former dictator, Jean-Bédel Bokassa, offered his services as a transitional leader until new elections could be held.

The mutiny leaders move to build credibility—

On May 27, under the protection of French troops, most of the 273 mutineers still scattered around Bangui returned to the Kasai barracks, where 200 colleagues awaited them. Their leaders made a conscious effort to reassert discipline, warning against overindulgence in alcohol (many looters had been drunk). Although relatively few in number, the rebels appear to represent wide discontent across much of the military. Their appeal for support had attracted soldiers from as far away as the Sudanese border, from where the deputy commander of the fourth military region brought his troops to support the uprising.

—and France defends its role as the defence of “democracy”

The French intervention to save the Patassé presidency was publicly supported by at least seven francophone African governments. These included not only traditional close allies, such as Gabon, but also Mali and Congo, which have frequently taken a much more sceptical stance towards France. The policy was also endorsed by the leader of the French socialist opposition, Lionel Jospin. Aware that its action would be seen by many in Africa and elsewhere as a lurch back to the domineering neo-colonialism of earlier decades, France was quick to point out that Mr Patassé had been democratically elected. However, France has crucial strategic interests in the CAR, where its two military bases are the fulcrum of its regional defence network, and the base of many operations in other countries, such as Chad and Rwanda. Moreover, French officials have frequently described the Patassé government as corrupt and unwilling to take tough economic policy decisions.

Codepo sets conditions for joining government

Codepo, the seven-party opposition alliance, then set out its conditions for participation in, rather than mere passive support for, a proposed national unity government, which was floated by Mr Patassé in the wake of the troubles: it sought a revision of the constitution, to enhance the powers of the prime minister at the expense of the president, and a say in the choice of prime minister. However, it dropped earlier demands for new elections. Codepo continued to complain about Mr Patassé's supposed "dictatorial" tendencies and the guards limiting access to the homes of two former presidents, General Kolingba and David Dacko. It also alleged that the president had organised party militias and drawn support from the Chadian military politician, Lieutenant Moïse Ketté (see Chad: The political scene). The most prominent figure in Codepo and Mr Patassé's main rival in the 1993 presidential election, Abel Goumba, accused the government of ethnic favouritism in appointments and pointed out that grave social problems remain unresolved. It is true that Mr Patassé has relied on cronies from his home area near the Chad border and has failed to tackle economic and social problems. Yet Codepo's own credibility may have been damaged by its ambivalent stance towards the mutiny, which it failed to criticise outright, even though the crisis had led to the deaths of 43 people, including 32 civilians, and the wounding of 238 more including a reported 212 civilians.

Mr Ngoupande emerges as a consensus choice—

Amid speculation about the appointment of a new prime minister to replace Gabriel Koyambounou, a respected financial technocrat but a man clearly out of his depth in handling the difficult political situation, one favourite name soon emerged. Although Jean-Paul Ngoupande, the CAR's ambassador in Paris, was a Patassé appointee, he apparently enjoyed the assent, at least tacit, of Codepo. He was education minister and secretary-general of the then ruling Rassemblement démocratique centrafricain (RDC) under General Kolingba, but has for some years been a member of no political party. Aged only 47, with a doctorate in philosophy from Caen university in France, he also has the respect of international financial institutions and good connections in France, having made friends with Mr Chirac's Africa adviser, Michel Dupuch, when both men were serving as ambassadors in Côte d'Ivoire.

—secures the premiership on his own terms—

Mr Patassé first offered Mr Ngoupande the prime ministership on May 28, but the ambassador set tough conditions in a note to the president: warning of the risk of ethnic conflict, he said there should be no half-measures or actions for the sake of appearances only. His administration would have to display competence, rigour, integrity and concern for public welfare and national harmony, he added, demanding "room for manoeuvre" and a guarantee that there would be no interference with his actions. When Mr Patassé failed to reply, Mr Ngoupande sent a second letter. Eventually, pressured by Mr Ngoupande's tough stance and French lobbying, the president finally compromised, promising the new government "wide freedom of action". On June 7 he telephoned Mr Ngoupande during a meeting of African ambassadors in Paris to announce his acceptance of the would-be prime minister's conditions. (Mr Koyambounou had resigned the previous day.)

—and makes a vigorous start—

Even before returning to Bangui, Mr Ngoupande held a meeting with the French cooperation minister, Jacques Godfrain, to secure a pledge of aid to pay two months of army salary arrears. He then rang the IMF to assure it of his commitment to economic reform before boarding the plane for Bangui on June 10. He hopes to get agreements with the IMF and the World Bank in place for early 1997.

—but cannot persuade Codepo to join the cabinet—

However, even Mr Ngoupande proved unable to overcome the reservations of Codepo, which decided to stay out of government and preserve its freedom to criticise the prime minister should a fresh crisis arise. Nevertheless, the opposition front promised not to hinder the government's actions and to honour an inter-party protocol signed on June 5. Codepo's decision to stay out of government created room for inclusion in the cabinet of four members of General Kolingba's RDC; this could help to calm military discontent, as several former members of General Kolingba's presidential guard were among the recent mutineers. The new ministerial line-up was finally announced on the night of June 17-18. Mr Ngoupande is both prime minister and minister of economics and finance, with two independents, Daniel Nditifei and Augustin Koyamba, as deputy ministers for economics and finance. Four other independents were included in the government, including Aristide Sokambi at the important justice portfolio. However, many key posts went to members of Mr Patassé's MLPC party, including foreign affairs (Michel Gbezera-Bria) and defence (Jean Mette Yapende, who had held this post). Meanwhile Mr Koyambounou was appointed state inspector-general: this is a respectable consolation prize for losing the premiership and one suited to his career experience as a finance official.

—as he sets out his policy stance—

On July 8 Mr Ngoupande outlined his priorities to the Assemblée nationale (parliament), stressing security and the need to build democratic values in the army. He reiterated calls for austerity and told Central Africans they should stop assuming that foreign donors would support them. In a bid to push workers into abandoning strike action, he said that salaries would only be paid to those who returned to work; this was an apparent threat that those on strike could lose payments of salary arrears. Although heavily criticised by deputies for failing to present detailed proposals at this stage, Mr Ngoupande won unanimous parliamentary backing in a vote of confidence on July 12.

The provision of French aid for salary arrears payments, seemingly without the government fulfilling prior conditions, is a break from the normal tightly controlled disbursement of French budgetary aid and highlights the distinctive importance of the CAR in France's strategic considerations (see The economy).

—and appoints an old friend

Mr Ngoupande has appointed a *directeur de cabinet*, Karim Meckassoua, who comes from a Muslim diamond-trading family. The two men have been close since their days in the Mouvement démocratique indépendent, a Maoist-influenced group founded in 1980. Mr Meckassoua is known to be deeply wary of Mr Patassé's MLPC, but has good relations with the leaders of Codepo, with

Mr Kolingba's RDC, with a human rights lawyer, Nicolas Tiangaye, and with Théophile Sonny Colé, the leader of the Union syndicale des travailleurs de la Centrafrique (USTC, the trade union federation). He seems well placed to press for tolerance by Codepo and the trade unions for austerity and public-sector reform, and is rumoured to have restarted efforts to persuade Codepo to join the coalition government.

The government appeals for the surrender of weapons—

Many weapons which had been in rebel hands continued to circulate in Bangui, leading to a high level of crime and insecurity. On June 25 the government announced a new drive to enforce law and order, offering an amnesty to those who handed in weapons. The announcement was most noteworthy for the stress it laid on French assistance to the domestic police and armed forces. Earlier, on June 5, at France's Beal army base in Bangui, and supervised by General Thorette, mutineers had handed over weapons for storage in the barracks armouries, as stipulated in the earlier truce accord. The law giving effect to the amnesty for the mutineers had already been rushed through parliament and signed by Mr Patassé on May 30.

—as a "liberation front" announces itself

On July 9 in Brazzaville (Congo), Lieutenant Jean-Bertrand Biamba announced the creation of the Front patriotique pour la libération du Centrafrique (FPLC), claiming that the movement was based within the CAR's borders. The lieutenant went on to accuse Mr Patassé of distributing arms to his supporters in the north, and said that stability and democracy could only be achieved in the CAR once the French army had left the country.

The economy

The economic effects of the crisis could be far-reaching

The mutiny and the subsequent fighting have caused serious damage to an already fragile economy. While disruption to farming and diamond mining (the main productive sectors) was minimal, the blow to formal-sector business in Bangui was considerable. Shops and villas have been pillaged and burnt, and three leading businesses (a cotton firm, a construction group and a cigarette firm) have been badly damaged. The confidence of the French, Chadian and Lebanese business communities has received a devastating blow. The damage has been on a small scale when compared with the violent episodes in Kinshasa and Brazzaville; but the Central African Republic (CAR) is a much smaller economy than Zaire or even Congo and there is much less business potential to draw back the investors who have recently been forced to flee. Many foreigners have lost all their possessions. However, diamond mining seems to have survived relatively unscathed, because its operations are mainly far from Bangui. Canada's United Reef and Asquith Resources were able to resume normal activities by early June; and a few days later a USA-based firm, Cluster Technologies, signed a letter of intent to acquire JAB International Trading, which also has diamond rights in the CAR.

Mr Ngoupande puts an IMF deal high on his agenda

The new prime minister, Jean-Paul Ngoupande, made it clear from the outset that he intended to change the nature of the CAR's often mistrustful attitude towards the IMF. His assumption of the finance portfolio, at the expense of Emmanuel Dokouna, who had been reluctant to cooperate closely with the

Fund or the World Bank, will go down well in the USA. In the letter he wrote to the president, Ange-Félix Patassé, before accepting the premiership, Mr Ngoupande gave an assessment of the situation that could have sprung from the lips of the IMF's managing director, Michel Camdessus, himself. The CAR was, the prime minister said, "in financial ruin, broken morally and discredited internationally". The international community would only come to the country's aid if the government embarked on a genuine effort to clean up public finances and make structural reforms, he added, stressing the need for what he referred to as "strict budget policy".

Before the mutiny the government was close to reaching agreement with the IMF on a possible Enhanced Structural Adjustment Facility (ESAF) programme. However, the devastation caused by the fighting has severely damaged the economy, particularly the formal-sector businesses that produce a large share of the tax revenue. Before leaving Paris for Bangui, Mr Ngoupande warned that, in the near future, revenue would probably fall by half. He promised early negotiations with the Bretton Woods institutions: he knows that an ESAF accord will be the key to securing substantial long-term aid from other sources.

Revenue collection will be a priority—

It soon became clear that a key element in any IMF programme will be an effort to boost tax revenue, which is low even by African standards. A new study by the IMF shows that domestic tax revenue, measured as a share of GDP, has generally been the third lowest in the Franc Zone (after Comoros and war-affected Niger) in recent years. It averaged only 5% in 1990-93 and sank to 3.9% in 1994 before recovering to an estimated 5% last year. For 1996 it had been forecast at 5.8%, but now seems likely to fall again, because of the post-mutiny drop in economic activity. Total government revenue is also low.

—amid belt-tightening all round

Even before the mutiny, a string of measures to enhance revenue collection had been envisaged and these will probably remain on the agenda. A key issue is the elimination of many of the exemptions from customs imposts; these changes will be part of the overall process of harmonising the external trade regime applied by all members of the Central African subregion of the Franc Zone and customs union in order to create a genuine single-market economic union. Value-added tax (VAT) is due to be introduced, at varying rates of between 5% and 20%. Some progress has already been made: in 1995, monthly state revenue averaged CFAfr3bn ($5.9m). The proposed target for 1996 of CFAfr53bn is now probably out of reach. Also high on the agenda is reform of the state payroll, to remove the names of ghost employees (where salaries continue to be collected in the name of the dead, the retired or people who had never existed). Mr Ngoupande quickly set an austere tone, banning all foreign visits by government ministers, except to the summit of the Union douanière des états de l'Afrique centrale (UDEAC, the regional customs union) on July 5 in Libreville (hosted by Gabon because of the CAR's inability to do so). Fortunately, the International Olympic Committee met the cost of taking Central African athletes to the Olympic games in Atlanta; Mr Ngoupande cut the number of officials accompanying them, whose costs had to be met by the government, from ten to three.

Foreign trade and payments

There is hope on debt and aid

Recent months have seen a number of developments which could improve the flow of aid money for poor African states such as the Central African Republic (CAR) or enhance their chances of securing major debt relief. The African Development Fund (ADF, the African Development Bank's soft-credit window) is at last being replenished. Internal reforms by the bank's new Moroccan president, Omar Kabbaj, have restored donor confidence sufficiently to secure pledges of $2.6bn, supplemented by a $420m top-up. The fund is the sole African Development Bank mechanism for supporting countries such as the CAR; however, the fund's activities had been constrained in recent years as donors held back from agreeing a new replenishment, in order to pressure the institution into reforming its chaotic internal finances.

Meanwhile, the World Bank's soft-loan arm, the International Development Association (IDA), is also being replenished with $22bn, of which sub-Saharan Africa should get more than 40%. The IDA's survival as a major source of concessional money had been threatened by the reluctance of the Republican-dominated US Congress to meet the US commitments to it. The future level of US contributions remains far from guaranteed, but at least the replenishment has been agreed in principle. Meanwhile, there are also moves to increase the level of debt write-off agreed by the Paris Club (government creditors) and the London Club (commercial banks). Although the CAR is not among the most heavily indebted countries targeted by the initiative, it is likely to benefit. There has been a tendency for the increase in the generosity of terms agreed for the most indebted nations to ratchet up the level of help accorded to those in slightly less dire straits.

The French cooperation minister, Jacques Godfrain, visited Bangui on June 16 for the signature of the FFr20m ($3.9m) emergency budget aid promised by France to the prime minister, Jean-Paul Ngoupande. The French minister said new social fund projects were on the way, presumably to ease discontent and create jobs in Bangui's shanty towns, and he announced a Caisse française de développement (CFD, the French state development bank) scheme to provide cheap loans up to FFr1m to help local businesses rebuild after the damage caused by looters. The government says unemployment has worsened because the unrest destroyed the premises of employers.

Political structure: Chad

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

Last elections: June 1996 (presidential); July 1990 (legislative)

Next elections: to be confirmed (presidential); December 1996 (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	Salibou 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	Nimir Ahmat
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
Governor of the Banque des états de l'Afrique centrale (BEAC)	Jean-Félix Mamalepot

Economic structure: Chad

Latest available figures

Economic indicators	1991	1992	1993	1994	1995[a]
GDP at market prices CFAfr bn	373	351	300	447	519
Real GDP growth %	8.3	–6.1	–15.9	5.0	4.7
Consumer price inflation %	4.2	–6.5	–2.8	47.0	11.6
Population m	5.8	6.0	6.1	6.2	6.3[b]
Exports fob $ m	194	182	152	146	n/a
Imports fob $ m	250	243	215	160	n/a
Current account $ m	–66	–86	–116	–50	n/a
Reserves excl gold $ m	120	80	39	76	150[c]
Total external debt $ m	610	710	758	816	810
External debt-service ratio %	4.6	5.0	7.2	8.1	14.1
Seed cotton production[d] '000 tons	175	122	95	158	n/a
Exchange rate (av) CFAfr:$	282.1	264.7	283.2	555.2	499.2

August 8, 1996 CFAfr505.4:$1

Origins of gross domestic product 1993	% 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 1993	% of total
Private consumption	93.4
Government consumption	16.6
Gross domestic investment	9.4
Exports of goods & services	13.4
Imports of goods & services	–32.8
GDP at market prices	**100.0**

Principal exports 1994	$ m
Cotton	54
Livestock & carcassing	50

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

Main destinations of exports 1994[e]	% of total
South Africa	23
Portugal	22
Germany	16
France	10

Main origins of imports 1994[e]	% of total
France	39
Cameroon	26
Nigeria	8
USA	6

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

Chad

Outlook

A victorious Mr Déby will find his statesmanship tested

The prospects for Chad following Idriss Déby's second-round presidential election victory are looking better than for some time, given improved economic perspectives, a president who has brought opposition politicians into government and the possibility of oil wealth in the south. Even so, the French government had to push him into the election with some arm-twisting at top ministerial level. Repeated presidential delays made the Chadian transition the most protracted in the Franc Zone. The bulk of the opposition parties boycotted the second round, alleging serious irregularities, and this will give the newly elected Mr Déby a serious test of statesmanship. There was already a threat (even if only rhetorical) by one candidate, Jean Bawoyeu Alingue, to go over to what he described as "revolt", and some more discerning Chad-watchers are still meditating on the implications of the departure from the government in April of Lieutenant Moïse Ketté, previously the leader of the armed dissidence in the far south. The new government, appointed in August under the continuing prime ministership of Djimasta Koïbla, has brought in opposition figures, most notably Saleh Kebzabo as foreign minister, but it is too early to be sure of the implications for the country's future political stability. One of Lieutenant Ketté's followers, Laokein Barde, continues to lead the revolt.

He will be helped by the disunity of the opposition—

Mr Déby is likely to face new internal discontents: proscribing the main trade union, the Union des syndicats du Tchad (UST) on the eve of the second round was not the action of a convinced democrat, nor was the arrest of the only federalist candidate in the elections. Other opposition leaders fear further heavy-handed presidential action, especially from the *garde républicaine*, composed of Déby loyalists, many with a Sudanese background, who may now feel more arrogant because their future looks secured. But the disunity of the opposition in the run-up to the elections has also helped play into Mr Déby's hands. The bleak prospects of continued opposition mean that one may expect further shifts of allegiance on the model of the southern politician, Mr Kebzabo, especially if the president plays his cards shrewdly and with forgiveness.

—and by the French

The president's French advisers will certainly be pressing openness and tolerance upon him, using the fact that the elections would not have taken place at all without the logistical support of French troops, especially in bringing in voters from Déby-supporting areas in the more remote parts of the central sultanates and the Borkou-Ennedi-Tibesti region. The opposition will continue to allege that French support for Mr Déby went further than that, although this is less than clear.

The external opposition is quietly watching and waiting—

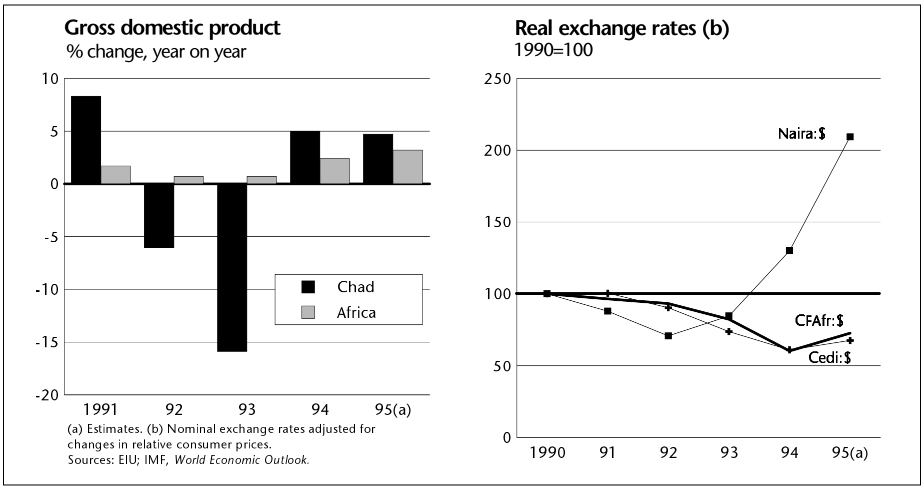
Another key factor has been the attitude of the external opposition, which, apart from one or two skirmishes in the Lake Chad area in late January and February, has been exceptionally quiet since the abortive Franceville round-table of the politico-military groups, as they are known, with the government (and selected opposition leaders) in early January. Spokesmen for the groups indicate that they have been waiting to see what would happen in this crucial stage of the transition process and whether the democratically elected Mr Déby would feel the need to extend any olive branches in their direction. It is felt that Franceville had been forced on him by the French during the run-up to the presidential elections, but the context is now decidedly different. It is therefore still uncertain whether any new peace initiative will be embarked on, however appropriate it might still appear.

—but may now make some new moves

The politico-military groups are certainly now braced for another round of fighting before further talks can be proposed. The most likely area for new attacks is the Lake Chad region, where the two wings of the Mouvement pour la démocratie et le développement (MDD, one wing of which is still reportedly sustained by the exiled former head of state, Hissène Habré) are still located. Further violent expression of the wide disaffection still present in the far south may also be expected, despite new attempts to lure southerners with jobs. This area will remain Mr Déby's Achilles' heel. His strength has lain in being able to keep France, Libya and Sudan on his side at the same time, thus more or less securing his northern and eastern borders.

Oil will remain a political problem

The other factor that is currently moving in Mr Déby's favour is economic. A number of indicators, such as collection of revenue and cotton prices, are starting to show signs of improvement. However, it is still the prospect of the exploitation of the Doba oilfield by the year 2000 that is the dominant factor fuelling political statements on the south by both government and opposition; hence the warning from the outgoing US ambassador, Laurence Pope, not to "politicise" oil. Speculation in Chadian political circles is bound to continue, however, over whether oil will prejudice or strengthen the position of the southern federalists. Chadians of all persuasions, including Mr Déby himself, have been advised to take note that the Exxon-Shell-Elf oil consortium has not yet given the final go-ahead to the project, a clear indication that the companies



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

expect a political reconciliation so as to provide the right climate for such a massive investment.

Review

The political scene

Mr Déby gains a flawed second-round victory—

By mid-July the major hurdle in Chad's five-and-a-half-year transition to formal civilian rule, the presidential elections, was over. The result was flawed, leaving the opposition deeply unhappy and international observers and journalists sceptical, but it produced the widely predicted victory for Idriss Déby, who has ruled the country after taking it over by force in December 1990. According to an announcement on July 11 from the independent national electoral commission (CENI), he was elected with 69.09% of the votes. His opponent in the second round was Abdelkader Wadal Kamougué.

—after 15 candidates contest the first round

The election was held in two rounds. In the first on June 2 there were 15 candidates, including Mr Déby and Mr Kamougué, who came in first and second, although neither achieved the 50% of the vote which would have meant victory in the first round. The second round was held two weeks later than planned, on July 3, because of delays in announcing the first-round results.

The French force Mr Déby not to delay the vote—

The campaign for the election had begun on April 29, after speculation that the vote might be postponed yet again, even though the referendum on the constitution had finally been held four weeks previously. Speculation was fuelled by reports that Mr Déby had a "long and tense" meeting with the French cooperation and finance ministers, Jacques Godfrain and Jean Arthuis, at the meeting of Franc Zone ministers in Ndjamena on April 18. Mr Déby had indicated that he wanted postponement, but the French ministers reportedly warned him that if there was a further delay, the second tranche of "budgeting assistance" of FFr10m ($2m) would be blocked. Mr Déby, who was depending heavily on French assistance for the organisation of the elections, evidently felt he had little choice but to concur.

—and he disqualifies serious opponents

The president's chances were substantially boosted by the disqualification by the Court of Appeal of five would-be candidates, including a former prime minister, Fidèle Moungar, a former international civil servant, Maurice Adoum Hel-Bongo, and Abderahmane Koulamallah, the son of one of Chad's first Muslim nationalist politicians (Ahmed Koulamallah was prime minister for 12 days in 1959). These were all thought to have important zones of support, the first two in different parts of the far south, and Mr Koulamallah in the Baguir sultanate. Mr Moungar and Mr Hel-Bongo did not meet the residency qualification; Mr Koulamallah was said to have a non-Chadian mother.

The 15 candidates permitted to stand were the following.

Candidate	Political party
Abbas Mahamat Ambadi	Parti libéral pour l'unité et solidarité
Mahamet Abdoulaye	Mouvement pour la paix et le développement au Tchad
Jean Bawoyeu Alingue	Union pour la démocratie et la république
Lol Mahamat Choua	Rassemblement pour la démocratie et le progrès
Idriss Déby	Mouvement patriotique du salut
Younouss Ibedou	Convention des sociaux démocrates tchadiens
Adoum Hassan Issa	Union nationale pour le changement au Tchad
Abdelkader Wadal Kamougué	Union républicaine démocratique
Saleh Kebzabo	Union nationale pour le développement et le renouveau
Delwa Kassire Koumakoye	Rassemblement national pour la démocratie et le progrès
Abdoulaye Lamana	Union nationale
Bailao Lossimian	Independent
Yorongar Ngarjely	Féderation action pour la république
Elie Romba	Union démocratique pour le progrès au Tchad
Adum Moussa Seif	Convention nationale pour la démocratie et le socialisme

Source: Chadian press reports.

Most of the candidates took their campaigns to the rural areas, although the referendum results indicated a higher degree of electoral apathy there than in the towns (2nd quarter 1996, pages 38-40). Mr Déby's Mouvement patriotique du salut (MPS) was well-organised and benefited from support from both the administration and the army in certain areas. Only one candidate, Yorongar Ngarjely, fought on an openly federalist platform but was arrested shortly after the second round; and one candidate, Delwa Kassire Koumakoye (another former prime minister), who was jailed in March for illegal possession of arms (2nd quarter 1996, page 42), fought the election from behind bars. Abbas Mahamat Ambadi was dismissed as minister of trade the day his candidacy was approved.

Opposition candidates denounce "unacceptable" conditions—

Reporting of election day itself, June 2, suggested that it took place calmly, although there was a certain amount of confusion at some polling stations as well as what Radio France internationale (RFI) called "enthusiastic participation". Reporters from the independent weekly newspaper, *Ndjamena-Hébdo,* operating in the capital, alleged more irregularities, with heavy pressure on voters in favour of Mr Déby, sometimes from army personnel. In a joint communiqué by the 14 candidates opposed to the incumbent, the charge was made that the elections took place in "unacceptable" conditions. This followed the first results announced by the CENI on June 7, which placed Mr Déby substantially in the lead, although with nearly 48% he was just short of the overall majority needed to win outright. Mr Kamougué came second with 11% of the vote, and third and fourth were the southern politician, Saleh Kebzabo, with 8.5%, and Jean Bawoyeu Alingue, with 8%.

—and Mr Kamougué talks of a "political hold-up"—

The statement of the 14 was unveiled at a news conference chaired by Mr Kamougué, but which also included Mr Koumakoye, freshly released from prison. Mr Kamougué described the election as a "political hold-up" in which there had been massive fraud, alleging that he should have been the real winner and claiming proof of distorted figures from three far southern regions. Mr Alingue alleged that the election had been "manipulated by France". Several parties filed suits at the Supreme Court to invalidate the poll, referring particularly to votes cast by nomads, army barracks and those coming from abroad. A human rights organisation, the Ligue tchadienne des droits de l'homme (LTDH), also condemned irregularities in the vote, as did the International Federation of Human Rights Leagues, which queried the role of France. Other international observers were more cautious in their comments after the first round.

—but Mr Déby insists on the polls' "transparency"

Mr Déby dismissed the charges of vote-rigging, saying that the vote had taken place in conditions of "complete transparency". He said that it should be remembered that this was the first multiparty election in independent Chad, which meant that all politicians had a duty to accept the results. He also called for similar transparency in the second round.

The Court of Appeal adjusts Mr Déby's score downwards

Because of delays in counting the votes, as well as the political fracas, the final results of the first round were only released by the Court of Appeal on June 20, by which time the next round was put off, first to June 30 and then to July 3. These results gave Mr Déby 43.8% and Mr Kamougué 12.39%. The other results were virtually the same as previously, in the same order. The total participation was put at about 70% of the electorate, a similar turnout to that seen at the referendum. The 4% reduction in Mr Déby's total and the slight increase in that accorded to the runner-up surprised commentators, who felt that there might have been a little "doctoring" to appease critics; however, according to the Paris-based weekly, *Jeune Afrique*, unjustified votes may have been attributed to Mr Déby by overzealous partisans in the administration. This is thought to have particularly affected the "overseas" Chadian vote in Sudan, although apparently the vote in Libya was organised more correctly.

France takes on the organisation of the elections—

Several journalists noted the particularly heavy participation of the French troops of the Opération Epervier mission in Chad in the running of the elections. The French daily newspaper, *Le Monde*, even headed a story "The Chad presidential elections were essentially organised by France", and related how it was only when France agreed to take on the "quasi-totality of the costs" that it was possible for the Chadian president to embark on the process. The article noted that, in a country two-and-a-half times the size of France, without roads, it was only French military aircraft that could manage to transport electoral materials and thus coordinate the count. France also printed the voting slips and the posters, and provided all the equipment for the polling stations. In a country without electricity, as *Le Monde* put it, 5,700 hurricane lamps were provided. The total cost to France of its assistance for the referendum in April and the two presidential ballots was FFr8.75m. The EU, Germany, the UN Development Programme and the USA also provided assistance.

—and Mr Déby strikes a deal with Mr Kebzabo

After the announcement of the new date, Chadians were surprised by an electoral pact announced between Mr Déby's MPS and the Union nationale pour le développement et le renouveau (UNDR) of Saleh Kebzabo, former proprietor of *Ndjamena-Hébdo*, who for a time entered the government as information minister in 1993 after the national conference adopted a transitional charter and elected Fidèle Moungar as prime minister. Mr Kebzabo's former newspaper, which has been a very outspoken critic of Mr Déby, criticised the pact with a cartoon on the front page depicting Mr Kebzabo with a begging-bowl. In the agreement with the front-runner, he agreed to put the resources of the UNDR at the disposal of the Déby campaign. Mr Kebzabo's relations with the authorities had been poor since he was arrested and accused of treason in September 1995. The case was thrown out by the Court of Appeal in April. In early August Mr Kebzabo was confirmed as foreign minister.

The second round on July 3 (the last possible date before the French military had to transport all the electoral equipment off to Niger for presidential elections on June 7) also passed off calmly, according to international observers, but the turn-out was reportedly lower than the first time round. This was because 12 of the losing candidates had called for a boycott of the poll; the only political parties calling their supporters out to vote were those of Mr Déby, his challenger Mr Kamougué, and Mr Kebzabo. It was predicted, reasonably enough, that the latter might expect a job from Mr Déby after his victory. A boycott was also called for by the main central trade union, the Union syndicale tchadienne (UST), to which the government responded by suspending the UST on the eve of the poll.

International observers detect "missing elements"

Despite these surprising developments, and the arrest of the federalist Mr Yorongar Ngarjely, a group of international observers gave a news conference in the Chari Hotel in Ndjamena, at which they commented that the second round of the vote had been better organised than the first, but that there were several "missing elements". The observers were from the UN, the secretariat of La Francophonie, the EU, a non-governmental research organisation, Gerdes-Afrique, and the Organisation of African Unity (OAU). They were deployed in 107 mixed teams which had been able to visit one-third of the 6,800 polling stations through the country. They noted that they had not been able to observe the counting of overseas votes (representing up to 9% of the electorate of 3.5 million) but they did not wish to be explicit on other irregularities, other than the "absence of indelible ink" and "some pressures on voters". In certain regions an important number of votes were cast by people who were moving around, and whose identity and qualification to vote were difficult to verify. Observers also saw voters who were "manifestly minors".

Mr Déby says he will honour his commitments

After the results were announced, Mr Déby said he had a feeling of personal satisfaction and gratitude towards his companions after this victory. He was thinking of those "comrades in arms" who had fought for democracy and who had fallen on the battlefield (in the fighting that resulted in his overthrow of Hissène Habré's dictatorship in 1990). The newly elected president added that he would respect all the commitments he had made during the election campaign. Observers speculated that this might include the formation of a broad-based administration, and a new *démarche* to the extra-legal politico-military groups. These have been quiescent throughout the electoral period since the abortive Franceville round-table meeting in January (1st quarter 1996, page 34), but no explicit commitment had been made on the campaign.

A cholera epidemic rages

As a sinister background to the second round, a serious epidemic of cholera was reported to have been attacking the Ndjamena region since mid-June. On July 8 it was reported that over 1,000 cases had been reported, with over 100 deaths. For security purposes the government suspended the holding of weekly markets in the Baguirmi region and in certain localities in the vicinity of the capital. Visiting victims in hospital on July 8, the day after his re-election was announced, Mr Déby was quoted as saying that "the Chadian state alone cannot conquer this epidemic".

The outgoing US ambassador fires a parting shot

Meanwhile, relations with the USA appeared to be going through a slightly rough patch at a time of changeover of ambassadors. The outgoing envoy, Laurence Pope, who left Ndjamena on June 26, reportedly recommended a reduction by the US Congress in aid allocated to the elections, including the provision of communication systems for the CENI, which would have reduced the commission's dependence on the system of the *gendarmerie*. Mr Pope's relations with the Déby government were not helped by the bad reatment last December of his wife, Betsy, by the *garde républicaine* when she stopped her car too close to the presidential residence. A communiqué from the US embassy after the first-round presidential polling on June 2 expressed the hope that the Court of Appeal would "carefully examine the results to make sure that they faithfully mirror the intentions of the Chadian people". The government described the statement as an example of "the continuous and obvious interference in Chad's internal affairs". It asked the ambassador to observe his duty to exercise restraint.

Mr Koïbla stays as prime minister

The new government, appointed on August 12, is notable in that it includes opposition figures apart from Mr Kebzabo, although the armed forces and the mines, energy and petroleum portfolio remain in the same hands, those of Youssouf Toguimi and Ngargos Mosnda respectively. Ngarbaye Tombalbaye, the son of Chad's first head of state, François Tombalbaye, becomes post and telecommunications minister. Departing ministers included Maldom Bada Abbas (who is the chairman of the MPS) and the finance minister, Mahamat Ahmat Alhabo, who is replaced by Bichara Cherif Daoussa. This line-up is expected to change again after legislative elections scheduled to take place before the end of December.

The economy

There are developments on the oil front—

While the major preoccupation in this quarter was with elections, there continued to be discussions of Chad's oil reserves and the project by an Exxon-Shell-Elf consortium to exploit them by the year 2000. The USA's Exxon Corporation announced in May that it estimated the reserves in the Doba area of the southwest at 500m barrels. Reports said that a US firm, Fluor Daniel, had been retained to act as project manager for the planned oilfield works. According to the terms of the service contract it will be responsible for: providing and overseeing facilities to produce 200,000 barrels per day (b/d) of oil; laying a 30-inch 800-mile pipeline to carry output from Chad to the port of Kribi in Cameroon; and the installation of a single-point loading terminal off Kribi. Fluor Daniel is the principal subsidiary of Fluor Corporation. The report says that assistance is to be sought for the project from the International Finance Corporation (IFC, the World Bank's private-sector lending arm). The agreement providing for the pipeline's construction was signed between the Chadian president, Idriss Déby, and his Cameroonian counterpart, Paul Biya, in February.

—in which the USA has a strong interest—

Although the decision to give the project the definitive go-ahead has still reportedly not been taken, there is no doubt of its importance to the USA. It has already caused some concern in France that "Anglo-Saxon" interests, namely Exxon and Shell with 40% each, have the lion's share of the consortium, while Elf only has 20%, although the French are still grateful to Mr Déby for having brought in Elf as long ago as 1991. It may mean a playing down of the emphasis on democracy in Chad in favour of economic development now that the US ambassador, Laurence Pope, who was much in favour of democracy, has been withdrawn (see The Political scene). His successor, David Halsted, will be dealing with a president newly fortified with an electoral mandate, however flawed, and will probably put the emphasis on economic affairs.

—as well as looking for trade links

At US Congressional hearings Mr Halsted told the Senate Committee that his recent employment in the State Department's Bureau of African Affairs was useful experience in observing infant democracies, but that US business was forging "economic links" with Chad, which had to prove that an essentially agricultural and subsistence economy could develop in a responsible fashion through trade and investment. He noted that Exxon was one of the principal partners in the oil consortium, but that Chad was a country with other natural resources, like gum arabic and cotton. It will be recalled that last October Mr Déby made an extended visit to the USA after the UN's 50th birthday celebrations. The visit was sponsored by Exxon and organised by a Republican party lobbyist, Barbara B Hayward, who has African connections. Although the programme included top-level contacts with the business world, according to the Paris-based newsletter, *La Lettre du continent*, only about 25% of it happened as planned, which may have caused some disappointment in the Déby camp. Mr Déby did, however, obtain a doctorate *honoris causa* from Bowie State University in Maryland, for which, according to the same source, he paid $300,000.

A warning against "politicising" oil

In an interview with the Chadian independent weekly, *Ndjamena-Hébdo,* before his departure, Mr Pope spoke with some frankness about US policy towards Chad and economic relations, stressing that future policy would be more a question of commercial cooperation than "classic cooperation". He found this positive, he added, because it put partners more on an equal footing. He mentioned that the USA had provided $500,000 to assist the Chadian constitutional referendum, but in the presidential elections in June it had only supported 30 observers from Gerdes-Afrique (see The political scene). The Afro-American Labour Centre in Abidjan, which is supported by the US Agency for International Development (USAID, the US government's main aid arm), had also sent observers. He also spoke enthusiastically about the projected exploitation of Chadian oil, which he described as a project worth $3bn-4bn, but said he was not sure that Chadians were sufficiently aware of the scale of the project He was concerned, however, that the oil question had become too politicised in Chad, whereas the oil companies involved in the consortium were there for purely commercial reasons. Mr Pope also sought to minimise the withdrawal of the USAID mission from Chad; USAID would continue to support projects in Chad.

Chad accepts Article VIII—

Chad is one of the 12 Franc Zone countries (all but the Central African Republic and Comoros, which joined subsequently) to have simultaneously accepted the obligations of the IMF's Article VIII, thus formally renouncing the right to impose exchange controls on current transactions and some capital movements. Chad was one of the first countries to benefit from an IMF stand-by credit after the 50% devaluation of the CFA franc in January 1994, and an agreement was signed with the IMF in September 1995 for a three-year Enhanced Structural Adjustment Facility (ESAF) programme.

—as spin-offs continue from devaluation—

Assessments of the effects of devaluation continue. A World Bank report at the end of 1995 noted that the devaluation had favoured countries like Chad which depended heavily on grants, for which counterpart funds more than doubled between 1993 and 1994. It also reduced the dependence on smuggled Nigerian petrol, which had been heavy in 1992-93 (there were recent reports, however, that the Bakassi dispute between Nigeria and Cameroon had been one of the causes of fuel shortages in Ndjamena in June-July). However, more than anything it has helped improve government receipts in Chad.

—although Cotecna's presence may have helped

This coincided with a two-year period, in which, on the advice of donors, the Chad Treasury was under the control of a Swiss firm, Cotecna. A report in the London-based *Africa Confidential* says it was brought in following the first IMF deal in 1994, and involved in particular "no access by the president to cash in the Treasury". The contract, says the newsletter, is now over.

Franc Zone news

Timid reforms in Paris get off the ground—

Although the French Ministry of Cooperation and the Caisse française de développement (CFD, the French state development bank) have interests outside the Franc Zone, they are so central to its existence and development prospects that discussion of major internal reforms last year caused much nervousness in the 14 zone capitals. Originally scheduled for September 1995, the reform process was blown off course by bureaucratic infighting in Paris. The creation in February of the Comité interministériel de l'aide au développement (CIAD) therefore marked the beginning of a process which reformers within the administration of the French president, Jacques Chirac, argue is long overdue.

—and a new committee meets

The permanent members of CIAD are a representative of the presidency, and one each from the cooperation, economy and finance, foreign affairs, defence, research, budget and foreign trade ministries. The first meeting of CIAD, on June 20, was chaired by the prime minister, Alain Juppé, and devoted to a study comparing French aid with that of other Western countries. Writing on the reforms in the French daily, *Le Monde*, a development specialist, François Cornu, surmised that they would involve "doing better with less" given the downward pressure on the total aid budget (it was reduced by 5% in the 1996 budget round). He pointedly remarked that this "timid reform" was far from the original aim of Mr Juppé, who had wanted a thorough restructuring, resulting in one single outlet for all aid expenditure.

There is a new UEMOA calendar for integration—

Heads of state of the seven members of the Union économique et monétaire ouest-africaine (UEMOA, the monetary group for the West African subregion of the zone) met in Ouagadougou in mid-May. From the governor of the Banque centrale des états de l'Afrique de l'ouest (BCEAO, the subregion's central bank), Charles Konan Banny, and from the president of the Banque ouest-africaine de développement (BOAD, its development bank), Boni Yayi, they heard of further progress on GDP growth, inflation and public finances since the CFA franc devaluation of January 1994. They also re-examined their timetable for regional integration. The process has already started, notably with the establishment of a Commission for the union in the Burkinabè capital and with the introduction in July 1995 of a transitional tariff regime set at 30% on an approved list of imports of UEMOA origin. By the end of 1997, the UEMOA expects its members to have made all the judicial and fiscal changes to allow the free movement of workers across borders; to have prepared the ground for the transformation of the Bourse des valeurs d'Abidjan into a regional stock market; to have agreed a common investment code and unified business legislation; and to have harmonised national indirect taxes. These are ambitious targets, and it should be noted that some of the proposed institutions of the UEMOA, such as a parliament in Bamako, remain on the drawing board. The union's plans for enhanced integration are clearly influenced by the EU via France, and it was perhaps not surprising that the guests at Ouagadougou included the president of the European Commission, Jacques Santer.

—and a new member is accepted

At the same gathering, the application of Guinea-Bissau for UEMOA membership was accepted. It is scheduled to become the eighth member in January 1997. There remain two hurdles to this programme. First, France is not on public record as supporting the idea. Bissau's prime minister, Manuel Saturnino Costa, discussed the matter with the French cooperation minister, Jacques Godfrain, in Paris in November 1995 but there was no official statement to support his claim of "a convergence of points of view". Second, there is the question of entry criteria, which were established, but not made public, in March 1994. Two years earlier, Bissau was told that "healthy public finances" were a prerequisite for UEMOA membership, and it is far from clear that this condition has since been met.

The zone ratifies Article VIII

The IMF announced that 12 members of the zone (all bar the Central African Republic (CAR) and Comoros) had accepted the obligations of its Article VIII with effect from June 25. This obliges them to refrain from imposing restrictions on current international transactions. Article VIII falls within the Fund's Articles of Agreement, which are designed, *inter alia*, to encourage balanced world trade. The CAR and Comoros followed suit in July.

Africa dominates Elf's agenda—

The results for 1995 from Elf-Aquitaine, currently France's most profitable company, highlight the importance to it of oil and gas production in Africa. Its crude oil output in Africa rose from 442,000 barrels per day (b/d) in 1994 to 465,000 b/d in 1995, accounting for 61% of Elf's total production. The rise was accounted for by its operations in Gabon (165,000 b/d), Nigeria (115,000 b/d), Congo (80,000 b/d) and Angola (78,000 b/d). "The solid acreage base" of Africa (the words of the Elf chairman, Philippe Jaffré) is set to expand further before the end of the decade, since the company is involved in a large project in southern Chad and may return to Algeria. Within its existing African operations there are further grounds for optimism, notably in Congo at Moho within the concession that also includes Elf's Nkossa field. The company has declined to confirm estimates from Brazzaville that put recoverable reserves at Moho at 43m tons, compared with 55m tons at Nkossa. On these projections, which may well prove conservative, production in Congo will reach the level of neighbouring Gabon. Even allowing for the hopes of Elf for the expansion of its chemicals and health divisions, oil and gas is expected to account for 60% of total turnover in 2000: on the basis of the above-mentioned prospects and also of encouraging trends from Nigeria and Angola, the share of Africa in Elf's total crude production is unlikely to fall. In 1996-99 Elf plans to invest FFr50bn ($9.7bn) in exploration and production of hydrocarbons.

—but *les Anglo-Saxons* are coming

French business in the zone faces a renewed challenge in its well-established markets from the USA. The late US commerce secretary, Ron Brown, opened a conference on investment in Africa in Washington in late September 1995. The momentum has been maintained since Mr Brown's untimely death, with the publication in May of a report, entitled *Growth and opportunities in Africa: the end of dependence*, by a bipartisan working party in Congress. The starting point of the study is that US relations should no longer be those of donor and recipient, but of seller and buyer. The group calls for the establishment of a free-trade zone with Africa by 2010, the development of a policy of partnership for investment and trade, and the creation of a body for relations with the continent along the lines of the Asia Pacific Economic Cooperation (APEC). The programme of partnership is costed at $1.5bn over five years, which the group feels should come from the budget of the US Agency for International Development (USAID). It is expected to include two new investment funds, and to support US corporate projects for cellular telephones (Motorola) and the building of a fibre optic cable linking all African countries (AT&T). The group argues that initially the programme should benefit the 17 African countries considered to be introducing economic reforms along the lines recommended by the World Bank and the Paris Club of official, bilateral creditors. The 17 are thought to include several within the zone. It is far from clear, however, that USAID welcomes the proposed loss of funds for its own agenda.

French interests in the zone are facing more immediate Anglo-Saxon competition from a UK-based shipping firm, OT Africa Line (OTAL), which is benefiting from the liberalisation of maritime transport in Senegal and Côte d'Ivoire. OTAL already has a strong base in Nigeria, which it opened at the time of the oil boom in 1975, and is looking to boost its 2% share of traffic between Europe and francophone Africa. OTAL has established a new French subsidiary, and has appointed Tristan Vieljeux to its board of directors. Mr Vieljeux was the head of the Delmas-Vieljeux shipping firm until it was taken over by the Bolloré group in 1991, and is well versed in business in the zone. OTAL's push is driven by the closure of several shipping firms in the subregion and by the interest shown by the European Commission in the dominant subregional position of Delmas.

France remains a healthy net exporter

Official French trade figures for 1995 underline the continuing value of semi-captive zone economies to the former colonial metropolis. Although France's three largest trading partners in 1995 remained Morocco, Algeria and Tunisia, it ran a trade surplus of FFr5bn with the zone. Cameroon was the only zone member with which France ran a large deficit (FFr473m). There were sizeable surpluses posted with Senegal (FFr1,333m), Congo (FFr764m), Gabon (FFr321m) and Côte d'Ivoire (FFr107m). France normally posts deficits with Gabon and Congo but its imports of fuel and energy products from the continent fell by 32% last year.

French imports from Africa, 1995

	FFr bn	% of total
Total	**56,942**	**100.0**
of which:		
Morocco	12,950	22.7
Algeria	7,529	13.2
Tunisia	7,246	12.7
Côte d'Ivoire	4,566	8.0
Nigeria	3,901	6.9
South Africa	3,219	5.7
Cameroon	2,625	4.6
Mauritius	1,676	2.9

Source: *Marchés tropicaux et méditerranéens*, Paris.

Appendix 1

Quarterly indicators of economic activity in Cameroon and Central African Republic[a]

		1993	1994				1995				1996
		4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr
CAMEROON											
Mining production	**Prodn/day**										
Crude petroleum	'000 barrels	110	110	108	110	110	100	100	100	100	90[b]
Prices	**Monthly av**										
Consumer prices:	1990=100	97.5	116.8	126.8	136.6	143.1	148.0	147.1	148.4	152.7	156.2[c]
change year on year	%	–2.0	21.3	32.6	39.4	46.8	26.7	16.0	8.6	6.7	n/a
Money	**End-Qtr**										
M1, seasonally, adj:	CFAfr bn	267.7	293.7	313.1	327.6	361.7	342.8	327.3	290.7	319.2	334.1
change year on year	%	–14.2	2.4	23.6	33.5	35.1	16.7	4.5	–11.3	–11.7	–2.5
Foreign trade[d]	**Annual totals**										
Exports fob	$ m	1,828	(	2,062		)	(	2,245		)	n/a
Imports cif	"	1,011	(	956		)	(	1,141		)	n/a
Foreign exchange	**End-Qtr**										
Central Bank	$ m	1.9	2.0	1.4	0.5	1.7	1.5	0.5	0.2	3.2	1.9
CAR											
Prices	**Monthly av**										
Consumer prices[e]:	1990=100	92.4	98.6	113.7	125.0	129.4	139.7	n/a	n/a	n/a	n/a
change year on year	%	–3.6	2.4	22.1	34.6	40.0	41.7	n/a	n/a	n/a	n/a
Money	**End-Qtr**										
M1, seasonally adj:	CFAfr bn	61.32	70.85	87.08	96.20	107.15	117.90	114.33	115.54	115.51	101.18
change year on year	%	17.0	32.4	63.0	65.2	74.7	66.4	31.3	20.1	7.8	–14.2
Foreign trade[d]	**Annual totals**										
Exports fob	$ m	132	(	140		)	(	187		)	n/a
Imports cif	"	422	(	472		)	(	189		)	n/a
Foreign exchange	**End-Qtr**										
Central Bank	$ m	111.81	152.77	190.43	208.92	209.86	248.00	252.29	244.90	233.48	210.32

Note. Annual figures of most of the series shown above will be found in the Country Profile.
[a] See Appendix 2 on Chad for exchange rate. [b] Figure for April 1996, 100. [c] Average for January-February. [d] *DOTS* estimate. [e] "African" households, Bangui.

Appendix 2

Quarterly indicators of economic activity in Chad

		1993	1994				1995				1996
		4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr
Prices	**Monthly av**										
Consumer prices:	1990=100	94.0	109.7	136.9	142.6	137.6	139.0	n/a	n/a	n/a	n/a
change year on year	%	–3.4	13.6	52.3	50.7	46.4	26.7	n/a	n/a	n/a	n/a
Money	**End-Qtr**										
M1, seasonally adj:	CFAfr bn	48.53	68.28	75.86	77.50	63.95	52.05	52.07	72.79	94.12	104.02
change year on year	%	–27.0	19.0	35.7	21.1	31.8	–23.8	–31.4	–6.1	47.2	99.8
Foreign trade[a]	**Annual totals**										
Exports fob	$ m	66	(	82		)	(	99		)	n/a
Imports cif	"	141	(	143		)	(	184		)	n/a
Exchange rate	**End Qtr**										
Cameroon, CAR, Chad[b]	CFAfr:$	294.8	571.0	547.2	528.2	534.6	484.9	485.3	491.5	490.0	503.2[c]

Note. Annual figures of most of the series shown above will be found in the Country Profile.
[a] *DOTS* estimate. [b] Market rate. [c] End-May 1996, 519.5.

Appendix 3

Direction of trade in Chad[a]

($ m)

Exports fob	Jan-Dec 1991	Jan-Dec 1992	Jan-Dec 1993	Jan-Dec 1994	Imports cif	Jan-Dec 1991	Jan-Dec 1992	Jan-Dec 1993	Jan-Dec 1994
South Korea	n/a	n/a	6	19	France	87	94	61	56
Portugal	26	23	18	18	Cameroon	14	22	29	37
Germany	13	16	13	13	Nigeria	9	10	11	11
France	5	4	7	8	USA	15	6	9	8
Costa Rica	n/a	n/a	4	5	Belgium-Luxembourg	8	2	6	6
Belgium-Luxembourg	1	3	2	3	Japan	5	4	4	4
Total incl others	**94**	**73**	**66**	**82**	**Total incl others**	**169**	**164**	**141**	**143**

[a] *DOTS* estimate.

Appendix 4

Foreign trade of Cameroon

($ m)

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	Jan-Dec 1989[a]	Jan-Dec 1990[c]	Jan-Dec 1991[a]
Coffee	214.68	209.36	86.51
Cocoa & products	196.16	220.38	361.27
Wood & cork	141.32	165.28	231.13
Cotton, raw	68.69	121.21	110.00
Petroleum, crude	229.59	1,134.94	1,371.89
Machinery & transport equipment	66.81	n/a	217.29
Total incl others	**1,281.61**	**1,873.21**	**2,892.47**

Exports fob[d]	Jan-Dec 1991	Jan-Dec 1992[e]	Jan-Dec 1993[e]	Jan-Dec 1994[e]	Imports cif[d]	Jan-Dec 1991	Jan-Dec 1992[e]	Jan-Dec 1993[e]	Jan-Dec 1994[e]
France	817	464	342	383	France	478	517	378	338
Italy	173	203	200	286	Belgium-Luxembourg	62	69	59	63
Spain	131	302	288	285	USA	79	63	50	59
Senegal	3	67	131	196	Germany	127	108	48	54
Netherlands	311	153	129	119	Senegal	18	30	42	54
Germany	46	94	98	106	Japan	72	56	54	38
USA	44	82	101	55	Italy	58	52	39	37
Total incl others	**1,909**	**1,803**	**1,828**	**2,062**	**Total incl others**	**1,345**	**1,304**	**1,011**	**956**

[a] Source, UN. [b] Figures for 1990 are not available. [c] Estimate. [d] Source, *DOTS*. [e] Estimates.

Appendix 5

Foreign trade of Central African Republic

	$ '000	
Imports cif	**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**

	CFAfr bn	
Exports fob	**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**

	$ m			
Exports fob[a]	**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**

	$ m			
Imports cif[a]	**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.

Appendix 6

French trade with Cameroon, Central African Republic and Chad

($ '000)

	Cameroon			CAR			Chad		
	Jan-Dec 1992	Jan-Dec 1993	Jan-Dec 1994	Jan-Dec 1992	Jan-Dec 1993	Jan-Dec 1994	Jan-Dec 1992	Jan-Dec 1993	Jan-Dec 1994
Exports fob									
Cereals & preparations	38,379	22,728	22,725	5,251	7,292	5,797	5,911	5,549	5,072
Sugar & preparations	4,453	3,237	7,336	58	0	15	21	0	621
Beverages	6,644	4,265	3,748	1,391	553	554	128	266	239
Chemicals	114,323	94,413	66,889	10,915	11,998	12,189	6,738	11,654	9,720
Rubber manufactures	4,790	4,460	5,075	789	451	685	553	546	818
Paper etc & manufactures	11,107	10,608	7,852	1,651	1,023	1,322	1,016	1,250	1,363
Textile fibres & manufactures, incl clothing	14,140	11,100	8,845	1,892	954	981	977	628	486
Non-metallic mineral manufactures	14,898	8,235	6,983	389	285	163	1,535	788	466
Iron & steel	5,777	3,794	2,025	339	273	308	553	433	932
Non-ferrous metals	1,933	4,704	2,690	136	0	138	446	341	110
Metal manufactures	21,706	18,417	15,002	2,340	1,237	1,976	7,975	2,255	1,984
Machinery incl electric	114,977	87,647	80,406	20,075	11,029	14,928	32,476	18,789	14,919
Road vehicles	36,878	20,068	26,883	7,481	3,248	6,561	17,589	5,449	8,806
Other transport equipment	4,841	6,527	8,820	91	0	717	275	0	163
Scientific instruments etc	10,529	7,921	5,484	1,267	1,262	1,232	1,664	1,002	1,840
Total incl others	**473,031**	**360,418**	**305,143**	**60,783**	**46,277**	**52,546**	**84,793**	**58,503**	**51,829**
Imports cif									
Fruit & vegetables	70,066	97,407	106,490	1	0	10	9	0	0
Coffee, cocoa, tea & spices	41,761	41,827	45,694	1,335	1,938	5,241	0	0	0
Tobacco, unmanufactured	103	0	0	977	1,895	608	0	0	0
Rubber, crude	16,571	20,292	16,097	0	0	21	0	0	0
Wood & cork & manufactures	47,492	53,144	107,144	333	110	312	0	0	0
Textile fibres & waste	3,144	956	1,164	18	138	109	556	318	196
Petroleum & products	257,138	135,731	73,930	0	0	0	0	0	0
Textile yarn & manufactures	456	1,258	4,933	0	0	0	0	0	0
Non-ferrous metals	71,301	37,889	68,309	61	0	0	0	0	0
Total incl others	**516,892**	**394,676**	**431,252**	**3,647**	**4,660**	**8,457**	**4,795**	**8,148**	**9,236**